



3704260185

**THE RATE OF ADOPTION OF
FORMALISED STRATEGIC MARKETING
PLANNING (FSMP) BY THE LIBYAN
COMMERCIAL BANKS (LCBs).
AN EXPLORATORY STUDY**

PARK LIBRARY
UNIVERSITY OF GLOUCESTERSHIRE
The Park Campus
Cheltenham GL50 2RH
Tel: 01242 714333

FTHIA RAMDAN .M. ABUSAFRITA

**FOR
REFERENCE ONLY**

A Thesis Submitted to
The University of Gloucestershire
in Accordance with the Requirements of the Degree of
Doctor of Philosophy
in the Faculty of Business, Education and Professional
Studies

April 2011

Author's Declaration

I declare that the work in this thesis was carried out in accordance with the regulations of the University of Gloucestershire and is original except where indicated by specific reference in the text.

No part of the thesis has been submitted as part of any other academic award. The thesis has not been presented to any other education institution in the United Kingdom or overseas.

Any views expressed in the thesis are those of the author and in no way represent those of the University.

Signed:.....

Date: April 2011

The Rate of Adoption of Formalised Strategic Marketing Planning (FSMP) By the Libyan Commercial Banks (LCBs). An Exploration Study

By: FTHIA ABUSAFRITA

Abstract

The purpose of this thesis is to understand and explore the foundations of FSMP process in the banking industry. The primary research objectives are: to identify the managerial and performance related benefits of an FSMP approach; to understand the process of FSMP practice in the LCBs; to analyse the impact of contextual factors (internal and external factors) on the current state of development of an FSMP approach in the LCBs; and to conclude as to the potential benefits of an enhanced rate of FSMP adoption and recommend how it would best be achieved.

It is important here to confirm that the research was carried out prior to the events in Libya in February 2011. Since the ideas for this research were based on the reality within the largest commercial banks situated in Libya, an interpretive approach was considered the appropriate option to address the research questions posed. Therefore, this study opted for a realistic approach because of its exploratory power and its adequacy to reveal the underlying causes of FSMP within this industry. To address the research objectives the survey strategy has chosen to answer the research questions. The combination of qualitative, quantitative techniques and archival data suggested by the interpretive philosophy and deductive approach is used for the reasons given above. The descriptive statistic analysis is used to analyse the structured questionnaires, and the pattern matching and coding analysis is utilised in order to analyse the semi-structured interviews.

The major findings revealed that comprehensive strategic plans are in place, but that the processes by which they are created have significant limitations. In addition, FSMP in the LCBs is still evolving and that it is, currently, in growth. In terms of marketing lifecycle, marketing in LCBs is in its infancy stage, it was found, contrary to expectations that marketing departments have only been established recently. For this reason a number of barriers to FSMP were found. Based on these results, LCBs need to be aware of the strengths that they have and consider how to take advantage of them to capture the current opportunities in the Libyan market, without allowing their weaknesses and limitations to threaten their future and impede the banks' full potential.

The main contributions of the current research are: understanding of the process of FSMP that is being introduced into LCBs; determining the contextual factors that affect the implementation of FSMP; identifying the major barriers to the success of the implementation of FSMP and providing a practical framework for FSMP in the LCBs in order to enhance its success.

Acknowledgment

This study is dedicated to God for making it real. Extensive thanks goes to my supervisors for their patience, kindness and support, Dr. David Newton and Dr. Paul Hopkinson who have guided me in this journey.

I am indebted to many people who have made this research possible: the senior managers in the LCBs who allowed me to interview them and the directors who gave their time filling in the questionnaires.

My special thanks go also to Dr. Philippa Ward and Barry Davies for their advice in the initial stages of the research.

I would like to express my great thanks to the staff of the learning centre within the Gloucestershire University for their help in the process of checking the language, and my special thanks go to Lynda, Janet, Aina, Chris and Louise. Many thanks to those in the Gloucestershire University library who have helped me.

My heartfelt sympathy goes to my parents who have had to put up with my absences when I had to conduct this research. To all my brothers and sisters who believed in me during this journey, to my nephews and nieces, especially to my nephew Islam whose words of prayers filled my empty moments. In particular, I would like to thank my sister Nora for her support, encouragement and belief in me. I would like to express my sincere gratitude to my brother Mohammed and his family for standing in for me at home and for taking care of my mother when I was away.

Finally, I send my thanks to everybody who has helped me in doing this research if I forgot to name them.

List of Contents

Author's Declaration	I
Abstract.....	II
Acknowledgment.....	III
List of Contents	IV
List of Tables	IX
List of Figures.....	X
List of Appendices.....	XI
List of Abbreviations	XII
Chapter 1 Research Background.....	1
1.1 Introduction.....	1
1.2 Significance of the Research.....	2
1.3 Research Questions.....	4
1.4 Research Objectives.....	5
1.5 Research Methodology	6
1.6 Researcher Interest.....	7
1.7 The Proposed Model.....	7
1.8 Main Outcomes and Contributions.....	10
1.9 Overview of Chapters	11
Chapter 2 The Libyan Context.....	13
2.1 Introduction.....	13
2.2 Background of Libya	13
2.2.1 Location	13
2.2.2 General Conditions	14
2.2.3 The Libyan Intercultural Management	15
2.2.4 The Political System in Libya:.....	17
2.2.5 The Role of Oil in the Libyan Economy.....	18
2.2.6 The State of the Libyan Development Plans.....	19
2.2.7 The Development of the Libyan Economy	19
2.2.8 Libya's Economic Problems	21
2.2.9 The Impact of US/UN Sanctions on Libyan Foreign Policy	21
2.3 The Libyan Financial Sector.....	23
2.3.1 The Banks Working in Libya.....	24
2.3.1.1 The National Commercial Bank (NCB).....	25
2.3.1.2 The Gumhouria Bank.....	27
2.3.1.3 The Sahara Bank	28
2.3.1.4 The Umma Bank	28
2.3.1.5 The Wahda Bank.....	28
2.3.1.6 The National Agricultural Bank (NAB).....	29
2.3.1.7 The Industrial and Real Estate Bank of Libya	29
2.3.1.8 The Libyan Arab Foreign Bank (LAFB)	29
2.3.2 Priorities in Financial Sector Reform.....	30
2.4 Transformation of the Libyan Economy.....	31
2.4.1 Drivers of Economic Transformation Programme.....	31

2.4.2	The Usage of Sophisticated Technology on Libya	33
2.5	Chapter Summary	35

Chapter 3 Formalised Strategic Marketing Planning (FSMP).....36

3.1	Introduction.....	36
3.2	Part one: Strategic Planning.....	41
3.2.1	The Organisation's Goals and Objectives.....	41
3.2.2	Strategy	42
3.2.2.1	Concept of Strategy.....	42
3.2.2.2	Levels of Strategy	44
3.2.3	Planning	45
3.2.3.1	Levels of Planning.....	45
3.3	Strategic Planning	49
3.3.1	Concept of Strategic Planning.....	49
3.3.2	Purpose of Strategic Planning	51
3.3.3	Strategic Planning Committees.....	52
3.3.4	Barriers to Implementation of Strategic Planning.....	54
3.3.5	Strategic Planning Tools	55
3.3.6	Characteristics of Strategic Planning	57
3.4	Organisational Performance	57
3.5	Formalised and Non-Formalised Strategic Planning and Performance.....	61
3.6	PART TWO FSMP	68
3.6.1	Concept of Marketing Strategy	68
3.6.2	Barriers to Marketing Strategy.....	73
3.6.2.1	External Barriers	73
3.6.2.2	Internal Barriers	74
3.6.3	Marketing Planning.....	76
3.6.4	Marketing Strategy & Marketing Planning Effectiveness	77
3.6.5	Marketing Strategy, Marketing Planning and Performance.....	79
3.6.6	Marketing Department and Marketer Capabilities.....	82
3.6.7	Strategic Decision-Making.....	84
3.6.7.1	Types of Decision-Making.....	84
3.6.7.2	Culture and Decision-Making.....	87
3.6.7.3	Barriers to Strategic Decisions-Making.....	89
3.6.8	Strategic Marketing Planning (SMP).....	90
3.6.9	Strategic Marketing Planning (SMP): Emergent vs deliberate approaches	91
3.6.10	Strategic Marketing Planning and Performance	93
3.6.11	Strategic Marketing Planning Orientation	94
3.7	Business Environment	97
3.7.1	External Environment (Macro-environment).....	100
3.7.1.1	Political Conditions.....	100
3.7.1.3	Social and Cultural Conditions	101
3.7.1.4	Technological Conditions	102
3.7.2	Internal Environment	103
3.7.2.1	Size of Organisation.....	104
3.7.2.2	Organisational Structure.....	105
3.7.2.3	Organisational Culture	107
3.7.2.4	Service Quality.....	108
3.7.2.5	Leadership.....	109
3.7.3	The Relationship between SMP, Organisational Environment and Performance	111
3.7.4	Competitive Strategies	114

3.8	Chapter Summary	116
Chapter 4 Research Methodology 118		
4.1	Introduction.....	118
4.2	Rationale for the Study	119
4.3	Research Philosophy.....	119
4.4	Paradigm Classifications.....	120
4.4.1	Positivism.....	121
4.4.2	Post-positivism.....	122
4.4.3	Interpretivist.....	122
4.5	Research Design	124
4.6	Research Strategy	126
4.7	Research Methodology	128
4.8	Research Methodology Approach	129
4.9	Selection of the Sample	130
4.10	Procedures for Contacting the Banks.....	130
4.11	Pilot Study.....	131
4.12	Methods of Data Collection.....	133
4.12.1	Interview	134
4.12.1.1	Semi-Structured Interview	135
4.12.1.2	Data Analysis	136
4.12.1.3	Analysing the Interviews	136
4.12.1.3.1	Pattern Matching and Coding Analysis.....	137
4.12.1.3.2	Process of Pattern Matching.....	138
4.12.2	Questionnaire	142
4.12.2.1	Choice of Respondents.....	143
4.12.2.2	Survey Method.....	144
4.12.2.3	Questionnaire Design.....	145
4.12.2.4	Questionnaire Data Analysis.....	146
4.12.3	Secondary Data	147
4.13	Limitations of the Approach Selected	148
4.14	Triangulation Approach.....	152
4.15	Research Ethics.....	152
4.16	Chapter Summary	153
Chapter 5 Quantitative Results 155		
5.1	Introduction.....	155
5.2	Research Sample Profile.....	155
5.3	The Managerial and Performance Related Benefits of an FSMP Approach:157	
5.3.1	Bank Goals and Strategies	157
5.3.2	Marketing Goals and Strategies	158
5.3.3	Formal Strategic Marketing Planning.....	159
5.4	The Process of SMP Practice in the LCBs	163
5.4.1	Strategic Planning Committees.....	163
5.4.2	Marketing Departments and Staff Capabilities.....	165
5.5	The Impact of Contextual Factors (Internal and External Factors) on the Current State of Development of an FSMP Approach in the LCBs.....	166
5.5.1	Internal Factors (Weaknesses and Strengths)	166
5.5.1.1	Organisational Structure	167
5.5.1.2	Superiors and Subordinate-Employee Relations.....	169

5.5.1.3	Functional Competencies and Work System, Staff Skills and Training and Development of the LCBs.....	170
5.5.1.4	Sources of Information and Delegation of Decision-Making	173
5.5.2	The External Factors	181
5.5.2.1	Opportunities and Threats of the LCBs	181
5.6	The Benefits of FSMP	184
5.7	Chapter Summary	191
Chapter 6	Qualitative Results	192
6.1	Introduction.....	192
6.2	The Process of FSMP Practice in the LCBs	193
6.2.1	Motivations for the Introduction of FSMP	193
6.2.2	Strategic Marketing Planning Committees	195
6.2.3	Marketing Department and Marketer Capabilities.....	196
6.3	The Managerial and Performance Related Benefits of an FSMP Approach.....	197
6.3.1	The LCBs' Goals and Strategies	198
6.3.2	The LCBs Marketing Goals and Strategies.....	200
6.3.3	Formal Strategic Marketing Planning	202
6.3.4	Major Barriers to the Implementation of the FSMP	204
6.4	The Impact of Contextual Factors on the Current State of Development of FSMP Approach in the LCBs	205
6.4.1	Internal Factors.....	206
6.4.1.1	Sources of Information.....	206
6.4.1.2	Delegation of Decision-Making.....	208
6.4.1.3	Superiors and Subordinates-Employee Relations	209
6.4.1.4	Functional Competencies and Work System of the LCBs.....	211
6.4.1.5	The LCBs' Staff Skills and Training and Development.....	212
6.4.1.6	Customer Service and Customer Motivations	213
6.4.1.7	Strengths and Weaknesses of the LCBs.....	215
6.4.2	The External Factors	217
6.4.2.1	Regulations and Laws of the LCBs.....	217
6.4.2.2	Governmental Policies	218
6.4.2.3	Technological Change.....	218
6.4.2.4	Threats and Opportunities for the LCBs	219
6.5	LCBs' Performance, Competitive Position and the Banking Industry Future	222
6.6	Chapter Summary	223
Chapter 7	Discussion of Research Results	225
7.1	Introduction.....	225
7.2	Motivations for the Introduction of FSMP	225
7.3	FSMP Facilities.....	227
7.4	Staff Roles in FSMP	230
7.5	Goals and Strategies of the LCBs	232
7.6	Formal Strategic Marketing Planning.....	233
7.7	Sources of Information and Delegation of Decision-Making.....	235
7.8	Opportunities, Threats, Strengths and Weaknesses of the LCBs.....	236
7.9	LCBs' Performance and Competitive Advantages.....	240
7.10	Chapter Summary	243

Chapter 8 Conclusions and Recommendations.....	245
8.1 Introduction.....	245
8.2 Research Aim, Objectives and Findings.....	246
8.2.1 Research Objective One.....	247
8.2.1.1 Drivers of Change in the use of Strategic Marketing Planning Practice 247	
8.2.1.2 FSMP Facilities.....	248
8.2.1.3 Marketing Department and Marketer Capabilities.....	250
8.2.2 Research Objective Two	252
8.2.2.1 LCBs' Goals and Strategies	252
8.2.2.2 Marketing Goals and Strategies for LCBs	254
8.2.2.3 Major barriers to Implementation of FSMP.....	255
8.2.3 Research Objective Three	256
8.2.3.1 Internal Factors	257
8.2.3.2 The Performance, Competitive Position and Future of LCBs	260
8.2.4 Research Objective Four.....	262
8.3 Contribution to knowledge	264
8.4 Policy Implications	268
8.5 Study recommendations.....	269
8.5.1 Recommendations for the LCBs.....	269
8.5.2 Recommendations for the Libyan government.....	270
8.5.3 Recommendations for Future Research	271
8.6 Research Implications.....	272
8.7 Limitations of the Study	273
8.8 What Could Be Done Differently	275
8.9 Reflection for the Western Context	275
8.10 Personal Reflections	275
REFERENCES.....	277
APPENDICES.....	324

List of Tables

Table 2.1 Summary of Information of the Libyan Situation.....	14
Table 2.2 Internet Usage Statistics for Africa.....	34
Table 3.1 the Strategy Definitions	43
Table 3.2 Formal and Non-Formal Planners.....	48
Table 3.3 Definitions of Strategic Planning.....	49
Table 3.4 Differences between Managers and Leaders	111
Table 4.2 the Questionnaires Distribution to the Branches.....	133
Table 4.3 The Coding Sheet.....	141
Table 4.4 Purposed Respondents	143
Table 4.5 the Questionnaire Distribution and Percentage of Return	144
Table 4.6 the Interpretation of the Descriptive Statistic Analysis	147
Table 5.1 the Number and the Percentage of Collected Questionnaires.....	156
Table 5.2 The Respondents' Experience in the Banks.....	156
Table 5.3 Strategic Goals	157
Table 5.4 Goals and Strategies Communication	157
Table 5.5 Strategic Marketing Goals and Strategies.....	158
Table 5.6 FSMP	160
Table 5.7 The Legal/Regulatory Issues.....	160
Table 5.8 Type and Frequency of FSMP	161
Table 5.9 Strategic Marketing Plan' Contents	161
Table 5.10 SMP Committees and Participating in the Process of the LCBs	163
Table 5.11 SMP Facilities	164
Table 5.12 The Role of Staff in Formulating SMP and their Capability Level	165
Table 5.13 The Internal Organisational Audit for LCBs	167
Table 5.14 The LCBs' Organisational Structure.....	168
Table 5.15 Superiors and Subordinates-Employee Relations in the LCBs.....	169
Table 5.16 Organisational Environment of the LCBs.....	171
Table 5.17 Functional Competencies and Training and Development of LCBs' Employees	172
Table 5.18 Training in Marketing	172
Table 5.19 Information about External Environment	173
Table 5.20 Collecting Data	174
Table 5.21 The Type of Internal Collected Data.....	174
Table 5.22 The Type of External Collected Data	176
Table 5.23 External Information Included in the LCBs' SMP	177
Table 5.24 Frequency of Information about Financial Performance	178
Table 5.25 Participation in the Strategic Decision-Making	180
Table 5.26 Opportunities and Threats for the LCBs.....	182
Table 5.27 General Conditions for the LCBs.....	183
Table 5.28 Measuring Performance	185
Table 5.29 The Relationship between the LCBs Performance and SMP	185
Table 5.30 The Favourite Measurement for the LCBs	186
Table 5.31 The Financial Measurement for LCBs.....	187
Table 5.32 The Financial Measurement for LCBs.....	188
Table 5.33 The Competitive Strategies of the LCBs	190

List of Figures

Figure 2.1 Map of Libya	14
Figure 3.1 Strategic planning	37
Figure 4.1 the Sociological Theory	120
Figure 4.2 the Research Philosophy Continuum	121
Figure 4.3 Diagram Summarising the Research Framework	139
Figure 5.1 The Respondents' Experience	156
Figure 5.2 Environmental Scanning	162
Figure 5.3 The Capabilities of the Planning Managers	166
Figure 5.4 Collecting Information about Customer Satisfaction	175
Figure 5.5 Information about Demographic Trends	176
Figure 5.6 Information about Economic Factors	177
Figure 5.7 the Technological Breakthroughs	178
Figure 5.8 Collecting Information about Financial performance	179
Figure 5.9 Strategic Decision-Making	180
Figure 5.10 Strategic Plans Included Measuring Performance	185
Figure 5.11 Good Relationships with Customers, Suppliers and Government	190
Figure 8.1 Sources of Information and Their Usage*	257
Figure 8.2 The Adoption of FSMP by the LCBs	268

List of Appendices

Appendix A	The Libyan political stability.....	322
Appendix B	The Libyan Development Plans.....	323
Appendix C	Comparison Of GDP Between Libya And Some Other Countries.....	324
Appendix D	The Significant Stages That Distinguished Libya After The Revolution.....	325
Appendix E	The Gumhouria Bank's Strategic Initiatives Under Civil Society Organisations (Csos) Responsibility 2009-2011.....	326
Appendix F	The Marketing Department Responsibilities In The Gumhouria Bank.....	328
Appendix G	Some Banking Laws.....	329
Appendix H 1 & 2	The organisational structures.....	331
Appendix I	The Financial Indicators of the Banks.....	333
Appendix J	The Banks Branches.....	334
Appendix K	The Employees distribution.....	335
Appendix L	Explained Letter to the Training Department.....	336
Appendix M1 & 2	Consent Form.....	337
Appendix N	The Questionnaire.....	339
Appendix O 1&2	The Bank reputation.....	347
Appendix P	An Interview.....	349

List of Abbreviations

Abbreviation	Full Name
5Ps mix	Promotion, Product, Place, Price & People
ATM	Automated Teller Machines
bn	Billion
mn	Million
CBL	The Central Bank of Libya
CEO	Chief Executive Officer
EIU	Economist Intelligence Unit
ESDF	The Economic and Social Development Fund
FDI	The Foreign Direct Investment
SMP	Strategic Marketing Planning
FSMP	Formalised Strategic Marketing Planning
GDP	The gross domestic product
GPC	The General People's Committee
HIV	The Human Immunodeficiency Virus
HR	Human Resource
IMF	The International Monetary Fund
LCBs	The Libyan Commercial Bank
LYD	Libyan Denar
LFB	The Libyan Foreign Bank
LIA	The Libyan Investment Authority
NPS	The National Payment System
R&D	Research and Development
RCC	The Revaluation Command Council
SBU	Strategic Business Unit
SLEPT	Social, Legal, Economic, Political, and Technological factors
SMP	Strategic Marketing Planning
SPSS	Statistical Package for Social Sciences programme
SWIFT	The Society for Worldwide Interbank Financial Telecommunication
SWOT	Strengths, Weaknesses, Opportunities and Threats
UAE	The United Arab Emirate
UN	The United Nation
WDP	The Wealth Distribution Programme
WTO	The World Trade Organisation

The Codes of Interviewees

Bank name	Date	Res. Code
Gumhouria Bank	18.Aug	1
	23.Aug	2
Wahda Bank	27.Aug	3
	17.Sep	4
Sahara Bank	24.Sep	5
	4.Oct	6
National Commercial Bank (NCB)	20.Aug	7
	7.Oct	8

Chapter 1 Research Background

1.1 Introduction

Steiner (1979) stated that if an environment is distinguished by low complexity, slow change and where there are weak competitive pressures on a firm, it would not be necessary to adopt a strategic planning process. Due to the nature of the Libyan economy (increasingly liberalised but remaining for the most part a closed economy), there has been little pressure to adopt a formalised strategic planning process, usually associated with larger companies in the world's more open market economies. However, as the Libyan market becomes increasingly open to international competitive pressures, such techniques become essential.

Strategic marketing planning (SMP) can improve an organisation's competitiveness by being responsive to the change in market conditions (Brooksbank, 1994). There is a strong relationship between environmental change and strategic planning intensity, which means that, in order to cope with a changeable environment, the organisation should use strategic planning (Ansoff, 1991 and Miller & Friesen, 1983).

Developing countries in general are influenced by different external factors. Libya as one of these countries has been affected by several economic and political conditions, which isolated the country from the world for more than two decades (See chapter 2). These conditions have changed. Changes include, for example, the resumption of relationships between Libya and the US, especially the economic relationship; trends toward privatisation; trends toward diversification of the economy; efforts to reform the banking sector (Otman & Karlberg, 2007) and finally opening the country to Foreign Direct Investment (FDI). It is important to mention that international banks have entered the Libyan market via joint ventures (Financial Services Volunteer Corps, 2009). For example, First Gulf Bank based in the UAE entered Libya via the Economic and Social Development Fund (ESDF) (Siply, 2008). The Libyan policy to attract foreign banks is aimed at improving the level of local employee skills, the level of available products and services and to import new technology (Oxford Business Group {OBG}, 2008).

Economic growth (investment, spending and imports) in Libya is driven by the government (Otman & Karlberg, 2007). As a result of rising oil prices in 2007, the Libyan government decided to reform the economic sector and transform it to a market economy. It decided to ease exchange controls and liberalise foreign trade.

Restructuring the public sector by focusing on privatisation has become the structural key to transition to a market economy. For this reason, the government has introduced an investment programme in order to attract substantial funding between 2008 and 2012. The investment programme involves the banking sector, which was dominated by the public sector. The government decided to sell parts of the commercial banks' shares to foreign institutions. Privatising the state-owned banks and upgrading the payments system are some of the current government tasks that will enable it to reform the financial sector (Libya, 2008).

The government has made several structural reforms. For example, it decreased its role in productive economic sectors, increased transparency in public affairs, reforming, diversifying, and privatising the banking and financial system (OBG, 2008). Libya has a healthy financial situation, which allows the government to use the oil/gas revenue in order to ease the transition to a market economy, thus making diversification and growth in the non-oil/gas sector easier (Otman & Karlberg, 2007). Since 2007, LCBs have adopted new strategic plans in order to deal with these changes and because of these changes the banking industry was chosen as the industry of study to examine the adoption of FSMP.

1.2 Significance of the Research

Various writers and schools have expressed the importance of FSMP as a basis for success in the changeable business environment, e.g. McDonald (1996). This research reflects this point by showing the importance of a changeable environment to the introduction of FSMP into LCBs. It was carried out prior to the events in Libya in February 2011. The banking industry has a significant role to play in developing the Libyan economy and this research aims to discover the sources that will help the long-term success for this industry. Baker, Hart, Black & Abdel-Mohsen (1986) stated that the reason for a growing interest in strategic planning is varied, but mostly it is due to the dramatic changes in the overall business environment.

Little research has been carried out to investigate the FSMP process in other contexts in developing countries. According to Efendioglu & Karabulut (2009), there are only a few studies on strategic planning in developing countries, notably in Egypt, Bahrain, Saudi Arabia, UAE, Turkey, and China. One of the purposes of the current study is to extend previous research by examining the nature and practice of FSMP in a different environmental context than that of the LCBs. In this regard, so far, no research has addressed this issue in the LCBs before or after the process of market opening, and, no study has investigated how changes in the opening of the Libyan market have affected the LCBs strategic planning, organisational configuration, strategy making-decisions, and specialisation. LCBs have only recently launched marketing departments and have just applied FSMP. Therefore, the current study aims to discover the key drivers for adopting this process, and the circumstances around introducing this strategy and how they plan to apply it. In general, bringing new data sets from other markets will provide valuable information and enrich our understanding of the issue.

This study attempts to create and implement a model that incorporates the previous components, since the opening of the Libyan market.

Webster (1984) believed that a good Strength, Weaknesses, Opportunities and Threats analysis (SWOT) facilitates the development of strategy by capitalising on an organisation's strengths, minimising its weaknesses, taking advantages of opportunities and avoiding threats. Therefore, in order to have a clearer understanding of the Libyan banking industry's market situation, the researcher implemented a SWOT analysis in order to provide a comprehensive picture of the LCBs market. An FSMP approach has given the LCBs more time to adjust and to accumulate resources in order to overcome their weaknesses. By adopting this approach, LCBs will be allowed to influence the business environment over time.

The current study highlights the strategies that are being implemented in the next few years. It also focuses on the tools and facilities that LCBs use to achieve strategy success. In general terms, the study explores the FSMP practice of the LCBs by building upon a framework of several studies, e.g. Claycomb, Germain & Dröge, (2000); McDonald, (2006). In other words, it analyses the framework of FSMP employed by Western organisations and compares them to the practice used by LCBs, taking into account the changes that Libya was and is going through, particularly its impact on the banks in Libya.

There is no evidence of published research into FSMP practices in the Arab countries and specifically in Libya; therefore, the current research investigation attempts to explore the bigger picture of FSMP practice in the LCBs by assessing, analysing and, most importantly, understanding the internal and external Libyan business environment. This knowledge can inform Libyan managers and government, researchers and the future investors about the marketing circumstances in Libya. Particularly, this study provides a basic database for further research to examine the effect of FSMP on performance in the LCBs.

The Libyan financial sector is going through a period of reform and development as explained earlier. As a result, FSMP has become extremely important. This research could be seen as a test of applying privatisation, particularly via foreign investment, as a new strategy in the transitional economy, and which has had a significant effect on developing the LCBs' capabilities and their competitive advantage. The privatisation programme adopted by the Libyan government aims to strengthen the state-owned organisations and to benefit from foreign institutions. The current research has several implications for marketers and top managements in general, who are responsible for implementing the strategy (see Chapter 8, section 4).

1.3 Research Questions

The purpose of creating enterprises is to achieve long and short-term objectives (Bradmore, 1996). To achieve this purpose most organisations use strategic planning, which allows them to choose the appropriate strategy and manage their resources to achieve competitive advantage in their way of dealing with environmental changes (Bradmore, 1996 and John, 1992).

The main aim of this study is to answer the following questions:

1. What are the managerial and performance related benefits of an FSMP approach?
2. What is the process of FSMP practice in the LCBs?
3. What is the impact of contextual factors (internal and external factors) on the current state of development of FSMP approach in the LCBs?
4. What are the potential benefits of an enhanced rate of FSMP adoption and how might this be achieved?

These questions need to be answered in order to understand why and how FSMP should be adopted by LCBs. The study focuses on the contextual factors affecting the adoption and the implementation of this process in the LCBs. It also considers whether the internal and external environment enables LCBs to compete and be successful.

Strategic planning involves all departments in an organisation; it affects their management and operation. The current research concentrates on a new department that has been established recently in the LCBs, namely the Marketing Departments and the strategies adopted by these departments. For this, the study also investigates the following questions:

- Why marketing departments were established? What is the level of capabilities of the staff in these departments?
- What is the role of staff in formulating and implementing FSMP?
- What goals and strategies have been adopted by LCBs for the following years?
- What are the barriers that face the LCBs in implementing their strategies?
- How have LCBs prepared themselves to face these challenges?

The researcher believes that answering these questions will illuminate understanding of why and how LCBs have responded to the current changes in the country.

1.4 Research Objectives

This thesis will explore and describe the motivations behind introducing FSMP to the LCBs, and, per se, the task is exploratory by nature (See chapter 4). The thesis considers the Libyan general circumstances as part of the study and attempts to give an exploration of cultural diversity, i.e. work environment, staff values and attitudes.

Overall, the research aims to study, assess, and analyse FSMP practice in the LCBs by examining the effect of internal and external factors (e.g. the work system, strategic decision-making, organisational culture, and government policies) on the process of FSMP. To aid in the achievement of these overall aims the core research objectives are:

1. To identify the managerial and performance related benefits of a FSMP approach;
2. To understand the process of FSMP practice in the LCBs;

3. To analyse the impact of contextual factors (internal and external factors) on the current state of development of FSMP approach in the LCBs;
4. To explore the potential benefits of an enhanced rate of FSMP adoption, and recommend how this would best be achieved.

1.5 Research Methodology

The current research examines the four main commercial banks that are directly affected by the changes that the Libyan government has made and have therefore sought to establish FSMP in order to deal with these changes. Due to insufficient data available in the LCBs about the research issue, the current research applies an exploratory research design. The current research builds on a combination of qualitative and quantitative methods in order to achieve a full investigation into the process of FSMP in the LCBs.

Different methodological approaches are used in FSMP. Combining approaches and methods provides triangulation for the study. In order to achieve advantages of the triangulation approach, and to support the semi-structured interview findings, interpretive philosophy was seen to give an enriched understanding of the empirical situation. Being interpretive, the analysis leans heavily on the content. Therefore, pattern matching and coding analysis was used as an appropriate approach in meeting the specific research objectives. The rationale for the research method adopted is documented in chapter 4. Likewise detailed discussions of the specific research methods used are given in the same chapter. Generally, the qualitative approach was achieved using semi-structured interviews with eight managers. To enrich the breadth and depth of the findings, the quantitative approach has been used through a structured questionnaire survey of four commercial banks in Libya. The total number of respondents is forty one. They were chosen purposively by their job title.

The survey method was chosen to collect data from the LCBs and proved successful, with a good response rate achieved. The volume of individuals who could be involved in the study was limited, due to the fact that this situation is new in the Libyan field and so there are only a few people who are familiar with FSMP. Therefore, semi-structured interviews, questionnaires and the archival approach were used to collect the required data.

1.6 Researcher Interest

The researcher has chosen this subject to study for several reasons. Firstly, she has a personal interest in studying this subject because it is related to her background; she has taught strategic management and marketing subjects at the University of 7th of April in Libya and she has supervised some research in this area. Through this journey she has discovered that the knowledge about FSMP in practice was poor. In addition, this research came at a sensitive time i.e. through the initial stage in introducing FSMP in the LCBs and through the process of privatising the banks. For this reason, she has a strong desire to improve the current practice of this process. She aims to increase my knowledge in the area of FSMP and improve my skills and experience.

This issue allows the researcher to provide the opportunity to evaluate and critique the existing assumptions. Even though this research was taken within four banks in one country it has provided some value to them, to the business sector and to the academics by providing a new overview of this subject.

1.7 The Proposed Model

In order to succeed in the current working environment, LCBs must use effective strategies, implement them properly, and evaluate them appropriately. According to the literature, successful FSMP should include the strategy itself, the implementation process and the variables of the internal and external business environment. The literature indicates that environmental factors have a large impact on FSMP. When an environment is highly changeable, this makes FSMP more difficult, if not impossible (Thune & House, 1970).

Consideration of these aspects has been extensive and prolonged. There is a tendency when looking at this area for studies to focus only on the relationship between the external factors and the FSMP process, or between the internal factors and the FSMP (in isolation). Authors tend to focus on a specific issue, which means it is difficult to create an overall view of the importance and influence of external and internal factors. This is also made more difficult when consideration is given to the nature of the organisation, the country and the law (Brooksbank, 1999; Moutinho & Phillips, 2002 and Phillips, 1995).

The Libyan market for commercial banks has effectively been a state monopoly. New entrants and FDI privatisation have moved the competitive situation forward. The government is seeking to develop a stable, regulated market for services, supported by a number of indigenous and foreign banks (Panorama Reports, 2010). There is also no recognition of the specific issues facing a country such as Libya. The above evidence indicates that there is a gap in the literature of FSMP adoption. In this case, the present study will attempt to fill this gap by using an investigative approach.

FSMP is a tool for marketing decisions and an approach that shapes management thinking. There is no one best way to enact FSMP within an organisation. There are many writers who study 'formal planning', 'strategic planning', and 'formal strategic planning', but there are few who consider FSMP (see Chapter 3). Within the literature many factors have been identified as important. These elements are seen as the external influencers of FSMP (Gilligan, 2003; Hill, Jones & Galvin, 2004 and Quinton & Harridge-March, 2003).

Marketing affects all levels of an organisation (see Section 3.6.1). In order to make FSMP effective it must be understood by employees (Obeng & Ugboro, 2008), it must take account of environmental change (Fifield, 1998), exploit the organisation's strengths and gain competitive advantage (Grand, 2003 and Song, Nason & Benedetto, 2008), it should be confirmed by senior management through informal integration (Chimhanzi, 2004), and be supported by good quality marketing capabilities (Azizi, Movahad & Khan, 2009 and Phillips, Davies & Moutinho, 2001). This means that marketing staff must have extensive knowledge and these must be concentrated training programs about marketing in place and finally employees should be engaged in the FSMP process (Greenley & Bayus, 1994), which means empowering marketing responsibilities downward into the organisation (Akroush, 2003).

These elements have led to uncertainty for managers in how to implement FSMP to obtain the desired results and what contextual factors they should consider in actual FSMP. This is true in Western contexts as demonstrated above in the research cited. It is even more difficult in the Arabic context as there is limited research in this area and particularly in the LCBs, as, until very recently, there were no marketing departments and there was no SMP. Therefore, because analysing the micro and macro Libyan

environment is important to the success of FSMP, the internal and external elements will be studied and analysed in this study.

As mentioned before, the framework of this study is built on several previous studies which provide many contextual factors influencing FSMP (e.g. Claycomb et al, (2000); Greenley, 1986; Gibbons & O'Connor, 2005; Hwang, 2005 and Pearce et al, 1987). Therefore, it is worth saying here, these studies are only used as a guide for the study to link a number of areas together, which represent the contextual factors of this research, such as organisational culture, organisational structure, size of organisation and organisational performance, all of which control the process and form the framework for this research. In terms of organisational structure and performance, for example, an appropriate organisational structure is necessary to facilitate the implementation of an organisation's strategy, and a formal strategy forces a management to review its organisational structure to see if it is suitable for achieving its mission, goals and targets. There is a lack of research about this element, and while they have been considered, for example within the work of Claycomb et al, (2000), this model has some limitations, because there are other contextual factors that influence SMP, specifically in organisations such as LCBs in the initial stage of SMP. In this study some of the items will be examined in the current research.

There has been extensive research on the relationship between planning in all its types (formal and non-formal; long-range planning, short-term planning and strategic planning; formal strategic planning and non-formal strategic planning; and marketing planning, marketing strategy and so on) and performance (e.g. Armstrong, 1982; Flashaw et al, 2006 and Herald, 1972). The focus has been on establishing the nature of the relationship, as will be seen later (Chapter 3). This is often characterised as positive, although, a few researchers have indicated that the direction of the relationship is not clear (Flashaw et al, 2006; Scott, 1981 and Shrader et al, 1984). No matter how the relationship is viewed, most researchers have seen 'performance' as being expressed in financial terms. The Claycomb et al., (2000) model, however, expressed 'performance' as both financial and market. The work by Buzzel & Gale, (1987) is one of the few to employ market-based measures such as 'market share'. This is surprising given that FSMP is concerned with 'the market' and it would seem logical to assess its success against market indicators such as market share, market penetration and brand awareness.

FSMP in LCBs is at an early stage of development and, whilst potentially interesting does not have any clear conceptual or empirical evidence to support it. For this reason the research will focus on whether LCBs measure their performance quantitatively or qualitatively, or as a combination of both, thus exploration of the relationship between FSMP and performance is not going to be extensively studied within this research i.e. it would be beyond the possible scope of this work.

1.8 Main Outcomes and Contributions

Several outcomes have emerged from this research. They are as follows:

Before 2007, LCBs did not follow any type of FSMP and marketing departments did not exist. The research highlighted that the main reasons behind this are: their nature of being state-owned; a weak competitive pressure on them, unfamiliarity with the FSMP approach and a lack of skills.

On the other hand, the research found that the most significant reasons for introducing FSMP into the LCBs in 2007 were: the privatisation process that LCBs were going through; increases in the level of competition in the Libyan market; changes in the level of customer expectation and the openness of the market which affected their needs and wishes; a growth in the complexity of business and levels of technology (see Section 7.2.1).

In order to examine FSMP, the research found that SMP tools had yet to be introduced into LCBs. The level of usage by the LCBs was low. However, the banks used other initial facilities.

The study has identified several barriers to the implementation of FSMP. Some barriers arose from the marketing departments; some arose from the strategic decision makers, some derived from the nature of work of the LCBs and others were due to the government itself (See section 7.3.7).

The study highlighted the main characteristic of the LCBs' work system. For example, it gave a general overview of the formalisation of the vision, goals, objectives and strategies; their ownership and size; the degree of specialisation, training programmes and communications across management levels; the sources of information; the level of

participation in strategic decision-making; the marketing incentives to inspire people to purchase their services and their overall performance.

This research is expected to make the following contributions:

1. Examine the research issue for the first time in the Libyan banking industry.
2. Gain a better understanding of the process of FSMP that is being introduced into LCBs.
3. Confirm that successful strategies in developed countries might not be applicable in developing countries.
4. Determine the contextual factors that affect the introduction, formulation and implementation of FSMP.
5. Provide a practical framework for FSMP in the LCBs in order to enhance its success.
6. Identify the main barriers to the success of the implementation of FSMP.
7. Confirm the importance of a formalisation process of SMP to its success, especially for organisations which are introducing the process for the first time.

1.9 Overview of Chapters

This research involves eight chapters. Initially, the first chapter deals with the research background, i.e. the general context of the study. It outlines the research questions, and objectives related to the significance of this study. The chapter has explained reasons for choosing this issue to be examined. A brief idea about the research framework was also given. Finally, the chapter outlined the main outcomes of the thesis and its contributions to knowledge.

The second chapter gives an overview of the Libyan context. It focuses specifically on the political intercultural circumstances and recent economic history. In order to understand the reasons for choosing LCBs as a field study, basic information about them in particular and the Libyan business environment in general were introduced. The chapter also illustrates the priorities and drivers for transforming the Libyan economy.

The third chapter covers the literature review of the strategic planning theory and processes involved. The aim of this chapter is to develop the theoretical perspectives of FSMP in order to show the conceptual boundaries of the research topic. The chapter is

divided into two parts. The first part aims to give a general overview of strategic planning. The second part aims to declare the concepts and meaning of FSMP. It draws the exact boundaries of the framework of the current study.

The fourth chapter explains the research methodology; it discusses the research design, strategy and data collection method. Emphasis is given to explain how the current research was designed. The chapter includes several key issues, for example, reasons for conducting this research in the LCBs; the research philosophy, strategy, methodology and methods. A visual model is introduced in order to illustrate the main components of this research "The research framework", in addition to the limitations of the research approach and the research ethic.

The fifth chapter details the quantitative results. The chapter is organised according to the research questions. Therefore, it is divided into four sections in an attempt to obtain a full understanding of the research issues from the respondents' point of view.

The sixth chapter discusses the quantitative results in summary by providing the relative literature review and comparing them. The chapter is designed according to the main components of the research framework (see Figure 4.3).

The seventh chapter provides the qualitative results. This chapter is organised according to the research questions. The aim of this chapter is to provide full information about the general circumstances of introducing FSMP into the LCBs, how and why it was introduced. The chapter shows in details the decision makers' perspectives about the whole process, including the work environment within the LCBs.

The eighth chapter reflects the final chapter, it summarises and integrates the main research findings and discussion and forms the final conclusion, through outlining the main research issues and how the data collected informs and answers the research questions, assesses the scope and limitations of the study and provides a range of recommendations both for future study and for the LCBs development.

Chapter 2 The Libyan Context

2.1 Introduction

In order to achieve a better understanding of the field study environment, this chapter aims to provide an overview of the main factors that have a significant impact on LCBs. The chapter includes both external and internal conditions that impact on all sectors including the financial sector. It begins with the development of two chronological lists that cover a specific period of Libyan history; firstly, the important trends and events in the Libyan experience; and secondly, the important decisions and actions taken by the Libyan government e.g. reforming the economy. Three main areas are addressed: the background of Libya, the Libyan financial sector and the transformation of the Libyan economy.

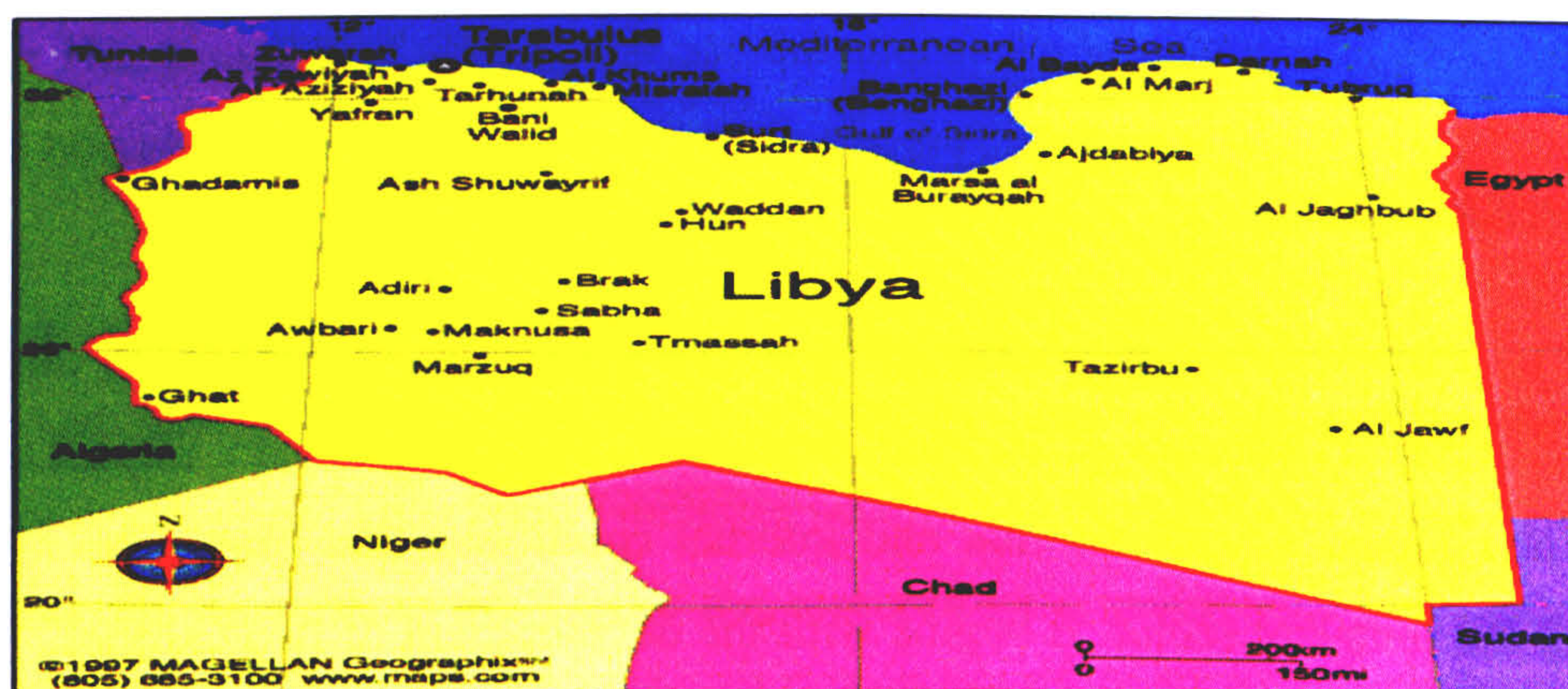
2.2 Background of Libya

The purpose of this section is to explain the general environmental characteristics within Libya in order to gain a better understanding of the effect of these factors on the LCBs' businesses and to build up a ground basis for the later discussion (Chapter 6, 7 & 8). This section involves several sub-sections, e.g. location and general conditions.

2.2.1 Location

Libya is situated in North Africa, bordering the expansive Mediterranean Sea to the North, Egypt to the East, Sudan to the South-East, Chad and Niger to the South, and Algeria and Tunisia to the West. Figure (2.1) shows the Libyan map and table (2.1) introduces some essential information about Libya.

Figure 2.1 Map of Libya



Atlas of Libya (2006)

Table 2.1 Summary of Information of the Libyan Situation

Items	Description
Official name	The Great Socialist People's Libyan Arab Jamahiriya (Libya)
Flag	
Location	North Africa
Geographical extension	1,77 million sq Km (685,524 sq miles)
Population size	6.4 million inhabitants (the United Nations [UN], 2009)
Population density	3 important areas have the major density of inhabitants /km ²
Capital	Tripoli
Per-capita GDP	USD 11,590 (World Bank, 2008)
Currency	Libyan dinar (LYD)
Exchange rate	LYD/USD 1.1940
(21 th July 2008)	LYD/EUR 1.8934

(Siply, 2008; and BBC, 2010).

2.2.2 General Conditions

Libya has a long history of being colonised. Libya was subject to military invasions for three thousand years (Farley, 1971), by the Greeks, Romans, Turks, Italian and British. For this reason they contributed to the process of the formation and determination of the current Libyan system (Buzied, 1998). In 1951, the UN voted for Libyan independence. Sanussi Idris was placed in power as the unelected figurehead for Libya. On 1 September 1969 Al-Qaddafi and a small group of young army officers organised the

revolution (A Revolutionary Command Council [RCC]) and proclaimed the Libyan Arab Republic.

2.2.3 The Libyan Intercultural Management

The researcher postulated that FSMP in the LCBs could not be accurately understood without an understanding of the Libyan management culture (Kwintessential, 2009).

Managerial thinking and behaviour in Arab culture is distinguished by certain unique features (Hickson & Pugh, 1995). Although Libya, Egypt, UAE, and Saudi are Arab countries with many cultural similarities, there are key distinctions between them in terms of their economic, political and social systems. In Libya, society is constructed of families. The family is the kernel of society. In Arab families, authority lies with the grandfather, father, or the eldest son (El Fathaly, 1977). In Arab countries Islam is the foundation of life political, economic, social and business (Ali, 1993). Islam has a major role in Arab social life and interpersonal relationships (Sherif, 2010).

Libyan society is built on family relationships. The relationships between the members of the family are very strong. Their loyalty to their families is unlimited and all members of the family give unlimited support for each other in all aspects. All the family members, headed by the father, live under one roof and comply with family rules. In addition, the important decisions concerning any member of the family are discussed by everyone and taken democratically, and the final word always depends on the head of the family's acceptance (Aagnaia, 1997).

According to Libyan culture, demonstrating respect and deference towards older people is important, particularly business people in senior positions and government officials. "Social formalities are extremely important". Innovation is often punished rather than rewarded. Arab organisations are characterised by closed information systems and low levels of disclosure to organisation members (Hickson & Pugh, 1995). In this society a strong emphasis is given to respect for social status. However, in the Libyan business environment it is common for staff to have equal access to the senior manager in charge (Gorrill, 2007).

Respect for seniority in Arab society is very pervasive (Ali, 1996; Hickson & Pugh, 2001; and Nydell, 1996, as cited in Elbanna, 2009). A good personal relationship is very important for a Libyan to conduct business, for this reason they spend time getting to know the person with whom they will do business. Libyans do not divide their social life and business, so if they have questions they may telephone their colleague at home late in the evening, early in the morning or over the weekend. Therefore, raising social matters during a business meeting or discussing business subjects during social engagement is normal (Kwintessential, 2009).

Loyalty towards community, distance from authority, paternalism, and context dependence all characterise Arab countries (Hofstede, 1991). In Arab organisations culture appears in several ways, for example there is a strong tendency towards the tradition of extended families, this includes fierce sense of loyalty to their families and communities.

As for participating in decision-making, Libyans believe that each person within the organisation has its role and senior managers and supervisors have been chosen because they have greater knowledge and more experience than their staff in lower levels of the organisation, therefore, it is not appropriate to consult their staff when making any decisions. Delegation is rare in Libyan companies (the owner or the manager is the key decision-maker) (Gorrill, 2007). The role of subordinates is to implement decisions, in other words employees are given the facilities and told what to do. Hofstede, (1991); Shahin & Wright, (2004); and Youssef, (1994) stated that in Arab organisation managers prefer to keep a wide hierarchical distance and for workers to respect leadership and they both have a "fatalistic outlook". However, Hickson & Pugh, (1995) said that decisions are usually taken by committees rather than individuals. For this reason decisions are reached slowly. A strong belief in individualism, independence, self reliance and concern for individuals above groups characterises US culture, while Arab culture represents the opposite case

Libyans as negotiators are direct; they put all the cards on the table from the beginning of the process, and they expect others to do the same. All their contracts must be written in Arabic (Kwintessential, 2009).

Concerning the relationship between managers and employees, the former is concerned about the latter and this concern extends beyond the workplace. Respect and deference alternate between employees and managers. Generally, managers do not chastise employees, in order to sustain the subordinate's dignity and the manager's respect.

Despite the apparent adoption of Western business practices, Libya's readiness for change is low, even if this change would have been beneficial. Many older Libyans still believe that change is a threat to the culture. In regard to the IS industry, Twati, (2008) stated that there are two sources of conflict for adopting and implanting IS, first, between the old and new generations, and second between the economic necessity for the implementation of IS and the fear of what it might bring.

2.2.4 The Political System in Libya:

The Secretary of the General People's Congress is the head of Libya, who is the head of the General People's Committee (GPC). The GPC is the executive branch of government with people's committees acting as ministries, which are responsible for implementing government policies. At the same time, the GPC is the legislative branch of government. It has local and regional levels, popular committees and congresses are selected as delegates to the GPC. In Libya political parties do not exist (Encyclopedia of the Nations, 2009).

On 1 September 1969, The Libyan Arab Republic was established. The RCC announced a new constitution, which proclaimed Libya to be an Arab, democratic, and free Republic which constitutes part of the Arab nation and whose objective is comprehensive Arab unity. In March 1977, Alqadhafi introduced a new political, administrative and legislative system. The nation's name was changed to the Socialist People's Libyan Arab Jamahiriya, and announced the authority of the people (Encyclopedia of the Nations, 2009). Freedom, Socialism, and Unity were the general principles of the Libyan revolution. In the same year it announced a new constitution which mixed Islamic and socialist theories espoused in Alqadhafi's Green Book and his Third Universal Theory. This theory is divided into three sections:

- The first one is to solve the political problem, which represents the direct people's authority by people's congresses, committees, trade unions, and vocational syndicates.
- The second one is to solve the economic problem.

- The third one is to solve the social problem, which is governed by the Holy Koran (Quran):

In 1992, a new political structure was introduced into Libya called communes 'mahallat'. It followed the principle of government through local representation. This system was also reformed in 1998 with the formation of twenty six local government organs "Sha'abiyyat" (Mongabay, 2010). In 2000, a new system was introduced in order to distribute the power at the local levels. Therefore, only five secretariats have remained. According to Shaaeldin & Saidi-Hammami, (2009), Libya has a high level of political stability and a decentralised decision making process (see Appendix A).

2.2.5 The Role of Oil in the Libyan Economy

Libya is at a critical stage, nearly a third of GDP and more than 95% of Libya's exports depend on oil revenues. However, in 1985 the oil price was USD 27 per barrel and less than USD 10 in mid 1986. Consequently, this led to serious cash flow problems which impacted on the whole Libyan economy.

In 1980, the oil revenues were USD 22 billion (bn), but in 1986 it collapsed to just USD 5 bn. In 1979, the Libyan oil production was 2 million (mn) barrels per day. Nevertheless, in 1981 it fell to USD 1.2 mn per day and in 1982 became USD 1.1 mn per day. In 1985, the oil revenues fell to their lowest level since the first OPEC price shock. In 1980 the oil revenues were USD 22.527 bn, but in 1981 they dropped to USD 15.7 bn and in 1982, this became USD 14.35 bn. By the 1980-1986 the Libyan GDP dropped from 35.5 to USD 24.0 bn, in 1986, the average GDP per capita declined from 10,900 to USD 6.404 in 1980 (Thomas, Jwaili & Al-Hasan, 2003).

This problem was negatively reflected in the Libyan balance of payments. Indeed, the balance of payments surplus decreased. In 1980, it was USD 11.55 bn, decreasing in 1981 to USD 168 mn. In 1982, the Libyan government started to reconsider an import budget. Some unnecessary items were excluded from the budget. In this year, the first ordinance banning the import of 82 categories of goods was issued by the Secretariat of the Economy, involving for example, cars and ceramic goods (Africa Confidential, 1982, cited in Thomas et al, 2003).

2.2.6 The State of the Libyan Development Plans

The Libyan development plans aim to organise the Libyan economy, the first plan was implemented before the revolution (between 1963– 68), this plan was targeted to raise industrial production and to expand and improve the quality of agriculture, by distributing oil revenue to some sectors. The second development plan covered 1972–75, it was aimed at producing growth of 11% in GDP annually. The third plan covered 1976–80, and the fourth development plan was between 1981 and 85 (see Appendix B). However, due to a drop in oil income, the contracted projects agreed in this plan decreased.

In 1986, Libya raised its deposits in foreign banks, and decreased its outstanding debt, which fell by almost two-thirds in 1987. In the same year, the Libyan Arab Foreign Investment had investments in 30 companies in Arab countries. Moreover, there were significant Libyan holdings in other African countries. In 1990, a positive net balance was obtained, with reduced liabilities, due to rising deposits which reflected soaring oil revenues because of the Persian Gulf crisis. In 1994, frozen assets in US banks amounted to USD 1 bn.

The Libyan government started thinking about diversifying the economy away from an entire dependence on oil. It has also taken steps to balance the economy by developing other sectors, for example, the Tourism sector as a major part, and the government has encouraged the formation of commercial banks to finance tourism projects, 80% of whose shares are held by the private sector, this decision took place in 2003. In this way, there are several investment projects which have been undertaken, such as road and port projects, and communication and industrial production projects. Libya earmarked a USD 35 bn investment plan for 2002–05, in the middle of this plan Libya applied for membership of the World Trade Organisation (WTO) (Encyclopedia of the Nations, 2009).

2.2.7 The Development of the Libyan Economy

According to the indicators of the UN and international economic and financial organisations the Libyan economy is a developing economy (Economist Intelligence Unit {EIU}, 2004). When Libya's independence came in 1951, agriculture represented the backbone of the Libyan economy, which employed more than 70% of the labour

force; and contributed about 30% of the GDP, dependent on climatic conditions. At that time, Libya was one of the poorest countries in the world.

In 1961, oil and gas were discovered and have supported socioeconomic developments. In 1962, Libya became a member of OPEC. Libya has changed its economy from capitalism to socialism since 1969. The year after the government started minimising the private ownership businesses. In the mid-1970s, Libya nationalised the assets of foreign oil companies. New laws were issued which required businesses operating in Libya to be controlled by Libyans, with banks being particularly affected, and Arabs replaced most of the European and American specialists. Thus, the government gave workers the right to manage their enterprises "workers in Libya are partners not wage workers" (the second part of the green book). The main aim of these enterprises is offering goods and services to the public without making a profit (socio-economic development target).

In 1986, the first US sanctions were imposed, and hindered any financial or trade dealings with Libya. They also froze Libyan assets in the US. In 1992, UN sanctions were imposed as a result of the Lockerbie bombing in December 1988, which prohibited all international flights to Libya, and prevented arms, aircraft and oil equipment sales (including spare parts), thus hindering Libya's capacity to export. As a result of the sanctions, foreign involvement in Libya was reduced (the Arab Banking Corporation, 2001).

The Libyan economy is primarily based upon revenues from the oil sector, which represents the main source of foreign exchange earnings. In other words the Libyan economy has been and is still driven by the oil sector, although this is changing. For instance, it represented about 56% of GDP in 2000-05, which means the remaining economic activities including services were 28% of GDP, with agriculture, transportation, and construction industries being 4.5% of GDP. In 1990 the oil sector contributed about 90% of total exports (Alqadhafi, 2002).

The constituents of the Libyan economy vary from its neighbours who have substantial agricultural and industrial sectors. In addition, Libya has a small population but large oil revenues, which means Libya has one of the highest rates of GDP per person in Africa. However, even though Libya produces more oil per day than its neighbours, it suffers

shortages of basic necessities, due to random fluctuations in oil prices and import restrictions. For this reason Libya has started to reduce its dependency on oil by increasing its investment in other sectors, for instance agriculture, tourism, fisheries, mining and natural gas (Vandewalle, 1998 and Wright, 1981). In 2005, the population of Libya was about 5.5 million, which meant that GDP per capita was USD 6.800; a comparison of GDP between Libya and some other countries is introduced in the Appendix C. With the increase in oil prices, the share of the hydrocarbon sector increased and represented an estimated 72.6 % of GDP in the same year. The significant stages that distinguished Libya after the revolution are summarised in Appendix D.

2.2.8 Libya's Economic Problems

Libya's internal problems stem from being an oil dependent economy, which is reflected in the low economic diversification. Libya is in the first steps of making the transition to a market economy, but as any transitional country, it still has weak institutions, an inappropriate legal system, and structural rigidity which make the reforms quite slow. However, recently Libya eased exchange controls and liberalised foreign trade, restructured the banking system and the public sector as a whole, and concentrated more on privatisation (CBL, 2008).

The external problems derive from Libya's isolation from world trade and the international embargo on its products by western countries. This prevented Libya from receiving FDI which is necessary for any oil country (African Economic Outlook {AEO}, 2008).

In terms of liberalising the socialist-oriented economy, seeking to join the European Union's "Barcelona" trade partnership, and building an economy based on a free market, Libya faces a long hard struggle. This involves applying for membership to the WTO, reducing some subsidies, and announcing plans for privatisation (AEO, 2008).

2.2.9 The Impact of US/UN Sanctions on Libyan Foreign Policy

In April 1986 a bombing raid, carried out by the US, to assassinate Colonel Alqadhafi used state-of-the-art precision bombing to try to bring down the Libyan government.

In 1990, Libya, by way of reforming its policy, issued several laws to attract FDI; however, the sanctions impeded Libyan plans. The most effective law in this context was law No 5/1997; this concerned the encouragement of FDI. These were followed later by Law No 21/ 2002 and Law No 7/ 2004 which focus on the Libyan tourism sector.

In November 1991 the indictment of two Libyans for the Pan Am 103 bombing atrocity over Lockerbie began with legal orders of extradition. In April 1992, economic sanctions were imposed and involved increased flight restrictions on aircraft going to or coming from Libya, as well as freezing an additional USD 260 mn in Libyan assets for a total of USD 950 mn (St. John 1998).

In 1999, due to the cooperation of Libya, UN sanctions were suspended. However, in August 2001, the US congress renewed economic sanctions with the passage of the Public Law 107-24 (the ILSA Extension Act of 2001), which extended the Iran and Libya Sanctions Act of 1996 to 2006 (a further 5 years). On the same day when Libya announced that it accepted responsibility for bombing the Pan Am airline, the UN sanctions were lifted. Nevertheless set against this was a massive compensation payment of USD 2.7 bn from the Libyan government to the families of the victims. These sanctions and the fall in international oil prices adversely affected the Libyan economy. According to the International Monetary Fund (IMF) (2002), the nominal gross domestic product fell from 34.9 bn in 2000 to USD 28.6 bn in 2001.

The humanitarian, economic and social spheres have been damaged by the coercive measures taken against the Libyan Arab people under Security Council resolutions 748 (1992) and 883 (1993). Moreover, the damage extended to all infrastructure development programmes and plans.

In 2003, Libya announced that it would abandon its weapons of mass destruction programmes and would accept weapons inspection, and these events reflected directly on the Libyan economy. In September of the same year (2003) the UN lifted sanctions on Libya, and the US likewise lifted sanctions in April 2004, which directly influenced the increases in FDI, particularly in the energy sector. The economy began to recover (EIU, 2004), and Libya has made significant progress on economic amendments as a part of reintegrating the country into the international arena (CIA, 2006).

2.3 The Libyan Financial Sector

The above overview of the major events in Libyan history is important to provide a political and economic background to the issue examined in this research. Regarding the banking industry, protecting banking markets was the reigning obsession for many developing and transition economies. However, in the 1990s most of these countries started to eliminate the barriers to FDI. For a developing country FDI can be beneficial and can also be risky. The benefits are the opening up of the banking sector to fresh capital, more competition, new financial products, and improved corporate governance. The risks on the other hand, are the introduction of new financial risks and vulnerabilities.

For the new policy to succeed, Libya took into account other transactional economic experiences which have recently opened their banking sectors to FDI, for example, Jordan, Morocco, Egypt and Malaysia. To obtain the greatest benefits from this process, the policymakers in the Libyan banking sector are reforming and upgrading the National Payment System (NPS) and Society for Worldwide Interbank Financial Telecommunication (SWIFT), restructuring the banking system and identifying structural problems, both before and in parallel with the opening. Moreover, the government would be diversifying both the mix of foreign entrants and the ownership structures of acquired domestic banks (Martinez-Diaz, 2007).

Banking plays an important role in the Libyan financial system. A programme of institutional reform has been installed under the process of development and restructuring of the banking sector. Since 2005, with the passage of the banking law, the CBL started implementing a gradual liberalisation programme of the entire banking system, with the aim to modernise, upgrade, strengthen and restructure state-owned banks, including increasing the capital and increasing the private sector by opening the Libyan market gradually for foreign banks (OBG, 2008). By implementing this programme, the banking sector has achieved extraordinary growth and deposits have almost doubled. In 2009, bank equity grew by 58% in the first nine months. At the end of September, the ratio of non-performing loans was decreased (NPLs) (Global Arab Network, 2010).

2.3.1 The Banks Working in Libya

Prior to 1955, the Libyan banking industry operated without actual Centralised National Bank regulation of banking operations. On 26/04/1955, the Libyan National Bank law was issued.

In 1956, the CBL was established in Tripoli, and then in 1957, a new branch was opened in Benghazi and another in Sabha. The reason for creating this bank was to maintain the stability of Libya's currency. The law allows this bank to engage in normal commercial banking business and to support economic growth, because at that time there were no commercial banks in Libya.

Several laws have been issued over time in order to organise the CBL's responsibilities and tasks, for example, law No 4/1963 which gave the CBL a range of authorities, law No 63/1971 which involved the exchange of the Libyan currency from Libyan Pound and Millime to Dinar and Dirham, and Law No 1/1993, which gave the CBL several duties and responsibilities such as, issue the Libyan currency and maintain its stability within Libya and abroad. Manage the government's reserves of gold and foreign exchange. Regulate monetary policy and supervise currency conversion transactions within Libya and abroad (CBL, 2001)

The CBL includes ten commercial banks, three of them were wholly owned by the CBL: the Gumhouria Bank, the National Commercial Bank, and the Umma Bank; three specialist banks that are wholly owned by the government: the National Agricultural Bank, the Bank for Savings and Real Estate Investment, and the Development Bank. In addition, one offshore bank, the Libyan Foreign Bank (LFB) (AEO, 2008).

A brief idea about these banks will be given in the next pages (the Agricultural Bank, the Bank for Savings and Real Estate Investment, and the Development Bank), and more details about the banks that represent the field study of the current research (the Gumhouria Bank, the NCB, the Sahara Bank and the Wahda Bank), and their ownership, strategies and strengths and weaknesses. In November 1969, the new government changed the asset structure of these banks, which bought 51% control of the commercial banks, most of the Libyan banks are Musahima Corporations; they were taken into ownership by the CBL according to the law No.153, 1970, concerned with

nationalising the foreign shares in the commercial banks and reorganising them. In this year the government took 100% control of the four main banks with foreign minority ownership (Otman & Karlberg, 2007).

Due to the fact that the Libyan economy is still transitional, several changes have been taking place in this structure. For example, in terms of Wahda Bank, in early 2008, the CBL had an 87% share and sold 19% of its capital to Jordan's Arab Bank. In 2007, France's BNP Paribas became strategic shareholder of the Sahara Bank (Panorama Reports, 2010).

According to the reports of the CBL 2009, the Libyan banks are inspected and controlled by three parties, state-owned financial control apparatus, technical control and administrative control. Recently, the CBL has established a banking performance committee, whose task is to study the impact of the banks' financial and technical indicators on performance, and to recommend actions needed to avoid deficiencies and promote positive elements in line with the strategy set for the sector.

In accordance with law no 1/2005 Article (63-4) all commercial banks established, within their organisational structure, an administrative unit called the "Compliance Unit", which reports directly to the Board of Directors, and its functions include monitoring the bank compliance and its commitment to the standards that govern banking. For example capital; maintaining liquidity as determined by law; maintaining a necessary reserve; and applying international banking supervisory standards. The frame of the banks sector is as follows:

2.3.1.1 The National Commercial Bank (NCB)

The bank was established from the merger of Auroba Bank, Esteklal Bank and the Commercial Operations Management of the CBL. Auroba Bank was a subsidiary of the Arabic Bank, after the nationalisation process the Libyan government owned 51% and the Arabic Bank 49%. Esteklal Bank was the Banko de Napoli (Napoli Bank), of which the Libyan government also owned 51% and the remaining 49% was owned by foreign banks. After 1970, the bank became owned by the CBL. In 2000, the bank's capital was LYD 35 mn, and the shareholders owned LYD 103.5 mn. The state management of the

bank is situated in the Al-Beda city; the bank had 57 branches and agencies (CBL, 2001).

In 2007, according to the bank documents the consulting company "Mckinsey Company" had identified the bank's strengths and weaknesses as follows:

- The bank was weaker in terms of revenue than the average for North Africa and Middle Eastern banks, due to a shortage in the level of lending; and weaker than the local banks, due to a lack of revenue derived from fees.
- Although the front and second line in the current administration has good potential development, there is a clear imbalance in the human resources system, with an urgent need for training. The most important strengths are providing one-place service, guiding and instructing the public on an ongoing basis, and adopting the style of questionnaires for the follow-up needs of service recipients and analysing them.
- The organisational structure is lacking, even by local standards. It lacks a set of important departments such as marketing, risk, and treasury, in addition to suffering from bottlenecks in the decision-making mechanism. In contrast, the bank has the appropriate tools or the expertise necessary to study the needs of customers.
- The bank needs to raise capital to enable it to increase lending; it also needs to develop credit card processes. Nevertheless, the NCB does not suffer from major problems of bad debts, due to adopting a conservative lending policy with the private sector.

In order to address the influence of these characteristics on the bank's policies and procedures it is necessary to know which strategy has been employed to deal with these events over this period. The consulting company "Mckinsey Company" with a corporation of the bank's managers suggested some strategies for the NCB, which represent the key actions aimed to achieve the bank's objectives as follows:

- Using a mechanism of facilitating and simplifying the bank procedures through using computers in all their administrative and technical processes.
- Activating the new organisational structure of the bank from 2009.
- Raising the bank's capital to LYD 500 bn, to support increasing the size of loans.
- Generalising the new credit process in all its branches and launching new credit products, such as easy credit.
- Undertaking work to develop the necessary mechanisms for the development of human resources.

2.3.1.2 The Gumhouria Bank

The bank was owned by Barclay's Bank. The bank entered Libya with the British armies in 1943; it opened several branches in different regions, for example, Tripoli, Benghazi, Musrata, and Al-Zawea. The bank enjoyed a banking monopoly for a long time; it accepted deposits and was treated as a deputy for the British Treasury. It had the power to issue the currency as a mandate of the British authorities.

According to the RCC's decision of 13/11/1969 to ensure total Libyan banks, the Barclay's Bank became the Gumhouria Bank in 1970. In 2000, the bank's capital was LYD 40 mn, and the total of shareholders rights was LYD 104.8 mn. The state management of the bank was in Ghriean city. It had 67 branches and agencies (CBL, 2001).

During 2007-2008 the number of Gumhouria Bank customers increased by 7% compared with the figures for the last two years (2.4 mn). The Gumhouria Bank has witnessed a considerable growth rate of 24% during the last five years. Due to increasing competition in the Libyan market, all the banks are compelled to adopt a scientifically advanced approach in order to improve performance.

The Gumhouria Bank adopted some new strategies to achieve its objectives. The Gumhouria bank's strategic initiatives under Civil Society Organisations (CSOs) responsibility 2009-2011 are in (Appendix E). For example, the bank has established a "Market Research Unit" characterised by analysing marketing trends and customers' needs. It is, likewise, responsible for the selection of the potential locations for new branches opening based on the proposal of the regions. The bank also established a "Sales Support Unit" which is responsible for the regional managers, provides coaching to branch staff to become more effective, and facilitates the offering of new products in coordination with the Products Section Marketing Department. The bank has established a "Cards & E-Services Unit" which is responsible for managing the electronic services, and following up the Local and International Cards Sections. The responsibilities of the marketing department in the Gumhouria Bank are provided in the appendices (Appendix F).

2.3.1.3 The Sahara Bank

The Sahara Bank (formerly the Banco-di-Sicilia), The Sahara Bank represents a Libyan Stock Corporation; it was established in July 1964. After two years 51% of its capital was sold to the Libyan private sector, 29% to the Bank of America, and 20% of the capital was kept with the Italian Bank, so it became a National Bank. At the end of 1970, the American and Italian shares were owned by the Libyan Capital Bank. In 2002, the bank's capital was LYD 63 mn, the shareholders rights were LYD 150.9 mn.

The value of assets of the Sahara Bank increased in 1994 from LYD 808 mn to LYD 1.716 mn in 2003. However, during the same period, because of the high expenditure, the profits were only a fraction of the total revenues, which were in 1994 LYD 7.8 mn and LYD 14.147 mn in 2003. The state management is in Tripoli, it had 42 branches and agencies (CBL, 2001). The Libyan shares in this bank are now owned by ESDF. Recently, the bank has become the second largest bank in Libya in terms of market shares, for example, its assets (19%), deposits (19.1%) and loans (15.3%) (Appendix I). The bank is the first financial institution in Libya to enter a strategic partnership with a foreign bank (OBG, 2010).

2.3.1.4 The Umma Bank

The bank was owned by the Banco Di Roma. It was established in 1907, there were two branches in Tripoli and Benghazi. Due to the decision of 13/11/1969 and the decision of the RCC in July 1970 the Bank became a Libyan 'Musahima Corporation', wholly owned by the CBL. In 2001, the bank's capital was LYD 23 mn and the total of shareholders rights was LYD 38.2 mn. The state management was in Tripoli, it served its customers through 46 branches and agencies (CBL, 2001). It was concerned with restructuring the Libyan bank in 2008 when the bank merged with the Gumhouria bank.

2.3.1.5 The Wahda Bank

It was the new direction by the Libyan government to encourage local banks 'Ahliyah banks' (1970). It was established from the merger of five banks working in Libya before issuing this law; these banks were the Nahda Bank, the North Africa Bank, the Commercial Bank, the Ahlli Kafila Bank and the African Banking Corporation.

According to the law No 9/1992 the National Banking Corporation was established. According to this decision several banks were established. In 2000, the capital of the Wahda bank was LYD 36 mn and the shareholders right was LYD 153.7 mn. The CBL owned 87%, and 13% was owned by the general public. The bank had 66 branches and agencies (CBL, 2001). The bank is no longer owned by the CBL. The Libyan shares in this bank are now owned by the ESDF (OBG, 2010).

2.3.1.6 The National Agricultural Bank (NAB)

It was established in 1957 in order to provide interest-free production loans to farmers. Two kinds of loans were provided: medium and long term loans, the medium one was for 5 years, for machinery and materials, and the long term one was for up to 15 years, which was for land reclamation projects, irrigation and agricultural construction. The farmer's products were purchased by the NAB, at guaranteed profit and the supplies sold at subsidised prices.

2.3.1.7 The Industrial and Real Estate Bank of Libya

It was established firstly as a development bank offering industrial credits as well as a home finance agency, making loans for home purchases.

2.3.1.8 The Libyan Arab Foreign Bank (LAFB)

The bank established in 1972, was then extended to 38 subsidiaries in 25 countries and this is the only bank with offshore status. Although it was owned by the CBL it was not totally subject to their laws and rules, or indeed exchange rates. It acts as the foreign agent to encourage countries friendly towards Libya to become more active in international financial markets, moreover, to serve as a vehicle for Libyan aid to other countries. The bank was the only Libyan financial institution able to handle foreign accounts during the sanctions period. It has a very strong position in the international market; its balance sheet has grown by 18.1% to USD 11.2 bn since 2004. In pre-tax profit terms the bank profits by a factor of 6 increased from USD 8.4 mn in 2003 to USD 51.5 mn in 2004; this was the immediate impact of lifting the UN sanctions on Libya.

After that there are two offshore Libyan banks: the Valetta Bank (Malta) and the British Arab Commercial Bank (UK). Bawag PSK (Austria) opened a representational office in 2005, as has HSBC. Other foreign banks such as the International Arab Bank (Egypt), the Swiss Bank Channel, and the Housing Bank of Amman have announced their intention to open offices in the near future (Anima Investment Network, 2009).

2.3.2 Priorities in Financial Sector Reform

Libya is engaged in many regional integration processes, for example the Arab Free Trade Area and the Community of Sahel-Saharan States. Recently Libya has tried and is trying to join WTO as well as the Barcelona Process. The latter organisation aims to set up a trans-Mediterranean free trade area (AEO, 2009).

The CBL embarked on a series of measures to reform the financial sector, such as: restructuring the state-owned banks and increasing private sector participation in the capital of such banks, these are now discussed in greater detail. The nationalisation in Libya was derived from the 1970s, now Libya desires to attract FDI to actualise economic growth (Otman, & Karlberg, 2007). Most of the LCBs were suffering from the spread of bureaucracy and mismanagement (the Mckinsey Company Report, 2007). However, the CBL in collaboration with guidelines of the government had already made significant steps to solve these problems; one of these was privatising some of the LCBs.

According to OBG, (2010), the private banks in Libya have been among the most dynamic in rolling out retail banking services and upgrading their networks, with a particular focus on urban areas. For example, The Bank of Commerce and Development 'the largest of the private banks in Libya' was the first to offer online banking services, Visa cards, mobile banking and Western Union money transfer services.

The way to implement the privatisation strategy is by using legislation. The legislation plays a crucial role in Libyan policy making such as law No 5/1997 and law No1 & 2/2008 these laws represent initiatives to reform the economy by privatisation and deregulation of its centralised economy. Re-assessing the legal framework for the banking system, some Banking Laws have been issued (see Appendix G).

In 2009, the First Gulf Bank entered the Libyan market (the UAE's financial institution), which is jointly owned by Libya's ESDF and First Gulf Bank. It was the first with equal foreign and domestic partnership operating in Libya, with a 50:50 partnership and capital of LYD 520 mn (€308.07 mn) (OBG, 2010).

With regard to strategic planning, in 2007, each bank of the LCBs was given its own comprehensive strategic manual plan, consisting of more than twenty pages written in both Arabic and English, which provided information on the strategic planning system in paper format. There is also documentation which gives directions for managers on the implementation of the strategic plans. New organisational structures have been formed (see Appendix H.1 & 2) with more decentralised authority, facilitating customer service by enabling a qualified decision-making process, speed and efficacy in banking services nationwide and the education of the market regarding the uses and benefits of financial products and services that are either new or improved (OBG, 2008).

2.4 Transformation of the Libyan Economy

This section aims to discover the reasons for transforming the Libyan economy. The programme of reforming the economy aims to open the Libyan economy and to better utilise productive resources. This programme included: structural economic reforms, regulatory reforms, monetary policy reforms, and financial and banking sector reforms (Shaaeldin & Saidi-Hammami, 2009).

According to Otman & Karlberg, (2007), there are some strategic options for using the large financial resources from oil as a means to encourage non-oil growth e.g. distributing part of the oil revenue to households, as a means of bolstering income, and facing the oil volatilities, saving part of the oil revenue for the future; improving human capital and building strong social safety nets.

2.4.1 Drivers of Economic Transformation Programme

Accelerating the structural reforms needed for a transition to a market-led economy has involved building sound investment circumstances by reinforcing the banking system with strong institutions to support open markets. Several benefits can be achieved for Libyan domestic and inward investment, for example Libya's tourism industry could be

a direct beneficiary from improving rail infrastructure and road. In addition, using Libya as a manufacturing base for Europe or as a distribution point for the rest of Africa, could be beneficial.

Law No 45/1997 was the first step in the transformation of the Libyan economy, which will have far-reaching effects for Libya in the modern world. The Libyan government in the last three decades installed the health, housing, education, and social security system, which are clearly in evidence in the quality of Libyan's life compared with Arab and African neighbours. However, over the years this has proved to be a financial burden to the government. Luckily, in 2005, the oil price increased which has brought relief to the Libyan economy. In the same year, the Libyan government decided to pursue a series of inter-related policies aimed at branching out the economy away from over reliance on hydrocarbons.

Libya was ranked 91 out of 134 countries in the Global Competitiveness Report. Its performance was assessed as excellent in terms of health and primary education. But was poor in terms of institutions, infrastructure, technological readiness, business sophistication, innovation and marketing efficiency (Shaaeldin & Saidi-Hammami, 2009)

Libya has a long way to go to overhaul the banking system which is a crucial step to attract FDI and to change the system to privatisation. However, most of the primary steps failed, for example, in 2005-2006, the government tried to divest 50% of the Sahara Bank to Libyans, but just 15% was divested, which denoted the low confidence of the public in the system. The banking system has a massive quantity of non-performing loans which increased to 90% of the banking sector. Compared to the publicly owned banking, it is old fashioned with limited cash machines and online banking and the use of financial instruments are limited such as corporate or mortgage banks (OBG, 2008).

Economic diversification is very important to the development of any country. As a crucial privatisation programme to attract FDI, Libya tried to establish a private stock exchange. For example, media, health, education, finance, technology, and transformation sector. In 2008, the Gumhouria and Umma Banks merged (OBG, 2008), and most of the regional banks have been merged into one bank. On the other hand, to

establish two new banks, agreement has been reached with financial institutions from UAE and Qatar. At the same time, free Trade Zones are very popular in developing countries such as Malaysia, Indonesia, and Dubai. This idea was taken up by the Libyan government and the decision of the general People's Committee Resolution No 20/1999, about establishing Free Zones Authority; however, there were a series of errors made by Libya. To redress these errors political support should be given at the highest levels, because the privatisation process affects many people especially stakeholders. Nevertheless, the privatisation work goes hand in hand with other issues to transfer the economy.

The common way to a create market oriented banking sector in formerly planned economies is privatisation of the banking sector without any direct involvement in the banking business, i.e. limiting the role of government from being involved in the regulation and supervisory business. Bonin & Wachtel, (1996) stated that "a necessary condition for privatisation to be deemed a success is that the state remains as a passive investor only" p2. In order to succeed in reforming the banking sector the author suggested that independence of control is required from both the state and insiders. Strengthening the financial capabilities and encouragement of foreign competition is also required (Bonin & Wachtel, 1996).

In regard to the potential for additional mergers and acquisitions, the OBG interviewed Mr. Ghaffar, the General Manager of the Gumhouria Bank, who stated that:

Competition is becoming fierce and local banks need to double their efforts to compete. It is by focusing on providing quality services, speeding banking reforms and improving efficiency in dealing with clients that Libyan banks can make significant gains in the newly open banking market. It will only be through these means that local banks will be able to increase their market share and keep their leading position in the sector (OBG, 2010. p84).

2.4.2 The Usage of Sophisticated Technology on Libya

The internet service was introduced in Libya in 1999. In 2004, Libya had 205,000 internet users (Times, 2007). The table (2.2) shows the Libyan internet usage compared with African usage.

Table 2.2 Internet Usage Statistics for Africa

Africa	Libya	Total Africa
Population (2009)	6.324.357	991.002.342
Internet users Dec/2000	10.000	4.514.400
Internet users latest data	323.000	86.217.900
Penetration (% population)	5.1 %	8.7 %
User growth (2000-2009);	3.130 %	0.4 %
% users in Africa	1.809.8 %	100.0 %

In 2009 the Libyan population was 6.324.357, and the number of internet users was 323.000, (a penetration of 5.1%). Internet use grew by 3.13% from 2000 to 2009. The percentage of users in the whole of Africa was 0.4%. Internet services in Libya are still in their infancy stage; Libya has one of the lowest percentages of internet users in the Arab region (Internet World Stats, 2009).

Twati & Gammach (2006) stated that for the most part Libyan banks deal with customers manually; only basic computer transactions are available to customers, such as account balances or simple payroll systems. They stated that ATMs were not available in Libyan banks at that time and there was no type of networking between banks and their branches.

Recently, in regard to technology good steps have been taken by the Libyan banks, technology has a significant and positive impact on bank dealings. This applies particularly to the problems that lie in banking laws. Libyan banks did not regulate electronic transactions; the reason for this was that these transactions and services were not popular or common when the laws were introduced. For example, the laws focused on the traditional means of proofing (data-written signatures-witnesses) and this may have hampered the evolution of technology. But, a few years ago Libyan decision-makers realised the problem and headed off the difficulties, as Law No 1/2005 achieved a specific advance; this law added a lot, such as dealing with plastic electronic cards and the process of buying and selling debts. Article No 97 refers also to the recognition of electronic signatures and the outputs of a computer as a substitute for accounting records. As well as developing the procedures of work, it granted independence to audit management departments under the control of senior management. All this has a

positive result and will move the Libyan banks to better and higher levels in the coming years.

2.5 Chapter Summary

This chapter has established the fundamental reasons for the thesis. It introduces an overview of the Libyan economy, the banking sector and the central problems have been defined, which reflect the justifications for doing this research in this country and, specifically, in this industry.

In addition, the theoretical background behind the Libyan government's actions have been described and justified. For example, the Libyan government has recently made an effort to diversify its economy, in order to reduce its dependency on oil exports. However, the Libyan government still faces many challenges in developing the financial system; and is making attempts to develop and improve the image of the Libyan financial system, particularly the banking sector which has been hindered by many problems. Thus, the task is to highlight the general circumstances that have an impact on the LCBs' policies and strategies. In this case, back issues of websites, magazines, newspapers, reports, interviews have been used as sources of data.

The next chapter will involve an explanation and discussion of the basic issues underpinning this study which are FSMP. This will then be followed by an in-depth justification of the research methodology.

Chapter 3 Formalised Strategic Marketing Planning (FSMP)

3.1 Introduction

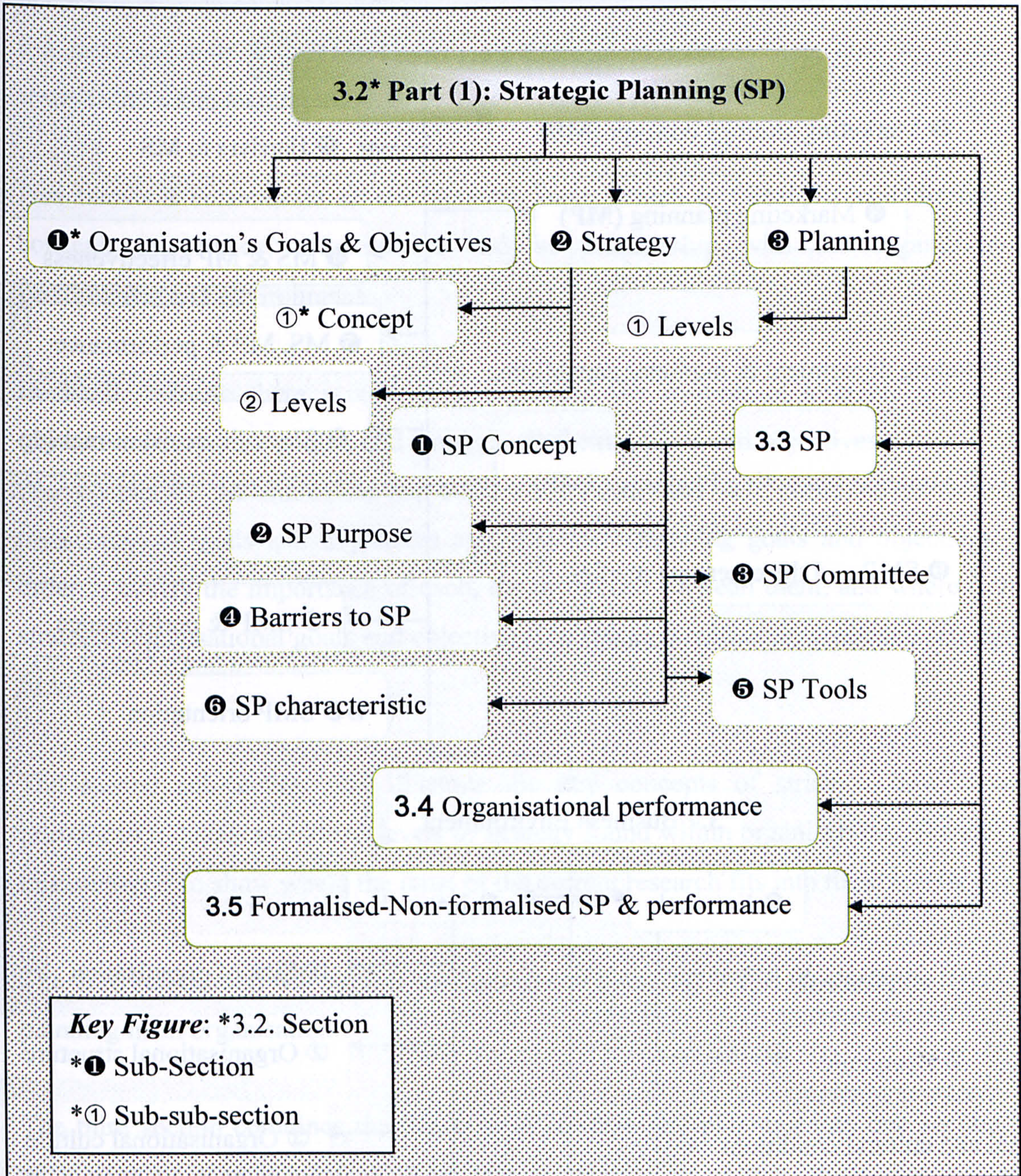
This research has two major objectives. Firstly, it seeks to gain an understanding of the beliefs about, and attitudes towards FSMP held by those individuals involved in FSMP process. Secondly, it seeks to identify the internal and external factors that influence success in implementing of FSMP, taking into consideration the organisational context. It provides a basic overview of how FSMP integrates within the organisation by adapting several models as helpful tools to identify the major issues in this process.

This chapter is important to be introduced for some reasons, for example, it gives an overview of the research background, the core issues related to the FSMP, and to explore to what extent different culture affects the process of FSMP. Given the research area, this chapter is based on the research questions that have been introduced in chapter 1.

Because of the ambiguous nature of the differences between strategic planning and FSMP and the overlap between them in the literature review, the researcher sees that where FSMP takes place within the organisation, strategic planning is formulated at senior manager level and implemented by lower levels, which is the same as FSMP. The barriers facing strategic planning are the same as those facing FSMP; this could be because FSMP is almost the next stage on from strategic planning. Therefore, in order to define the boundaries of this study and to clarify the distinction between these two terms and to facilitate the reader's understanding, this chapter will be divided into two parts. Figures 3.1 & 3.2 display the structure of this chapter.

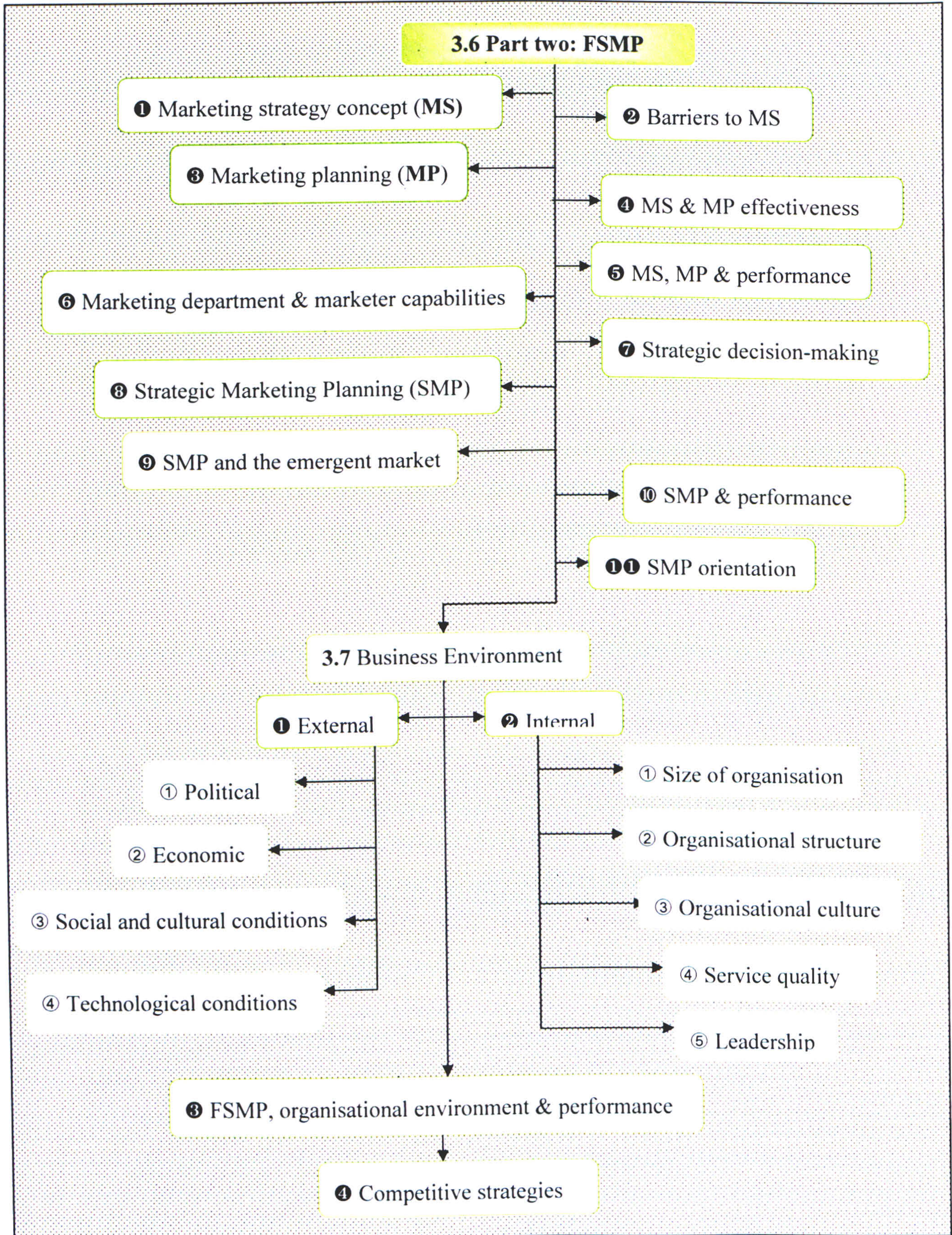
Figure (3.1) displays the first part, which will discuss strategic planning in general, and figure (3.2) displays the second, which will discuss FSMP.

Figure 3.1 Strategic planning



Source: The researcher design

Figure 3.2 Formalised Strategic Marketing Planning (FSMP)



Source: The researcher design

Part one covers strategic planning. The aim of this account is to give a general idea about this concept, how strategic planning appeared in business, how it was explained in the past and how it has developed, what its main constructions are, and who is responsible for managing it.

Part two will concentrate on the research issue, which is FSMP; it will discuss its concept, importance, effectiveness and its relationship with the organisation's performance and environment.

In detail, because there is confusion regarding the concept of strategic goals and objectives (Corporate goals), and strategic marketing goals and objectives within LCBs (See chapter 7), the aim of the first sub-section in part one is to introduce the strategic organisational goals and objectives and strategic marketing goals and objectives, in order to clarify the importance of each, the difference between them, and where in the strategic organisational goals and objectives the strategic marketing goals and strategies fit in.

The second sub-section will illustrate the key concepts of strategy, how it was introduced to business and the levels of strategy found within organisations. The aim of this section is to show where the issue of the current research fits into these levels.

The third sub-section will explore the concepts of planning; it will illustrate the levels of planning in an organisation.

The third section combines the concepts of strategy and planning into one section. It will give an overview of the concepts, purposes, committee, tools, barriers and characteristics of strategic planning.

The fourth section will explain the definition of performance, its types, importance and the aim behind measuring it.

In regard to part two, it will continue with a discussion of the research issue in the areas of FSMP that are reflected in empirical studies of marketing strategy, marketing planning and business environment. This part will begin by giving a brief précis of these concepts, the difference between them, how they complete each other, the barriers to

them, how organisations can use them in an effective way and how they affect organisational performance (Sub-section 1-5).

The sixth sub-section of this part will focus on the importance of having high level of skills and capabilities within the marketing department, and how this can affect marketing strategy, whether the marketing staff contribute to formulating organisational strategy and if they do not, why this happens. The section will also describe the important roles of the marketing manager in organisations; illustrate the marketing manager's role in fitting organisation strategy to the environment, and how they can develop the purpose of FSMP within organisations.

The seventh sub-section will introduce the important issue which is strategic decision-making. It reflects the work system inside the organisation and its outcomes. This issue is one of the most important issues in the current research, because as will be seen in chapters 5 & 7 it will show how LCBs make their strategic decisions and specifically how and why they decide to introduce FSMP. Therefore, introducing this issue in this chapter was crucial to an understanding of sections 5.5.6.4 & 7.4.8.2.

The eighth sub-section will illustrate SMP and strategic market planning. After that, the relationship between formalised strategic planning, non-formalised strategic planning and performance will be introduced in section 9.

The last sub-section will demonstrate SMP orientation

It is important to say that, after this stage of explanation about the main issues in relation to the current research, in order reduce the confusion concerning the terminologies of marketing strategy, marketing planning, SMP, and FSMP, in the rest of the thesis the researcher will use one term FSMP to refer to all the previous terms introduced in this chapter, even if the original author used a different term.

The seventh section will involve several issues connected with FSMP. Because of the peculiar nature of the Libyan business environment (as presented in chapter 2), it is worth presenting here the most important components of any business environment, the relationship between FSMP, organisational performance and the concept of the business environment (internal and external variables) in order to discuss it later in chapters 6, 7

& 8. The first sub-section is the external factors. The external factors used in this study are: political, economic, technological and social and cultural conditions. The second sub-section is the internal factors; it includes organisational size, structure and culture, service quality, and leadership.

The third section will demonstrate the linkage between variables in the business environment and the FSMP and how these concepts affect the organisational performance.

The last section will explain how organisations use their resources as competitive tools to defend their position in the market.

3.2 Part one: Strategic Planning

3.2.1 The Organisation's Goals and Objectives

According to the literature the organisation's objectives are identified by its mission, and they represent the strategy outcomes. There is a difference between goals and objectives, goals are less specific than objectives. Drummond, Ensor & Ashford, (2008) state that strategic goals are difficult to measure; they act as general aspirations that an organisation aims to achieve, whilst the objectives are more specific they can be measured within a specific time scale. Therefore, objectives need to be specific, inspirational, realistic, and time scaled. However, objectives can be quantifiable or non-quantifiable; the latter are, for example, technology and leadership. Drummond et al (2008) goes on to state that the objectives can be useful in several areas, such as market standing, innovation, productivity, profitability, public responsibility, and employee performance and attitude.

There is agreement in the literature that there are four types of objectives: corporate objectives, functional objectives, operational objectives and Strategic Business Unit objectives (SBU). Corporate objectives refer to the overall organisation's direction toward growth, profitability, and efficient use of resources. Functional objectives: each function has specific objectives and strategies to accomplish these, for example finance, HR, operation and marketing. Marketing objectives concentrate on products, services and market. Operational objectives: at this level the functional strategies become the

objectives, each factor of marketing mix has a specific strategy. Finally, SBU derives from both corporate objectives and strategies and then feed into the functional level objectives (Revuelta, 1996, as cited in Drummond, et al, 2008).

3.2.2 Strategy

The word strategy has become one of the most popular words in business writing, for instance, corporate strategy, business strategy, functional strategies (e.g. financial strategy, operating strategy, and marketing strategy), also marketing strategy for example includes product strategy, pricing strategy, and advertising strategy. Strategy is not the same as corporate/strategic plan, the former refers to the general concept of future competitive advantage and reflects goals, while the latter refers to the determination of the selection, sequence, resources, timing and specific objectives required to achieve a strategy (Drummond et al, 2008).

The word “strategy” comes from Greek; it means generalship, and was applied as early as 508 BC (Cummings 1994; and Hindle 1994). Its connection to war began Sun Tzu’s work on the Art of War originating over 2000 years ago and is still regularly cited in relation to military strategy as well as corporate strategy, as mentioned by Cummings, (1994); and Mintzberg & Quinn (1996), as cited in Zinkhan & Pereira, (1994). “Strategy takes its meaning from the social context in which it evolves and is, at any time, whatever people make of it” (Hendry, 2000. p970).

Strategy as a word appeared in business literature for the first time in 1948 by Von Neumann & Morgenstern in their work on the theory of games (West, Ford & Ibrahim, 2010). The notable contribution for this concept was by Andrews (1971); Ansoff (1965); and Hofer & Schendel (1978).

3.2.2.1 Concept of Strategy

Mintzberg & Quinn (1991) stated that there is no single, universally accepted definition for strategy. Over the years, an initial review of the relationship strategy literature has identified many definitions and approaches to this subject. This section introduces the strategy definitions in order to determine its main elements, as shown in the table (3.1)

Table 3.1 the Strategy Definitions

The Author	The Definition
Chandler (1962) and Quinn (1989)	The determination of the fundamental long-term goals and objectives of a firm, to adopt specific actions, and to identify the resources necessary for implementing these goals
Porter, (1996)	Strategy is the direction and scope of an organisation over the long-term: which achieves advantage for the organisation through its configuration of resources within a challenging environment, to meet the needs of markets and to fulfil stakeholder expectations
Mintzberg & Waters, (1985); Blair, (1998); Boyd, Gupta & Sussman, (2001); and Boyne & Walker, (2004)	A vision, goal, an outcome, a project, a pattern, a plan or a policy

Source: Developed by the researcher

From the definitions in the above table (3.1) it can be concluded that the key components of strategy are: aims, visions, goals, the organisation's resources and the environment. So, strategy is a tool to manage the effects of a changeable environment on the organisation.

The organisation's strategy is a general direction which will evolve over time. Therefore, the main purpose of the strategy is guiding the organisation's activities over time, i.e. identifying the market that it will serve and the resources and abilities that will be needed in the future to achieve competitive advantage. Particularly, the teamwork at the top of the management hierarchy is responsible for choosing the future organisation's strategy (Stacey, 2007).

From the above definitions it can be concluded that strategy means different things to different people (Strategic Marketing Planning, 2002). However, it always involves key questions: Where is the business trying to go in the long-term? Which markets should a business compete in and what kinds of activities are involved in such markets? How can the business perform better than the competitors in those markets? What resources

(skills, assets, finance, relationships, technical competence, and facilities) are required in order to be able to compete? What external, environmental factors affect the businesses' ability to compete? All these questions form the basis of this research which will try to answer and highlight the most significant impact of FSMP on the LCBs.

3.2.2.2 Levels of Strategy

It is worth distinguishing here, the strategy levels of the organisation. They differ from one organisation to another, in terms of for example, size, businesses and product profiles (Bower, Bartlett, Christensen, Pearson, & Andrews, 1991). Strategy has been divided into several levels, but the aim of these levels is one, which is meeting the organisation's objectives (David 1997). However, several studies have noted that strategy can be developed at three levels, corporate strategy, business strategy, and functional strategy (e.g. Bourgeois, 1996; and David, 1997). The first level corporate strategy deals with the whole framework of the business, which determines if the organisation will enter, expand, or exit the industry. In other words, it describes the overall direction of an organisation regarding its attitude toward growth. Management strategy in terms of its various business, and its product and service lines are used to achieve a balanced portfolio. Thus, corporate strategy is concerned with the decision that top management make about what type of business the organisation should involve, the flow of resources, and the relationship with other bodies in the organisational environment (West, Ford & Ibrahim, 2006).

The second level is a business strategy; it is created by the business in the organisation, which considers each functional area in the organisation (Glueck & Jauch, 1984). Business strategy is achieved in the strategic business units; it is concerned with how the organisation competes, therefore, it emphasises the improvement of the organisation's competitive position in a specific field (West et al, 2006). Marketing function for example as a business strategy is responsible for the content, process and implementation of marketing strategy at the product-market level, and has a crucial role in developing the strategy and determining the strategy content at both the business and corporate strategy levels (Varadarajan & Jayachandran, 2000, as cited in West et al 2010). The aim of business strategy is to achieve and maintain the competitive advantage in specific product-market domains. This is one of the most important tasks of the marketing strategy which include: building relationships with customers,

partners, and channel members; offering appropriate products; identifying the timing for changes in relationships and product offerings; and the deployment of sufficient resources to realise the choice of relationships and offerings (Varadarajan & Jayachandran, 1999, as cited in Nimmanphatcharin, 2002).

The third level is the functional strategy, usually linked with the second level “business strategy”. Effectively, this level is focused on a more corporeal vision of business strategy. It is also concerned with maximising resource productivity under the constraints of the corporate strategy and business strategy. The functional departments develop their strategies to improve performance (West et al 2010). Another level of strategy has been added by Thomson & Strickland (1996), which is called Operational Strategy. It focuses on the lower level managers in an organisation. Its purpose is to create a strategy that achieves the operating-unit objectives, which work hand-in-hand with the functional and business strategy. Thus, the key levels of strategy have been briefly defined. The primary focus of the current research is on the second level of “business strategy” which is the Marketing strategy.

3.2.3 Planning

Planning is defined as the need to decide what, when and how an action is going to be done in the future (White & Uva, 2000).

3.2.3.1 Levels of Planning

It is fundamental to distinguishing here between long-range planning and short-term planning, and between long-range planning and strategic planning or corporate planning. Long-range planning is imposed at the highest level of management; this means overall planning (Steiner, 1979). In long-range planning the future is expected to be predictable through the extra option of the history growth (McGivern, 2009).

Strategic planning includes strategic comprehensive planning, comprehensive corporate planning, corporate planning and formal planning, i.e. these concepts refer to the whole organisation planning (Steiner, 1979). In strategic planning the future is not necessarily expected to be an improvement over the past, nor is it assumed to be expected (Mc Givern, 2009).

Planning at a lower level in an organisation is called short-term planning or operational planning. It usually concerns establishing routine, functional, and tactical decisions and this kind of planning links goals and action programmes; generally these plans are drawn up weekly or even monthly (Brickner & Cope, 1977).

Rue & Fulmer (1973) identified planners as those who had written plans including their objectives and long range strategies for three years in the future at the minimum. Two years later, Grinyer & Norburn (1975), categorised planning into: formal and regular, formal and irregular, informal and regular, and informal and irregular. Programme planning involves: problem exploration, knowledge exploration, programme design, pilot implementation, evaluation, and program operation (Van de Ven, 1980).

Three categories of planning were identified in the firms by Leontiades & Tezel (1980): high, medium, and low levels of planning. The CEO and chief planner are both responsible for the planning function. Strategic planning is important to long term growth and development. During the early stages of the company's life, strategic planning does not need to be a highly formalised process.

McLarney (2001) investigated the components of external elements of a large industrial service organisation identified as (SRR) and found that this organisation paid close attention to past performance. The majority of the members of the strategic planning department in this case study were not enthusiastic about planning. The organisation did not have any guidelines with which to measure effectiveness. Therefore there were no formal objectives for the planning process or any measures of the effectiveness of the process, although there did appear to be some informal mechanisms and objectives.

Fifty top UK hotel groups have been studied by Phillips & Moutinho, (1999). Six factors were found to be critical to effective planning: planning implementation; future performance; past performance; functional coverage; reliance on analytical techniques and staff planning assistance. A direct positive effect on overall performance has been found and the degree of planning formality and rigidity (even if it is following a market-led orientation) can hamper overall performance. The following year Phillips used the same sample frame, and he found a positive relationship between planning sophistication and those variables, for example performance, efficiency, effectiveness and adaptability (Phillips, 2000).

Pearce, Freeman & Robinson (1987) noted that earlier researchers separated their samples into non-planners and formal planners and suggested that formal strategic planning enhances performance. For example, Thune & House (1970) found that formal planning surpasses non-formal planning in economic performance and Lysonski & Pecotich (1992) found that formalisation and comprehensiveness are positively related to financial performance in stable environments.

There are a number of studies which distrust the value of strategic planning (Fulmer & Rue, 1974; Grinyer & Norbum, 1975; Klein, 1981; Kudla, 1980; Leontiades & Tezel, 1980; Lindsay & Rue, 1980; Robinson & Pearce, 1983; and Unni, 1981 as cited in (Al-Shammari, Hussein, 2007).

In fact the study of Thune & House (1970) was the first major study to explore the financial benefits associated with formal long range planning. The study examined the performance of 36 firms in which sales were greater than USD 75mn from six industry groups (drugs, chemicals, machinery, oil, food, and steel), over the course of seven years. The firms were distributed into 17 pairs of formal and informal planners. The firms were defined as formal planners if they had prepared written policies for determining corporate strategy and goals for at least three years, and if these were accompanied by specific action programmes, projects, and procedures. Five financial performance measures (sales, stock prices, earnings per share {EPS}, return on equity {ROE}, and return on investment {ROI}) were adopted as measures to determine the value of formal planning to organisational performance. In general, the results revealed that formal planners significantly surpassed informal planners regarding ROI, ROE, and EPS; they equalled or slightly outperformed the informal planners regarding sales growth.

However, Shrader Taylor & Dalton, (1984) reviewed eighteen studies and found that there is no clear relationship between formal planning, long range planning and organisational performance. In addition, Boyd (1991) used a Meta-analysis to analyse 29 studies, and concluded that the overall effect of planning on performance is very weak.

In 1988, 67 small businesses in the Midwest US, who had fewer than 500 employees and gross sales of USD 1mn or more, were chosen to compare the responses between

groups of non-formal planners and formal planners. ROA, ROE, and sales growth rate were also evaluated. The authors' conclusion is shown in table (3.3).

Table 3.2 Formal and Non-Formal Planners

Variables factors	Formal planners	Non- formal planners
average number of employees	101 employees	47 employees.
average sales figures for the year	Almost USD 9 mn	Almost USD 6 mn
size of industry	Large	smaller
The age of the firm	No significant difference	
The financial performance of planners	No significant difference	
Growth rate in sales	was twice	

Source: Developed by the researcher

Jenster & Overstreet (1990) focused on formal planning of US credit unions, they noticed from their study of 283 institutions that the inclination to plan is connected to the main organisational processes, structural configurations, administrative procedures, managerial perceptions of environmental predictability, and multiple performance measures. They found a positive relationship between planning and performance. This result supported by Hopkins & Hopkins (1997).

A review of all published field research on the evaluation of formal planning as studied by Al-Bazzaz, Shawki & Grinyer (1980), demonstrated that 48% of the companies reported a benefit, but some companies did not apply. Armstrong, (1982a) stressed that formal planning was superior in 10 of the 15 comparisons drawn from 12 studies, at the same time informal planning was superior in only two comparisons. Furthermore where large changes were expected, formal planning was more useful, thus formal planning seems to have value.

Some authors reported no relationship between these variables. For example, McKiernon & Morris, (1994) showed that the formality of planning systems is not associated with superior performance in the sectors under review. In UK companies, Falshaw, Glaister, Tatoglu, (2006) using multivariate analysis, found no relationship between formal planning process and subjective company performance.

There are three reasons explaining why formal planning is better than informal: first, the formalisation process makes planners consider more carefully their goals and objectives; secondly, it helps audiences better understand the objectives through the use of a visual framework; thirdly, a plan which is written can then be used as a record which enables management to adapt the course or direction of their objectives (William, Addam & Davis 1993, as cited in Claycomb et al, 2000). Although the majority of the Australian companies knew the need for formal planning, they were not all using it (McColl-Kennedy, 1990).

3.3 Strategic Planning

3.3.1 Concept of Strategic Planning

This sub-section analyses definitions of strategic planning. In order to determine the main elements of this concept, the following definitions are illustrated in table 3.2.

Table 3.3 Definitions of Strategic Planning

Author	Definition
Anthony (1965)	The process of “deciding on objectives of the organisation, on changes in these objectives, on the resources used to attain these objectives, and on the policies that are to govern the acquisition, use, and disposition of these resources” (p. 24).
Steiner (1979)	“Looks at the chain of cause and effect consequences over time of an actual or intended decision that a manager is going to make”(p. 13).“begins with the setting of organisational aims, defines strategies and policies to achieve them, and develops detailed plans to make sure that the strategies are implemented so as to achieve the ends sought” (p. 14)
Bryson, (1995); and Cook (1995)	The means of managing change
Probst & Buchel (1997)	“A process of learning about where the future prospects of a company might lie” and “is a learning process undertaken by a group of people who set together to think about the future of the company” (p.87).
Drummond et al (2008)	Includes industry analysis, internal analysis, opportunity identification, objective setting, strategic formulation, proposed marketing programmes and actions, and implementation and control.

Source: Developed by the researcher

From the definitions in the table (3.3) the main components of the strategic planning are highlighted; and it can be concluded that strategic planning is a tool for managing the interaction between the organisation and the environment. Essentially, strategic planning is the determination of the leaders to draw the whole picture of what they would like the organisation to become, as well as providing an environmental scan of resources it must obtain that will enable them to formulate actions to be able to envisage the organisation's future. It is a way towards excellence, by making decisions about the future (Cook, 1995).

Although there is huge criticism on the usefulness of strategic planning within the literature (Whittington & Cailluct, 2008), it is still a common activity within organisations e.g. (Hodgkinson, Whittington, Johnson & Schwarz, 2006). In 1994, Greenley reviewed 29 studies in the field, and found that just one study reported data from UK "Grinyer & Norburn (1975)", while most studies reported their data from the US. Greenley then continued to do his own research from UK data and concluded that this referred only to a single business culture. This was reflected by Kotha & Nair (1995) in their research who stressed that most research in this field were in US. Strategic planning and long-term orientation are terms which have only recently begun to be used, particularly in Arab countries (Al Shaikh, 2001).

Strategic planners should perform better than financial planners by focusing on formal thinking through of strategic issues and adaptation to the environment (Capon, Farley & Hulbert, 1994). In order to fit with the external environment, it is also necessary for strategic planning to continually change as the environment is ceaselessly changing (Proctor, 1997; and Wright, Kroll & Parnell, 1996).

There is a difference between strategic thinking and strategic planning. The first is concerned with creative and entrepreneurial insights into an organisation and its environment, while strategic planning has become in recent times merely a comprehensive analysis of managerial choices (Drummond et al 2008). Although, in 1984, Welch noted that there are several reasons to expect long-term financial benefits from strategic planning, e.g. strategic planning helps firms to understand their business environment by obtaining more information, using better techniques of analysis, and reacting more quickly to a changing environment. Thune & House (1970) stated that, in isolation, the effect of strategic planning on organisational performance is problematic.

Organisational success can be made by strategic planning. However, strategic planning can be a very expensive activity, since it can take a huge amount of top management effort and time, it can also decrease the productivity of managers (David, 1997). Strategic planning needs current investment with potential future benefits (Thompson, 1997).

Sashittal & Tankersley, (1997) used 40 small and mid-sized industrial firms to examine the time-dimension of strategic planning, and its relation to implementation; the research showed that market planning does not end when implementation begins, and static, predetermined strategies do not guide implementation of actions throughout the year.

3.3.2 Purpose of Strategic Planning

As mentioned previously strategic planning aims to identify present actions and predict how their results can be expected to affect the future. In order to gain a competitive advantage, the strategic planning process should:

Firstly, identify a direction for management and for employees to follow, for example: goals, visions, objectives, priorities, and strategies, which should be completed within the set period. The process requires looking at where the organisation is now and where its goals indicate it wants to be, and identifying specific strategies to get there. For this reason, the author asserts that there is a need to define who is responsible for implementing strategy within the organisation (Mosaica, 2001). The main guideline to achieve goals is that each objective must have a corresponding strategy, and the latter is divided into internal and external strategies. Internal strategies refer to, for example, marketing, R&D, distribution and pricing, market research, customer services and information technology. External strategies relate to, for instance, possibilities as joint ventures, new supply chain networks, emerging market segments and any opportunities for diversification, providing diversification fits the company's strategic direction (Paley, 1999).

Secondly, strategic planning should define what is most important for the firm by creating the foundations to evaluate performance, and to deal with changes in conditions, for example unplanned events, deviations, and unexpected problems; and thus eradicate them.

Finally, to meet environmental changes, the organisation should assign resources, such as machinery and equipment, buildings, and capital. These should form a fail-safe mechanism to protect the company from environmental changes (White & Uva, 2000). According to Mosaica (2001), although identifying and understanding an organisation's critical success factors is not included in the strategic planning process, it is however very useful. These factors, for example, contribute to a relationship with the target community, resources, program strategies, governance structure, and staff skills and style.

There are several advantages when firms implement strategic planning. For example, their ROA and growth rates in revenue are higher, they adapt more easily to external circumstances, they are better able to attract a workforce which is more highly skilled, and they also attain higher levels of job satisfaction in their workforce (Al-Shammari, 2007).

3.3.3 Strategic Planning Committees

When mid-level marketing management is involved with the strategic process, the organisational performance improves (Wooldridge & Floyd, 1990). A similar scenario has also been given to broad-based participation by management in the strategy planning process by, for example, Bourgeois & Brodwin (1984); Hrebiniak & Joyce (1984); Lines (2004); and Wooldridge & Floyd (1990). They have suggested that management participation in strategy development is necessary for organisational performance. Sales people should contribute to strategy-making, not just in the implementation process, because for instance usually strategy is created by marketing without input from sales (Kotler Rackham & Krishnaswamy, 2006). This could negatively affect the process of developing marketing strategies i.e. sales people may feel these strategies are inappropriate, ineffective, irrelevant, or disconnected from reality (Aberdeen Group, 2002; and Donath, 2004).

In a changeable environment, one of the strategies that companies should focus on is the creation of cross-functional committees (Calantone, Garcia & Dröge, 2003). In addition, the involvement of top management in strategic planning makes it effective. Obeng & Ugoro, (2008) added that the manager's participation ensured that strategic planning matches the style of top management.

It appears that different studies suggest that participation by middle managers leads to: better strategic plan formulation and the facilitation of their implementation (Bourgeois & Brodwin, 1984; and Hirschman, 1970); and a reduction in behavioural impediments to the effectiveness of strategic planning (Elbanna, 2008; Hart, 1992; and Lyles & Lenz, 1982).

Top management creates teams from different departments to analyse the organisational environment, goals, strategies and the implementation of past strategies (Ketokivi & Castaner, 2004). Each unit in an organisation can develop its own action plan and then integrate it with the whole organisation's strategic plan. This encourages employees to participate in developing the plan and encourages the units to take responsibility for their plan (Obeng & Ugoro, 2008). This is supported by Shapiro, (2001) who asserts that in the process of planning the management team should be involved in order to understand the organisation's issues and problems. When a strategic framework is in place, staff should be taken through this before implementation to give time for staff to ask questions and gain clarification. Drummond et al, (2008) also stressed that plans should then be communicated to employees.

Participation in the process of strategic planning differs from one country to another. Al-Shammari & Hussein (2008) for example, reported that low levels of participation were found in Jordanian manufacturing organisations (JMO) where the strategic planning process did not involve middle management or lower level employees. In addition, Caldwell (2004); and Guest & King (2004) found that HR has a limited role in strategic business decision making.

Organisations without experience in this process can hire consultant bodies to help them in formulating and implementing the process. Strategic marketing could be delegated to planners to decide which market wants to compete and how (Gilligan & Wilson, 2003). In this vain Obeng & Ugoro, (2008) stated that the consultation process between strategic planners and top management is continuous. This is in order to make sure that the implementation of the plan is consistent with the vision of the top management.

3.3.4 Barriers to Implementation of Strategic Planning

Firms who engage in formal strategic planning experience fewer barriers to implementation than those that do not, and subsidiary firms tend to place a greater emphasis on formal planning than independent firms. Formal planning firms emphasise the characteristics of strategic planning to a higher degree than non-formal planning firms, (O'Regan & Ghobadian, 2002).

Strategic planning has been criticised from different directions. For example in terms of its often being performed by planners rather than managers who would be affected by the result of the plans; people who formulate the strategy isolate the planning process from the staff who implement it; the strategic planning process is a rigid activity and just used for financial control, and it does not encourage the implementation of new strategy (Aldehayyat & Anchor, 2008).

In addition, organisational culture and size, nationalisation, diversity, environmental turbulence, market growth-rate, and technological change were identified by McDonald (1989) as some sources of planning process barriers. Therefore, scanning and analysing the environment is very important for firms with both formal and informal strategic planning, and more specifically those which undergo a strategic transformation over their life cycle (Berry, 1989).

The human barriers that impede formal strategic planning processes in Lancaster & Waddelow's (1998) study are:

- lack of focus, which includes market-orientation, direction, and consensus.
- lack of capability, which includes knowledge, skills, and resources.
- lack of wellness, which includes desire, faith, and commitment motivation.

Maloney, (2009) identified four barriers to creating sustainable and effective strategic directions as follows: time and place, fear, cynicism, and ignorance.

- Time and place: strategic thinking and planning is most appropriately formulated away from the workplace. The reason for this is that those involved need to be away from the workplace and all its distractions e.g. telephones and emails.
- Fear can come from many sources, such as job security issues, ridicule, being exposed as inadequate, and fear of change. The responsibility of eliminating barriers rests on the

highest ranking officer of the company by explaining clearly what the changes are, why and how these will be implemented through the facilitator of the process.

- Cynicism is an attitude of scornful or jaded negativity; especially a general distrust of the integrity or professed motives of others. A cynic is defined as: a person whose outlook is scornfully and often habitually negative. Based on both of these definitions, it is important to be mindful of who is invited to strategic thinking and planning sessions. In addition, advanced understanding and acknowledgement in taking action to address cynicism can be key in getting the most out of a group.
- Ignorance can never be eliminated. There are always business issues that lay outside of people's understanding and thinking. "Checking the strategic development process for a lack of root cause questioning can lower the barrier of ignorance and can be further reduced by continually making the executive team aware of the importance of an awareness of this barrier" (Maloney, 2009. P4).

3.3.5 Strategic Planning Tools

In 1992, Khan, & Alburki evaluated the use of ten of the most common strategic planning tools in Bahrain. These were: SWOT analysis, the product life cycle, the experience curve, the growth-share matrix (BCG), the directional policy matrix, the PIMS analysis, gap analysis, perceptual mapping, financial analysis and SPACE analysis. They concluded that planners in Bahrain had a very limited understanding and use of these strategic concepts and planning. They suggest that there was a significant need for the companies in this economy to become familiar with and use the numerous strategic planning tools to deal with the competitive challenges.

Manufacturing, services and commercial sector companies in the UAE have been studied by (Al-Shaikh, 2001) using 127 completed questionnaires, which suggested that not all companies are true believers in the value of strategic planning. Planning horizons seem to be independent of some variables for example company age and size.

In 2001, Al-Ghamdi & Al-Whabi conducted a study in Saudi Arabia and the results revealed that there was some awareness and use of strategic planning from some Saudi companies (Al-Ghamdi, 2005, as cited in Efendioglu and Karabulut 2009). In 2005, Al-Ghamdi investigated the use of thirteen strategic tools that could be used by 72 Saudi companies. These tools were: SWOT analysis, portfolio analysis, analysis of critical

success factors, Porter's five-force analysis, experience-curve analysis, PIMS analysis, what-if analysis, stakeholder analysis, value chain analysis, benchmarking, product life cycle analysis, cognitive mapping and Delphi technique. They found a different degree of use of these tools in these companies. The most commonly used was analysis of critical success factors, benchmarking and what-if analysis. The researchers also reported that the most common use of strategic planning was in 17 joint-venture firms and 29 firms with the largest revenues. Of the 72 firms studied, only 10% used these techniques regularly, and 17% used them occasionally, whilst 45% did not use strategic planning at all.

In order to explore the awareness and usage of strategic planning tools and techniques, in 2008, Aldehayyat & Anchor conducted a study in Jordan. They found that the most used tools by Jordanian public companies in the financial service and industrial sectors are financial analysis (for own business), PEST or STEP analysis, Porter's five-forces analysis, and analysis of key (critical) success factors. It is worth saying that the use of these tools relates more to the size of company and less to the age and nature of business.

In 2006, Dincer, Tatoglu & Glaister, examined the use of strategic planning tools in 135 Turkish manufacturing and service companies. The authors investigated attitudes towards a range of strategic planning issues and the use of several tools and techniques including strategic planning. Among them were economic forecasting models, SWOT analysis, scenario construction and financial analysis of competitors. They reported only minor use of strategic analysis tools. The most frequent strategic analyses used were economic forecasting models, SWOT analysis, scenario development and financial analysis of competitors.

Efendioglu and Karabulut (2009) also studied acceptance and the use of strategic processes in Turkey. Their research showed that although foreign owned firms have tools and techniques of strategic planning, the domestic organisations have efficient tools which will create significant competitive challenges for new entrants into these transitory environments, these are the managerial skills and competitive processes.

The relationship between managers' views of strategic planning and the use of its tools has been studied by several authors. Several studies have discovered positive attitudes

towards strategic planning. For example, a study conducted by Dincer, et al (2006) in order to examine this relationship in Turkish companies, found a positive attitude towards strategic planning by the managers with strong support for the relationship between formal strategic planning and financial performance. However, little support was given to the idea of a relationship between strategic planning and excessive bureaucracy on the one hand, or to the association of strategic planning and rigidity and inflexibility of response to the changing environment on the other hand from either side. These results are consistent with Aldehayyat, Al Khattab & Anchor (2010); Elbanna (2007); and Glaister & Falshaw's (1999).

3.3.6 Characteristics of Strategic Planning

The planning process is a powerful tool in the hands of management, and a firm's approach to strategic planning influences the prospect for successful implementation (Vila & Canales, 2008). The key role of strategic planning is to enhance a company's performance, to enhance effectiveness of the management within the organisation and translating decisions into appropriate actions in order to deal with specific situations that may arise in the future (Greenley, 1994).

Strategic planning is more of an art than a science; it is more intuitive, systematic and analytical, rather than quantitative. It looks at the whole picture of the organisation. Therefore, it should be treated with the same importance as the vision and mission. Strategic planning refers to substantial changes, e.g. additional capital investments, potential gain in market share and the introduction or discontinuation of product lines. It takes into account future environmental pressures in the industry, for instance: new technology; government policy and economic conditions. Furthermore it helps to anticipate the actions of competitors by being influential rather than being reactive. Finally, it looks at the long term. Using the organisation's experience, the management team should be able to predict future sales, costs, and the technology on a fine scale of three, five, or ten years, depending on the context (White & Uva, 2000).

3.4 Organisational Performance

The performance measurement literature review that is presented in this section aims to introduce some different points of view about the organisational performance

measurements (Akroush, 2003). The objective of performance is to identify strategic goals and the resources to implement them (Ittner & Larcker, 2003; and Laitinen, 2002). Therefore, performance must be connected with the activities emitting from strategic planning.

Researchers in this area have concluded that firms should utilise both financial and non-financial measures (Clark, 1999 and Rust et al, 2004), and firms should compare these against goals and competitors (Ambler, 2003). Organisations should always try to capitalise on their strengths and improve their weaknesses (Gapent, 2010). Organisations identify their objectives in order to define themselves in their environment and provide standards for measuring organisational performance (Coulthard, Howell, & Clarke., 1996).

There is a great deal of controversy around the measurement of an organisation's performance (Cameron, 1986; Chakravarthy, 1986; Goodman & Pennings, 1980; Jacobson, 1987; Lewin & Minton, 1986; Venkatraman & Ramanujam, 1986; and Varadarajan & Ramanujam, 1990). The main problem that happens when assessing an organisation's performance is the choice of the appropriate measure.

Strategic planning has more effect on some variables (financial and non-financial measurement) than others (Shrader, et al. 1984). These measures may involve: customer satisfaction (Fifield, 1998; Greenley, 1994; and Pett & Wolff, 2003); customer complaints (Greenley, 1994); good reputation (Antoncic & Hisrich, 2003; and Greenley, 1994); market share (Antoncic & Hisrich, 2003; Fifield, 1998; and Pett & Wolff, 2003); customer retention (Antoncic & Hisrich, 2003; and Pett & Wolff, 2003); growth competitive advantage, competitive position, sales volume, customer franchise, market penetration levels, new product development, customer and market image and awareness levels (Fifield, 1998) and corporate social responsibility (Antoncic & Hisrich, 2003).

Even though, authors such as Levitt (1960) said profit is not a purpose of a business. The financial measures of performance tend to measure efficiency. These measures may involve profitability which also involves: gross profit, profit margin, ROE, ROA, ROS, ROI, return on capital, shareholder return, net profit, earning per share, cash flow/liquidity, share price (Abu Kasim, Minai & Chun, 1989; Antoncic & Hisrich,

2003; Doyle, 1994; Fifield, 1998; Galbraith & Schendel, 1983; Shrader, et al, 1984; and Robinson, 1982)

The findings attained by Finlay, (2000) provided a cautionary message to strategic planning effectiveness, that market share is not unassailable, and provides an opportunity for firms to identify the actions necessary for the effective deployment of strategic planning. However, market share does not necessarily indicate high organisational performance (Mische, 2001). It is not a significant influence on strategic planning, culture, leadership or overall performance. Hass, Burnaby & Bierstaker, (2005) critiqued that it was not clear from Mische's study what factors influenced strategic planning.

Greenley (1994) argues that despite apparent difficulties in measuring qualitative objectives, there is a strong a priori case that they should be included in assessments of performance. Non-financial performance can take different forms, and each of these measurements could also reflect different forms, for example, customer satisfaction can take different aspects like, long term financial effects on business (Nagar & Rajan, 2005), customer loyalty (Verhoef, 2003) and profitability (Anderson, Fornell & Lehmann, 1994).

The literature review has defined different perspectives of performance measurement. It is difficult to choose a single measure of firm performance. For example Ford & Schellenberg (1982) divided the performance measurement into three overviews, firstly, the goal approach, which presumes that the company follows its goals in terms of goal attainment. Secondly, the systems resource approach, which emphasises the correlation between the organisation and its environment. Performance in this perspective refers to the organisation's ability to secure limited and valued resources. Finally, the process approach and performance is described as the participant's behaviour within an organisation.

Performance measurement has been divided by Slater, Olson & Reddy (1997) as follows:

- Financial perspective analyses return on equity. This describes the return on capital into its component ratios, i.e. profit margin, asset turnover, leverage, cash flow and working capital which represent the main part proportions.

- Customer focus involves measures of corporate or brand awareness and image, customer satisfaction, customer retention and customer profitability.
- Internal analysis which correlates with the efficiency of the entire business system.
- The Balanced Scorecard model records financial measures that prove the results of past decisions, and refers to the factors that will dominate future financial and operating performance (Cobbold, Lawrie & Issa, 2004 and Kaplan & Norton, 1996).

In Malaysia's Directory of Star Rated Hotels, from 1998 to 2003, the performance of tourism was examined using size, location, and star rating (Awang, Ishak, Radzi & Taha, 2008). The authors' conclusions are:

- Hotel performance is closely correlated with the environment volatility rate.
- The economic growth rate might be used to gauge performance.
- To connect the rate of changes in the hotel performance with the changes that might appear in the economic growth rate, the companies need more useful information.
- The pattern of industrial growth when compared to economic growth rate might have a slightly delayed impact.
- The next studies should include the impact of growth in smaller organisations, the domestic market and the average length of stay.

Van de Ven (1976) suggested productivity, employee morale, and effectiveness as indicators of performance. Van de Ven added that the performance levels achieved by an organisation represent information to managers, in order to encourage them to change policies and modes of operation. Simply put, performance is not just a dependent on product; it is an ever evolving factor. According to Hunger & Wheelen, (1993); Thompson & Strickland, (1992); and Thompson, (1993) cited in Greenley, (1994) theoretical studies in strategic management have identified several goals that can guide performance.

There is some interesting development in the measurement of performance and strategic marketing. For example Greenley & Foxall (1997) noted that to measure performance, early research adopted either a subjective or an objective approach. In empirical studies, the subjective approach has been used widely, based on Executives' perceptions of performance. Several studies have found consistency between objective measures and Executives' perceptions of performance (Dess & Robinson 1984; Dess ,1987; Covin,

Slevin & Schulz, 1994; Hart & Banbury 1994; Golden 1992; Powell 1992; Venkatraman & Ramanujam 1986; Verhage & Waarts 1988; and Venkatraman 1990), whereas, Fisher & McGowan (1983) counter that objective measures in company accounts are unusable and are not appropriate for research.

Kaplan and Norton (1996), cited in Broady-Preston & Hayward, (1998) stated that the banking industry realised the importance of the link between customer satisfaction and revenue, and suggested using a performance measurement framework called a balance scorecard to link long-term strategy with short-term actions. It measures market share, customer retention, acquisition, satisfaction and profitability by providing a workable framework with which to do this. Thus, banks using the balance scorecard have the opportunity to be customer-focused in their strategy formulation.

The balance scorecard has two objectives: the first is to adapt strategy into definite objectives for the various parts; the second is to communicate the strategy to all parts of the organisation, this framework basically determines what drives business performance (Migliorato, Natan & Norton, 1996, cited in Broady-Preston and Hayward, 1998).

Pap, Slevin & Covin, (1997) evaluated 112 manufacturing firms, using firm growth rate, firm size, firm age, strategy formation pattern, organisation structure and environmental hostility. They found that planned strategies are positively related to sales growth among firms with mechanistic structures and operating in hostile environments.

3.5 Formalised and Non-Formalised Strategic Planning and Performance

Although the concept of relationship strategy is not new, the term only has its roots in 1950; the concept of formal strategic planning became of interest to managers in the UK in the early 1970s. The literature of formal strategic planning for organisation emerged in the 1960s. However, public organisations introduced strategic planning in 1980 (Baile, 1998). Formal strategic planning has been developed within the field of strategic management which has significantly included these schools of thought (Ansoff, 1965; and Learned, Christensen, Andrews, & Guth, 1965).

According to the literature, formal planning or formalisation refers to the amount of written documentation e. g. procedures, job descriptions, and regulations. A lot of money is spent on formal planning, for this reason it seems so valuable for strategic decision making. Therefore, several companies believe that formal planning can improve profits and growth.

There are a lot of definitions of formal strategic planning. If the strategic goals and aims cover a period above three years then formal planning usually exists (Thune & House, 1970). The following definition of formal strategic planning offered by Steiner, Harry & Kunin, (1983, p.12) is:

The systematic identification of opportunities and threats that lie in the future environment (external and internal) which, in combination with other relevant data (e.g. company strengths and weaknesses), provides a basis for a company's making better current decisions to exploit the perceived opportunities and to avoid the threats.

A formalised strategic planning process has some benefits (Lyles, Baird, Orris & Kuratko, 1993). High formality planners perceive greater competitive and organisational benefits from their planning process than low formality planners (Chae & Hill, 1997).

Despite the continued importance of performance objectives in the prescriptive literature, Greenley (1994) points out that attention has not been given to strategic planning and performance in empirical research. More specifically, he reports the data from UK companies where, in a review of 29 relevant studies, the only study reporting UK data was that of Grinyer (1975), while the majority of the studies have reported data from the US.

Kraus, Harms & Schwarz, (2006) stated that planning formalisation has a positive and highly significant impact on the probability of belonging to the group of growth firms, whereas other aspects of strategic planning (time horizon, strategic instruments, and control) do not contribute to performance. However, formalisation of strategic planning could be unnecessarily bureaucratic for some firms (Berry, 1998). In addition, formality of planning systems could be not related to superior performance. On the other hand, when a business grows this process becomes necessary to guarantee the effective linkage between corporate objectives and strategies. But the question here is: do firms who use formal strategic planning surpass firms without? (McKiernan & Morris, 1994)

The relationship between formal and non-formal strategic planning and performance has been studied by many authors for several decades (Andrews, 1971; Ansoff, 1965; Bracker, Keats & Pearson, 1988; Brews & Hunt, 1999; Delmar & Shane, 2003; Mintzberg, 1990, 1994; and Robinson & Pearce, 1984), while results have varied. This was stressed by for example, Grant, (2003); Mintzberg, (1994); and Pearce et al, (1987) who stated that the relationship between strategic planning and performance has been criticised as equivocal

Some authors such as Mintzberg, (1994); and Quinn, (1980) stated that formal strategic planning is rigid and inflexible, whereas advocates of formal strategic planning suggest that non-formal strategic planning is without structure, and hence direction (Steiner, 1979). However, in a turbulent environment strategic planning is characterised by flexibility, in order to deal with the unstable environment (Mintzberg, 1991).

The impact of strategic planning on the financial performance of companies in Turkey has been studied by Efendioglu & Karabulut (2010). The findings illustrated that both domestic and foreign companies have a strategic process: 86% of domestic and 100% of foreign companies considered strategic planning process to be a very important organisational activity and it has become an annual process. Top management has been involved in the process of strategic planning. Companies have provided more resources and also developed more formality in the process. There is no difference among domestic and foreign companies regarding the importance of this process. They indicated that this could be due to the increased competitive pressures resulting from opening up of the Turkish economy with a more liberalised market coming into being as it has started its transition to a developing economy from one that was underdeveloped. Evidence suggests that formal strategic planning is related to superior performance (e.g. Ansoff, et al, 1971; Burt, 1978; Herold, 1972; Rue, 1973; and Thune & House, 1970, as cited in Andersen, 2000; Capon et al, 1994; Greenley, 1986; Hopkins & Hopkins 1997; and Richard et al, 1983).

For example, Hopkins & Hopkins (1997) found the correlation between planning intensity and performance not only strong, but also enhanced the importance of strategic planning intensity for the financial success in the financial service firms. In addition, Griggs (2003) studied the relationship between strategic planning and performance in the Australian healthcare system, (populations of the Tasmanian and

Victoria disability sector). The results proved that there are statistically significant correlations between the strategic planning intensity levels of disability-based agencies, and the performance of their respective organisations. In addition, a recent study conducted by Glaister, Dincer, Tatoglu, Demirbag & Zaim (2008) used the largest Turkish manufacturing companies to examine this relationship and found a strong and positive relationship between these variables.

The result of Al-Shammari & Hussein's (2007) study indicated that firms that implement strategic planning outperform those that do not, regarding the ROA and growth rates in revenue. Likewise they adapt more easily to external circumstances and they are consequently better able to attract a workforce which is more highly skilled. They also possess higher levels of job satisfaction in their workforce and this leads to a greater ability to keep current human resources. This study motivates banks that are not using formal strategic planning to start implementing this process, and current users to maintain and support it.

The strategic planning and performance relationship in the banking sector has been the focus of several studies (Sapp & Seiler, 1981; Klein, 1981; Whitehead & Gup, 1985; Wood & LaForge, 1979; and Richard, Robinson & Pearce, 1983). Rue & Ibrahim (1998) tested 253 small firms in Georgia (US), and found that greater planning sophistication is associated with growth in sales.

Although a higher sales growth rate is reported by companies with more sophisticated planning processes, ROI is not affected. However, organisations that use strategic planning outperform those that do not. For example, they achieve higher financial performance (ROA and growth rates in revenue) and behavioural performance (better ability to deal with their external environment, higher level of job satisfaction between employees, and more ability to retain their HR) (Al-Shammari & Hussein, 2007).

Acur, Gertsen, Sun & Frick, (2003) stressed that after studying 378 companies in ten European countries, companies with a formal strategy competitive priority, improvement goals and action programs are significantly better aligned than companies without such a strategy. In general, strategic planning is a beneficial activity even for small firms (Schwenk & Schrader, 1993).

However, no relationship between a formal strategy and financial performance was concluded by several authors (Cappel, 1990; Fredrickson & Mitchell, 1984; Grinyer & Norburn, 1975; Kudla, 1980; Leontiades & Tezel, 1980; Orpen, 1985; Robinson & Pearce, 1983; and Rue & Fulmer, 1973, 1974, cited in Kargar & Parnell, 1996).

Several researchers have found that there is no clear correlation between the two, and recognised that there are additional benefits to formal strategic planning adapted from financial performance (Scott, et al, 1981; Greenley, 1986; and Shrader, Taylor & Dalton, 1984). For example, in 1984, Shrader et al inspected 18 similar studies and decided that this association between formal planning and organisational performance is not clear. In addition, Boyd (1991) used 29 studies that examined 2,496 organisations by using a meta-analysis, and found a very weak relationship between these variables.

The inconsistent results could be due to the effect of the variables that are used to examine this relationship. For example, the impact of contextual variables on the correlation between strategic planning and performance was examined by Greenley, (1986); the study confirmed the strong relationship.

The importance of organisational factors is studied by Gibbons & O'Connor, (2005); 359 financial controllers of firms were examined and the results showed that, for instance, entrepreneurial firms tend to adopt more formal strategic planning approaches, while conservative firms adopt more incremental approaches. In addition, both management shareholding and CEO experience are negatively related to formal strategic planning activities.

Pearce et al (1987) noted, in a critique of the earlier literature, that there was a lack of attention to contextual influences. To the limited extent that the planning context was considered, researchers depicted only a simple and unfettered relationship between a business's context and strategy and its financial performance. Elements of corporate context and their influence on formal strategic planning-performance relationship were ignored.

In regard to the nature of environment, the relationship between strategic planning and performance has been studied in various dynamic environments (Kukalis 1989; and Papke-Shields, (1997), cited in Thune & House, 1970); and Wilson, (1994). For

example, Dess, (1987) studied this relationship in a competitive industry, and concluded that the relationship between strategic planning and performance is not due to strategic planning variables, but it is the result of the dynamic or competitive environment under which the organisations operate.

Better performance can be achieved if an organisation takes into account the environmental conditions and chooses suitable strategies and their effective implementation (Murthy 1994). For example, Andersen (2000) found that strategic planning positively influences organisational performance among different industries in different environments, and in complex and dynamic industries when managers make autonomous decisions the performance is higher.

Regarding the organisation's size, Schwenk & Shrader (1993) adopted meta-analysis for fourteen studies on formal strategic planning and performance in small firms. They found that planning does not necessarily lead to improved performance. They argued against the assertion that strategic planning is only appropriate for large firms. As such, they concluded that strategic planning promotes long-range thinking, reduces the focus on operational details, and provides a structured means for identifying and evaluating strategic alternatives. Since this was the first review that clearly demonstrated the planning-performance link across studies, it strengthened the case for recommending the use of strategic planning in all firms, regardless of size.

Brews & Hunt (1999), examined this correlation in large firms, and found that more formal approaches of planning surpass less formal ones. While, Perry (2001) studied the level of strategic planning in small firms, and found that those which followed more formal planning were more successful. Extensively, Brooksbank & Taylor (2002) examined 42 New Zealand companies sending 1.313 questionnaires testing by the chi-square test. The findings reflect that successful firms are more formally marketing planning oriented. Higher performing companies pay more attention to a comprehensive situation analysis than do their lower performing counterparts.

Lyles et al, (1993) examined 67 small firms located in the Midwest US, and found that small business owners may achieve a competitive advantage through the use of formal planning procedures to enhance their strategic management process. In other words, small business owners adopt more formal planning processes and there is a significant

increase in the thoroughness of their decision process, the breadth of strategic options emphasised in their business activity, and their overall performance as measured by growth in sales.

Although better non-financial performance leads to better financial performance (Homburg, Hoyer & Fassnacht, 2002; and Rust, Zahorik, & Keiningham, 1995), performance of small banks engaging in formal planning is not significantly better than non-formal small bank planners (Robinson & Pearce, 1983).

French, Kelly & Harrison (2004) examined small regional professional firms in New South Wales, Australia. They declared that while no significant relationship between the performance measures and factors is identified, a significant relationship between net profit and informal planning emerged. There is also a link between planning and performance but this link is not strong.

Elbanna (2007) studied 120 organisations working in Egypt; these organisations were manufacturing and service, small and large, and local and foreign. Elbanna found that the percentage of these organisations with no written strategic plans was 35%.

Clearly, there is widespread disagreement on the relation of formal strategic planning, non-formal strategic planning and performance as introduced above. In other words, the literature points towards a confused managerial perspective rather than a philosophical one and concentrates on the how to rather than what is. This relationship has not been studied enough in other contexts in developing countries. Therefore, providing new data sets from these markets will give valuable information to enhance the understanding of this relationship. This relationship depends on the field study, the variables, the methods used to examine this relationship and environmental conditions in the market. More studies are needed in order to reach a deeper and more comprehensive understanding of the type of relationship between these variables.

To summarise, this part has provided an overview of the concept of strategy, how it was introduced to business and its levels. This part also includes concepts of planning; including the diverse levels of planning that operate in all organisations and the environmental barriers that accompany the implementation process, then the discussion

was extended to strategic planning and ended by explaining the benefits that can be gained from using specific strategic planning.

The next part will introduce a detailed description of FSMP. This part breaks the concept of FSMP down into its original elements in order to understand where in this structure this research fits. In the same line of thought this part will give an idea about the benefits that can be gained by using this concept.

3.6 PART TWO FSMP

3.6.1 Concept of Marketing Strategy

It is important to define what marketing strategy is. Several authors view marketing not as a function but as a process (e.g. Hooley, Saunders & Piercyet, 1998; Piercy, 1997; and Webster, 1997). Marketing strategy is a plan which determines a firm's marketing aims; this usually includes product development; service quality; 5P strategies which include: promotions, producing, placing, people and a pricing strategy. These components are found to have a significant and positive impact on the Jordanian insurance companies' performance under investigation (Akroush, 2003). A marketing strategy identified in the Business Dictionary as a choice of target market, positioning, marketing mix, and allocation of resources.

Marketing has a significant role for all organisational levels. For example, at the corporate level marketing influences the organisational culture, at the strategic business level marketing leads the organisation to a competitive position and at the operational level marketing is responsible for developing the 5Ps mix (West et al, 2010). Marketing strategy is the broad concept of how the 5Ps function as a co-ordinated way to meet marketing goals (O'Shaughnessy 1995, cited in West et al, 2010).

Boyd, Walker & Larreche (1998) defined marketing strategy as the effective allocation and coordination of marketing resources to accomplish the organisation's objectives within a specific product market. As such, marketing strategy decisions involve specifying the target-market segment(s) to be pursued and the product line to be offered. Further, firms seek competitive advantage and synergy, planning a well-integrated

program of marketing elements (the 5P's) tailored to the needs and wants of customers in the target segments.

Based on McDonald (1982) marketing strategies have been distributed into product, price, place and promotion.

Product:

There are four reasons why a product will engage marketing strategy:

- Change in product design, performance, quality, features, positioning
- Consolidation of product lines
- Acquisition of and development of new products
- Withdrawal of product lines

Price:

In terms of price, marketing strategy will respond to:

- Change of price
- Change in terms of purchase
- Penetration policy
- Skimming policy

Place:

Marketing strategy will be required if there is a:

- Change of channels
- Change of delivery or distribution
- Change of service levels
- Consolidation of distribution

Promotion:

With regard to promotion, marketing strategy will be used when there is a:

- Change in advertising
- Change in promotion
- Change in selling
- Improved sales mix

An additional element has been added by authors in the field which is "People". This element is significant specifically in the service sector, where delivering product and service play a pivotal role in customer expectation of quality. For this reason, for example, the role of the front-line staff is important; they must understand the organisation's core values and deliver these values that senior management claim are

important. Staff should be “customer oriented, best trained and most strongly motivated employees in the business” (Wilson & Gilligan, 2007. p22). However, the reality in most organisations is opposite. For this reason, they fail to deliver what they promise their customers. In order to overcome this, the organisation should, for example, downsize, develop flatter structures and empower staff.

After deciding the level of service that the organisation aims to achieve, staff need to be trained to deliver this level, and their performance should be monitored. In addition, marketing planners need to cover some areas, for instance, the perceptions and needs of customers, their willingness and ability to pay for this level; competitor approaches, the organisation’s ability to deliver this service at this level including the cost of delivering and the results to be gained in the short and long term (Wilson & Gilligan, 2007).

Marketing is precisely focused on what an organisation wants to be by selling, advertising, and promoting. Marketing strategy defines broad marketing activities for organisations, which takes a long time. In order to establish a competitive position, an organisation has to respond to a changeable business environment. This requires analysing, segmenting the market, evaluating the competitors’ offers, and positioning products. As for tactical marketing, this concerns day-to-day marketing activities; it deals with marketing mix individually (Drummond et al, 2008).

Nohria, Joyce & Roberson, 2007 (cited in West et al, 2010) studied 160 companies between 1986 and 1996, and found companies outperformed their rivals succeeded at the six primary management practices of strategy, implementation, culture, structure, innovation and leadership. This combination is called the “4+2 formula” for business success. Business success can be achieved by rivalling on low price, and offering top quality or excellent service.

Prahalad (1995) stated that many changes are being faced by many organisations, e.g. technological discontinuities, increasing global competition, and changing customer anticipation. Johnston, Gilmore & Carson (2008) suggested that organisations should anticipate the changes in their market and business environment and prepare their marketing and business activities accordingly; this process is directly related to marketing.

In order to set marketing objectives and develop a marketing plan, marketers need to understand the macro/micro environment in which their businesses are established (SLEPT or BEST environment) (McGivern, 2009). Because the marketing perspective is concerned with discovering what customers want, plus how to develop new products in order to distinguish the organisation from its competitors (Baker, Addams & Davis, 1993 as cited in Broady-Preston & Hayward, 1998), the marketer's role is to keep looking for opportunities that serve their organisations, and when they discover these opportunities, their role is to develop a marketing plan to determine the organisation's resources in order to achieve the marketing objectives and overall organisation's goals.

Some authors have explained the correlation between marketing strategy formulation and implementation by using alternative models. For example, El-Ansary (2006) stressed that the focus of the strategic planning model is on achieving corporate financial objectives through the implementation of the 5Ps. The focus of the marketing strategy process model is on the formulation of segmentation, targeting, differentiation, and positioning strategies which create, communicate, and deliver value to the customer resulting in gaining customer satisfaction and loyalty; i.e. marketing objectives.

Marketing strategy involves three dynamic key constituent customers, competitors and internal corporate factors. It aims to meet three objectives: firstly, understanding need and demand by dividing the market into groups (segmentation), secondly, look for opportunities to build long term relationships with customers by evaluating and selecting market segment (targeting), and finally, by matching product and service attributes to customer needs, organisations can adopt significant competitive positioning. These factors are dynamic. Therefore to ensure the market strategy is relative to the business environment, sustainable, able to create optimal benefits to customer and organisation, and is correctly implemented, organisations have to develop and deploy special techniques, processes, and procedures (Drummond et al, 2008).

Vrechopoulos, Constantiou, Sideris, Doukidis, & Mylonopoulos (2003) redefined the idea of marketing strategy. In their sample various channels were used (e.g., press releases, web sites, newsgroups, portals, meetings, public mailing lists). They used 1.908 respondents in Finland, 1.422 respondents in Germany, and 775 respondents in Greece. They used T-Tests Statistic and ANOVA to analyse the data. The results revealed that price was the most important criterion; security and comfort of the device

were found to be the second for both mobile users and shoppers in all the investigated countries. Customer service was on the same level for mobile shoppers' "security" and was one of the most important reasons for internet users. Despite the fact that the demographic characteristics of these two groups do not significantly differ between the investigated countries, mobile shoppers reported different problems, expectations, needs and preferences regarding e-commerce services to mobile users, which means the implementation of a unified European marketing strategy should be avoided.

In summary, it seems logical to look at the strategic marketing process which involves three phases: (NetMBA. Business Knowledge Center. (2009).

1. **Strategic analysis:** in order to determine the organisation position, organisations have to analyse the business environment (external analysis, internal and customer analysis). To assess their position for management, organisations can use some tools such as industry structure market models and portfolio analysis.
2. **Formulating strategy:** in order to generate a competitive advantage and positions. Formulating strategy involves defining an organisation's goals, objectives, and strategic activities; developing products and brands; and formulating relationship with customers, suppliers and businesses. This stage is complex, so some organisations look to form joint ventures and partnerships. It is a development of long-range plans for effective management of the opportunities and threats and taking into account the organisation's weaknesses and strengths. This process involves collecting and analysing the relevant information about the organisation's resources in order to identify the strengths and weaknesses of the organisation and the trends and forces of the environment in order to identify the threats and opportunities.
3. **Implementation:** during this phase of marketing, marketing managers undertake programmes, techniques, actions (5Ps), and monitor and control processes to meet strategic objectives. Top and middle managers play different roles in the strategic planning activities. For example, the former set the organisation direction and monitor the implementation process; the latter participate in planning activities which affect its outcomes (Floyd & Wooldridge 1996; and Ketokivi & Castafier 2004).

3.6.2 Barriers to Marketing Strategy

Some factors that affect the success of implementing marketing strategy are: the degree of autonomy that senior marketing decision makers have; the extent to which the various units share programmes and coordinate successfully with each other; and the way corporate level managers measure and recompense the performance of unit managers (Walker & Ruekert, 1987, as cited in Ashill, Frederikson & Davies, 2003).

Fifield, (1998) stated that many barriers prevent successful implementation of marketing strategies, such as economic factors, cultural level and social patterns, and some of these barriers are obvious, and some are not. These barriers are divided into different categories: external pressures on the organisation; internal pressures on the marketing function; and pressures within the marketing function itself.

According to the literature, barriers are those elements that can typically prevent best intentions and need to be taken into account when developing strategic processes. McDonald 1996, as cited in Ashill, et al, 2003) summarised several barriers blocking success, for example, a lack of senior management involvement, a lack of top management support and the roles of decision makers which includes decision-maker cognition the non-recognition of alternatives; and a lack of innovation. A further two barriers have been added by Kwaka & Satyendra 2000, as cited in Ashill et al, 2003) an incomplete understanding of the marketing concept and conflict between short and long-term goals.

This is a traditional heading that describes the external pressures on an organisation; this has been called SLEPT (Social, Legal, Economic, Political, and Technological factors), and the internal pressure within organisation, which includes leadership, organisational culture, organisation design, functional policies, and resources (Fifield, 1998).

3.6.2.1 External Barriers

- 1. Social factors**, it includes many influences that impact on strategic plans, such as changing demographics, social patterns, growing population, fewer school leavers and customers and consumers.

2. **Legal issues**, the number of laws that affect the business activities has increased over the years, which are included for example the employment laws, price policies, health and safety.
3. **Economic factors**: there are many changes which have occurred in the business industry that impact on the strategic implementation of plans. In the marketplace these changes include mergers, joint ventures, and share price movement and investment. A manager should consider the changes in trade union activities, suppliers' actions and distribution channels. The major factor in the economic condition is internationalisation which impacts on the customers' perception of the organisation. Even though, the competition has a very important effect on the strategic implementation, predicting the competition over the years has become more difficult, especially with the global market.
4. **Political factors**: over the years in western markets, the role of the government in business has increased. The political factors include for instance taxation, and lobbying.
5. **Technological factors**: these factors had and have a massive impact on products and services industries, especially, the new ones. One of the particular jobs of developing technology is its ability to eliminate or at least reduce barriers to market entry.

3.6.2.2 Internal Barriers

These also affect the organisation's ability to implement its marketing strategy successfully, but all these factors can be overcome, because they are inside the organisation.

- **Leadership**: the success of any strategic plans and its implementation depends on the top management. Especially, where the organisation needs to be changed.
- **Organisational culture**: there are several types of organisational culture and few of these are market focused. The chance of success for those organisations without a market oriented culture is weak, marketing in this kind of organisation focuses on marketing service which is linked with sales function. The marketer's role in production-orientated organisation is identifying sales material, product information and market analysis. There is much discussion about changing the organisational culture in at least the medium term to conform to organisational strategy.
- **Organisational design**: most businesses focus their organisational design on the worker, workplace rather than satisfying their customers. It is crucial when dealing with culture that design takes into account style, skills, staffing and shared values.

- **Functional policies:** these cover finance, operations, human resources and marketing functions which require a number of policies to enable departments to manage them. The whole organisation's activities are guided by the marketing strategy function, which is customer focused. Therefore, the main function of the marketing strategy department is to direct the staff from all the departments to share in the implementation of the organisational strategy.
- **Resources:** a business needs the appropriate resources to fully implement plans.
- **Evaluation and control procedures:** significant blocks to successful strategy implementation are the lack of suitable monitoring and evaluation procedures. Marketing strategies aim to develop customer satisfaction, raise monthly sales which will reflect if the organisation has achieved their goals.

According to Fifield, (1998), within marketing departments there are several barriers that may impact on the implementation of quality strategies e.g.:

- **Marketing connection with other functions:** satisfying customers is the responsibility of the whole organisation's functions, by involving them in the process, improving communications and understanding between marketing department and other functions.
- **The role of marketing, the organisation's culture and structure determine the role of the marketer.** In a non-market oriented organisation marketing is advertising and promotion. Managers in other departments may have a little information about marketing strategy, and may not appreciate their role in satisfying customers. In a product oriented organisation the marketer's role is to identify, anticipate and satisfy customer needs, the key is to understand the organisation's customers and to use this information to satisfy them.
- **Marketing feedback:** the quality of the information is one of the most important keys to implementing marketing strategy successfully. There are two kinds of information resources: one is outside the organisation, and the other from the inside, and this might be under the marketing function hands. Market research is essential. As the competition increases then market research likewise becomes more necessary. There is a need for a specific type of required information and for personnel skilled in data gathering and analysis. Ineffectual communication across levels is one of the planning barriers.

3.6.3 Marketing Planning

A marketing plan is: A written statement of the marketing objectives of a company. For example: a statement of the products, market shares, pricing policies, and distribution channels with precise specification of timescales, individual responsibilities (Masner, 1988, cited in Strategic Marketing Planning, 2002). High quality marketing planning is achieved when planning is formal, comprehensive, rational and interactive (Pulendran, Speed, & Widing, 2003).

McDonald (1984) believes that marketing planning is still the most difficult of all the problems facing management as they prepare themselves for whatever challenges the coming years hold. In small companies this process of developing marketing plans is usually informal. In larger companies the process is often systematised. Simply put, this process involves setting objectives for what is being sold and to whom, deciding on how the objectives are to be achieved, and costing out the actions necessary for implementation.

Marketing planning improves an organisation's ability to cope with the complexities of the business environment (Dibb, Farhangmehr & Simkin, 2001). Market planning has played an important role in the larger South African companies. Sound marketing planning has been regarded as essential for the survival of local companies and the level of marketing orientation and planning is comparable with industrialised nations (Abratt & Higgs, 1994). McDonald (2007) remarked that marketing planning is a logical sequence and a series of activities leading to the setting of marketing objectives and the formulation of plans for achieving them.

In a comparison study, Dibb et al, (2001) investigated 83 UK and 97 Portuguese companies, and found that marketing as a function and formal marketing planning is less mature in Portugal than in the UK.

The benefits of marketing planning are undefined and take place within the whole context of an organisation. Marketing strategy helps organisations to be clear about what it is and where it is going. In other words, an organisation with a marketing strategy implemented, better anticipates change and is less vulnerable to the unexpected. Furthermore, it has proactive responses to environmental changes which can minimise

the random decisions that can take a business by surprise, and thus create better communication. Marketing planning also can create greater inter-functional coordination and achieve minimum waste and duplication of resources (Strategic Marketing Planning, 2002).

Verhage & Waarts (1989) found a clear relationship between marketing planning and company performance, and companies which developed formal marketing and strategic planning on an annual basis reported better profits than their competitors.

Some researchers have studied the association between the marketing planning-business and performance. Although some studies have found a positive relationship (Fredrickson, 1984; Lysonsk & Pecotich, 1992; McKee, Varadarajan & Vassar, 1990; and Wood & La Forge, 1979); other studies have shown that there is no systematic relationship between the two constructs (Kulda, 1980; Leontiades & Tezel, 1980; and Richard et al,1983).

Thus, researchers have revealed mixed results ranging from negative, positive or no relationship depending on the field of the sample studied (Fredrickson & Iaquinto, 1989; and Fredrickson & Mitchell, 1984).

Formal marketing planning is about learning how to develop and write a comprehensive marketing plan. It includes examining how marketing plans change with the life cycle of market conditions of a product or service. The business has to develop a model of a marketing plan which includes an analysis of competition, pricing, promotion, distribution, and value proposition. Special emphasis is placed on adopting and maintaining a customer orientation when creating marketing plans (Marketing planning , 2009).

3.6.4 Marketing Strategy & Marketing Planning Effectiveness

Being effective means doing the right things (Fifield, 1998). Authors have examined the effectiveness of marketing strategy in many sectors, Grand (2003) for example suggested that an effective marketing strategy is based on four key dimensions. These are being close to the market, preparing for environmental trends and market behaviour,

exploiting the organisation's strengths and developing a relational foundation for achieving and sustaining competitive advantage.

A recent study conducted by Obeng & Ugboro, (2008) reported that to make strategic planning effective, it must be understood by the employees. Many managers are confused about marketing terminologies, such as the marketing concept and the marketing function. They cannot distinguish between marketing and sales on the one hand and advertising and product management on the other (McDonald, 1992).

Piercy and Morgan, (1990) examined the relationship between the behavioural planning problems on the one hand and customer philosophy, marketing organisation effectiveness, marketing information effectiveness, and strategic orientation on the other hand in 450 UK firms. The correlations between the behavioural planning problems and the measures of organisational context are generally negative. The relationship is strongest for customer philosophy, strategic orientation and marketing organisation. While the correlation between the behavioural planning problems measures and the credibility and utilisation of marketing plans are negative.

Greenley & Bayus (1994) classified the marketing planning processes among US and UK organisations into four groups. All the groups perceived the same level of the effectiveness of marketing planning process, and at the same time senior management participation is important for the effectiveness of marketing planning process in all the groups. There are differences between these groups: unsophisticated marketing planning decision makers (group 1) neglect of planning techniques and organisation information inputs, and also the use of standard computer software in the planning process. Information seekers (group 2) use the main information inputs (judgment) in developing planning, use Product Life Cycle analysis, and standard computer software in planning analysis. "Gut feeler" organisations (group 3) use limited information inputs, and make wide use of judgment in the planning process. The last group uses the most analytical techniques and several information inputs, but computer software is not important for them. The managers of the first and third groups might not conceive that the usage of formalised planning processes could enhance effectiveness.

The effectiveness of the process of marketing planning has been studied by Conant & White, (1999) who studied 638 owners of independently managed computer and software stores in the US. They confirmed that the planning dimension "strategic

clarity” is significantly related to the process benefits “market knowledge” and “marketing program effectiveness”. Process benefits mediate the relationship between planning and performance. Process benefits are positively related to financial performance.

Fifty eight banks from 14 branches of two major Scottish banks have been studied by Moutinho & Phillips, (2002) who found that bank branch competence is influenced by the effectiveness of management practices. The overall performance of the branch depends on both long-term thinking and innovation. Long-term thinking seems to have a crucial degree of impact on strategic planning effectiveness. Lastly; the degree of precision attached to planning, programming, budgeting and control seems to trigger high levels of marketing effectiveness.

Implementation effectiveness is affected negatively by conflict and positively by communication and specifically, interpersonal, not written. In turn, these interdepartmental dynamics are affected by senior management support, joint reward systems, and informal integration (Chimhanzi, 2004).

Another sector has been tested by Elbanna, (2008). This is family firms working in Egypt. The study found that strategic planning practice, but not management participation, is significantly associated with strategic planning effectiveness. Further, both strategic planning practice and management participation jointly enhance the effectiveness of strategic planning. Elbanna (2008 & 2009) found that management participation was not a substantial indicator for strategic planning effectiveness. Pannell & Hatem, (1999) stated that other variables could explain this result, for example Arab culture.

3.6.5 Marketing Strategy, Marketing Planning and Performance

It is not easy to examine the relationship between financial performance and marketing strategy (Srivastava et, Shervani & Fahely, 1998). For this reason, several studies have examined this relationship and found contradictory results. For example, a clear relationship exists between the level of marketing planning and company performance using 40 Dutch companies that have developed formal marketing and long range plans

on an annual basis; they found that two-thirds obtained better profit margins than their competitors (Verhage & Waarts, 1988).

In Danish industrial companies, seven variables were found which affect export performance. The most significant one was export marketing strategy which affected sales, growth, and profits. The next two independent variables were firm and market that influence export sales only. Interaction analysis highlighted that inter-correlation and association affect firm and market. There are four variables that affect export performance. These are product strength; planning and control intensity; export experience; and export market attractiveness, (Madsen, 1989).

Another study was presented by McKee et al (1989), which examined marketing strategy and performance (market volatility, organisation strategy types, marketing tactics, and organisation performance). Following Miles & Snow's (1978) method, they categorised the organisation's strategy into four types: reactor, defender, analyser, and prospector. They then classified, the market volatility as high positive, mild positive, and negative volatility. The study showed that in general the four types of strategy have significant relationships with marketing tactics but they do not lead to different performances.

To explore the correlation between marketing strategy and performance Cavusgil & Zou (1994) also implemented a more comprehensive study on this subject, and concluded that companies can gain better performance if their marketing strategies correspond to their internal and external business environment. This study shows that nearly all internal and external environmental factors affect almost all components of marketing strategies as expected. However, this study omitted the most important role in obtaining a successful performance, which is the process of marketing strategy formulation and implementation.

In a Chinese study with a representative sample of 87 small firms on the mainland, Siu, (2000) has indicated that higher-performing companies adopt customer orientation, and use a proactive approach in strategic planning. They are thus aware and make use of marketing planning tools, adopt long-term profit objectives, participate actively in new product development, and introduce new ways of doing business. These higher-

performing Chinese small firms have well-organised marketing organisations and encourage free communication flow and interaction among employees.

The multi-industry organisations of Australia have been examined by Pulendran, et al, (2003). The results showed that high quality marketing planning can lead to performance benefits, but as antecedent to a market orientation, rather than as an independent activity. In addition, Li (2004) examined a hybrid intelligence system, called MarStra which aimed to develop the marketing strategy of five large UK companies. The findings showed that this system for developing marketing strategy is extremely helpful.

The correlation between marketing strategy and organisational performance of 81 US retail banking managers, showed that proactiveness and competitive strategy substantially affected the retail bank's performance based on the strength of integration of operations and marketing areas (Rhea & Mehrab, 2006).

Research within the marketing technology industries has shown that strategy designed for superior financial performance is likely to be different from a strategy designed for superior marketing performance (Oliver, Bitoun & Davies, 2007). Data was collected from high-tech firms, using the correlation matrix. The study found that the ability to measure marketing performance has a significant impact on a firm's performance, profitability, stock returns, and marketing stature within the firm (Sullivan & Abela, 2007).

Brooksbank & Taylor (2007) surveyed three matched high/low performing manufacturing firms in the UK, and indicated that there are four key strategic marketing activities previously found to be characteristic of higher performing firms. They clearly show that such companies implement them with a far greater degree of skill, sophistication and ingenuity than do their lower performing counterparts.

The basic strategic marketing practices, which are typically advocated in the mainstream Western academic and prescriptive literature, are being widely practised within Chinese manufacturing companies; the higher performing firms are clearly differentiated from their lower performing counterparts by doing more and better marketing (Huan, Brooksbank, Taylor & Babbis, 2008).

A recent study conducted on Iran's medical equipment sector has found that marketing strategy has no effect on overall performance, and that while it has a positive effect on non-financial performance; it has a negative effect on financial performance. The study also found that good quality marketing capabilities have a positive effect on financial, non-financial and on overall performance (Azizi, et al. 2009).

3.6.6 Marketing Department and Marketer Capabilities

In 1990, a typology of approaches to marketing was developed by Hooley, Lynch & Shepherd which studied over 1000 UK chief marketing executives. The study concluded that two views of the concept of marketing activities were adopted. The first was marketing activities which are distributed to all departments in the organisation, i.e. non-specialists are guided through the marketing activities (Workman, Homburg & Gruner, 1998). This means that all departments in the organisation are responsive to market needs (Day, Kerin, & Varadarajan, 1992; Hooley et al, 1990; Piercy, 1985; and Thwaites & Lynch, 1992). The second view was that there was a natural progression from sales support to departmental marketing to adopt marketing as a guiding approach for the whole organisation.

In 1985, Bonoma stated that in the past, marketing departments were ineffective in implementing strategies. Specialisation is a degree of distribution of the tasks and activities in the organisation. There is a link between the existence of specialists in the organisation and the degree of specialisation within the organisation (Olson, Slater & Hult 2005). When an organisation decides to establish a marketing department it is important that staff understand the purpose, it is also important that it does not get too much power (Grönroos, 2004).

The relationship between the organisation and its environment is crucial. However, this is not dependent on just the environment, but rather on the managers who make strategic decisions and match resource capabilities with their realities (Anderson & Paine, 1975; and Glaister & Thwaites, 1993). To enhance this match, it is very important to improve both the quality and quantity of the environmental information, which is very difficult in an unstable environment (Provan, 1989). Therefore, information managers have the ability and the time available which do not always allow them to act (Walsh, 1995). Middle managers can help top management in the strategic

issues, supporting their strategic information by dint of their contact with the actual operations of the organisation (Barlett & Ghoshal, 1994). There are disputes in the field between the authors about the position of middle managers and their influences on the future strategic decisions at the time e.g. (Dutton & Ashford, 1993; and Pfeffer & Salancik, 1978).

Marketing managers can use three ways to facilitate marketing; the first is by educating the employees about marketing concept, purposes, and applications. The second is by using effective sales training programmes and sales tools, and finally, by pushing marketing responsibility downward into the company to be closer to clients (Berry 1987 as cited in Akroush, 2003).

Anderson, (1982) asserted that Marketing managers have the most significant role in providing strategic information and this is due to marketing managers' working towards satisfying long-term customer needs. Moreover, they can convince top management to execute a marketing concept. Drucker, (1969) illustrated that the marketing concept which reflects the profitability does not mean sales volume, but long term customer satisfaction. So, the key to success is marketing and innovation. This means that the executive must set the customer's interests at the top of the firm's priorities.

The findings of Day (1994); and Song, et al (2008) emphasise that the role of marketing capabilities is about achieving and sustaining competitive advantage. In 1999, Moorman & Rust stated that, in service organisations, the marketing function is positively associated with marketers' ability to deliver service to the customer. However, Anderson (1982); Day (1992); and Webster (1992) found that the strategy marketing function plays a limited role in the process of formulating strategic planning. In addition, the marketers' inability to measure and reveal the impact of marketing activities on firm performance is limited (Srivastava, et al 1998).

Phillips, et al (2001) targeted 50 top UK hotel groups as a sample. They collected 165 completed questionnaires. Regression analysis, factor analysis, and multi-dimensional analysis were undertaken and the findings suggest that the issue is not whether strategic marketing planning affects performance, but rather how marketing capabilities are required to enhance performance.

In Irish firms, Sullivan & Abela (2007) stressed that the ability to measure marketing performance has a significant impact on a firm's performance, profitability, stock returns, and its marketing stature. However, the relatively low levels of benchmarking observed in Irish firms may have impacted on the results. A marketing planning capability can enhance a firm's performance (Brews & Hunt, 1999 and Slotegraaf & Dickson, 2004). Lehmann (2004); and Webster, Malter, & Ganesan (2005) gave an explanation for this. They said that some firms could measure the contribution of marketing performance; in this case marketing has a huge influence. It would appear that the importance of a marketing department relies heavily on the ability of the staff.

3.6.7 Strategic Decision-Making

Although the strategic-decision making process differs from one country to another and from one organisation to another, there is little research about this issue outside the UK and US. This reflects what Pettigrew, Thomas & Whittington, (2002, p8) described "the overwhelming geographical bias" of work in strategic management field, and as a result they recommended studying this issue outside this area. Taking into account their suggestions, a part of the current research is conducted in this issue. Other reasons are to understand the motivations for introducing FSMP in LCBs, who is responsible for making this decision, why it has only been introduced only recently and to understand how LCBs make their decisions and according to what variables.

Three levels of decision making are identified by the strategic management literature: corporate, business and operational unit. The integration between these three levels is necessary for success in the organisational strategy's implementation (Kelly & Gennard, 2007).

3.6.7.1 Types of Decision-Making

The organisational characteristic plays a key role in success (Barney, 1991 cited in Zheng, Yang & McLean, 2009). The organisation is centralised when decision-making is kept at top levels, whilst it is decentralised when decisions are delegated to lower organisational levels. Increased decentralisation should be associated with increased use of formal strategic marketing plans. Claycomb et al, (2000) stated that decentralisation in marketing is not associated with strategic marketing decision-making, while

decentralisation of material flow and warehousing is (Daft, 1992, cited in Claycomb et al, 2000).

According to Zheng et al, 2009, several studies found that a decentralised organisational structure has a positive effect on the following: organisational effectiveness, better communication, increased employee satisfaction and motivation. Management participation in strategic planning affects practical planning consequences. The latter includes strategic capability, managerial training, coordination, communications and adaptability. It also affects psychological planning consequences that include morale, commitment to the firm, commitment to planning and motivation (Freeman, 1989; and Gerbing, Hamilton & Freeman, 1994, cited in Elbanna, 2008).

Management participation in the strategic planning process can create informational and emotional effects (Ketokici & Castaner, 2004). Centralisation of decision-making negatively relates to the way of structuring that is similar to the description given by Weber about the bureaucratic mode of administrative control (Child, 1972).

Flavian & Polo, (1999); and Gilligan & Wilson, (2003) state that strategic marketing decisions could be distilled down to planners to decide which markets want to compete and how. In large companies the HR function does not participate in the process of decision making (Millward, Bryson & Forth, 2000, cited in Kelly & Gennard, 2007).

Regarding speed of decision-making, many studies have found that most fast decisions have a positive impact on performance. For example, Eisenhardt (1989) examined the impact of rapid decision making in high-velocity microcomputer firms; where all of the top management team were interviewed. The findings showed that fast decision-making leads to better performance. To achieve superior performance, top management teams in high velocity environments employ five strategies:

- 1- Use more information.
- 2- Consider more simultaneous alternatives for comparison.
- 3- Use experienced counsellors to expedite the development of alternatives to help reduce ambiguity.
- 4- Engage in active conflict resolution to achieve consensus.
- 5- Integrate strategic decisions with one another and with tactical plans.

Judge & Miller, (1991) interviewed 86 executives and top managers in biotechnology, Hospital, and Textile companies to collect the data, and used correlation analysis to analyse these data. The results confirmed that when a number of simultaneous alternatives are considered apart from the environmental context, decision speed increases. However, board experience tends to reduce the speed. Only biotechnology companies operating in a high-velocity environment enjoyed the advantage of better performance as a result of speedy decision-making. The relationships amongst board experience, speed and performance tend to increase as environmental velocity increases, while the relationship between speed and the number of alternatives is unchanged in any environmental context.

Priem (1994) gave an overview of this relationship at 33 manufacturing companies and concluded that the CEOs judgement in decision-making concerned with the strategy-structure-environment alignment is strongly related to the realised strategy-structure environment. CEO judgements following the prescriptions of contingency theory result in better performance. There was no support found for CEO characteristics and the strategy making process as determinant factors of CEO judgement. Even so, rationality in strategy-making represented by scanning, analysis, and the planning process, helps CEO to attain better performance.

Marketing planning decisions can be made within a dynamic context in more efficient ways to overcome the insufficiencies of the traditional model: Firstly, there is the prescriptive logical sequential way of marketing planning which integrates management processes, including culture and other issues which have not been incorporated into marketing planning before. Secondly, there are different strategies that will encourage companies to address market change. Thirdly, these new strategies illustrate the importance of incorporating and coordinating the role of marketing planning. Finally these new ways of decision-making can be practical as well as theoretical (Greenley, Hooley & Rudd, 2004).

Superior performance can be achieved by matching the marketing strategy and the business environment. Ozsomer & Prussia, (2000); and Rajaratman & Chonko, (1995) interpreted that the organisation should employ a decentralised marketing structure in order to enhance the capacities of marketing managers to easily adapt to environmental

changes. Decentralisation of power allows the capability of an organisation to be more appropriate and leads to better performance.

McDonald, (1996) considered that strategic marketing decisions should deal with issues linked with the long-term organisation's policy, organisation's activities and how they fit with their external environment and resources capacity, such as finances, manpower, technology or skill levels.

“Based on [...] observations, financial companies are more likely to impose rules to control the decisions made by their employees” (Liu, Liston-Heyes & Ko, 2010, p203). In a similar vein, they found that financial services organisations are more likely to make cause-related marketing decisions centrally, with relatively less employee participation. In addition, they study employee participation in Cause-Related Marketing Strategies (CRM) across British consumer service industries. They have found that larger CRM campaigns are managed centrally i.e. the employee participation is less than smaller ones. In addition, CRM decisions are more likely to be central in the financial services firms, and employee participation is less than in retail services firms.

Three years earlier, Kelly & Gennard (2007) found that in twenty-nine organisations, strategic business decisions were formulated at the Chief Executive Office Group level. Moreover, in another twenty organisations, these decisions were made at the main board level or at the divisional business unit level.

3.6.7.2 Culture and Decision-Making

Hitt, Dacin, Tyler & Park, (1997); Tse, Lee, Vertinsky & Wehrung, (1988); and Ralston, Gustafson, Cheung & Terpstra (1993); compared the US to East Asian nations regarding the influence of culture on managerial decision-making, and found that culture and business environment differences strongly influence managerial perceptions and decisions. For example, in 1997, Hitt et al. found that Korean managers gave sales and market share more importance than other indicators when making strategic decisions, whilst US managers gave more importance to cash flow and ROI.

According to Kanungo & Jaeger (1990), organisations in developing countries are characterised by hierarchical management structures. They also contend that there is a

tendency to decision-making based on non-rational criteria. Status, position and seniority in Arab organisations are more important than ability and performance. Decisions are made centrally with a low level of delegation. In addition, the opportunity for lower level managers to bear responsibilities may be restricted. The process of decision-making in Arab countries is characterised by the prevalence of paternalistic and familial patterns (Hickson & Pugh, 1995).

Because there is a significant difference in understanding between Saudi management levels of the priorities of organisational goals, Hunt & At-Twajri (1996) suggested that to solve this problem lower levels should participate in the process of setting organisational goals. In addition, Wooldridge & Floyd, (1990) cited in Elbanna, (2008) stated that in order to enhance middle managers understanding of the corporate goals, they should be involved in the process of strategic planning.

A comparative study between American and Egyptian organisations was conducted by Parnell & Hatem, (1999) who found that culture impacts on management style. For example, participation in decision making tends to be positive in the American context whilst negative in the Egyptian one. They state that the Egyptian managers believe that subordinates' participating in the process of decision-making is a sign of weakness and is linked to a lack of leadership skills and low integrity. Egyptian managers also think that participation in the process of decision-making weakens their power position in the organisation. This could be due to Egyptian cultural context where subordinates are commonly told what to do.

In 2000, Maltz & Kohli concluded that functional boundaries are important. Staff are not allowed do their work through cross-functional boundaries (Parnell & Hatem, 1999). This result is contradictory to another published study (Ali, 1993). Al-Shammari & Hussein (2008) state that these management styles prevail in the JMO, which means that centralisation of decision-making and a low level of empowerment are common in Arabic management style. Another possible explanation of this is given by Al-Rasheed (1994), cited in Al-Shammari & Hussein, (2008), who stated that traditional Arab culture influences the type of management style. In Arab families, for example, the authority is concentrated in the hands of the father, as in government, the authority is concentrated in the hands of the leader. Consistent with this, Elbanna (2008) agrees that this management style may be due to the influence of culture. Egyptian managers for

instance are sensitive to personal relationships, cautious and slow decision-makers (Hickson & Pugh, 2001; Leila, Yassin & Palmer, 1985; and Youssef, 1994).

Only top management was involved in the process of strategic planning in the Greek management. The Greek management is characterised by high centralisation, which affects the structure of top management and CEO ability to communicate with their employees. The low level of participation by top management in the strategic planning process could be due to a lack of sufficiently adequate quality resources and a lack of professional expertise (Koufopoulos & Chrysochoidis, 2000). In Arab countries strategic planning practice enhances strategic planning effectiveness, yet management participation does not (Elbanna, 2009).

3.6.7.3 Barriers to Strategic Decisions-Making

Culture can be one of the barriers that affect planning, for example, Parnell & Hatem (1999) suggested that culture impacts on management style and participation in decision making tended to be positive in the American context while negative in the Egyptian one; this result is contradictory to another published study (Ali, 1993).

Beer & Eisenstat (2000) cited in West et al (2010) also believed that six silent killers of great strategy are: management style, unclear strategy, ineffective management, vertical communication, cross-functional coordination and down-the-line leadership. West et al (2010) suggested that engagement between lower-level staff and senior management is an approach that combats these barriers. Thus each silent killer has its own strategic response: Top-down leadership can be solved by engaged leadership or more decentralisation, this is consistent with Broady-Preston & Hayward (1998) who stated that in order to complement the strategic vision and leadership supplied by the corporate centre a bottom-up approach to strategic development must be used. Unclear strategy needs compelling business direction. An ineffective management team needs to be transformed into an effective one. Poor vertical communication requires honesty and fact-based information. Poor coordination between functions needs to be changed to teamwork by realigning roles and responsibilities to the right people. Inadequate down-the-line leadership skills need transforming (West et al, 2006).

3.6.8 Strategic Marketing Planning (SMP)

As mentioned earlier, strategic planning is a process of deciding an organisation's mission, long and short-term objectives, strategies, tactics and resources; these enable organisations to achieve their goals. "SMP is a similar process but within the marketing function of the firm" (Byars & Neil, 1987 cited in Claycomb, et al 2000, p220). The main focus of SMP is to distinguish an organisation from its competitors by using relative strengths to satisfy customer wishes (Jain, 1990, cited in Claycomb, et al 2000). In other words SMP is about deciding what marketing strategies should be used to obtain sustainable competitive advantage.

There is a need to distinguish between strategic market planning from SMP. The former was introduced to the lexicon of strategic concept by Abell & Hammond (1979), they found that strategic development is driven by the forces of market environment not by the internal forces; therefore, strategic market planning prepares organisations to develop strategies in order to respond to the changes in market environment, while SMP is related to functional decisions (West et al, 2010).

SMP is not the same as marketing planning. As reported before (Section 3.3.3) Marketing planning deals with marketing mix, whereas, SMP is about planning for all of an organisation's strategy and market place (Baker, 2007). Baker added that marketing has presence at all organisational levels. At a corporate level for example marketing can influence organisational culture; at the SBU level marketing can guide the organisation's competitive position, while at the operational level marketing is responsible for the development of 5Ps tactics (Baker, 2007). In the same context, Brooksbank (1999, p78) defends SMP as: "a management discipline which enables the firm to improve its competitiveness by becoming more responsive and adaptable to changing market conditions". Taking the previous discussion into account, FSMP is defined as: "a written, visual, accessed, understood statement of the organisation's targeted market, resources, marketing aims, 7ps and competitive position, considering the organisational culture and behaviour" (developed by the researcher based on the literature review, 2011).

McDonald identified five potential benefits of using FSMP: firstly, that it enables better coordination between employees working together, bringing together all relevant

facts and operating decisions in order to better anticipate development, a more positive attitude towards change, better allocation of resources in sales promotion and finally setting up a framework which can better quantify marketing accomplishments (McDonald, 1996). In general, SMP makes for better coordination of functions within the organisation.

Thus, most companies need to adopt FSMP in order to better deal with increasing turbulence and environmental complexity. A FSMP provides numerous benefits for managers to help identify sources of competitive advantage, to force an organised approach and to ensure consistent relationships; it is important for non marketing functions to obtain resources.

3.6.9 Strategic Marketing Planning (SMP): Emergent vs deliberate approaches

A deliberate strategy is characterised by having pre-defined and precise plans about what is desired before actions are taken. The external environment in this case must be perfectly predictable or under the full control of the organisation. It involves top-down formulation of plans, without incorporating other organisational levels in the decision making process (Mintzberg & Waters, 1985). Segal-Horn, (2004) stated that this approach is unlikely to be effective, fully implemented, or plans realised because it reflects only the views of top management.

In an emergent strategy, on the other hand, there is no predefined strategy. Strategy emerges through a series of actions over time. This does not mean chaos, but merely that there is a predefined order to the actions undertaken. It allows those who have access to required information (often lower down in the hierarchy) to formulate realistic strategies and thus opens the way for collective action and convergent behaviour. Management should be open, flexible and responsive to the changeable environment. This strategy helps middle and lower-level line managers to think strategically (Mintzberg & Waters, 1985). Papke-Shields & Malhotra (2001) found that the involvement of middle managers and manufacturing executives on strategy improves the organizational performance (growth and profitability)

In reality these approaches to strategy formulation are unlikely to be found in their pure form in any organisation. Most approaches exist somewhere between these extreme

archetypes. In order to explore the complexity and variety of strategy formation processes, Mintzberg & Waters, (1985) divided strategy into eight types, starting with a deliberate strategy and ending with emergent strategy (intended, and realized). Those strategies represent the ends of a strategy continuum. There are various types of strategies in between (Planned, Entrepreneurial, Ideological, Umbrella, Process, Unconnected, Consensus and Imposed strategy). In their opinion, when implementing intended strategy many events and decisions will occur and lead to modifications of the original strategy (intended strategy). The outcome of this emergent strategy, part of which will be unrealised and the remaining aspects of intended one (deliberate strategy) then combines with the newly emerging strategy to form the realised strategy (Mintzberg & Waters, 1985).

The difference between deliberate and emergent strategy is that the former focuses on direction and control or in other words getting desired things done. Mintzberg & Waters, 1985, p270 suggest that “defining strategy as intended and conceiving it as deliberate, as has traditionally been done, effectively precludes the notion of strategic learning, once the intentions have been set, attention is riveted on realising them, not on adapting them”. Emergent strategy, on the other hand, opens up the concept of strategic learning.

Whilst increasingly competitive marketplaces necessitate good planning, it is argued that highly formalised procedures are inappropriate to cope with rapidly changing environments (Baker, 2007). There is a danger that systems become overly bureaucratic, absurdly quantitative and largely irrelevant (Henkoff, 1990). In Henkoff’s view, although strategic planning was appropriate in the stability of the 1960s, “this needed to be replaced with a more responsive, hands-on approach in the 2000s”. This, he suggests, involves thinking strategically by focusing and flexibility. Focusing involves identifying the customer needs, developing the key competencies, determining a clear, realistic and understandable mission; and flexibility created by sketching rough scenarios of the future.

According to Hamel & Prahalad (1994), to succeed, organisations must have strategic intent. This creates, by design, a substantial misfit between resources and aspiration, in contrast to traditional strategy approaches, which focus only on fitting the existing resources to emerging opportunities (Hamel & Prahalad, 1994). In the view of Papke-

Shields & Malhotra (2001), strategy formation is walking on two feet, one deliberate and the other emergent.

Consequently, the researcher has suggested that organisations cannot rely only upon deliberately planned, top down actions. A more modern systems view of change and its management would suggest that it is the internal and bottom up or middle out type processes that must be optimised to marshal resources and respond to a more complex and rapidly changing environment. Therefore, flexibility of response to change becomes increasingly important and an awareness of emergent and opportunistic change is required to enhance organisational performance.

However, this remains a step beyond managers in Libya, as they are unable to respond to an overly complex strategic marketing model. Due to the fact that LCBs have only recently adopted FSMP, senior managers are not yet ready for more sophisticated approaches. Thus a simplistic approach is necessary to obtain the required level of understanding. Moving to a more systems based view of strategy and focusing upon key aspects such as the management of knowledge is a step too far. Such approaches tend to under-emphasise important issues such as: the communication systems that organisations are using; the organisation's decision making strategy and the organisational culture in general. It is suggested, therefore, that LCBs need to start by implementing the rudiments of FSMP successfully, even if it does not reflect a modern management approach (Cravens et al., 2000).

In the context of LCBs where competition is weak and organisations are state owned, an understanding of FSMP is limited and terminology such as sustainable competitive advantage, trust and customer value do not mean a great deal to those involved. Therefore, taking a simpler view of strategy formulation is essential in order to achieve the required level of understanding amongst participants.

3.6.10 Strategic Marketing Planning and Performance

Practitioners and academics believe that a complete SMP system may result in a superior performance (McDonald, 1996). Hooley, West & Lynch (1984) examined the connection between marketing planning and performance, and found a positive association.

The association between performance and SMP processes was examined by Lysonski & Pecotich (1990). The results indicated a significant relationship between organisational performance (revenue and profit) measured by objective criteria, formalisation and comprehensiveness. The findings were not strong, but they provided some support. On the one hand, Fredrickson & Mitchell (1984) examined the relationship between planning, comprehensiveness and performance in an unstable environment. The findings of the study suggested that the relationship may be negative. On the other hand, Greenley (1986) examined this relationship; and reported that of the twelve studies, only seven affirmed this relationship, and he found some support for the planning-performance relationship as outlined by Philips, et al. (2001).

Claycomb, et al (2000) chose their sample from 200 logistic management firms, all of whom were members of the Council of Logistics Management. The findings indicated that the process of formalised marketing strategy is important in determining the level of specialisation in industrial companies. In addition, firms which engage in strategic marketing formalisation are better performers in terms of market share, sales growth, profit, ROI, and ROS. However, they found that there is no relationship between strategic marketing formalisation and the configuration of marketing functions and no relationship exists between strategic marketing formalisation and customer-driven exchange.

The Business Schools across the US were examined by (Hammond, Harmon & Webster, 2007). The pre-requisites for performance excellence are the existence of a formal mission statement, the practice of formal marketing planning, and the planned use of motivational rewards. However, it is equally clear that too many Business Schools are content with the status quo, which is not typified by having these attributes.

3.6.11 Strategic Marketing Planning Orientation

Miles & Snow (1978) introduced a framework for understanding strategic decisions. Four types of strategy have been identified by these authors, Prospectors; Defenders; Analyzers and Reactors. Prospectors for example seek to introduce new products and market opportunities; Defenders on the other hand seek to apportion part of the market in order to create regular products and consumers; Analysers are placed in the middle of

Prospector and Defender and attempts to take advantage of the two; and finally Reactors, do not have a consistent response to the entrepreneurial problem.

In 1987, McDaniel & Kolari examined the model of Miles and Snow's strategic type (defender, prospector and analyser), in small US banks, using percentage multivariate tests. Significant differences in marketing orientation were found between Defenders and Prospectors, as well as between Defenders and Analysers. Prospectors and Analysers employ more proactive marketing strategy than Defenders. They engage in more activities in new product development, promotion, and marketing research than Defenders. Hence, Defenders lack marketing orientation and rely more on their traditional products.

Rajaratnam & Chonko, (1995) examined service organisations and described four business strategy types (Defenders, Analyzers, Prospectors and Reactors), and all these strategies share a similar approach to formalisation and market development. Although Defenders and Analysers follow similar organisation of marketing departments, Defenders have more functional structure and spend more. Prospectors demonstrate more specialised organisation structure, market penetration and product development, and expend greater marketing effort. Reactors adopted a centralised power structure. However, they have lower performance in terms of earning, sales growth-rate or ROS and ROI than the other three types.

A comparison study which examined marketing strategy and performance was designed by Shaw (2001). Shaw used German companies and French companies operating in the UK. The German companies were found to pursue market-focused strategies with an emphasis on product quality. Meanwhile, French companies adopted a more short-term orientation with a stronger emphasis on cost-related strategies. Both sets of companies displayed a high degree of ethnocentricity towards the UK market with regard to strategic and product-related issues. However, high levels of autonomy are observed in French and German subsidiaries in other areas of marketing decision making. Some differences by industry sector have been observed, with service organisations more likely to adopt their product-service offering to meet the needs of UK customers.

Another examination has added to the Model of Miles and Snow's Strategic type, but this time was extended to China, which used 113 Multinational corporations'

subsidiaries, and found that environmental factors of the Chinese market affect the strategic orientation of multinational corporations subsidiaries. Among the three strategic orientations, Analyser has the strongest relationship with the environmental factors. This indicates that firms use Analyser as a mechanism to fit the operations to their environments. Firms with Analyser as the strategic orientation achieve better performance than did firms with Prospector or Defender. They concluded that foreign firms should be innovative and adaptive but not too proactive and risk taking to operate in the emerging Chinese market (Luo & Park (2001).

A study by Okoroafo & Russow (1993) explored the relationship between marketing strategy and performance in Nigeria. The results showed that three variables: consumer orientation, increased reinvestment, and marketing efficiency are significantly related to performance. Whereas consumer orientation and increased reinvestment have a positive effect, marketing efficiency had a negative impact. Market control, foreign market expansion, and increased capital positively affected the performance, but the difference was not statistically significant.

Cluster analysis was used to examine strategic planning orientation in 35 firms. The study found that managers of large products do not have a strategic planning orientation (Crosse & Swan, 1983). Luo (1999) has served Towns and Villages Enterprises managers in Southern China with a focus on Jiangsu province, and suggested that small Towns and Villages Enterprises use a wary prospector orientation to align with environmental conditions, and that this strategy-environment configuration leads to superior financial and market performance.

Kreiser, Ojala, Lamberg & Melander (2006) studied Family Firms in the US, Finland, and Sweden as a sample. This study suggested that Family Firms have become more outward-looking in orientation over time. This suggests that strategic alliances are one important way for these firms to cope with increasing environmental pressures. The evolution of the strategic process that occurs within Family Firms may be generalisable across cultures. Izquierdo & Samaniego, (2007) tested 182 Spanish museums, using a Path analysis. The results revealed that social effectiveness relates highly to product and customer orientation, whereas economic effectiveness mainly depends on sales orientation and inter-functional coordination.

3.7 Business Environment

The aim of any organisation is success, and understanding the environment is the most important stage of success. To achieve this aim an organisation must fit its strategy with its environment. Several authors have stressed this (Drucker, 1964; Homburg & Workman, 2000; Hussey, 1979; McDonald, 1982, 1992, 1996; McDaniel & Kolari, 1987; and Moorman & Rust, 1999). They added that organisations use SMP to deal with increasing environmental turbulence, complexity, competitive pressures, the pace of technological change, organisational diversification and size, societal performance, demands on organisations, and more recently the disappearance of conventional marketing structures. Therefore, Dibb, Lyndon, William & Ferrell, (2006), cited in West et al (2010) stated that systematic scanning and analysing macro/remote environment and micro/competitive environment is necessary.

The most important element in a company's environment is the industry it operates in. An industry is a group of companies producing similar products or services or a group of competitors producing products/services that compete directly with each other (West et al 2010). The key success elements in the industry are: industry size, growth, competitive structure, cost structure, channels and trends (Aaker, 2001).

In order to set a marketing plan' marketers need to understand their business environment (SLEPT/BEST). This includes identifying the internal environment and the organisation's resources (this process of analysis is called a marketing audit). The environmental factors play an important role in developing strategies, identifying the available opportunities, and dealing with the threats. If an organisation aims to take advantage of its strengths, decreases weaknesses, exploits market opportunities, and avoids any possible threats, it has to use the SWOT analysis (Vrontis, 1999 and McGivern, 2009). Identifying opportunities is the first job the entrepreneur has when creating marketing and financial plans determined by requisite resources (Osbourne, 1995). SWOT analysis is defined as a systematic way for a company to assess its overall structure and involves internal and external analyses in order to match what the organisation offers with the environment between what the environment can provide and what an organisation needs (West et al 2010). After that, marketers can set their marketing objectives, and develop their marketing plans which include implementing, monitoring and evaluating marketing plans (McGivern, 2009).

Some scholars have categorised the business environment by its dimensions and characteristics. Generally, the strategy of the organisations is influenced indirectly by the external environment such as suppliers, customers, competitors and general economic conditions, and directly by the internal environment, such as the size, the age of organisation and the organisational culture (Emery & Trist, 1965; and Miles et al, 1978) cited in Bausman, (2002).

The macro environment is a process of collecting information about the forces in the environment, analysing is the process of evaluating and interpreting collected information. Regarding micro/competitive environment it includes the forces that affect or are affected by the main operation of the organisation. It refers to the industry in which the organisation is working (West et al, 2010). "A consultant can be hired to assist with the environmental scan, contacting stakeholders to provide an external view and staff to obtain an internal assessment" (Mosaica, 2001.p6).

Analysing the external environment involves examining the related organisation's external factors. It includes competition, technology, economy, politics, law and regulation, and the social and cultural environment. It focuses on identifying and understanding the present and potential opportunities and threats facing the organisation. Microeconomic information involves three types of analyses: Consumer Analysis, Competitor Analysis and Market Analysis (White & Uva, 2000). Consumer Analysis includes for example, demographic changes, changing consumer lifestyles and population growth in selected regions; Competitor Analysis e.g. identification of competitors, current and potential. Analysing competitors is important for an organisation in order to survive, grow and stay competitive. Analysing competitors is defined as a set of activities which examines the competitive position of competing enterprises within a given strategic sector (Aaker, 2001). These activities are: identifying competitors, understanding their objectives and assessing their strategies, strengths and weaknesses, estimating their reactions and selecting which of the competitors will be attacked and which will be avoided (Wilson & Gilligan, 1997). Finally, Market Analysis e.g. market size, growth prospects, market profitability, cost structure, distribution channels, trends, market forces and their effect on prices.

Macroeconomic Information involves four types of analysis: firstly, technology, especially breakthroughs that influence an organisation to choose one country or region

over others, secondly, political/legal e.g. regulations of labour, thirdly, economics, e.g. globalisation, value of the dollar relative to other key currencies. Finally, social/cultural aspects are represented for example, by the impact of society's view toward the rights of minors and environmental protection (White & Uva, 2000).

Strategic market planning and environmental scanning, acting together, explain a significant percentage of the variance in risk-adjusted market return. Under conditions of strategic uncertainty, this process is significantly more important as determinants of long-term financial performance (Norburn, 1988).

Marketing research is important for most organisations to obtain needed information about the actual organisation, potential competitors and customers. It specifically identifies information about market size, customer needs and satisfaction, and competitor activity and performance, which helps to analyse their competitive situation. In addition, the organisations should use secondary data e.g. trade publications, government publications and commercial market reports (Brooksbank, 1999).

The role of marketing research is crucial. It has six objectives:

1. To understand the organisation's environment and its effects on the organisation.
2. To identify opportunities for customers and threats from competitors.
3. To develop a marketing strategy and test different ones.
4. To monitor and control marketing programmes.
5. To develop advertising and communication strategies.
6. To choose and develop products and services, a brand name, package design and distribution channels (McGivern, 2009).

In 2008 Nadkarni & Barr examine 26 firms across four industries (aircraft, petrochemical, semiconductor, and cosmetic industries) over a 25-year period, archival data was represented in annual reports, and regression analysis was used to test these variables. The results suggested that the timing of strategic response to major environmental events varies across industries and that this variation is tied to beliefs and sense making processes that vary by industry context.

Environmental changes represent a significant obstacle to adopting a strategic planning approach in Egyptian organisations (Elbanna, 2007). General market conditions, for

example, economic conditions and government factors differentially influence most organisations (Kudla, 1980).

Next distinguishes these variables according to external and internal environment, operating as follows:

3.7.1 External Environment (Macro-environment)

According to Drummond et al, (2008) macro-environment involves the broad range of environment factors that could affect the organisation. The term of general environment and external environment are both used by authors to refer to the set of conditions that exist outside an organisation. It includes PEST or STEP variables (e.g. Porter 1991; and White & Uva, 2000). Some authors have added other factors, such as culture, financial markets and its institutions, law, and the taxation system (Bourgeois, 1996 and David, 1997).

3.7.1.1 Political Conditions

Four essential political variables have been identified by Austin (1990); and David (1997) called instability, ideology, institutions, and international links. Drummond et al, (2008) stated that political and legal issues include taxation policy, monopoly control, environmental protection measures, employment law, environmental legalisation, foreign trade agreements and stability of the governmental system.

The political characteristics in developing countries of different economic levels are probably varied. Politics can be closely related to the economy of the country and in this instance it will have more control over society, and the business arrangements between companies in developing and developed countries could be complicated (Austin, 1990). However, in 1997, Thompson observed that these arrangements have a more negative impact of domestic enterprises if these policies have more benefits for the foreign enterprises than the domestic ones.

3.7.1.2 Economic Conditions

The changes of economic conditions and divergent schools of thought have influenced the change of marketing strategy over time (Zinkhan & Pereira, 1994). Researchers

have divided the economic conditions in both developed and developing countries into six classes: national resources, labour, capital, foreign exchange, infrastructure, and technology (e.g. Porter 1991; Austin 1990; and David 1997).

Drummond et al, (2008) stated that economic factors include interest rates, inflation rates, money supply, business cycles, unemployment and GDP trends. The environmental analyses should include economic stability, taxation, savings, depreciation, labour market, micro-economic reform, infrastructure, and external policy (Porter, 1991 and Glueck, Clark & Andrews, 1988).

In a review of Tanabe, Angelo & Alexander, (2004) collected their data from the Brazilian supermarket sector during the period 1988–1999. They suggested that variables representing changes in economic conditions and strategic planning were both statistically significant when they were used to explain performance. Differences in company management practices were found to play a more important role than changes in the environment. Industries such as financial services may be influenced by the stage of development of the country and its economic factors. For example, an economic crisis has a large impact on the financial system and then on the financial service sectors (Austin, 1990).

3.7.1.3 Social and Cultural Conditions

The culture concept involves attitudes, behaviour and comportments that guide a group of people. The cultural dimensions are concentrated on the nature and the structure of a society, human nature (goodness and changeability), time and space orientation, religion (source of value and institutional power), and language (Austin, 1990).

Drummond et al, (2008) listed some factors, such as age profile, social mobility, changes in lifestyle, family structure, level of education, work behaviour, distribution of income and attitude and values.

Social and Cultural factors are very important especially for international companies to understand the main characteristics of the identified countries that help to establish the business (Glueck, Clark, & Andrews, 1988). An analysis of intercultural Management in Libyan society is provided in chapter 2 (2.2.3).

There is a strong positive relationship between the kind of marketing culture that a service firm has and its degree of marketing effectiveness (Webster, 1995). A firm's strategy is possibly affected by the culture of people (customers and employees), as the demand and the way firms relate to employees (Barkdoll, 1999 and Glueck & Jauch, 1984). Furthermore, firms should consider as part of the social factors the broad demographic profile of the region that the firm likes to target, population movement and government social plans about increasing or decreasing the amount of disposable income (Bain, 1995; and Porter, 1991).

3.7.1.4 Technological Conditions

Robbins (1996) defined technology as how organisations transform their inputs (such as materials and information) into outputs (products and services). Technology also includes the way that companies serve their customers. Strong support for the existence of the technology-structure and performance relationships was found by many studies (e.g. Fry, 1982; and Kantrow 1980). The world has moved toward a borderless marketplace through technological development. To put it another way, information technology has created global competition, especially with available customer information and their knowledge (e.g. Denison & McDonald, 1995; and Webster, 1997). Middle Eastern consumers are more and more aware of and have a desire for the technology and a more sophistication (Marinov, 2007).

Technological factors include focus on government research, rate of technology transfer, materials and developing technological processes (Drummond et al, 2008). Technology is used to enhance speed and diversity of service (Ennew, Wright & Thwaites, 1993). At the same time Dickens (1992) concentrated on the effects technology has on information as the process and product of financial services. This factor is involved with the company's R&D, lack of skills and capital deficiency (Boulton, 1984).

In respect of some companies that establish and transfer their business to other countries, they need to take into account some issues, such as people skills and knowledge, costs, and industry requirements (Bain, 1995). In order to gain competitive advantage many organisations should introduce new modern technology (Caldeira & Ward, 2002). Although high technology could decrease production costs and it would

probably also help companies to achieve competitive advantage. High technology is not suitable for all countries, since the organisations might need expert operators who have high skills, and this might not be available in some countries (Austin, 1990).

Firms that use technology as part of their competitive strategies have been studied by Frohman (1982 & 1985). The studies found that a strategy that emphasises technology is not necessarily the best. However, an organisation's ability to develop new technologies is at the heart of strategic competitiveness (Hitt & Hoskisson, 1991). Therefore, organisations should upgrade their products and business activities through innovation to maintain competitive advantage (Drew, 1997).

In family firms with high levels of strategic planning, there is a negative but weak relationship between innovative capacity and performance. The environment that is rich in technological opportunities with a high level of reciprocal altruism is associated with stronger family firms' performance (Eddleston, Kellermanns & Sarathy, 2008).

David (2001); Hitt, Ireland, & Hoskisson, (2003); Price (1996); and Wheelen & Hunger (2002) stressed that technology forms one of the forces that can drive strategic change in organisations. These authors emphasised the important relationships that exist between technology, strategy, structure and organisational performance. The authors also claimed that superior utilisation of technology is one of the most important ingredients of economic success. The links between strategy, technology and performance in small manufacturing firms have been found by (Schroeder, Congden, & Gopinath, 1995).

In brief, social, economic, political conditions and the technology might impact on the organisation's performance; it leads to organisation success or failure. Therefore, they represent important tools that organisations could assess when formulating SMP in order to gain a competitive position in the market. This research will investigate these factors in the LCBs.

3.7.2 Internal Environment

As mentioned earlier, scanning and monitoring the firm's internal and external environments is very important for companies, particularly those working especially in

changeable and competitive environments. Companies can succeed in these conditions if they take advantage of the new opportunities, evaluate strategic issues, and develop them (e.g., Bourgeois 1980). In other words, companies should take notice of the changes in consumer preference, new channels and technology that might be used by competitors. On the other hand, companies should enhance the internal factors, which would represent strength and they can better control them.

3.7.2.1 Size of Organisation

Size could refer to financial indicators, e.g. total assets or total sales or revenue, or it could be used to refer to the number of employees in an organisation (Christodoulou, 1984 and Schuler & Jackson, 1996). Bureaucracy and hierarchy are linked with larger companies, when companies are growing in their size they tend to proliferate. Therefore, their ability to react swiftly to changing market demands will reduce and their size creates increased competition in the market; also they will need more restructuring to change one or both of these features (Liao, Welsch & Stoica, 2003).

An organisation's size can affect its performance. Larger companies are more profitable than smaller ones. Performance measurement stands as one of the four main factors characterising the practice of strategic planning (Bonn, 1996 and Christodoulou, 1984). The complexity coming from organisational size and rate of change in the sector creates variation in the impact of performance measurement in strategic planning. Large organisations and organisations operating in rapidly changing environments make greater use of performance measurement (Tapinos, Dyson & Meadows, 2005). In 1983, Robinson & Pearce discussed the impact of the organisation's size on this relationship, and confirmed the fact that performance of large banks using more formal planning was better than that of small banks. These results were also confirmed by Powell (1994).

Fletcher & Hart (1989) used 105 small, medium and large firms in the British pharmaceutical industry. They found that the vast majority of firms had one person with overall responsibility for marketing who tended to work closely with other departments; the closest links were with sales, followed by R&D. There is a limited correlation between integration and size, in that larger firms reported working more closely with other departments, but this might be more indicative of different organisational structures than of actual levels of integration.

3.7.2.2 Organisational Structure

The hierarchy of managers and sources of authority reflect the organisational structure (David, 1997; and Miller & Friesen, 1984). The organisational structure can consist of three forms, the functional structure, the divisional structure, and the combination structure, which are studied with respect to size, strategy, environment, and performance (Bonn, 1996; and Thompson, 1997).

Organisational structure has been studied for a long time (Burns & Stalker, 1961; Lawrence & Lorsch, 1967; and Woodward, 1965). Two types of organisational structure have been identified, the bureaucratic and the organic ones. The bureaucratic structure is characterised by vertical hierarchies, numerous departments, limited decentralisation, many rules and procedures and tight specification of duties (Bantel, 1993; and Marsden, Cook & Kalleberg, 1994). This type of structure is suitable for a stable environment (Burns & Stalker, 1961, cited in Hwang, 2005). The organic structure is the opposite, i.e. less structural complexity, fewer rules, extensive decentralisation and horizontal interaction, and less rigidity of duties and powers (Bantel, 1993; Johnson & Scholes, 1993; and Marsden, et al, 1994, cited in Hwang, 2005). This type of structure is suitable for unstable environments (Burns & Stalker, 1961, cited in Hwang, 2005). The appropriate organisational structure can change through time, because the environment is changeable (Özsomer, Calantone, & Benedetto, 1997, cited in Hwang, 2005).

Several studies investigate the typologies of organisational structure. The most important types are: formalisation (rules, procedures, communication approaches and regulations), centralisation (the distribution of decision authority within the organisation's hierarchy), and specialisation of structure (the division of labour, the distribution of official duties among a number of positions, and the degree of individual expertise in an organisation). These variables are important for formulating strategic planning and SMP particularly in the competitive environment (Boyd, Walker & Larreche, 1995; Pugh, Hickson, Hinings, Turner & Lupton, 1968 and Schaffer, 1984; Miller & Dröge, 1986, cited in Hwang, 2005). For the purpose of this study, these variables are used as indicators of the type of organisational structure (bureaucratic structure or organic structure, formalisation, centralisation and specialisation).

The communication between levels of management throughout the process of formation and implementation of strategy provide the perfect context for perceptions of justice to thrive (Rosier, Morgan & Cadogan, 2010).

The correlation analysis used to investigate the degree of division (strategy, structure), company's size, technological change (environment), and ROI (performance). Significant and positive correlation has been found between strategy and structure and a good match between strategy and structure can reduce the environmental pressure. Environment correlates negatively and significantly with performance. A better fit between strategy and structure promotes more effective coping with environmental turbulence which in turn leads to better performance (Grinyer, Yasai-Ardekani & Albazzaz, 1980).

An outcome of a formalised strategic planning process is called a strategic plan (Ackoff 1981). Among the purposes of a strategic plan is facilitating communication strategy across an organisation (Beer & Eisenstat, 2000), and guiding its implementation (Floyd & Wooldridge, 1994). Therefore, it must be understood and interpretable by employees across hierarchical levels (Balogun & Johnson 2005; and Grant 2003).

The incidence of marketing planning is significantly linked to business size, and also marketing planning improves business performance (Pace, 1999). Regarding decision-making, a comparison study between small and medium-size firms in France and England has been conducted by Miller (1987). The findings reflected that structural formalisation and integration are related to the levels of interaction and proactiveness among decision-makers and to four aspects of rationality in decision making, i.e. there is a significant association between strategy making and structure. In addition, formal structural integration is related to rationality and interaction in decision making, especially in successful and innovative firms. Decentralisation related less significantly to strategy making and was mainly significant in successful firms. Complexity has almost no significant associations with strategy making.

Most studies have considered the decentralisation between the corporate office and the general manager of the SBU, but they have ignored the decentralisation within the SBU. The competitive strategy, the mission and the organisation's life cycle are important in determining the degree of decentralisation required (Glueck & Jauch, 1984).

The centralisation of business structure occurs when the marketing decision is performed (Daniels, 1986). The decentralised structure represents the situation whereby the marketing decision is jointly made by the headquarters and a firm's local representation (Tai & Wong, 1998), or is mostly delegated to a firm's representation in the host markets (Solberg, 2000). Although higher decentralisation needs more time and effort in coordination and control, the benefits of it are more important than the costs (Galbraith, 1973). Thorpe & Morgan (2007) pictured the correlation as the dependence relation. In other words, if the firm displays an implementation environment characterised by hierarchical structures and strong top-down influences, then marketing strategy implementation will be more effective.

3.7.2.3 Organisational Culture

Culture is reflected in two important questions: how the people live and how they associate with each other in their environment (Dimmock & Walker, 2005; and Glanz, 2006). Organisational culture is the key factor that influences strategy and change (Mead, 1998; Robbins, 1996; and Stone, 1998).

The value, the style of the top management team, and the ownership influence the organisational culture values. The Organisational culture values are related to dimensions of strategic marketing effectiveness. The dimensions of strategic marketing are related to profitability but not to market share. In addition, organisational culture values affect the performance of the company through its impact on marketing effectiveness (Sin & Tse, 2000). Market-oriented culture does not only affect firm performance directly, but does so indirectly by affecting the marketing strategy making process (Lee, Yoon, Kim & Kang, 2006).

Several studies in the eighties confirmed the relationship between corporate culture, strategy, and performance (Deal & Kennedy, 1982; Schein, 1984; and Wilkins & Ouchi, 1983). In 2001, Weick stated that organisation's culture is synonymous with strategy. Marketing culture or the employees' behaviours drive the organisational marketing strategy.

In regard to superiors and subordinates-employee relations, different studies stress that the relationship between superiors and subordinates in Arab countries for example is

characterised by friendliness and mutual respect. A confirmation has been given by Ali (1996), who stated that several authors confirm that respect for seniority in Arab society is common. Asaf (1983) also stated that managers in Arab countries such as Saudi Arabia give priority to friendships and personal considerations over organisational goals and performance. The respect and appreciation principles for the young to their elders are very important, regardless of employment status, and it might emanate from the Islamic work ethic.

In the framework of comparison studies Norburn, Birley, Dunn & Payne, (1988) have examined some UK, US, Australia and New Zealand firms. Their results give support to those theorists who advance cultural specificity as the primary moderator of top managerial attitudes, the best predictor of marketing effectiveness is similar in all four nations which is the primacy of the importance of people and quality. Successful companies care about their employees as much as their customers (Saunders, Saker & Smith, 1996).

Hence, there is evidence to suggest that culture can facilitate or hinder a firm's strategic actions; the importance is achieving organisational objectives (Jones, 1983; Landford & Mintu-Wimsatt, 1999; Maron & Bremen, 1999; and Wilkins & Ouchi, 1983). The principles of strategic planning should have worldwide application even though there might be national differences in strategic planning depending on business culture, and the trading conditions (Greenley, 1994).

3.7.2.4 Service Quality

Quality means that the products and services should meet or surpass customers' expectations (Wille, 1992). Service quality is the consumer's judgment of a product's or service's overall excellence or superiority. The importance of quality in the manufacturing and service sector is now an issue as customers have begun to demand better levels of performance (Zeithaml, 1988). In competitive market, customers must be more than satisfied by their purchases (Wille, 1992). The services provided must be outstanding and overtake customers' expectation or they will go elsewhere (Rice, Phillips, & McFarlin, 1990). An organisation can retain its customers by satisfying their expectations (Srivastava, et al, 1998). Fry (2001) stated that customers in the Middle East demand and expect high quality products and services. Due to satellite television,

internet and developing international travel many people have strong brand recognition and a growing interest in foreign goods and services (Marinov, 2007)

The relationship between service quality improvement efforts and profitability can be illustrated by some aspects e.g. customer satisfaction, customer retention, revenue, market share and profitability (Rust, et al, (1995). Service quality is positively linked to customer satisfaction in service organisations (Voss, Tsikriktsis, Funk, Yarrow & Owen, 2005). With customer satisfaction comes an improvement in its cash flow, higher returns to shareholders will be provided and their loyalties will be strengthened (Sheth & Sisodia, 1999). In addition, Anderson et al. (1994) state that a company's reputation is enhanced by satisfaction; accordingly, it will intensify the relationship with the main suppliers and distributors.

3.7.2.5 Leadership

Supporting employees to maximise their performance and dealing with the unexpected is the role of a leader, i.e. facilitating the work rather than undertaking it. So effective people skills are necessary to negotiate and delegate authority (Durmmond et al, 2008).

There are two kinds of leadership in an organisation, formal leadership and informal leadership. The former refers to an officially-sanctioned, imposed role in a bureaucratic hierarchy, which occurs as a result of planning, whereas, informal leadership emerges spontaneously outside of the chain of command. However, informal leadership is equivalent to self-organising processes in complex systems (Siliconyogi, 2009).

Leadership has a basic role in the organisation, some writers have referred to these roles as follows: establishing a clear vision, sharing the vision with others to follow it, providing the information, knowledge, and methods to realise that vision, and finally, coordinating and balancing the conflicting interests of all members or stakeholders. Good leaders appear in the case of crisis, they should be able to think and act in creative ways in difficult situations (Leadership, 2008).

Strategic leaders must have the ability to develop the future of the organisation in the long term and to understand its contextual setting (such as culture, and history). In addition they must rectify the weakness in marketing functions, develop capabilities

leading to a fully integrated relationship with customers and improve the organisation's market share (Vrontis, Kogetsidis & Stavrou, 2006).

Creating the organisation's strategy is very important, as well as translating this strategy into actions and fitting it into the strategic plan. Strategic leaders should have the ability to align people and organisations, by encouraging people to do more than they were originally expected to do. In addition, due to the fact that many managers do not have the ability to deal with the vast amounts of available data that should be used for effective marketing planning, there is a need for improving their conceptual and analytical skills (Hill, McGowan & Maclaran, 1998), (cited in Ashill, et al, 2003). For example, it is necessary to develop successful marketing' skills and knowledge in an organisation and the only way to achieve this aim is by training. These training programmes should be customer oriented (Akroush, 2003). Moreover, leaders should know the key moment for strategic change in an organisation, and have the ability to manage this change. Therefore wisdom may be required (Davies, Ellisonn, & Bowring-Carr, 2005).

In their study, Dess, Lumpkin & Covin, (1997) stated that configurational approaches that align entrepreneurial strategy making, strategy, and environment have greater predictive power than contingency approaches. However, not all high performing configurations are consistent with normative theory. The strength of the relationship between entrepreneurial behaviour and firm performance tends to be weak. The correlation between cost leadership and profitability/ROI is negative. A cost leadership strategy is positively and modestly correlated with marketing differentiation strategy and negatively but minimally correlated with an innovative differentiation strategy.

Leadership styles should be supple, adaptable, and reflective of their distinctive environmental context (Shim & Paprock, 2002). As asserted by Pitt & Kannemeyer (2000) significant correlation has been found between personality traits of managers and adaptation of marketing strategy. However, higher fanaticism of ambiguity has a negative effect on marketing strategy adaptation. Moreover, managers with an internal focus of control and greater risk-taking propensity tend to adapt their marketing strategy to environmental changes. Distinguishing between managers and leaders is shown in the Table (3.4).

Table 3.4 Differences between Managers and Leaders

Managers	Leaders
Administers	innovates
A copy	an original
Maintains	Develops
Focuses on systems and structure	focuses on people
Relies on control	inspires trust
Has a short-range view	has a long-range perspective
Asks how and when	asks what and why
Has his eye always on the bottom line	Has his eye on the horizon
Imitates	originates
Accepts the present situation	the leader challenges it
The classic good soldier	his own person
Does things right	does the right thing

Source: Developed by the Researcher, 2009

3.7.3 The Relationship between SMP, Organisational Environment and Performance

Since the early 1960s, dealing with a troubled business environment has had a major effect on managing the planning process (Drucker, 1964; Hussey, 1979). One of the purposes of SMP is to guide the organisation in its relationships with the environment (Shrader et al, 1984). The environment may influence the planning-performance relationship of the firm (Andersen, 2004; Pearce et al, 1987; Priem, Rasheed, Kotulic, 1995; Shrader et al, 1984; and Slevin & Covin, 1997).

This perspective of environment categorisation is presented by Bourgeois, (1980) which divides the environment into its objectives and perceived states. In 1958 Dill divided the objective environment into the “task environment” which includes customers, suppliers, competitors and regulatory groups; and the “general environment”, which includes economic, political, social, cultural, and ecological factors. On the other hand, other studies subdivided the environmental dimensions into areas such as dynamism (Dess & Beard, 1984; and Thompson, 1967), complexity (Child, 1972; Dess & Beard, 1984; Mintzberg, 1979; Thompson, 1967; and Tung, 1979), and hostility (Miller & Friesen, 1978; and Mintzberg, 1979).

Although, Shrader et al, (1984) and Greenley & Foxall (1997) have found that definite aspects of strategic planning are correlated with performance, and Hambrick, (1980) stated that organisations that accurately project and anticipate environmental changes should exhibit an uncommon or distinctive level of performance, Boyd, Neale & Rendal, (1993); Drazin & Ven de Ven (1985); Ginsberg & Venkatraman (1985); and Hansen & Wernerfelt, (1989) did not support this.

An unstable environment necessitates SMP more than a stable one (Armstrong, 1982b & Eisenhardt, 1989). As a result, the association between planning and performance may be stronger in an unstable environment, and weaker in a stable environment (Boyd, 1991). However, SMP has a positive effect on performance in stable environments where changes can be more easily accepted (Daft, 1992; Minzberg, 1983; and Fredrickson & Mitchell, 1984). Comparison of these conflicting arguments with their respective empirical evidence was well documented by Priem, et al, (1995). Twelve studies were conducted by Greenley (1986); however, only seven support the relationship between planning and performance.

The degree of environmental stability is one important dimension of the external environment of an organisation (Smart & Vertinsky, 1984). Profit Impact of Market Strategy (PIMS) database is a rich resource for many authors. Some important results presented by Rich's study, cited in Hambrick (1983) who studied 64 capital good firms in PIMS database. The study examines two kinds of manufactures in both stable and complex environments and differentiation strategy. The findings indicate that only disciplined capital goods manufacturers (DMs) under a stable environment suit cost leadership strategy, while aggressive manufacturers of complex capital goods (ACs) do not suit the strategy, because the changeable environments hinder the abilities of these manufacturers. The differentiation strategy is appropriate for ACs and DMs to obtain high profit. However, ACs focus on emphasising product quality linking with users, technological protection, and product innovation to deal with environmental dynamics. The DMs focus on product quality and image. Porter's generic strategies can provide a good performance, even though there are some variables within the broad context of generic strategies, which can align with any industry. Finally, the performance of the manufacturer is determined by the match between the strategy and its environment.

In the PIMS database 1.638 business units were chosen to investigate 8 environment variables, 4 strategy variables, and ROI as performance variable. It was found that the environment modifies the strength, not the form of the strategy–performance relationship (Prescott, 1986). From the PIMS Venkatraman & Prescott (1990) have also chosen 1.638 firms (Phase I) and 821 firms (Phase II), ordinary least square, cluster, regression, and correlation analysis were used to analyse these variables. The study found that the association between strategies and their environments might significantly raise performance.

A significant association was found between objective criteria of performance and formalisation and comprehensiveness. Positive relationships, although not strong, appear to hold in both stable and unstable environments. Planning formality and comprehensiveness are positively related to performance in stable environments and do not support the postulated negative relationship to performance in unstable environments (Lysonski & Pecotich, 1992).

Formal planning has been argued by many authors, some authors say that formal planning can cause inertia in the dynamic environment (Fredrickson, 1984 and Mintzberg, 1990). However, one of the main challenges of strategic planning is recognition that strategy can be emergent and that forecasting the environment may be virtually impossible (Mintzberg 1994). With a changing and unpredictable market environment, incorporating agility into the planning process becomes critical (Amit & Bianca, 2003; Dickson 1992; and Johnson, Ruby & Mintzberg, 1994).

Industry life cycle (introduction, growth, maturity, and decline), strategy (low cost, differentiation in innovation and marketing tools), scanning frequency, scanning scope, and performance were tested by (Beal, 2000). The results show that the correlation between strategy and environment has been affected by the scope of scanning, while the alignment has not been affected by the frequency of scanning. Growing and mature industries have operated by both broad scanning information of customers and competitors which facilitate the strategy–environment alignment for firms.

In summary, in reviewing the marketing planning literature there has been a lack of research on the correlation between the nature of FSMP and performance in eastern countries. Mcdonald (1996) demonstrated the fact that companies with complete

marketing planning systems would be more successful than others in the same market. FSMP is low and worse in the public sector (Greenley & Bayus 1994).

3.7.4 Competitive Strategies

Identifying an organisation's competitive position is important to the selection of competitive marketing strategies (McDonald, 1996). Organisations that use strategic planning processes need to understand issues which they cannot control but have a significant impact on their success and use their limited resources and competencies to improve their competitive positions (Efendioglu & Karabulut, 2009). A study was carried out by Miles, White & Munilla (1997) on agribusinesses, (regardless of size) which have adopted strategic planning as a source of competitive advantage. The study suggested that strategic planning has become an important function for agricultural co-operatives.

It is worth here distinguishing between marketing strategy and competitive advantage. There is a link between competitive advantage and marketing strategy, the purpose of the competitive advantage is to identify an essential and sustainable basis from which to compete, while the aim of the marketing strategy is to deliver this advantage to the market place (Drummond et al, 2008). In addition, competitive advantage is developed at the SBU. It involves four main dimensions: determination of mission statement, evaluation and selecting of generic strategies, objective setting and policy making. Marketing strategy is developed in the marketing department. It involves three dimensions: choosing the target market, assessing the competitors' strategies, and designing the marketing mix strategies (West et al, 2010).

There are three sources of competitive advantage: cost leadership, differentiation and focus. Cost leadership aims to maintain a low cost structure by for example, controlling overhead cost, minimising some costs, applying new technology to some traditional activities to reduce the cost. The source of differentiation is based on product performance, product perception and product augmentation in order to enhance their value to customer. Focus is about identifying the business activities that an organisation is concentrating on; the sources for this are geographic area, end-user focus and product line specialism. Amongst the Chinese manufacturers HR capability was the most important source of competitiveness (Porter, 1980). In 1998, Broady-Preston &

Hayward stated that banks should consider customers as their largest revenue source in order to remain competitive.

Employees play an important role in service companies, especially during the process of delivering service, because customers view employees as a key part of the service or even the service itself, employees can be seen as a distinctive dimension in the financial services marketing mix and through them financial companies can gain a competitive advantage and distinguish themselves (e.g. Baker 2007; Doyle 1999; and Lovelock 2001 cited in Akroush, 2003).

There are several forces for change; these are technological change, aggressive competitors, economic growth/decline, the emergence of new markets, opportunities and the globalisation of markets. Globalisation leads to opening up the domestic market to the threat of low priced foreign entrants and the fear of technological change (Gilligan & Wilson, 2003).

Kashani (1996) asked managers about the type of changes that would influence their market in the future. The managers stressed three things: competition, changing customer demands and globalisation. Kashani says that to deal with these changes, marketing should respond in several ways. For example, marketing should be a far more direct line responsibility within an organisation, which means focus is upon customer segments or particular products or technologies, and these actions should be integrated into day-to-day business decisions. He also states that marketing needs to become more strategic and less specialised. In addition, marketing should be the concern of all staff in an organisation.

Privately owned organisations use strategies in order to secure competitive advantages to survive in the market, but public sector organisations have a monopoly over provision. For this reason they do not need to use formal strategic management (Llewellyn & Tappin, 2003).

Schuler, (1995) suggested that to beat the organisation's competitors, companies constantly develop their strategies by:

1. Improving quality: companies need to meet the consumer's needs, by delivering high quality goods and services, which are enforced by competition. As a result

companies have to pay attention to their marketing strategy, as they seek to enhance their service quality.

2. Reducing the cost: when companies work on improving the quality, at the same time they should work on reducing the cost.
3. Innovation: this means discovering and developing new products and services. Companies which cannot offer the highest quality services and products or cheapest prices, can at least develop their services and products and serve them quickly.

3.8 Chapter Summary

This chapter has established the “knowledge base” of FSMP. The chapter summarises the main issues in relation to FSMP and explains where the current study fits into previous research. Although this subject has been extensively examined in many Western organisations; it has received little attention in Eastern organisations. More specifically, FSMP has not been studied in Arab organisations.

In this research FSMP includes three essential components: FSMP itself, the organisational environment and performance. The chapter has been divided into two parts, the first summarises the strategic planning concept, levels, purposes, barriers, characteristics, tools and its relationship with performance. The second part includes two issues, the first is marketing strategy, which includes its concepts, barriers, effectiveness; marketing planning and their relationship with performance and ended by the concept of strategic marketing planning, and then its relationship with performance which represents the research issue. The second is the business environment which includes four sections: the aim of the first two is to give a general idea about the internal and external business environment, the third section links these two with FSMP and performance. The final section concentrates on the competitive strategies. It is important to say the relationship between FSMP, performance and environment, and service quality will not be studied further in this research in spite of the fact that they have an impact on FSMP, since in the Libyan context most of the banks were state owned and consequently no competition existed. In addition, service quality will not be studied further due to this research focusing on the banking marketing strategy rather than the customer and the relationship thereof. Given the weak methodology of examining FSMP in terms of what, rather than how and why FSMP is achieved, the results are inconclusive. Consequently, the objective of this research is to address this knowledge

gap by determining how and why LCBs adopted FSMP in 2007. By considering the use of different sources of data taken from the same environment, the next chapter will show and explain in detail how this research was conducted. It includes research philosophy, methodology, and method, in addition to the sampling method in terms of choosing the respondents and the steps and procedures used to collect data.

Chapter 4 Research Methodology

4.1 Introduction

Many studies have shown that the efficacy of FSMP can make an important contribution to commercial success (McDonald, 2006). According to Falshaw et al, (2006) most studies were found in developed countries, yet little is known about this issue in developing countries such as Libya. This study focuses on the FSMP being used by the main state LCBs (the Gumhouria Bank, the Sahara Bank, the Wahda Bank and the NCB).

The purpose of this chapter is to explore how the current study conducts. The methodological issue depends on the subject that needs to be explored and the objectives to be achieved. The methodology is also based on the theoretical viewpoint that was previously adopted, likewise the research philosophy (Positivism...interpretivism) and the research approach (deductive, inductive) will be undertaken. Furthermore, it is based on the method of data collection and analysis (quantitative and qualitative)

This chapter justifies the choice of qualitative research method (e.g. interview), and also provides an explanation for the decision to adopt the quantitative research method (e. g questionnaire). Likewise, it justifies why some research methods were chosen and introduces their strengths and limitations. The research design and methods aimed to ensure that the evidence collected can answer the research questions (exploratory approach, explanatory approach and descriptive research).

Exploring FSMP issue in the LCBs is the purpose of this study, and also discovering how these banks deal with this issue. Thus, the decision of the research methodology is based on exploring this issue and determining the results that the researcher found from the study.

4.2 Rationale for the Study

The LCBs have been chosen as the base for this study because of the recent economic history and turbulent conditions in this sector. Moreover, they represent the economic lifeblood of Libya. These banks have a crucial role in the economic development in terms of attracting and mobilising local reserves, financing the giant projects and contributing to the infrastructure of the country (Arab Banks Union, Mar, 2005).

Libya is currently going through economic reforms to achieve a more even distribution of economic power. Privatisation of state owned enterprises and banks have opened up investment opportunities to foreign investors. These recent changes in the Libyan financial market have meant that the Libyan financial system has moved from a closed single banking system to one that has become attractive to foreign market and companies. Therefore, Libyan banks have experienced considerable economic change during the period covered by this study 2005- 2010. Many changes have taken place in this industry, for example, the drive to reform its antiquated banking system, the 1986 oil crisis and the UN and USA isolation of Libya. The combination of modifying the whole sector and the greater exposure of the banking sector to international competition has encouraged the Libyan banks to adopt new strategies in order to cope with the new competitive conditions.

Another reason for choosing this sector is that the banks are operating within the same environment, and they are equally important. These banks also have strong financial positions compared with other commercial banks in Libya (see Appendix I); all of them have branches distributed throughout Libya. The number of these banks' branches is also the strongest in the Libyan market (see Appendix J). Likewise, the banks employ large numbers of workers (see Appendix K).

4.3 Research Philosophy

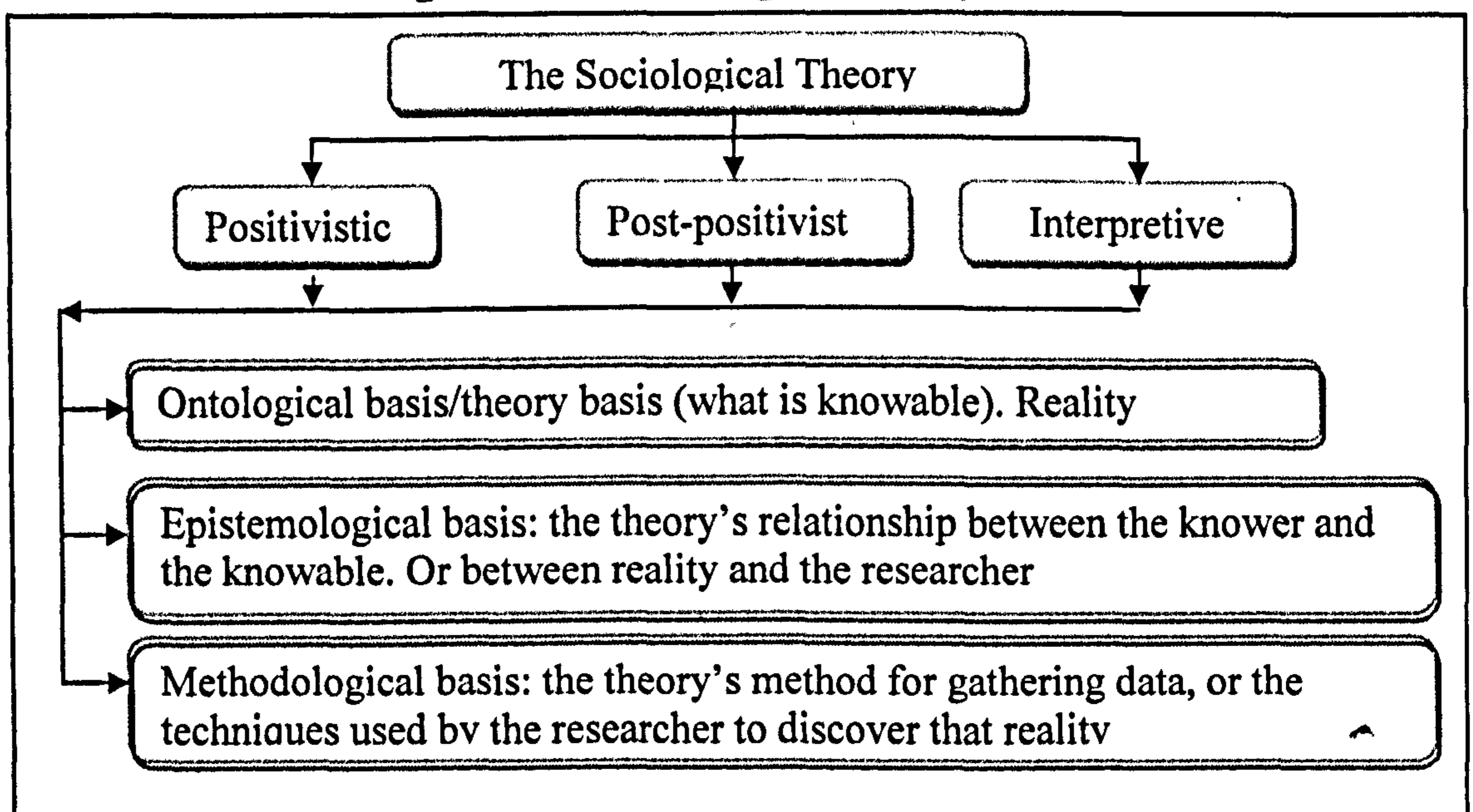
The research philosophy/paradigm identifies how, within the research field of business studies, the researcher views the world, and particularly how she views the relationship between knowledge and the process by which it is developed (Remenyi, Williams, Money & Swartz, 1998). Also it shows the researcher's view about what constitutes knowledge.

Paradigm, as a word has been introduced into the social sciences by Kuhn (1962), and describes the progress of scientific discoveries in practice. The task of the social scientist is to appreciate the different constructions and meanings that people place upon their experiences and the nature of knowledge (Easterby-Smith, Thorpe & Lowe, 2003; and Hussey & Hussey, 1997). Consequently, using paradigm in this research reflects the way that this research is conducted, specifically about the research design and how the researcher collects her data and how she analyses it.

4.4 Paradigm Classifications

There are three determinants for selecting the research method: the research objectives, the research types and the researcher's personal preferences. Essentially, the main research paradigms are: positivist, post-positive and interpretivist (Hussey & Hussey, 1997). The first position (positivist) deals with the facts and the others (post-positive and interpretivist) are concerned with feelings and attitudes. Some authors called these terms quantitative and qualitative (Hussey & Hussey, 1997). Each theoretical position is further subdivided into three assumptions: ontological, epistemological, and methodological basis (Remenyi et.al, 1998). Figure (4-1) briefly summarises the sociological theory and its classifications.

Figure 4.1 the Sociological Theory

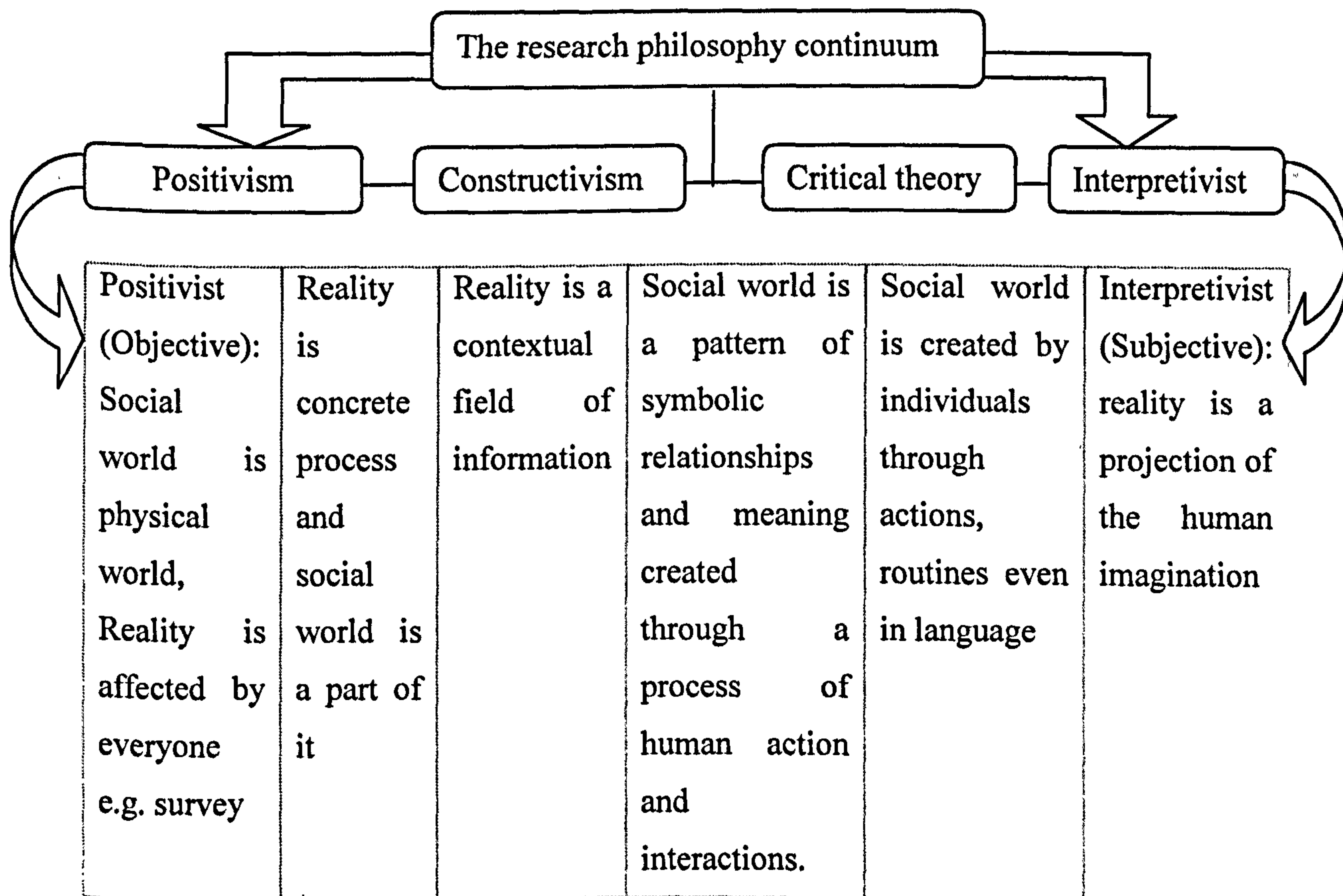


Source: developed by the researcher

These two perspectives (positivist and interpretive philosophy) can be seen as either ends of a continuum and the aim here is to explain where on this continuum lays the

current study. In order to achieve this, the five main elements are outlined. A range of alternative philosophies has been identified by Morgan & Smircich, (1980). Figure (4-2) illustrates the research philosophy continuum.

Figure 4.2 the Research Philosophy Continuum



Source: developed by the researcher based on the existing literature

4.4.1 Positivism

The positive philosophy' perspective assumes the social world as a physical world, the reality is affected by everyone, it is external and a concrete structure, and the researcher must try to measure and analyse the social world using research methods, such as large scale surveys of population (Hussey & hussy, 1997).

This philosophy attempts to explain causal relationships by means of facts by using statistical analysis (Carson, et al, 2001). Using mathematical models and statistical techniques produce a value-free objective, interpretation of reality (Creswell, 2003). In other words, the researcher stands outside the process of data collection, and adopts an independent approach to the subject of the research (Gill & Johnson, 2002). However it is not always possible in social research to completely discount the interpretivist point

of view (Easterby-Smith et al, 2003). This approach deems it necessary to deal with feelings and attitudes, especially of the researcher. However, the researcher cannot claim to be value-free, because it is impossible for her to be independent or unbiased by their feelings; it is difficult not to have personal feeling when preparing to do a personal interview (Gill & Johnson, 2002). For this reason, this philosophy is not applicable for this research.

4.4.2 Post-positivism

This is used to understand a set of beliefs; emotions and meaning that are entrenched in the activities and behaviour of individuals in different cultures and situations (Carson et al, 2001). This approach was developed to address some of the flaws of positivism. Under this paradigm, qualitative and quantitative methodologies are used to perceive the real world which is preferred when following the experimental design, because it is concerned with causality and internal validity (Tashakkori & Teddlie, 1998). This type of research is based on that developed by the natural scientists, which uses observation of the material world to test hypotheses (Remenyi, et al, 1998). This is suitable for those researchers who work with an observable social reality; the conclusion will be law-like generalisation. Eventually, because of the fact that the nature of this research is exploratory, likewise, this issue is new to Libya and specifically in the field of banking industry; the post-positivist philosophy is not suitable.

4.4.3 Interpretivist

This approach uses a more personal process to understand reality (Carson et al., 2001). Some authors such as Smith (1983) state that it is the interpretation which determines what should count as facts. According to Carson, et al, (2001), this approach allows the researcher to focus on understanding what is happening in a given context. This includes the consideration of multiple realities, different actors' perspectives, the researcher's involvement and the context of the study's phenomena. It rests on the contextual understanding and interpretation of data to define the problem and how to deal with it; it can be used at different stages in the research (Carson et al, 2001). There are numerous classifications of interpretivism, for example hermeneutics, constructionism, ethnomethodology, cognitive, idealist, phenomenological subjectivist and qualitative approach (Neuman, 2003). The qualitative method is best suited to the

interpretivist research. However, Myers (2009) suggests that the word qualitative is not a synonym for interpretive

The interpretivist approach tries to reduce the distance between the researcher and what is being researched, and illustrates the subjective aspects of human activity by focusing on the meaning rather than the measurement of social phenomena. Briefly, the interpretative approach aims to answer and understand research questions about how and why. Often in gathering empirical data, it is predominantly semi-structured. This approach is valuable for in-depth understanding of phenomena or specifying behaviour or activities which matter more than specifying measurement in the marketing field (Carson et al, 2001).

The current research focuses on the understanding of social phenomena from the viewpoint of the Libyan bank managers. By choosing this method, the researcher realises that she is not independent of the research, and people interpret situations in different ways, which permits an understanding of why and how the LCB' managers decided to establish FSMP in 2007. What were the motivations behind making this decision? Who was responsible for making this strategy? And how was it adopted? Thus, the researcher decided to use three kinds of data collection: interview, questionnaire and archival data, in order to achieve multiple realities from different perspectives, taking into account the researcher involvement, the contextual understanding and interpretation (Carson et al, 2001). The use of a survey in this research was not to investigate the explanatory side, but to provide an exploratory and descriptive point of view. Table (4-1) outlines the three assumptions that address the interpretivist approach.

Table 4.1 Interpretive Approach

Interpretive approach	
Ontology	This is relativism; knowledge is relative associated to the observer. Reality is determined by the experiences and other social factors of the researcher.
Epistemology	It is subjective; the observer is part of a communication with the subject of the inquiry. Therefore, reality becomes a social construction.
Methodology	The methodology is described as hermeneutic and dialectic, which means that the study of how to make interpretive inquiry and dialectic reflects the dialogue viewpoint in the subjective approach and tests the theory about the inclusion of causes, courses and effects.
This philosophy is used to know why things are happening in a particular way in a particular society. The communication with the cultural background in the society allows an understanding of the reasons. Thus the results of this approach look at the interior of society. As a result this approach will be used in this research.	

Source: developed by the researcher based on the existing literature

4.5 Research Design

Research design has two levels; the first is about the research structure. According to Bryman (1988) the research structure includes full information about the research problem, the type of research enquiry (exploratory, descriptive or explanatory), research strategy (cross-sectional, longitudinal or experimental) and design unit of analysis (who and what). The second level involves the technique of the research/type of data collection (primary or secondary, qualitative or quantitative, combination or triangulation), the method of data collection (face to face or telephone interviews) and sampling strategy (target population, sampling unit and sampling size). (McGivern, 2009).

Churchill, (1988) divided the research design into three categories considering research purposes: exploratory research, descriptive research and causal research. Causal/exploratory research addresses the question “why” (McGivern, 2009). According to Ryan, Scapers & Theobald, (2002), the exploratory approach could be used to explore the reasons for a particular practice. In addition, it helps to identify and

clarify the research problem, and is used to develop propositions and hypotheses for future research. In order to achieve full understanding of an issue, it provides a description of the research issues (McGivern, 2009).

The exploratory approach is the primary step to an investigation; it is conducted when little is known about a particular situation. It provides a flexibility to research design when the research problem is not understood or there is an insufficient knowledge of the phenomena (Churchill, 1988). Further, it involves an unstructured plan in order to get enough information about the research problem, by using for example qualitative interviews to collect data (Ryan et al, 2002). The reason behind this kind of research is to define the research problem in a particular way, to develop the research hypotheses and to build guidelines for further researchers to follow (Churchill, 1988).

The purpose of the current study is to explore the FSMP practice in the LCBs, and describe their usage of modern strategic techniques and practice. Consequently, the study adopts the exploratory approach, which includes two stages. The first is designed to look at insights and discover what was happening. The aim of this stage was to gain enough information about FSMP in the LCBs from the senior managers' point of view (using interviews). The second stage aims to discover to what extent this process is formal i.e. if managers at lower levels had access to the banks' FSMP, or were involved in its formulation or implementation (using a survey). The exploratory approach also shows the theoretical perspective of FSMP and its practice in developing countries such as Libya.

It became clear that this concept has been recently introduced into LCBs. Publishing linked with this situation is limited within Libya, because most of the literature is either American or British. Therefore, the current research' objectives requires an exploratory approach as an applicable approach to capture the in-depth understanding and exploration of the events, causes and results. It also allows people/banks to explain their experience and attitude and to explore the factors that influence the creation of the FSMP process.

4.6 Research Strategy

Research strategy is the overall plan to meet the research questions. It is like a blueprint of the research from the point of the research questions, the kind of data, the data collection, the method, measuring the data, and how to analyse it. There are different strategies that might be used in business research; for example grounded theory, survey, longitudinal studies and case studies. The current study uses the survey, thus this section explains this approach and why it was chosen (Yin, 2003).

The rationale for using the survey approach in this research is as follows: it is the most common approach used by marketing strategy research; and it is consistent with the research aim, objectives and philosophy (Creswell 2003 and Hussey & Hussey 1997). In addition, this research aims to unveil how managers in the LCBs understand FSMP within the context of strategy. Since the ideas for this research were based on the reality within the Libyan banking system and because the source of reality in this research is the LCBs' managers, an interpretivist approach was considered the appropriate option to address the research questions posed. Therefore, this study opted for a realistic approach because of its exploratory power and its adequacy to reveal the underlying causes of FSMP within this industry. The combination of qualitative, quantitative techniques and archival data suggested by the interpretivist philosophy and deductive approach is used for the reasons given above.

In addition, in the social sciences the most common source of data collection is the survey. This method helps the researcher to gather a large quantity of data from the wider population in a cost-effective way. Data for a research survey can be collected by quantitative or qualitative method. Overall, the survey strategy is used to support the deductive approach, which is the current research approach.

Further evidence supporting the usage of survey is found in Li's (2000) research about the source of competitive advantage among Chinese companies. This study was quite similar in nature to the present study; hence a survey approach was adopted. In addition, it is also appropriate because the topic under study is new in Libya, particularly in the banking industry, and also there is not much prior published research on this subject in Arab countries. The survey was adopted also because it allowed the researcher to investigate in great detail to what extent the SMP process is formalised. It addresses the

aim of exploring the phenomena by examining the influence of the internal and external factors of LCBs on the FSMP process.

Under the survey approach a sample is drawn from the population from which the researcher can make decisions. Since knowledge of this issue is limited to a number of people, a careful selection of respondents to be purposed was necessary, rather than the whole population. This then provided a set of empirical data to which the researcher can apply statistical technique.

According to Mayer (1965) as cited in Baker, (2003) there are three types of survey: factual survey, opinion survey and interpretive, the first is concerned with actual behaviour, the aim of the second is to collect the respondents' views on the issue under research, which is usually qualitative and concentrates on respondents experience. By contrast interpretive survey is used to explain why the organisations or managers, for example, behave in a particular way or make particular decisions.

Within the domain of marketing Alreck & Settle (1985) illustrated that survey could be appropriate for eight topic categories: *Attitudes, Images, Decisions, Needs, Behaviour, Lifestyle, Affiliation, and Demographic* [Italiic is added]. The italic style of this list reflects the aim of the current research. As a result, to answer the research questions, the current research uses a compensation of both interpretive survey which aims to answer the question why LCBs decided to establish FSMP, and also it uses factual survey which focuses on what they do, how, when and who with.

As a consequence of the aims of this research and the characteristics of the Libyan banking sector the survey seems to be an appropriate method, particularly using interviews to obtain the interviewees ideas in relation to the topic. The purpose of using this strategy in this research is to examine the research variables that are important for marketing strategy, as well as to understand the rationale behind the process of FSMP in individual banks within the LCBs sector. As a result of the above discussion, this particularity makes the survey the most appropriate research strategy adequate for this research.

4.7 Research Methodology

Yin (1994) emphasises the studies that focus on how and why a researcher might find qualitative research a useful approach. This research utilises both qualitative and quantitative methods to collect data. This method helps the researcher to understand banks' reasons and actions, and their social and cultural contexts. Particularly, it enables the researcher to understand the phenomenon in which decisions and actions take place. Qualitative research is concerned with detailed description and understanding. It can provide highly valid data, and it is suitable for exploratory and descriptive research enquiries (McGivern, 2009).

The current research uses qualitative research of collecting data (semi-structured interviews). The reasons for choosing this approach are that it helps to explore why and how LCBs established their strategy by providing sufficient information about the issue. Exploratory approach allowed the researcher to use multiple methods to collect her data (e.g. Interview and Questionnaire); this was suggested by Bryman, (1988); and Neuman, (2003).

The qualitative approach is associated with interpretive philosophy, and reality can only be understood from the respondent's perspective of social interaction. Qualitative approach is good when a particular topic is new or when there is not much prior published research on the subject. It aims to explore the phenomena by examining social and cultural or political views of people and organisations (Myers, 2009).

Quantitative research allows collecting data from a large number of samples. It is used to address the objectives of descriptive and exploratory research, and for explanatory purposes (Mc Givern, 2009). It provides precision, reliability and testability (Meredith, 1998). It also offers a high degree of generalisability of the findings from the sample to the whole population (Hussey & Hussey, 1997).

The use of the questionnaire in this research is from the exploratory side. This is supported by Gill & Johanson, (2002), who stated that some surveys have a more exploratory and inductive purpose by indicating patterns and frequencies that can contribute to theory building.

4.8 Research Methodology Approach

Deductive and inductive reasoning (McGivern, 2009):

Deductive approach: first, the researcher adopts a broad theory and designs the research approach to analyse, then the theory is tested during field work, thus moving from the general to the specific (from general theory about what might happen to specific observation to see if what s/he expects actually happens). This approach is much more common in the quantitative approach rather than in qualitative research.

The inductive approach is widely used in qualitative research; in this approach the researcher does not go to the field to work out or test his/her assumptions or existing theory. Rather data is collected first, and then the general principles will be identified, which means moving from the specific to the general i.e. theory building rather than theory testing. According to Danermark (2004), the process of induction starts with data collection then tests it, followed by analysing the data and the results suggest which theory is applicable. This is the converse of the deductive approach and develops from a particular case to a general law. It is the appropriate approach when there are many events happening in a project, therefore, the process starts with the researcher's observations and uses inductive reasoning to build a theory. Data under the inductive approach guides the research and theory building by using observations of the empirical world to build explanations and theories about what has been observed. Thus, theory is the outcome of this approach.

The present study needed to select the appropriate approach in order to test an existing framework, which is the deductive approach (Yin, 2003). The main themes and ideas were predetermined in the literature review chapter. Data was collected to explore these themes. The conclusions are presented in the last chapter. There are limited published studies that have tested the FSMP in a developing country such as Libya. Thus, this research will conduct the interpretive approach and use the deductive method to collect and analyse data. The research methodology based on the literature has suggested that the deductive approach is the most suitable method to identify which variables are most effective on the FSMP process in the LCBs.

This approach was chosen in order to gain an in-depth knowledge of why FSMP has recently become important for Libyan banks, as well as how their strategy has been

decided, and how they evaluate the level of their service. Therefore, the researcher used interviews with managers who are involved with the FSMP process. The interview was based on themes which were arrived at through reviewing the literature. The questionnaires have also been used to support the data that was gathered through the interviews and also to investigate if the FSMP is communicated to all employees. Likewise the archival data has been used to explain data gathered by questionnaires.

Thus, the current research used previous theory as a foundation to demonstrate an awareness of the prior research and to learn from it, to illustrate how the current research is linked to it, and to integrate and summarise what is known in the field (Neuman, 2003). In the FSMP process, prior theory seeks to determine the actual and particular FSMP in the main Libyan banks. This guides the research, not in order to test it, but rather to understand and explore an actual and recent reality in FSMP. Therefore, the survey and the interview were used as the data collection methods.

4.9 Selection of the Sample

The selected population in the current study includes the key commercial banks operating in Libya (The Gumhouria Bank, the Sahara Bank, the Wahda Bank and the NCB). In June 2009, the number of LCBs is 15 banks, and 456 branches of LCBs (the CBL's report, 2009).

The Libyan banking system involves insurance companies and exchange rate agencies; however, these are not included in this study. The CBL was derived from the database for the purposed population. (The database is accessed from the Libyan banks' websites (<http://www.ncb.ly>, <http://www.wahdabank.org>, <http://www.saharabank.com.ly>, <http://www.gumhouria-bank.com.ly> & <http://www.cbl.gov.ly>).

4.10 Procedures for Contacting the Banks

Management personnel of the LCBs were approached to participate in the study. For those banks that have websites on the internet there was no problem in obtaining the essential information on their organisational structure, and the names and job titles of bank managers. Those banks that do not have enough information on their websites

were contacted by phone to explain the purpose of the study and to ask them if they have a marketing department, or if they have a marketing strategy. If their answer was yes (e.g. The Sahara Bank), the researcher asked them to speak to whoever has responsibility for marketing strategy, and request their participation in the study. The banks who do not have a marketing department or who do not do marketing strategy were removed from the sample (the Development and Trade Bank). The reason for this is that this research is investigating the FSMP process, so information about non-adopters is not relevant to the research objectives.

Finally, the researcher decided to study the four main LCBs, thus, four envelopes were included: a letter which explained the research questions and their importance to address the issue of the FSMP process and it describes the type of information required, for example, general information that their SMP included, how they formulate their SMP and their banks' strategy of decision making (see Appendix L), a consent form handed out to the Training Department of each bank (see Appendix M.1 & 2) and the questionnaire (see Appendix N). The Training Departments were asked to send four hardcopies of the questionnaire to the Heads of the Marketing Department in each bank, in order to take a look at it and to evaluate the questions. The Training Departments were also asked to return the questionnaires to the researcher after a one week period. On the eighth day, the researcher went back to the Training Departments to collect the questionnaires; two of them were collected and the others were not. This could be because the interviewer did not distribute them by herself.

Following this, the interviewees' names were selected from the banks' websites, and a list of potential participants was drawn up. Ultimately, the letters extended invitations to those people who were chosen to be interviewed. After obtaining the managers agreement to participate in the interview, these invitations were followed by telephone conversations with the bank managers' secretaries to identify the interview day and time.

4.11 Pilot Study

This study is employed in Libya, so before pre-testing the questionnaire and the interview, it was translated into Arabic, to facilitate respondents who do not speak English. The pilot test is important for several reasons, for example: to make sure that

the respondents understand the questions, as initially phrased and to decide whether they need a specific kind of prompt, the best order of questions, as well as providing adequate time for filling or answering the questions (Sapsford & Jupp, 2006). A pilot test is essential to check for reliability and improve the quality of the questionnaire (Conant & Mokwa, 1986).

The focus of this research is top and middle level management of the LCBs who are responsible for marketing strategy decision-making. Before the main investigation, a pilot investigation was undertaken, including both interviews and questionnaires. These provide preliminary insights into the issues to be explored in the main survey, as well as the basis for interpreting some of the results obtained from the survey data.

Ten questionnaires were distributed by hand and two face-to-face interviews were carried out by the researcher for the pre-test study from 15-29 of July, 2009. The questionnaires and interviews (survey) were pre-tested for the purpose of clarification of the wording and meaning of statements with eight employees working in Gumhouria Bank and NCB; two interviews and six questionnaires. Most of the respondents took about twenty-five minutes to complete the questionnaire and approximately one hour to answer all the interview questions during the pre-test. No major changes were made to the interview and questionnaire questions, but some questions were added in order to understand why FSMP was not circulated to the branches. Although branch managers said that the questions were short, clear and logical, they did not answer most of them.

At this stage, in order to gain an overall view of the FSMP process of the LCBs, some interviewees suggested that it would be helpful to interview some people who were members of the strategic planning committees. As a result, the researcher decided to extend the purposed sample to interview these people and the branch managers. Therefore, the sample was extended. In the research method this process is called a snowball sampling technique. Using this technique enabled the researcher to identify the desired respondents. The pilot test was carried out by sending the questionnaire to some branch managers in the LCBs and interviewing them in order to make sure if these managers have any idea about their banks' FSMP and whether this process is formal (written down in documents) and distributing it to those managers. During the second phase of the study, the pilot helped to develop the interview protocol that guided the semi-structured interviews and to understand the reasons for having impeded access of

FSMP to the branch managers. Twelve questionnaires were distributed to the branches, three copies for three branches of each bank. The questionnaire distribution was as displayed in Table (4-2). However, insufficient information was received from the branches. Collecting the questionnaires and interviewing some managers revealed that managers in these branches did not have enough information about the process of FSMP or how it was conducted or what kind of information was included. The questionnaires that were completed by heads of branches (e.g. Al Mokhtarr Branch, Asswani branch, Arrashed Branch) of each bank were excluded from the analysis because they were not fully answered.

Table 4.2 the Questionnaires Distribution to the Branches

The Bank	The Branch
The Gumhouria Bank	Al-Sream
The Gumhouria Bank	Fashloom
The Gumhouria Bank	Almgreaf
The NCB	Al-Dahra
The NCB	Al-Suanee
The NCB	Al-Jmaiel
The Wahda bank	Souk Al Thulatha Branch
The Wahda bank	Jadah Branch
The Wahda bank	Algeria Square Branch
The Sahara bank	Ben Ashour Branch
The Sahara bank	Al Mokhtarr Branch
The Sahara bank	Al Rasheed Branch

Source: The researcher design

4.12 Methods of Data Collection

Two sources of data are used in the current research, primary and secondary. The former is designed to collect data for the current research problem. Secondary data refers to the data collected for another purpose that the researcher has also referred to.

In order to fulfil the research criteria, the following data collection methods were devised based on the literature review concerning the FSMP process. Consequently, to

understand the reasons behind choosing specific marketing strategies, three main collection instruments were utilised.

First: qualitative data gathered via a semi-structured interview which is defined by Nichols (1991, p131) as “the range of possible answers to each question is known in advance”. A semi-structured interview helps to add any questions that might be necessary after the pre-test study, as well as aiming to clarify any misunderstandings emerging from the respondents (Frey & Oishi 1995). As Yin (1994) pointed out, qualitative research is a useful approach for studies that answer how and why questions.

Second: a structured questionnaire, using closed-end questions utilised competitive rating scales and multiple-choice questions (Greenley & Bayus, 1994). This approach was chosen because it allows the researcher to understand to what extent the managers at the lowest levels had access to the plan and to what extent they participate in it. In addition, using this method allows the researcher to control responses by using closed-end questions (five-point Likert type scale).

Finally: the archival data, the researcher can use different sources of data such as reports from the banks, government reports, and newspapers.

In summary, in view of the limited material in the literature on the Arab world and particularly on Libya on marketing strategy, this research aims to explore how LCBs make sense of FSMP, specifically what they are doing with their strategy. The exploratory nature of this study utilises a semi-structured interview approach with both closed and open-ended questions, which allows achievement of an understanding and insight into the issues of Libyan banks. The interview focused on the themes of how and why the LCBs deal with strategy, particularly with FSMP which is the focus of the analysis in the interviews.

4.12.1 Interview

Using interviews in research can be defined as: a purposeful conversation between two or more people. It is also a means to gather valid and reliable data that can address and possibly reformulate the research questions and meet the research objectives (Frey & Oishi, 1995).

Several reasons led to the use of interviews: managers usually prefer to be interviewed rather than filling in questionnaires, especially, if the situation is relevant to their work. Furthermore, the interview can be valuable for the researcher, because it gives the

respondents the opportunity to talk about events without having to write anything and to receive the feedback about the information that will be used. In addition, using interviews can lead to a higher response rate than questionnaires. At the same time, interviews can be more useful for the interviewer when there are a large number of questions and they are complex or open-ended, and out of order. Interviews can be classified as:

- Structured interviews.
- Semi-structured interviews.
- Unstructured or in-depth interviews.

Any research can use more than one kind of interview to help identify the questions that will be asked, in the end, the data that is gathered can help to design questionnaires or restructured interviews. This research uses semi-structured interviews, reasons and motivations for choosing this kind of approaches will be explained in the next section.

4.12.1.1 Semi-Structured Interview

This study uses the semi-structure interviews to get more information from the section of open-ended questions. This method is suitable for an exploratory type of study such as this one. A pre-test of the questions from the interview was undertaken to ensure that the questions were as precise as possible, and to time the interview to enable the researcher to provide the fairly precise time slot required for the interview.

One-to-one interviews used a semi-structured format to collect information about the research issue. It allowed the researcher to omit some questions that were prepared, change the order of questions as the conversation flowed, and also adds any additional questions that could help to explore the research questions and objectives. Depending on the nature of events within the banks, it is also aimed to collect information according to participants' thoughts, opinions and their attitudes.

Choosing this approach refers to the fact that it is appropriate to answer the questions that start what, how and also why, which means it explores what is happening and the relationship between variables. This is particularly important in the present study to answer the research questions.

4.12.1.2 Data Analysis

This section will explain how gathered data was analysed. As mentioned before data was collected by semi-structured interviews, questionnaires, and from archives. In total, eight interviews were conducted with the head officers in the main study (regional manager, marketing manager, cards and electronic services manager, corporate customers' manager, individual customers' manager, external communication manager and human resource manager). Forty one self-completion questionnaires were used, which were filled in by the Heads of Department of each bank (eight of them were the interviewees). These managers were selected as key respondents because of their perspective on the marketing strategy, their extensive knowledge and their access to relevant information (Tan & Tan, 2005; and Tuominen, Rajala & Möller, 2004). In an attempt to increase the response rate, covering letters were included, which asked recipients to pass on the questionnaire to the most senior strategist in their banks.

4.12.1.3 Analysing the Interviews

The interviews were analysed by using pattern matching and coding analysis. Analysing the interviews took several stages; the first stage required checking all the interviews to ensure that they included all required information. The next step was to identify the key issues in the interview, followed by grouping the interview data into themes. After that organising data and coding it into key themes and sub-themes. Two interviews were recorded with a digital tape recorder, and a full transcript was made by the researcher. The transcription process from the voice to text and from Arabic to English was made again by the researcher; consequently, some data was lost in this process (Wengraf, 2001).

This analysis process was done manually and in the original language which is Arabic. The reason for using the original language is to maintain the credibility of the words and meanings give. This is supported by Esposito (2001, p576) who stated that, "because of language barriers, I could not immerse myself in the actual words used by the women. Analysis and interpretation are accomplished as one would analyze and interpret a silhouette".

4.12.1.3.1 Pattern Matching and Coding Analysis

Pattern coding in a qualitative analysis is a way to summarise a large amount of material into a smaller number of analytic units: i.e. themes, causes/explanations, relationships, or theoretical constructs. It allows the researcher to analyse data during the data collection stage and elaborate a cognitive map: thus providing an evolving, more integrated schema for understanding local incidents and interactions (Miles & Huberman, 1994).

The researcher has selected pattern matching as the method of analysing the data. Pattern matching is an approach that is considered relevant when specific variables are defined prior to data collection. It is utilized to assist in determining if parallels can be found between theory and practice (Yin, 1994).

The researcher matched specific themes from the literature (see Figure 4.3) with those arising from the interviews with the participants. This process, called the mapping process, is presented in tabular format, which forms the basis of a pattern matching method used for analysing data. Open coding techniques were used in order to identify sub-categories and to determine data not included within the framework from the managers' perspectives (Strauss & Corbin, 1990). For example, the process of strategic decision making.

Pattern matching was employed to explore the main dimensions of the FSMP process. A list of categories was firstly identified through reviewing the literature. These were then matched to participant's comments. The procedure helped to identify variables which did not exist within the initial framework. These included sub-categories, which were stressed by the interviewees as important variables affecting the introduction and implementation of FSMP (Internal and External variables). The two were matched and integrated in order to determine the extent of the pattern.

In the context of the current study this analysis is an applicable approach for analysing the interview data, because it is an exploratory study and it depends on the interpretative approach to answer the research questions.

4.12.1.3.2 Process of Pattern Matching

The pattern matching procedure examined the effects of the contextual factors on the process of FSMP. The results showed that there were more variables than anticipated. Several steps are applied to the process of pattern matching analysis; this section briefly explains these steps from Miles & Huberman (1994) perspective: during the initial stages of analysis, the researcher was looking for sub-themes that tied together the data collected. The aim was to identify the common, different or opposing semantic comments of the interviewees. For example, the interviewees were asked about the reasons that inspired LCBs to introduce FSMP, they identified several factors: changes in customer needs was one of the motivations that inspired the NCB and Wahda Bank to introduce FSMP (Common content), and increasing the NCB' impact on society (different content). This stage was important for identifying the factors that affect the implementation process of FSMP in LCBs, and helped to identify the impact of crucial factors such as culture on the process. As a result, similar profiles were identified for other banks and the first threads of cross-case comparisons were drawn. Therefore, the initial framework of the study was plotted.

The first stage concentrates on the research question, i.e. what the researcher is interested in finding and explaining (The research questions). After that, the research develops an analytical classification, which means sorting data into themes. The main themes were identified through the literature. The words could be categorised into various classifications, such as pages, lines, sentences, or phrases. In this context, speech by interviewees was analysed to see for example how important it was for the LCBs to establish FSMP. A table including four bars was drawn in order to discover which variables affect the adoption of FSMP by the LCB. Each bar represents a bank. Therefore, according to the research objectives the current study lies in four themes and each of them was broken again into other sub-themes:

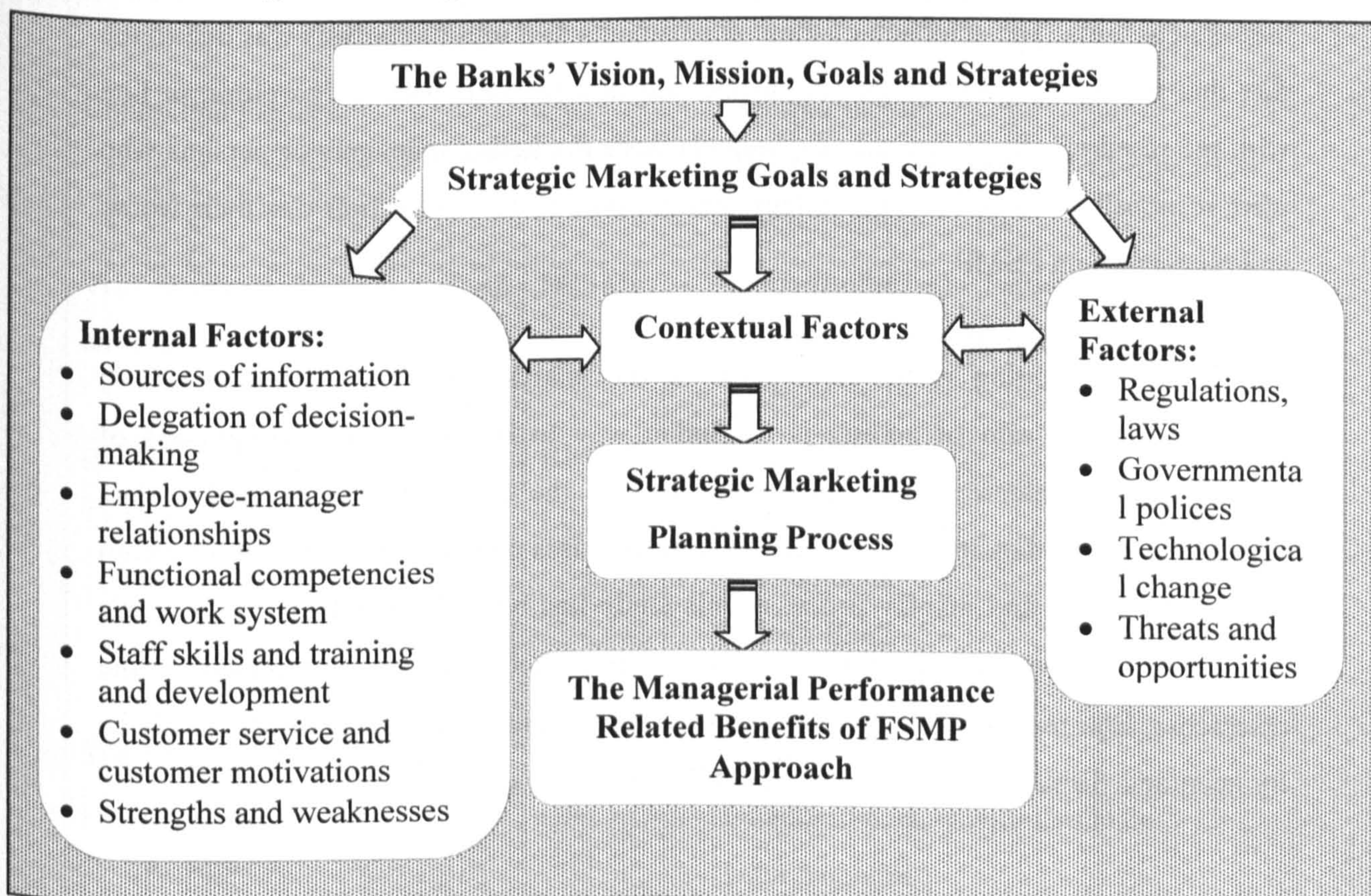
1. The process of FSMP practice in the LCBs.
2. The managerial and performance related benefits of an FSMP approach.
3. The impact of contextual factors (internal and external factors) on the current state of development of an FSMP approach in the LCBs.
4. The potential benefits of an enhanced rate of FSMP adoption.

In spite of the differences in purchasing behaviour among the different countries markets, specific factors are crucial to the success of the marketing approach (Siddiqi,

1999). The third theme for example was broken into the internal and external factors. The internal factors again were divided into: the organisational structure, strategic decision-making and so on.

In this context, the themes and the sub-themes have arisen from linking two things: the research objectives and the literature review. Figure (4.3) summarises this phase.

Figure 4.3 Diagram Summarising the Research Framework



Source: developed by the researcher based on the literature and the field study

The next step is reading through data, “You should read through a fairly hefty amount of the data” (Berg, 2004, p.285), followed by establishing objective criteria for the selection of specific phrases or words. In the current context, for example “Laws and Regulation”, whenever, the interviewee referred to words that represented Laws and Regulation, that information was classed into the category/theme of external factors, which helped the researcher to describe them.

Studying business environment (internal and external variables) in this research is important for six key reasons, firstly, to understand the type of problems facing LCBs, secondly, to understand the kind of information that LCBs managers are interested in to

make effective decisions, thirdly, to understand the Libyan business environment and the changes in this environment, fourthly, to understand the values and attitudes of Libyan managers, fifthly, to show the weaknesses and strengths of the banking industry and, finally, to understand how best to use the LCBs resources.

The current study investigated FSMP and its influencing variables; it used the marketing department as the main key unit of analysis, and other departments as assessment units. The selection of these departments as a unit of analysis was due to the fact that the bank's FSMP was established and developed by them. Therefore, in line with the research objectives, the respondents were marketing managers or persons who were responsible for marketing strategy and the unit of data collection was their words and phrases about FSMP.

Identifying the coding is the next stage in the analysis process. Anderson (2009) indicates that the aim of coding is to find a way to bring different dimensions of relevant data together. In the inductive approach the categorisation of coding data emerged from the data itself. A deductive approach uses concepts in the literature within the categorisation and display process. This study has been derived from the research objectives. The pattern matching and open coding technique was completed by the researcher. She re-examined the data for reasons of consistency and in order to check for accuracy. Table (4-3) provides the detail of this coding.

Table 4.3 The Coding Sheet

Theme	Code	Sub-theme
The managerial and performance related benefits of an FSMP approach	BSMP	<ul style="list-style-type: none"> - Change Drivers in the Use of SMP - Marketing Departments and Staff Capabilities
The process of SMP practice in the LCBs	PSMPP	<ul style="list-style-type: none"> - Banks' Goals and Strategies - Marketing Goals and Strategies - Barriers to implementation of SMP
Contextual Factors	CF	<ul style="list-style-type: none"> - Internal factors - The Performance, Competitive Position of the LCBs
The potential benefits of an enhanced rate of SMP adoption	PBSMP	<ul style="list-style-type: none"> - Opportunities and Threats of the LCBs - Strengths and Weaknesses of the LCBs
Banking Industry Future	BIF	<ul style="list-style-type: none"> - None
The Libyan Commercial Banks	LCBs	<ul style="list-style-type: none"> - Gumhouria Bank - Wahda Bank - Sahara Bank - NCB
The Central Bank of Libya	CBL	<ul style="list-style-type: none"> - None
Data Reporting	DR	<ul style="list-style-type: none"> - Quantitative & Qualitative Data - Data Analysis - Archival Data

Source: developed by the researcher

Qualitative data was collected by interviewing the eight executives working in the LCBs between 15 of August and 7 of October 2009 (see Section 4.12.1.2).

From the four banks included in this study, eight interviews were conducted; two interviews per bank. The interviewees' names and job titles have been coded. All the data used in the analysis of this thesis was obtained by the interview, questionnaire, internal documents provided by the LCBs and some external resources such as the CBL and the banks' websites.

Accuracy of the information was verified by asking the same question with different respondents individually. Quantitative data such as asset figures and market share figures provided by the interviewees were checked against bank statistics and news reports published by the CBL.

4.12.2 Questionnaire

The questionnaire is one of the most widely used data collection techniques, because it provides an efficient way of collecting responses from a large sample (Saunders, Lewis & Thornhill, 2007). As mentioned before, this research is used alongside the qualitative method (a semi-structured interview); it also employs the quantitative method through a structured questionnaire survey of four banks located in Libya. A reliability mean and standard deviation is used for each specific item.

The questionnaire was pre-tested with some managers in different departments. The results showed that it was completed in approximately twenty five to thirty minutes. The respondents said that the questions were short, clear and logical. Therefore, in the main study, the questionnaires were distributed to a number of top and middle management members in these banks, in order to gain their perceptions on how FSMP has been used.

The final survey instrument consisted of only one main questionnaire with approximately 111 items. Generally, the questions focus on variables, such as, External Environment (e.g. politic, economic, and competition), Internal Environment (e.g. organisational culture, organisational structure) and FSMP Process, suggested by prior research in the field.

Likewise, in order to facilitate the respondents answers the close-ended questions are constructed on a five-point Likert type scale with a range from: 1-strongly disagree to 5 –strongly agree and from 1- almost never to 5- almost always. The Statistical Package for Social Sciences programme (SPSS for windows version 16) was utilised for data analysis.

4.12.2.1 Choice of Respondents

A purposed sampling method was adopted. The respondents were chosen as the sampling units in relation to their knowledge of FSMP, owing to the fact that this study requires the investigation, understanding, exploration and description of the usage of FSMP process in the Libyan banking sector. The respondents were chosen directly from the websites of these banks. For example, Table (4.4) shows the respondents who were invited to participate in this study, and the following managers are from the Gumhouria Bank:

Table 4.4 Purposed Respondents

Respondents	Responded
Financial Department Manager	×*
Manager of Marketing Department	✓*
Manager of Electronic Cards and Services	✓
Manager of Major Companies Department.	✓
Manager of Market Risks and Operation Department	✓
Manager of Operation Department	✓
Manager of Foreign Relations Department	✓
Manager of Information Technology Department	✓
Manager of Planning and Financial Control Department	✓
Manager of Zawia Area Branches	✓
Manager of Southern Region Branches	×
Manager of Western Mountain Area Branches	×
Manager of Misurata Area Branches	✓
Manager of Tripoli Area Branches	✓
Manager of Legal Affairs Office	✓
*× → did not Respond & *✓ → Responded.	

Source: Developed by the researcher based on field study

Two waves of distribution were carried out, the total distributed number of the questionnaires in the first wave was sixty; thirty five of them were given by hand during the first meeting. Participants were required to hand over the completed questionnaires

after they had answered them and the time given to complete them was ten days and therefore the participants were given ample time to complete the questionnaires. However, just twenty two questionnaires were returned to the researcher and nineteen of them were used, it might be because such a long time was given to them to fill in the questionnaires. So, the researcher decided to distribute another wave, and this time she distributed forty copies and participants were required to hand them in after three days. Thirty two questionnaires were collected; twenty two of them were used. Consequently, forty one of them were usable, because they were fully answered.

Owing to the fact that FSMP is not practised by the majority of LCBs, a high response rate was not expected, however, in spite of this, a 54% response rate was achieved. The respondent rate is shown in Table (4-5).

Table 4.5 the Questionnaire Distribution and Percentage of Return

Questionnaire	Sahara Bank	Gumhouria Bank	NCB	Wahda Bank	Total
First wave	15	15	15	15	60
Returned	3	8	6	5	22
Usage	3	7	5	4	19
Second wave	10	10	10	10	40
Returned	7	9	8	8	32
Usage	5	6	7	4	22
Percentage of Return	40%	68%	56%	52%	54%

Source: Developed by the researcher based on field study

4.12.2.2 Survey Method

There are some advantages of using a survey, for example, the standardisation of data and the ease of use and analysis. The data collection process can be done by using either the questionnaire or the interview. This study uses both.

There are four types of interview which the researcher can choose (face-to-face, telephone, the internet and self-administration). Face-to-face interviews were conducted

in this research, because it offers the flexibility to use visual aids, the ability to correct the misunderstanding of some information in a way which does not threaten the validity from the interviewer effect. The second method that this research has used is the questionnaire, because it allows respondents to complete them without any effect or influence by the interviewer.

4.12.2.3 Questionnaire Design

The success of the research survey depends on the design of the questions that are asked. To minimise confusion and bias of responses the questionnaire design focuses on three areas (Sekaran, 2000):

The first area is the wording of the questions:

- With this goal in mind the questionnaire should use simple language in order to help the respondents understand.
- Closed questions are chosen in order to limit the possible answers and the time.
- To minimise unnecessary questions the purpose of each question was scrutinised, and kept as short as possible.

The second area is the principle of measurements. This concept refers to the reliability and validity of data that will be analysed, and the questionnaire should increase the reliability and validity of the collected data (Pedhazur & Schmelkin, 1991).

Finally, the general appearance of the questionnaire facilitates the respondents' understanding and answering of the questions. It is important that the questionnaire is based on previous research.

Based on questionnaires used by previous research, the first questions seek to introduce the respondent and the degree of his/her participation in the FSMP process. The next part aims to investigate how often the banks collect the external data, and what kind of data they collect. After that the questions were shifted to concentrate on the marketing strategy and categorising the degree of its formality in the banks. Consistent with previous research regarding the operation of the internal environment that has an impact on formulating the strategy, the respondents were asked to categorise their agreement with the organisational culture and organisational structure elements. This is in order to evaluate the degree of influence of each of them on the existent strategy. Finally, the last part attempts to reflect the important degree of both financial and non-financial measures for the LCBs (A copy of the questionnaire is in the Appendix N).

In summary, the questionnaire contains six parts:

1. General information about each respondent (Probe: experience and education level)
2. Information about the banks' marketing strategy (Probe: strategic planning committee, strategic planning formulation/implementation/audit).
3. General information about the banks' operating environment (Probe: the level of unstable environment and the elements that control the external information).
4. Information about the internal environment that could have an impact on the marketing strategy (Probe: organisational culture/structure).
5. Information about elements that the FSMP of the banks could include (Probe: SWOT analysis).
6. Information concerning the banks' performance; (Probe financial and non-financial performance).

4.12.2.4 Questionnaire Data Analysis

Data is analysed using the SPSS programme. Because the sample of the main banks is small, the descriptive statistic analysis (frequency and percentage) is used in all themes in order to support the interview analysis data; the descriptive statistic takes the form of mean and standard deviation, as suggested by Malhotra & Birks (2007).

This research uses an interval scale to measure the participants' perceptions and attitude toward the research issue. Most questions included in the questionnaire were constructed on a five-point Likert scale. The scale consists of 1 to 5, 1 refers to strongly disagree or almost never; 2 refers to tend to disagree or not very often; 3 refers to undecided or sometimes; 4 refers to tend to agree or frequently; and finally 5 refers to strongly agree or almost always.

Scaling is considered as an extension of measurement; it is a process of placing the respondents' attitude toward FSMP on a continuum. In this scale the zero point is not fixed and the units of measurement are arbitrary. Therefore, the positive linear transformation in the form of $y=a+bx$ will preserve the properties of the scale.

x is the original scale value, in this research $x= 1,2,3,4$ & 5 ; y is the transformed scale value; b is a positive constant which represents the length of each scale; and a is any constant which represents the difference between any two adjacent scale values (Malhotra & Birks, 2007).

In regard to this equation, the extension of this scale is $5-1=4$, the length of each scale b is $4/5= 0.80$. By using the previous equation the range of each scale used in the current research and its descriptor are shown in the table below:

Table 4.6 the Interpretation of the Descriptive Statistic Analysis

No	Mean	Scale	Scale
1	1-1.80	Strongly disagree	Almost never
2	1.81-2.60	Tend to disagree	Not very often
3	2.61-3.40	Undecided	Sometimes
4	3.41-4.20	Tend to agree	Frequently
5	4.21-5	Strongly agree	Almost Always

4.12.3 Secondary Data

Bradley (2010) stated that secondary data includes internal and external data. Internal data is generated by the banks. External data is more likely to be available to a wider public in the form of databases and industry reports.

Secondary data of the current research comes from different sources, for example, bank reports, the banks' websites, libraries, newspapers, and management research sources. This source of data is usually valuable for exploratory studies, such as this research. Any source of data has advantages and disadvantages, according to Sorensen, Sabroe & Olsen (1996). The key advantages of using secondary data are that, because they already exist, they save time, effort, and cost, and also reduce bias. However, the researcher cannot control the selection, quality and methods of collecting the data; this represents the disadvantages of using secondary data. Therefore, the researcher should be aware of these factors when determining the valuable data that could be helpful to answer the research questions. However, identifying and accessing all relevant documents is sometimes difficult. This represents one of the disadvantages of using documents. Furthermore sometimes the organisation may not allow access to some documents for confidentiality reasons (Anderson, 2009).

Secondary data played a crucial role in this study. It enhanced the primary data to meet the research objectives. Central to the nature of the current research is the idea that the

formal process is a core component of SMP in such organisation. This provided a framework to obtain sufficient information about strengths, weaknesses, opportunities and threats of the LCBs, and to evaluate their competitive attitude with the other banks in the business market. The most important sources of secondary data for this research were the LCB's own reports, the reports of the CBL and finally the reports of the consulting company.

It has to be highlighted that for some reason, in developing countries such as Libya it is difficult to find any published data related to this situation. This might be because this situation is new in this industry, or because the LCBs have recently begun to compete with each other. The secondary data would not have been obtained if the researcher had not received help from a high position manager who is working in this field. This person helped the researcher to gain access to those people who had copies of the original strategies and the banks' annual reports. He also helped to overcome the bureaucratic procedures of contacting the purposed managers and overcome the obstacles.

4.13 Limitations of the Approach Selected

According to Bryman (2001), there are three key criteria to evaluate research: generalisation, reliability and validity.

- **Generaliability** is based on information that is obtained from a sample of a population. In other words, how the research came to its conclusions. Under the interpretivist philosophy, the researcher can generalise and apply phenomena from one case or one ethnic group to others in the same case. However, because this research uses the qualitative approach, it is impossible to generalise the results from a sample to a population (Myers, 2009); on other hand, it can generalise from the quantitative approach, in this situation, the analysis captures the phenomena characteristics, the interactions and a comprehensive understanding of the activities and behaviour of the phenomena (Hussey & Hussey, 1997).
- **Reliability** is concerned with the research findings, and if they are reliable i.e. if others test them, do they obtain the same results? (Quinton & Smallbone, 2006). For this

reason, in order to maintain high reliability the sample was selected carefully which serves the study purpose, piloting the study, and three data collection methods were used. Other procedures were suggested by Creswell (2007), prolonged engagement with the sample (the researcher spent two months in the field study), triangulation (interview, questionnaire, and archival data collection), member checking (through the transcription and translation process of the interviews), rich and thick description (exploring the research issue), (visiting and re-visiting the stage of transcribing and analysing data).

- Validity focuses on how true to reality the research findings can be proved, and how accurately the findings represent what is happening within the situation. Under the interpretivist philosophy, validity is high due to the fact that the researcher aims to obtain sufficient knowledge and meaning from those involved in the research of these phenomena (Hussey & Hussey, 1997).

Bryman & Bell (2003) divided validity into two types, internal and external. Internal validity focuses on what is measured. If the researcher is using quantitative methods, internal validity will focus on causality. In other words, how the independent variable is responsible for the variation that is found in the dependent variable. From the researcher's point of view, the current research attempts to approach the phenomena in as open a way as possible, without rigid preconceived ideas. For example, the researcher anticipated that LCBs circulate their strategic marketing plan to their first line managers in the key management positions, and their branch managers. In the pilot study, the researcher discovered that these groups had no idea of the bank's marketing strategy. Therefore, the research result was different from what the researcher expected. Consequently, because this research is much more exploratory, the researcher was not worried about internal validity. It is inherent in this research, because collecting enough data will be sufficient to provide insight into the theme (Quinton & Smallbone, 2006).

External validity focuses on whether the results can be applied to other situations and to what extent this may be possible in quantitative research; "the representativeness of the sample is the key issue in generalising to a larger population" (Quinton & Smallbone, 2006, p129). However, in qualitative method such as this study, generalising the results is not the objective.

Atiyyah (1997) states that most studies that are conducted in Arab countries suffer from major conceptual and methodological weaknesses. This leads to doubt about the validity

of their results. It has to be noted here that to the researcher's knowledge there are no published studies that have tested the validity of FSMP in a developing country such as Libya.

According to Twinn (1997), validity and reliability could be affected by using a different language at the stages of collecting and analysing research data. For example, the interview and the questionnaire were initially designed in English then translated into Arabic. Some modifications have been made in order to ensure that the questions would be fully understood, because sometimes there is no equivalent word in Arabic, which could affect the validity and reliability of the study.

Creswell (2003) suggested that triangulation is the easiest way of establishing validity. To increase the validity of the research findings, a triangulation method (qualitative, quantitative and archival data collection methods) was used. According to Bryman (1988), the qualitative method represents a fluid view of social life, and the quantitative method provides a static account. They also illustrate the researcher's perspective and the subjects' perspectives. The research findings compared with the findings of the previous research existing in the literature to produce suggestions concerning the validity of FSMP for the LCBs.

Bias should also be considered when the researcher attempts to assess reliability, validity and generalisation; there are various aspects of this in the research:

As for the personal bias of the interviewer, there are two sources of error relevant to the interviewer: systematic and unsystematic. The first one refers to interviewer behaviour; an example of this is the usage of spoken language. The researcher uses the same tone of voice in each interview to keep a natural interviewing style. Specifically, when the researcher does not record the interviewee's words verbatim, then the validity is not guaranteed. In this study out of eight interviews, six were not recorded verbatim, but they were taken as notes. Consequently, this is the limitation of the current research.

Unsystematic error is linked with interviewer's lack of skills after conducting the interview. It should be mentioned that the researcher made all transcripts of the interviews and translated them into English. In addition, for content validity the translated virgin data was checked by a speaker of Arabic and English.

The credibility of the current study is relevant to the authenticity of the findings. In order to achieve credibility the researcher checked and rechecked data, by returning to the original sources when working with developed data reduction techniques. Summarising and asking for verification of participants' understanding is a technique of developing the findings' credibility. For example, the process of dividing the bank interviews into categories and themes, then rereading original transcripts, in order to check meaning enhances the credibility.

The source of the articles that the researcher uses in terms of geography and time/date: to achieve a full picture of the situation, the researcher uses different sources of information, for instance European, US, Asian and African. Theoretical material that was published three or four decades or even years ago could already be out of date and of limited value. Academic research usually takes time to analyse and write up before it is published. As a result, the information that the research will publish may be out of date. In the current research, the researcher attempts to obtain more up-to-date information to avoid this problem.

Cultural issues affect the organisation's strategy or affect the research results. In this case the culture issue was very important and it affects the process from several sides, for example the process of decision making, the employment system and the training programmes. For this reason, the researcher found that taking a western paradigm and trying to apply it in an Arab country is not applicable. This is important because these variables have a significant effect on the whole organisational strategy. To avoid the cultural difference effect, the researcher applied the study to four banks that work in the same environment. However, it was revealed that for example, even though in Arab countries the junior staff believe in their senior managers' capabilities, which could represent a source of bias, even so the cultural issue is not a big problem (see Chapter 5, section 5-4). However, reflecting on the process of gathering evidence rather than the evidence itself, it has become clear to the researcher that there does not exist any real consistent behaviour over the eight conducted interviews.

The size of the organisation researched: the researcher chose large banks because they have marketing departments, and they do FSMP.

The samples: the research circumstances required the selection of a specific sample that had knowledge about marketing strategy.

4.14 Triangulation Approach

The researcher has used primary data from four banks situated in Libya and secondary data to improve data validity. In spite of this, a lack of published government sources has been found which might affect validity. This is not a problem in this kind of research due to the fact that this research utilised the interview method as an essential approach to collect data then the questionnaire and finally the published sources about the situation.

All approaches have limitations; the role of the researcher is offset by the flaws choosing one approach. Due to the fact that triangulation is the easiest way of establishing validity (Creswell, et al, 2003), the current research applies this approach in order to reduce the problem of using one method in different stages of the research.

In summary, as explained above the present research uses three kinds of collecting data: interview, questionnaire and archival data in order to gain in-depth understanding of the phenomena. This provides more perspectives on the phenomena being investigated and also obtains a richer picture, which was suggested by Easterby-Smith, et al, (2003).

4.15 Research Ethics

The research ethic concept refers to the appropriateness of the researcher's behaviour and its relevance to the people's rights who are the subject of or affected by the research (Saunders, et.al 2007). The Research Ethics: A Handbook of Principles and Procedures stated that, "physical, social and psychological well-being of the research participants is not affected by the research, as well as research relationships was characterised, whenever possible, by mutual respect and trust". Therefore, care was taken to ensure that different responsibilities are considered.

Ethic issue arises when the researcher sought access to banks and individuals, designs, collects, analyses, evaluates, and writes up her final report. This research was conducted

in accordance with the research ethics protocol recommended by the Ethics Committee of the University of Gloucestershire.

When the researcher designed her research she considered whether it was a methodologically sound and a morally defensible topic that adequately protected all the people concerned (Saunders, et.al 2007).

The researcher did this by explaining the aim and nature of the research, the possible consequences of the research, and how the findings would be disseminated. In addition participants knew that they were not pressurised into participation, therefore, they could refuse participation in the research (see Table 4.6 as an example), also they could withdraw from the research project at any stage. Anonymity and confidentiality were guaranteed and explained to the participants (participants names and job titles have been coded), and because there was a possibility of publishing the research, permission was asked of the participants (see the cover page of the questionnaire Appendix N). The researcher chose the data-collecting device, in this case a digital recording. However, only two interviews were recorded, the other six were taken as notes (McNamee, 2009). All interviewees were assured of their anonymity and that only relevant material would be used. The researcher promised here to ensure all confidentiality by showing the respondents the final report (see the final page of the questionnaire Appendix N) and allowing them to check any information they have given. This helped to motivate them to answer the questions as reliably as possible.

4.16 Chapter Summary

FSMP is still a young subject in LCBs and, like many new subjects, it does not have a strong foundation or tradition. The aim of this research was to describe and explore FSMP in the LCBs. It is important to note that even though this research tries to be thorough in its understanding of the nature of FSMP in developing countries, the study does not aim to generalise its results to all banks outside Libya (Saunders et al, 1997). However, the research is designed to maintain validity and reliability. This chapter has discussed the research philosophy in general, and specifically the most appropriate philosophy and strategy to enable the research questions to be answered.

In terms of methodology, the question was which method helps to meet the research objectives. In answering this question, the research did not follow previous studies. The research is exploratory in its nature; the chosen interpretive approach helps to gain a deeper insight into the subject. The current research utilises an integrative approach for collecting and analysing data in order to explore the current practice of FSMP in the LCBs. Therefore, it enabled the investigation to examine the influence of contemporary changes in the Libyan business environment on the process of FSMP. This approach achieved its aim to address the weaknesses and strengths, the threats and opportunities of the existing practices. Therefore, the methodological approach adopted is not in common usage within the marketing field; however, it was suggested to be used in this field (Dendish, 1983). As a result, it has in itself made a contribution to knowledge.

To achieve the purpose of examining FSMP in the LCBs, the current study utilises both qualitative and quantitative data collection. The database of the LCBs is the sampling frame for the population. The chapter has discussed the sampling issues. The purposed respondents were chosen according to their knowledge of FSMP. There was originally an intention to measure the change in the use of the FSMP overtime; however, it was discovered that the FSMP process was completely new in the main LCBs, the ones chosen for this study. As a result of this, a survey approach (interview method) became appropriate to collect data rather than a longitudinal method. This is because it gave a chance to have insight into the situation and discover reasons for establishing FSMP and how this has been implemented, also who was responsible for formulating, modifying and auditing the process. Essential information about using pattern matching and coding analysis has also been provided.

The next chapter provides the current practices for using FSMP process in the LCBs, the contextual factors that might impact the process is also discussed. The findings are presented in the frame of the descriptive statistical questionnaires analysis.

Chapter 5 Quantitative Results

5.1 Introduction

The current chapter presents the results of the questionnaire survey. Forty one questionnaires were collected from managers who agreed to participate in the survey, as shown in the previous chapter in table 4.4. The data collected was concerned with LCBs managers' perceptions, opinions and attitudes towards FSMP; and with discovering whether there were any factors (internal or external) influence the FSMP process.

In order to answer these questions, one type of statistical analysis has been used, which is descriptive analysis. The questions were divided into four themes, which reflect the research objectives: the managerial and performance related benefits of an FSMP approach; the process of FSMP practice in the LCBs; the impact of contextual factors (internal and external factors) on the current state of development of an FSMP approach in the LCBs, and the potential benefits of an enhanced rate of FSMP adoption.

As explained previously in chapter 4, data was analysed using the Statistical Package for Social Sciences programme (SPSS for windows, version 16). Because the sample of the main banks was small, descriptive statistic analysis (frequency and percentage) was used to analyse participants' perceptions of the FSMP process. The descriptive statistics take a form of mean and standard deviation. Regarding the analysis of the questionnaire results, 'undecided' indicates that the respondent is not able to rank the answer. Anybody who did not express his/her opinion (no result) was coded as zero. It is worth saying that the analysis describes the standard deviation only when the results are widely spread or very close to the mean, otherwise it is only be displayed in the tables.

5.2 Research Sample Profile

This research involved 41 participants. The questionnaires were collected from four LCBs. The number and percentage of collected questionnaires appears in the table below.

Table 5.1 the Number and the Percentage of Collected Questionnaires

Bank	Number	Percentage
The Sahara Bank	8	19.51%
The Gumhouria Bank	13	31.71%
The NCB	12	29.27%
The Wahda Bank	8	19.51%
Total	41	100%

Source: developed by the researcher based on field study

The respondents were asked about the period of time that they had spent working in the bank. The results are shown in the table 5.2.

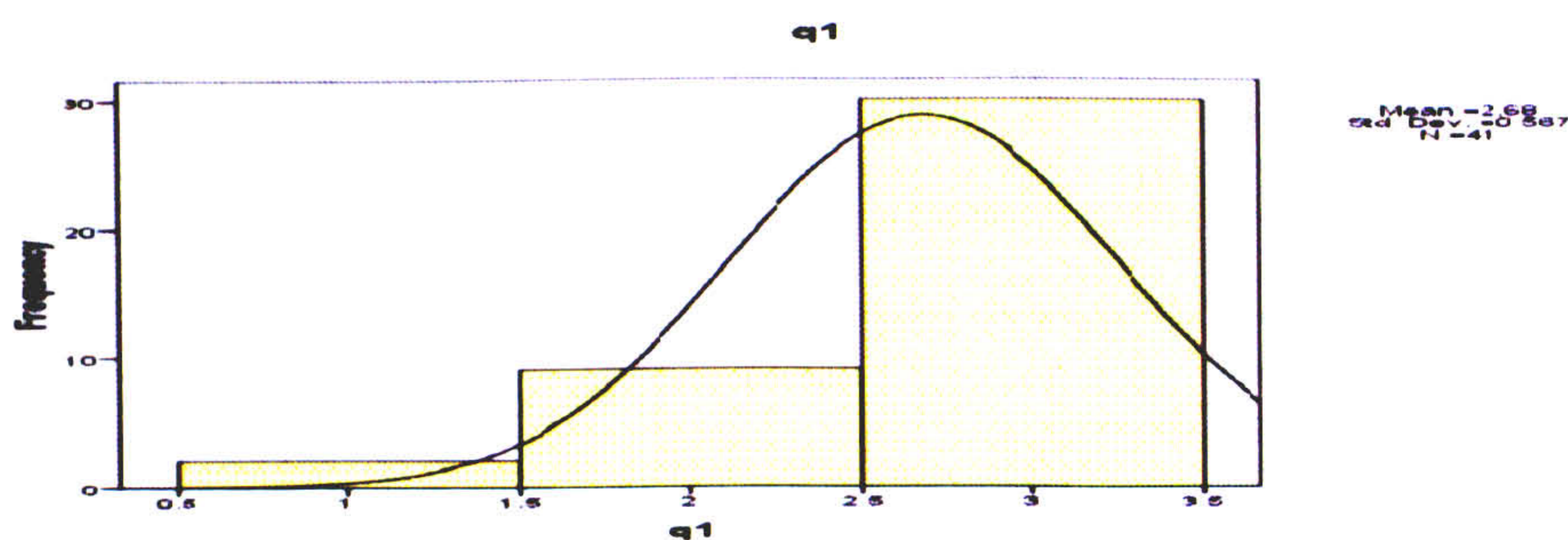
Table 5.2 The Respondents' Experience in the Banks

The period	The Number	The Percentage
Less than 5 years	2	4.8%
5 to 10 years	9	21.9%
Over 10 years	30	73.1%

Source: developed by the researcher based on field study

As the findings of the previous Table show, most of the respondents (73.1%) had been working in these banks for more than ten years; more than a third (21%) had been working in the banks for between five to ten year; and the rest (4.8%) had been working for less than five years. The next Table shows this result visually:

Figure 5.1 The Respondents' Experience



Source: developed by the researcher based on field study

Figure (5.1) shows a negatively skewed curve, the standard deviation of this question was 0.567.

5.3 The Managerial and Performance Related Benefits of an FSMP Approach:

5.3.1 Bank Goals and Strategies

The setting of bank objectives is very important; therefore, they should be carefully set. In order to succeed in the planning process, it should be based on good quality information and a high standard of marketing management. The indicators displayed in table 5.3 show how often the banks' strategic plans included their strategic goals.

Table 5.3 Strategic Goals

STA	ANEV		RAR		SOM		OFT		AA		STD	M
	PE	FR	PE	FR	PE	FR	PE	FR	PE	FR		
1	7.1%	3	16.7%	7	9.5%	4	35.7%	15	28.6%	12	1.332	2.98

Key Table

STA→ Statement; ANEV→ Almost Never; RAR→ Rarely; SOM→ Sometimes; OFT→ Often; AA→ Almost Always; STD→ Standard. Deviation; M→ Mean; PE→ Percentage; FR→ Frequency.

1. The strategic plans include the banks' strategic goals

Source: developed by the researcher based on field study

When the respondents were asked if LCBs' strategic plans included their strategic goals, the results show that these plans were sometimes included (m=2.98).

The respondents were asked if LCBs' mission, goals and strategies were communicated to the employees, and the results are presented in table 5.4.

Table 5.4 Goals and Strategies Communication

STA	S. DIS		DIS		UN		AG		S.AG		STD	M
	PE	FR	PE	FR	PE	FR	PE	FR	PE	FR		
1	9.5%	4	40.5%	17	23.8%	10	35.8%	10	-	-	.968	2.63

Key Table

STA→ Statement; S.DIS→ Strongly Disagree; DIS→ Disagree; UN→ Undecided; AG→ Tend to Agree; S.AG→ Strongly Agree; STD→ Standard. Deviation; M→ Mean; PE→ Percentage; FR→ Frequency.

- 1→ The bank mission, strategy and goals are widely communicated to the employees

Source: developed by the researcher based on field study

As reported in the table 5.4, there was no agreement on this point, “undecided” (m=2.63), with 40.5% disagreed and 35.8% agreed.

In summary, these results introduce strong evidence that even though the LCBs’ strategic planning includes their strategic goals, their mission, goals and strategies were not widely communicated to the employees, i.e. most of the respondents had no knowledge of them.

5.3.2 Marketing Goals and Strategies

In regard to the LCBs’ marketing goals and strategies, this section attempts to find out the respondents’ perspectives on this issue. Table (5.5) displays the results of responses provided by the sample.

Table 5.5 Strategic Marketing Goals and Strategies

STA	S. DIS		DIS		UN		AG		S.AG		STD	M
	PE	FR	PE	FR	PE	FR	PE	FR	PE	FR		
1	4.8%	2	28.6%	12	11.9%	5	42.9%	18	11.9%	5	1.167	3.29
2	4.8%	2	40.5%	17	9.5%	4	40.5%	17	2.4%	1	1.323	2.73
3	-	-	26.2%	11	14.3%	6	50%	21	7.1%	3	1.220	3.24
4	16.7%	7	52.4%	22	9.6%	4	19%	8	-	-	1.093	2.17
5	-	-	21.4%	9	33.4%	14	42.9%	18	-	-	.937	3.15

Key Table

STA→ Statement; S.DIS→ Strongly disagree; DIS→ Disagree; UN→ Undecided; AG→ Tend to Agree; S.AG→ Strongly agree; STD→ Standard. Deviation; M→ Mean; PE→ Percentage; FR→ Frequency.

- 1→ The potential market demand for our service is extensive.
- 2→ The bank targets its services to specific customer groups.
- 3→ The primary purpose of FSMP is to develop a blueprint for the bank's future.
- 4→ The bank adopts annual marketing plans.
- 5→ The bank’s marketing strategy goals are not understood well by staff.

Source: developed by the researcher based on field study

As shown in table 5.5, the survey indicates that 42.9% of the respondents agreed that the potential market demand for the banks service was extensive, while nearly 29% of them disagreed (statement 1). Another point in discovering whether LCBs adopted

specific strategies for distributing their services was when the respondents were asked if LCBs targeted their services to specific customer groups (statement 2). Interestingly, the results were equal with 40.5% of the respondents agreeing and 40.5% disagreeing.

Furthermore, the respondents were asked if the primary purpose of FSMP was to develop a blueprint for the bank's future (statement 3), 50% of them tended to agree, while 26.2% disagreed. Approximately 43% of the respondents believed that their banks' marketing strategy goals were not well understood by the staff (statement five); on the other hand, 21.4% disagreed. Another question was introduced in order to discover if LCBs adopted annual marketing plans (statement four). The results reveal that 52.4% of the sample disagreed.

To summarise, there was no agreement "undecided" on most of the points; the mean scores for these points 1; 2; 3 & 5 were 3.29; 2.73; 3.24 & 3.15 respectively. Therefore, it is not clear whether the potential market demand for the LCBs services was extensive, whether LCBs targeted their services to specific customer groups, whether the primary purpose of FSMP was to develop a blueprint for the banks future, or if the banks' marketing strategy goals were understood enough by staff. However, the only point which received a clear disagreement was when the respondents were asked if their banks had annual marketing plans. This gives a clear indication that LCBs were not informing their employees of the banks' marketing goals and strategies, which was not high on their list of priorities.

5.3.3 Formal Strategic Marketing Planning

This section was designed to explore the formal procedures for the SMP process (Formalisation). These questions were originally adopted by John (1984), as cited in Hwang, (2005). The purpose was to explore this situation within the LCBs, and to discover whether this process was known by the employees, or if they had the right to know it. In addition, the advantages that could be achieved if there were an announcement in the banks mission, goals and strategies, tables 5.6 & 5.7 show the answers of these questions from the participants' perceptions.

At the outset, it was expected that regulations and laws play an important role in business and specifically in the financial sector. Tables 5.6 & 5.7 throw some light on the formal process of the banks activities and the regulation issues. Initially, to discover

the role of the banking regulations and laws, the respondents were asked to give their opinion about some points linked to this issue.

Table 5.6 FSMP

STA	S. DIS		DIS		UN		AG		S.AG		STD	M
	PE	FR	PE	FR	PE	FR	PE	FR	PE	FR		
1	2.4%	1	-	-	4.8%	2	31%	13	61.9%	26	.778	4.54
2	71.4%	30	16.7%	7	4.8%	2	7.1%	3	-	-	.867	1.44
3	54.8%	23	11.9%	5	23.8%	10	9.5%	4	-	-	1.107	1.78

Key Table

STA→ Statement; S.DIS→ Strongly Disagree; DIS→ Disagree; UN→ Undecided; AG→ Tend to Agree; S.AG→ Strongly Agree; STD→ Standard. Deviation; MEA→ Mean; PE→ Percentage; FR→ Frequency.

1. My usual experience with our bank involves doing things “by the rule book”.
2. Many activities in our bank are not covered by formal procedures.
3. In our bank the emphasis is on getting things done, even if that meant disregarding formal procedures

Source: developed by the researcher based on field study

Table 5.7 The Legal/Regulatory Issues

STA	ANEV		NVO		SOM		OFT		AA		STD	M
	PE	FR	PE	FR	PE	FR	PE	FR	PE	FR		
1	2.4%	1	2.4%	1	9.5%	4	19%	8	64.3%	27	.950	4.44

Key Table

STA→ Statement; ANEV→ Almost Never; NVO→ Not Very Often; SOM→ Sometimes; OFT→ Often; AA→ Almost Always; STD→ Standard. Deviation; MEA→ Mean; PE→ Percentage; FR→ Frequency.

1. Our SMP includes Legal/Regulatory issues.

Source: developed by the researcher based on field study

Not only the vast majority of the respondents 61.9% strongly agreed that their usual experience with the banks involved doing things “By the rule book” with a very high mean score of 4.54 (Table 5.6, statement 1), but also the majority of them 64.3% indicated that their banks’ strategic plans almost always included the Legal/Regulatory issues (m = 4.44) (Table 5.7).

The respondents were also asked if their banks activities were not covered by formal procedures (Table 5.6, statement 2), it was not surprising to find that the majority of the respondents 71.4% strongly disagreed ($m = 1.44$). To confirm this result the respondents were asked if the emphasis was on getting things done, even if that meant disregarding formal procedures, 54.8% strongly disagreed ($m = 1.78$) (Table 5.6, statement 3). To conclude, the respondents' perception was that work in the LCBs involved doing things by the rule book and the LCBs' FSMP took into account Legal/Regulatory issues. In addition, all their activities in the banks were covered by formal procedures.

Table 5.8 Type and Frequency of FSMP

QUE	NO.A		Yes		No	
	PE	FR	PE	FR	PE	FR
1	9.5%	4	81%	34	9.5%	4
2	9.5%	4	57.1%	24	33.3%	14

Key Table

QUE→ Question; NO.A→ No Answer; PE→ Percentage; FR→ Frequency.

1. Does your bank prepare written strategic plans?
2. Does your bank prepare written strategic marketing plans?

Source: developed by the researcher based on field study

Table 5.9 Strategic Marketing Plan' Contents

STA	ANEV		NVO		SOM		OFT		AA		STD	M
	PE	FR	PE	FR	PE	FR	PE	FR	PE	FR		
1	-	-	2.4%	1	11.9%	5	47.6%	20	35.7%	15	1.749	4.20
2	9.5%	4	26.2%	11	26.2%	11	16.7%	7	16.7%	7	1.332	2.98

Key Table

STA→ Statement; ANEV→ Almost Never; NVO→ Not Very Often; SOM→ Sometimes; OFT→ Often; AA→ Almost Always; STD→ Standard. Deviation; M→ Mean; PE→ Percentage; FR→ Frequency.

1. The bank strategic marketing plan includes the implementation process.
2. The bank's strategic marketing plan includes environmental scan.

Source: developed by the researcher based on field study

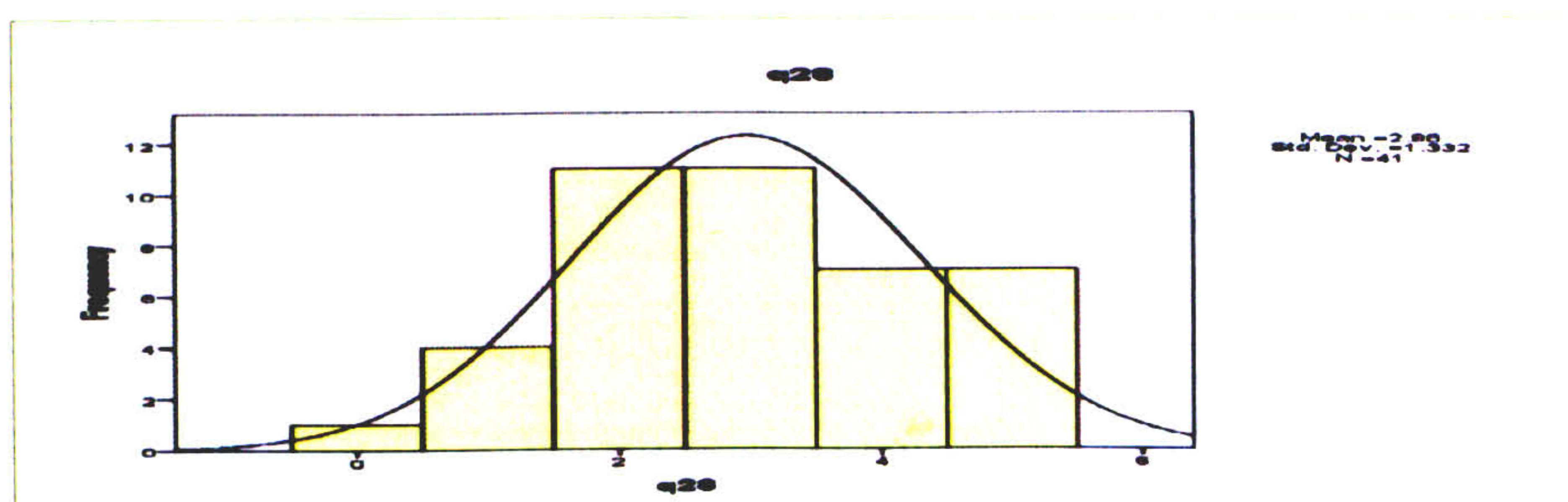
In order to collect information about whether the LCBs' strategic plans are written down into any type of documents, the respondents were asked about this. The majority

(81%) responded “Yes”. In addition, when they were asked whether LCBs prepare written strategic marketing plans, the survey illustrated that most of the respondents (57.1%) believed that there was one. To obtain more information about the contents of the strategic marketing plans, the respondents were asked about this. Table 5.9 illustrates the results.

When the respondents were asked whether their banks’ strategic marketing plans included the implementation process, the majority of the respondents indicated “often” (47.6%), with a high mean score of 4.20.

To attain more details the discussion was extended to involve some general indicators about what their plans included. Initially, equal results were obtained when the respondents were asked if their banks’ strategic marketing plans included environmental scans, 26.2% was the respondents’ answer for (‘Rarely’ and ‘Sometimes’), and 16.7% was the respondents’ answer for (‘Often’ and ‘Always’). The mean score was 2.98, which means the banks’ strategic marketing plans sometimes included an environmental scan; its standard deviation was 1.332; Figure 5.2 illustrates the frequency distribution of this statement.

Figure 5.2 Environmental Scanning



Source: developed by the researcher based on field study

Figure 5.2 shows that the resulting histogram which provides a normal skewed curve and indicates a medium standard deviation.

In conclusion, the respondents believed that their banks did prepare written strategic plans and SMP. Their FSMP included the implementation process and sometimes scanned the environmental factors. The next section looks at some contextual factors that any an effective system should have.

5.4 The Process of SMP Practice in the LCBs

5.4.1 Strategic Planning Committees

This section attempts to discover which body of the banks are generally responsible for the strategic planning process and specifically for FSMP. It aims to investigate whether participants know if their banks adopted any type of committees or positions in order to organise the FSMP process. Table 5.10 below displays perceptions of participants on this issue in the case of the LCBs:

Table 5.10 SMP Committees and Participating in the Process of the LCBs

QUE	NO. A		Yes		No	
	PE	FR	PE	FR	PE	FR
1	4.8%	2	40.5%	17	54.8%	23
2	9.5%	4	14.3%	6	76.2%	32
3	21.4%	9	35.7%	15	42.9%	18
4	9.5%	4	31%	13	59.5%	25
5	4.8%	2	66.7%	28	28.6%	12
6	14.3%	6	61.95%	26	23.8%	10
7	9.5%	4	71.4%	30	19%	8

Key Table:

QUE→ Question; NOA→ No Answer; PE→ Percentage; FR→ Frequency.

1→Is there a SMP commission/committee in your bank?

2→Are you a member of this commission?

3→Does this commission have access to senior management?

4→Do you ever participate in strategic plan formulation?

5→Do you ever participate in the planning implementation?

6→Does your bank have a strategic planning position (i.e. focused on serving markets, competitive strategies, market entry/exit timing, etc.)?

7→Does this position have access to senior management

Source: developed by the researcher based on field study

As can be seen from the above table, just over 40% of the sample, indicated that their banks had strategic planning commissions/committees, and 14% of the respondents were members of these committees. Nearly 36% stated that the committee had access to

senior management. However, when the respondents were asked whether they participated in the planning formulation, almost 60% of them indicated “No”. Whereas, when they were asked if they participated in the planning implementation, 66.7% responded “Yes”. The respondents were also asked if their banks have a strategic planning position, more than 61% indicated “Yes” and the majority of them 71.4% said this position had access to senior management.

The following section concentrates on the facilities that LCBs are using to encourage FSMP. The respondents’ perspectives about these facilities are presented in the table 5.11:

Table 5.11 SMP Facilities

STA	S. DIS		DIS		UN		AG		S.AG		STD	M
	PE	FR	PE	FR	PE	FR	PE	FR	PE	FR		
1	-	-	4.8%	2	7.2%	3	28.6%	12	59.5%	25	.809	4.46
2	2.4%	1	7.1%	3	19.1%	8	57.1%	24	11.9%	5	1.043	3.63
3	2.4%	1	14.3%	6	19.1%	8	54.8%	23	9.5%	4	.950	3.56
4	-	-	14.3%	6	9.5%	4	50%	21	23.8%	10	1.129	3.78

Key Table:

STA→ Statement; S.DIS→ Strongly disagree; DIS→ Disagree; UN→ Undecided; AG→ Tend to Agree; S.AG→ Strongly Agree; STD→ Standard Deviation; M→ Mean; PE→ Percentage; FR→ Frequency.

1→The bank uses external sources (e.g. consultants, agencies) for new ideas.

2→The bank provides adequate time for developing the strategic marketing plans.

3→The bank uses a number of tools to encourage good planning.

4→The bank provides adequate resources for developing the strategic marketing plans.

Source: developed by the researcher based on field study

Using a number of tools to encourage good planning received a high level of agreement “agree” for most statements listed with mean scores greater than or equal to 3.56, and total percentage as “agree” and strongly agree ranking from 50% for the statement 4 to 59.5% for statement 1.

To conclude, the respondents’ perspectives were that LCBs use a number of motivational factors to encourage good planning, such as using external sources (e.g. consultants, agencies) for new ideas. They also provided adequate resources and time for developing the strategic marketing plans.

5.4.2 Marketing Departments and Staff Capabilities

Owing to the fact that in the banking sector competing products are similar, attention has been given to how banks deliver their products to customers. The delivery process in this section concentrates on staff abilities. This section presents the participants' perspectives about the staff planners, in terms of their roles in formulating the banks' marketing strategy. It is worth saying that the items adopted in this section reflect the competitive advantages of staff capabilities suggested by Cheng, (2004). Table 5.12 and figure 5.3 show the frequency distribution of the respondents' point of view about statement 1.

Table 5.12 The Role of Staff in Formulating SMP and their Capability Level

STA	S. DIS		DIS		UN		AG		S.AG		STD	MEA
	PE	FR	PE	FR	PE	FR	PE	FR	PE	FR		
1	-	-	28.6%	12	16.7%	7	52.4%	22	-	-	1.022	3.17
2	2.4%	1	4.8%	2	21.4%	9	64.3%	27	4.8%	2	.948	3.59
3	-	-	38.1%	16	14.3%	6	38.1%	16	7.1%	3	1.149	3.07
4	-	-	47.6%	20	31%	13	19%	8	-	-	.888	2.63

Key Table

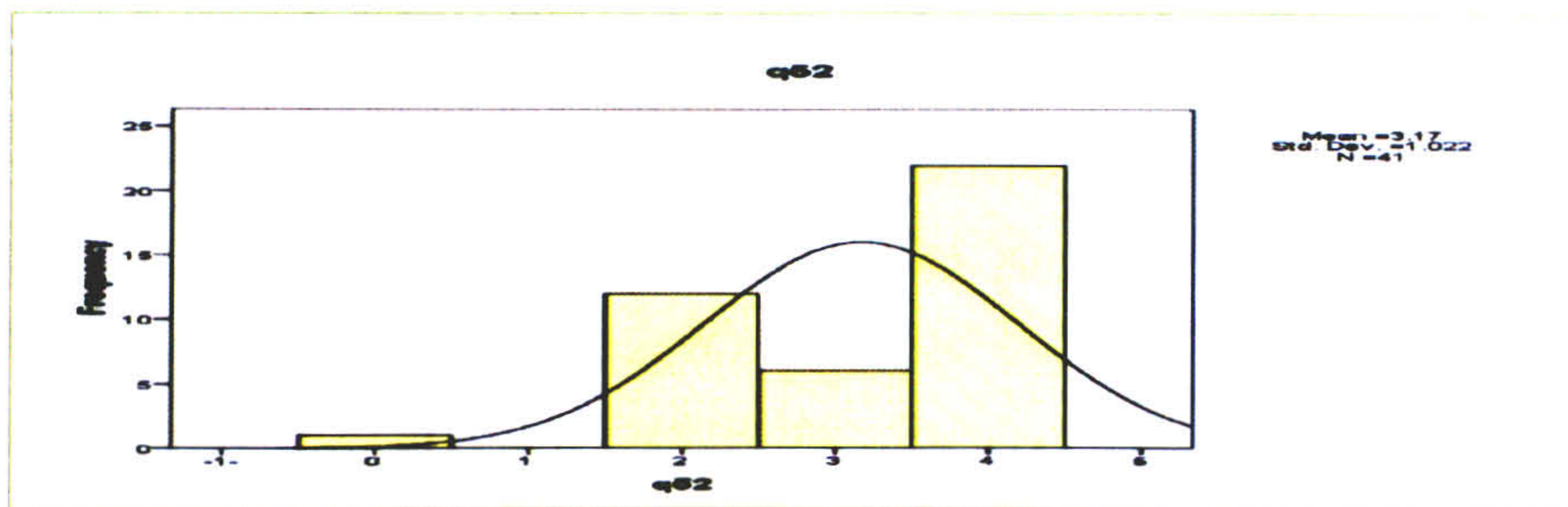
STA→ Statement; S.DIS→ Strongly Disagree; DIS→ Disagree; UN→ Undecided; AG→ Tend to Agree; S.AG→ Strongly Agree; STD→ Standard. Deviation; M→ Mean; PE→ Percentage; FR→ Frequency.

- 1→ Planning managers have the capabilities needed to form the banks' FSMP.
- 2→ Our bank has strong capability in market research and in-depth market knowledge.
- 3→ CEOs and staff planners are responsible for the FSMP function.
- 4→ The planning department is responsible for the FSMP function.

Source: developed by the researcher based on field study

The majority of the statements in the previous table received no agreement "undecided" with mean scores alternating between 2.63 to 3.17. In more detail, the respondents were not able to decide "undecided" whether planning managers had the capabilities needed to form the banks' marketing strategies; whether the CEOs and staff planners were responsible for the FSMP function and whether the planning department was responsible for the FSMP function. On the other hand, they agreed that their banks had strong capabilities in market research and in-depth market knowledge.

Figure 5.3 The Capabilities of the Planning Managers



Source: developed by the researcher based on field study

As shown in figure 5.3, the resulting histogram provides a negatively skewed curve and indicates a large standard deviation.

To summarise, one of the interesting issues in FSMP in the LCBs is the planners' capabilities; with respect to this issue, there was spread of no agreement "undecided" between the respondents about the planning managers' capabilities and their role in formulating it. It is clearly evidence from these results that the LCBs should be aware of two things; the first is the need to think more in terms of managers participating in formulating the strategy rather than limiting their roles to its implementation. Second, is the need to announce the general policies and procedures of the banks to their employees.

5.5 The Impact of Contextual Factors (Internal and External Factors) on the Current State of Development of an FSMP Approach in the LCBs

This section looks at the internal and external factors that could affect the success of the process of FSMP in the LCBs. The internal factors include the weaknesses and strengths of the LCBs. The external factors include the opportunities and threats for them.

5.5.1 Internal Factors (Weaknesses and Strengths)

The internal factors represent the organisational culture. Accordingly, this part aims to analyse the LCBs' internal factors, in order to demonstrate their strengths and also to detect the weaknesses they wish to address, as well as to discover if Libyan banks are aware of them, and whether they have valuable abilities and capacities to deal with the forces in the external environment.

5.5.1.1 Organisational Structure

A number of changes have happened in the Libyan business environment as mentioned earlier in chapter 2. The Libyan business environment is characterised by the instability of its impact on organisations. Successful organisations are the ones that can adapt and respond to these changes. Therefore, the sudden changes in the business environment require an appropriate change in the banks' organisational structure. This section attempts to examine this situation according to LCBs. The respondents were asked if their banks' strategic plans included an internal organisational audit. The results reveal that the percentage and frequency of the respondents for this statement is as follows:

Table 5.13 The Internal Organisational Audit for LCBs

STA	NVO		SOM		OFT		AA		STD	M
	PE	FR	PE	FR	PE	FR	PE	FR		
1	2.4%	1	4.8%	2	52.4%	22	38.1%	16	.775	4.27

Key Table
 STA→ Statement; NVO→ Not Very Often; SOM→ Sometimes; OFT→ Often;
 AA→ Almost Always; STD→ Standard. Deviation; M→ Mean; PE→ Percentage;
 FR→ Frequency.
 1. The bank' strategic plans include an internal organisational audit

Source: developed by the researcher based on field study

The results provided in the previous table reveal that LCBs' strategic plans almost always include an internal organisational audit (m = 4.27). This result emphasises the high level of awareness about the importance of the response to the changes in the organisational environment. More details about LCBs' organisational structures are provided in table 5.14.

Table 5.14 The LCBs' Organisational Structure

STA	S. DIS		DIS		UN		AG		S.AG		STD	M
	PE	FR	PE	FR	PE	FR	PE	FR	PE	FR		
1	-	-	9.5%	4	23.8%	10	57.1%	24	9.5	4	.789	3.68
2	40.5%	17	9.5%	4	30%	13	16.7%	7	2.4%	1	1.396	2.00
3	26.2%	11	28.6%	12	33.4%	14	9.5%	4	2.4%	1	1.113	2.24
4	-	-	16.7%	7	26.2%	11	42.9%	18	14.3%	6	.950	3.56
5	7.1%	3	38.1%	16	31%	9	16.7%	7	7.1%	3	1.146	2.71

Key Table

STA→ Statement; S.DIS→ Strongly Disagree; DIS→ Disagree; UN→ Undecided; AG→ Tend to Agree; S.AG→ Strongly Agree; STD→ Standard. Deviation; M→ Mean; PE→ Percentage; FR→ Frequency.

1. Our organisational structure is very responsive to environmental changes.
2. There is a turnover in leadership at the bank during the strategic planning processes.
3. The organisational structure enables the employees to participate in management.
4. The organisational structure of the bank substantially changed during the last five years.
5. I expect that the current organisational structure of the bank will not be applicable in the next five years

Source: developed by the researcher based on field study

It can be observed from table 5.14 that 40.5% of the respondents strongly disagreed that there was a high turnover in leadership at the LCBs during the FSMP process, with a low mean score of 2.00 (statement 2). Furthermore, when the respondents were asked if their organisational structure enables them to participate in management they disagreed (m = 2.24) (statement 3).

Because the LCBs' organisational structure was very responsive to environmental changes (m = 3.68) (statement 1), their organisational structure had substantially changed during the previous five years, as 42.9% of the respondents indicated, (m = 3.56) (statement 4). However, when the respondents were asked if they expect the current organisational structure would be applicable in the next five year they were undecided (m = 2.71) (statement 5).

To summarise, the respondents' perception was that the structure of the banks' was very responsive to environmental changes but that the organisational structure does not enable the employees to implement participatory management. Regarding turnover in

leadership, it was considered that there was not a high turnover in leadership at LCBs during the strategic planning processes. Although, the organisational structure of LCBs changed substantially during the last five years, there was an expectation that the current organisational structure would be applicable for the next five years.

The next section aims to discover if there are open communication lines (formal or informal) between employees at different levels of organisation.

5.5.1.2 Superiors and Subordinate-Employee Relations

In relation to the previous section, discovering the nature and type of relationship between employees is the purpose of this section. The respondents were asked about their relationship with their managers, and whether the management encourages or hinders this relationship. The answers are displayed in table 5.15.

Table 5.15 Superiors and Subordinates-Employee Relations in the LCBs

STA	S. DIS		DIS		UN		AG		S.AG		STD	M
	PE	FR	PE	FR	PE	FR	PE	FR	PE	FR		
1	-	-	7.1%	3	2.4	1	66.7%	28	23.8%	10	.735	4.10
2	14.3%	6	11.9%	5	23.8%	10	35.7%	15	14.3%	6	1.377	3.17
3	2.4%	1	7.1%	3	19.1%	8	59.5%	25	11.9%	5	1.039	3.66
4	2.4%	1	7.1%	3	11.9%	5	64.3%	27	14.3%	6	.863	3.83
5	7.1%	3	26.2%	11	47.6%	20	14.3%	6	4.8%	2	.946	2.83
6	16.7%	7	19%	8	40.5%	17	21.4%	9	2.4%	1	1.073	2.73

Key Table

STA→ Statement; S.DIS→ Strongly Disagree; DIS→ Disagree; UN→ Undecided; AG→ Tend to Agree; S.AG→ Strongly Agree; STD→ Standard. Deviation; M→ Mean; PE→ Percentage; FR→ Frequency.

- 1 The bank encourages communication and co-operation between different departments.
- 2 The bank encourages an open discussion of conflicts and differences.
- 3 The bank encourages informal conversations between senior and subordinate personnel.
- 4 The bank encourages teamwork rather than individual contribution.
- 5 In the bank managers provide a great deal of support to their subordinates.
- 6 People in the bank are rewarded in proportion to the excellence of their performance.

Source: developed by the researcher based on field study

As shown in table 5.15, the majority of the respondents (66.7%) agreed LCBs encouraged communication and co-operation between different departments ($m = 4.10$) and informal conversations between senior and subordinate personnel (59%, $m = 3.66$). In addition, when the respondents were asked about the nature of the work system in their banks, i.e. dividing the work between the employees individually, or dividing it into group work, it was found that LCBs prefer teamwork rather than individual contribution (64.3%, $m = 3.83$).

However, statements 2, 5 & 6 received no agreement “undecided”, for example, when the respondents were asked if their banks encourage an open discussion of conflicts and differences, they were undecided ($m = 3.17$). When they were also asked whether their managers provide a great deal of support to their subordinates, the indecision rank was received ($m = 2.73$). Finally, when they were asked if people in the banks were rewarded in proportion to the excellence of their performance, only 21% agreed, while 40.5% were undecided ($m = 2.73$).

To conclude, the respondents presumed that LCBs encourage communication and co-operation between different departments. In addition, they encouraged teamwork rather than individual contribution and encouraged informal conversations between senior and subordinate personnel. However, it was found that there was a wide spread of hesitation between the respondents about the statements 2, 5 & 6 i.e. there was confusion about the statements of whether LCBs’ managers provide a great deal of support to their subordinates and also if people are rewarded in proportion to the excellence of their performance.

Hence it can safely be assumed that LCBs have a poor communication system between employees and subordinates. However, since it would appear that employees were not rewarded in relation to the excellence of their performance then LCBs should improve the efficiency of performance evaluation.

5.5.1.3 Functional Competencies and Work System, Staff Skills and Training and Development of the LCBs

The respondents were asked about their organisational environment. The questions and the answers are shown in table 5.16.

Table 5.16 Organisational Environment of the LCBs

STA	S. DIS		DIS		UN		AG		S.AG		STD	M
	PE	FR	PE	FR	PE	FR	PE	FR	PE	FR		
1	7.1%	3	47.6%	20	14.3%	5	28.6%	12	2.4%	1	1.055	2.71
2	14.3%	6	9.5%	4	9.5%	4	57.1%	24	9.5%	4	1.243	3.39

Key Table

STA→ Statement; S.DIS→ Strongly Disagree; DIS→ Disagree; UN→ Undecided; AG→ Tend to Agree; S.AG→ Strongly Agree; STD→ Standard. Deviation; M→ Mean; PE→ Percentage; FR→ Frequency.

1. The organisational environment encourages staff to generate innovative ideas.
2. The bank encourages the development and implementation of new ideas

Source: developed by the researcher based on field study

In agreement with the previous section, when the respondents were asked whether their banks organisational environment encourages staff to generate innovative ideas, the respondents were unable to decide (m=2.71). In addition, when they were asked if their banks encourage the development and implementation of new ideas, they were undecided again (m=3.39). In a fast-changing market, product development capabilities enable organisations to stay ahead of their competitors. Respondents were asked about this, the results are shown in table 5.17.

Table 5.17 Functional Competencies and Training and Development of LCBs' Employees

STA	ANEV		NVO		SOM		OFT		AA		STD	M
	PE	FR	PE	FR	PE	FR	PE	FR	PE	FR		
1	2.4%	1	4.8%	2	21.4%	9	54.8%	23	16.7%	7	.760	3.85
2	2.4%	1	4.8%	2	7.1%	3	33.3%	14	52.4%	22	.829	4.37
3	2.4%	1	4.8%	2	28.6%	12	42.9%	18	21.4%	9	.834	3.83
4	4.8%	2	2.4%	1	26.2%	11	52.4%	22	14.3	6	.830	3.76
5	2.4%	1	4.8%	2	28.6%	12	42.9%	18	21.4%	9	.834	3.83

Key Table

STA→ Statement ; ANEV→ Almost Never; NVO→ Not Very Often; SOM→ Sometimes; OFT→ Often; AA→ Almost Always; STD→ Standard. Deviation; M→ Mean; PE→ Percentage; FR→ Frequently.

1. Staff skill and competence.
2. Training and development.
3. Staff turnover.
4. Promotion.
5. Absenteeism.

Source: developed by the researcher based on field study

According to table 5.17, the respondents indicated that their banks strategic plans often included staff skills and competences, staff turnover, promotion and absenteeism. In addition they almost always included training and development.

In contrast, as shown in the next table, when they were asked if they were trained in marketing nearly 60% stated: "No".

Table 5.18 Training in Marketing

QUE	Yes		No	
	PE	FR	PE	FR
1	35.7%	15	59.5%	25

Key Table

QUE→ Question; PE→ Percentage; FR→ Frequency.

1. Have you ever got training in marketing?

Source: developed by the researcher based on field study

In conclusion, it is not clear whether the LCBs organisational circumstances and culture encourage staff to generate innovative ideas or if they encourage the development and implementation of new ideas. On the other hand, the results reveal that LCBs strategic

plans often included staff skills and competence; staff turnover, promotion, and absenteeism, and always include training and development. However, training in marketing was not a priority list.

5.5.1.4 Sources of Information and Delegation of Decision-Making

This section is designed to address a specific point in this research based on the strategic decision-making process. As pointed out earlier in chapter 2, the Libyan environment is distinguished by a dynamic environment especially in terms of economic circumstances. For example, the Libyan economy is mainly based on oil, and the latter is linked to the global market, therefore, changing its prices from time to time affects the Libyan economic situation.

Libya is passing through a process of economic openness to the world market, as a step to liberalising the market. This requires many changes and developments, for example, administration, regulation, and laws. As a result, this requires the LCBs' decision makers to have continuity in the process of collecting data and information to identify and deal with these changes. In order to discover how, when and what is the nature of the information collected, the analysis below aims to answer these questions from the perspective of respondents. It also attempts to explore whether the collected information was involved in the process of decision-making. Table 5.19 reveals whether LCBs gather information about the external environment.

Table 5.19 Information about External Environment

QUE	Yes		No	
	PE	FR	PE	FR
1	83.3%	35	14.3%	6

Key Table
 QUE→ Question; PE→ Percentage; FR→ Frequency.
 1. Does your bank collect information about the external environment?

Source: developed by the researcher based on field study

A large majority of the respondents (83.3%) believed that their banks collect information about the external environment. In order to confirm this result, the respondents were asked how often their banks collected this information. Table 5.20 shows the results.

Table 5.20 Collecting Data

STA	ANEV		NVO		SOM		OFT		AA		STD	M
	PE	FR	PE	FR	PE	FR	PE	FR	PE	FR		
1	9.5%	4	16.7%	7	23.8%	10	28.6%	12	11.9%	5	.636	1.54

Key Table

STA→ Statement; ANEV→ Almost Never; NVO→ Not Very Often; SOM→ Sometimes; OFT→ Often; AA→ Almost Always; STD→ Standard. Deviation; M→ Mean; PE→ Percentage; FR→ Frequently.

1 How often does the bank collect information about external environment?

Source: developed by the researcher based on field study

Conflicting results with table 5.19 were gained when respondents were asked this question; the results revealed that LCBs almost never collect this type of information (m=1.54).

Collecting data is an essential stage in the decision-making process, and specifically in strategic decision-making. In order to gain insight into this situation, the respondents were asked to illustrate their personal opinion about the type of internal and external data that their banks gather. Table 5.21 shows the results.

Table 5.21 The Type of Internal Collected Data

QUE	ANEV		NVO		SOM		OFT		AA		STD	M
	PE	FR	PE	FR	PE	FR	PE	FR	PE	FR		
1	28.6%	12	21.4%	9	28.6%	12	21.4%	9	-	-	1.204	2.41
2	4.8%	2	4.8%	2	11.9%	5	45.2%	19	33.3%	14	1.151	3.98
3	9.6%	4	4.8%	2	26.2%	11	40.5%	17	19%	8	1.161	3.59
4	19%	8	9.5%	4	11.9%	5	33.3%	14	26.2%	11	1.577	3.37
5	12%	5	2.4%	1	11.9%	5	47.6%	20	26.2%	11	1.300	3.76
6	-	-	-	-	9.5%	4	64.3%	27	23.8	10	.573	4.15

Key Table

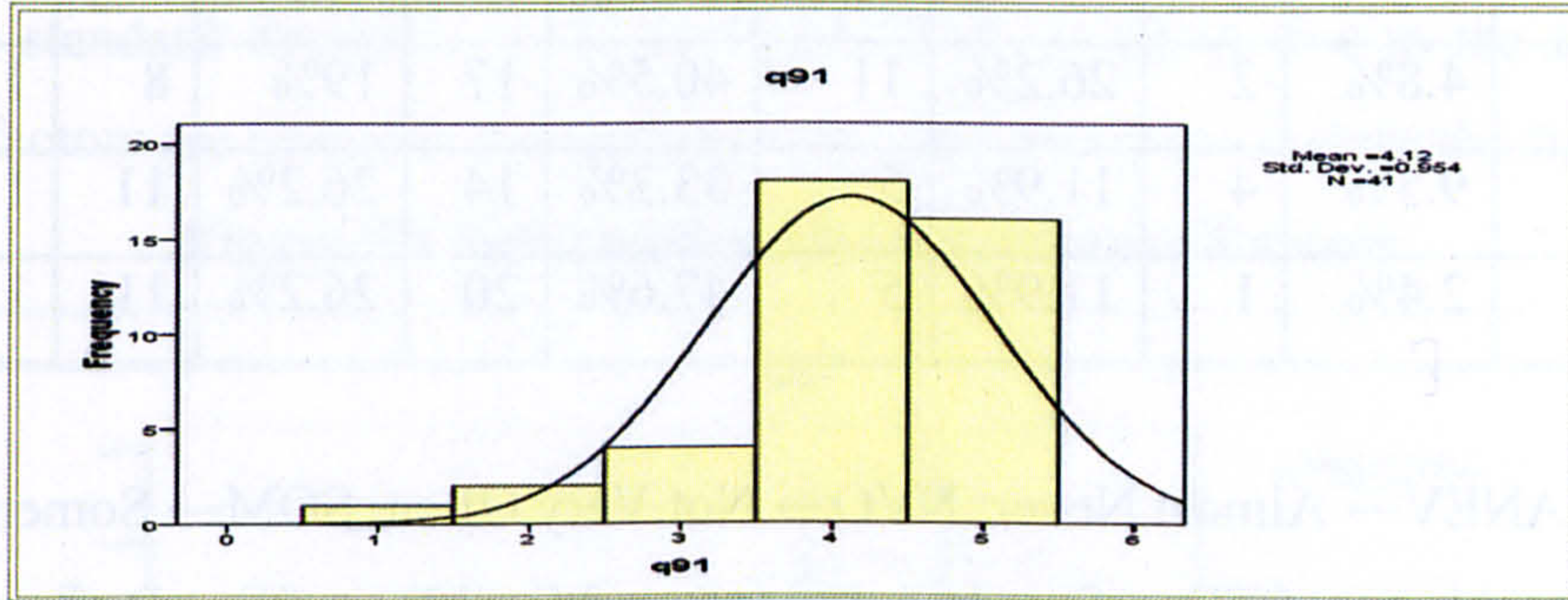
QUE→ Question; ANEV→ Almost Never; NVO→ Not Very Often; SOM→ Sometimes; OFT→ Often; AA→ Almost Always; STD→ Standard. Deviation; M→ Mean; PE→ Percentage; FR→ Frequently.

1→ Customers' satisfaction. 2→ Customers' complaints. 3→ Customers waiting time. 4→ Staff availability. 5→ Staff speed and responsiveness. 6→ Staff appearance and friendliness

Source: developed by the researcher based on field study

In regard to the internal data, table 5.21 shows that LCBs rarely collect information about customer satisfaction ($m = 2.41$). Figure 5.4 shows this result. The resulting histogram provides a negatively skewed curve and indicates a large standard deviation.

Figure 5.4 Collecting Information about Customer Satisfaction



Source: developed by the researcher based on field study

In regard to the other types of information LCBs collect, the previous table illustrated that LCBs often collect information about customer complaints ($m=3.98$); customer waiting time ($m=3.59$); staff speed and responsiveness ($m=3.76$) and staff appearance and friendliness ($m=4.15$). On the other hand, when they were asked if their banks collect information about staff availability, the results show that they sometimes collected this information. In regard to the general external data, table 5.22 displays the results

Table 5.22 The Type of External Collected Data

STA	ANEV		NVO		SOM		OFT		AA		STD	M
	PE	FR	PE	FR	PE	FR	PE	FR	PE	FR		
1	21.4%	9	21.4%	9	28.6%	12	21.4%	9	-	-	1.204	2.41
2	4.8%	2	4.8%	2	11.9%	5	45.2%	19	33.3%	14	1.151	3.98
3	4.8%	2	4.8%	2	26.2%	11	40.5%	17	19%	8	1.161	3.59
4	9.5%	4	9.5%	4	11.9%	5	33.3%	14	26.2%	11	1.577	3.37
5	4.8%	2	2.4%	1	11.9%	5	47.6%	20	26.2%	11	1.300	3.76

Key Table

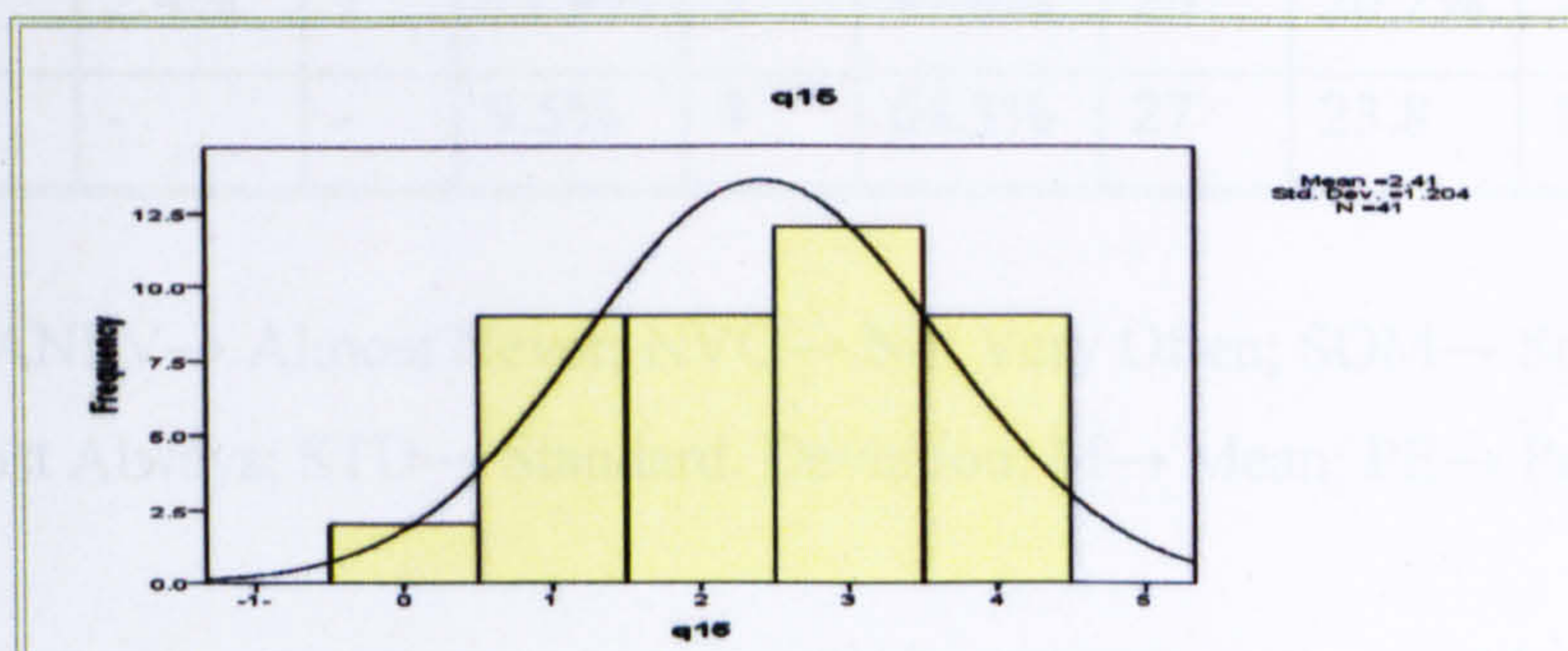
STA→ Statement; ANEV→ Almost Never; NVO→ Not Very Often; SOM→ Sometimes; OFT→ Often; AA→ Almost Always; STD→ Standard. Deviation; M→ Mean; PE→ Percentage; FR→ Frequently.

- 1 How often do you collect information about demographic trends (life styles, social values of society)?
- 2 How often do you collect information about economic factors (interest rate, GDP, etc.)?
- 3 How often do you collect information about political factors (new laws, regulations, and policies)?
- 4 How often do you collect information about technological factors (new products, processes, materials)?
- 5 How often do you collect information about competitor strategies (pricing, distribution)?

Source: developed by the researcher based on field study

The results showed LCBs rarely collected information about the demographic trends (m=2.41). This result is shown in figure 5.5; it reflects a relatively normal distribution of the standard deviation.

Figure 5.5 Information about Demographic Trends



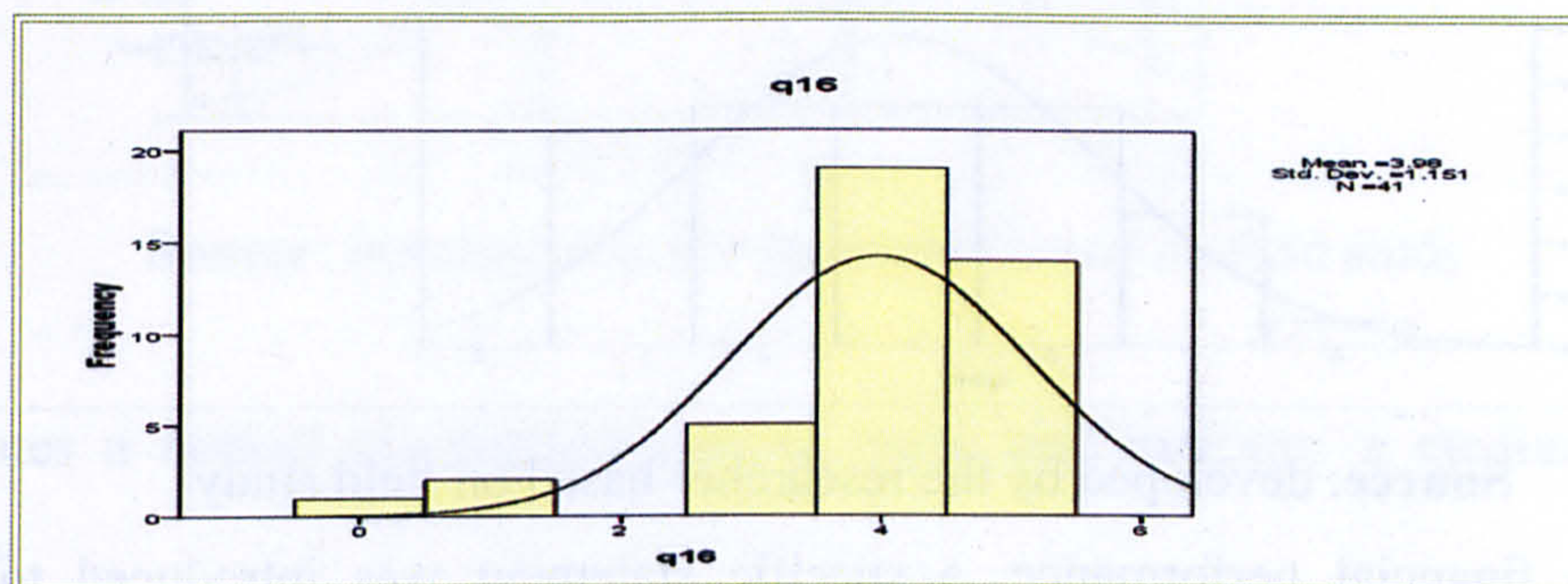
Source: developed by the researcher based on field study

The resulting histogram provided a normal skewed curve and indicated a high standard deviation. According to the results provided in the same table, it was found that the

respondents agreed that LCBs often collect information about the economic factors (m=3.98); the political factors (m=3.59); the technological factors (m=3.37) and about the competitors strategies (m=3.76).

The figure below explains visually how often LCBs collect information about economic factors (statement 2). The histogram provides a negatively skewed curve and indicated a quite large standard deviation 1.151 (m=3.98). This could be due to the fact that the economic factors are linked to the banking work, and this is clear from the figure below.

Figure 5.6 Information about Economic Factors



Source: developed by the researcher based on field study

In order to obtain more details about the external data that FSMP were including, table 5.23 gives a brief summary.

Table 5.23 External Information Included in the LCBs' SMP

STA	ANEV		NVO		SOM		OFT		AA		STD	MEA
	PE	FR	PE	FR	PE	FR	PE	FR	PE	FR		
1	19.1%	8	11.9%	5	38.1%	16	19%	8	11.9%	5	1.235	2.98
2	11.9%	5	11.9%	9	45.2%	19	26.2%	11	4.8%	2	.999	3.05
3	11.9%	5	21.4%	9	38.1%	16	21.4%	9	7.1%	3	1.071	2.95
4	16.7%	7	21.4%	9	21.4%	9	21.4%	9	19%	8	1.403	3.07
5	4.8%	2	7.1%	3	7.1%	3	52.4%	22	28.6%	12	1.037	3.98

Key Table

STA→ Statement; ANEV→ Almost Never; NVO→ Not Very Often; SOM→ Sometimes; OFT→ Often; AA→ Almost Always; STD→ Standard. Deviation; M→ Mean; PE→ Percentage; FR→ Frequently.

2. Population Trends. 2→ Political Developments. 3→ Social trends. 5→ Technological Breakthroughs.6→ National Economic Trends.

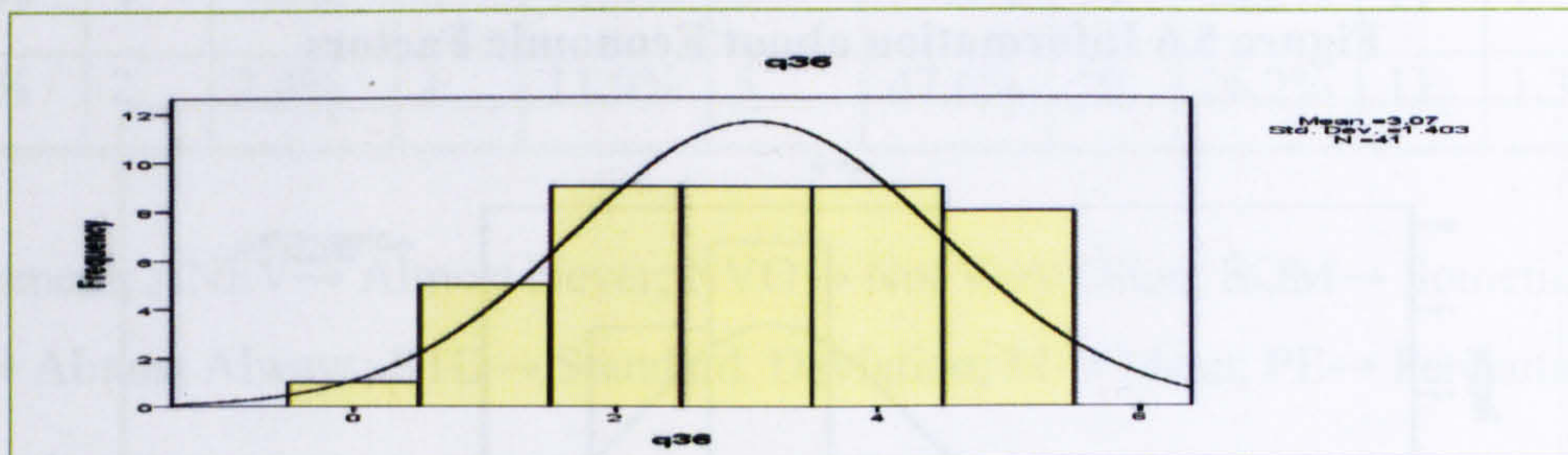
Source: developed by the researcher based on field study

Table 5.23 is concerned with the type of external information FSMP included. As can be seen from the previous table, most statements received 'sometimes' scale 2.61-3.40.

The results revealed that FSMP sometimes include information about population trends; political developments; political development; social trends and national economic trends, with mean scores of 2.98; 3.05; 2.95 & 3.07 respectively.

There were mixed results when they were asked about the technological breakthroughs. Figure 5.7 shows this result (normal distribution) which ranked between 17% ANEV and 21% OFT.

Figure 5.7 the Technological Breakthroughs



Source: developed by the researcher based on field study

In regard to financial performance, a specific statement was introduced to probe whether the respondents know if Libyan banks are more interested in evaluating past, current, or future financial performance. The respondents were asked about this. The results are shown in table 5.24.

Table 5.24 Frequency of Information about Financial Performance

STA	ANEV		NVO		SOM		OFTE		AA		STD	M
	PE	FR	PE	FR	PE	FR	PE	FR	PE	FR		
1	-	-	14.3%	6	16.7%	7	40.5%	17	28.6%	12	.980	3.88
2	-	-	-	-	16.7	7	40.5%	17	42.9%	18	.716	4.29
3	-	-	4.8%	2	2.4%	1	45.2%	19	47.6%	20	.670	4.41

Key Table

STA→ Statement; ANEV→ Almost Never; NVO→ Not Very Often; SOM→ Sometimes; OFT→ Often; AA→ Almost Always; STD→ Standard. Deviation; M→ Mean; PE→ Percentage; FR→ Frequently.

- 1 Information about past financial performance.
- 2 Information about current financial performance.
- 3 Information about future financial performance.

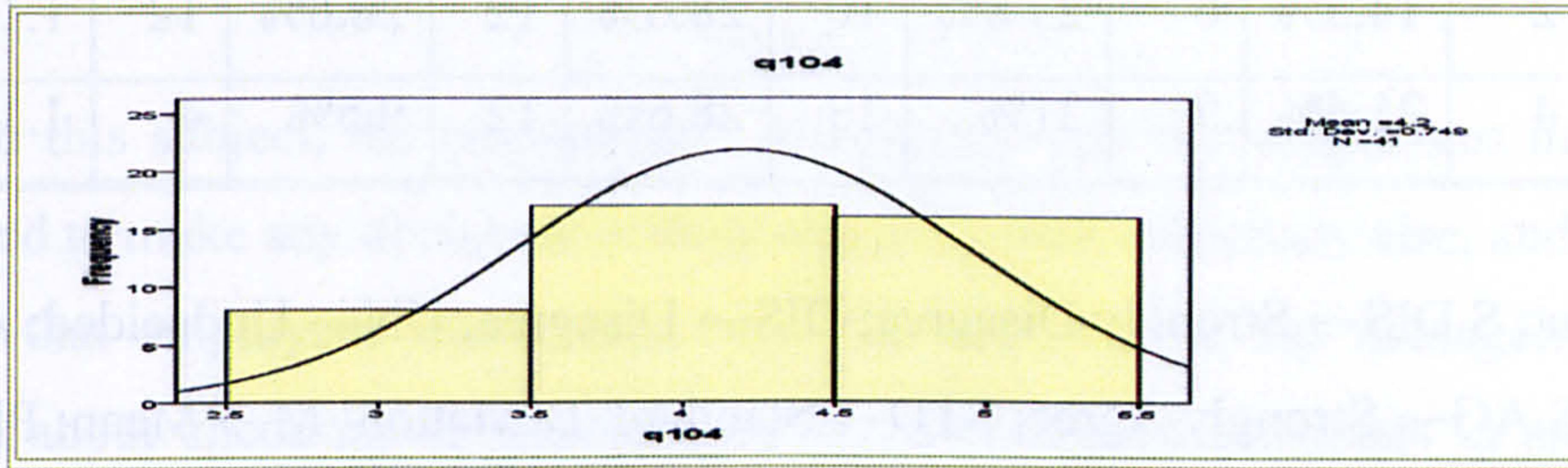
Source: developed by the researcher based on field study

The results in table 5.24 reveal that more than 40% of the sample commented “Often” about statement 1 “Past performance”, 42% of the sample commented “Almost

Always” for statement 2 “Current Performance”, and finally 47.6% also responded “Almost Always” for statement 3 which is “Future Performance”, with mean scores of 3.88, 4.29 & 4.41 respectively. Figure 5.8 reflects these results.

#

Figure 5.8 Collecting Information about Financial performance



Source: developed by the researcher based on field study

It illustrates a normal distribution skewed curve and indicates a medium standard deviation.

Collecting information is one of the employees’ tasks and the question which arises here is: Are the employees in LCBs allowed to make decisions when necessary or to respond to problems? It is important to note that the items adopted in this section reflect the centralisation variable which was developed by Aiken & Hage, (1968) and Ferrell & Skinner, (1988) (as cited in Hwang, 2005). The respondents were asked to express their opinion on this issue, they were asked to indicate the appropriate answer to the statement (Strongly disagree...Strongly agree). The results are displayed in table (5.25), and figure 5.9 shows statement 1.

Table 5.25 Participation in the Strategic Decision-Making

STA	S. DIS		DIS		UN		AG		S.AG		STD	M
	PE	FR	PE	FR	PE	FR	PE	FR	PE	FR		
1	47.6%	20	28.6%	12	7.2%	3	16.7%	7	-	-	1.138	1.83
2	4.8%	2	14.3%	6	23.8%	10	28.6%	12	28.6%	12	1.199	3.63
3	9.5%	4	21.4%	9	31%	13	28.6%	12	9.5%	4	1.149	3.07

Key Table

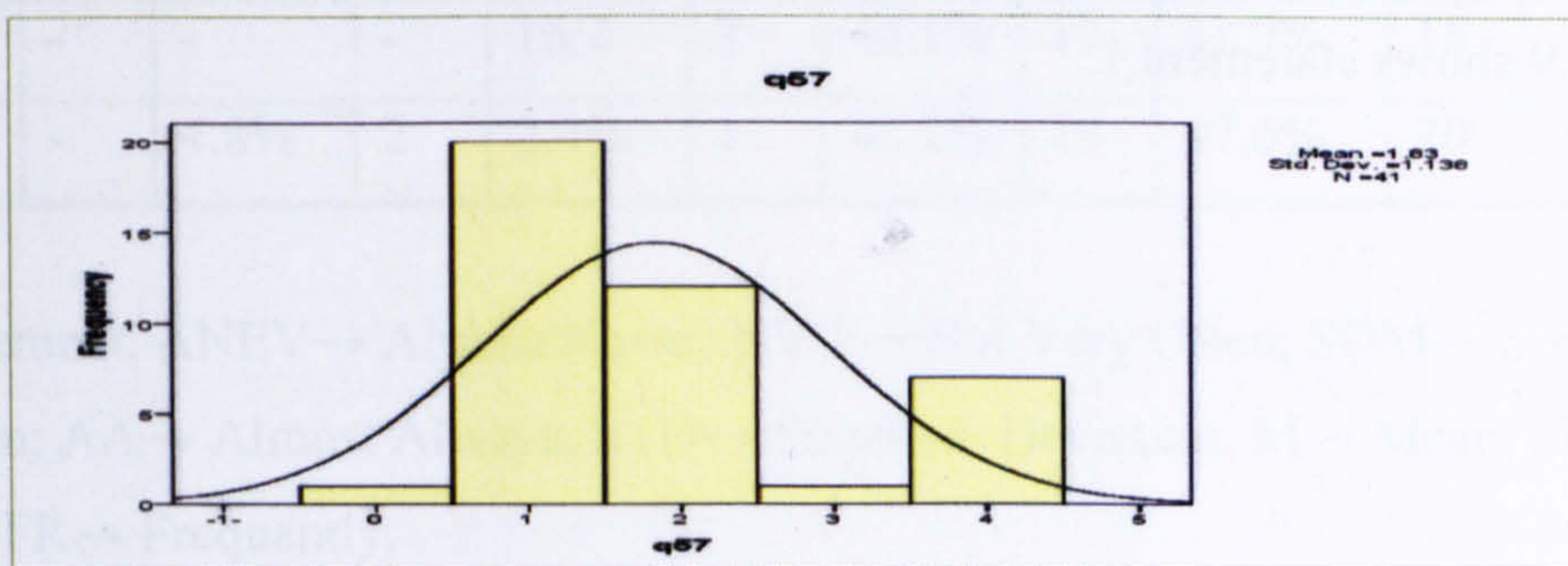
STA→ Statement; S.DIS→ Strongly Disagree; DIS→ Disagree; UN→ Undecided; AG→ Tend to Agree; S.AG→ Strongly Agree; STD→ Standard. Deviation' M→ Mean; PE→ Percentage; FR→ Frequency.

- 1 Employees are allowed to make any decisions without checking with anybody else.
- 2 Any major decisions that employees make must have the approval of top managers.
- 3 The bank encourages participative decision-making processes in and between different organisational levels.

Source: developed by the researcher based on field study

When the respondents were asked if they were allowed to make decisions without checking with anybody else, they disagreed (m=1.83). A closer look at figure 5.9 provides a positively skewed curve and indicates a large standard deviation 1.138.

Figure 5.9 Strategic Decision-Making



Source: developed by the researcher based on field study

Statement 1 is supported by statement 2 “Any major decisions that employees make must have the approval of top managers”; the respondents agreed this (m=3.63).

The respondents were asked about another side of the process of decision-making which is the encouragement of a participative decision-making process in and between different organisational levels. There is no agreement about this point “undecided” i.e. the respondents were unable to decide (m=3.07).

To summarise, according to the respondents, FSMP usually includes information about the external environment, very often including competitors, economic, political, and technological factors, while demographic factors are not included so often; i.e. strategic plans only sometimes include this information. LCBs also frequently collect information about past, current or future performance.

Related to this subject, the respondents' perspective was that employees in LCBs are not allowed to make any decisions without checking with somebody else, and any major decisions that employees make must have the approval of top managers. There is confusion about encouraging participatory decision-making processes in and between different organisational levels.

It can be assumed that there are several limitations preventing employees from participating in the decision-making process within LCBs. One of them is the fact that the essential idea about participation in decision-making is rejected by top managers, so there is no space for decision making until it is ratified.

5.5.2 The External Factors

In addition to analysing the internal factors when business organisations establish and develop their strategies, they need to assess, analyse and evaluate the opportunities and threats that the business could face.

5.5.2.1 Opportunities and Threats of the LCBs

According to Chapter 2, the new policy in Libya aims to diversify the economy in order to be liberated from the control of the oil sector; the service productivity sector is the only sector capable of being at the helm of diversification. One of these sectors is the banking sector. These conditions have provided many opportunities for LCBs and also put a great deal of pressure on them.

The question now is: Are LCBs able to identify these opportunities and exploit them or are they threatened by their presence in the Libyan market? All this and more is addressed from the respondents' point of view in the following table (5.26).

Table 5.26 Opportunities and Threats for the LCBs

STA	S. DIS		DIS		UN		AG		S. AG		STD	M
	PE	FR	PE	FR	PE	FR	PE	FR	PE	FR		
1	4.8%	2	19%	8	23.8%	10	38.1%	16	14.3%	6	1.115	3.39
2	4.8%	2	28.6%	12	21.4%	9	33.3%	14	11.9%	5	1.145	3.20
3	-	-	31%	13	23.8%	10	42.9%	18	2.4%	1	1.044	3.10
4	-	-	16.7%	7	33.4%	14	45.2%	19	4.8%	2	.833	3.39
5	14.3%	6	31%	13	33.4%	14	16.7%	7	4.8%	2	1.087	2.66
6	4.8%	(2	26.2%	11	23.8%	10	31%	13	14.3%	6	1.157	3.24
7	2.4%	1	31%	13	19.1%	8	40.5%	17	7.1%	3	1.264	3.05
8	4.8%	2	2.4%	1	14.3%	6	71.4%	30	7.1%	3	1.011	3.68
9	-	-	11.9%	5	28.6%	12	54.8%	23	4.8%	2	.951	3.46

Key Table:

STA→ Statement; S.DIS→ Strongly Disagree; DIS→ Disagree; UN→ Undecided; AG→ Tend to Agree; S.AG→ Strongly Agree; STD→ Standard. Deviation; M→ Mean; PE→ Percentage; FR→ Frequency.

- 1 The external environment where LCBs operated involves a high level of risk and uncertainty.
- 2 The business environment caused a great deal of threat to the survival of our bank.
- 3 In our industry, demand was unpredictable.
- 4 Political influence has been extensive in the last few years.
- 5 Declining markets for services have been a major challenge in our industry.
- 6 Our bank has to change its marketing practices frequently.
- 7 In our bank, the modes of services have changed often and in many ways.
- 8 FSMP helps the bank to see the future.
- 9 Marketing strategy helps the bank deal with environmental changes.

Source: developed by the researcher based on field study

Most statements provided in table 5.26 received no agreement “undecided” 1-7 except for the last two 8 & 9. All of them attempt to discover the influence of the external environment on banks activities. However, the results reflect a spread of confusion between the respondents. The respondents did not give a clear vision about most statements, for example, whether LCBs operated within a high level of risk and uncertainty (m=3.39); or whether the Libyan business environment has caused a major threat to the survival of LCBs (m=3.20); or how often the modes of services in the LCBs changed (m=3.05). In addition, the level of stability of the banking demand was not determined (m=3.10). In spite of these results, some questions were introduced in order to identify the role of FSMP in dealing with these conditions: the respondents were asked for example, whether FSMP helped LCBs to plan for the future. The results showed in table 5.26 display a high agreement “agree” (m=3.68).

In addition, when they were asked about the role of marketing strategy for dealing with the changes in the business environment, 54.8% of the respondents also agreed, with a mean score of 3.46. In support of the previous questions presented in table 5.26 and regarding LCBs’ strategy, the respondents were asked about some indicators that are relevant to this section, which represent threats, opportunities, strengths and weaknesses, the results of which are shown in the table 5.27.

Table 5.27 General Conditions for the LCBs

STA	ANEV		NVO		SOM		OFT		AA		STD	M
	PE	FR	PE	FR	PE	FR	PE	FR	PE	FR		
1	4.8%	2	14.3%	6	21.4%	9	31%	13	28.6%	12	1.123	3.71
2	2.4%	1	11.9%	5	14.3%	6	47.6%	20	23.8%	10	.937	3.85
3	2.4%	1	-	-	11.9%	5	47.6%	20	38.1%	16	.672	4.27
4	2.4%	1	4.8%	2	16.7%	7	42.9%	18	33.3	14	.848	4.07

Key Table

STA→ Statement; ANEV→ Almost Never; NVO→ Not Very Often; SOM→ Sometimes; OFT→ Often; AA→ Almost Always; STD→ Standard. Deviation; M→ Mean; PE→ Percentage; FR→ Frequently.

- 1 Determination of threats to the bank (credit, liquidity, interest and operational and capital risk).
- 2 Determination of opportunities to the bank (credit, liquidity, interest and operational and capital risk).
- 3 Determination of the bank’s strengths.
- 4 Determination of the bank’s weaknesses.

Source: developed by the researcher based on field study

Due to the high proportion of undecided answers gained from the last table, as displayed in table 5.27 all statements introduced have scored highly (m= 3.62-5), for example, more than 30% of the respondents indicated that LCBs' strategic marketing plans often include threats (m=3.71). Likewise they were asked whether their banks' marketing plans include opportunities for the banks 47.6% of the respondents stated again often (m=3.85). Regarding the banks' strengths and weaknesses, the results reveal that LCBs' marketing strategy was always included the banks' strengths (m=4.27), but often included under the banks weaknesses (4.07). It can be inferred from table 5.26 that it was not clear if the external environment where LCBs operated involves a high level of risk and uncertainty; if the political influence is extensive; if demand on services is predictable; and if declining markets for services are a major challenge in this industry. In addition, neither is it clear whether the Libyan business environment causes a great deal of threat to the survival of the LCBs. However, it is evident that the respondents were optimistic about the role of SMP, i.e. there is general agreement on the role of marketing strategy as a tool to help banks to plan for the future and to deal with environmental changes. Likewise, threats, opportunities, strengths and weakness are frequently included in the LCBs' strategic plans. These results support the usage of the qualitative method in this research in order to fill the information gaps in the questionnaires.

5.6 The Benefits of FSMP

In order to strengthen the LCBs' competitive ability, the CBL proposed introducing a strategic planning process to their actual work. The question here is: do the employees in the LCBs know the role, importance and influence of the FSMP process on the banks performance. The respondents were asked if the LCBs' FSMP include measuring performance. The results are shown in table 5.28.

Table 5.28 Measuring Performance

STA	SOM		OFT		AA		STD	M
	PE	FR	PE	FR	PE	FR		
1	9.5%	4	64.3%	27	23.8%	10	.573	4.15

Key Table

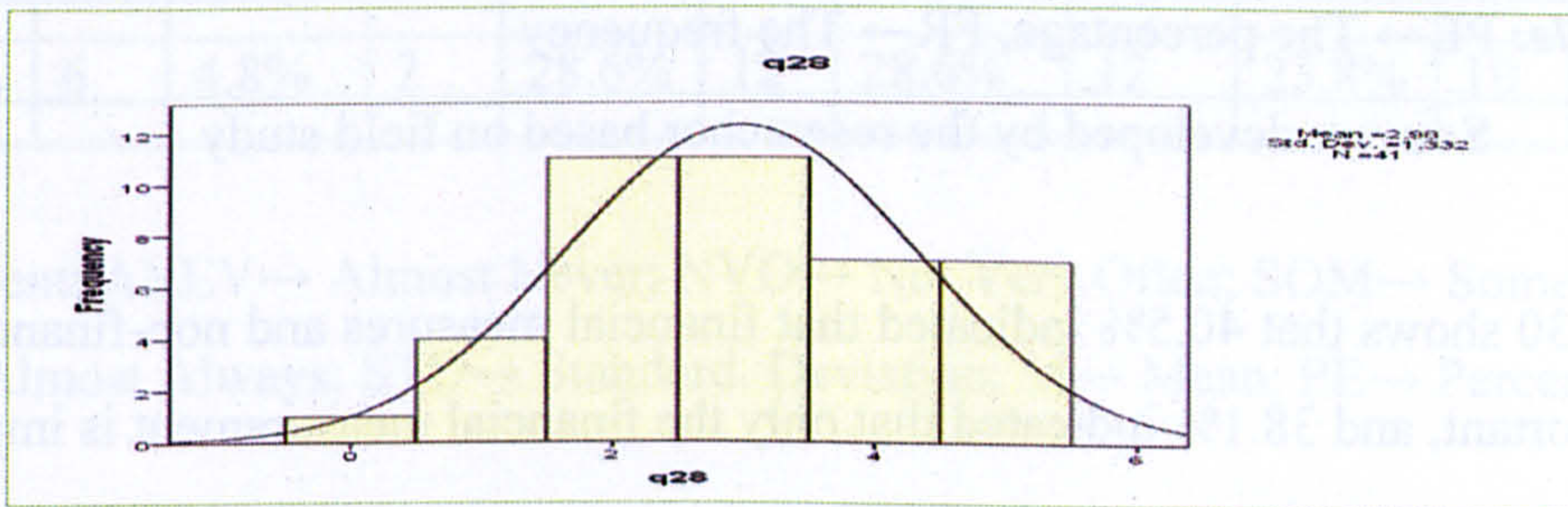
STA→ Statement; SOM→ Sometimes; OFT→ Often; AA→ Almost Always; STD→ Standard. Deviation; M→ Mean; PE→ Percentage; FR→ Frequently.

1. Does your bank's FSMP include measuring performance?

Source: developed by the researcher based on field study

The previous table reveals that more than 64% of the respondents believed LCBs FSMP included measuring performance, with a high mean score of 4.15. Figure 5.10 shows this result.

Figure 5.10 Strategic Plans Included Measuring Performance



Source: developed by the researcher based on field study

The respondents were also asked if the high performance of the banks was related to FSMP, the results of which are shown in the next table.

Table 5.29 The Relationship between the LCBs Performance and SMP

STA	S. DIS		DIS		UN		AG		S.AG		STD	M
	PE	FR	PE	FR	PE	FR	PE	FR	PE	FR		
1	4.8%	2	9.5%	4	26.2%	11	38.1%	16	11.9%	5	1.35	3.22

Key Table

STA→ Statement; S.DIS→ Strongly Disagree; DIS→ Disagree; UN→ Undecided; AG→ Tend to Agree; S.AG→ Strongly Agree; STD→ Standard. Deviation; M→ Mean; PE→ Percentage; FR→ Frequency.

1. Our bank's high performance is related to FSMP.

Source: developed by the researcher based on field study

The results illustrated in the previous table show that only 38% agreed, and 26.2% are undecided, which means that this point received no response “undecided” (m=3.22).

The respondents were asked, "Which measures are more important for your banks financial or non-financial measures?". The results are illustrated in the next table.

Table 5.30 The Favourite Measurement for the LCBs

The Statement	PE	FR
Only non-financial measures are important	-	-
Non-financial measures are more important than financial measures	19%	8
Non-financial and financial measures are equally important	40.5%	17
Financial measures are more important than non-financial measures	-	-
Only financial measures are important	38.1%	16
Key table: PE→ The percentage, FR→ The frequency		

Source: developed by the researcher based on field study

The table 5.30 shows that 40.5% indicated that financial measures and non-financial are equally important, and 38.1% indicated that only the financial measurement is important

As indicated earlier in chapter 3, organisational performance can be measured by several indicators. According to the purpose and context of the current research (Exploratory focus), the study investigates the types of performance measures that LCBs might use (financial and non-financial) i.e. it is important to say that this study does not aim to measure them or to measure their affect on FSMP.

To discover what type of financial and non-financial measurements LCBs are using, the respondents were asked to tick the usage measurements from the available financial and non-financial statements that their banks might use. The aim of using respondents to gather data about performance is: to investigate if LCBs policy is formalised (respondents access to banks data); because acquisition of secondary data on financial performance was expected to be severely restricted; Financial data is not available to the public; and generally financial organisations are sensitive about releasing any performance-related data (Dess & Robinson, 1984).

Eight statements were provided to the respondents asking them to select the appropriate tools that LCBs use. These statements were rated on a scale of one to five: one refers to never and five refers to always. Table 5-31 provides the frequencies of the responses, the mean score and standard deviation:

Table 5.31 The Financial Measurement for LCBs

STA	ANEV		NVO		SOM		OFT		AA		STD	M
	PE	FR	PE	FR	PE	FR	PE	FR	PE	FR		
1	2.4%	1	-	-	4.8%	2	11.9%	5	81%	34	.525	4.78
2	2.4%	1	-	-	7.1%	3	14.3%	6	76.2%	32	.602	4.71
3	2.4%	1	2.4%	1	2.4%	1	26.2%	11	66.7%	28	.666	4.61
4	4.8%	2	-	-	7.1%	3	40.6%	17	47.6%	20	.825	4.34
5	2.4%	1	4.8%	2	9.5%	4	33.3%	14	50%	21	.850	4.32
6	7.2%	3	9.5%	4	16.7%	7	21.4%	9	45.2%	19	1.224	3.95
7	7.2%	3	9.5%	4	21.4%	9	35.7%	15	26.2%	11	1.123	3.71
8	14.3%	6	4.8%	2	28.6%	12	28.6%	12	23.8%	10	1.267	3.49

Key Table

STA→ Statement; ANEV→ Almost Never; NVO→ Not Very Often; SOM→ Sometimes; OFT→ Often; AA→ Almost Always; STD→ Standard. Deviation; M→ Mean; PE→ Percentage; FR→ Frequently.

1. Balance sheet (BS).
2. Income statement (IS).
3. Cash flows (CASHF).
4. Market share (MS).
5. Return on assets (ROA).
6. Earnings growth (EG).
7. Sales growth (SG).
8. Return on investment (ROI).

Source: developed by the researcher based on field study

Table 5.31 exhibits the financial measurements. The results are listed according to their mean or to their importance to the LCBs as follows: balance sheet (BS); income statement (IS); cash flows (CASHF); market share (MS); return on assets (ROA); earnings growth (EG); sales growth (SG); & return on investment (ROI).

It was found that LCBs were aware of the importance of the financial measurements, but the next table illustrates whether they were aware of the non-financial measures as well.

To study the non-financial indicators there was a list of statements provided to the respondents to discover their attitude towards them. There were fifteen statements, the

respondents were asked to tick how often their banks use these statements; they were also rated one to five with one indicating never and five always. Table 5.32 provides the percentage and frequencies of the responses; the mean score and standard deviation are also included.

Table 5.32 The Financial Measurement for LCBs

STA	ANEV		NVO		SOM		OFT		AA		STD	M
	PE	FR	PE	FR	PE	FR	PE	FR	PER	FRE		
1	14.3%	6	16.7%	7	19%	8	14.3%	6	35.7%	15	1.451	3.46
2	14.3%	6	11.9%	5	23.8%	10	28.6%	12	21.4%	9	1.299	3.37
3	4.8%	2	4.8%	2	9.5%	4	42.9%	18	38.1%	16	.954	4.12
4	2.4%	1	2.4%	1	2.4%	1	42.9%	18	50%	21	.673	4.44
5	4.8%	2	21.4%	9	33.3%	14	26.2%	11	14.3%	6	1.055	3.29
6	2.4%	1	23.8%	10	28.6%	12	28.6%	12	16.7%	7	1.046	3.39
7	2.4%	1	11.9%	5	16.7%	7	38.1%	16	31%	13	.995	3.90
8	2.4%	1	4.8%	2	21.4%	9	54.8%	23	16.7%	7	.760	3.85
9	2.4%	1	-	-	9.5%	4	64.3%	27	23.8%	10	.573	4.15
10	2.4%	1	-	-	7.1%	3	54.8%	23	35.7%	15	.602	4.29
11	2.4%	1	4.8%	2	28.6%	12	42.9%	18	21.4%	9	.834	3.83
12	4.8%	2	2.4%	1	26.2%	11	52.4%	22	14.3%	6	.830	3.76
13	2.4%	1	2.4%	1	7.1%	3	21.4%	9	66.7%	28	.743	4.56
14	2.4%	1	-	-	9.5%	4	47.6%	20	40.5%	17	.650	4.32
15	2.4%	1	4.8%	2	7.1%	3	33.3%	14	52.4%	22	.829	4.37

Key Table

STA→ Statement ANEV→ Almost Never; NVO→ Not Very Often; SOM→ Sometimes; OFT→ Often; AA→ Almost Always; STD→ Standard. Deviation; M→ Mean; PE→ Percentage; FR→ Frequently.

1. Customer retention.
2. Customer profitability.
3. Customer satisfaction.
4. Customer complaints.
5. Customer waiting time.
6. Staff availability.
7. Staff speed and responses.
8. Staff skill and competence.
9. Staff appearance and friendliness.
10. Number of new accounts opened.
11. Staff turnover.
12. Promotion.
13. Good reputation.
14. Rate of absenteeism.
15. Training and development

Source: developed by the researcher based on field study

The level of importance of these measurements is categorised, based on the mean and participant percentage, into three groups. The first group combines the indicators under 'almost always', the second under 'sometimes' and the final group is under 'often'.

As shown in the previous table, from the respondents' views in respect to non-financial performance measurements, it can be seen that the respondents indicated that their banks always measure good reputation (m=4.56), customer complaints (m=4.44), training and development (m=4.37), rate of absenteeism (m=4.32) and the number of new accounts opened (m=4.29), respectively. In addition, it was found that LCBs sometimes measure staff availability (m=3.39) and customer waiting time (m=3.29). Finally, LCBs often measure staff appearance and friendliness (m=4.15); customer satisfaction (m=4.12); staff speed and responses (m=3.90); staff skills and competence (m = 3.85); staff turnover (m=3.83); promotion (m=3.76); customer retention (m=3.46) and finally customer profitability (m=3.37).

Reported below, are the analysis results to identify the factors that could influence the relationship with the banks' customers. Some of the motivational factors that LCBs depend on as tools to encourage the public to deal with the banks are their good relationships with customers, suppliers and government, the offer of highly competitive prices, having a well and respected brand name and corporate image, the offer of good customer service and strong sales and distribution network. The frequency of the responses, the mean and standard deviation are provided in the table 5.33.

Table 5.33 The Competitive Strategies of the LCBs

STA	S. DIS		DIS		UN		AG		S.AG		STD	M
	PE	FR	PE	FR	PE	FR	PE	FR	PE	FR		
1	-	-	2.4%	1	2.4%	1	57.1%	24	38.1%	16	.617	4.34
2	-	-	-	-	23.8%	10	31%	13	45.2%	19	.799	4.24
3	-	-	4.8%	2	11.9%	5	54.8%	23	28.6%	12	.768	4.10
4	2.4%	1	11.9%	5	26.2%	11	42.9%	18	16.7%	7	.997	3.61
5	2.4%	1	4.8%	2	23.8%	10	64.3%	27	4.8	2	.948	3.59
6	4.8%	2	14.3%	6	21.4%	9	54.8%	23	4.8%	2	.974	3.41

Key Table

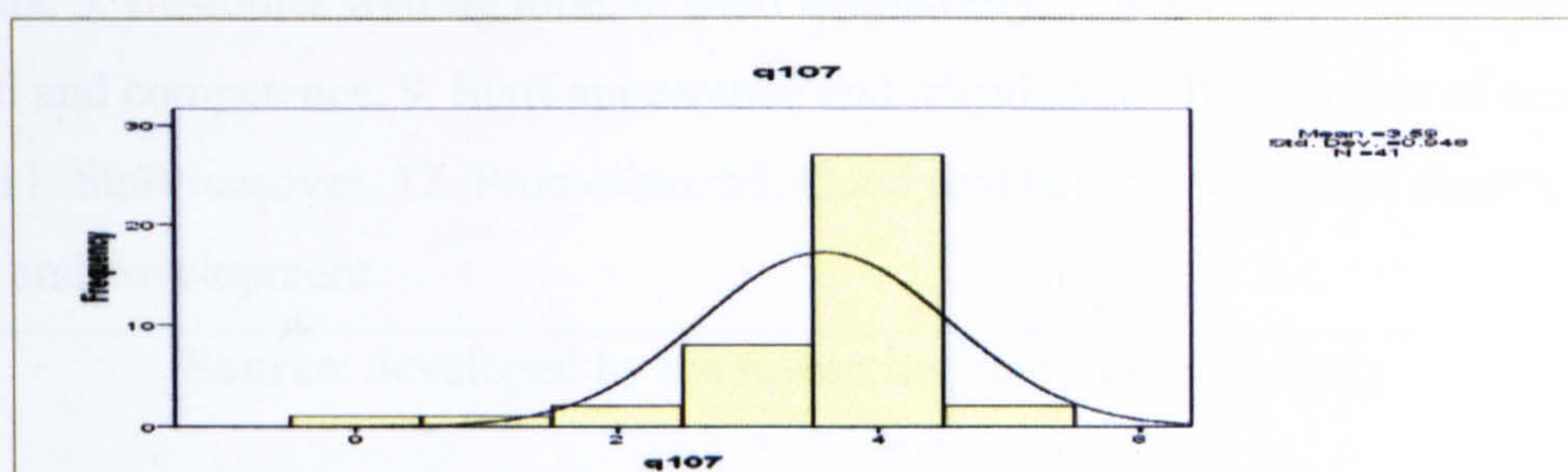
STA→ Statement; S.DIS→ Strongly Disagree; DIS→ Disagree; UN→ Undecided; AG→ Tend to Agree; S.AG→ Strongly Agree; STD→ Standard. Deviation; M→ Mean; PE→ Percentage; FR→ Frequency.

1. Good relationships with customers, suppliers & government.
2. Strong sales and distribution network.
3. Having a well known and respected brand name and corporate image
4. The offer of good customer service
5. Strong capability in market research and in-depth market knowledge
6. The offer of highly competitive prices

Source: developed by the researcher based on field study

The previous table indicated that several variables contributed to the high level of performance for the LCBs. Most of them were obtained with agreement from the respondents as essential factors. The most important factor was having good relationships with customers, suppliers and government (m=4.34). Next, a strong sales and distribution network (m=4.24). After this, having a famous brand name and corporate image are also considered as essential factors (m=4.10).

Figure 5.11 Good Relationships with Customers, Suppliers and Government



Source: developed by the researcher based on field study

This figure provides a normal skewed curve and indicates a medium standard deviation. The remaining factors are the offer of good customer service (m=3.61), followed by a strong capability in market research and in-depth market knowledge (m=3.59). Finally the offer of highly competitive prices (m=3.41).

The respondents' perception was that LCBs use different tools as competitive strategies; these tools are displayed according to their respective importance.

5.7 Chapter Summary

This chapter has outlined the FSMP practice in LCBs. It displays the quantitative results of the study. Essentially, in order to answer the research questions, the current chapter provides a picture of how respondents view the FSMP process, in terms of the banks' strategic planning process itself, internal and external environment and the banks performance.

The next chapter builds on this investigation and presents and discusses the research findings, using quantitative and qualitative research analysis.

Chapter 6 Qualitative Results

6.1 Introduction

This chapter presents the interview results conducted with eight managers in the LCBs. The interviews were conducted between 15th August and 7th October 2009. An example of the interview has been attached in Appendix P. The results emerge under different themes, which are directly linked to the research objectives and the literature review chapter. The discussion is constructed in terms of the pattern matching and coding analysis.

According to the research objectives, the results of analysing the interviews are divided into four themes and each theme again into sub-themes and occasionally each sub-theme is divided again into other sub-themes. The main themes in this chapter are:

- The process of FSMP practice in the LCBs;
- The managerial and performance related benefits of an FSMP approach;
- The impact of contextual factors (internal and external factors) on the current state of development of FSMP approach in the LCBs;
- The potential benefits of an enhanced rate of FSMP adoption.

This first theme illustrates the first objective of the current study. This theme includes three sub-themes: motivation for the introduction of FSMP; SMP committees; and the marketing department and marketer capabilities.

The second theme displays the second objective. It involves four sub-themes: the LCBs' goals and strategies; the marketing' goals and strategies, FSMP; and major barriers to the implementation of the FSMP.

The third theme shows the third objective. It is divided into two sub-themes: internal and external factors that influence the FSMP process of the LCBs. The internal factors include seven sub-sub-themes: sources of information, delegation of decision-making; superiors and subordinates-employee relations; functional competencies and developing the work system of the LCBs; the LCBs' staff skills and training and development; and customer services and motivations, and finally the LCBs' strengths and weaknesses for each bank. The external factors include four sub-sub-themes: regulations and laws of

the LCBs; governmental policies; technological change. They conclude by demonstrating the LCBs' threats and opportunities.

The last theme illustrates the fourth research objective. This theme includes the LCBs performance, competitive position, and the future of the banking industry. At the end of the chapter, there is a summary.

6.2 The Process of FSMP Practice in the LCBs

LCBs have only recently adopted FSMP. Notwithstanding it can make a significant contribution to commercial success (Smith, 2003), little attention has been paid to find out why LCBs have adopted this approach and how they have adopted it. Thus, the first sub-section explores the reasons and motivations that inspired the LCBs to establish FSMP. The second sub-section investigates whether LCBs have FSMP committees, so the interviewees are asked how and why their banks introduced FSMP. The third sub-section addresses the reasons and motivation that encourage LCBs to establish marketing departments, and gives an idea about the current staff skills, particularly marketing capabilities.

6.2.1 Motivations for the Introduction of FSMP

The interviewees were asked about the reasons that inspired LCBs to introduce FSMP, they identified several factors. For example, Respondent (1) stated that increasing income has created many economic activities and opened the way for traders to deal more with banks, and individuals to obtain loans, and especially mortgages. These rising incomes have increased the size of deposits, and thus the banks' activities have changed and developed from what was available in the past.

At the same time, Respondent (4) said that because several banks have entered the Libyan market, which has created competition, it had become necessary to establish strategic marketing plans in order to increase market share and profits.

There is agreement between the opinion given by the interviewee in the Wahda bank and the interviewee of the NCB. According to Respondent (8) the bank focuses on changes in customer needs and these have required the bank to use new and

sophisticated methods in light of competition and globalisation, with the creation of new mechanisms to solve problems.

Respondent (8) added an interesting point:

The bank, as a service organisation, plays an important role in developing society and the bank's contribution is progressing and increasing its impact on society, in terms of how they provide good service with modern tools. Because of these responsibilities the bank has decided to establish a modern strategy to deal with these requirements and changes.

Respondent (7) supported this opinion. In his view, in the past the focus was based only on sales, which meant providing services at a reasonable price for a Libyan national. The marketing department did not exist three years ago. Thus, change started with new ideas or their development "Adding this department with new managers who have good potential in management and long-term experience has provided the impetus for change" (Respondent 7).

In addition, the previous opinions are consistent with the opinion of Respondent (6) who believed that the importance of marketing, economic and social progress and openness has motivated the bank to change its strategy to keep pace with these developments. Respondent (6) added that recently, the bank has considered its branches as marketing arms; it supported the branches and considers them a major source of development, and has upgraded tools to give marketing managers the necessary information about their customers.

Another interviewee in the Sahara bank clarified an important point, which is that:

LCBs were subject to the supervision and control of the CBL, which was responsible for the relationship between banks, the coordination between their work, and keeping track of their activities under the policy of the State. We only took control of our own activities three years ago. Thus, we started formulating an integrated strategic plan only in the year before last (Respondent 5).

An example of the reasons that forced the LCBs to create effective marketing strategies was given by Respondent (1) below:

The percentage of women workers in Libya was small or not significant, but now the ratio has increased dramatically, and because of our respect for our religion, our customs and our women, we have set aside in some major branches in cities and in

crowded areas special windows to serve women to facilitate and to speed their service.

Further, bank size was also significantly related to the introduction of FSMP. According to the interviewees, the idea was started by the large commercial banks in Libya and then will circulate to the rest of the Libyan banks. The majority of the interviewees maintained that the main mechanism that stimulated LCBs to establish FSMP was the CBL. Consequently, the banks activities have changed and developed from what was available in the past, which meant that FSMP had to be introduced to conduct the process and to increase market share and profits, thus one of the first steps was to establish marketing departments.

In summary, after 2007 a number of changes have taken place in the Libyan economy. These changes have involved the banking sector and affected its work system. More recently, one of these changes was to introduce FSMP. Several reasons were behind introducing FSMP into the LCBs. For example, globalisation, and the increased educational and cultural level of current citizens, increasing income for the Libyan citizen has created many economic activities and opened the way for traders and individuals to deal with banks; the increased number of banks in Libya has created competition together with an increase in the number of customer whose needs have changed, and the country is moving towards privatisation.

However, has a shift towards a comprehensive strategic plan been the right decision? Were the staff able to implement the plan in a healthy way? And were the staff included in the development of future strategy? The answers to these questions will be subsequently addressed in this chapter. Therefore, the next sub-theme will inspect whether there were any SMP committees in charge of this function in the LCBs.

6.2.2 Strategic Marketing Planning Committees

The majority of the interviewees indicated that LCBs do not have SMP committees as stated by Respondent (8) “there is no strategic planning committee in charge of the bank’s SMP” and Respondent (1) “we do not have a committee with this name.” However, the banks have committees which were formed four years ago to help the external consulting company, Mckinsey Company, to evaluate the performance and to

establish strategic planning for the LCBs. "There is a working group which supervises the implementation of the Strategic Plan, in cooperation with the orientations of the consulting company" Respondent (4).

It is important to say that the SMP that Mckinsey Company introduced with help from working groups involved all the activities in the banks, for example, marketing, finance, and HR.

"Capable staff from various key departments were chosen to cooperate with this consulting company, for example from financial, and HR departments, to provide it with the necessary information and cooperate in choosing and developing the appropriate strategy" (Respondent 1).

To conclude, marketing departments were established and FSMP was introduced by the Consulting Company. The question that now needs to be asked is what is the role of the marketing department in establishing or developing the strategies of the LCBs? Also do the personnel have the appropriate abilities and capabilities that enable it to compete? This is what the next section addresses.

6.2.3 Marketing Department and Marketer Capabilities

Before reforming the Libyan economy LCBs did not need to pay much attention to the marketing of services. Respondent (8) stated, "because the work of the bank was previously performed using traditional instruments, the staff did not have high skills, because we did not need them".

Sales were under central planning. LCBs had to operate according to the CBL policy allocated to them. Interest rates were fixed by the Libyan government authorities. The economic reforms and open-door policy introduced competition into Libya and LCBs had to change their paradigm to meet the "new competitive environment".

Several responsibilities for marketing departments have been defined by the Mckinsey Company, for example, management and supervision of sales and marketing; it is also responsible for the preparation of marketing plans.

With regard to staff capabilities, from the viewpoint of the majority of the interviewees, staff in marketing department suffers from poor functional marketing capabilities. Respondent (8) explains, "After introducing new technologies to the banking business, we need special skills, and we have a lack of them". An example has been given by Respondent (2) about the lack of skills of their marketing manager; examples of tasks had been given to this manager which required the preparation of a competitive marketing strategy enabling the bank to achieve its objectives. The marketing manager was asked to prepare a new logo...and renegotiate the annual cost of TV advertising with the local channels and reduce it by 10%. As a result the senior manager has designed the logo and the price rose by 2%.

Another interviewee from the Wahda Bank said the employees' level is "reasonable, but still lacking training" (Respondent 3).

The number of staff in marketing departments is severely limited, for instance, the number of staff in the marketing department in the Gumhouria Bank in 2009 was then only two; they were the head of department and his assistant and they were in different offices. It has also been noted that LCBs' marketing managers are not specialists in marketing.

The simple conclusion reached here is that marketing is still evolving and that it is currently in growth. From the above discussion it is clear that marketing capabilities became an important factor for the LCBs to survive the competition. If staff in marketing departments play their role positively and adhere to this strategy it will enhance the bank's competitive position. This suggests that LCBs need to develop strategic marketing skills, which will help develop an understanding of the changing external environment and help to develop plans to position the organisation competitively in the market. The next section discusses the results of the second objective of the study.

6.3 The Managerial and Performance Related Benefits of an FSMP Approach

This theme reflects the second objective of the current study, which is to determine the managerial and performance related benefits of an FSMP approach. This theme includes: LCBs' goals and strategies, their marketing goals and strategies, the process of FSMP, and major barriers to the implementation of the SMP.

6.3.1 The LCBs' Goals and Strategies

The aim of this section is to explain what LCBs want to achieve (objectives), and how they plan to achieve these objectives (strategies) (McDonald, 2006). Goals and strategies conducted by the LCBs are common strategies and individual strategies. The common strategies in the LCBs were set by the CBL. The latter set the price of bank products at a reasonable level for Libyan nationals, as there was no need for banks marketing departments before 2007.

The LCBs have had to restructure at a general level and at public administration level in particular. They have established a gradually integrated policy to reduce reliance on interest of income by introducing new banking products, services and investments, in order to increase the bank's revenues from non-interest. These banks aim to achieve these goals by concentrating on services quality and being good at marketing.

The LCBs strategies were highlighted when the interviewees were asked what their banks goals and strategies were. For example, Respondent (5) stated that the Sahara bank's goals are: "increasing our market share, achieving customer satisfaction, and raising our financial indicators". In the same line of thought, Respondent (7) said: "We aim to increase our market share and raise the level of our revenues"

Respondent (1) confirmed this aim by saying that:

Increasing the rate of growth in assets and revenues are the main goals of our bank, also increasing our market share by extending our services network at the local level, via for example opening new branches in some areas that have an increased population.

Some of the bank's strategies that aim to develop employee performance are: providing training and development, and constructing programs, plans, mechanisms and a comfortable environment for achievement. For example, Respondent (5) stated that his bank's strategy included "developing the employees' capacities to assimilate technology and work with it". This was confirmed by Respondent (7) "raising the efficiency of front-line staff and providing clients with remote channels to access services".

One of the strategies of the CBL for LCBs was strengthening the role of the Treasury and enhancing its performance, particularly in the areas of liquidity management and

the creation of new products with the help of the administration of market risk, credit, and operations.

As for the bank strategies, the Sahara Bank uses specific strategies to achieve its objectives. For example, the strategies include integrating information technology and operations under one umbrella, in order to be highly effective and to ensure the quality and utilisation of centralised operations. In doing this, they aim to reduce operational costs and focus on retail banking and private banking, as well as launching new services such as Islamic banking.

Respondent (6) demonstrated that the bank's strategies include "adopting a new management approach which depends on strategic business units to strengthen the role of public administration to guide the regional centres or the branches and improve cooperation between them". In addition, activating, developing and managing assets and liabilities at the level of the Bank Group.

Respondent (5) said that in regard to human resources, the bank was developing a modern philosophy of managing HR, which guarantees building competencies through motivating employees and providing a rewarding and comfortable work environment.

One of the interviewees in the NCB stated that one of the bank's strategies was to use the latest technology available in accordance with international standards in order to facilitate transactions and procedures.

- Providing the highest level of service to achieve optimum efficiency by using modern technology and advanced information systems.
- Consolidating and developing the relationship with existing customers.
- Enhancing and developing deposits, increasing sales, and offering new products
- Achieving a reasonable rate of liquidity and safety, and also developing the bank's infrastructure.
- Extending the new banking system already installed in one branch to the rest of the branch network in order to develop the infrastructure of the branches, especially in the field of communications.

The Wahda Bank strategies to achieve its goals as follows:

Strengthen the competitive position by strengthening risk management, and the modernisation of information technology and operations.

In addition, upgrade and improve the services provided in order to achieve a zero defect Respondent (3) said:

We seek to remain a leading bank in providing banking services distinctively and efficiently, to develop and keep pace with developments in the banking market, to manage the bank funds optimally, to continue to work on developing the staff capabilities in various areas of banking, to achieve significant improvement in the indicators of the performance of banking operations, to apply the standards of international accounting in managing the bank's activities, to gain the clients' trust by developing and improving our services, and also to develop staff competencies and skills

As for Gumhouria Bank, the bank's main goal in their development lay in strengthening its competitive position. The Bank had developed a specific strategy to achieve its goals, for example: Respondent (1) said, "searching for new marketing opportunities such as integration to strengthen the balance sheet...seeking to achieve customer satisfaction by providing good services, appropriate prices and faster services". This policy is consistent with Voss, et al, (2005).

6.3.2 The LCBs Marketing Goals and Strategies

According to McDonald (2006), there are objectives and strategies at all marketing levels. This includes for example, pricing, advertising and promotion objectives and strategies. In this context, marketing objectives are about services and market only.

Because the success of implementation strategies is dependent on staff understanding, therefore, the aim of this section is to show if the LCBs' managers distinguish between their bank goals and strategies, and their marketing goals and strategies. In addition, it aims to answer the question of to what extent these managers feel that for them there is an intrinsic link between FSMP and profitability; the answer is that they feel that it is a contribution to profitability. Whether they are re-investing in FSMP in line with their profits is as yet unclear. However, proving this would be another PhD.

Respondent (1) said that:

The most important marketing goals are concerned to achieve profit and growth in the long term, and this is regarded as a basis for marketing decision-making. Permanency in the market is important and is a criterion for marketing decisions.

This was also emphasised when Respondent (3) was asked about his bank's marketing goals. He said: "Profitability is important taking into account as much as possible the satisfaction of the needs of customers and society.

Respondent (1) was more specific; he stated that marketing strategy concentrates on how banks offer their services, he commented on this issue by saying that "the bank began to rely on a promotional strategy for its services through advertising, publishing and public relations. Also, it has adopted ATM cards and telephone banking services".

Respondent (4) believed that the marketing purposes of the bank are: "to be a favourite among customers and the favourite partner for small and large institutions". He added that the bank's strategies are improving the efficiency of marketers, rehabilitating the level of services provided in the branches, and developing new banking services to companies. He described the bank plan as "comprehensive and detailed".

The marketing strategy in the Sahara Bank is distinguished by searching for new methods, to offer services and new marketing opportunities. The bank uses available modern technology, developing the employees' capacities to assimilate the technology and work with it, as well as trying to streamline procedures. The bank has created a new logo which includes its partner, and followed this by a media campaign in order to advertise the new logo and the new partner.

The main marketing goals of the Sahara Bank were given by Respondent (5) who stated that the bank's marketing goals are: attracting new categories of customers, increasing its share in the current regions and extending into new segments of the community. He added that to:

Attract prospective foreign investors as a result of attracting new funds in all economic fields in Libya; we also wish to attract some Libyan citizens who refuse to deal with banks because they believe that all Libyan banks are usury. As a result, the bank has started on the first steps in introducing an innovative Islamic service to attract the latter.

Studying, modifying and improving the conditions of a set of important products, and developing a sales approach are some of the NCB's marketing goals, in addition to supporting the sales tools, creating a performance management system to link productivity with material and moral incentives to encourage and motivate staff and to improve their skills Respondents (7) & (8) described the bank plan as characterised by development and modernisation in the method of providing the current services, introducing new services, and facilitating systems and work procedures.

As for the Gumhouria Bank, their marketing strategy aims to put the bank at the forefront of Libyan banks, in terms of financial position and diversification of banking products and services. The bank goals are achieved through, for example, listening to customers' needs and suggestions and developing the general aspect of the branches (in construction, furnishing and design).

From the researcher's point of view, documentation is a fundamental process of a SMP in the LCBs because they are not familiar with this approach. Therefore, documentation represents a good clear guide towards achieving marketing objectives and the banks objectives in general. The purpose of this section is to illustrate how LCBs plan and establish information documentation; whether hard copies are distributed or saved in electronic format; and how this gives direction to related procedures and records. There is a need to define who is responsible for implementing strategy within the organisation (Mosaica, 2001). Do LCBs have formal plans written into documents? The next subsection investigates this.

6.3.3 Formal Strategic Marketing Planning

The results exposed that the LCBs' marketing plans are written into formal strategy documents, which include the vision and mission of the banks, the size of the banks problems; how to control and overcome them; and the responsibility of all administration and departments of the banks.

SMP has a crucial role in the Sahara Bank, specifically the financial section (Respondents 5 & 6). This is also the case of Wahda Bank, Respondent (4) believes that SMP is important to determine if the bank has achieved its goals or not, particularly, the financial ones.

Formal planning used to occur widely at the level of the CBL, however, more recently this has been delegated to the LCBs. Respondent (8) said that in light of the current competition between banks, the SMP role has become more effective.

Furthermore, Respondent (7) commented that:

The bank developed periodic plans which include plans for three years, one year, six months, and three months. Currently, the plans have been done to follow the principle of pre-planning work to prevent work errors before they occur.

Nevertheless, Respondent (2) pointed out that the planning role did not decrease or increase, but the aim of it has changed to obtain a larger market share.

The strategic plans of 2007-2010 covered all activities, roles and responsibilities of the LCBs according to their departments; they also included new organisational structures. In general, there was a consensus between interviewees that a detail marketing implementation plan is necessary. In support of this Respondent (7) said “implementation plans for marketing strategy need to be formulated to guide all activities undertaken by different departments in order to meet the marketing strategy objectives”

Respondent (7) provides evidence of this:

We have a detailed strategic plan for the bank business for three years, which includes the scale of our problems and how to control and overcome them and the responsibility of all administrations and departments of the bank.

The recent strategic marketing plan covered and documented all bank activities, as Respondent (1) said the plans in previous years were supervised by the CBL and included all LCBs. Currently, each bank has its own marketing strategy. When Respondent (1) asked to see the plan, he said:

Yes, but you cannot photocopy or write any part of it, because it contains the secrets of our work and we paid a lot of money for it, and as you know, now we are working in a competitive market.

In the view of Sahara' interviewees, the bank has a marketing plan; however, it is still under development. Respondent (3) said that the bank has a strategic marketing plan, but he has not photocopied it. As for Respondent (4), he just had some of the documentation that is linked to his work. Respondent (7) added that the SMP in its

entirety was seen by very few people. Each manager was only given access to the part of the plan that covered their particular area of responsibility. In the view of the researcher, this is a weakness and will negatively influence the process of strategic implementation.

In conclusion, most LCBs have strategic marketing plans, which cover a period of three years. The existence of formalised written documents for FSMP gives an indication of the seriousness with which FSMP is approached. However, previously, banks used some strategic marketing tools without writing any marketing plans. This could be due to the fact that, for many of them, experience of strategic planning is a novelty. The CBL hired a consulting company to evaluate and develop a comprehensive strategic plan for LCBs which will enable them to develop, modernise and compete in the light of the economic openness that has developed. The next section shows the barriers that obstruct the implementation of the LCBs' marketing strategy.

6.3.4 Major Barriers to the Implementation of the FSMP

There are several barriers facing the implementation of the LCBs' SMP. For example, Respondent (7) stressed the lack of experience in marketing research and financial analysis, as well as the manual methods and tools used in analysis and archiving.

The management of the NCB and the Sahara Bank believe that some staff do not understand the strategy very well, and they do not have the required capability to achieve the goals agreed upon. The banks started training staff in the use of modern methods of work.

An interviewee in the Sahara Bank believed that the bank suffers from deficiencies in strategic thinking, which is "too much top-down management".

Moreover, there is an absence of an accurate database and comprehensive information on the banks and the environment surrounding them. In addition, an interviewee in Gumhouria Bank thought that the accumulation of deposits, which cannot be discharged, and the sudden change and discrepancy sometimes in laws and regulations governing the banking operations lead to uncertainty. According to the interviewees, sometimes the bank notes the increasing demand for liquidity, and sometimes it notes an

increase in the supply. Another barrier is poor understanding of the management team of the importance of marketing; this could be due to poor banking management competencies. Moreover, there is confusion between marketing goals and strategies and corporate goals and strategies and this is one of the biggest barriers to overcome.

There are also external constraints. The Libyan banking market is characterised by weak or non-existent competition. Specialised banks have a monopoly over a specific activity, and nobody rivals them, so the banks wait for clients and are not looking for them; because of this, the clients are forced to deal with them.

Services do not have a quality standard, as in state-owned banks where profit is not the most important priority. Nevertheless, the foreign banks that have entered the Libyan market will create competition and improve the quality of the banking products. There were also found to be a number of barriers to FSMP. For example, lack of the marketing manager's involvement, the lack of top management support, a lack of information, and difficulty in anticipating changes in terms of laws, and legalisation.

To summarise, the interviewees have identified several barriers which are linked to the implementation of FSMP, for example, the misunderstanding of the plan, lack of capabilities, the deficiencies of strategic thinking and the absence of an accurate database. The LCBs need to pay more attention to overcome these barriers. The next section illustrates the main contextual factors within the LCBs that affect the process of FSMP.

6.4 The Impact of Contextual Factors on the Current State of Development of FSMP Approach in the LCBs

This section aims to discover if decision makers in the LCBs consider environment in their FSMP, both the internal and external environments are examined. Recently, Libya has become an attractive market for foreign investments, and the banking industry is a hub of development. The purpose of this section is to discover what factors that are affecting FSMP in the LCBs, and whether LCBs are in a position to enhance the businesses and investment opportunities for Libyan and foreign investors. This situation looks at some of the issues which, although not directly part of the SMP process itself, nonetheless have a direct and profound impact on its ultimate effectiveness. Several

factors influence the bank's ability to implement and develop an appropriate FSMP process, and these can be divided into internal and external factors.

6.4.1 Internal Factors

The first of these was the underlying need for there to be a well-thought-out set of sources of information and delegation of decision-making, and employee-manager relationships, (without determining the sort of relations that exist between superiors and subordinates, FSMP will not be effective). Regulations, laws and the work system were also considered in terms of how much they affect the selecting and implementing of the strategy. The following factors may not be directly related to the process of FSMP but they are relative to their practice and LCBs consider that they are crucial to their competitive advantages in the market place.

The first sub-section seeks to explain what kind of information LCBs attempt to collect; what are the most important resources used by LCBs in order to collect their information? whether this information is enough to measure the banks' competitive position and to make important decisions. Furthermore, it can help the banks to gather the information that could be important in decision-making specifically related to the FSMP. To find out the answers, the next section will focus on how LCBs collect information and if the employees are allowed to make any decisions with respect to the recent change in attitudes.

6.4.1.1 Sources of Information

This section will start with the important steps in decision-making, which is the source and type of information required to make decisions.

According to Respondent (1) there are different uses of the information gained. The sales department prepares, for example, periodic reports on customer complaints, and measures their level of satisfaction with services rendered. The studies, research and reports that are submitted by the various departments help managers to evaluate performance, detect problems and search for solutions. This type of information is characterised by being inexpensive and fast.

NCB uses several sources to collect external information, for example, the Unit of Information, Documentation and Development of the CBL, newspapers, magazines, the General People's Congress; and currently has added the Mckinsey Company for its expertise and information.

The Sahara Bank has a specific strategy to obtain information, Respondent (6) said “usually we access departments at the same level within the bank, the other bank's administrations and branches, and then seek parties outside the bank, for example the media”.

Respondent (4), identified Government bodies, local companies, and the Internet as the main sources of their information. Likewise, the Gumhouria Bank obtained its information internally and externally. Internal sources include internal records, periodic reports issued in statements, lists, and cash flows of the bank. On the other hand, the bank gets information from external sources, such as from magazines, newspapers, reports of the CBL, research and information centres, and also from clients. However, the external information is usually insufficient to measure the impact of the external economic and political events on the bank's work (Respondent 2).

Naturally, collecting information from internal and external sources can help managers to make prudent decisions. However, the interviewees stated that in order to measure the influence of the external events on the banks' work, LCBs face a problem of assessing the reliable, accurate, relevant and validity of the external information. Consequently, as shown, in order to obtain valuable information, all relevant sources are accepted by LCBs.

In summary, valuable information is crucial for decision-making; the interviewees were asked if they are allowed to make decisions or participate in the process of decision-making. The next section will concentrate on the ways those senior managers make their decisions.

6.4.1.2 Delegation of Decision-Making

In regard to the delegation of decision-making, the interviewees were asked their personal opinion about participating in the process. Some interviewees have very striking opinions about this point, for example, Respondent (1) said:

There is no importance placed on the participation of subordinates in decision-making in the banking institution; subordinates implement what they are asked to do. Decisions are based on legal and legislative foundations; the manager does not take any decisions without referring to the Legal Department, to ensure that the legitimacy of the decision has been provided.

Then the interviewer asked: Do you mean that the degree of delegating authority to subordinates is limited? And he said: "Yes".

This has been stressed by Respondent (3) who said: "Participation in decision-making is not widely available".

On the other hand, Respondent (2) illustrated a different strategy:

The bank holds periodic meetings of consultation and of dialogue with heads of departments, so when an important decision has been made it will be based on the views of various departments and guidance from the Board of Directors, especially the strategic decisions.

In support, Respondent (4) details said, there is participation in decision-making within the organisational level or the administration where they work

A good programme is used by the NCB, Respondent (7) said:

The senior manager does not usually take decisions alone, all the agendas are presented primarily by the departments to express an opinion, then referred to specialized committees to study, and then sent to the legal management for a legal opinion, and after that forwarded to the Board of directors for a final decision.

Yet, Respondent (8) said that the bank policy tries to invest the energy and potential capabilities of employees in the bank in decision-making, but decisions are made based on laws and regulations, and thus the employees' role is limited in this aspect.

There are some problems facing marketing departments in the LCBs in terms of decision-making being centralised and too much top-down management. In LCBs, although administration managers were not members of the main board and they are not

allowed to make any essential decisions without agreement from the main board, they have a crucial role in formulating the bank's strategies.

Consequently, most of the interviewees indicated that employees are not allowed to participate in the process of decision-making. Few interviewees stated that there is participation in decision-making within the same department or administration. However, this does not mean that there was no participation at all in the decision-making process within LCBs, because this depended on the work system, manager's personality, regulation and laws.

6.4.1.3 Superiors and Subordinates-Employee Relations

This section illustrates the type of relationship between superiors and subordinates in the LCBs throughout the process of formulating the strategy and its implementation. The interviewees were asked about the relationship between the staff, the answers were as follows:

Respondent (4) said that the Wahda Bank cares for their staff, and provides incentives for them to do exceptional tasks for the bank. He then added "we consider ourselves to be a family, there are no complicated formalities, and our relationships are defined by mutual respect".

The same expression has been given by Respondent (7), who indicated that the relationship between superiors and subordinates is characterised by friendliness and mutual respect, "we live as a family". This viewpoint was also supported by Respondent (7), who stated that the nature of the Libyan society and the working environment encourages the strengthening of social relations between managers and subordinates. Respondent (2) described the relationship as "Amicable and cooperative".

As for the Sahara Bank, Respondent (6) stated that the Sahara Bank encourages contacts and cooperation between different departments, and open discussions. In addition, another interviewee stated that the bank encourages teamwork rather than individual contributions, as well as providing support to staff and urging them to develop and implement their new ideas.

The employees are an important resource of competitive advantage to attract customers to deal with the banks; as a result banks attempt to safeguard them. The interviewees were asked, when faced with some problems such as financial problems, what the role of LCBs is in helping them.

According to Respondent (3) the social solidarity is the nature of Libyan society, and the Wahda Bank takes advantage of this to assist staff. The bank usually does not limit the rights of staff, which means that the bank supports them by offering financial assistance. Support for staff is addressed at both a formal, bank level and at an informal level by colleagues. The bank has a mutual fund to resolve employment problems, and the banking employment unit can also help.

As for the NCB, it has an item called a "social helping item" to help staff the workers can apply for a loan (Respondents 7 & 2). This is could be due to the nature of Libyan society to show solidarity with each other.

In summary, very interesting points in the Libyan management style are demonstrated in the previous two sections which show a complicated working environment. This appeared when the interviewees were asked about the work environment. They stated that they have a very good relationship with their employees and the relationship between superiors and subordinates is characterised by friendliness and mutual respect. In addition, there is a communication system between the staff working in the LCBs, and the support system takes two forms, formal or informal; the former is usually introduced by the bank, the banking employment unit, or by the social help item; the latter by colleagues or the managers themselves. The nature of the Libyan citizen is sociable; this nature is reflected in their work environment in general. On the other hand, employees are not allowed to make any decisions. As mentioned before this could be due to the effects of the culture in society or it may be due to the type of Libyan management style.

The next section will concentrate on functional competencies and changing the work system. Does this change work against the levels of the staff capabilities or not? What are the impacts of the recent changes in the work system in the LCBs on the staff? The next section will discuss also the proportion of the functional competencies in the LCBs, from the interviewees' point of view.

6.4.1.4 Functional Competencies and Work System of the LCBs

The Bank regulates its activities by specific functions, which deal with the necessary resources, and are designed accordingly to ensure the quality of work. The emphasis is on managing the banking services and not on managing the functional departments (Respondent 2).

Respondent (1) expressed his view from a different point:

With regard to HR planning, previously there was no good planning for employment, which caused an accumulation of employees in some departments and a decrease in others. Recently, planning has been done annually to determine the needs of the specialists in computer programming engineering, marketing, and accounts.

One of the respondents pointed out that in the past some functions did not exist, as a result these responsibilities were distributed to other functions; thus, this situation may have caused a conflict in some functions, but after the new structure, all functions have been identified (Respondent 4).

Another interviewee expressed that with the new strategy, the NCB is keen to clarify the functional competencies (Respondent 7). However, Respondent (4) said "There is flexibility to do the work when needed".

Respondent (7) believed that the reactions of staff to the changing and developing work systems is contradictory, some believe that changes in work systems and mechanisms will not be to their benefit. However, Respondent (8) stated that, "the change and development in the work system is usually used to improve the overall performance, and this is understood by most employees".

The economic development achieved in the country requires a developing work system, in order to attract more customers. As a result, the work system in the LCBs has been developed by introducing new systems, for example, SWEFT, NPS and mechanisms in the work place and sale points. The interviewees were asked how this affects their performance.

Respondent (2) stated that currently the work of developing and partly changing the work system is underway to update the operations relating to the internal work that is relevant to customers. Thereby, most of the LCBs have recently used a new system called the NPS, in order to facilitate the work and to save time and effort. All of the LCBs are following up with a condensed training system to go with the new system.

To conclude, using new technology in the banking work, most of the work in the LCBs used to be conducted manually, but the CBL has introduced new systems called the NPS, and SWEFT system in order to facilitate the work and to save time and effort. In spite of this, in the past some functions did not exist in the organisational structure of the LCBs, but, with the new structure, LCBs have added new departments and also new functions. This leads to the question: What is the level of skills that the LCB staff have? This question will be answered in the next section.

6.4.1.5 The LCBs' Staff Skills and Training and Development

There was general agreement amongst managers that there are many skills gaps in the banking sector. These include foreign language skills and modern technology skills. The interviewees were asked about the level of staff skills.

Respondent (8) said due to the work nature of the LCBs being previously performed using traditional instruments; the staff did not have high skills, because they did not need them. However, after introducing new technologies to the banking business, the banks needed specialist skills, and there was a lack of them. The same manager was quick to point out that the majority of the employees learn basic skills as they do the job (i.e. on-the-job training); banks were and are training and qualifying their employees. As for training needs, the NCB's managers are keen to identify basic training needs. There are special sessions required by the nature of the work (Respondent 8).

Workers in the Wahda Bank are mostly graduates of higher institutes and universities. Many of them are specialists in business administration, accounting and economics and therefore have basic skills in banking services (Respondent 4). Moreover, Respondent (3) stated that their level is "reasonable, but still lacking training". Respondent (2) stated that "We are satisfied with the level of existing staff". While, Respondent (1) said "Staff differ in competency from one to another".

Respondent (4) said that at the beginning of the year, the Wahda bank organised a meeting to decide who needs training, the type of training they need, either within or outside the bank, and then the Director submits such proposals to senior management to take a decision. The importance of training has increased considerably at the present time.

Similar to the Wahda Bank, Respondent (2) said the Gumhouria Bank applies annual training plans which focus on raising the skills of the staff and the capacity of operators in particular. Respondent (1) added that the bank's training programmes are organised by the management of training and development. Usually when they design the programmes, they focus on the general needs, which mean as many staff as possible, and the reason for this is to achieve good deals.

After that, they look at the individual needs or deficiencies.

The principle of good planning of HR helps to focus on increasing profits and reducing costs in terms of recruitment training or developing the capacity of existing employees, who have expertise in banking work. It still needs to reduce the shortcomings in the ability of the employees (Respondent 1)

The Sahara Bank is confident about its staff skills, Respondent (6) estimated that their staff is "good at banking services" and "they have good skills". The interviewee added that:

It is developing its marketing employees' capacity, to contribute to the process of banking and financial renovation and development, to contribute to discovering investment opportunities, to study new projects, and to keep abreast of the situation of the bank's competitors.

The following section illustrates customer service and motivational factors that LCBs use to attract and obtain new customers.

6.4.1.6 Customer Service and Customer Motivations

The LCB services include serving individual customers and companies, providing, for example, current accounts, savings accounts, bank deposits and internal transfers for individuals, and they provide effective support to companies in terms of providing facilities and technical assistance, and legal and administrative advice.

By browsing various Libyan Bank websites, the Sahara Bank is the only bank that has not published reports or the organisational bank chart on its official website and the only bank which has not provided an Arabic page website and because most Libyans do not speak English, this represents one of the more serious barriers to access the online Sahara Bank services. This could make the customers feel that the other banks are more confident about their organisational system. Moreover, interviewees in this bank did not feel that after-sales service was their competitive advantage; which means that they felt an improvement in the after sales service is needed.

Gumhouria Bank has a wide variety of banking products and services, and pursues a broad geographical spread policy (174 branches and agencies). These are close to various commercial and institutional sectors.

Respondent (1) explained:

Because we have branches in different areas, our services include all sectors, which contribute to creating a balanced sector development. For example, there is a trend among various government agencies to facilitate transactions for citizens, such as passport services, employment offices, and telecommunications, through opening access to payment of fees in the branches, which will give the branch a chance to attract new customers, and direct these funds into the lending processes.

The Sahara Bank depends on the existence of a strategic foreign partner, who restores confidence in the bank and improves its ability to provide better services (Respondent 6). In contrast, the Wahda Bank has good expertise of dealing with customers; for instance Respondent (3) said: the bank depends on its reputation as one of the most important incentives for customers to purchase services (See appendix O).

Respondent (7) emphasised the importance of the bank's reputation by saying the NCB's reputation rests on "trust and security". (Respondent 8) explained that the bank has launched and developed programmes and services to fit the requirements and needs of the recipients of those services. At the same time, the bank provides effective support to companies in terms of providing facilities and technical assistance, and legal and administrative advice; it has also updated the bank website, providing it in both Arabic and English, and using it to circulate the texts of laws, regulations and related instructions.

Over and above this, new programmes and services have been launched and developed to meet customer requirements and needs. As a result, each bank has specific motivations to attract customers. The next section aims to answer an important question, which is what are the LCBs strengths and weaknesses?

6.4.1.7 Strengths and Weaknesses of the LCBs

A number of weaknesses are associated with the implementation of FSMP which can be minimised or overcome by strengthening the banks and enhancing HR capabilities.

Respondent (1) identified some of the Gumhouria Bank's weaknesses, for example, the lack of staff capabilities and scientific qualifications in the marketing field. The number of staff in some marketing departments is limited. The marketing staff had not researched the development of dealing with customers, banking services and, more importantly, the role of Islamic Banking, in bringing in new customers. Respondent (1) added that there is a low educational level of a number of employees; even those who obtain advanced degrees do not have the necessary knowledge and skills in marketing.

In addition, there was a technological delay in the equipment used in banks, but currently, the CBL has introduced a new system for all LCBs, which has linked the agencies and branches of a network or systems, in order to facilitate the banking business, reduce administrative expenses and minimise work time on routine procedures. Moreover, there is no real competition in the banking market to push developing banks, and there is an absence of rigor in retrieving bank resources by a lot of dealers for some reasons. For example, the use of old ways in feasibility studies, and the practice of Libyan banks to wait for customers rather than search for them, especially those who provide important projects. (Respondent 1) added that they were suffering from deficiencies in the necessary marketing tools for promotion.

However, the merger between Gumhouria and Umma Bank resulted in the raising of capital of LYD 8 bn, so the bank is in a good financial position, as well as having a good number of branches (174) (See Appendix J). It also has a good reputation, ranked at No. 1 in Libya according to its financial position (See appendix I), and good relationships with customers (Respondent 1). The interviewee stressed that, "the bank

was following the instructions of the CBL, but now its role has become regulatory and supervisory, and therefore we are given a degree of freedom to act and compete”.

Respondent (2) said the bank established a marketing department, and it is in the process of development right now.

According to Respondent (5), the Sahara Bank does not have the necessary knowledge to practice effective marketing activities, due to, firstly, the late creation of the marketing department, the absence of a research and development department in the bank; and secondly, because the marketing tasks were conducted primarily by the branches, and by the operations, credit and human resources administration in the bank's head office. In addition, there is a lack of specialists in the field of marketing, a lack of experts to study the local market, and limited published information on market and economic conditions (Respondent 6).

In contrast, currently, the Sahara Bank depends on its partner, which has good experience and an excellent reputation. The partner has provided some types of services that are lacking in Libya, for example: modern technology for sales service and also Islamic services provided by the Arab world (Respondent 5). The same interviewee added that the Sahara Bank introduced a new network called the NPS, which has been circulated to all Libyan banks in order to facilitate and expedite the work and reduce bureaucracy, and keep up with developments in the field of banking in line with neighbouring.

Respondent (3) said the Wahda Bank, as other Libyan banks, does not offer modern methods to provide services. In a similar vein Respondent (4) added that the bank does not have a unified identity for its branches; likewise the bank suffers from a lack of existing channels of communication with customers. However, Respondent (3) pointed out the importance of having appreciation certificates from specialised organisations in the bank, working on a set of items reflecting their strengths. The bank promotes friendly behaviour with the customers, and recently the bank has improved and unified the appearance of internal and external branches, which is consistent with its goals.

This section has shown that although LCBs have several weaknesses, they also have experience and potential to grow and develop new products and services in the Libyan

market, such as Islamic banking services and electronic services. The next section will focus on the external factors that affect FSMP in the LCBs.

6.4.2 The External Factors

There are some external factors which intensify the banks' competitive position and help the LCBs to succeed in the market, such as regulations and laws in LCBs, the Libyan governmental policies and technological changes.

6.4.2.1 Regulations and Laws of the LCBs

The first main area of external influences is regulations and laws. These play an important role in the banking industry. The CBL's policies and regulatory directives have an essential effect on the evolution of the banking sector and their financial health (OBG, 2010).

The Legal Affairs Offices are directly managed by Executive Committees. These Offices have a crucial role in the process of decision-making in these banks. According to the interviewees, the main roles and responsibilities of these Offices are to provide consultation, opinion and preparation of legal memorandums on all issues referred to them by the branches units.

Laws and regulations are a fundamental principle for all the LCBs' work. Respondent (2) described the regulation, laws and work system as "the general umbrella under which decisions are made". And Respondent (1) stressed this by saying "the banking work runs according to them".

Respondent (4) said that there are laws issued by the CBL to organise the work and the dealings of the bank, as well as regulations issued by the bank itself to regulate its internal affairs. At the same time Respondents (3) & (6) described laws and regulations as "The basis of the work" and "It is essential to follow them".

Consequently, the laws and regulations represent the basic rules used to complete all the functions of the LCBs. This leads to the question: what is the influence of the governmental policies in the banking activities? The next section provides the answer.

6.4.2.2 Governmental Policies

All LCBs lie directly under the Libyan government influence. Respondent (3) said that the governmental impact is based on political and economic trends. (Respondent 6) also said as a result of the nature of commercial banks ownership (owned by the CBL), they are operating as if they were one bank which pays the salaries of state employees. Moreover, the lack of complete independence from the CBL, which is still mostly owned and run by the Secretariat of the Treasury, has led to an overlap in authority and decisions, where the treasury often dominates with political decisions rather than economic ones. However, Respondent (5) stated that LCBs were working under the umbrella of public service, which greatly controls the banks' activities, but this did not prevent them from having a special policy to distinguish them.

Respondent (8) concluded that the policies and procedures of the State have a great impact on various economic sectors and in particular the banking system. The government policies are determined by, for example: the Libyan currency exchange rates, dealing with and on the foreign exchange, how to use liquid resources and finally it sets tax and export policies. Recently, political pressure has been alleviated from banks, and the banks can now operate in a freer economic financial market.

Further explanation has been given by Respondent (2) who said the State provides the necessary support for all banks which are in the public domain. Currently part of the bank capital has been sold to the public, which means that the control has become less. However, Respondent (7) said that the government role was and still is supportive and gives guidelines at different levels: financial, advisory and technical.

Consequently, as can be seen from the respondents' answers, when they were asked about the role of the government they said that it has a crucial role in driving the LCBs, but what is the effect of the new technology on their work? This is explored in the next section.

6.4.2.3 Technological Change

Interestingly, most Libyan banks have recently established websites on the internet to advertise themselves, their branches, and both their traditional and electronic services.

In addition, some banks have introduced electronic credit and debit cards, mobile banking services, ATMs and money transfers. Also, the CBL has introduced the NPS to link branches and agencies with their banks. Moreover, the LCBs have also introduced the SWEFT system of transferring money through the use of worldwide technology. Respondent (5) expected that the introduction of electronic banking services will become inevitable, which will determine the future of the banks and their development. Generally, the new technology has led to improvement and acceleration of the time of the service provided (Wahda Bank, NCB, Sahara Bank and Gumhouria Bank date).

From the evidence in the current situation of the LCBs (Chapter 2), it is clear that these new mechanisms are being adopted, and have a positive impact on the whole bank's performance. Technology is essential in regard to competitiveness in modern banking business; it lowers functional costs and enables efficiency improvements. The next section discusses LCBs threats and opportunities from the interviewees' viewpoint.

6.4.2.4 Threats and Opportunities for the LCBs

The external environment could represent opportunities or threats to the banks. Osbourne (1995) stated that identifying opportunities is the first job that the entrepreneur has when creating marketing and financial plans determined by requisite resources. External factors which impact on the LCBs include regulations, laws and policies set by the CBL and the Libyan government. Technological changes also have a huge effect. These impacts are discussed later. Technological development and banking mergers have recently encouraged competition and can be considered as both opportunities and threats. This section illustrates these points from the interviewees' view point.

Respondents (6); (3) & (4) summarised technological development and banking mergers, which reflect opportunities and threats, depending on how they are exploited.

The threats were represented in the difficulty of competition, because, in the viewpoint of Respondent (4), "all Libyan banks have similar specifications and capabilities".

As for threats, Respondents (3) & (6) said that the opportunities could be viewed as threats as well. For example, Respondent (7) thought that competition would bring more threats and the bank would rehabilitate itself to deal with them. Respondent (8)

commented that threats included weak infrastructure; poor standards of communication and information technology; and the emergence of parallel banks with specialisation.

Respondent (5) believed that opportunities lay in the existing and potential change in the environment surrounding the bank, and the bank dealt with these according to what was expected and what happens. In other words, for example, the Sahara bank keeps itself informed of external events through communication with several external organisations, even if they compete with them. A network of correspondents and agents assist in collecting the necessary data that helps it to face any expected threat from any rival bank, and seize the opportunities before being discovered by competitors. These are the strategies that the Sahara Bank has adopted recently. In the past; there was no real competition between Libyan banks, other than in the financial statements.

Respondent (2) related numerous opportunities which he categorised into internal and external. The former one represents:

the current administrative organisation of the bank, easy regulations and procedures, clear plans and policies, the geographical spread of the large number of branches leaving the bank in a good position against its competitors, the experience of the bank in the market which allows the provision of new and advanced services, and the use of modern machines which enables the bank to provide services quickly in order to satisfy customers.

The latter represents, "changing customer habits and heightening awareness about banking services, the recovery of the economic situation and the increased volume of investments in Libya".

The following comments by Respondent (1) support the previous opinion, "LCBs have a surplus of liquidity, and therefore, efforts by the public and private sectors to establish and develop an economic climate which is able to absorb these surpluses must be intensified".

Increasing the average per capita income leads to increased savings. Therefore providing the opportunity to do business as it is today in Libya. Respondent (1) gave examples of threats that are facing the bank, such as, "current mergers between Ahlia and foreign banks and the new technologies that currently have been under development

in the banks". He described the results of these developments: "They will create stiff competition in the future".

Respondents (2) throws light on another point, which is that, "the attention of managers had been given to short-term goals more than long-term goals, which threatens the banking industry; this is due to the lack of professional managerial competencies that provide the capacity to think strategically".

Respondent (8) said the opportunities are many, and gave examples:

The official approach of the state is to attract investments to raise the competitiveness of Libya at the local level and internationally; rational leadership focused on increasing efficiency and economic development; other opportunities include the integration of our bank with the Arab Bank and working under the promising economic umbrella of political and social stability in Libya, as well as the current economic development of the country with the opening up of foreign markets.

Respondent (7) added, "The most important project currently is the NPS, which we are dealing with well".

In summary, threats that face LCBs include weak infrastructure, poor standard of communication and information technology, and the emergence of specialist parallel banks. The banks have recently discovered that customer habits, the economic situation and the volume of investments in Libya are all changing. The increasing average per capita income leads to increased saving and this then provides the opportunity to do business as it is today in Libya. As mentioned before, some interviewees believed that opportunities may also be threats. Another threat is the lack of strategic thinking.

LCBs have many weaknesses in their staff capabilities and there is a lack of knowledge of marketing tools. In spite of this, LCBs have several strengths which could encourage them to compete. How do LCBs measure their performance, quantitatively or qualitatively? The next section focuses on this.

6.5 LCBs' Performance, Competitive Position and the Banking Industry Future

This section focuses on whether the LCBs were in a position to survive and develop in the current and future competitive market. Today the Libyan market is open and has accepted changes, but there is still a great challenge facing the Libyan bankers, requiring them to work hard to survive. This section discusses how LCBs measure their performance in light of these factors and provides a brief overview on their competitive position.

The Sahara Bank measures its performance quantitatively and qualitatively in order to achieve its goals. Respondent (4) pointed out that performance is assessed by comparing individual performance with that of others. This is when the CBL compares the LCBs position within the existing market.

Respondent (1) said that management has been established in the bank which is competent in the financial performance in particular. His colleague Respondent (2) added that the bank has a specialist department for planning and control which is responsible for evaluating performance, also comparing planned and real budgets on the financial side. Usually, the bank assesses its performance through a variety of sources such as minutes of meetings and reports, plus from departments, (e.g. Operations, and Finance). Further information is gathered from the records of customer complaints, letters from customers, lists of the profits and losses, and the balance sheets of the bank. LCBs usually measure performance in a quantitative way. An interviewee in the NCB, for example, stated that the bank measures its performance through following-up the action plans and responding to the facts. The bank tried to raise some financial indicators, for example, the most important purposes of the bank are current accounts and saving accounts. The bank also worked to encourage customers to deal with the bank.

When the researcher asked: what the factors are that will possibly influence the future of the industry, the majority of the interviewees answered that a lot of internal and external factors influence the banking business, and the external factors have a significant direct impact on the banking business, especially the technological ones. Respondent (1) explained:

Technology and openness to the global market will have the greatest impact on the banking industry, and not necessarily openness to the Western banking markets only, but there are many studies which support the need for a Libyan banking market for financial services and Islamic banking. The influence of technological impact is significantly increased. It has a positive impact, as a result of the speed of achievement and its ease and reduction of time.

Economic factors, financial crises, and the factors of instability are having a significant impact on the banking future ((Respondent 3). This combined with the rapid development in various political, social and demographic aspects of society has lead to the need to change and develop the banking system to accommodate these factors (Respondents 7 & 2).

Globalisation leads to opening up the domestic market to the threat of low priced foreign entrants and technological change. Opening the Libyan market to international markets puts the Libyan banks in an unprecedented confrontation with the institutions of larger and more experienced banks. These institutions offer customers a huge amount of financial services, and this situation requires the banks to focus on re-regulating their products and providing new channels in order to increase their competitive capacity.

6.6 Chapter Summary

This study has used LCBs as its sample. It provides additional evidence in relation to FSMP in developing countries such as Libya, since almost all of the existing studies were conducted in the US, Asian and European countries. The current study provides a new insight into FSMP within the banking industry. This is important because Libya is currently undergoing a very important period of development, trying to follow other Arab countries in their progress.

The study places great emphasis on the type of economy in which FSMP is implemented, because each economy has different factors which play an important role within it. For example, FSMP in LCBs is required as a contemporary idea to deal with the unique characteristics of the current Libyan economy. In an earlier chapter (Chapter 2), it was highlighted that the LCBs have to possess valuable assets and resources to achieve a competitive advantage over each other. Despite the fact that, in the past, their

resources and capabilities may have added value, recent changes in customer needs, industry structure and technology could render them obsolete in the future.

The aim of this chapter is to investigate the respondents' view, inherent in the current study and to expand on the interpretations of the respondents on the research issue. The chapter has presented the perception of the senior managers towards adopting FSMP within the LCBs. The findings reveal that LCBs underwent strong external pressures, which motivated them to create comprehensive FSMP as essential steps to stay, compete and achieve their goals in the market. Although there are some weaknesses and threats challenging healthy strategic planning implementation, there are also a lot of strengths and opportunities which can help LCBs to succeed in this field.

Specific weaknesses of LCBs have been shown, for example in relation to the level of employees in the marketing department, their limited roles in both formulating strategies, and in the process of decision-making. There is limited knowledge of marketing tools and how these can be used effectively. This chapter has given a general picture of the situation of the LCBs. Such data can be used by managers in order to assess and develop their marketing strategy. This information is important to encourage FSMP success.

To summarise, interestingly among the key motivations given in this chapter, the main reasons behind introducing the FSMP into the field of the banking industry seem to be more externally driven. In other words the required market and particularly the customers themselves are becoming more open, so customers expect their banks to be able to service them at a global, not just local level. In addition, the CBL realised that the first priority in making the LCBs competitive was to install new electronic systems in their work in order to facilitate the work and make it faster, and to enhance efficiency, security and the CBL's supervisory role.

Chapter 7 Discussion of Research Results

7.1 Introduction

The primary research question of this study is why and how FSMP should be adopted by the LCBs. The results and the discussion of this chapter are based on the perspectives of the LCBs' managers (Heads of Department) on the process of FSMP. Chapter 5 gave basic information of the respondents' background. For example, most of the respondents have long experience in banking work; their experience surpasses ten years. In addition, more than half of them have a Bachelor's Degree, and more than one third have a Higher Institute Diploma.

The current chapter is divided into different sections: section 7.1 is an introduction. Section 7.2 is concerned with the motivations for the introduction of FSMP, Section 7.3 explores the tools and facilities that LCBs use to formulate and improve the FSMP. Section 7.4 explains staff roles in formulating SMP. Section 7.5 is concerned with the LCBs' goals and strategies. The following section 7.6 is concerned with the FSMP. The sources of information and delegation of decision-making will also be explored in detail in section 7.7. Section 7.8 introduces opportunities and threats and strengths and weaknesses of LCBs (organisational structure, superiors and subordinate-employee relations, functional competencies and work systems, and staff skills and training and development of the LCBs). Finally, section 7.9 shows how LCBs measure their performance and represents respondents' concerns about LCBs' competitive positions.

7.2 Motivations for the Introduction of FSMP

LCBs have only recently adopted FSMP. For this reason, there are no published studies about this issue. According to Efendioglu & Karabulut (2009); and Falshaw et al, (2006), there are only a few studies on strategic planning in developing countries, for example, Bahrain, Saudi Arabia, Turkey, and China. Most of them have examined multiple industries excluding one study which examined the construction industry and was conducted in China. There is no published study examining FSMP in the Arab countries. Therefore, the main aim of this research is to focus on and discover the first

steps of introducing FSMP in the business world that one of the developing countries is taking, by concentrating on reasons and ways of adopting FSMP by some LCBs.

The research results indicated that a number of motivating factors inspired the LCBs to institute marketing strategies. For example, globalisation, the increased educational and cultural level of current citizens and the increase in the number of banks in Libya along with the number of customers has meant that SMP must be introduced in the banking industry. These findings closely agree with those of Zinkhan & Pereira, (1994). This is supported by Drummond et al, (2008); Schuler, (1995); and Wills, et al, (1984) who state that FSMP is necessary when competitive and dynamic environments increase.

The marketing practice can be seen in the context of Webster's (1995) findings on the importance of culture to marketing strategy effectiveness. The qualitative research findings revealed that before 2007 LCBs did not follow any type of SMP. This is possibly because the LCBs were managed by the CBL, or this is the nature of a state owned organisation, it could also be due to successive changes in the banking law. This is consonant with other studies conducted by Ackermann & Eden, (2005); Bryson, (2005); and Poister & Streiber, (2005). Another reason was raised by Steiner (1979) who stated that the weak competitive pressure on firms meant that there was no need to evolve much in their FSMP.

Although, Fifield, (1998) stated that many barriers prevent successful implementation of SMP, such as economic factors, cultural level and social patterns, in Libya, these factors had a positive impact on introducing FSMP as illustrated earlier. Therefore, the Libyan business environment was the main motivator for introducing FSMP. Similar results can be found in several studies that examined the relationship between environmental conditions and strategy (e.g. Andrews, 1980; Armstrong, 1982b; Lorange, 1980, McKee et al, 1990; Pearce et al, 1987; and Perscott, 1986). They found that environmental conditions influence organisational action, For instance the extent to which organisations engage in the strategy-making process, environmental complexity and change could be the strongest determinants of FSMP intensity. In addition, in accordance with previous studies several of them pointed out that recently business has grown and become more complex. Thus, organisations need SMP to become more formalised and explicit and to guarantee the effective communication of objectives and strategies throughout the firm (Elbanna, 2008).

The question that should be asked here is: why have the LCBs chosen to implement this new strategy and not other banks in the field? Choosing the commercial banks to apply the FSMP could be due to the fact that the CBL realised that the changes in the economic conditions that Libya was/is passing through would have prevented the LCBs from staying in the market and competing. Another explanation which supports this idea has been given by Vinzant & Vinzant (1996a) as cited in Obeng & Ugoro, (2008), who stated that a turbulent environment means that local government agencies are prime candidates for FSMP.

Similarly, Poister & Van Slyke, (2002) stated that choosing a specific organisation to implement strategic planning could be due to their experience in gathering and analysing data and using this information to allocate resources. However, Vinzant & Vinzant (1996b) as cited in Obeng & Ugoro, (2008) disagreed with the idea of public organisations adopting FSMP; he justified this by stating that public organisations face difficulties since they are not good at measuring performance. This might be the reason why the CBL hired a consulting company to establish FSMP for the LCBs. The next section explores the type of tools and facilities that LCBs use to formulate and improve FSMP.

7.3 FSMP Facilities

The primary aim of this section is to discover the strategic tools and techniques that LCBs have recently used. This section aspires to address whether respondents in the sample are aware of and know the facilities that their banks use in order to help them to deal with new business conditions. Interestingly, these indicators give a good insight into the participants' knowledge of the business.

The aim of one of the items in the questionnaire was to discover the extent to which these respondents recognise the importance of FSMP. The results illustrated that respondents strongly recognise the role of FSMP in performance (Table 5.26 statement 8 & 9 and Table 5.29). There is a high level of agreement amongst the respondents which supports the importance that LCBs have given to the FSMP facilities (Table 5.11), for example, the results revealed that recently most LCBs used a number of facilities to motivate and encourage good FSMP.

Probst & Buche (1997, p87) identified strategic planning as “A learning process undertaken by a group of people who sat together to think about the future of the company”. This was exactly what happened after ten years in the LCBs when a group of specialists decided to change the LCBs’ future.

It was found that they provided adequate resources and time for developing FSMP; for example, they use external sources for new ideas, the CBL hired specialists (Mckinsey Company) (the US-based management consultancy firm) in order to formulate and monitor strategic planning for the LCBs. This is in line with Mosaica (2001). Calantone et al, (2003) stated that organisations can use a facilitator from outside if their strategic planning exercise was new, or there are insufficient facilitation skills.

FSMP in the LCBs is an ongoing project that is not yet fully implemented. This is why the Mckinsey Consulting Company is still monitoring and supervising the SMP implementation process. This is consistent with previous research of Obeng & Ugoro, (2008). The situation in Libya is inconsistent with a study conducted by Al-Shammari & Hussein, (2008) on the JMO, who found that these organisations formulate their own strategic plans by themselves.

LCBs have also established marketing departments. This reflects the importance of FSMP and strengthens its role. These findings are consistent with Dincer, et al, (2006); and Glaister and Falshaw’s (1999) studies. They found a positive attitude towards FSMP.

Due to the fact that FSMP has only recently been introduced to the LCBs, the results of this study reveal that there was a limited understanding of the concept and process of this definition. An example of this is a common misunderstanding amongst the respondents that they have specific positions in charge of strategic planning (Table 5.10). Surprisingly, with more investigation it was found that the only position in charge of strategic planning is the planners in the financial management, who deal with financial analyses. This result is consistent with results of Al-Shammari & Hussein’s study (2008); and Khan & Alburki’s study, (1992).

The study results with respect to strategic planning committees indicate that each bank has a committee in charge of strategic planning which is composed of key staff members from each department in the bank (Table 5.10 & section 7.2.2).

This finding is not similar to the findings of Al-Shammari & Hussein (2008) who found that JMOs rarely rely on external consultants for their planning activities. The finding is also inconsistent with Caldwell (2004); and Guest & King (2004), who stated that HRs have a limited role in strategic business decision making. In addition to Elbanna (2007) who indicated that in his research sample few organisations made use of external management consultants in the strategic planning process. A possible explanation for this difference in the results could be attributed to the extensive experience of JMOs in the process of strategic planning which is more than LCBs. For example, fourteen years ago in a prior study Al-Shaikh & Hamami (1994) studied this situation in a similar sample and found that 61% were implementing strategic planning. In the following year, they studied the same field, and found 59% of JMOs were implementing strategic planning.

The literature has given several advantages for participating in the process of strategic planning, for example, from the bank managers' point of view who suggested preliminary confirmation of other studies, for instance, Bourgeois & Brodwin (1984); Elbanna, (2008); Hart, (1992); Hirschman, (1970); Hrebiniak & Joyce (1984); Lines, (2004); Lyles & Lenz, (1982); Obeng & Ugoro, (2008); and Wooldridge & Floyd, (1990).

The committees in the LCBs report to senior management before sending reports to the external consultant company. This means that a high level of senior management control of the strategic planning process was found in LCBs.

The study found that although LCBs use one of the best known FSMP tools which is SWOT analysis, which was extensively used in different countries for example, Egypt (Elbanna, 2007); UK (Gunn & Williams, 2007); Bahrain (Khan & Alburki, 1992); Saudi Arabia (Al.Ghamdi (2005); and Turkey (Dincer et al, 2006), the banks need to implement specialist tools, such as Portfolio analysis, Stakeholders analysis and Value chain analysis. There is confirmation between this and Dincer, et al., (2006) (as cited in Efendioglu & Karabulut, 2009) who examined the use of strategic planning tools by 135

Turkish manufacturing and service companies. They found that there was little use of strategic analysis tools. The latter examines the acceptance and the use of strategic processes in Turkey, and found that domestic organisations have efficient tools such as managerial skills and competitive processes.

The next section will discover whether the employees know and understand these strategies, and also whether they are involved in the process of formulating the strategy.

7.4 Staff Roles in FSMP

The foremost result of this study is that the practice of FSMP in LCBs is still very much a work in progress. It is generally assumed that privatisation would make major differences to the Libyan banks. Bonin & Wachtel (1996) stated that the necessary condition for the success of privatisation seems to be that the state remains as a passive investor. In 2007, some of the LCBs were privatised, in other words, parts of their market shares were sold to the public and national and foreign banks. Since then marketing departments have been established, before that, senior management in the banks were responsible for marketing activities.

Several responsibilities have been given to marketing staff in order accomplish their job. A parallel may be drawn between this and the findings of Day (1994); and Song et al., (2008) who emphasise the role of marketing capabilities in achieving and sustaining competitive advantage. Similarly, (Day et al, 1992; Hooley et al, 1990; Piercy, 1985; Thwaites & Lynch, 1992; and Workman et al., 1998) described the case of the marketing function in the LCBs before and after 2007.

In this context determining the actual responsibilities of the marketer is more meaningful than determining the responsibilities of marketing in strategic planning. Piercy (1985) identified five major functions that the Chief Marketing Executive has to conduct: selling, product policy, marketing services, corporate strategy and physical distribution. The findings of this study reveal that LCBs do not delegate these responsibilities to the marketing director, and they prefer to keep them as Executive Board Functions (See appendix F). However, the marketing directors in the LCBs are involved in the process of strategic planning. This result is inconsistent with Anderson,

(1982); Day et al, (1992); Lehmann (2004); Srivastava et al, (1998); Webster (1992); and Webster et al, (2005).

The results show that there is a belief amongst bank employees that senior managers have a good knowledge of market research and its application. However, most of the respondents were not able to decide whether planners in LCBs have the capabilities needed to achieve the banks' marketing strategies, or whether CEOs and staff planners or planning departments are responsible for FSMP function (Table 5.12). These results are inconsistent with some Arab studies in this field, which state that in regard to Arab culture, Arabs believe that senior managers and supervisors have the required knowledge and experience in their specialism (Elbanna {2008 & 2009}; and Pannell & Hatem, 1999).

It was found that marketing managers in LCBs are not specialists in marketing. This situation conflicts with Moorman & Rust' results in 1999, who state that, in service organisations, the marketing function is positively associated with marketing ability to deliver service to the customer. The limited ability of marketers could influence the delivery of services to customers, which will lead to difficulty in developing the strategy in the future years.

The research results demonstrate that the majority of the respondents did not participate in the process of strategic planning formulation, but they do participate in the strategic plan implementation (Table 5.10). In contrast, Efendioglu & Karabulut (2010) found that top management in Turkish companies are involved in the process of strategic planning.

The number of marketing staff in LCBs is severely limited. This finding is similar to a study conducted by Fletcher & Hart (1989), who found that the vast majority of British pharmaceutical firms at that time had one person with overall responsibility for marketing.

Strategic planning for LCBs has been introduced by the CBL and carried out directly by the consulting company in conjunction with the strategic planning committee and senior management. The required information about the banks' general goals and strategies, and marketing goals and strategies are discussed in the next section.

7.5 Goals and Strategies of the LCBs

An organisation's strategies should address its visions and goals. This process requires looking at where the organisation is now and where its goals indicate it wants to be, and identifying specific strategies to get there (Mosaica, 2001).

It is very important to distinguish between the implications and meaning of the banks' general goals and strategies and the marketing goals and strategies. The objective behind this is to discover whether the LCBs' staff has a clear idea and understanding about the fundamentals of strategic planning.

Based on the current circumstances in Libya, LCBs prepared their FSMP in order to face the predictable competition in the market. The quantitative results of the current research stressed that LCBs' FSMP includes their strategic goals (Table 5.3). However, their mission, strategy and goals were not widely communicated to the employees (Table 5.4). This may explain why many respondents were undecided when they were asked if their banks' strategic marketing goals were fully understood by the staff. In addition, a large majority of the respondents were not able to decide if the primary purpose of FSMP was to develop a blueprint for the bank's future (Table 5.5).

It is very important for development and growth to concentrate on the products and services within specific groups. When the respondents were asked whether LCBs' targeted their services to specific customer groups, the results illustrated that they could not decide on this point. This is supported by West et al (2009). However, the banks' websites reveal that all LCBs have divided the market into individuals and companies. The results also indicated that the potential market demand for LCBs' service was not clear if it was extensive; this result could be due to the fact that the Libyan economy was closed and also reflect the Libyan fear and lack of confidence in their business environment (Table 5.5).

The qualitative results demonstrate that the main common goals and strategies of the LCBs were stated as follows: providing advanced services of high quality to customers; Increasing market share by extending the services network at the local level, for example: opening new branches in some areas that have an increased population; increasing the field of financing corporate projects such as infrastructure, public utilities

and education, and improving staff performance via developing training programmes and motivation tools. One of the banks' goals is to increase the usage of the latest technology for the staff and customers. This was supported by Panorama reports, (2010).

The main aims were to strengthen the competitive position of the banks by developing and updating their products and services to satisfy the current customers and attract new ones. This was supported by Panorama Reports, (2010).

Most answers and comments made by interviewees during the interviews attested that marketing goals aim to increase the banks' profitability, which is similar to the bank's goals. This was supported by Webster (1994) who believed that managers under the marketing philosophy are guided by 15 interrelated ideas one of which is managing for profitability, not sales volume.

Although a study by Obeng & Ugboro, (2008) reported that to make strategic planning effective, it must be understood by the employees, the results indicate that there is confusion about the difference between the banks' goals and the marketing goals and between the banks' strategies and the marketing strategies. The previous presentation of the clearly attests that there is a poor understanding of marketing on the part of senior managers. Managers do not understand that marketing objectives are about products and market only, and marketing strategies are reflecting the way that marketing objectives can be achieved through the 5P. The next section discusses to what extent the formality process of SMP increases the level of staff understanding about this process.

7.6 Formal Strategic Marketing Planning

The current research results reveal that LCBs have written their FSMP. It is not surprising that Elbanna (2007) found the percentage of the Egyptian organisations with written strategic plans was 65%. Neither is it surprising that the percentage of LCBs with FSMP is much higher than Elbanna's study (81%). A likely explanation for this finding could be that this research examines only a small number of large commercial banks in Libya.

This process was exactly defined by Hellriegel, Jackson, & Slocum (2005) as strategic planning. The LCBs' marketing plans have been prepared for three years (2007-2010),

taking into account the previous three years and what is expected in the next three years, which means if anything is updated they will incorporate it into the annual plans. This is consistent with Mintzberg's study in 1991.

Each bank in the LCBs has its own manual comprehensive strategic marketing plan manual (documentation). This corresponds to Lysonski & Pecotich (1992) results, who found that formalisation and comprehensiveness are positively related to particular financial performance in a stable environment. In addition, Pulendran et al, (2003) stated that high quality SMP is achieved when planning is formal, comprehensive, rational and interactive.

In order to overcome the criticisms identified by Aldehayyat & Anchor, (2008), LCBs' strategic plans were formulated by the most knowledgeable managers in the banks with the consulting company. The LCBs strategic plans included several activities e.g. marketing, RD, HR, and finance, and this strategy is updated from time to time, i.e. anything which comes up suddenly is included in their annual plans. However, the staff still do not have access to them.

The participants stated that the banks do not have annual marketing plans. By digging further into the banks documents it was found that they do have these plans. The quantitative results confirm this finding, most banks included in the sample prepare written strategic plans (Table 5.8) and these strategic plans include the implementation process (Table 5.9). In addition, they also prepare strategic marketing plans (Table 5.8), but they do not adopt any annual marketing plans (Table 5.5).

These results tend to ask the question why LCBs have SMP and yet do not have annual marketing planning. Several possibilities could answer this question, for example, having a strategic marketing plan and not having an annual marketing planning which may be due to the LCBs' strategic marketing plans being formulated by the consulting company, while the annual plans should be prepared by the banks themselves and the junior managers do not have the required skills and knowledge in marketing to prepare these plans, or it could be due to the lack of effective communication in the banks.

With regard to the procedures, it was found that the LCBs strategic plans tend to be structured and formal. They involve doing things "by the rule book", and may be this

explains the fact that their strategic marketing plans include the legal/regulatory issues, and all their activities are covered by formal procedures (Table 5.7).

7.7 Sources of Information and Delegation of Decision-Making

This section focuses first on the sources of information and, secondly, the delegation of decision-making. According to Porter and Miller (1985), a basic input for planning activity is information. Thus, the information system for FSMP should be strong and capable. To discover the type of information LCBs aim to collect, the respondents were asked several questions.

The results revealed that LCBs collect information about the external business environment (Table 5.19 & 5.20). In addition, their strategic marketing plans include information about past, current and future performance (Table 5.24). The results also reveal that FSMP of the LCBs place most importance with regard to sources of information on national economic trends. They often include this information, perhaps due to the effect of this factor on the banks' business. On the other hand, social trends, population trends and political development are not extensively measured, possibly because of a low growth rate in the Libyan population, which is around 2% annually (OBG, 2010). As for the political factors, this may be because Libya was one of the most stable countries in Africa (see Appendix A). As a result there is no need to continue reviewing the political situation. The final piece of information is technological breakthroughs (Table 5.23).

There is a need for a specific type of information, specific skills of data gathering and analysis and effective communication between the levels within a bank. However the results reveal that at the moment there are insufficient skills in this area and ineffectual communication across levels which could be one of the barriers of implementing FSMP (Table 5.15) (Hickson & Pugh, 1995).

The results also reveal that all sources of information internally or externally are acceptable by the LCBs, for example, Government bodies, local companies, records, periodic reports, magazine, newspapers and so on.

The Libyan banking system used to be based on a vertical, top-down approach under a unitary system (CBL). With regard to the process of delegation of decision-making, the

respondents were asked to what extent the managers in the LCBs involve their employees in the process of decision-making. The results indicated that the employees are not allowed to make any decisions without checking with their line managers (Table 5.25). This result is also consistent with the findings of Kelly & Gennard (2007) and Liu et al, (2010). In addition, this was supported by Millward et al, (2000), cited in Kelly & Gennard, (2007) who stated that in large companies the HR function does not participate in the process of decision making. In LCBs any decisions that employees make must be approved by senior managers. This means that the involvement in the process of decision-making within a department is limited. This also supports Al-Shammari & Hussein's (2008) findings. However the finding is the converse of effective strategic planning that is suggested by (Obeng & Ugoro, 2008).

The participants did not decide whether the participation in decision-making in and between different organisational levels is allowed for senior managers. A possible explanation of this is given by Al-Rasheed (1994) cited in Al-Shammari & Hussein (2008), who stated that this could be due to the traditional Arab culture that influences the type of management style. As mentioned previously in chapter 2 and 3 Arab managers prefer to keep the authority of decision-making to themselves. Consistent with this, Elbanna (2008) agreed that this management style may be due to the influence of culture. Parnell & Hatem (1999) stressed this by saying that participation in decision-making in Egyptian culture is considered as weak management. For this reason it is limited. In this context, other studies have supported the idea that culture affects management style (Ali, 1993, cited in Parnell & Hatem, 1999 and Tse et al, (1988); Ralston et al, 1993; and Hitt et al, 1997, cited in Michael et al, 2002).

7.8 Opportunities, Threats, Strengths and Weaknesses of the LCBs

The results show that LCBs' strategic marketing plans include determining their strengths and weaknesses and threats and opportunities (Table 5.27).

In 1980, Kudla stated that general market conditions affect organisations in different ways. The findings of the current study reveal that LCBs operate within a high level of risk and uncertainty. It was found that a spread of non-agreement between the respondents about this, for example, the Libyan business environment, was not clear if it caused a great deal of threat to the survival of LCBs. However, Elbanna's finding

(2007) stated that environmental changes in Egypt represented a significant obstacle to adopting a strategic planning approach. Moreover, it was not clear whether the demand for the LCBs' services is predictable, whether the declining market for banking products and services was a major challenge and whether it forced the banks to change their marketing practices. In 2007, responding to the market change, marketing departments were established in the LCBs and FSMP was introduced.

To discover whether managers in the LCBs know the role of FSMP in dealing with business, the respondents were asked to state their opinion about this situation. The results show that the majority are well aware of its importance (Table 5.28). Strategic marketing plans of the LCBs include an internal organisational audit (Table 5.13). Law number 1/2005 article 81 requires this action "Each bank must have an internal audit department that is directly subordinate to the bank's board of directors". In addition, the organisational structure is very responsive to environmental changes (Table 5.14). For example, when the circumstances dictate marketing departments in LCBs have been established. LCBs' organisational structures changed substantially during the previous five years; however, the respondents did not expect any further changes in the next five years.

The leadership turnover in the LCBs was not high during the process of FSMP; this may be due to the fact that this is the only SMP used by the LCBs. The organisational structures did not enable employees to carry out participatory management (Table 5.14). This result is consistent with opinions of Hofstede, (1991); Shahin & Wright, (2004); and Youssef, (1994).

Regarding employee relations, apparently there are no real problems in the LCBs with communication in and between different levels of the banks. As mentioned previously in chapter two, the nature of the Libyan society and the Libyan working environment encourages the strengthening of social relations between managers and subordinates. The principles of respect and appreciation for the young to their elders are very important, regardless of employment status, and this links with the Islamic religion and Libyan customs. An explanation has been given by Ali (1996), who stated that several authors confirm that respect for seniority in Arab society is common. Asaf (1983) stated that managers in Arab countries such as Saudi Arabia give priority to friendships and personal considerations over organisational goals and performance. Rosier, et al, (2010)

stated that the communication between levels of management throughout the process of formation and implementation of strategy provide the perfect context for perceptions of justice to thrive.

Although the quantitative results did not clarify if open discussion of conflicts and differences was allowed in the LCBs. the respondents' perception was that LCBs encourage communication and co-operation between different departments, informal conversations between senior and subordinate personnel, and teamwork rather than individual contribution. This result is supported by Sherif, (2010).

Consequently, it can be said that there is a lack of effective communications between senior and more junior employees, as well as a very top down style of planning and decision making. The results suggest that these longer-staying people who have been present through this changing period, and who gained their promotion and learnt their skills under a previous regime will not change easily and perhaps this is at the root of the communications issues.

One third of the respondents thought that their managers did not provide a great deal of support to their subordinates and most of the respondents believe that people are not rewarded in proportion to the excellence of their performance (Table 5.15). The results show that most of the LCBs are seeking to upgrade employees' attitude/friendliness toward clients, for example they have defined training plans for front-office staff (Table 5.17).

According to respondents, most employees have specific and clear functions; nobody crosses over to other jobs or other responsibilities; the bank works in an integrated circle. In 2000, Maltz & Kohli concluded from their study that functional boundaries are important; staff are not allowed do their work through cross-functional boundaries.

Regarding the work environment, the organisational environment of the LCBs did not encourage staff to generate innovative ideas and did not encourage the development and implementation of new ideas (Table 5.16). This could be due to the effect of culture as Hickson & Pugh' (1995) state. The results show that LCBs' strategic plans involve training and development, staff skill and competence, staff turnover, combating absenteeism and promotion respectively (Table 5.17). Although, training and

development was first on their list, the majority of the respondents indicated that they had not had any training in marketing (Table 5.18). However, Akroush, (2003) states that developing marketers' skills is necessary and the only way to achieve this aim is by training them, and these training programmes should be customer oriented.

Training sessions are needed to enable staff to understand and run work on the banks. According to the annual report of the Gumbouria Bank, in 2008, for example, the number of employees in the bank was 5.807, of whom 3.450 were trainees. In 2007, the number of NCB's employees trained within Libya was 1.189, and 344 were trained outside Libya.

Generally, the level of the technical skills of LCB staff is low. From the above it can be deduced that LCBs are aware of the fact that there is one possible way to increase the employees' capabilities in performance which is to concentrate on training at all levels. As for the promotion policy of the LCBs, the qualitative results stated that the management adopted a policy of promotion based on seniority. However, In the Arab nations, Libya has a reputation for having "the finest bankers but the worst banks" (Business Middle East, 2004). Furthermore, LCBs also focus on the functional competencies, which could positively contribute to improving performance.

According to The Banker (2004), technology is essential in regard to competitiveness amongst the modern banking business; it is lowers functional costs and enables efficiency improvements. Banking services are fixed, so looking for the means and methods that allow banks to compete and achieve better results is an essential task. It is difficult to be competitive in the banking service, due to its fixed structure, but it may be possible through a method of providing service.

Information and communication technology (ICT) particularly, could improve and develop the capability of Libyan organisations to communicate and compete with each other. However, in spite of the fact that Libya is one of the wealthiest countries in Africa, the use of technology at present is still minimal (Twati & Gammach, 2006).

With regard to regulations and laws, most of the Libyan banking laws are issued by the CBL, and it determines the whole range of their activities, for example, fund management and investment policies. Thus, the Libyan banking system has a legal

framework managed by the CBL. The law has laid the foundation work for the critical reform efforts that are now under way to divest the CBL from its banking sector holdings (OBG, 2008). The Libyan government has a crucial role in driving the LCBs.

7.9 LCBs' Performance and Competitive Advantages

The process of measuring performance is very important for the LCBs. Research in this area has concluded that firms should utilise both financial and non-financial measures (Clark 1999; Rust et al, 2004) and they should compare these against goals and competitors (Ambler 2003). For this reason, the LCBs' strategic plans include measuring performance (Table 5.30), which is related to strategic planning.

The results reveal that financial and non-financial measures are equally important to them, however, a large number of the respondents indicated that financial measures are more important than the non-financial ones (Table 5.30). This could be due to the idea that top managers were concerned about financial strengths whereas middle and lower managers were more concerned about technical issues (Stevenson, 1976, cited in Fahy & Smithee 1999), or it could be due to the availability of financial data (Kelmer & Noy, 1990). The usage of financial measures has found to be common among companies in different studies (Elbanna, 2007; Kan & Alburki, 1992; Koufopoulos & Morgan, 1994; and Stonehouse & Pemberton, 2002).

In order to check the types of financial measures that LCBs are using, a list of multi-items of financial indicators were introduced to the respondents, for example, the balance sheet, cash flow and earnings growth. The results reveal that the three financial indicators most commonly used by LCBs are, income statement, cash flows and balance sheets. The items of market share and return on assets are the next. Followed by earnings growth and sales growth and, finally, return on investment (Table 5.31).

This frequency of measuring financial indicators is probably due to the availability of related information; or because of the General People's Congress who issued a law imposing all banks working in Libya to submit their financial statements. Law No 1/2005, article No 85 states "Each bank must submit to the CBL: Monthly statements on its financial position...Monthly statements that include details on all advances and

financial credits provided by the bank....A copy of its most recent, audited financial statements...”

In addition, the General People's Congress issued a law asking the banks to use outside resources (external auditing and consulting firms). Law No 1/2005, article No 83 states, “Each bank must assign the auditing of its accounts annually to two chartered accountants...”

Furthermore, the CBL hired some advisory bodies in the process of reforming the financial system, for example, Rothschild (the International Investment Bank) helped in the process of the country's privatisation, Mckinsey Company helped in the process of moderating the management system (OBG, 2008). The CBL has established a NPS, a credit bureau and a deposit insurance scheme. New recruits have been trained under the supervision of foreign consultants to run these projects. In addition, the CBL has hired KPMG and Baker Mckenzis to help them follow international best practices throughout the process (OBG, 2008).

The aim of these actions is to monitor and supervise banking institutions to ensure the soundness of their financial position, monitor their performance, and protect the rights of their depositors and customers, as well as supervise the national system of payments, including clearing operations between banks subject to the provisions of this law, and develop regulations to govern the system (OBG, 2008).

Deposit growth is measured by the CBL by measuring the percentage change in consumer demand for deposits for each bank and between the four banks. The CBL use this measure due to the fact that it represents the largest and most important fund-providing function for commercial banks. Deposit accounts represent 70 to 90 percent of a bank's source of funds; therefore, a lot of strategic activities have been concentrated to support this function; this is supported by Johnson & Johnson (1989). According to the Mckinsey Company, despite a relatively high market share of the LCBs, they do not show a healthy ROI, or ROS. This supports the study results (Table 5.31).

With respect to the non-financial indicators, the results provide several interesting insights. The most important indicators are: LCBs always reflect upon good reputation by for example, participating in some internal and external conferences, galleries and

business magazines. This is consistent with findings of Anderson et al, (1994) who stated that reputation could be a crucial tool in achieving competitive advantage.

The banks also often value customer complaints. In addition, the number of new accounts opened is very important, and this information appears on the banks' websites. Furthermore, the banks often measure the rate of absenteeism, staff skills and competences, promotions, and training and development (Table 5.32).

All respondents agreed that the banks' policies are represented in speed of delivery and ease of procedures as a way of attracting customers, and they offer easy access to banking services, as well as the principle of respecting the customer. However, LCBs have used different customer motivations or values to lead to the purchase of services. The results show that the LCBs ranked their competitive advantages firstly, as good relationships with customers, suppliers and government; secondly, having strong sales and a distribution network; thirdly, having a famous brand name and corporate image; fourthly, offering good customer service; fifthly, strong capability in market research and in-depth market knowledge, which is dependent on employees, who could represent an important source of competitive advantage (Doyle 1999; Baker 2007 and Lovelock 2001, cited in Akroush, 2003); and finally, the offer of highly competitive prices (Table 5.33).

Technological factors also have a significant effect on the banking business; this was stressed by most of the respondents. This is consistent with the results of a survey conducted by Hitt & Hoskisson, (1991) which stressed that an organisation's ability to develop new technologies is at the heart of strategic competitiveness. Therefore, organisations should upgrade their products and business activities through innovation to maintain competitive advantage (Drew, 1997).

The literature suggests that there are many benefits associated with adopting FSMP. Amongst these benefits are: improved financial performance (Thune & House (1970); better understanding of the business environment, and ability to react more quickly to changes (Welch, 1984); clearer direction for employees to follow (Mosaica, 2001); improved ability to attract and satisfy a workforce which is more highly skilled (Al-Shammari, 2007); greater perceived competitive and organisational benefits (Chae & Hill, 1997); greater understanding of customers needs and demands, and the ability to

identify market threats and opportunities more readily (Drummond et al, 2008); better communication with the external environment (Strategic Marketing Planning, 2002); and better coordination between employees as well as a willingness to work together and help to identify sources of competitive advantage (McDonald, 1996).

7.10 Chapter Summary

The core issue of this study is to focus on the rate of adoption of FSMP in the LCBs. The overall objectives of the present study are to identify the main drivers for conducting FSMP within LCBs, and to understand and explore the effects of the external and internal business environment on FSMP. The chapter has reviewed the main quantitative and qualitative results and discussed them in the light of the literature. The process of FSMP includes studying both internal and external factors that affect this process. The results show a significant use of FSMP by the LCBs. However, marketing strategic facilities have limited use, because the banks have only recently established marketing departments and introduced marketing strategies. The findings reveal that LCBs prepared comprehensive formal strategic plans.

The study shows that FSMP formulation in LCBs slightly differs from those in other developing and developed countries. In the former case, this is because the political and economic conditions in Libya differ from those in other Arab countries (see Chapter 2). FSMP in Libya differs from developed countries because of the effect of Libyan culture on the business environment. For example, most heads of department in these banks are involved in the process of formulating the banks' strategies, On the other hand, they are not involved in the day-to-day process of decision-making.

Most of the respondents agreed on specific weaknesses particularly on the part of HR, the necessary marketing tools, the rarity of market research, a lack of necessary knowledge and skills in marketing, spread of bureaucracy and mismanagement, limited published information on market and economic conditions, and the fact that LCBs do not offer modern methods of providing services and finally a lack of financial position. However, the LCBs also have several strong points, for example, a new organisational structure, namely, important departments such as marketing, risk and treasury, a modern work system, new services and products, improving and unifying the internal and external appearance of branches, easy regulations and procedures, clear plans and

policies, the geographical spread of the large number of branches and the experience of the banks in the market.

To conclude, LCBs have only recently adopted FSMP; the banks have a lack of professional staff to apply their strategies and develop them and there is a gap between the theory and practice, therefore, the implementation process will not be straightforward. Although the banks' work system has improved, some methods and procedures need to be reviewed and strengthened, such as the system of decision-making and training.

Chapter 8 Conclusions and Recommendations

8.1 Introduction

The conclusions of this study will be presented in this chapter. In doing so the chapter considers the research aims, objectives and the FSMP framework constructed by the study. It also presents an overview of the main research findings achieved in the research project in light of the research objectives, draws out the resulting implications and the potential contributions to knowledge, and outlines the research limitations in order to share the researcher's experience with others who wish to replicate or extend this research in the future, and the possible areas for future research are considered.

In order to organise the discussion, eight main sections are generated regarding the research objectives (see Section 1.4) and the research findings (see Chapter 5 & 7). The first section in this chapter introduces the initial aim and objectives of the study; it integrates findings and discusses the significant findings identified in both qualitative and quantitative data. The findings are compared and matched with the secondary data, which has been collected through different previous research (chapter 3). In order to show the actual position of FSMP within LCBs and its practice, the micro and macro circumstances are introduced. Section 1 involves four sub-sections (Research objective 1, 2, 3 & 4):

The first sub-section discusses the findings of the first research objective, which is to identify the managerial and performance related benefits of an FSMP approach. It contains three sub-sections: change drivers in the use of strategic planning practice, FSMP facilities, and marketing department and marketers' capabilities.

The second sub-section discusses the findings of the second objective, which is to understand the process of FSMP practice in the LCBs. It also includes three sub-sections: the LCBs' goals and strategies; marketing goals and strategies, and major barriers to the implementation of FSMP.

The third sub-section discusses the results of the third objective, which is to analyse the impact of contextual factors (internal and external factors) on the current state of

development of an FSMP approach in the LCBs. It involves three sub-sections: internal factors, customer service and ways to motivate customers and the performance, competitive position and the future of LCBs.

The final sub-section addresses the last objective, which is to conclude as to the potential benefits of an enhanced rate of FSMP adoption, and recommend how it would best be achieved.

After which there are the policy implications of the research findings. Next, the contributions to knowledge and research implications will be introduced, followed by the limitations of the study. This is followed by a section addressing areas for possible future study, a paragraph outlining what the researcher would do differently. Finally, a personal reflection on the research and reflecting on the research journey will be given.

8.2 Research Aim, Objectives and Findings

The broad focus of the current research was to evaluate and develop an appropriate FSMP framework for LCBs, considering the general context of management approaches to banking services in Libya. The research aim was to understand the empirical framework of FSMP in LCBs. Two gaps were identified in the literature: the first was the need to define more closely the essential factors of the Libyan banking environment affecting the process of FSMP. The second was a need to examine the cultural differences between Libya and other countries that implement FSMP.

The broad scope of this research was not only what LCBs do, but how and why they do it. Therefore, this research attempted to establish a contextualised approach rooted in the Libyan cultural context. For this reason the analysis was extended to involve broad contextual factors that the researcher found had a serious effect on the process of FSMP. The current study focuses on examining the rate of adoption of FSMP in the LCBs. This section attempts to address how far the research objectives were achieved.

8.2.1 Research Objective One

To Identify the Managerial and Performance Related Benefits of an FSMP Approach

This section includes three sub-sections, which are drivers for change in the use of FSMP practice: FSMP tools, and marketing department and marketer capabilities.

8.2.1.1 Drivers of Change in the use of Strategic Marketing Planning Practice

LCBs have only adopted FSMP recently; therefore, one of the key concerns in this research is to investigate the reasons behind making this decision. In order to succeed, the banks' marketing strategy must be adapted to the complexity, competitive pressures, technological change, organisational diversification and size, and customer demands of its environment (Section 3.7). This section shows the reasons that inspired the LCBs to move toward FSMP; these factors play a major role in introducing and implementing FSMP into LCBs.

The findings reveal that, before 2007, LCBs did not follow any type of FSMP process. This could be due to weak competitive pressure on the banks (Steiner, 1979), lack of time, unfamiliarity with the FSMP approach, a lack of skills, lack of trust and openness (Wheelen & Hunger, 2004), a quickly changing environment, the nature of being state-owned, or the complexity of the law. After 2007 there were different economic circumstances in Libya, which involved the banking sector (Section 2.4.1). One of the changes was the introduction of the FSMP process (Ackermann & Eden, 2005; Bryson, 2005, and Poister & Streiber, 2005).

Analysing the organisation's environment is important (Lyndon et al., 2001, as cited in West et al., 2010). The current study has found that several external environmental factors, namely privatisation, market attractiveness, customer needs and wishes, market competition (Gilligan & Wilson, 2003), were considered by LCBs as determinants for introducing FSMP (Section 7.2.1). This finding is consistent with the findings of the studies by several authors as cited by Obeng & Ugoro, (2008) and in which privatisation of the banking sector could be seen as a reason for introducing FSMP; globalisation (Prahalad, 1995). In addition, economic factors, cultural level and social patterns could

affect organisation strategy (e.g. Al-Shaikh, 2001 and Barkdoll, 1999); disposable income was stated by Bain, (1995) and Porter, (1991).

Some authors said technology is also one of the forces that can drive strategic change in organisations (e.g. David, 2001 and Hitt et al, 2003); Prahalad, 1995); Schuler, (1995); and McDonald, (1996) point out competition; Miles., et al (1997); and Powell (1994) stressed organisation size; (Elbanna, 2008 and Shapiro, 2001) mentioned a growing and complex business, and Gilligan & Wilson (2003) mentioned changes in customer needs. Finally this result is supported by Mosaica's (2001) finding that FSMP has a positive contribution link with the target community, resources, programme strategies, governance structure and staff skills and style.

From this, it is clear that banks operating in the same market should introduce FSMP in order to deal with these conditions and to exploit their usefulness. These findings reflect the fact that the conditions that Libya was and is experiencing have a direct effect on the introduction and the implementation of FSMP. Previous studies around the world found similar findings (e.g. Perscott, 1986 and McKee et al, 1990).

To summarise, the key drivers for introducing FSMP into the field of the banking industry seem to be more externally driven, particularly by the demands of the market, customers and changes in marketing practices. All the above-mentioned changes have put Libya under pressure as they require prudent strategies to deal with them.

8.2.1.2 FSMP Facilities

FSMP facilities have yet to be introduced into LCBs. These facilities have been used in various Arab countries with varied degrees of success. Khan, & Alburki, (1992) studied ten of the most common FSMP tools in Bahrain, and found that planners had a very limited understanding of the use of strategic concepts and planning, this is similar to the current study's findings (Section 5.3.2). To solve this problem Hunt & At.Twajiri (1996) suggested employees in the lower levels of the organisation should participate in the process of setting organisational goals.

A study conducted in Saudi Arabia by Al-Ghamdi & Al-Whabi (2001) found that there was some awareness in the use of strategic planning by some Saudi Companies;

likewise they found companies used these tools differently. Another study examining Turkish manufacturing and service companies was conducted by Dincer et al., (2006) cited in Efendioglu & Karabulut (2009), and found little use of strategic analysis tools/techniques.

Although LCBs have yet to use FSMP, they have used other methods to encourage good FSMP. They have provided adequate resources and time, for this they have used external sources for new ideas (Table 5.11). This method of using external sources is supported by Mosaica, (2001); and Shapiro, (2001). However, Efendioglu & Karabulut (2009) examined the use of strategic processes in Turkey and found that domestic organisations have efficient tools to create their own significant competitive challenges.

The CBL hired the Mckinsey Company to help the LCBs in the process of strategic planning. This is consistent with Calantone et al., (2003), who stated that organisations can use an external facilitator if their SMP experience is low, or there are insufficient facilitation skills. However, it is inconsistent with some Arab organisations practice. For example, Al-Shammari & Hussein (2008) found that JMO rarely rely on external consultants for their planning activities.

Since 2007, LCBs have formed committees consisting of the top-management levels of the banks in charge of strategic planning (Section 7.2.2). This action is consistent with Calantone et al., (2003) and Efendioglu & Karabulut (2010). This action is similar to the Greek management policy, which involves only top management in the process of strategic planning (Koufopoulos & Chrysochoidis, 2000). As mentioned earlier, the teams involved in the strategic planning committees in the LCBs are from top management; this is supported by Shapiro, (2001). However, it conflicts with Caldwell (2004) and Guest & King (2004)

Due to the fact that frontline managers have a high level of knowledge about the organisation, Barlett & Ghosal (1994); Donath, (2004); and Kotler et al (2006) suggest that they should be also involved in the process of strategic decision-making. In regard to participation in strategic decision-making, LCBs do not allow front and mid-level management to participate in strategic decision-making. Millward et al., (2000) as cited in Kelly & Gennard, (2007) states that in large companies HR function does not participate in the process of decision-making (Table 5.25, & 7.4.1.2). However, the

literature suggests that seven main advantages can be gained when mid-level management and frontline managers are involved in the strategic process. Firstly, organisational performance can be improved (Bourgeois & Brodwin, 1984; Hrebiniak & Joyce, 1984; Lines, 2004; and Wooldridge & Floyd, 1990). Secondly, such management provide a full understanding of the organisation objectives and clear strategic guidance (Wooldridge & Floyd, 1990). Thirdly, effective strategic planning can be achieved (Obeng & Ugoro, 2008). Fourthly, better formulation of strategic planning and facilitation of strategic planning implementation can be gained (Bourgeois & Brodwin, 1984). Fifthly, strategic plans can be facilitated by the commitment of such managers (Hirschman, 1970). Sixthly, it can also create informational and emotional effects (Ketokici & Castaner, 2004). Finally, there can be a reduction in behavioural impediments to the effectiveness of strategic planning (Al-Shammari & Hussein, 2008; Elbanna, 2008; Hart, 1992; and Lyles & Lenz, 1982).

Thus mid-level managers and frontline managers can assist top management to overcome their limitations in identifying the specifics of environmental change (Barlett & Ghosal, 1994; and Ghosal & Barlett, 1995), to provide the commitment to current strategic key issues (Denison & Mishra, 1995; Dutton, Ashford, O'Neill, Hayes & Wierba, 1997; and Norburn, 1988) and finally to integrate strategy with daily activities (Tregoe & Tobia, 1990).

Zheng et al., (2009) stated that decentralised organisational structure can positively achieve organisational effectiveness, better communication, increased employee satisfaction and motivation. Concerning strategic planning effectiveness and management participation in strategic planning, Elbanna, (2009) states that in Arab countries strategic planning effectiveness enhances FSMP practice, while management participation does not.

8.2.1.3 Marketing Department and Marketer Capabilities

The current study has found that a few of the LCBs have recently realised the importance of marketing departments and concentrated on training employees, in order to contribute to the process of banking and financial renovation and development, to discover investment opportunities, to study new projects, and to keep abreast of the situation of the bank's competitors. The majority of the managers interviewed were

aware that a great many staff in the sales and marketing departments were highly qualified graduates, but, none of them had a professional marketing qualification (Section 7.2.3), and most of them were not trained in marketing (Table 5.18). However, Azizi et al., (2009) found that good quality marketing capabilities have a positive effect on financial, non-financial and on overall performance.

In interviews with the staff in these departments, it became clear that they have very little capability to participate effectively in the FSMP making process; this reflects the findings of Chan & Dandurand (1998). Thus, obviously staff are unable to help the banks to develop their marketing strategies or to achieve competitive advantage. Further research could investigate whether, when the Mckinsey Company withdraws from the FSMP process, these staff will be able to continue with it.

Before 2007, marketing activities were distributed amongst the departments in the banks in the way outlined by Day et al., (1992); Hooley et al., (1990); Piercy, (1985); Thwaites & Lynch, (1992); and Workman et al., (1998). However, in 2007, in order to achieve competitive advantage, marketing departments were established, as suggested by Day, (1994); and Song et al., (2008).

According to the current strategy, several responsibilities are given to marketing departments (Appendix F). Therefore, marketing capabilities have become an important factor for the LCBs to survive in an environment of competition. For this reason, perhaps, marketing directors have become involved in a commitment to SMP. This finding is contrary to the belief that there is no need to involve marketing managers in strategic decision-making (Anderson, 1982; Day et al., 1992; Srivastava et al., 1998; and Webster, 1992). The findings are reflected in Millward et al., 2000 as cited in Kelly & Gennard, (2007) who stated that HR do not participate in the process of decision making.

Thus, marketing departments in the LCBs are still in their infancy, the number of staff in these departments is severely limited, and most are not specialists in marketing. This could negatively affect the level of achievement of the banks' goals and strategies. This problem is supported by the findings of Moorman & Rust (1999), who stated that in service organisations, the marketing function is positively associated with the marketer's ability to deliver service to the customer. In addition, Lehmann (2004), and Webster et al., (2005) state that the confidence of the marketing departments can be

greatly increased if their impact on the success of the organisation as a whole can be measured, and, in turn, the performance of the department will improve. According to Barlett & Ghoshal (1995), the level of the marketing managers' competence has a direct influence on the level of autonomy they enjoy.

It would appear that the contribution of the marketing department to the success of the organisation depends heavily on the ability of the staff, especially if the staff do not have the ability to implement and improve the strategy, as this will negatively affect the level of achievement of the banks' objectives.

8.2.2 Research Objective Two

To Understand the Process of FSMP Practice in the LCBs

Although the general conditions in Libya have affected the banking sector so far in a positive way e.g. introducing FSMP, there are several barriers impeding the success of this process. This section includes three sub-sections which illustrate the LCBs' goals and strategies, their marketing goals and strategies and the key barriers to implementation of FSMP.

8.2.2.1 LCBs' Goals and Strategies

Strategic objectives guide organisations in achieving their mission, and also serve as guidelines for planning at lower levels in an organisation (McDonald, 1996). Strategic objectives are a list of defined statements about what exactly the business wants to achieve in areas such as growth, profitability, market share, volume of production and cost control.

According to Paley, (1999) the main guideline to achieving goals is that each objective must have a corresponding strategy. The findings reveal that there is a clear guideline for the Libyan managers to follow, for example, LCB's strategic marketing plans include their objectives, strategy and implementation (Table 5.3 & 5.9), and this is in agreement with the finding of Bonoma, (1984); and Giles, (1991), who reveal that such credible marketing strategy is able to be implemented because it provides a clear guide for managers. This section summarises the LCBs objectives and strategies (Section 7.3.1), and is divided into five parts:

- **Finance:** LCBs aim to achieve several goals; for example, increasing the rate of growth, market share and asset rate of growth, raising the banks' capital, enhancing and developing deposits, achieving a reasonable rate of liquidity and safety, and developing the bank's infrastructure. In addition, the role of the treasury has been strengthened, and its performance enhanced particularly in the areas of liquidity management.

To increase the rate of growth, LCBs introduced new banking services, investments and products, such as Islamic banking services, concentrating on high service quality and being good at marketing. This result is supported by Voss, et al., (2005).

Regarding the increase in market share, LCBs have extended their service networks at the local level by opening new branches, and increasing the field of finance of corporate projects such as infrastructure, public utilities and education. The CBL has activated and developed assets management and liabilities at the level of the LCBs, and strengthened the risk management of their competitive position.

- **Employees:** LCBs have developed a modern method of managing HR, providing training and development, constructing programs, plans, and mechanisms, in order to build competencies through motivating employees and providing a rewarding and comfortable work environment to enhance bank performance (Slotegraaf & Dickson, 2004). In addition, most of the LCBs have started hiring qualified people and specialist in the banking work.
- **Products:** LCBs have also started to use the latest technology available in accordance with international standards in order to introduce products to customers with high levels of service, and have created new products and services e.g. Islamic banking services.
- **Marketing:** The marketing channels have also been improved, for example ATM and credit card services have become more common. In addition, there are real efforts to use marketing tools, for example, to unify and improve the external and internal appearance of branches in order to improve branding by using advertising tools to attract new customers and announce new services and regulations. In addition, Since FSMP was introduced for the first time into LCBs, the

concentration on service quality, customer complaints and satisfaction, and how and when banks should deliver their services has become more common.

- **Management:** LCBs have activated new organisational structures to face the new competitive environment (Panorama Reports, 2010), which have modified head office functions to be less flat and more decentralised. Some functions and departments have been added, such as a marketing department and risk management. New management approaches have been adopted which depend on strategic business units to strengthen the role of the head office to guide the regional centres or the branches and improve cooperation between them. They have also used a mechanism of facilitating and simplifying the banks procedures to achieve optimum efficiency, to ensure the quality and utilisation of centralised operations by using modern technology and advanced information systems. Work systems have changed from an emphasis on manual work to become more electronic in order to overcome bureaucratic procedures and to save time and effort. Furthermore, the LCBs have extended the new banking systems (NPS and SWEFT), which were already installed in some branches, to the whole branch network, developing the infrastructure of the branches, particularly in the field of communications.

8.2.2.2 Marketing Goals and Strategies for LCBs

The process of FSMP in the LCBs is in progress and it has teething problems. The findings indicate that there is confusion about the difference between a bank's goals and its marketing goals and between a bank's strategies and its marketing strategies. This would also be due to the lack of marketing literate staff. This is supported by a number of sources e.g.: marketing objectives are about services and the market only (McDonald, 1996). Baker (1996) stated that the boundaries are vague between corporate strategy (strategic marketing) and the process of marketing strategy, and this is due to the common issues between them. This misunderstanding could negatively influence the effectiveness of an organisation's strategy (Obeng & Ugboro, 2008).

This confusion could be due to: low awareness of strategic planning and FSMP, unfamiliarity about the marketing function and tools and corporate strategy, a lack of knowledge about this concept, and also a lack of valuable communication within the

banks between the employees and their managers (Tables 5.10 & 5.15). Strategic plans facilitate communication strategy across organisations (Beer & Eisensta, (2000) and it guides its implementation (Floyd & Wooldridge, 1994). Therefore, it must be introduced and understood by employees (Balogun & Johnson, 2005 and Grant, 2003). However, this conflicts with our findings (Table 5.4).

The findings reveal that although LCBs' are included in their FSMP details of mission, strategy, goals, the scale of their problems and how to control and overcome them, the responsibilities of all administration and departments of the banks, the new organisational structures and detailed implementation (Tables 5.3, 5.9 & Section 7.3.3), these issues were not widely communicated to the employees. This may be the reason why the LCBs' marketing strategy goals were not fully understood by the staff (Table 5.4). According to Shapiro, (2001) when the strategic framework is in place, staff should be taken through this, in other words, it is a time for staff to ask questions and gain clarification. Strategy is not a top management secret (Fifield, 1998).

Strategic marketing goals for the LCBs are as follows: achieving profit and growth in the long term, increasing market share, attracting new categories of customers, being the preferred partner to small and large institutions, meeting customers' needs and suggestions and developing the general aspect of the branches. In addition, the findings indicate that marketing strategies, for example, include the following: searching for new marketing opportunities and new methods to offer services such as ATM cards and telephone banking services, developing the employees' capacities to assimilate the technology, advertising, publishing and public relations and studying, modifying and improving the conditions of a set of important products (Section 7.3.2).

8.2.2.3 Major barriers to Implementation of FSMP

According to Mai (2008) a comprehensive control bank strategy needs a closed, highly centralised system, which characterises the Libyan business environment before 2007, while, in a dynamic environment, this type of planning is too rigid and not flexible enough to deal with fluctuations such as those experienced by LCBs after 2007. However, recently, LCBs have developed their own comprehensive plans with flexible practices, i.e. FSMP is in its infancy, so implementation barriers are to be expected.

The findings demonstrate several barriers face FSMP process (Section 7.3.4), for example, the manual methods used in analysing financial indicators and archiving the documents, the lack of understanding of strategy, a poor understanding of the importance of marketing, deficiencies in strategic thinking, centralised management or 'too much top-down management', sudden changes and discrepancies sometimes in laws and regulations governing the banking operations, ineffectual communication across management levels, bureaucratic procedures, maladministration and lack of skills.

Regarding FSMP, the barriers, for example, are: lack of experience in marketing research; a lack of involvement by marketing managers; a lack of reliable, accurate, relevant and valid information; difficulty in anticipating changes in the business environment; a lack of required capability to implement the FSMP and achieve the banks goals; an absence of an accurate database; and fluctuating demand and supply of liquidity. In relation to "Organisational Configuration", this study has found a block to information and decision-making participation between the 'layers' of the organisation's managers; this could reduce the effectiveness of the FSMP approach.

8.2.3 Research Objective Three

To Analyse the Impact of Contextual Factors on the Current State of Development of FSMP Approach in the LCBs

In order to position the LCBs in the industry, it is important to assess and analyse their business environment and to understand the priorities of their competitors (Montgomery & Weinberg, 1991). There are several factors influencing LCBs' ability to introduce an appropriate FSMP process. In fact, these factors played an important role in the introduction of FSMP. The external factors have a crucial role in the many changes happening in Libya, as mentioned before in chapter 2. For example, the country was isolated from the world for around two decades, which negatively reflected on the Libyan economic situation (Otman & Karlberg, 2007). Nowadays, the conditions have changed; external factors, such as global political and economic relationships, have improved; likewise, the internal circumstances have changed, for example, the ownership of important sectors in the Libyan market has changed from a nationalised to a privatised system (OBG, 2008). There is a trend towards economic diversification and openness in the country to FDI and, more specifically, there is a trend to reform the

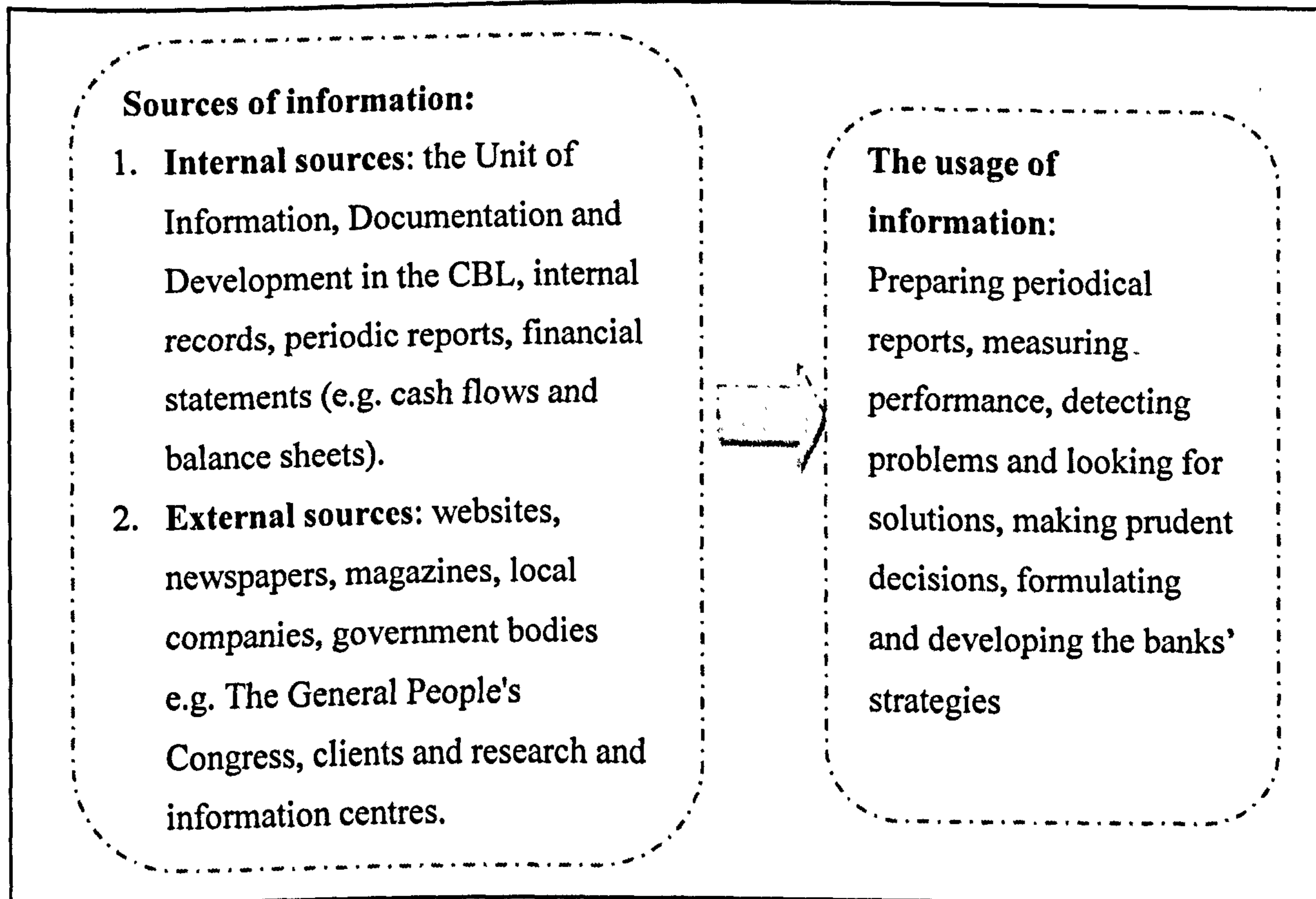
banking sector to become more effective and to be at the same level as other international banks (Otman & Karlberg, 2007). Therefore, these are factors considered by banks when formulating and implementing their FSMP. These factors can be divided into organisational factors and performance, competitive position and the future of LCBs.

8.2.3.1 Internal Factors

It is important to show LCBs' ability to enhance development, and to discover their strengths and overcome their weaknesses. This research has studied several factors in the light of FSMP. The next section will display the sources of information that LCBs use.

Regarding the information sources, figure (8.1) summarises the LCBs' sources of information and how they use them.

Figure 8.1 Sources of Information and Their Usage*



Source: developed by the researcher based in the field study

The LCBs' SMP include information about past, current and future performance (Table 5.24). LCBs often collect information about national economic trends; this may be due to its effect on their business. Social trends and population trends were not extensively measured, which could be due to the low rate of growth in the Libyan population (OBG, 2010). In addition, political developments were not extensively measured (Table 5.23), and this may be due to the high degree of stability in Libya (see Appendix A).

In terms of decision-making, the findings reveal that the process of decision-making is characterised by too much top-down management, which means employees are not allowed to participate in the process of decision-making (Sections 7.4.1.2 & Table 5.25). There is agreement between this result and Liu et al., (2010), who stated that the employees' decisions are usually imposed and controlled in financial firms. In 2010, Liu et al also found that larger CRM campaigns are managed centrally. Different authors have supported the study finding; the low level of delegation of decision-making could be due to the effect of culture (3.6.7.2). In Egypt for example, subordinates' participation in making decisions is considered as weak management (Parnell & Hatem, 1999). In the LCBs, if there is any participation in decision-making, it is only within the same department, but it is limited. This result is inconsistent with Gilligan & Wilson's findings, who stated that strategic marketing should be delegated to planners (Gilligan & Wilson, 2003). In addition, it was supported by Anderson, (1982); and Barlett & Goshal, (1994) who stated that middle managers can help top management in the strategic issues by supporting them with strategic information.

Concerning relations between superiors and subordinates, the current research found that the work environment within LCBs is characterised by friendliness and mutual respect (In this context there are contacts, discussion and cooperation between different departments) (Section 7.4.1.3). Hoon (2007) stated that a good relationship between middle and senior managers enables middle managers to incorporate their ideas into the organisation's personal strategy. In fact, the nature of Libyan society encourages the strengthening of social relations, and maybe for this reason the policy of LCBs is to exploit this distinction by encouraging teamwork rather than individual contributions (Table 5.15).

Regarding the mutual respect between superiors and subordinates and particularly for seniority, Ali, (1996); and Nydell, (1996) suggested this is common in Arab society. In

addition, Hickson & Pugh, 2001, as cited in Elbanna, 2009, stated that respect for seniority in Arab society is all pervasive. In Arab countries priority is given to friendships and personal considerations over organisational goals and performance, and might emanate from the Islamic work ethic (Asaf, 1983). In the Arab community, Egyptian managers are sensitive to personal relationships (Leila et al., 1985, Yossef, 1994; and Hickson & Pugh, 2001). According to Rosier et al., (2010), this kind of relationship provides the perfect context for perceptions of justice to thrive.

As for functional competencies and the work systems of the LCBs, the planning of HR was done annually. Although in some banks there is flexibility to do the work, employees have clear functions and nobody crosses over to other jobs (Section 7.4.1.4), a finding which is supported by Maltz & Kohli, (2000).

The banking work in the LCBs used to be conducted manually. Recently, in order to facilitate the work, save time and effort, and improve overall performance, LCBs have introduced new work systems (NPS and SWIFT), and have followed up with an intensive training programme to go with the new systems and with new functions (Section 7.4.1.4). Training programs differ from one bank to another; some are keen to identify basic training needs for the new employees in order to help them to understand and accomplish their work. Special sessions are also required in special situations, e.g. for the NPS (Section 7.4.1.5). However, it was found that training in marketing is not a major priority (Table 5.18).

Considering the managers abilities, it was found that LCBs' marketing managers do not have the required abilities to develop the banks' future strategies and specifically their marketing strategies. This can negatively affect the relationship with those who deal with the banks, because, for example, they do not have the required abilities to understand the customers' needs in order to satisfy them, as a result, they cannot fully integrate their relationship (Vrontis et al., 2006). Therefore, improving their abilities is necessary for several reasons (see Section 7.2.3 & Table 5.12).

In order to discover the weaknesses and strengths in the relationship between the LCBs and their customers and to propose necessary corrective actions to meet the banks' marketing objectives LCBs use different motivations or values to inspire people to purchase their services. For example, service quality (Rice et al, 1990; Voss, et al,2005;

and Wille, 1992) speed of delivery, ease of procedures, the banks' reputation (Anderson et al., 1994), and offering easy access to banking services are the most common policies to attract customers, and depending on the strategic foreign partner to provide better services. Most of the LCBs establish websites to show their identity and to offer services as well as to save employees and customers' time by offering the procedures and required documents to finish any service.

The tasks of customer services in the LCBs are to provide consolidation, develop the relationship with existing customers, and generalise the new credit processes in all the branches, this was supported by Nagar & Rajon, (2005). It was interesting to find that a wide variety of banking products and services had been introduced by the LCBs, and they had pursued a broad geographical spread policy (Section 7.4.1.6).

8.2.3.2 The Performance, Competitive Position and Future of LCBs

Performance is concerned with the competitive position of the banks in the market. Identifying the banks' competitive position is important to the selection of competitive marketing strategies (McDonald, 1996).

The findings reveal that LCBs measure their performance quantitatively and qualitatively, i.e. financially and non-financially. This result supports Clark, (1999) and Rust et al., (2004). Financial measures and non-financial measures are equally important to LCBs. The most common financial measures used by the LCBs are balance sheets, income statements and cash flows, then market share and ROA (Table 5.3). In addition, the CBL has a special information unit to measure and monitor the banks financial position, as well as the external auditing and consulting firms that banks have to use to prove their financial soundness (Section 7.5).

The non-financial measures garnered from the literature review took various forms (see Table 5.34). Each of them could also reflect different forms, for example, the item customer satisfaction can take different aspects, such as the long term financial effect on a business (Nagar & Rajan, 2005), relations with customers (Srivastava et al., 1998), customer loyalty (Verhoef, 2003), profitability (Anderson et al 1994), improvement in cash flow, and higher returns to shareholders and strengthening of their loyalties (Sheth & Sisodia, 1999).

The most important non-financial indicators for the LCBs are a good reputation, customer complaints, training and development, rate of absenteeism and the number of new accounts opened (Table 5.32).

The CBL's policy about performance is based on comparing the individual financial indicators of the LCBs with each other within the market. Some departments in the banks have been established specifically for evaluating and monitoring the financial indicators. For example, there are specialist departments for planning and control which are responsible for evaluating performance, and also for comparing planned and real budgets on the financial side (Section 7.5).

With regard to the future of the Libyan banking industry, several factors have been identified which could possibly affect this industry in the future; for example, new technology (which offers customers a huge amount of modern financial services) (Dickens, 1992; and Kashani, 1996), the opening of the Libyan market to the world, changes in economic conditions (the financial crises and the factors of instability) (Gilligan & Wilson, 2003), and the configuration of political, social and demographic aspects of society (Section 7.5).

As a result, although economic openness has a positive impact on the economy, LCBs are facing the danger of competition from foreign banks, because these are strong financially [managing funds and investments] and non-financially [regarding the problem of skilled and trained staff] (Gilligan & Wilson, 2003; and Kashani, 1996).

The general conditions in Libya have affected the banking sector so far in a positive way. For example, the organisational structures have been improved to be less flat and to become more decentralised, some functions and departments have been added, such as departments of marketing and risk management. Most of the LCBs have started hiring qualified people with a specialism in banking work. The work system has changed from manual work to become more electronic, in order to overcome bureaucratic procedures and to save time and effort. The marketing channels have also been modernised, for example ATM and credit card services have become more common. There are real efforts to use marketing tools, for example, to unify and improve the external and internal appearance of branches in order to improve banks' brands by using advertising tools to attract new customers and announce new services.

8.2.4 Research Objective Four

To explore the Potential Benefits of an Enhanced Rate of FSMP Adoption, and Recommend How it Would Best Be Achieved

The environment of Libya affects the growth and development of the banking industry. It is crucial to look at the general conditions in which the LCBs exist. Based on the research findings, there are strengths that can be used, weaknesses that need to be addressed, opportunities for development and growth, and threats that could prevent the development of the LCBs. Therefore, these are the suggestions that this research has found for developing good FSMP. For example, some of the strengths of the marketing department could be viewed as strengths in terms of the LCBs in general in their position in the Libyan market in the future. They also could be viewed as strengths in relation to the planning process.

It is clear that most of the LCBs have comprehensive strategic plans and strategic marketing plans (Table 5.8); however, these are still under development and the majority of LCBs managers have no access of them. Very few managers have all of the documentation that is linked to their departments (Section 7.3.6). The findings demonstrate that there is a lack of understanding of marketing goals and strategies at the senior manager level (Section 7.3.7 & Table 5.5). According to Wooldridge & Floyd, 1990, as cited in Elbanna, 2008, in order to enhance middle managers' understanding of the corporate goals, they should be involved in the process of strategic planning. This suggests that at this stage LCBs need to use a more sophisticated policy involving the communication of their mission, goals and strategies in order to guarantee that all departments will work in the same direction and to ensure that effective and successful implementation will be achieved. Whatever the motives for this reluctance to share information, the researcher' views it is a serious weakness, and a barrier. Goals can be much more easily achieved if everyone can see the whole picture. Thus, the FSMP can be implemented more successfully.

By reviewing some of the banks documentations and reports about the strategic planning and particularly about FSMP, it seems that they have enough information that will allow them to make effective strategic marketing plans. In fact, these strategies will positively affect the LCBs competitive position in the future. However, LCBs should

adopt annual plans in order to develop the successes of the marketing strategy (Table 5.5).

To overcome the barriers of implementing FSMP, LCBs started training staff in the use of modern systems (Table 5.17 & Section 7.4.1.5) and hired the Mckinsey Consulting Company to help in the processes of formulating, implementing and controlling strategic planning (section 7.2.2). In addition, one of the new policies that the CBL is currently working on is new legalisation designed to follow international regulatory standards (section 7.4.2.1). In addition, new initiatives have been introduced to enhance transparency; supervision and governance within the sector (see Appendix E).

Other policies have been adopted since 2009, for example, extending efficient credit, establishing a disposal agency to deal with non-performing loans in order to remove them from the system, and developing the system's credit portfolio (Panorama Reports, 2010).

Regarding HR, the number of training programmes has increased and specialised employees have been hired to provide training (OBG, 2008). However, these tools are not enough, therefore, for effective implementation, LCBs should establish marketing departments in those Libyan banks without them, and should hire specialists in marketing who can use marketing tools and implement the work in an effective way, or at least train the current staff on the marketing needs (Section 7.2.3 & Table 5.18). When this happens support should be given to marketing managers to formulate the commitment to marketing strategy. In addition, the study stresses the important role of marketing managers in formulating and implementing the strategy. Thus, high level skills and capabilities are important to continue the strategy, especially for using strategic marketing tools and measuring environmental changes. Thus, LCBs should form committees in charge of FSMP to develop the current strategies and implement them successfully.

LCBs are regularly collecting information about the external environment (Table 5.19). However, this information is not always accurate because it was and is often contradictory and so ineffective (Section 7.4.1.1). The findings indicate that LCBs have established IT units, but they should also hire specialists in ICT and IT to run these units and to help in the process of collecting accurate information and using it effectively.

Although, some top managers were satisfied with the work environment (Section 7.4.1.3), this view was not shared by the lower management level (Table 5.15). There are several possible interpretations of this perspective; it might be because they are not participating in the strategic decision-making or in the process of decision-making itself (Section 7.4.1.2 & Table 5.25), it could be because they are not rewarded in proportion to the quality of their performance (Table 5.15, statement 6), or because there are limited training programmes (English language, Computer and special training programmes for e.g. SWEFT & NPS) (Section 7.4.1.5) and particularly marketing training programmes (Table 5.18), also limited promotions, or lack of encouragement to generate innovative ideas or implement them (Table 5.16).

According to these findings, top management should introduce special training programmes and give some lectures about FSMP to the first and second level of management in order to increase their knowledge about this process and encourage them to participate in the process of decision-making, in this way, they can enhance their involvement in the formulation and development of FSMP, especially, after getting guidance from the consulting company on how to formulate SMP and implement it correctly. It is reasonable here to recommend that, within the same context, top level managers should explain fully and in depth all goals and strategies to all the employees.

In addition, due to the fact that Libyan managers were unfamiliar with the new programmes and work systems, information requirements and tools of FSMP, training and support is needed, as well as guidance in identifying opportunities and target markets. Such programmes will allow employees in LCBs to develop their skills and expertise in all ITC disciplines.

8.3 Contribution to knowledge

The major contributions to come out of this study are two things: the first is the current state of knowledge in terms of FSMP, the second is about understanding the applications of FSMP in a country like Libya and this is why this work is so important.

Since there has been no previous study of FSMP in the LCBs, this thesis can be seen as the first step in the study of this situation in the Libyan banking industry. It has followed the initial steps of the introduction and implementation of FSMP into this industry. In

addition, it has investigated and demonstrated the conditions behind introducing this process into such an industry, and the reasons for delaying this introduction until 2007.

This thesis identified the strategic marketing facilities that LCBs are recently using in order to achieve competitive advantage. The researcher believes that LCBs would benefit from the information introduced in this thesis. The most important tools were to use external bodies in helping the process of formulation and implementation of SMP.

The study has given clear ideas about the nature of the work system in the LCBs, in regard to what extent the centralisation process of strategic decision-making is spread, the main barriers to successful FSMP implementation and how to overcome them. In addition to the main blocks to further development, the study has identified, most particularly, the gap between the strategy and the operational levels. For example, the lack of involvement by marketing managers, ineffectual communication across management levels, bureaucratic procedures, maladministration, lack of skills and an absence of an accurate database. In this regard, the study confirms that collecting information is important for decision making, but finding reliable, accurate information is much more important.

In regard to the environment of work, the study has shown that in spite of the fact that friendliness and mutual respect between superiors and subordinates are very important to enhance the FSMP and achieve its objectives, effective communication is required to make this happen.

The study has confirmed that the organisation's FSMP objectives is not only achieving profitability, or increasing the rate of the financial indicators, but the organisation's FSMP objectives should be more than that; they should concentrate also on customer retention and satisfaction, competitive advantage and sustainability.

The early thought of the researcher was to test the relevant model of Claycomb, et al, (2000). However, the pilot study illustrated that the marketing department and SMP did not exist before 2007, and they were only introduced in 2007 as a result of some variables (see Section 8.2.1.1). Consequently, the aim of this research has shifted from testing this model, to investigating who, why and how FSMP has been adopted by the LCBs. Consequently, it is reasonable here to say that the study has proved that the

Claycomb model was not appropriate in the specific conditions and environment of the study. For example, the research has shown that the most influential variables in the process of FSMP in the LCBs came from outside the banks, which was not tested in the original model. As a result, the methodology has also moved away from adopting a positivist philosophy, an inductive approach using a quantitative method (questionnaire) as the main approach and qualitative method (interview) as a supportive instrument to become an interpretivist philosophy, a deductive approach using quantitative and qualitative methods in equal degree of importance to gain in depth knowledge about this process.

Therefore, the outcome of the research stresses the importance of the pilot study to the research, and the importance of the interview in marketing research. It especially aims to attain a deep understanding of attitudes, perspectives and practices of managers and organisations, in this case who, why and how LCBs adopted FSMP. For example, answers such as: not very often....almost always or strongly disagree...strongly agree did not allow the researcher to understand and explore the reasons that guided the choice of these answers (Ryan, et al, 2002). Therefore, the interpretivist philosophy, the exploratory approach, the semi-structured interview method and the structured questionnaire method were crucial to gain multiple realities from different perspectives, taking into account the contextual understanding, interpretation and the researcher involvement (Carson et al, 2001). Ultimately, the research outcomes proved the success of using these instruments and made a good contribution to marketing research.

In spite of the fact that the current study has used several models as a guide in order to investigate the process of the adoption of FSMP, the integration between these models variables, the literature review in general and the practice of the LCBs was very effective to draw the framework of the process FSMP by the LCBs. As a result, this study contributes to a good understanding of the adoption of FSMP by the Libyan banking industry and the researcher has identified the importance of contextual factors in the process of FSMP, where they should be encouraged and where not encouraged.

Another theoretical contribution has been added to the literature which is about the formalisation process. Most of the literature stressed that to ensure the success of strategic planning and SMP; they should be more formalised, i.e. written documentation. However, this research found that writing down the organisation's plans

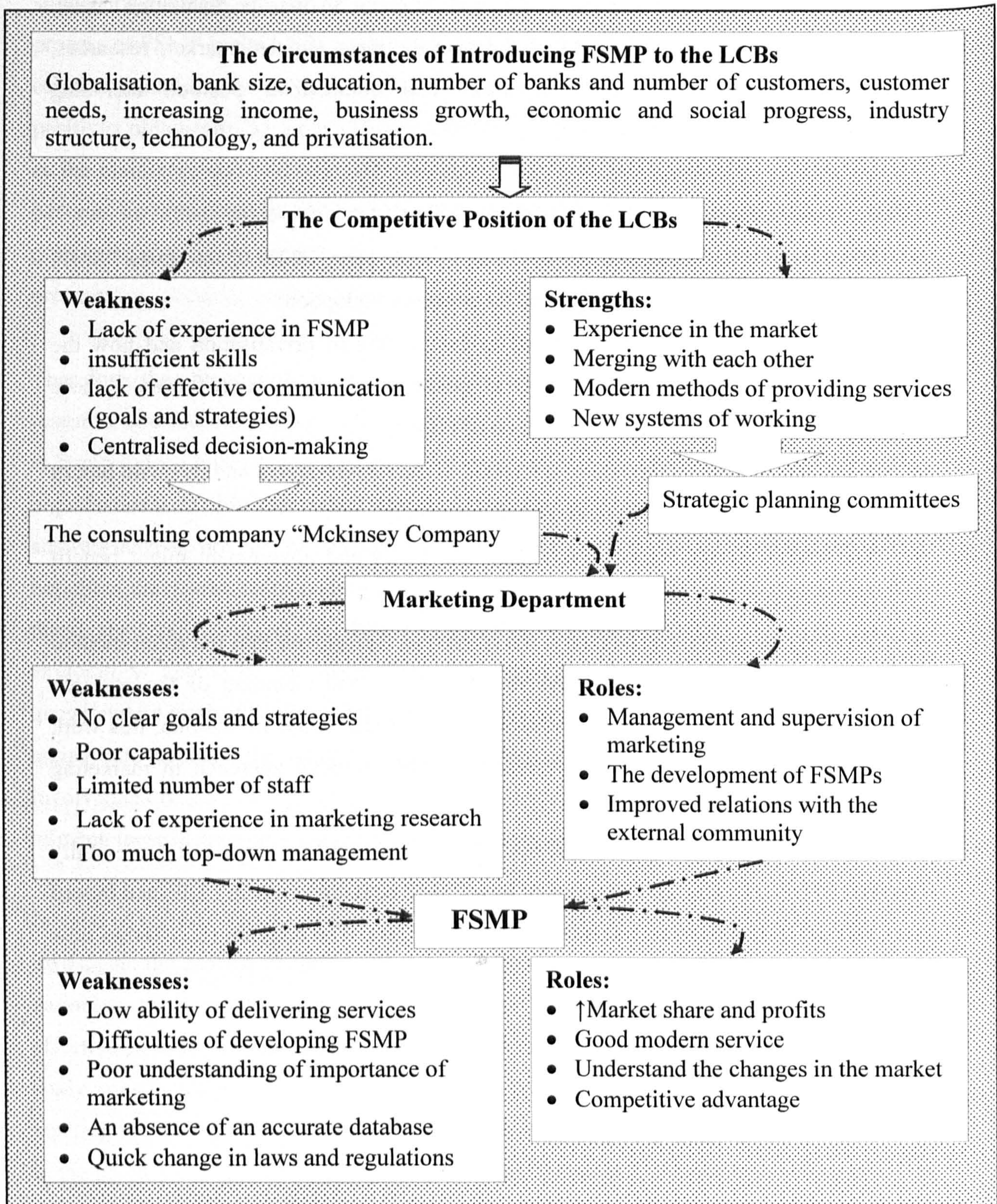
are simply not enough to guarantee its success and effectiveness. Therefore, the researcher has created the definition of formalisation of SMP to be “a written visual, accessed and understood statement of the organisation’s targeted market, resources, marketing aims, objectives, 5P strategies and competitive position including organisational culture and behaviour”

Other sub-contributions which have been reached are:

- The research has identified the key factors motivating LCBs to introduce FSMP, their current levels of awareness and the process of adoption;
- It has shown how FSMP is related to the process of privatisation and how the country’s move from liberalisation to privatisation might benefit from a more systematic approach to the introduction of FSMP;
- It has shown how LCBs currently respond to their environment and the main blocks to a faster rate of adoption of an FSMP approach;
- The researcher has recommended how the LCBs and government might benefit from closer collaboration in this area.
- With regard to the methodology, the researcher has proven that the multi-method adopted in this thesis has provided an in-depth understanding of the research problem and at the same time offered high generalisability. In addition, this work confirms the value of the multi-method as an effective approach in marketing strategy research.

The contribution of this research will not only be to present the outputs of successfully adopted FSMP, but also the processes of how FSMP actually works in LCBs and indeed any barriers to its adoption and how to overcome them. The diagram (8.2) shows how the LCBs’ marketing system operates.

Figure 8.2 The Adoption of FSMP by the LCBs



Sources: developed by the researcher based on the field study

The findings of the current research indicate that contextual factors affect the introduction and the implementation of FSMP in the LCBs. This research extends the

FSMP models by linking them with the syntheses practice of a field study. Thus, this empirical research represents a substantial contribution to the marketing research model and to marketing management itself. By identifying the main factors that affect FSMP, the current research provides directions for the Libyan banking industry to create and improve effective FSMP.

8.5 Study recommendations

The study provides some guidance for the managers of LCBs and the Libyan government to modify certain current policies in devising their marketing strategies. In addition, it helps them to understand the factors that affect FSMP implementation and the development of marketing plans. Equally, it highlights the importance of marketing departments in their success. The researcher suggests some important recommendations for the LCBs and the Libyan government to improve the current state of development of FSMP.

8.5.1 Recommendations for the LCBs

The researcher has identified a package of policy recommendations for LCBs to help them compete with international banks in a challenging global environment. Managers and other banks in the field can learn from the LCBs' experience.

LCBs' management should realise that the support of their marketing departments is crucial. They should pay more attention to this department by giving it the same degree of importance as HR and Finance and by delegating more authority to its managers

To make the involvement of marketing managers in the strategy making process more effective, the study suggests the deployment of marketing specialists. However, it appears that LCBs do not possess the staff capabilities to enable them to do this. It is reasonable to suggest, therefore, that specialist training programmes in marketing could be provided to help them gain the necessary skills. This would include skills in analysing the business environment and improving the marketing strategy in accordance with environmental change.

Staff should be aware of their bank's mission, goals, and strategies. An effective communication system should be established. Thus, clear and concise communications are invaluable.

Top level and middle managers should be involved in and have access to the process of decision making and the implementation of FSMP.

Training programmes for SMP should be introduced to ensure that its objectives are achieved. Furthermore, to create an atmosphere of continuous improvement, employees should be encouraged to suggest new ideas and be empowered to implement them. They should also be rewarded in proportion to the excellence of their performance. Thus, organisational performance should be improved.

The marketing research unit should work together with the ICT department to gather accurate and valid data in order to stay up-to-date with external events. The main environmental factors that could affect marketing activities need to be continuously monitored enabling them to devise strategies that fit the new internal and external environment.

Sufficient resources must be provided (financial and non financial) in order to ensure successful implementation of SMP and SMP tools must be regularly upgraded

8.5.2 Recommendations for the Libyan government

This thesis has demonstrated that in the context of LCBs there is a distinct lack of marketing knowledge and awareness of marketing tools and tasks. Before introducing FSMP, therefore, LCBs need to develop an understanding of the basic mechanics of marketing. In addition, to ensure the successful implementation of FSMP, all relevant managers must be involved in the process. The results indicate that the understanding of the FSMP process varied greatly due to these success factors being overlooked.

The government should increase company awareness of the importance of the marketing function and the value of FSMP in the increasingly competitive Libyan market environment.

Strategic decision-making should be made based on reliable and accurate data; therefore, it is appropriate to recommend that a database centre should be established in each bank in order to ensure that such data is collected and retained.

Due to the fact that most of the interviewees are not specialist, existing employment legislation and regulations need to be applied, specifically in employing staff in the higher positions of the banks. In addition, care should be given to the regulations governing staff benefits.

Essential decisions, such as the establishment of marketing departments and the introduction of FSMP, need to be taken with the involvement of senior managers in the decision making process.

8.5.3 Recommendations for Future Research

The findings of this study provide a contribution to our understanding of the nature and practice of FSMP in LCBs. There are a number of potential areas for future research. Owing to the fact that the current research is the first of its kind, there is an opportunity to compare and observe whether there are any changes in the use of a FSMP process among LCBs over time. It would be useful to investigate the usage of FSMP techniques, and also to examine the relationship between FSMP and organisational performance, an examination of the pervasiveness of the FSMP in other industries, such as manufacturing, or a study comparing practices in different industries, represent additional avenues for research.

This research has studied the formative stages of the development of FSMP in LCBs. Thus, future research could develop a more modern view of the strategic changes being undertaken and incorporate these into the research design. The implementation and control of the FSMP process can be further explored in future research. The relationship between FSMP and the LCBs' performance before and after introducing this process could also be studied. Follow-up research to provide longitudinal data to track the changes in practice over time would also be important. This could be done, for example, by using contingency theory.

One of the most important aspects that the researcher has noticed is the behaviour of some managers in relation to providing the required information. An example of this is that the interviewees stated that the banks have written strategic plans. However, when the researcher asked about some parts of these plans i.e. marketing plans, one manager "X" stated that he did not have any idea about them. However, over time another manager "Y" gave these documents to the researcher, who then discovered that the name of manager "X" was on these documents. He therefore did have knowledge about annual marketing plans, but for some unknown reasons he did not want to share them with the researcher. This type of information controlling behaviour is endemic in many senior management styles.

Future research would benefit from focusing on this area. Therefore, researchers should attempt to gather the whole information relating to his/her research at the same time as they collect their data, this is important even if they are told to contact respondents later if more information is needed. In addition, if the interviewers need any type of document to support their research they should ask one or two or more people about these documents. This is due to the fact that sometimes documents can be kept with other personnel not directly related to the issue being discussed. The researcher here would like to emphasise that this has been her experience in some of the banks but would not like to generalise.

8.6 Research Implications

The key implications of the study for improving the current implementation of FSMP in the LCBs are summarised in the following actions:

The study has examined the FSMP practice of the LCBs and provided a detailed description of LCBs goals and strategies, the Libyan business environment and some of the Libyan management styles. Therefore, this information can help Libyan managers in this industry to identify the critical factors that can affect their success. Based on an understanding of what others did in terms of their business practice, LCBs which are already implementing FSMP may use this information for developing their strategies, and they will roll out FSMP to the other banks in the field.

It should be noted, however, that establishing marketing departments is very important to success in a competitive environment. Success requires more effort and takes longer, therefore, when they delegate more authority to marketing managers their opinions and decisions would become achievable, effective and more acceptable to others.

The study provides some insights for the LCBs' top management who are interested in improving FSMP. Employing specialists in marketing departments and training the current staff enables LCBs to complete what the Mckinsey Company started doing and enables the staff to develop the current strategy without help from anybody.

Effective communication and coordination between departments within banks facilitates the process of gathering accurate and valid data, achieving more, anticipating changes, being less vulnerable to the unexpected, and minimising random decisions.

Care should be given to the type of organisational culture and behaviour when formulating and implementing FSMP, because successful strategies will not be achieved if planners do not consider the cultural issues.

8.7 Limitations of the Study

Human work is not perfect. Any study has its limitations, and the current research is not an exception, therefore, the researcher attempts to recognise specific issues that warrant caution in interpreting the research findings.

This research studied large LCBs that were expected to have standard FSMP practices, heavily influenced by senior management. As a result, it did not examine the situation within all LCBs, due to the fact that FSMP has only recently been adopted, due to the political, social and economic background in which LCBs operate.

Another limitation of this study was due to the nature of the subject, and the researcher's time and information resource constraints; the sample size was small, only four banks. Therefore, future research can achieve deeper insight into FSMP, by using a larger sample size. In addition, in terms of the questionnaire instrument, this study did not include a weighted scale as part of the questionnaire instrument. For example, five options were given for the respondents to assess their opinions, but it was observed that

this particular assessment can be biased, because the respondents, if unsure, usually choose the middle answer, which in this case was “undecided”.

Due to the fact that some LCBs have only just established marketing departments, and introduced individual strategic planning into their work, and because FSMP is subsumed into the overall strategic planning in the bank reports, the current research could not easily distinguish between FSMP as a function and strategic planning as a whole process.

Libya suffers from a problem of a lack of published data, and this has prevented comparisons between the findings of the current research and other research in Libya. In addition, most LCBs cannot disclose their strategic plans owing to business confidentiality. Furthermore, because there is no longitudinal data ready to use, the correlation between FSMP and the LCBs’ performance could not be done. However, similar situations (strategic planning) have been examined in some other Arab countries such as Egypt, Bahrain, Saudi Arabia and the UAE, and a comparison with these studies was drawn.

This research has been affected by the nature of Libyan culture. As an example, in terms of the difficulty of collecting data, the researcher encountered problems discussing some issues and recording the interviews. However, the research analysis proved that the culture issue is not a problem in terms of the key findings (see Section 5.4). The translation process of the interviews could be affected by using such a different language, for example there are words in the Arabic language that cannot be directly translated into English (e.g. “Ahlia” banks, “Musahima” Companies and “Taleep” for the staff). It is often difficult to find a word-for-word translation of Libyan concepts in English. Therefore, to minimise this limitation, the researcher used the original word in Arabic with an explanation in English rather than using a similar word.

The geographical spread of the headquarters of LCBs (Tripoli- Benghazi- Al-Beda) and lack of databases for extracting the FSMP information were among the limitations of this study. Furthermore, generalising the current study findings could be limited to banking industries with similar cultural, political and economic backgrounds, because the empirical data came from LCBs.

8.8 What Could Be Done Differently

Several changes could be made to the research method in order to make it more effective. Because of the interpretative approach conducted in this research to examine the issue of FSMP, and because the concept of FSMP is complex and the quantitative method may not provide a real understanding of it, it might be more effective to explore the subjective meaning of the phenomena by using a more qualitative method (more interviews and fewer questionnaires). This could provide greater in-depth information about the process of FSMP, its circumstances and how and why it was introduced to LCBs. For this reason, extending the interviews to include more policy makers e.g. the Minister of the Economy and Planning, the Management Board of the CBL and members of the Mckinsey Company would achieve this aim.

8.9 Reflection for the Western Context

The research findings reveal that Arabic culture has a significant effect on the introduction and implementation of FSMP. The researcher observed several advantages of FSMP for western organisational culture. For example, it affects the communication system between the different layers of personnel often in a positive way, promoting loyalty, mutual support and team-working rather than individualism. This western work environment strengthens the relationship between staff in a way, which encourages organisational collaboration, and facilitates and enables the attainment of an organisation's goals and objectives.

Although there are a lot of advantages to this system, they are not common in Eastern organisations. Therefore, there are benefits to be gained through implementing Western practice, particularly in order to break the formal communication wall between the senior and lower level managers.

8.10 Personal Reflections

Having nearly completed a research degree and having three years academic experience in the subject area gave the researcher confidence to explore alternative methodological approaches to the current research. This research helped the researcher to improve her academic skills. For example, I have learnt the following:

- More about how to defend arguments and the importance that methodology plays in all research.
- That both qualitative and quantitative research methods can pursue the same objectives and they can complement each other.
- That each methodology suits a particular study.
- To justify why the research is conducted in a certain way, and why I have chosen this approach to analyse data.
- That in social research there is no right or wrong answer, and there is no best method, provided the choice made can be explained and supported.
- That the stage of collecting data was a challenge for the researcher. I thought because I was sponsored by the Libyan government there would be no problem gathering data from Libyan banks, and that it would be easy to access bank documents. I discovered I was wrong. However, it helped a lot to know one of the senior managers of one of the banks. I realised that without the help of this person it would have been difficult to access the necessary people and bank documents.
- That these results gave the researcher the chance to understand all the factors that play an important role in FSMP in the Libyan banking industry.

The most important thing that the researcher achieved is that she took a personal journey, and through this journey she became more creative, innovative, independent and more assertive. In addition, she developed her critical analysis skills.

REFERENCES

- Aaker, D. A. (2001). *Strategies Market Management*. New York: John Wiley & Sons, Inc.
- Aberdeen-Group. (2002). Bridging the divide: Process, technology, and the marketing/sales interface. *Marketing View Point* , 4, 1-12.
- Abratt, R., & Higgs, N. (1994). Marketing Planning Practices of South African Companies. *Marketing Intelligence & Planning* , 12 (2), 26-31.
- Abratt, R., Beffon, M., & Ford, J. (1994). Relationship Between Marketing Planning and Annual Budgeting. *Marketing Intelligence and Planning* , 12, pp.22–28.
- Abu-Kasim, N. A., Minai, B., & Chun, L. S. (1989). Performance Measures in Malaysia-The State of the Art. *Malaysian Management Review* , 24, 3-9.
- Ackerman, F., & Eden, C. (2005). *The Practice of Making Strategy*. SAGE Publication.
- Ackoff, R. L. (1981). *Creating the corporate future*. New York: John Wiley & Sons.
- Acur, N., Gertsen, F., Sun, H., & Frick, J. (2003). The formalisation of manufacturing strategy and its influence on the relationship between competitive objectives, improvement goals, and action plans. *International Journal of Operations & Production Management* , 23 (10), 1114-1141.
- Adcroft, A., & Willis, R. (2008). A snapshot of strategy research 2002-2006. *Journal of Management History* , 14 (4), 313-333.
- Africa-Confidential. (1982).
- African Economic Outlook. (2008). *African Economic Outlook*. Retrieved March 13, 2009, from African Economic Outlook: <http://www.africaneconomicoutlook.org>
- Agnaia, A. A. (1997). Management Training and Development within its Environment: the Case of Libyan Industrial Companies. *Journal of European Industrial Training* , 21 (3), 117-123.
- Aiken, M., & Hage, J. (1968). Organizational interdependence and intra-organizational structure. *American Sociological Review* , 33, 912-930.
- Akroush., M. N. (2003). *An Integrated Approach To Marketing Strategy Formulation and Implementation*. The University of Huddersfield.
- Al.Ghamdi, S. M. (2005). The Use of Strategic Planning Tools and Techniques in Saudi Arabia: An Empirical study. *International Journal of Management* , 22 (3), 376-395.
- AL.Ghamdi, S., & Alwuhaibi, S. (2001). Strategic planning in Saudi Arabia. *Unpublished working paper*.

- Al-Bazzaz, Shawki, & Grinyer, P. H. (1980, August). How planning works in practice-A survey of 48 U.K. companies. *Long Range Planning*, 30-42.
- Aldehayyat, J. S., Khattab, A. A., & Anchor, J. R. (2010). The Use of Strategic Planning Tools and Techniques by Hotels in Jordan. *Emerald Group* , 1-19.
- Alfred. D & Chandler. R. (1962). *Strategy and Structure*. Cambridge: MIT Press.
- Ali, A. (1993). Management Theory in a transitional Society: the Arab Experience. *International Studies of Management & Organisation*, 20 (3), 7-35.
- Ali, A. J. (1996). Organisational development in the Arab world. *Journal of Management Development*, 15 (5), 4-21.
- Alqadhafi, S. (2002). *Libya and the 21st century*. Roma: One 9 Media.
- Al-Rasheed, M. A. (1994). *Banks managers in Jordan: a study of motivation, job satisfaction, and comparative organisational practices*. Canterbury.
- Alreck, P. L., & Settle, R. B. (1985). *The Survey Research Handbook* (3ed edition ed.). Homewood Illinois: Richard D. Irwin, Inc.
- Al-Sammari, H. A., & Hussein, R. T. (2008). Strategic planning in emergent market organisation empirical investigation. *International Journal of Commerce and Management* , 18 (1), pp.47-59.
- Al-Shaikh, F. N. (2001). Strategic Planning Process in Developing Countries: The Case of United Arab Emirates Business Firms. *Management Research News* , 24 (12), 7-16.
- Al-Shammari, H. A., & Hussein, R. T. (2007). Strategic planning-firm performance linkage: empirical investigation from an emergent market, Advances in Competitiveness Research alliances. *Association Management*, 51, 86-92.
- Ambler, T. (2003). *Marketing and the Bottom Line*. London: FT Prentice Hall.
- Andersen, T. J. (2000). Strategic Planning autonomous actions and Corporate Performance. *Long Range Planning* , 33, pp.184-200.
- Andersen, T. J. (2004). Integrating decentralized strategy making and strategic planning processes in dynamic environments. *Integrating decentralized strategy making and strategic planning processes in dynamic environments*, 41 (8), 71-99.
- Anderson, C., & Paine, F. (1975). Managerial perceptions and strategic behavior. *Academy of Management Journal*, 18, 811-823.
- Anderson, E. W., Fornell, C., & Lehmann, D. R. (1994). Customer satisfaction, market share and profitability: findings from Sweden. *Journal of Marketing*, 31, 191-201.

- Anderson, P. F. (1982). Marketing strategic Planning and the Theory of the Firm. *Journal of Marketing*, 46, 15-26.
- Anderson, V. (2009). *Research Methods In Human Resource Management*. London: Chartered Institute of Personnel and Development.
- Andreewsky, E., & Bourcier, D. (2000). Abduction in language interpretation and law making. *Kybernetes*, 29 (7), 836-845.
- Andrews, K. R. (1971). *the Concept of Corporate Strategy*. Irwin: Homewood, IL: Dow Jones.
- Anima Investment Network. (n.d.). *Finance & Banking System*. Retrieved November 2010, from Anima: http://www.animaweb.org/en/pays_libye_financesbanques_en.php.
- Ansoff, H. I. (1965). *Corporate strategy: an analytic approach to business policy for growth and expansion*. New York: McGraw-Hill.
- Ansoff, H. I. (1991). Critique of Henry Mintzberg's —The design school: Reconsidering the basic premises of strategic management. *Strategic Management Journal*, 12 (6), 449–461.
- Ansoff, H. I., & McDonnell, E. J. (1990). *Implanting strategic management*. New York; London: Prentice Hall.
- Ansoff, H. I., Avener, J., Brandenburg, R. G., Portner, F. E., & Radosevich, R. (1971). *Acquisition Behavior of U.S. Manufacturing Firms*. Nashville: Vanderbilt University Press.
- Ansoff, H. I., Avner, J., Brandenburg, R. G., Portner, F. E., & Radosevich, R. (1970). Does planning pay? The effect of planning on success of acquisitions in American firms. *Long Range Planning*, 3, 1-7.
- Anthony, R. (1965). *Planning and Control Systems: A Framework for Analysis*. Cambridge, Mass: Graduate School of Business Administration, Harvard University.
- Antoncic, B., & Hisrich, R. D. (2001). Intrapreneurship: construct refinement and cross-cultural validation. *Journal of Business Venturing*, 16 (5), 495-527.
- Antoncic, B., & Hisrich, R. D. (2004). Corporate entrepreneurship contingencies and organizational wealth creation. *Journal of Management Development*, 23 (6), 518-550.
- Argentini, J. (1983). *Systematic Corporate Planning*. Berkshire, England: Van Nostrand Reinhold.
- Armstrong, S. J. (1982b). The value of formal planning for strategic decisions: review of empirical research. *Strategic Management Journal*, 3 (3), 197-211.
- Armstrong., S. J. (1982a). *Strategic planning and forecasting*, in Kenneth Albert. *The Strategic Management Handbook*. New York: McGraw-Hill.

- Asaf, A. (1983). *The Organisation's Administration in Saudi Arabia*. Saudi Arabia-Riyadh: Dar Al Alom.
- Ashaikh, F. N., & Hamami, Y. T. (1994). Strategic planning in Jordanian business organisations. *International Journal of Management*, 11 (4), 928-939.
- Ashill, N., Frederikson, M., & Davies, J. (2003). Strategic marketing planning a grounded investigation. *European Journal of Marketing*, 37 (3), 430-460.
- Atiyah, H. S. (1997). Culture, management and organisations in Arab countries: a review of research findings. *Cross Cultural Management*, 4 (2), 13-20.
- Austin, J. E. (1990). *Managing in Developing Countries- Strategic Analysis and Operating Techniques*. London: the Free Press.
- Awang, K. W., Ishak, N. K., Radzi, S. M., & Taha, A. Z. (2008). Environmental Variables And Performance: Evidence From The Hotel Industry In Malaysia. *Journal of Economics and Management*, 2 (1), 59 –79.
- Azizi, S., Movahed, S. A., & Khah, M. H. (2009). The effect of marketing strategy and marketing capability on business performance. Case study: Iran's medical equipment sector. *Journal of Medical Marketing*, 9 (4), 309-317.
- Baile, K. C. (1998). *A study of strategic planning in federal organizations (a Doctor Dissertation the Faculty of the Virginia Polytechnic Institute and State University*.
- Bain, N. (1995). *Successful Management*. London: Macmillan Press Ltd.
- Baker, & Michael, J. (2010). *Marketing theory: a student text* (second ed). London: SAGE.
- Baker, J. Michael. (2007). *Marketing Strategy and Management* (4th ed). Palgrave Macmillan.
- Baker, M. J. (2003). *Business and management research: how to complete your research project successfully*. Helensburgh: Westburn.
- Baker, M., Hart, S., Black, C., & Abdel-Mohsen, T. (1986). Distribution Marketing to Competitive Success: A Literature Review. *Journal of Marketing Management*, 2, 39-61.
- Baker, T. L., Penny, M. S., & Siguaw, J. A. (1999). The Impact of Supplier's Perceptions of Reseller Marketing Orientation on Key Relationship Constructs. *Journal of the Academy of Marketing Science*, 27 (1), 50-57.
- Baker, W. H., Addams, L. H., & Davis, B. (1993). Business Planning in Successful Small Firms. *Long Range Planning*, 26, 82–88.
- Balogun, J., & Johnson, G. (2005). From intended strategies to unintended outcomes: the impact of change recipient sense making. *Organization Studies*, 26 (11), 1573-1601.

- Bantel, K. (1993). Top team, environment, and performance effects on strategic planning formality. *Group & Organization Management*, 18, 436-458.
- Barkdoll, G. L. (1998). *Individual Personality and Organisational Culture or "Let's Change This Place So I Can Feel More Comfortable" [Paper On Organisational Cultural]*. Pittsburgh: The Pennsylvania State University.
- Barlett, C. A., & Ghoshal, S. (1995). Rebuilding Behavioral Context: Turn Process Reengineering into People Rejuvenation. *Sloan management review*, 37 (1), 11-23.
- Barney, J. (1991). Firm Resources and Sustained Competitive Advantage. *Journal of Management*, 17 (1), 99-120.
- Bartlett, C. A., & Ghoshal, S. (1994). Changing the role of top management: Beyond strategy to purpose. *Harvard Business Review*, 72 (6), 79-88.
- Baue, W. M., & Gaskell, G. (2000). *Qualitative researching with text, image and sound: a practical handbook*. London: Sage.
- Bausman. (2002). *An empirical investigation of the relationship between strategic planning and performance of large construction firms*. Heriot Watt University.
- Beal, R. M. (2000, JAN). Competing Effectively: Environmental Scanning, Competitive Strategy, and Organisational Performance in Small Manufacturing Eirms. *Journal Of Small Business Management*.
- Beck, P. W. (1982). Corporate planning for an uncertain future. *Long Range Planning*, 15 (4), 12-21.
- Beer, M., & Eisenstat, R. A. (2000). The silent killers of strategy implementation and learning. *Sloan Management Review*, 41 (4), 29-40.
- Berg, B. L. (2004). *Qualitative Research Methods for the Social Sciences* (5th Edition ed.). Boston, MA: Pearson Education Inc.
- Berry, L. (1987). Big Ideas In Services Marketing. *The Journal of Services Marketing*, 1 (1), 5-9.
- Berry, M. (1998). Strategic planning in small high tech companies. *Long Range Planning* , 31 (3), 455-66.
- Berry, S. (1989). Social Institutions and access to resources. *Journal of the International African Institute*, 59 (1), 41-55.
- Beyson, J. M. (1995). *Strategic Planning for Public and Nonprofit Organizations*. San Francisco, CA: Jossey-Bass.
- Bhide, A. (1986, September/October). Hustle as strategy.

- Bill, W., & Floyd, S. W. (1990). The Strategy Process, Middle Management Involvement, and Organizational Performance. *Strategic Management Journal*, 11, 231-241.
- Blair, R. (1998). Strategic planning for economic development: A suggested model for program evaluation. *Public Administration Quarterly*, 22 (3), 3-31.
- Bonin, J., & Wachtel, P. (1996). Towards Market-Oriented Banking in the /economic in Transition. *the second dubrovnik conference on Transition economies*, 26-28.
- Bonn, I. (2003). *Strategic Management in Australian Organisations. Doctor of Philosophy Thesis, Swinburne University*. Australia: Swinburne University.
- Bonoma, T. V. (1985). Case Research in Marketing: Opportunities, Problems, and a Process. *Journal of Marketing Research*, 4, 199-208.
- Bougeois, J. L. (1996). *Strategic Management from Concept to Implementation*. US: The Dryden Press.
- Boulton, G. (1984). Development of a theoretical model of sediment dispersal by ice sheets, in Prospecting in Areas of Glaciated Terrain 1984. *Institute of Mining and Metallurgy*, 213-223.
- Bourgeois, I. L. (1980). Strategy and environment: A conceptual integration. *Academy of Management Review*, 5, 25-39.
- Bourgeois, L. (1996). *Strategic management: from concept to implementation*. Fort Worth: Dryden Press.
- Bourgeois, L. J., & Brodwin, D. R. (1994). Strategic Implementation: Five Approaches Proaches to an Elusive Phenomenon. *Strategic Management Journal*, 5 (3), 241-264.
- Bower, J. L., Bartlett, C. A., Christensen, C. R., Pearson, A. E., & Andrews, K. R. (1991). *Business Policy: Text and Cases* (Seven ed.). Boston: Richard DIRWIN Inc.
- Boyd, H. W., Walker, O. C., & Larreche, J.-C. (1998). *Marketing Management. A Strategic Approach with A Global Organisation*. Irwin: McGraw-Hill.
- Boyd, H., Walker, O., & Larreche, J. (1995). *Marketing management –A strategy approach with a global orientation*. Chicago, IL: Irwin.
- Boyd, K. B. (1991). Strategic planning and financial performance: a meta-analytic review. *Journal of Management Studies*, 28, 353-74.
- Boyd, L., Gupta, M., & Sussman, L. (2001). A new approach to strategy formulation: Opening the black box. *Journal of Education for Business*, 76 (6), 3-38.

- Boyd, P. M., Neale, D., & Rendal, G. (1993). *The adult foot. In: Neales' common foot disorders. Diagnosis and management. A general clinical guide.* Lorimer, D. L. Edinburgh: Churchill Livingstone.
- Boyne, G. A., & Walker, R. M. (2004). Strategy content and public service organisations. *Journal of Public Administration Research and Theory, 14* (2), 231-52.
- Bracker, J. S., & Pearson, J. N. (1986). Pearson Planning and financial performance of small, mature firms. *Strategic Management Journal, 7* (6), 503-22.
- Bracker, J. S., Keats, B., & Pearson, J. P. (1988). Planning and Financial Performance among Small Firms in a Growth Industry. *Strategic Management Journal, 9*, 591-603.
- Bradley, N. (2010). *Marketing research: tools & techniques* (Second ed). New York. Oxford: Oxford University Press.
- Brews, P., & Hunt, M. R. (1999). Learning to Plan and Planning to Learn: Resolving the Planning School/Learning School Debate. *Strategic Management Journal, 20*, 889-913.
- Brickner, W. H., & Cope, D. M. (1977). *The planning process.* Winthrop Publishers.
- Broadly-Preston, J., & Hayward, T. E. (1998). An assessment of the relationship between Marketing, Information and Strategic Formulation in the UK Retail Banking Sector. *International Journal of Information Management, 18* (4), 277-285.
- Brooksbank, R. (1994). The Anatomy of Marketing Positioning Strategy. *Marketing Intelligence & Planning, 12* (4), 10-14.
- Brooksbank, R. W. (1991). Successful Marketing Practice: A Literature Review and Checklist for Marketing Practitioners. *European Journal of Marketing, 25*, 20-29.
- Brooksbank, R., & Taylor, D. (2002). The adoption of strategic marketing and its contribution to the competitive success of New Zealand companies. *Marketing Intelligence & Planning, 20* (7), 452-461.
- Brooksbank, R., & Taylor, D. (2007). Strategic marketing in action A comparison of higher and lower performing manufacturing firms in the UK. *Marketing Intelligence & Planning, 25* (1), 31-44.
- Brooksbank. (1999). The theory and practice of marketing planning in the smaller business. *Marketing Intelligence & planning, 17* (2), 78-91.
- Brouthers, K. D., Brouthers, L. E., & Werner, S. (2000). Influences on strategic decision-making in the Dutch financial services industry. *Journal of Management, 26* (5), 863-883.
- Bryman, A. (1988). *Quantity and Quality in Social Research.* London, Boston: Unwin Hyman Publications.

- Bryman, A. (2001). *Social research methods*. Oxford: Oxford University Press.
- Bryman, A. (2003). *Triangulation*. In *Encyclopedia of Social Science Research Methods*. London: Sage.
- Bryman, A., & Bell, E. (2003). *Business Research Methods*. Oxford: Oxford University Press.
- Bryson, J. (2005). *Strategic Planning for Public and Nonprofit Organizations: A Guide to Strengthening and Sustaining Organizational Achievement* (3rd ed). John Wiley & Sons.
- Burns, T., & Stalker, G. (1961). *The management of innovation*. London: Tavistock.
- Burt, D. N. (1978). Planning and performance in Australian retailing. *Long Range Planning*, 2, 62-66.
- Businessdictionary. (n.d.). *marketing strategy*. Retrieved December 2009, from Businessdictionary: <http://www.businessdictionary.com/definition/marketing-strategy.html>.
- Buzied, M. M. (1998). *Enterprise Accounting and its Context of Operation: the Case of Libya*. Durham: University of Durham.
- Buzzel, R. D., & Gale, B. T. (1987). *The PIMS principles: linking strategy to performance*. New York: Free Press.
- Byars, L. L., & Neil, T. C. (1987). Organisational Philosophy and Mission Statements. *Planning Review*, 15, 32-35.
- Calantone, R., Garcia, R., & Dröge, C. (2003). The Effects of Environmental Turbulence on New Product Development Strategy Plannin. *The Journal of Product Innovation Management*, 20, 90-103.
- Caldeira, M., & Ward, J. (2002). Understanding the successful adoption and use of IS/IT in SMEs: an explanation from Portuguese manufacturing industries. *Information Systems Journal*, 12 (2), 121-152.
- Caldwell, R. (2003). *Rhetoric, facts and self-fulfilling prophecies: exploring practitioners' perceptions of progress in implementing HRM*. Oxford: Blackwell Publishing Ltd.
- Caldwell, R. (2004). Rhetoric, facts and self fulfilling prophecies: exploring practitioners' perceptions of progress implementing HRM. *Industrial Relations Journal*, 35 (3), 196-215.
- Cameron, K. S. (1986). Effectiveness as paradox: consensus and conflict in conceptions of organizational effectiveness. *Management Science*, 32 (5), 539-53.
- Capon, N., Farley, J. U., & Hulbert, J. M. (1994). Strategic planning and financial performance: more evidence. *Journal of Management Studies*, 31 (1), 105-10.

- Cappel, S. D. (1990). *Strategic Profiles and Performance in Service Organizations: Examining Retail Department, Variety and General Merchandise Stores*. Unpublished doctoral dissertation, Memphis State University, Memphis, Tennessee. Memphis.
- Carson, D. (1990). Some exploratory models for assessing small firm's marketing performance (a qualitative approach). *European Journal of Marketing*, 24 (11), 5-51.
- Carson, D., Cilmore, A., Perry, C., & Kjell Gronhaug. (2001). *Qualitative Marketing Research*. Guildford: Biddles Ltd.
- Cavusgil, S. T., & Zou, S. (1994). Marketing strategy-performance relationship: An investigation of the empirical link in export market ventures. *Journal of Marketing*, 58, 1-21.
- Chae, M.-S., & Hill, J. S. (1997). High versus low formality marketing planning in global industries determinants and consequences. *Journal of Strategic Marketing*, 5, 3-22.
- Chakravarthy, B. S. (1986). Measuring strategic performance. *Strategic Management Journal*, 7, 437-58.
- Chan, A. K., & Dandurand, L. (1998, Spring). A Structural Analysis of Technology Usage in Creation. *Sloan Management Review*, 9 - 18.
- Chandler, A. D. (1962). *Strategy and structure: Chapters in the history of the industrial enterprise*. Cambridge: The M.I.T. Press.
- Cheng, J. (2004). *An Investigation into Strategies Affecting the Long-term Performance of Chinese Chemical companies*. A PhD Thesis Submitted University Of South Australia.
- Child, J. (1972a). Organization Structure and Strategies of Control: A Replication of the Aston Study. *Administrative Science Quarterly*, 163-177.
- Child, J. (1972b). Organizational Structure, Environment and Performance: The role of strategic choice. *Sociology*, 6, 1-22.
- Chimhanzi, J. (2004). The impact of marketing/HR interactions on marketing strategy implementation. *European Journal of Marketing*, 38 (1/2), 73-98.
- Christodolou, C. (1984). *Strategic Planning by Selected Australian Organisations*, Unpublished Doctor of Philosophy thesis, Monash University. Melbourne.
- Churchill, G. A. (1988). *Basic Marketing Research*. Orlando, FL: The Dryden Press.
- Clark, B. H. (1999, Nov.15). Marketing Performance Measures: History and Interrelationships. *Journal of Marketing Management*, 711-33.

- Claycomb, C., Germain, R., & Dröge, C. (2000). The Effects of Formal Strategic Marketing Planning on the Industrial Firm's Configuration, Structure, Exchange Patterns and Performance. *Industrial Marketing Management*, 29 (3), 219-235.
- Cobbold, I., Lawrie, G., & Issa, K. (2004). Designing a strategic management system using the third-generation balanced scorecard: A case study. *International Journal of Productivity & Performance Management*, 53 (7), 624-633.
- Conant, J. S., & White, J. C. (1999). Marketing Program Planning, Process Benefits, and Store Performance: An Initial Study Among Small Retail Firms. *Journal of Retailing*, 75 (4), 525-541.
- Conant, J., & Mokwa, M. (1986). *Strategic management styles and marketing management performance*. Working paper. Harvard Business School.
- Cook, K. J. (1995). *AMA complete guide to strategic planning for small business*. Lincolnwood, IL: NTC Business Books.
- Cosse, T. J., & Swan, J. E. (1983). Strategic market planning by product managers – room for improvement. *Journal of Marketing*, 47 (3), 92-102.
- Coulthard, M., Howell, A., & Clarke, G. (1996). *Business Planning: The key to success*. Australia: MacMillan Education.
- Council, S. W. (2002, Apr). Strategic marketing planning.
- Covin, J. G., Slevin, D. P., & Schulz, R. L. (1994). Implementing strategic mission: effective strategic, structural and tactical choices. *Journal of Management Studies*, 31, 481-505.
- Cravens, D., Merrilees, B. & Walker, R. (2000). *Strategic marketing management for the Pacific region*. Sydney: McGraw-Hill.
- Creswell, J. W. (2003). *Research Design-Qualitative, Quantitative, and Mixed Methods Approaches* (Second Edition ed.). Thousand Oaks, Calif, Sage Publications.
- Cummings, S. (1994). *The first strategist'*, in B de Wit & R Meyer (eds), *Strategy - Process, Content, Context: An International Perspective*. West Publishing Company, Minneapolis/Saint Paul.
- Daft, R. L. (1992). *Organization Theory and Design, fourth edition*. St. Paul, MN: West Publishing Company.
- Danermark, B. (2004). *Explaining Society: An Introduction to Critical Realism in the Social Sciences*. Florence: Routledge, KY.

- Daniel, & Lynn. (1992). Strategic Planning-The Role of the Chief Executive. *Long Range Planning*, 25, 97-104.
- Daniels, J. D. (1986). European Regional Management by Large U.S. Multinational Firms. *Management International Review*, 26 (2), 27-42.
- Dansoh, A. (2005). Strategic planning practice of construction firms in Ghana. *Construction Management and Economics*, 23, 163-168.
- Das, H. T. (1983). Qualitative Research in Organisational Behaviour. *Journal of Management Studies*, 20 (3), 301-314.
- David, F. R. (1997). *Strategic Management*, (6th Edition ed.). New Jersey: A Simon & Schuster Co.
- David, F. R. (2001). *Concepts of Strategic Management* (8th ed). New York: Macmillan Publishing Company.
- Davies, B., Ellison, L., & Bowring-Carr, C. (2005). *School Leadership in the 21st century. Developing a strategic approach* (2nd ed). Routledge Falmer.
- Davies, W. (2000). Understanding strategy. *Strategy & Leadership*, 28 (5), 25-30.
- Day, G. S. (1992). Marketing's Contribution to the Strategy. *Journal of the Academy of Marketing Science*, 20, 323-30.
- Day, G. S. (1994). The Capabilities of the Market-Driven Organisation. *Journal of the Marketing*, 58, 37-51.
- Day, G. S., & Wensley., R. (1988). Assessing advantage: a framework for diagnosing competitive superiority. *Journal of Marketing*, 52, 1-20.
- Day, G., Kerin, R., & Varadarajan, P. (1992). Marketing's contribution to strategy: the view from a different looking-glass. *Academy of Marketing Science Journal*, 20 (4), 323-43.
- Deal, T., & Kennedy, A. (1982). *Corporate cultures: The rites and rituals of corporate life*. Reading: MA: Addition-Wesley.
- Delmar, F., & Shane, S. (2003). Does business planning facilitate the development of new Ventures? *Strategy Management Journal*, 24 (11), 65-85.
- Denison, T., & McDonald, M. (1995). The role of marketing past, present and future. *Journal of Marketing Practice: Applied Marketing Science*, 1 (1), 54 - 76.
- Denzin, N. K., & Lincoln, Y. S. (1998). *Collecting and interpreting Qualitative Materials*. London: SAGA.

- Dess, G. G. (1987). Consensus on strategy formulation and organizational performance: competitors in a fragmented industry. *Strategic Management Journal*, 8, 259-77.
- Dess, G. G., & Robinson, R. B. (1984). Measuring organizational performance in the absence of objective measures: The case of the privately-held firm and conglomerate business unit. *Strategic Management Journal*, 5, 265-273.
- Dess, G., & Beard, D. (1984). Dimensions of organizational task environments. *Administrative Science Quarterly*, 29, 52-73.
- DeVaus, D. A. (2002). *Survey in Social research* (5th ed). London: Routledge.
- Dibb, S., Farhangmehr, M., & Simkin, L. (2001). The marketing planning experience: A UK and Portuguese comparison. *Marketing Intelligence and Planning*, 19 (6), 409-417.
- Dibb, S., Lyndon, S., William, M. P., & Ferrell, O. (2006). *Marketing: concepts and strategies*. New York: Houghton Mifflin Company.
- Dicken, P. (1992a). *Global Shift: The Internationalization of Economic Activity* (2nd ed). New York: The Guilford Press.
- Dickson, P. (1992b). Toward a General Theory of Competitive Rationality. *Journal of Marketing*, 56, 69-83.
- Dill, W. (1958). Environment as an influence on managerial autonomy. *Administrative Science Quarterly*, 2, 409-443.
- Dimmock, C., & Walker, A. (2005). *Educational Leadership: Culture and Diversity*. London: SAGE Publication Ltd.
- Dincer, O., Tatoglu, E., & Glaister, K. W. (2006). The strategic planning process: evidence from Turkish firms. *Management Research News*, 29 (4), 206-219.
- Donath, B. (2004). Ten tips to help align sales, marketing teams. *Marketing News*, 38 (5).
- Doyle, P. (1994). Setting Business Objectives and Measuring Performance. *European Management Journal*, 12 (2), 123-132.
- Doyle, P. (1999). *Managing The Marketing Mix*. (1st Ed) Butterworth-Heinemann.
- Drazin, R., & Ven-de-Ven, A. (1985). An examination of alternative forms of contingency theory. *Administrative Science Quarterly*, 30, 514-39.
- Drew, S. (1997). From knowledge to action: the impact of benchmarking on organizational performance. *Long Range Planning*, 30 (3), 427-41.
- Drucker, P. (1964). *Managing for Results*. London: Harper and Row.

- Drucker, P. F. (1969). *The Age of Discontinuity*. New York, NY: Harper & Row.
- Drummond, G., Ensor, G., & Ashford, R. (2008). *Strategic marketing planning and control* (3rd ed). Elsevier Ltd.
- Dutton, J. E., & Ashford, S. J. (1993). Selling issues to top management. *Academy of Management*, 18, 397-422.
- Earle, D. M., & Mendelson, M. (1991, May-June Mon). The critical mesh in strategic planning. *Bankers Magazine*, 48-53.
- Easterby-Smith, M., Thorpe, R., & Lowe, A. (2003). *Management Research, An introduction* (2nd ed). London: Cromwell Press Ltd, Trowbridge, Wiltshire.
- Eastlack, J., & McDonald, P. (1970). CEO's role in corporate growth. *Harvard Business Review*, 48 (3), 150-63.
- Economic Intelligence Unit. (2004). *Country Risk Service*. Retrieved Feb 5, 2009, from EIU: <http://www.eiu.com>
- Eddleston, K. A., Kellermanns, F. W., & Sarathy, R. (2008). Resource Configuration in Family Firms: Linking Resources, Strategic Planning and Technological Opportunities to Performance. *Journal of Management Studies*, 45 (1), 26-50.
- Efendioglu, A. M., & Karabulut, A. T. (2010). Impact of Strategic Planning on Financial Performance of Companies in Turkey. *International Journal of Business and Management*, 5 (4).
- Efendioglu, A. M., & Karabulut, T. A. (2009). Acceptance and Use of Strategic Processes in Developing Countries. *American Journal of Economics and Business Administration*, 1 (2), 148-157.
- Eisenhardt, K. M. (1989). Making fast strategic decisions in high-velocity environments. *Academy of Management Journal*, 32, 543-76.
- El-Ansary, A. I. (2006). Marketing strategy: taxonomy and frameworks. *European Business Review*, 18 (4), 266-293.
- Elbanna, S. (2008). Planning and participation as determinants of strategic planning effectiveness evidence from the Arabic context. *Management Decision*, 46 (5), 779-796.
- Elbanna, S., & Child, J. (2007). Influences on strategic decision effectiveness: development and test of an integrative model. *Strategic Management Journal*, 28 (4), 431-453.
- Elbanna, S., & Naguib, R. (2009). How much does performance matter in strategic decision making? *International Journal of Productivity and Performance Management*, 58 (5), 437-459.

- El-Fathaly, O. (1977). *Political Development and Bureaucracy in Libya*. Lexington: Lexington Books.
- Emery, F., & Trist, E. (1965). The causal texture of organizational environments. *Human Relations, 18*, 21-32.
- Encyclopedia of the Nations. (n.d.). *Nationsencyclopedia*. Retrieved March 14, 2009, from Nationsencyclopedia web site: <http://www.nationsencyclopedia.com>
- Ennew, C. T., Wright, M., & Thwaites, D. (1993). Strategic Marketing in financial services Petrospective and Prospect. *Journal of Bank marketing, 11* (6), pp12-18.
- Esposito, N. (2001). From Meaning to Meaning: The Influence of Translation Techniques on Non-English Focus Group Research. *Qualitative Health Research, 11* (4), 568-579.
- Fahy, J., & Smithee, A. (1999). Strategic Marketing and the Resource Based View of the Firm. *Academy of Marketing Science Review, 19* (10).
- Falshaw, J. R., Glaister, K. W., & Tatoglu, E. (2006). Evidence on formal strategic planning and company performance. *Management Decision, 44* (1), 9-30.
- Farley, R. (1971). *Planning for Development in Libya: The Exceptional Economy in the Developing World*. New York: Praeger Publishers.
- Ferrell, O., & Skinner, S. (1988). Ethical behavioral and bureaucratic structure in marketing research organizations. *Journal of Marketing Research, 25*, 103-109.
- Fifield, P. (1998). *Marketing strategy* (2nd Edition ed.). Oxford: Butterworth-Heinemann.
- Financial Services Volunteer Corps. (2009). *Quarterly Report "Libya"*. New York.
- Finlay, P. (2000). *Strategic Management: An introduction to business and Corporate Strategy*. FT Rentice Hall.
- Fisher, F. M., & McGowan, J. J. (1983). On the issues of accounting rates of return to infer monopoly profits. *American Economic Review, 73* (1), 82-97.
- Flavian, C., & Polo, Y. (1999). Strategic groups analysis (SGA) as a tool for strategic marketing. *European Journal of Marketing, 33* (5/6), 548-569.
- Fletcher, K., & Hart, S. J. (1989). Marketing Strategy and Planning in the UK Pharmaceutical Industry: Some Preliminary Findings. *European Journal of Marketing, 24* (2), 55-68.
- Floyd, S. W., & Wooldridge, B. (1994). "Dinosaurs or dynamos" Recognizing middle management's strategic role. *Academy of Management Executive, 8* (4), 47-57.

- Floyd, S. W., & Wooldridge, B. (1996). *The strategic middle manager: how to create and sustain competitive advantage*. San Francisco: Jossey-Bass.
- Ford, J., & Schellenberg, D. (1982). Conceptual issues of linkage in the assessment of organisational performance. *Academy of Management Review*, 7 (1), 49-58.
- Fredrickson, J. (1984). The comprehensiveness of strategic decision processes: Extension, Observations, Future Directions. *Academy of Management Journal*, 27 (2), 445-466.
- Fredrickson, J. W., & Iaquinto, A. L. (1989). Inertia and creeping rationality in strategic decision processes. *Academy of Management Journal*, 32 (3), 516-542.
- Fredrickson, J. W., & Mitchell, T. R. (1984). Strategic decision processes: comprehensiveness and performance in an industry with an unstable environment. *Academy of Management Journal*, 27 (2), 399-423.
- Freeman, E. B. (1989). "Effectiveness of strategic planning: a multidimensional view" *Academy of Management Best Papers Proceedings*. Washington.
- French, S. J., Kelly, S. J., & Harrison, J. L. (2004). The role of strategic planning in the performance of small, professional service firms "A research note". *Journal of Management Development*, 23 (8), 765-776.
- Frey, J. H., & Oishi, S. M. (1995). *How to Conduct Interviews by Telephone and in Person*. London : SAGE .
- Frohman, A. L. (1985). Putting Technology into technology. *California Management Review*, 17 (2), 48-59.
- Fry, A. (8 June). *Pushing into Pan Arabia, Campaign Report on World Advertising*. Washington DC: US Advertising Association.
- Fry, L. W. (1982). Technology-Structure Research: Three Critical Issues. *Academy of Management Journal*, 25 (3), 532-552.
- Fulmer, R. M., & Rue, W. L. (1974). The practice and profitability of long range planning. *Managerial Planning Journal*, 22 (6), 1-7.
- Galbraith, C., & Schendel, D. (1983). An Empirical Analysis of Strategy Types. *Strategic Management Journal*, 4, 153-173.
- Galbraith, J. R. (1973). *Designing complex organizations*. Reading, Mass: Addison-Wesley Publishing Company.
- George, A. (1988). Smiles return to Tripoli. *The Middle East*, 29-31.

- Gerbing, D. W., Hamilton, J. G., & Freeman, E. B. (1994). "A large-scale second-order structural equation model of the influence of management participation on organizational planning benefits". *Journal of Management*, 20 (4), 859-85.
- Ghamdi, S. A., & Alwuhaibi, S. (2001). Strategic planning in Saudi Arabia, unpublished working paper.
- Ghamdi, S. M. (2005). The use of strategic planning tools and techniques in Saudi Arabia: An empirical study. *International Journal of Management*, 22 (3), 376-395.
- Gibbons, P. T., & O'Connor, T. (2005). Influences on Strategic Planning Processes among Irish SMEs. *Journal of Small Business Management*, 43 (2), 170–186.
- Gibson, J. L., Ivancevich, J. M., & Donnelly, J. H. (1991). *Organizations, Behavior, Structure and Processes*. Boston: MA: Irwin.
- Giles, W. D. (1991). Making Strategy Work. *Long Range Planning*, 24, 75-91.
- Gill, J., & Johnson, P. (2002). *Research Methods and Managers*. London: Sage.
- Gilligan, C., & Wilson, R. (2003). *Strategic marketing planning*. Oxford: Butterworth-Heinemann.
- Gilligan, J. (2003). Shame, guilt and violence. *Social Research*, 70, 1149-1180.
- Ginsberg, A., & Venkatraman, N. (1985). Ginsberg, A., Venkatraman, N. *Academy of Management Review*, 10, 421-34.
- Glaister, K. W., Dincer, O., Tatoglu, E., Demirbag, M., & Zaim, S. (2008). A causal analysis of formal strategic planning and firm performance "Evidence from an emerging country". *Management Decision*, 46 (3), 365-391.
- Glaister, K., & Falshaw, R. (1999). Strategic planning: still going strong? *Long range planning*, 32 (1), 107-116.
- Glaister, K., & Thwaites, D. (1993). Managerial perception and organizational strategy. *Journal of General Management*, 13 (4), 15–33.
- Glanz, J. (2006). *What Every Principal Should Know About Cultural Leadership*. California: Corwin Press.
- Glueck, T. F., Clark, W., & Andrews, R. (1988). Raccoon movement and habitat use during the furharvest season. 6-11.
- Glueck, W. F., & Jauch, L. R. (1984). *Business Policy and Strategic Management* (4th Edition ed.). US: McGraw Hill.

- Golden Star of Libya. (2009). *Golden Star of Libya*. Retrieved March 14, 2009, from gsLibya: <http://www.gslibya.com>
- Golden Star of Libya. (2010). *Golden Star of Libya*. Retrieved Oct 13, 2010, from Golden Star of Libya: <http://www.english.globalarabnetwork.com>
- Golden, B. R. (1992). SBU strategy and performance: the moderating effects of the corporate-SBU relationship. *Strategic Management Journal*, 13, 45-58.
- Goodman, P. S., & Pennings, J. (1980). *Critical issues in assessing organizational effectiveness*, in Lawler, E., Nadler, D., Cammann, C. (Eds), *Organisational Assessment: Perspectives on the Management of Organisational Behavior and the Quality of Work Life*. New York: Wiley-Interscience.
- Gorrill, J. R. (2007). *Doing Business in Libya| Libyan Social and Business Culture*. Retrieved May 28, 2009, from CIA World Factbook 2007: www.communicaid.com
- Govindrajan, V. (1986). Decentralization, Strategy, and Effectiveness of Strategic Business Units in Multi business Organizations. *Academy of Management Review*, 11 (4), 844-856.
- Grant, R. M. (2003). Strategic planning in a turbulent environment: evidence from the oil majors. *Strategic Management Journal*, 24, 491-517.
- Greenley, G. E. (1986). Does strategic planning improve company performance? *Long Range Planning*, 19 (2), 101-9.
- Greenley, G. E. (1994). Strategic planning and company performance: an appraisal of the empirical evidence. *Scandinavian Journal of Management*, 10 (4), 383-96.
- Greenley, G. E., & Bayus, B. I. (1994). Marketing planning processes in UK and US Companies. *Journal of Strategic Marketing*, 2, 140- 154.
- Greenley, G. E., & Foxall, G. R. (1997). Multiple stakeholder orientation in UK companies and the implications for company performance. *Journal of Management Studies*, 34 (2), 259-84.
- Greenly, G. E., Hooley, G. J., Broderik, H. A., & Rudd, J. (2004). Strategic Planning Differences among Different Multiple Stakeholder Orientation Profiles. *Journal of Strategic Marketing* , 12 (3), 163-182.
- Grger, S. A. (2007, Apr). Sahara bank. (T. u. banks, Interviewer)
- Griggs, H. E. (2003). Corporatisation of the Not-For-Profit Sector: Strategic planning and organisational performance in disability-based organisations . *International Journal of Disability, Development and Education*, 50 (2), 197-220.
- Grinyer, P. H., & Norburn, D. (1975). Planning for existing markets: Perceptions of executives and financial performance. *Journal of the Royal Statistical Society*, 138 (1), 70-97.

- Grinyer, P. H., Yasai-Ardekani, M., & Al-Bazzaz, S. (1980). Strategy, Structure the Environment, and Financial Performance in 48 United Kingdom Companies. *Academy of Management Journal*, 23 (2), 193-220.
- Grönroos, C. (2004). *Marketing Gerenciamen To Services* . Rio De Janeiro: Campus.
- Guest, D., & King, Z. (2004). Power, innovation and problem-solving: the personnel manager's three steps to heaven. *Journal of Management Studies*, 41 (3), 401-423.
- Gunn, R., & Williams, W. (2007). Strategic tools: an empirical investigation into strategy in practice in the UK. *Strategic Change*, 16, 201–216.
- Guth, W. D. (1972). The growth and profitability of the firm: a managerial explanation. *Journal of Business Policy*, 2, 31-6.
- Hamami, Y. T., & Al-Shaikh, F. N. (1995). Strategic planning as perceived by managers of Jordanian business organisation. *Mutta for Research and Studies*, 10 (6), 123-143.
- Hambrick, D. C. (1980). Operationalising the concept of business-level strategy in research. *Academy of Management Journal*, 5, 567-75.
- Hambrick, D. C. (1983). High Profit Strategies in Mature Capital Goods Industries: A Contingency Approach. *Academy of Management Journal*, 26 (4), 687-707.
- Hamel, G., & Prahalad, C. (1994). Competing for the future. *Harvard Business Review*, 72 (4), 122-8.
- Hammond, K. L., Harmon, H. A., & Webster, R. L. (2007). University performance and strategic marketing: an extended study. *Marketing Intelligence & Planning*, 25 (5), 436-459.
- Hansen, G. S., & Wernerfelt, B. (1989). Determinants of firm performance: the relative importance of economic and organizational factors. *Strategic Management Journal*, 10, 399-411.
- Hart, S. (1992). An integrative framework for strategy-making processes. *Academy of Management Review*, 17 (2), 327-51.
- Hart, S., & Banbury, C. (1994). How strategy-making processes can make a difference. *Strategic Management Journal*, 15, 251-69.
- Hass, S., Burnaby, P., & Bierstaker, J. L. (2005). The use of performance measures as an integral part of an entity's strategic plan. *Managerial Auditing Journal*, 20 (2), 179-186.
- Hay, M., & Williamson, P. (1991). Strategic Staircases: Planning the Capabilities Required for Success. *Long Range Planning*, 24, 36–43.
- Hector, G. (1991a, Aug 12). Do bank mergers make sense. *Fortune*, 70–71.

- Hector, G. (1991p, Dec 3). Big banks: How bad can it get? *Fortune*, 55–67.
- Hendry, J. (2000). Strategic decision making, discourse, and strategy as social practice. *Journal of Management Studies*, 37 (7), 955-977.
- Henkoff, R. (1990, Dec). How to plan for 1995. *Fortune* .
- Henry, H. W. (1981). Then and now: A look at strategic planning systems. *Journal of Business Strategy*, 1 (3), 64-69.
- Herold, D. M. (1972). Long range planning and organizational performance: A cross validation study. *Academy of Management Journal*, 14, 91–102.
- Hickson, D. J., & Pugh, D. s. (1995). *Management world-wide: The Impact of Societal Culture on Organisations around the World*. London: penguin Books.
- Hickson, D. J., & Pugh, D. S. (2001). *Management Worldwide: Distinctive styles Amid Globalisation* (Second Edition ed.). London: Penguin.
- Hill, J., McGowan, P., & Maclaran, P. (1998). Developing marketing planning skills: combining theory and practice. *Journal of Marketing Practice: Applied Marketing Science*, 4 (3), 69-84.
- Hill, W., Jones, G. R., & Galvin, P. (2004). *Strategic management: An integrated approach*. Wiley: Milton.
- Hindle, T. (1994). *Field Guide to Strategy: A Glossary of Essential Tools and Concepts for Today's Manager*. Boston: The Economist Reference Books Ltd.
- Hirschman, A. O. (1970). *Exit, Voice, and Loyalty: Responses to Decline in Firms, Organizations, and States*. Cambridge: MA Harvard University Press.
- Hitt, M. A., & Hoskisson, R. E. (1991). *Strategic competitiveness*. Greenwich: CT: JAI Press.
- Hitt, M. A., Dacin, M. T., Tyler, B. B., & Park, D. (1997). Understanding the differences in Korean and U.S. executives' strategic orientations. *Strategic Management Journal*, 18 (2), 159-167.
- Hitt, M. A., Ireland, D. R., & Hoskisson, R. E. (2003). *Strategic Management: Competitiveness and Globalisation* (5th ed). South- Western: Ohio: Thomson.
- Ho, SK, & ASF, C. (1997). Achieving tactical success through Sun Tze's Art of Warfare. *Marketing Intelligence and Planning*, 15 (1), 38-47.
- Hodgkinson, G., Whittington, R., Johnson, G., & Schwarz, M. (2006). The role of strategy workshops in strategy development processes: formality, communication, coordination and inclusion. *Long Range Planning*, 39 (5), 479-496.

- Hofer, C. W., & Schendel, D. (1978). *Strategy formulation: Analytical concepts*. MN: West Pub. Co. (St. Paul).
- Hofstede, G. (1991). *Cultures and Organisations: Software of the Mind*. London: McGraw- Hil.
- Homburg, C., & Workman, J. (2000). Fundamental changes in marketing organization: the movement toward a customer-focused organizational structure. *Academy of Marketing Science Journal*, 28 (4), 459-78.
- Homburg, C., Hoyer, W., & Fassnacht, M. (2002). Service orientation of a retailer's business strategy: dimensions, antecedents, and performance outcomes. *Journal of Marketing*, 66, 86-101.
- Hooley, G. J., Saunders, J. A., & Piercy, N. F. (1998). *Marketing Strategy and Competitive Positioning*. Hemel Hempstead: Prentice Hall Europe.
- Hooley, G. J., West, C. J., & Lynch, J. E. (1984). Marketing in the UK: A Survey of Current Practice and Performance, Institute of Marketing in the UK, Maidenhead. *International Journal of Operations & Production Management*, 24 (5), Hooley, West & Lynch (1984).
- Hooley, G., Lynch, J., & Shepherd, J. (1990). The marketing concept: putting the theory into practice. *European Journal of Marketing*, 24 (9), 7-25.
- Hoon, C. (2007). Committees as strategic practice: The role of strategic conversation in a public administration. *Human Relations*, 60 (6), 921-952.
- Hopkins, W. E., & Hopkins, S. A. (1997). Strategic planning-financial performance relationships in banks: a causal examination. *Strategic Management Journal*, 18 (8), 635-52.
- Hrebiniak, L. G., & Joyce, W. F. (1984). *Implementing Strategy*. New York: Macmillan.
- Huan, G., Brooksbank, R., Taylor, D., & Babbis, P. (2008). Strategic marketing in Chinese manufacturing companies. *Asia Pacific Journal of Marketing and Logistics*, 20 (3), 276-288.
- Hunger, J. D., & Wheelen, T. L. (1993). *Strategic Management and Business Policy* (4th Edition ed.). MA: Addison-Wesley, Reading.
- Hunt, D., & At-Twajjiri, M. (1996). Values and the Saudi manager: an empirical investigation. *Journal of Management Development*, 15 (5), 48-55.
- Hussey, D. E. (1979). *Introducing Corporate Planning*. Oxford: Oxford.
- Hussey, J., & Hussey, R. (1997). *Business Research 'A practical guide understanding for undergraduate and postgraduate students'*. London, Wiltshire: Antony Rowe Ltd, Chippenham.
- Hwang, E. J. (2005). *Strategic Management and Financial Performance in South Korean Apparel Retail Stores. PhD Thesis. the Virginia Polytechnic Institute and State University*. from the Virginia Polytechnic Institute and State University Digital Theses.

- Ibrahim, S. A. (1997). *The Practice Of Strategic Planning In Ontario Colleges And Universities*. PhD Thesis. The University of Toronto. The University of Toronto Digital Theses.
- International-Monetary-Fund. (2002). *Gross Domestic Product*. Retrieved 2010, from <http://www.imf.org>.
- Internet-World-Stats. (2009). *Internet usage statistics for Africa: internet usage and population stats*. Retrieved Oct 13, 2010, from internet world stats: <http://www.internetworldstats.com>
- Ishak, A. (2002). *Effects Of Marketing Strategy On Performance:A Study Of Indonesian Organizations*. PhD Thesis, the Curtin University of Technology. the Curtin University of Technology Digital Theses.
- Ittner, C. D., & Larcker, D. F. (1996). "Measuring the Impact of Quality Initiatives of Firm Financial Performance", in *Advances in the Management of Organizational Quality*. Ed. D.B. Fedor, and S. Ghoshal. Greenwich, Conn.: JAI Press.
- Ittner, C. D., & Larcker, D. F. (2003, Nov). Coming up short on nonfinancial performance measurement. *Harvard Business Review*, 88-95.
- Izquierdo, C. C., & Samaniego, M. J. (2007). How alternative marketing strategies impact the performance of Spanish museums. *Journal of Management Development*, 26 (9), 809-831.
- Jain, S. (1983). The evolution of strategic marketing. *Journal of Business Research*, 11, 409-425.
- Jain, S. C. (1990). *Marketing Planning and Strategy* (3rd ed). Cincinnati, OH: South-Western Publishing Co.
- Jamahiriya, S. P. (2006). *Social and Economic Development Group Middle East and North Africa Regio.*. Tribuli: Country Economic Report.
- Jandt, F. (2007). *An Introduction to Intercultural communication: Identities in a Global community*. London: Sage Publications Limited.
- Jenster, P. V., & Overstreet, G. A. (1990). Planning for a non-profit service: a study of US credit union. *Long Range Planning*, 23 (2), 103-11.
- Jiang, D. (2001). *A Phenomenological Investigation Of Marketing Strategies And Prictices: The Cases In China's Township And Village Enterprises*. PhD Thesis. The University of Guelph. The University of Guelph Digital Thesis.
- John, G., & Martin, J. (1984, May). Effects of Organizational Structure of Marketing Planning on Credibility and Utilization of Plan Output. *Journal of Marketing Research*, 170 - 83.
- John, H. (1984). An empirical investigation of some antecedents of opportunism in marketing channel. *Journal of Marketing Research*, 21, 279-289.

- John, R. B. (1998). *Historical Dictionary of Libya*. Lanham: Scarecrow Press.
- Johnson, F. P., & Johnson, R. D. (1989). *Bank Management*. Washington: American Bankers Association.
- Johnson, G., & Scholes, K. (1993). *Exploring corporate strategy* (3rd ed). Thousand Oaks, CA: Sage.
- Johnson, J. L., Ruby, P.-W. L., Amit, S., & Bianca, G. (2003). Market-Focused Strategic Flexibility. *Journal of the Academy of Marketing Science*, 31, 74-89.
- Johnston, M., Gilmore, A., & Carson, D. (2008). Dealing with Environmental Uncertainty: The Value of Scenario Planning for Small to Medium-sized Enterprises. *European Journal of Marketing*, 42 (11), 1170-8.
- Jones, G. (1983). Transaction costs, property rights, and organizational culture: An exchange perspective. *Administrative Science Quarterly*, 28, 454-467.
- Judge, W. Q., & Miller, A. (1991). Antecedents and outcomes of decision speed in different environmental contexts. *Academy of Management Journal*, 34, 449-463.
- Kalling, M., & Gentry, L. (2007). Culture Values Reflected in Arab and American Television Advertising. *Journal of current Issues in Advertising*, 29 (1), 106-118.
- Kallman, E. A., & Shapiro, H. J. (1978). The motor freight industry: a case against planning. *Long Range Planning*, 11, 81-6.
- Kan, G., & Alburki, E. (1992). Strategic planning in Bahrain. *Management Decision*, 30 (5), 3-9.
- Kantrow, A. M. (1980, Jul-Aug). The Strategy-Technology Connection. *Harvard Business Review*, 6-21.
- Kanungo, R. N., & Jaeger, A. M. (1990). Introduction: The need for indigenous Management in developing countries. London: Routledge.
- Kaplan, R., & Norton, D. (1996). Using the balanced scorecard as a strategic management system. *Harvard Business Review*, 74 (1), 75-85.
- Kargar, J., & Parnell, J. A. (1996). Strategic Planning Emphasis and Planning satisfaction in Small Firms: An Empirical Investigation. *Journal of Business Strategies*, 13 (1), 42-64.
- Karger, D. W., & Malik, Z. A. (1975). Long-range planning and organizational performance. *Long Range Planning*, 8, 60-64.
- Kashani, K. (1996). A new future for brands, financial Times, Marketing Management.

- Kasim, A., Aziah, N., Minai, Badriyah, & Sin, C. L. (1989). Performance Measures in Malaysia-The State of the Art. *Malaysian Management Review*, 24, 3-9.
- Kelly, J., & Gennard, J. (2007). Business strategic decision making: the role and influence of directors. *Human Resource Management Journal*, 17 (2), 99-117.
- Kelmer, J. H., & Noy, S. (1990). Perceptual differences in small business strategic planning||, The Growing Small Business. *the 5th National Small Business Conference*, (367-80). Toowoomba.
- Ketokivi, M., & Castaner, X. (2004). Strategic planning as an integrative device. *Administrative Science Quarterly*, 49, 337-365.
- Khan, G., & Alburki, E. (1992). Strategic planning in Bahrain. *Management Decision*, 30 (5), 3-9.
- King, N., & Horrocks, C. (2010). *Interviews in Qualitative Research*. London: Sage.
- Klein, H. E. (1981). The impact of planning on growth and profit. *Journal of Bank Research*, 12 (2), 105-109.
- Knppendorff, K. (2004). *Content analysis. An Introduction to its Methodology*. London: Sage Publication, Inc.
- Kotha, S., & Nair, A. (1995). Strategy and environment as determinants of performance: evidence from the Japanese machine tool industry. *Strategic Management Journal*, 16, 497-518.
- Kotler, P., Brown, L., Adam, S., & Armstrong, G. (2001). *Marketing* (5th ed). NSW: Pearson Education Australia Pty Ltd, Frenchs Forest.
- Kotler, P., Rackham, N., & Krishnaswamy, S. (2006). Ending the war between sales and marketing. *Harvard Business Review*, 84, 68-78.
- Koufopoulos, D. N., & Chrysochoidis, G. M. (2000). The effects of an uncertain country environment upon leadership and strategic planning practices. *Strategic Change*, 379-395.
- Koufopoulos, D., & Morgan, N. (1994). Competitive pressures force Greek entrepreneurs to plan. *Long Range Planning*, 27 (4), 112-124.
- Kraus, S., Harms, R., & Schwarz, E. J. (2006). Strategic planning in smaller enterprises – new empirical findings. *Management Research News*, 29 (6), 334-344.
- Kreiser, P. M., Ojala, J., Lamberg, J.-A., & Melander, A. (2006). A historical investigation of the strategic process within family firms. *Journal of Management History*, 12 (1), 100-114.
- Kudla, R. J. (1980). The effects of strategic planning on common stock returns. *Academy of Management Journal*, 23, 5-20.

- Kuhn, T. S. (1962). *The Structure of Scientific Revolutions*. University of Chicago .
- Kukalis, S. (1989). The Relationship Among Firm Characteristics and Design of Strategic Planning Systems in Large Organizations. *Journal of Marketing*, 15 (4), 565-579.
- Kwaka, A., & Satyendra, S. (2000). Marketing culture and performance in UK service firms. *The Service Industries Journal*, 19 (2), 52-70.
- Kwintessential. (n.d.). *Cultural Awareness Training-Libya*. Retrieved November 2010, from Kwintessential: <http://www.kwintessential.co.uk/cross-cultural/training-libya.html>.
- Laitinen, E. K. (2002). A dynamic performance measurement system: evidence from small Finnish technology companies. *Scandinavian Journal of Management*, 18, 65-99.
- Lankford, W., & Mintu-Wimsatt, A. (1999). Define America's Organisational Culture. *Women in Management Review*, 14 (6), 5-7.
- Lawrence, P., & Lorsch, J. (1967). *Organization and environment*. Boston: MA: Harvard Business School.
- Leadership*. (2008). Retrieved May 2009, from businessdictionary: <http://www.businessdictionary.com/definition/leadership.html>
- Learned, E. P., Christensen, C. R., Andrews, K. R., & Guth, W. D. (1965). *Business Policy: Text and Cases*. Irwin: Burr Ridge, IL.
- Lee, S., Yoon, S.-J., Kim, S., & Kang, J.-W. (2006). The integrated effects of market-oriented culture and marketing strategy on firm performance. *Journal Of Strategic Marketing*, 14, 245-261.
- Lehmann, D. (2004). Metrics for making marketing matter. *Journal of Marketing*, 68, 73-5.
- Leila, A. A., Yassin, E. S., & Palmer, M. (1985). Apathy, values, incentives and development: the case of the Egyptian bureaucracy. *Middle East Journal*, 39 (3), 341-361.
- Lenzner, R., & Mao, P. (1995, Apr 10). Banking pops up in the strangest places. *Forbes*, 72-76.
- Leontiades, M., & Tezel, A. (1980). Planning perceptions and planning results. *Strategic Management Journal*, 1, 65-75.
- Levine, R., & Zervos, S. (1996). *Stock Markets, Banks, and Economic Growth*. Washington: The World Bank. Policy Research Department. Finance and Private Sector Development Division.
- Levitt, T. (1960). Growth and profits through planned marketing innovation. *Journal of Marketing*, 24, 1-8.
- Lewin, A. Y., & Minton, J. W. (1986). Determining organizational effectiveness: another look and an agenda for research. *Management Science*, 32 (5), 514-38.

- Li, L. X. (2000). An analysis of sources of competitiveness and performance of Chinese manufacturers. *International Journal of Operations & Production Management*, 20 (3), 299-315.
- Li, S. (2004). WebStra: a web-based intelligent system for formulating marketing strategies and associated e-commerce strategies. *Marketing Intelligence & Planning*, 22 (7), 751-760.
- Liao, J., Welsch, H., & Stoica, M. (2003.). Organizational absorptive capacity and responsiveness: An empirical investigation of growth-oriented SMEs. *Entrepreneurship: Theory and Practice*, 28 (1), 63-86.
- Libya. (2008). Retrieved May 2010, from Organisation for Economic Co-Operation and Development: <http://www.oecd.org/dataoecd/12/52/40578167.pdf>.
- Libyan Stock Market. (n.d.). Retrieved 1020, from Libyan Stock Market: <http://www.lsm.ly/ARABIC/Pages/default.aspx>.
- Lindsay, W. M., & Rue, L. W. (1980). Impact of the business environment on long range planning process: A contingency view. *Academy of Management Journal*, 23, 385-404.
- Lines, R. (2004). Influence of participation in strategic change: resistance, organizational commitment and change goal achievement. *Journal of Change Management*, 4 (3), 193-215.
- Liu, G., Liston-Heyes, C., & Ko, W.-W. (2010). Employee Participation in Cause-Related Marketing Strategies: A Study of Management Perceptions from British Consumer Service Industries. *Journal of Business Ethics*, 92, 195-210.
- Llewellyn, S., & Tappin., E. (2003). Strategy in The Public Sector: Management in the Wilderness. *Journal of Management Studies*, 40 (4), 955-982.
- Looklex Encyclopaedia. (2009). *Looklex Encyclopaedia*. Retrieved March 8, 2009, from Looklex Encyclopaedia: <http://i-cias.com/e.o/libya.economy.htm>.
- Lovelock, C. (2001). *Services Marketing People, Technology, Strategy* (4th ed). Prentice Hall.
- Luo, Y. (1999, Jan). Environment'Strategy-Perfortnance Relations in Small Businesses in China: A Case of Township and Village Enterprises in Southern China. *Journal Of Small Business Management*, 37-52.
- Lyles, M. A., & Lenz, R. T. (1982). Managing the planning process: a field study of the human side of planning. *Strategic Management Journal*, 3, 105-18.
- Lyles, M. A., Baird, I. S., Orris, J. B., & Kuratko, D. F. (1993, Apr). Formalised Planning In Small Business: Increasing Strategic Choices. *Journal of Small Business Management*, 38-50.
- Lysonki, S., & Pecotich, A. (1992). Strategic marketing planning, environmental uncertainty and performance. *International journal of Research in Marketing*, 9 (3), 247-255.

- Lysonski, S., & Pecotich, A. (1990). Strategic marketing planning and performance, in advanced research in marketing. *Annual conference of the European Marketing Academy*, 167-168. Austria: Innsbruck.
- Madsen, K. T. (1989). Successful export marketing management: Some empirical evidence. *International Marketing Review*, 6 (4), 41-55.
- Magaziner, I. C., & Patinkin, M. (1989). Korea: Winning with microwaves. *Readings in Strategic Management*, 163-88.
- Mai, T. T. (2008). Comprehensive planning: Does it work? Experiences from Vietnam. *JOAAG*, 3 (2).
- Majorie, L. A., Baird, I. S., Burdeane, O. J., & Donald, K. F. (1993). Formalized Planning in Small Business: Increasing Strategic Choices. *Journal of Small Business Management*, 31 (2), 38-50.
- Malhotra, N. K. (2002). *Basic marketing research : applications to contemporary issues*. Upper Saddle River: NJ : Prentice Hall.
- Malhotra, N. K., & Birks, D. F. (2007). *Marketing Research An Applied Approach* (3rd ed). London: Prentice Hall Financial Times.
- Maloney, T. (n.d.). *Strategic Planning barriers*. Retrieved 2009, from Newport Group Inc: <http://www.newportgroup.ca/assets/pdfs/Barriers%20to%20Strategic%20Planning.pdf>
- Maltz, E., & Kohli, A. (2000). Reducing Marketing's Conflict with Other Functions: The Differential Effects of Integrating Mechanisms. *Journal of the Academy of Marketing Science*, 28 (4), 479-492.
- Marinov, M. (2007). *Marketing in the Emerging Markets of Islamic countries*. London: Palgrave Macmillan.
- Marketing planning* . (2009). Retrieved 2010, from UC berkeley extension: <http://extension.berkeley.edu/info/policies.html>.
- Maron, R. M., & Bremen, L. V. (1999). The influence of organisational culture on strategic alliances. *Association Management*, 51, 86-92.
- Marsden, P., Cook, C., & Kalleberg, A. (1994). Organisational structures. *American Behavioral Scientist*, 37, 911-929.
- Martinez-Diaz, L. (2007). Banking sector opening: Policy Questions and Lessons for Developing Countries.
- Masner, L. (1988). A revision of Gryon Haliday in North America (Hymenoptera: Proctotrupoidea: Scelionidae). *Entomol*, 115, 123-174.

- Mason, R. (1969). A dialectical approach to strategic planning. *Management Science*, 15 (8), 403-414.
- Mayer, J. (1965). The nutritional status of American Negroes. *NR*, 161-163.
- McColl-Kennedy, J. R. (1990). Marketing Planning Practices in Australia: A Comparison across Company Types. *Marketing Intelligence & Planning*, 8 (4), 21-29.
- McDaniel, S. W., & Kolari, J. W. (1987). "Marketing Strategy Implications of the Miles and Snow Strategic Typology. *Journal of Marketing*, 51, 19-30.
- McDonald, M. (1982b). International marketing planning. *European Journal of Marketing*, 16, 3-32.
- McDonald, M. (1984). *Theory and Practice of Marketing Planning for Industrial Goods in International Markets PhD thesis Cranfield Inst of Technology*.
- McDonald, M. (1992a). Ten Barriers to Marketing Planning. *Journal of Business and Industrial Marketing*, 7 (1), 5-18.
- McDonald, M. (1996). Strategic Marketing Planning: Theory, Practice and Research Agenda. *Journal of Marketing Management*, 12, 5-27.
- McDonald, M. (2006). Strategic Marketing Planning: Theory and Practice. *The Marketing Review*, 6, 375-418.
- McDonald, M. (2007). *Malcolm McDonald on Marketing Planning: Understanding Marketing Plans and Strategy*. Kogan Page; Reissue edition.
- McDonald, M. H. (1989). Ten barriers to marketing planning. *Journal of Marketing Management*, 5 (1), 1-18.
- McDonald, M. H. (1992). Strategic Marketing Planning: A State-of-the-Art Review. *Marketing Intelligence and Planning*, 10, 4-22.
- McDonald, M. H. (Jan, 1982a). *Theory and Practice of Marketing Planning for Industrial Goods in International Markets. PhD Thesis. Cranfield Institute of Technology*. from British Library Digital Theses.
- McGivern, Y. (2009). *The practice of market research* (3rd ed). Harlow: Financial Times Prentice Hall.
- McKinsey company. (2007). *McKinsey company Report. Unpublished Report*.
- McKee, D. O., Varadarajan, P. R., & Pride, W. M. (1989). Strategic Adaptability and Firm Performance: A Market Contingent Perspective. *Journal of Marketing*, 53, 21-35.

- McKee, D. O., Varadarajan, R., & Vassar, J. (1990). A taxonomy of marketing planning styles. *Journal of the Academy of Marketing Sciences*, 18 (2), 31–41.
- McKiernan, P., & Morris, C. (1994). Strategic planning and financial performance in UK SMEs: Does Formality Matter. *British Journal of Management*, 5, 31-41.
- McLarney, C. (2001). Strategic planning- effectiveness-environment linkage: a case study. *Management Decision*, 39 (10), 809-817.
- Mead, R. (1998). *International Management*. Britain: Blackwell Business.
- Meredith, J. (1998). Building Operations Management Theory through Case and Field Research. *Journal of Operations Management*, 16 (4), 441-454.
- Michael, S., Calantone, R. J., & enedetto, C. A. (2002). Competitive Forces and Strategic Choice Decisions: An Experimental Investigation In The United States and Japan. *Strategic Management Journal*, 23,969-978.
- Michel, R. (2009). Commentary Marketing: philosophy of science and "epistobabble warfare" Qualitative Market Research. *An International Journal*, 12 (2), 120-129.
- Migliorato, P., Natan, N., & Norton, D. (1996). A scoring system for creating JVs that survive. *Mergers and Acquisition*, 30 (4), 45-50.
- Miles, M. B., & Huberman, A. M. (1994). *An Expanded Sourcebook. Qualitative Data Analysis* (2nd ed.). California: SAGE Publications, Inc.
- Miles, M. P., White, J. B., & Munilla, L. S. (1997). Strategic planning and agribusiness: an exploratory study of the adoption of strategic planning techniques by co-operatives. *British Food Journal*, 99 (11), 401–408.
- Miles, R. E., Snow, C. C., & Coleman, H. J. (1978). Organisational Strategy, Structure, and Process. *The Academy of Management Rreview*, 3 (3), 546-662.
- Miller, D. (1987). Strategy Making and Structure: Analysis and Implications for Performance. *Academy of Management Journal*, 30 (1), 7-32.
- Miller, D., & Dröge, C. (1986). Psychological and traditional determinants of structure. *Administrative Science Quarterly*, 31, 539-560.
- Miller, D., & Friesen, P. (1978). Archetypes of strategy formulation. *Management Science*, 24, 921-933.
- Miller, D., & Friesen, P. (1984). A longitudinal study of the corporate life cycle. *Management Science*, 30, 1161-1183.
- Miller, D., & Friesen, P. H. (1983). Strategy-making and the environment: The third link. *Strategic Man agement Journal*, 4 (3), 221–235.

- Millward, N., Bryson, A., & Forth, J. (2000). *All Change at Work?* London: Routledge.
- Mintzberg, & Quinn. (1991). *The Strategy Process*. New York: Prentice Hall International.
- Mintzberg, H. (1979). *The structuring of organizations*. Englewood Cliffs, NJ: Prentice-Hall.
- Mintzberg, H. (1983). *Structures in Five: Designing Effective Organizations*. Englewood Cliffs, NJ: Prentice Hall.
- Mintzberg, H. (1988). Crafting strategy, in AA Thompson Jr, WE Fulmer & AJ Strickland III (eds), *Readings in Strategic Management*. Irwin: Homewood.
- Mintzberg, H. (1990). The Design School: Reconsidering the Basic Premises of Strategic Management. *Strategic Management Journal*, 11 (3), 171-195.
- Mintzberg, H. (1991). The effective organization: Forces and forms. *Sloan Management Review*, 32, 54-67.
- Mintzberg, H. (1994). The Fall and Rise of Strategic Planning. *Harvard Business Review*, 72, 107-115.
- Mintzberg, H., & Quinn, J. B. (1996). *The Strategy Process: Concepts, Contexts, Cases* (3rd ed). London: Prentice Hall International.
- Mintzberg, H., & Waters, J. A. (1985). Of strategies, deliberate and emergent. *Strategic Management Journal*, 6 (3), 257-272.
- Mintzberg, R. E. (1994). *The rise and fall of strategic management*. New York: The Free Press.
- Mische, M. A. (2001). *Strategic Renewal: Becoming a High-Performance Organisation*. Englewood Cliffs, NJ: Prentice Hall.
- Mongabay. (2010). *Mongabay*. Retrieved Oct 14, 2010, from Mongabay: <http://www.mongabay.com>.
- Montgomery, D. B., & Weinberg, C. E. (1981). Toward Strategic Intelligence Systems. *The McKinsey Quarterly*, 82-102.
- Moorman, C., & Rust, R. (1999). The role of marketing. *Journal of Marketing*, 63, 180-97.
- Morgan, G., & Smircich, L. (1980). 'The Case for Qualitative Research. *Academy of Management Review*, 491-500.
- Mosaica. (2001, Jul). Strategic planning: A ten-step guide. 1-14.
- Moutinho, L., & Phillips, P. (2002). The impact of strategic planning on the competitiveness, performance and effectiveness of bank branches: a neural network analysis. *International Journal of Bank Marketing*, 20 (3), 102-110.

- Municipal Government: Status After Two Decades. *Public Administration Review*, 65 (1), 45-56.
- Muralidharan, R. (1997). Strategic Control for Fast-Moving Markets: Updating the Strategy and Monitoring Performance. *Long Range Planning*, 30, 64–73.
- Murray, J. (1984). A concept of entrepreneurial strategy. *Strategic Management Journal*.
- Murthy, B. (1994). *Measurement of the Strategy Construct in the Lodging Industry, and the Strategy-Performance Relationship*, Unpublished Doctoral Dissertation, Department of Management, Virginia Polytechnic Institute and State University, Blacksburg, VA.
- Myers, M. D. (2009). *Qualitative Research in Business and Management*. Wiltshire: The comwel Press Ltd, Trowbridge.
- Nadkarni, S., & Barr, P. (2008). Environmental context, managerial cognition, and strategic action: An integrated view. *Strategic Management Journal*, 29, 1395-1427.
- Nagar, V., & Rajan, M. V. (2005). Measuring Customer Relationships: The Case of the Retail Banking Industry. *Management Science*, 51, 904–919.
- Nash, M. (1984). *Managing Organisational Performance*. San Francisco: Jossey- Bass Publishers.
- NetMBA. Business Knowledge Center. (2009). *The Strategic Planning Process*. Retrieved 2009, from NetMBA: <http://www.netmba.com/strategy/process>.
- Neuendorf, A. K. (2002). *The content analysis guidebook*. London: Sage.
- Neuman, W. (2003). *Social research methods: Qualitative and quantitative approaches* (5th Edition ed.). Needham Heights. MA: Allyn and Bacon.
- Neumann, V. J., & Morgenstern, O. (1994). *Theory of games and economic behaviour*. Princeton: Princeton University Press.
- Nichols, P. (1991). *Social Survey Methods*. Oxford.
- Nimmanphatcharin, N. (2008). *Strategic management practices by selected Thai banks and financial organisation (A thesis Swinburne University of Technology)*. Swinburne University of Technology.
- Nimmanphatcharin, N.-t. (2002). *Strategic Management Practices By Selected Thi Banks And Financial Organisation. PhD Thesis, Swinburne University of Technology*. Swinburne University of Technology Digital Thesis.
- Nohria, N., Joyce, W., & Roberson, B. (2007). *What Really Works: The 4+2 Formula for Sustained Business Success*. Harper Paperbacks.

- Norburn, D. (1988). *The British Boardroom: Time For A Revolution*, In B.Tylor (ed.) *Strategic Planning: The Chief Executive and the Board*. Oxford: Pergamon Press.
- Norburn, D., Birley, S., Dunn, M., & Payne, A. (1988). A Four Nation Study of The Relationship Between Marketing Effectiveness, Corporate Culture, Corporate Values and Market Orientation. 1-42.
- Nydell, M. (1996). *Understanding Arabs: A Guide for Westerners*. Intercultural Press, Yarmouth, ME.
- O'Regan, N., & Ghobadian, A. (2002). The importance of capabilities for strategic direction and performance. *Management Decision*, 42 (2), 292-313.
- O'Sullivan, D., & Abela, A. V. (2007). Marketing Performance Measurement Ability and Firm Performance. *Journal of Marketing*, 71 (2), 79-93.
- Obeng, K., & Ugboro, I. (2008). Effective Strategic Planning in Public Transit Systems. *Transportation Research Part E: Logistics and Transportation Review*, 44 (3), 420-439.
- Okoroafo, S., & Russow, L. C. (1993). Impact of marketing strategy on performance: Empirical evidence from a liberalized developing country. *International Marketing Review*, 10 (1), pp.4-18.
- Oliver, P. L., Bitoun, E., & Davies, K. E. (2007). Comparative genetic analysis: the utility of mouse genetic systems for studying human monogenic disease. *Mamm Genome*, 18, 412-424.
- Olson, E. M., Slater, S. F., & Hult, T. M. (2005). The Performance implications of Fit Among Business Strategy, Marketing Organisation Structure, and Strategic Behavior. *Journal of Marketing*, 69, 49-65.
- Orpen, C. (1985). The effects of long-range planning on small business performance: A further examination. *Journal of Small Business Management*, 23 (1), 16-23.
- Osbourne, R. L. (1995). The essence of entrepreneurial success. *Management Decision*, 33 (7), 4-9.
- O'Shaughnessy, J. (1995). *Competitive Marketing "A strategic approach"* (3rd ed). London: Clays Ltd, St Ives plc.
- Otman, W., & Karlberg, E. (2007). *The Libyan Economy- Economic diversification and International Repositioning*. New York: Springer Berlin Herlin Heidelberg.
- Oxford.Business.Group. (2008). *The Report Libya 2008*.
- Oxford.Business.Group. (2010). *The Report Libya 2010*.
- Ozsomer, A., & Prussia, G. E. (2000). Competing Perspectives in International Marketing Strategy: Contingency and process Models. *Journal of International Marketing*, 8 (1), 27-50.

- Özsomer, A., Calantone, R., & Benedetto, A. (1997). What make firms more innovative? A look at organizational and environmental factors. *Journal of Business & Industrial Marketing*, 12, 400-416.
- Pace, J. A. (1999). *Processes of Strategic Marketing Planning: A Longitudinal Study Of Scottish Small And Medium Sized Firms*. PhD Thesis, University of Stirling. Scotland: University of Stirling Digital Theses.
- Paley, N. (1999). *The manager's guide to competitive marketing strategy* (2nd ed). St. Lucie Press.
- Panorama Reports. (2010). *Advertisement Libya*. London: Panorama Reports LTD.
- Papke-Shields, K. E. (1997). *Strategic manufacturing planning: Examining the relationship between planning system design, manufacturing context, and planning effectiveness (A thesis)*. University of South Carolina.
- Papke-Shields, K. E., & Malhotra, M. K. (2001). Assessing the Impact of the Manufacturing Executive's Role on. *Journal of Operations Management*, 19 (1), 5-22.
- Park, S. H., & Luo, Y. (2001). Guanxi and organizational dynamics: organizational networking in Chinese firms. *Strategic Management Journal*, 22 (5), 455-477.
- Parnell, J. A., & Hatem, T. (1990). Cultural Antecedents of Behavioural Differences between American and Egyptian managers. *Journal of Management Studies*, 36 (3).
- Parnell, J. A., & Hatem, T. (1999). Cultural antecedents of behavioural differences between Egypt and American managers. *Journal of Management Studies*, 36 (3), 399-418.
- Patton, Q. M. (2002). *Qualitative research and evaluation methods* (3rd ed). London: Sage.
- Pearce, J. A., Freeman, E. B., & Robinson, R. B. (1987). The tenuous link between formal strategic planning and financial performance. *Academy of Management Review*, 12 (4), 658-75.
- Pedhazur, E. J., & Schmelkin, L. P. (1991). *Measurement, design, and analysis: An integrated approach*. Hillsdale, NJ: Lawrence Erlbaum Associates, Inc.
- Pelham, A. M. (1999). Influence of Environment, Strategy, and Market Orientation on Performance in Small Manufacturing Firms. *Journal of Business Research*, 45, 33-46.
- Perry, S. C. (2001). The Relationship between Written Business Plans and the Failure of Small Businesses in the US,. *Journal of Small Business Management*, 39 (3), 201-208.

- Pett, T. L., & Wolff, J. A. (2003). Firm characteristics and managerial perceptions of NAFTA: an assessment of export implications for US SMEs. *Journal of Small Business Management*, 41 (2), 117-132.
- Pettigrew, A., Thomas, H., & Whittington, R. (2002). *Strategic management: the strengths and limitations of a field in Handbook of strategy and management*. London: Pettigrew A, Thomas H, Whittington R (eds) Sage.
- Pfeffer, J., & Salanick, G. (1978). *The external control of organizations: A resource dependence perspective*. New York: Harper & Row.
- Phillips, M. D. (1995). *Learn, Grow and Change: Creating Openness to Change and Inclusive Community Involvement*. Washington, D.C: Points of Light Foundation.
- Phillips, P. A. (2000). The strategic planning/finance interface: does sophistication really matter? *Management Decision*, 38 (8), 541-549.
- Phillips, P. A., & Moutinho, L. (1999). Measuring strategic planning effectiveness in hotels. *International Journal of Contemporary Hospitality Management*, 11 (7), 349-358.
- Phillips, P. A., & Moutinho, L. (2002). The Impact of New Management Practices on the Competitiveness, Performance and Effectiveness of Bank Branches: A Neural Network Analysis. *International Journal of Bank Marketing*, 20 (3), 102-110.
- Phillips, P. A., Davies, F. M., & Moutinho, L. (2001). The Interactive Effects of Strategic Marketing Planning and Performance: A Neural Network Analysis. *Journal of Marketing Management*, 17, 159-182.
- Piercy, N. (1985). *Marketing Organisation: An Analysis of Information Processing, Power and Politics*. London: Allen & Unwin.
- Piercy, N. F. (1997). *Marketing- Led Strategic Change: Transforming the Process of Going to Market*. Oxford: Butterworth-Heinemann.
- Piercy, N. F., & Morgan, N. A. (1990). Organisational Context and Behavioural Problems as Determinants of the Effectiveness of the Strategic Marketing Planning Process. *Journal of Marketing Management*, 6 (2), 127-143.
- Piercy, N. F., & Morgan, N. A. (1994). The marketing planning process: behavioural problems compared to analytical techniques in explaining marketing plan credibility. *Journal of Business Research*, 29, pp.167-178.
- Pitt, L. F., & Kannemeyer, R. (2000). The Role of Adaptation in Microenterprise Development: A Marketing Perspective. *Journal of Developmental Entrepreneurship*, 5 (2), 137-155.
- Poister, T., & Streib, G. (2005). Elements of Strategic Planning and Management in Municipal Government: Status After Two Decades. *Public Administration Review*, 65 (1), 45-56.

Porter, M. E. (1980). *Competitive Strategic: Techniques for analysing industries and competitors*. New York: Free Press.

Porter, M. E. (1996). *What is Strategy*. Retrieved Aug Mon, 2009, from http://www.ipocongress.ru/download/guide/article/what_is_strategy.pdf

Porter, M. E. (1987). *From competitive advantage to corporate strategy'*, in AAJ Thompson, WE Fulmer & AJ Strickland III (eds), *Readings in Strategic Management*. Irwin: Homewood.

Porter, M. E. (1991). Towards a Dynamic Theory of Strategy. *Strategic Management Journal*, 12, 95-117.

Powell, T. C. (1992). Organizational alignment as a competitive advantage. *Strategic Management Journal*, 13 (2), 119-34.

Powell, T. C. (1994). Untangling the relationship between atrategic planning and performance: the role of contingency factors. *Revue Canadienne des Sciences de l'Administration*, 11 (2), 124-38.

Prahalad, C. K. (1995). Weak signals versus strong paradigms. *Journal of Marketing Research*, 23 (3).

Prescott, J. E. (1986). Environments as moderators of the relationship between strategy and performance. *Academy of Management Journal*, 29, 329-346.

Price, R. M. (1996). Technology and Strategic Advantage. *California Management Review*, 38 (3), 38-56.

Priem, R. L. (1994). Executive Judgment, Organisational Congruence, and Firm Performance. *Organization Science*, 5, 421-437.

Priem, R. L., Rasheed, A. M., & Kotulic, A. G. (1995). Rationality in strategic decision processes, environmental dynamism and firm performance. *Journal of Management*, 21 (5), 913-29.

Probst, G. J., & Buchel, B. S. (1997). *Organizational learning: The competitive advantage of the future*. London: Prentice Hall.

Proctor, T. (1997). Establishing a strategic direction. *Management Decision*, 35 (2), 143-54.

Provan, K. G. (1989). Environment, department power, and strategic decision making in organizations: a proposed integration. *Journal of Management*, 15 (1), 21-34.

Pugh, D., Hickson, D., Hinings, C., Turner, C., & Lupton, T. (1968). A conceptual scheme for organization analysis. *Administrative Science Quarterly*, 8, 289-315.

Pulendran, S., Speed, R., & Widing, R. E. (2003). Marketing planning, market orientation and business performance. *European Journal of Marketing*, 37 (3), 476-497.

- Quinn, J. B. (1980a). *Managing strategic change*, in AAJ Thompson, WE Fulmer & AJ Strickland III (eds), *Readings in Strategic Management* (4th ed). Irwin: Homewood.
- Quinn, J. B. (1980b). *Strategies for Change: Logical Instrumentalism, The Strategy Process*. New Jersey,: Prentice Hall.
- Quinton, S., & Harridge-March, S. (2003). On-Line Wine — Strategic or Tactical? *International Journal of Wine Marketing*, 15 (1), 34-43.
- Quinton, S., & Smallbone, T. (2006). *Postgraduate Research in Business*. London: Sage Publications Ltd.
- Rajaratnam, D., & Chonko, L. (1995). The effect of business strategy type on marketing organization design, product-market growth strategy, relative marketing effort, and organization performance. *Journal of Marketing Theory and Practice*, 3 (3), 60-75.
- Ralston, D. A., Gustafson, D. J., Cheung, F. M., & Terpstra, R. H. (1993). Differences in managerial values: a study of U.S., Hong Kong, and PRC managers. *Journal of International Business Studies*, 24 (2), 233-249.
- Remenyi, D., Williams, B., Money, A., & Swartz, E. (1998). *Doing Research in Business and Management*. London: Sage Publications.
- Revuelta, J. (1996). Seminar, Napier Business School. Edinburgh
- Rhee, M., & Mehra, S. (2006). A strategic review of operations and marketing functions in retail banks. *International Journal of Service Industry Management*, 17 (4), 364-379.
- Rhenman, E. (1973). *Organization Theory for Long Range Planning*. New York: Wiley.
- Rhyne, L. C. (1986). The relationship of strategic planning to financial performance,. *Strategic Management Journal*, 7, 423-36.
- Rice, R. W., Phillips, S. M., & McFarlin, D. B. (1990). Multiple discrepancies and pay satisfaction. *Journal of Applied Psychology*, 55, 386-93.
- Richard, B., Robinson, J. R., & Pearce, J. A. (1983). The impact of formalized strategic planning on financial performance in small organisations. *Strategic Management Journal*, 4, 197-207.
- Richard, G., & Bixby, C. M. (1990). How a Customer Mission Statement Affects Company Performance. *Industrial Marketing Management*, 19, 47-54.
- Robbins, S. P. (1996). *Organizational Behavior: Concepts, Controversies, Applications* (7th ed). Englewood Cliffs, NJ: Prentice-Hall.
- Robinson, R. B. (1982). The importance of outsiders' in small firm strategic planning. *Academy of Management Journal*, 25, 80-93.

- Robinson, R. B., & Pearce, J. A. (1983). The impact of formalised strategic planning on financial performance in small organisations. *Strategic Management Journal*, 4, 197-207.
- Robinson, R. B., & Pearce, J. A. (1984). Research Thrusts in Small Firm Strategic Planning. *Academy of Management Review*, 9 (1), 128-137.
- Robinson, R. B., & Pearce, J. A. (1988). Planned patterns of strategic behavior and their relationship to business-unit performance. *Strategic Management Journal*, 9 (1), pp.43-60.
- Robinson, R. B., Pearce, J. A., Vozikis, G. S., & Mescon, T. S. (1984). The relationship between stage of development and small firm planning and performance. *Journal of Small Business Management*, 22 (2), 45-52.
- Roger, B. W. (1991). Successful Marketing Practice: A Literature Review and Checklist for Marketing Practitioners. *European Journal of Marketing*, 25, 20-29.
- RoLervie, S., & Zervos, S. (1996). *Stock Markets, Banks, and Economic Growth "Policy Research Working Paper"*. The World Bank.
- Rosier, E. R., Morgan, R. E., & Cadogan, J. W. (2010). Marketing strategy and the efficacy of procedural justice: The mid-level marketing manager in industrial service firms. *Industrial Marketing Management*, 39, 450-459.
- Rue, L. (1973). *Theoretical and Operational Implications of Long-Range Planning on Selected Measures of Performance in US Industry*. Unpublished doctoral dissertation. GA: Georgia State University. Atlanta.
- Rue, L. W., & Fulmer, R. M. (1973). Is long-range planning profitable? *the Academy of Management Conference*, (66-73). Boston.
- Rue, L. W., & Fulmer, R. M. (1974). The practice and profitability of long-range planning. *Managerial Planning*, 1-7.
- Rue, L. W., & Ibrahim, N. A. (1998). The Relationship between Planning Sophistication and Performance in Small Business. *Journal of Small Business Management*, 27 (4), 45-60.
- Rust, R. T., AmblerTim, Gregory, C. S., Kumar, V., & Rajendra, S. K. (2004). Measuring Marketing Productivity: Current Knowledge and Future Directions. *Journal of Marketing*, 68, 76-90.
- Rust, r. T., Zahorik, A. J., & Keiningham, T. L. (1995). Return on quality (ROQ): making service quality financially accountable. *Journal of Marketing*, 59, 58-70.
- Ryan, B., Scapers, R. W., & Theobald, M. (2002). *Research Method and Methodology in Finance and Accounting* (2nd ed). London: Thomson.

- Saker, J., & Smith, G. (1997). Towards culture-driven strategic marketing planning: the use of participatory action research. *Journal of Strategic Marketing*, 5 (3), 129-142.
- Sapp, R. W., & Seiler, R. E. (1981). The relationship between long-range planning and financial performance of US commercial banks. *Managerial Planning*, 29, 32-6.
- Sapsford, R., & Jupp, V. (2006). *Data collection and Analysis* (2nd ed). London: SAGE publications.
- Sashittal, H. C., & Tankersley, C. (1997). The strategic market planning-implementation interface in small and mid-sized industrial firms an exploratory study. *Journal of Marketing Theory and Practice*, 77-92.
- Satrategic Mrketing Planning*. (2002, April). Retrieved 2009, from Audiences: <http://www.audiencesni.com/library/lb-downloads/reports/Strategic%20Marketing%20Planning.pdf>
- Saunders, J., Saker, J., & Smith, G. (1996). Afterword: An Agenda for Research into Strategic Marketing Planning. *Journal of Marketing Management*, 12, 215-230.
- Saunders, M., Lewis, P., & Thornhill, A. (2007). *Research Methods for Business Students* (4th ed). Spain: Mateu Cromo, Artes Graficas.
- Schaffer, J. (1984). Strategy, organization structure and success in the lodging industry. *International Journal of Hospitality Management*, 3 (4), 159-165.
- Schein, E. H. (1984). Coming to a new awareness of organizational culture. *Sloan Management Review*, 25, 3-16.
- Schroeder, D. M., Congden, S. W., & Gopinath, C. (1995). Linking Competitive Strategy and Manufacturing Process Technology. *Journal of Management Studies*, 32 (29), 163-189.
- Schuler, R. S. (1995). *Managing Human Resources*. West publishing company.
- Schuler, R., & Jackson, S. (1996). *Human Resource Management: Positioning for the 21st Century*. Minneapolis: West Publishin.
- Schwenk, C. R., & Schrader, C. B. (1993). Effects of Formal Strategic Planning on Financial Performance in Small Firms: A Meta Analysis. *Entrepreneurship Theory and Practice*, 53-64.
- Scott, W. (1981). *Organizations: Rational, natural, and open systems*. Englewood Cliffs: NJ: Prentice-Hall.
- Scott, W. G., Mitchell, T. R., & Birnbaum, P. H. (1981). *Organization Theory: A Structural and Behavioral Analysis*. Irwin: Homewood, IL.

- Segal-Horn, S. (2004). The modern roots of strategic management. *European Business Journal* , 133-142.
- Sekaran, U. (2000). *Research Methods for Business A Skill Building Approach* (3rd ed). New York, NY: John Wiley and Sons, Inc.
- Shaaeldin, E., & Saidi-Hammami, L. (2009). *The Socialist People's Libyan Arab Jamahiriya. Country Engagement Note*. African Development Bank. Regional Department North (ORNA).
- Shahin, A. I., & Wright, P. L. (2004). Leadership in the context of culture: an Egyptian perspective. *Leadership & Organisation Development Journal*, 26 (6), 499-511.
- Shapiro, J. F. (2001). *Modeling the Supply Chain*. Pacific Grove, CA: Duxbury Press.
- Shaw, V. T. (2001). The marketing strategies of French and German companies in the UK. *International Marketing Review*, 18 (6), 611-632.
- Sherif, K. F. (April, 2010). *Total Quality Management and Construction Project Management in Libya. PhD Thesis. The University of Plymouth*. from British Library Digital Theses.
- Sheth, J. N., & Sisodia, R. S. (1999). Revisiting Marketing Lawlike Generalisation. *Journal of The Academy of Marketing Science*, 27 (1), 71-87.
- Shim, I., & Paprock, K. (2002). A study focusing on American expatriates' learning in host countries. *International Journal of Training and Development*, 6 (1), 13-24.
- Shrader, C. B., Taylor, L., & Dalton, D. R. (1984). Strategic planning and organizational performance: a critical appraisal. *Journal of Management*, 10 (2), 149-71.
- Siddiqi, S. (1999). Strategic geographic and strategic corporate challenges: a regiocentric perspective to the Middle East. *Managerial Finance*, 25 (2), 45-62.
- Sin, L. Y., & Tse, A. C. (2000). How does marketing effectiveness mediate the effect of organizational culture on business performance? The case of service firms. *Journal of Services Marketing*, 14 (4), 295-309.
- Siply, H. (2008). *Country Report Libya*. Finanzgruppe Bayern.
- Sisk, H., & Williams, J. (1981). *Management and organization*. Cincinnati: (Papke-Shields & Malhotra, 2001) OH: South Western.
- Siu, W.-s. (2000). Marketing and company performance of . *Journal of Small Business and Enterprise Development Chinese small firms in Mainland China: A preliminary study*, 7, 105-122.

- Slater, S. F., Olson, E. M., & Reddy, V. K. (1997). Strategy based performance measurement. *Business Horizons*, 40 (4), 37-44.
- Slevin, D. P., & Covin, J. G. (1997). Strategy formation patterns, performance and the significance of context. *Journal of Management*, 23 (2), 189-209.
- Slotegraaf, R. J., & Dickson, P. R. (2004). The Paradox of a Marketing Planning Capability. *Journal of the Academy of Marketing Science*, 32 (4), 371-385.
- Smart, C., & Vertinsky, I. (1984). Strategy and the environment; A study of corporate responses to crises. *Strategic Management Journal*, 5, 199-213.
- Smith, B. D. (2003). *The Effectiveness of Marketing Strategy Making Processes in Medical Markets. PhD Thesis. Cranfield School of Management. Cranfield School of Management Digital Thesis.*
- Smith, J. K. (1983). Quantitative versus qualitative research: An attempt to clarify the issue. *Educational Researcher*, 12, 6-13.
- Solberg, C. A. (2000). Standardisation or adaptation of the international marketing mix? The role of the local subsidiary/representative. *Journal of International Marketing*, 8 (1), 78-98.
- Song, M., Nason, R. W., & Benedetto, C. A. (2008). Distinctive marketing and information technology capabilities and strategic types: a cross-national investigation. *Journal International Marketing*, 16, 4-38.
- Sorensen, H. T., Sabroe, A., & Olsen, J. (1996). A Framework for Evaluation of Secondary Data Sources for Epidemiological Research. *International Journal of Epidemiology*, 435-442.
- Spanyi, A. (2003). Strategic achievement. *Industrial Engineer*, 35 (3), 40-3.
- Srivastava, R. K., Shervani, T. A., & Fahey, L. (1998). Market-Based Assets and Shareholder Value: A Framework for Analysis. *Journal of Marketing*, 62, 2-18.
- Stacey, R. (2007). The Challenge of Human Interdependence: Consequences for thinking about the day to day practice of management in organizations. *European Business Review, Special Issue - Views from Global Thought Leaders: Current Status and Future Direction*, 19 (4).
- Steiner, G. A. (1979). *Strategic planning: What every manager must know*. New York: The Free Press.
- Steiner, G. A., Harry, & Kunin, E. (1983). Formal strategic planning in the United States Today. *Long range planning*, 16 (3), 12- 17.
- Stevenson, H. (1976). Defining corporate strengths and weaknesses. *Sloan Management Review*, 17, 51-68.

- Stone, R. J. (1998). *Human Resource Management* (3rd ed). Brisbane: Jacaranda Wiley.
- Stonehouse, G., & Pemberton, J. (2002). Strategic planning in SMEs - some empirical findings. *Management Decision*, 40 (9), 853–861.
- Strauss, A. L., & Corbin, J. (1990). *Basics of qualitative research: Grounded theory procedures and techniques*. California: SAGA Publications, Newbury Park.
- Tai, S., & Wong, Y. H. (1988). Advertising decision making in Asia: ‘Glocal’ versus ‘Regcal’ approach. *Journal of Managerial Issues*, 10 (3), 318-39.
- Tan, J., & Tan, D. (2005). transition, Environment-strategy co-evolution and co-alignment: a staged model of Chinese SOEs under. *Strateg Manage Journal*, 24, 141–157.
- Tanabea, M., Angeloa, C. F., & Alexander, N. (2004). The effectiveness of strategic planning: competitiveness in the Brazilian supermarket sector. *Journal of Retailing and Consumer Services*, 11, 51–59.
- Tapinos, E., Dyson, R. G., & Meadows, M. (2005). The impact of performance measurement in strategic planning. *International Journal of Productivity and Performance Management*, 54 (5/6), 370-384.
- Tashakkori, A., & Teddlie, C. (1998). *Mixed methodology: Combining qualitative and quantitative approaches (Applied Social Research Methods, No.46)*. CA: Thousand Oaks CA: Sage.
- The Arab Banking Corporation. (2001). Libya faces chalanges. *the Arab Banking Corporation* .
- The central bank of Libya. (2001). *The Development of the Libyan Banks*. Tripoli: the CBL.
- The Central Bank of Libya. (2009). *The financial statements of the LCBs at the end of the second quarter of 2009*. Tripoli: The Central Bank of Libya.
- The University of Gloucestershire. (n.d.). Research. Retrieved July 22, 2010, from
 Research Ethics: [A Handbook of Principles and Procedures:http://resources.glos.ac.uk/currentstudents/research/ethics/principles.cfm](http://resources.glos.ac.uk/currentstudents/research/ethics/principles.cfm).
- The-Banker. (2004). Best use of IT in retail banking. *the Banker*.
- Thomas, B., Jwaili, M. A., & Al-Hasan, S. (2003). The Role of Small Firms in Libyan Tourism Development. University of Glamorgan Business School. *Welsh Enterprise Institute Working “The Role of Small Firms in Libyan Tourism Development Paper Series (30), 1-17*.
- Thompson, A. A., & Strickland, A. J. (1996). *Strategic Management: Concepts and Cases* (9th Edition ed.). Boston: McGraw-Hill.
- Thompson, J. (1967). *Organizations in action*. New York: McGraw-Hill.

- Thompson, J. (1993). *Strategic Management* (2nd ed). London: Chapman and Hall.
- Thompson, J. L. (1997a). *Lead with vision: Manage the strategic challenge* (1st ed). London: International Thomson Business Press.
- Thomson, J. L. (1997b). *Strategic Management: Awareness and Change* (3rd ed). UK: International Thomson Business Press.
- Thorpe, E. R., & Morgan, R. E. (2007). In pursuit of the "ideal approach" to successful marketing strategy implementation. *European Journal of Marketing*, 41 (5/6), 659-677.
- Thune, S. S., & House, R. J. (1970). long-range planning pays off: findings of a survey of formal and informal planners. *Business Horizons*, 13, 81-7.
- Thwaites, D., & Lynch, J. E. (1992). Adoption of the Marketing Concept by UK Building Societies. *The Service Industries Journal*, 12 (4), 437-462.
- Times, 9. N. (2007). *Information and Communication Technology in Libya*. Times.
- Tse, D. K., Lee, K., Vertinsky, I., & Wehrung, D. A. (1988). Does Culture Matter? A Cross-Cultural Study of Executives' Choice, Decisiveness, and Risk Adjustment in International Marketing. *Journal of Marketing*, 52, 81-95.
- Tung, R. (1979). Dimensions of organizational environments: An exploratory study of their impact on organization structure. *Academy of Management Journal*, 22, 72-693.
- Tuominen, M., Rajala, A., & Möller, K. (2004). Market-driving versus market-driven: Divergent roles of market orientation in business relationships. *Industrial Marketing Management*, 33 (3), 207-217.
- Twati, J. M., & Gammach, J. G. (2006). The impact of organisational culture innovation on the adoption of IS/IT: the case of Libya. *Journal of Enterprise Information Management*, 19 (2), 175-191.
- Twinn, S. (1997). An exploratory study examining the influence of translation on the validity and reliability of qualitative data in nursing research. *Journal of Advanced Nursing*, 26 (2), 418-423.
- Unni, V. K. (1981). The role of strategic planning in small business. *Long Range Planning*, 14 (2), 54-58.
- Usunier, J. (2000). *Marketing Across cultures*. Harlow: Pearson Education Hollenson.
- Van.de.Ven, A. H. (1976). A Panel Study on Determinants of Authority Structures Within Organizational Units. Kansas City. Missouri: Academy of Management 6th Annual Conference.
- Vancil, R. (1976). Strategy Formulation in Complex Organizations. *Sloan Management Review*, 17 (2), 1-18.

- Van-de-Ven, A. H. (1980). Problem Solving, Planning and Innovation. Part 1. Test of the program planning model. *Human Relations*, 33, 711-740.
- Varadarajan, P. R., & Ramanujam, V. (1990). The Corporate Performance Conundrum: A Synthesis of Contemporary Views and an Extension. *Journal of Management Studies*, 27 (5), 463-83.
- Varadarajan, R. P., & Jayachandran, S. (2000). Marketing Strategy: An Assessment of the State of the Field and Outlook. *Journal of the Academy of Marketing Science*, 27 (2), 120-43.
- Vencil, R. F. (1976). Strategy Formulation in Complex Organisations. *Sloan Management Review*, 17 (2).
- Venkatraman, N., & Prescott, J. E. (1990). Environment-strategy coalignment: An empirical test of its performance implications. *Strategic Management Journal*, 11, 1-23.
- Venkatraman, N., & Ramanujam, V. (1996). Measurement of Business Performance in Strategy Research: A Comparison of Approaches. *Academy of Management Review*, 11 (4), 801-814.
- Verhage, B. J., & Waarts, E. (1988, Summer). Marketing planning for improved performance: A comparative Analysis. *International Marketing Review* (5),2, 20-30.
- Verhage, B. J., & Waarts, E. (1989). Marketing Planning for Improved Performance: A Comparative analysis.
- Verhoef, P. C. (2003). Understanding the Effect of Customer Relationship Management Efforts on Customer Retention and Customer Share Development. *Journal of Marketing*, 67, 30-45.
- Vila, J., & Canales, J. I. (2008). Can Strategic Planning Make Strategy More Relevant and Build Commitment Over. *Long Range Planning*, 1-18.
- Voss, C., Tsiriktsis, N., Funk, B., Yarrow, D., & Owen, J. (2005). Managerial choice and performance in service management—a comparison of private sector organizations with further education colleges. *Journal of Operations Management*, 23 (2), 179–195.
- Vrechopoulos, A., Constantiou, I., Sideris, I., Doukidis, G., & Mylonopoulos, N. (2003). The critical role of consumer behaviour research in mobile commerce. *International Journal of Mobile Communications*, 1 (3), 239-340.
- Vrontis, D. (1999). Bass plc – an assessment, evaluation and recommendations of their strategic approach in entering foreign beer markets. *International Marketing Review*, 16 (4/5), 391-405.
- Vrontis, D., Kogetsidis, H., & Stavrou, A. (2006). Strategic marketing planning for a supplier of liquid food packaging products in Cyprus. *Journal of Business & Industrial Marketing*, 21 (4), 250–261.

- Walker, O. C., & Ruekert, R. W. (1987). Marketing's role in the implementation of business strategies: a critical review and conceptual framework. *Journal of Marketing*, 51, 15-33.
- Walker, O. C., Boyd, H., & Larreche, J. (1992). *Marketing Strategy: Planning and Implementation*. Irwin: Homewood: Richard D.
- Walsh, C. E. (1995). "Optimal Contracts for Central Bankers" *American Economic Review*. *American Economic Association*, 85 (1), 150-67.
- Webster, C. (1995). Marketing culture and marketing effectiveness in service firms. *Journal of Services Marketing*, 9 (2), 6-21.
- Webster, F. E. (1992). The Changing Role of Marketing in the Corporation. *Journal of Marketing*, 56, 1-17.
- Webster, F. E. (1994). *Market Driven Management*,. London: Wiley.
- Webster, F. E. (1997). *The Future Role of Marketing*. Cambridge: Mass: Marketing Science Institute.
- Webster, F. E., Malter, A. J., & Ganesan, S. (2005). The decline and Dispersion of the Marketing Competence,. *MIT Sloan Management Review*, 6 (4), 35-43.
- Welch, J. B. (1984). Strategic planning could improve your share price. *Long Range Planning*, 17 (2), 144-7.
- Wengraf, T. (2001). *Qualitative research interviewing: Biographic narrative*. London: Sage Publications.
- West, D., Ford, J., & Ibrahim, E. (2006). *Strategic marketing :creating competitive advantage*. Oxford: Oxford University Press.
- West, D., Ford, J., & Ibrahim, E. (2010). *Strategic marketing : creating competitive advantage* (2nd Edition ed.). Oxford; New York: Oxford University Press.
- Wheelan, S., Murphy, D., Tsumura, E., & Kline, S. F. (1998). Member perceptions of internal group dynamics and productivity. *Small Group Research*, 29 (3), 371-393.
- Wheelen, T. L., & Hunger, D. J. (2002). *Strategic Management and Business Policy* (8th ed). Massachusetts: Addison-Wesley Publishing Company.
- White, G. B., & Uva, W.-f. L. (2000). *Developing a Strategic Marketing Plan for Horticultural Firms, Agriculture and Life Sciences*. New York: Cornell University Ithaca.
- Whitehead, D. D., & Gup, B. E. (1985). Bank and thrift profitability: does strategic planning really pay? *Economic Review*, 14-25.

- Whittington, R., & Caillaud, L. (2008). The crafts of strategy. *Long-Range Planning*, 41 (3), 241-247.
- Wilkins, A., & Ouchi, W. (1983). Efficient cultures: Exploring the relationship between culture and organizational performance. *Administrative Science Quarterly*, 28, 468-481.
- Wilkins, K. E. (2001). *Making sense of the organization*. Blackwell: Malden, MA.
- Wille, E. (1992). *Quality: Achieving Excellence*. London: Random House UK L+d.
- William, B. H., & Donald, C. M. (1977). *The Planning Process*. Cambridge: Massachusetts: Winthrop Publishers, Inc.
- Wilson, I. (1994). Strategic Planning Isn't Dead-It Changed. *Long Range Planning*, 27, 12-24.
- Wilson, R. S., & Gilligan, C. (1997). *Strategic marketing management: Planning, implementation, and control* (2nd ed). Oxford and Boston: Butterworth-Heinemann.
- Wood, R. J., & LaForge, L. R. (1979). The Impact of Comprehensive Planning on Financial Performance. *The Academy of Management Journal*, 22 (3), 516-526.
- Woodward, J. (1965). *Industrial organization: Theory and practice*. New York: Oxford University Press.
- Wooldridge, B., & Floyd, S. W. (1990). The strategy process, middle management involvement, and organizational performance. *Strategic Management Journal*, 11 (3), 231-41.
- Workman, J. J., Homburg, C., & Gruner, K. (1998). Marketing organisation: an integrative framework of dimensions and determinants. *Journal of Marketing*, 62, 21-41.
- Wright, P., Keoll, M. J., & Parnell, L. (1996). *Strategic Management: Concepts and Cases* (3rd ed). Englewood Cliffs, NJ: Prentice-Hall.
- Yin, R. (1994). *Case study research: Design and methods* (2nd ed). Beverly Hills: CA: Sage Publishing.
- Yin, R. K. (2003). *Case Study Research. Design and Methods* (3rd ed). California: SAGA Publications, Thousand Oaks.
- Yin, R. K. (2009). *Case Study Research. Design and Methods* (4th ed.). California: SAGE Publications, Inc.
- Youssef, S. (1994). Egyptian state owned enterprises: a sector in transition. *International Journal of Commerce and Management*, 4 (4), 5-25.
- Yvette, K. (1994). Promotion and Advertising. *Retailing of Financial Services*, 240-265.

Zeithaml, V. A. (1988). Consumer perceptions of price, quality, and value: a means-end model and synthesis of evidence. *Journal of Marketing*, 52 (3), 2-22.

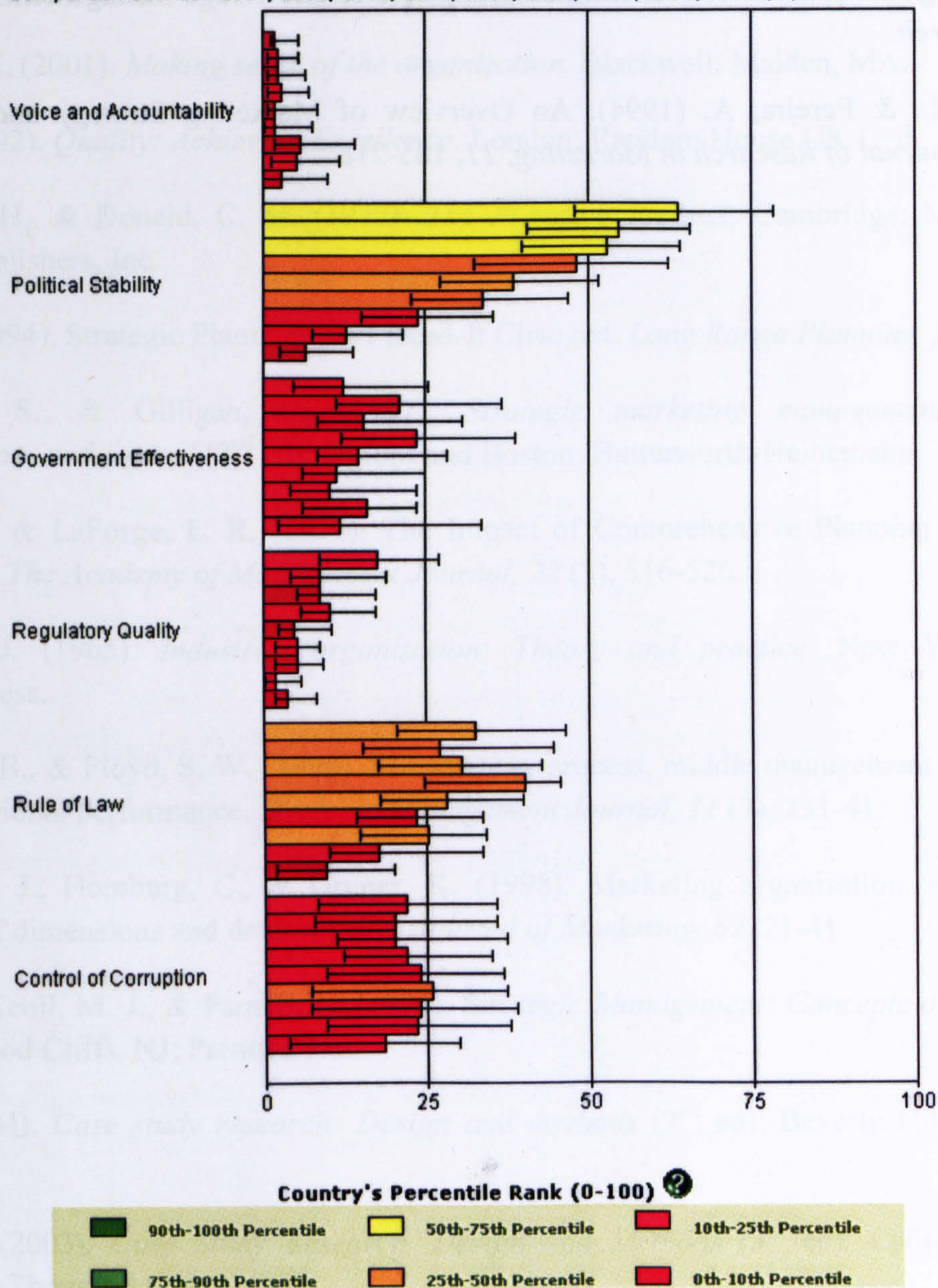
Zheng, W., Yang, B., & McLean, G. N. (2009). Linking organisational culture, structure, strategy, and organisational effectiveness: Mediating role of knowledge management. *Journal of Business Research*.

Zinkhan, G. M., & Pereira, A. (1994). An Overview of Marketing Strategy and Planning. *International Journal of Research in Marketing*, 11, 185-218.

Appendix A

LIBYA

Comparison between 2007, 2006, 2005, 2004, 2003, 2002, 2000, 1998, 1996 (top-bottom order)



Source: African Development Bank, 2009

Appendix B

The Libyan Development Plans

the Plan Data	The Development Plan	The Rate Distribution of the Plan
The First Plan	1963-1968	<ul style="list-style-type: none">- 23%→ public works- 17% →agriculture- 16%→communications- 13%→ education- 7%→public health- 4%→industry
The Second Plan	1972-1975	<ul style="list-style-type: none">- 15%→mineral resources- 14%→communications- 11%→housing- 11%→ petrochemicals- 9%→education
The Third Plan	1976-1980	<ul style="list-style-type: none">- 20%→agriculture- 14%→communications- 13%→industry- 12%→housing
The Fourth Plan	1981-1985	<ul style="list-style-type: none">- 23%→industry- 18%→agriculture- 12%→communication- 12%→electricity

Source: (www.nationsencyclopedia.com . 2009

Appendix C

Comparative Indicators, 2006 (In Percent of GDP Unless Otherwise Specified)

Description	Libya	Maghreb 1	OPEC 2 & 3
GDP per capita (in US\$)	8,430	3,577	8,641
Non-hydrocarbon GDP per capita (in US\$)	2,211	1,935	7,022
Share of non-hydrocarbon GDP (in total)	26.2	71.4	57.3
Real GDP growth	5.6	7.1	6.5
Government expenditure	32.3	31.1	30.3
Fiscal position (deficit -)	38.6	9.9	13.3
Government revenue	71.2	41.0	43.6
External trade balance (deficit -)	51.5	12.6	19.3
1. Maghreb: Algeria, Libya, Mauritania, Morocco and Tunisia.			
2. OPEC: Algeria, Indonesia, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, UAE, and Venezuela.			
3. Excluding Iraq.			

• Sources: IMF 2007.

Appendix D

The significant stages that distinguished Libya after the revolution
(Newworldencyclopedia, 2010)

- In 1975, the ideological basis of the political system was based on ``the green book``.
- On 2 March 1977, Alqadhafi proclaimed the establishment of "people's power," including changes in the country's name to the Socialist People's Libyan Arab Jamahiriya.
- In 1986, Libya was bombed by the US air force.
- In 1987, Libya was affected by the military losses in Chad; the international financial crisis of 1986; and many domestic problems. This caused the government to take some procedures in terms of political and economic reforms, such as limiting the authority of the Revolutionary Committees, lifting travel restrictions, and reinstating private enterprises in nationalised industries.
- In 1990, there was an increase by the Islamist violence towards the secularist-oriented Jamahiriya government; the government discontinued the political reforms.
- In 1992, the UN imposed sanctions in response to Libya's implication in the 1992 Lockerbie bombing.
- In 1999, the reforms cautiously continued.
- In September 2003, after a series of diplomatic endeavours the UN sanctions were lifted. In the same year, Libya announced cooperation with the US in its "war on terrorism"; and the official renunciation of acquiring weapons of mass destruction in December 2003. These developments have been reflected on the two sides of the economy; externally, the relationship between Libya and the West has clearly improved; internally, the economic reforms have improved, as part of a broader campaign to reintegrate the country into the international fold.
- In 2006, a new phenomenon appeared in the Libyan political picture. It was the trials and appeals of six foreign medical workers convicted of conspiring to deliberately infect 426 children with Human Immunodeficiency Virus (HIV) in 1998.
- In March 2007 The Libyan Investment Authority (LIA) was established. In March 2008 A Wealth Distribution Program (WDP) was launched to distribute part of the oil wealth revenue to the population which took two forms: cash or shares in projects.

Appendix E

The Gumhouria Bank's strategic initiatives include the following: (The bank Report, 2009)

- Define a yearly plan for advertising/promotion by defining the budget required (per media) and expected effects on sales, defining initiatives to promote Gumhouria image and to sustain sales (e.g. specific product campaigns), and putting in place a system to monitor the plan's effects (e.g. advertising plan/return on investment). The benefit of this is to increase revenues/sales and market share.
- Put in place a call-centre to promote sales, by reactive call centre providing customer general information/advertising, call centre actively contacting list of customers/prospect with advertising purpose, and call centre providing also active banking services. The benefit of this is increasing revenues/sales, market share, and new customers.
- Create a centralised clients database for Customer Relationship Management (CRM) by defining key variables to be monitored in order to support commercial effectiveness, defining a system to gather required data, and performing data analyses with a commercial purpose. The benefit of this is to achieve sales effectiveness.
- Improve current products by tactical price revision of most the important products based on competitor benchmarking, and by upgrading product delivery for specific products, and by revising sales processes in order to improve responsiveness (e.g. simplify procedures to minimise waiting time). The benefit of this is to attract new clients, increase revenues/sales and achieve customer satisfaction.
- Define a 2009-2011 plan to introduce new products; it includes launching an analysis of competitor offers and offers from banks outside Libya (e.g. Egypt), to identify possible new products to introduce for retail customers, such as Islamic products, web-based and mobile services (e.g. bill payment, phone top-ups and prepaid cards), and specific purpose products (e.g. financing studies, saving accounts for children). In addition, the bank will introduce new products for SMEs, which include medium-term loans/commercial loans (e.g. 3 years duration), and leasing receivable finance. Finally, the bank will introduce new products for corporate companies, for example, leasing, corporate cards, Islamic-like services, and leasing receivable finance. The benefit of this is to increase revenues/sales.
- Improve branch external appearance to promote a uniform and appealing bank image, particularly in branches located in main cities (e.g. Tripoli, Bengazi). The benefit is to achieve customer/market awareness.

- Improve branch internal appearance by (1) improving layout (e.g. welcome desk, queue management system) and exploiting the “in-branch” marketing potential (e.g. distributing advertising material, measuring customer satisfaction) and (2) making structural interventions (e.g. branch renovation, refurbishment). The benefit is to achieve customer satisfaction, attract new customers and increase revenue/sales.
- Upgrade employees’ attitude/friendliness toward clients by establishing an adequate performance management system and defining a training plan for front-office staff. The benefit of this is gaining customer satisfaction.
- Re-organise front-office by a creating customer oriented service model through the establishing of Relationship manager (RM). This model includes creating the role of an RM for SMEs and for key private customers. Creating customer portfolios assigned to the RM, developing sales supporting tools for the RM (campaigning, customer relations/acquisitions/up selling/cross-selling programme), developing performance monitoring systems and incentives for the RM, and finally, defining training plans for the RM. The benefit of this is to enhance employees’ productivity.
- Regularly monitor branches performance by creating a monitoring system for regular assessment of current branch profitability and sustainability and defining an action plan for non-performing branches (merge, shut down, and move employees to understaffed branches). Target and enter new areas with potential by identifying potential areas to open branches and defining action plan for new branch opening. The benefit of these initiatives is branch productivity

Appendix F

Marketing Department' responsibilities in the Gumhouria Bank:

Marketing Department has several important functions that are linked to strategic planning; they will be accomplished by Marketing in the new strategy. For example, coordination of all the commercial/marketing initiatives, decisions about the rules and guidelines to implement and develop the corporate identity of the bank and the protection of the same. Marketing is also responsible for the management and supervision of sales and marketing/advertising campaigns with an integrated vision of the distribution channels and preparation of marketing plans (e.g. guidelines, advertising, and products) for the Internet/Intranet sites (The reports of the Mckinsey Company, 2009).

Appendix G

In order to assess the framework for the banking system, these banking Laws have been issued:

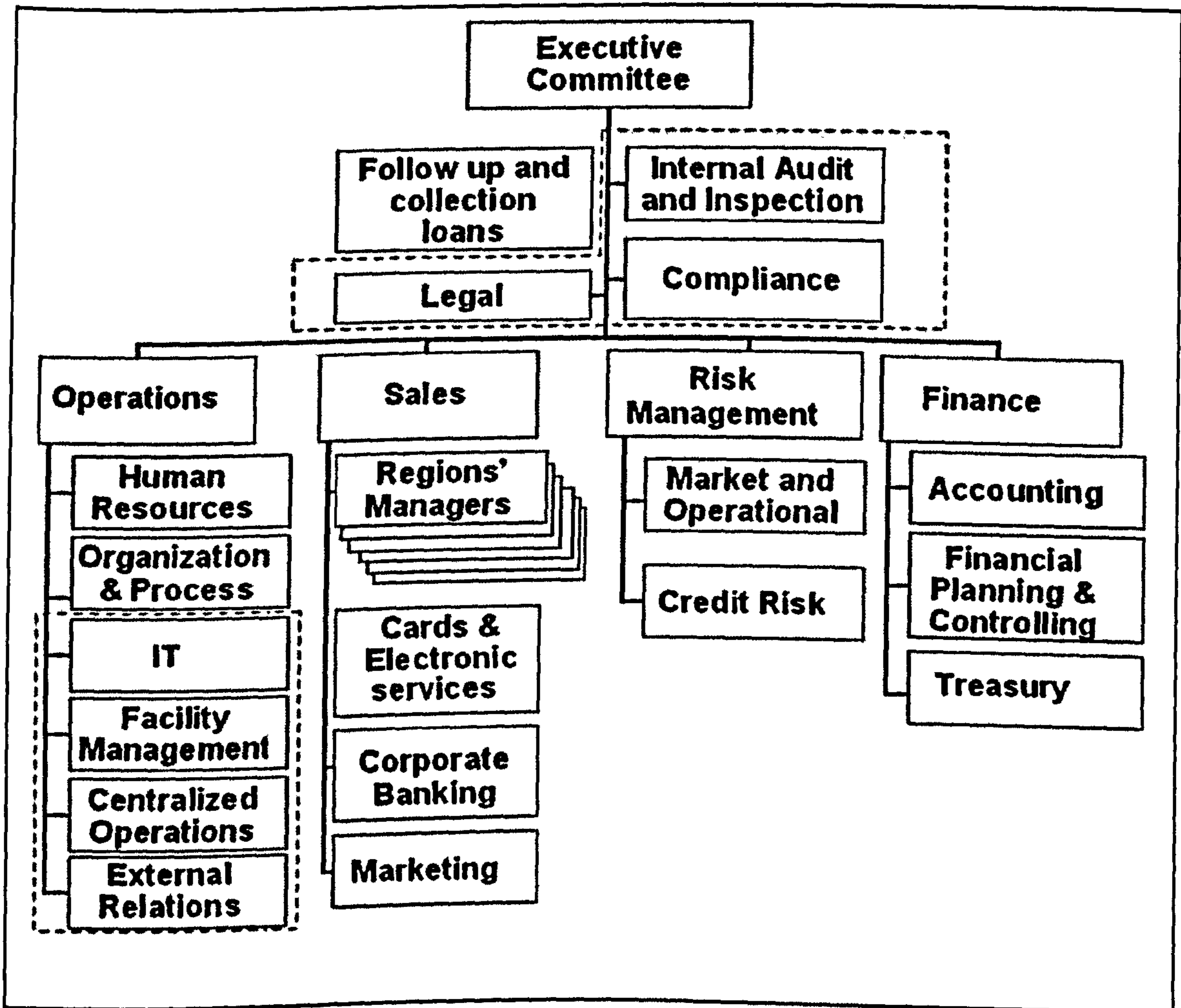
- In 1981, Law No. 8 was passed to establish the development bank and replace the former industrial development of the Industrial and Real Estate Bank which then became known as the savings and real Estate Bank.
- In 1993, the law No.1 for banking was introduced which included several important steps such as, replacing the currency, making Law No.4. 1963 more effective, and updating its major provision, as well as increasing the capital of the CBL to LD100 million. This law allowed foreign banks to establish branches in Libya; however, specifically this meant the office of Bahrain-Based Arab Banking Corporation in Misuratah in 1996 and later the Maltese-Based Bank of Valletta and Egypt's Suez Bank.
- In 1994, as a result of law No.1 of 1993, BCD was established. It was the only privately owned commercial bank in the Libyan market with 2,000 private shareholders, its operations started in 1996; it has grown from one branch in Benghazi to eleven branches throughout Libya. It has to compete with the state-owned banks, because it does not have a government-sourced asset base. As a result, it has to champion innovations involving telephone, PC driven, and internet banking services, which have a superior service strategy providing credit cards and ATMs to its customers.
- In 2005, the Libyan government announced its plan to sell the two biggest state-owned banks to private investors, which were the Sahara Bank and the Wahda Bank. At the same year, a new banking law was issued on banking restructuring, currency and credit (law No. 1 of 2005). It aims to modify and give the banking sector a more proactive role in the redistribution of capital flow to the country's most productive sectors. It gave the CBL greater responsibility in the conduct of monetary policy, such as the right to issue its own securities, authorise lower interest rates to encourage private sector and demand for credit, and finally it developed an anti-money laundering strategy through the modernisation of the payment system (law No. 2 of 2005). The new law (art.67) includes allowing foreign banks to establish their enterprises in Libya. However they have to share their capital so for example they have to match fund any capital provided by Libya which before was \$50 million but this law allows them LYD10 million.
- It can open branches or representational offices anywhere in Libya. The new law of January 12, 2005, gave the CBL more responsibilities, such as the ability to control money supply

and credit, to supervise commercial banks to make sure sound financial positions, to protect depositor and shareholder rights and to advise the State on the formulation and implementation of financial and economic policy.

- The CBL has identified new laws to improve the LCBs statue; for example: They have launched the privatisation of the Sahara Bank and recapitalised three of the five state-owned commercial banks. In 2005, banks were granted independence to freely decide interest rates on deposits and on lending rates.

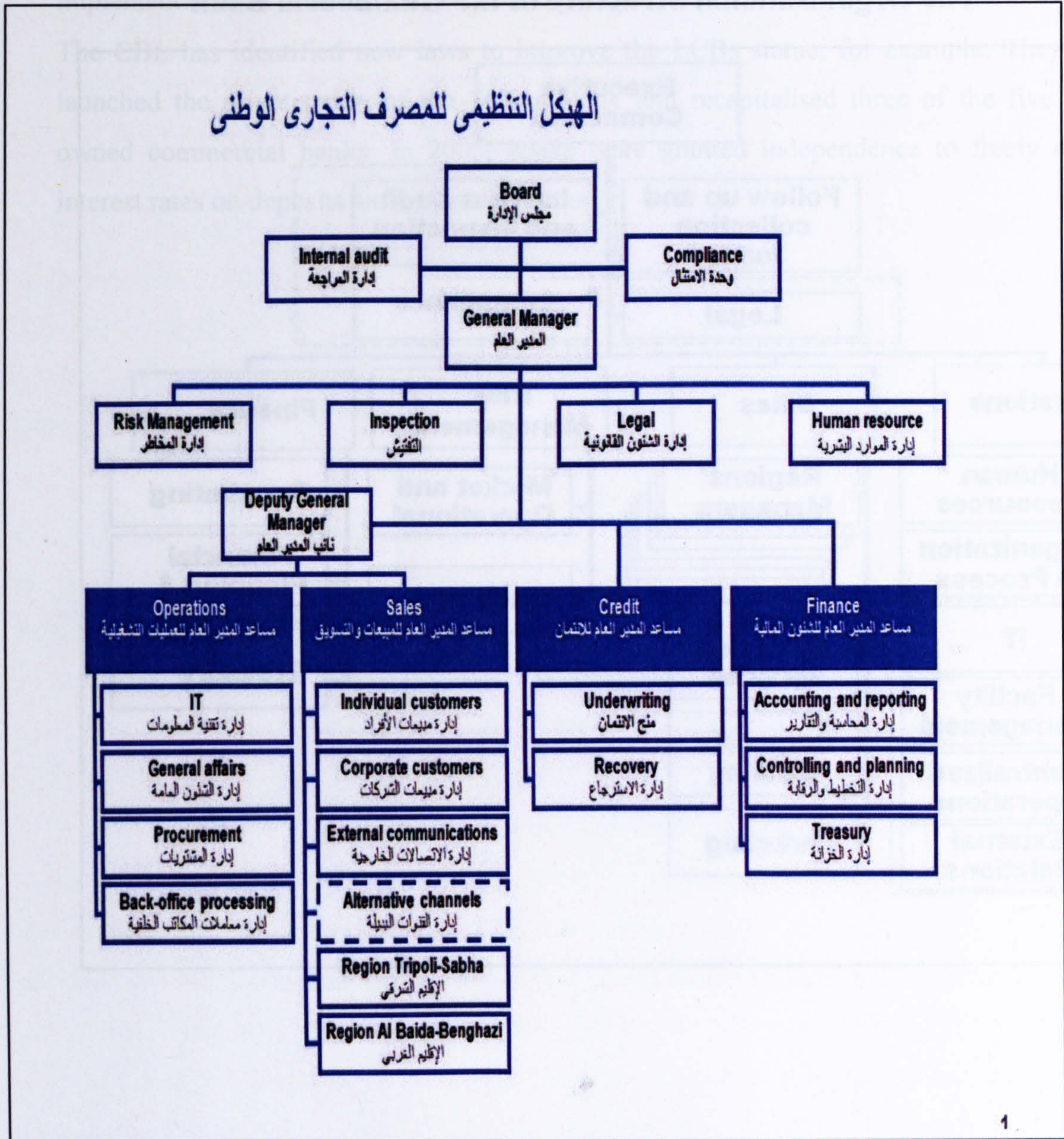
Appendix H.1

The Organisational Structure of the Gumhouria Bank



Appendix H.2

The Organisational Structure of the NCB



Appendix I

According to the CBL's report, at the end of the second quarter of 2009, the Gumhouria Bank was ranked first, the Sahara Bank was ranked second, the NCB was ranked third, and the Wahda Bank was ranked the fourth in terms of assets size, deposit size, the credit, the value of the documentary and the credit letters. As for the revenues the Gumhouria bank was also ranked first, the Sahara bank was ranked second, Wahda Bank was ranked third and NCB was ranked fourth. Their indicators are shown Table below.

The LCBs Financial Indicators (Million L.D)*

Bank name	Size of assets	Size of deposit	Credit	**V	Revenues
Gumhouria Bank	21057.1 (38.0%)	16802.4 (36.9%)	4336.2 (40.5%)	2804.8	219.0 (32.2%)
Sahara Bank	11023.5 (19.9%)	9731.8 (21.4%)	1884.2 (17.6%)	752.3	150.0 (22%)
NCB	10001.2 (18.0%)	8523.9 (18.7 %)	1657.3 (15.5%)	691.2	102.1 (15%)
Wahda Bank	7621.1 (13.7%)	6378.0 (14.0 %)	1628.4 (15.2%)	428.5	119.1 (17.5%)

*Source: the financial indicator report of the CBL for the second quarter of 2009

**Value of the documentary credit letters

Appendix J

Increasing the number of the branches is one of the LCBs' policies in order to increase market share. LCBs used to have about 300 branches distributing their products nationwide. In June 2009, the number of LCBs was 15 banks, and their branches were 454 (the reports of LCBs, 2009). The table (2-2) below shows the number of the LCBs branches.

Table (2.2) Percentage of the LCBs' branches*

The Bank	Branches	Percentage
Gumhouria Bank	146	46%
Wahda Bank	74	23%
Sahara Bank	48	15%
NCB	51	16%
The total	319	100%

*The banks' websites

As can be seen from table (2-3) the high rate of branches is concentrated in the Gumhouria Bank with 46%. In fact the Gumhouria Bank used to have 88 branches; however, the number of branches increased to 146 after merging with the Umma Bank. The number of Wahda Bank clients is 792,000, and its branches are represented as 23%, after that the NCB has 16% and finally the Sahara Bank has 15%. (Note: the number of the other LCBs' branches is 135, which means the total number of the LCBs' branches is 454).

These branches have several responsibilities such as: approval and refusal of credit and social loans on a case by case basis; the proposal of product improvements on the basis of local customers needs; evaluation of employees' performance and competence on a yearly basis; control of the employees' activities and results on a weekly basis to ensure the respect of policies and monitoring of their activities and providing reports defined by the Regional Manager (the Bank documents)

Appendix K

The number of banks' employees is shown in the table below:

The Bank	The Employees	Percentage
Gumhouria Bank	5807	45.06%
Wahda Bank	3053	23.69%
NCB	2527	19.61%
Sahara Bank	1500	11.64%
The Total	12887	100%

*Source: the banks' websites

As can be seen from table (4-2) the high rate of employees is concentrated in the Gumhouria Bank with 45%. The number of Wahda Bank' clients are 792,000, and its employees are represented as 24%, after that the NCB who has 20% and finally the Sahara Bank which has 12%. (Note: the number of the other LCBs' employees is 3744 which means the total number of the LCBs' employees is 16631).

Appendix L

DEBRIEF

Thank you for participating in this study. The purpose of this research is to explain the foundations of FSMP in the Libyan banking industry. The primary research objective is to understand the determinations of adopting SMP in the LCBs.

The constructs that used to conceptualise FSMP are included: firstly, the external environment which involved political conditions, economical conditions, social and cultural factors, technological factors. Secondary, the internal environment which involved: organisational structure, organisational culture. Performance is involved on both qualitative and quantitative measurements, finally, the process of FSMP itself.

This study is designed as an exploratory and a descriptive study using existing theory and uses variables that referred previously in this section. The practical part in this research includes an unstructured plan in order to get enough information about the research problem by using personal qualitative interviews, and the questionnaire as quantitative way to collect the research data. In addition, any type of information you can provide.

I assure you that the data collected will remain anonymous, as stated in the consent from your job title will not be associated with any of your answers. If you wish to learn more about this study or please contact me by email s0710026@connect.glos.ac.uk.

Thank you again for taking the time to participate in my research.

Fathia Abusafrita

Business Department

University of Gloucestershire

Appendix M.1



الإشاري : ا.م.ب.ت: 5606/08/1377 و.ر
الموافق: 03 / من رمضان
التاريخ: 23 / هانيبال / 2009 مسيحي

الأخ / رئيس ادارة التجزئة

بعد التحية،،،،،
بالإشارة الى الرسالة الصادرة من جامعة السابع من ابريل ذات
الرقم الاشاري ج.س.ب.ر 27/27/2009 ف بشأن استكمال دراسة
الاساتذة // فتحية رمضان ابو سفريته للحصول على درجة الاجازة
الدقيقة ((الدكتوراة)) في علم الادارة .

عليه
نأمل منكم مساعدة الأخت المذكورة اعلاه في جمع البيانات
المتعلقة بدراستها مع عدم المساس بسرية العمل .

السلام عليكم ورحمة الله وبركاته ،،،،،

ادارة الموارد البشرية والتدريب

استت
23.8.9
كنتت
ب.ب.ب.ب.

صورة لملف/ المصادق/الموافق
عبدالباق

لاديمتقواملية
بدون مؤتمراته شعبية

مصرف الوحدة

شركة مساهمة لبيها
للمدة فروع منطقة طرابلس
طرابلس



الاشارى: ق.ش.ع. 2133/3/39/10

التاريخ 18/ماييال/1377 و.ر. 2009 مسيحي

الأخوة/ مدراء فروع ووكالات مصرف الوحدة التابعة لادارة فروع منطقة طرابلس

تحية واحتراما،،،،،

نأمل منكم مساعدة الاخت/ فتحية رمضان ابوسفريته للحصول
على البيانات المتعلقة بدراستها وذلك لاستكمال مرحلة البحث للحصول
على درجة الاجازة الدقيقة ((الدكتوراة)).

وتفضلوا بقبول فائق الاحترام .

محمد الرزاق احمد جموحه
مدير ادارة فروع منطقة طرابلس

د. محمد الرزاق احمد جموحه
مساعد م.أ.ف.م. ط. للموارد البشرية والتدريب

تسليم التدريب
المكلف الدوري
البوزيدى الربيعى

Appendix N

Name of the bank.....Job Title.....

Dear: Mr/Mrs

The purpose of this questionnaire is related to the PhD thesis with title "The influence of Formalised strategic marketing planning on performance in the Libyan commercial banks" of Fathia Abusafrita at university of Gloucestershire, UK.

In the framework of this research, we kindly request that the questionnaire should be filled by the Chief Executive Officers (CEOs) or an appropriate deputy in the bank (for example: director or manager). The successful realization of this study is highly dependent on your support and bank, which will be greatly appreciated.

The information that will be provided in this questionnaire will remain **STRICTLY CONFIDENTIAL** and will be published in groped from, so that the information provided by individual banks remains anonymous, without touching your personal interests.

Thank you for your collaboration

Part one: Personnel's characteristics

Please provide the following information about yourself by checking the appropriate box.

1. How many years have you been working at this job role?

Less than 5 years 5 to 10 years Over 10 years

2. Formal education level. Please identify the highest.....

Please answer these questions:

- | | Yes | No |
|---|--------------------------|--------------------------|
| 3. Have you ever got training in marketing? | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. Is there a SMP commission/committee in your bank? | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. Are you a member of this commission? | <input type="checkbox"/> | <input type="checkbox"/> |
| 6. Is this commission has access to senior management? | <input type="checkbox"/> | <input type="checkbox"/> |
| 7. Does your bank has a strategic planning position (i.e. focused on markets to serve, competitive strategies, market entry/exit timing, etc.)? | <input type="checkbox"/> | <input type="checkbox"/> |
| 8. Does this position have access to senior management? | <input type="checkbox"/> | <input type="checkbox"/> |
| 9. Does your bank prepare written strategic plans? | <input type="checkbox"/> | <input type="checkbox"/> |
| 10. Does your bank prepare written strategic marketing plans? | <input type="checkbox"/> | <input type="checkbox"/> |
| 11. Do you ever participate in strategic plan formulation? | <input type="checkbox"/> | <input type="checkbox"/> |
| 12. Do you ever participate in Strategic plan implementation? | <input type="checkbox"/> | <input type="checkbox"/> |

Part two: General conditions

13 Does your bank collect any information about the external environment?

Yes

No

Please answer the following question according to the below scale:

Almost Never	Not very often	Sometimes	Frequently	Almost Always
1	2	3	4	5

How often do you collect information about?

- | | | | | | |
|---|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| | 1 | 2 | 3 | 4 | 5 |
| 14. How often the bank collects information about external environment? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 15. Demographics (life styles, social values of society) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 16. Economic factors (interest rate, GDP, etc.) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 17. Political factors (new laws, regulations, and policies) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 18. Technological factors (new products, processes, materials) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 19. Competitor strategies (pricing, distribution) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

The following statements pertain to the external environment which could affect your bank. Please rate your agreement or disagreement by using the below scale.

Strongly disagree	Tend to disagree	Undecided	Tend to agree	Strongly agree
1	2	3	4	5

- | | | | | | |
|--|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| | 1 | 2 | 3 | 4 | 5 |
| 20. The external environment where the bank operated involves a high level of risk and uncertainty | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 21. The potential market demand for our service was extensive | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 22. The business environment caused a great deal of threat to the survival of our bank | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 23. In our industry, demand was unpredictable | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 24. Political influence was extensive in the last few years | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 25. In our bank, the modes of services changed often and in many ways | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 26. Our bank has to change its marketing practices frequently | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 27. Declining markets for services are a major challenge in our industry | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Part Three: Strategic Planning

Roughly indicate the following factors that your strategic marketing plan specifically attempt to include. Please rate your answer about your bank by ticking the appropriate number:

Almost Never	Not very often	Sometimes	Frequently	Almost Always
1	2	3	4	5

	1	2	3	4	5
28. Environmental scan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
29. Strategic goals	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
30. Internal organisational audit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
31. Performance measures	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
32. Implementation process	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
33. Population trends	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
34. Political developments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
35. Social currents	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
36. Technological breakthroughs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
37. National economic trends	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
38. Labour/Personnel attitudes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
39. Determination of threats to the bank (credit, liquidity, interest.....)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
40. Determination of opportunities to the bank (credit, liquidity, interest..)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
41. Legal/Regulatory issues	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
42. Information about past performance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
43. Information about current performance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
44. Information about future performance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
45. Determination of the bank's strengths	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
46. Determination of the bank's weaknesses	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Part four: Strategy Marketing Planning (SMP)

Please rate your agreement or disagreement by choosing the appropriate answer using the following scale:

Strongly disagree	Tend to disagree	Undecided	Tend to agree	Strongly agree
1	2	3	4	5

- | | 1 | 2 | 3 | 4 | 5 |
|--|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| 47. Marketing strategy helps the bank to see future | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 48. The bank regularly evaluated its marketing efforts | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 49. Marketing strategy helps the bank deal with the environmental change | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 50. The bank targets its services to specific customer groups | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 51. The bank' marketing strategy goals are not understood enough by staff | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 52. Planning managers have required capabilities to form the bank' marketing strategy. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 53. The bank adopts annual marketing plans | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 54. The primary purpose of SMP is to develop a blueprint for the bank's future | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 55. The CEOs and staff planner are responsible for the SMP function | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 56. The planning department is responsible for the strategic planning function | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Part Five: The internal environment

Decentralization

Please rate your agreement or disagreement by ticking the appropriate answer using the previous scale:

- | | 1 | 2 | 3 | 4 | 5 |
|--|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| 57 Employees are allowed to make any decisions without checking with anybody else | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 58 My usual experience with our bank involved doing things "by the rule book" | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 59 Many activities in our bank are not covered by formal procedures | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 60 Any major decisions that employees make must have the approval of top managers' | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Organisational structure

Please rate your agreement or disagreement by ticking the appropriate box using the same scale: strongly disagree...strongly agree.

- | | 1 | 2 | 3 | 4 | 5 |
|--|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| 61. There was a turnover in leadership at the bank during the strategic planning processes | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 62. The organisational structure enables the employees to participate in management | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 63. The organisational environment encourages staff to generate innovative ideas | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 64. The organisational structure is very responsive to environmental changes | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 65. The bank uses external sources (e.g. consultants, agencies) for new ideas | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 66. The bank provides adequate time for developing the strategic marketing plans | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 67. The bank uses a number of tools to encourage good planning | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 68. The bank provides adequate resources for developing the strategic marketing plans | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 69. The organisational structure of the bank substantially changed during the last five years | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 70. I expect that the current organisational structure of the bank will not be applicable in the next five years | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Organisational Culture

To what extent do you agree with the following: (still reflecting on the same scale)

- | | 1 | 2 | 3 | 4 | 5 |
|--|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| 71. The bank encourages the development and implementation of new ideas | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 72. The bank encourages communication and co-operation between different departments | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 73. The bank encourages an open discussion of conflicts and differences | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 74. The bank encourages participative decision-making processes in and between different organisational levels | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 75. The bank encourages informal conversations between senior and subordinate personnel | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 76. The bank encourages teamwork rather than individual contribution | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 77. In the bank the emphasis is on getting things done, even if that meant disregarding formal procedures | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

78. The bank mission, strategy and goals are widely communicated to employees
79. In the bank managers provide a great deal of support to their subordinates
80. People in the bank reward in proportion to the excellence of their performance

Part Fix: Bank Performance

Financial measures

Please tick the appropriate answer for the following question: how often your bank uses these financial indicators? The scale is:

Almost Never	Not very often	Sometimes	Frequently	Almost Always
1	2	3	4	5

- | | 1 | 2 | 3 | 4 | 5 |
|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| 81. Return on investment | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 82. Earnings growth | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 83. Sales growth | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 84. Market share | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 85. Return on assets | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 86. Cash flows | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 87. Balance sheet | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 88. Income statement | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Non-Financial Measures

Does the bank use the following non-financial measures? Please rate your agreement or disagreement by circling the appropriate answer by using the same previous scale

- | | 1 | 2 | 3 | 4 | 5 |
|-------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| 89. Customer retention | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 90. Customer Profitability | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 91. Customers Satisfaction | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 92. Customers Complaints | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 93. Customers Waiting Time | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 94. Staff availability | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 95. Staff Speed and Responses | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

- 96. Staff Skill and Competence
- 97. Staff Appearance and Friendliness
- 98. Number of new accounts opened
- 99. Staff turnover
- 100. promotion
- 101. Good Reputation
- 102. Rate of Absenteeism
- 103. Training and Development

104. In your opinion, which of the following statements are more important for your bank? Please tick the appropriate answer:

- Only non-financial measures are important
- Non-financial measures are more important than financial measures
- Non-financial and financial measures are equally important
- Financial measures are more important than non-financial measures
- Only financial measures are important

Please rate your agreement with the following statements using this scale:

Strongly disagree	Tend to disagree	Undecided	Tend to agree	Strongly agree
1	2	3	4	5

High performance was related with: the factors that could influence the relationship with the bank's customers?

- | | 1 | 2 | 3 | 4 | 5 |
|---|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| 105. Strategic planning: | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 106. Good relationships with customers, suppliers & government | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 107. Strong capability in market research and in-depth market knowledge | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 108. The offer of highly competitive prices | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 109. Customer service are competitive | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 110. Having a famous brand name and corporate image | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 111. Strong sales and distribution network | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Do you have any comments or concerns you would like to add? Attach a page if additional space is needed.

Thank you for your time and support for this research. Please return this completed questionnaire in the provided envelope. If you would like a summary of the results of this survey, Please indicate at the end of the questionnaire and I will be happy to send it to you upon completion of the study.

*** Please send results of the survey** Yes No

This is to certify that
Al-Wahda Bank
was awarded
Best Bank - Libya
in the *Global Finance*
World's Best Bank Awards, 2008



**GLOBAL
FINANCE**

A handwritten signature in black ink, appearing to read "Joe Giarraputo".

Joseph D. Giarraputo, President and Publisher

Appendix O. 2

WAHDA BANK

**WAHDA BANK GAINS GLOBAL AWARDS
FOR HIS DISTINGUISHED PERFORMANCE**



البنك العربي



ARAB BANK

STRATEGIC PARTNER

Wahda Bank is the best Bank for the year 2008 in Libya in global finance:

The world wide (Global Finance Magazine) has granted Wahda Bank the global Finance award for the year 2008 as the best Bank in Libya in global finance. Wahda Bank was selected with input from (industry analysts , corporate executives and Banking consultants) based on the Criteria of (Growth of assets, profitability, strategic relationships, customer service Competitive pricing and innovative products).

Wahda Bank is the - Bank of the year 2008 - in Libya:

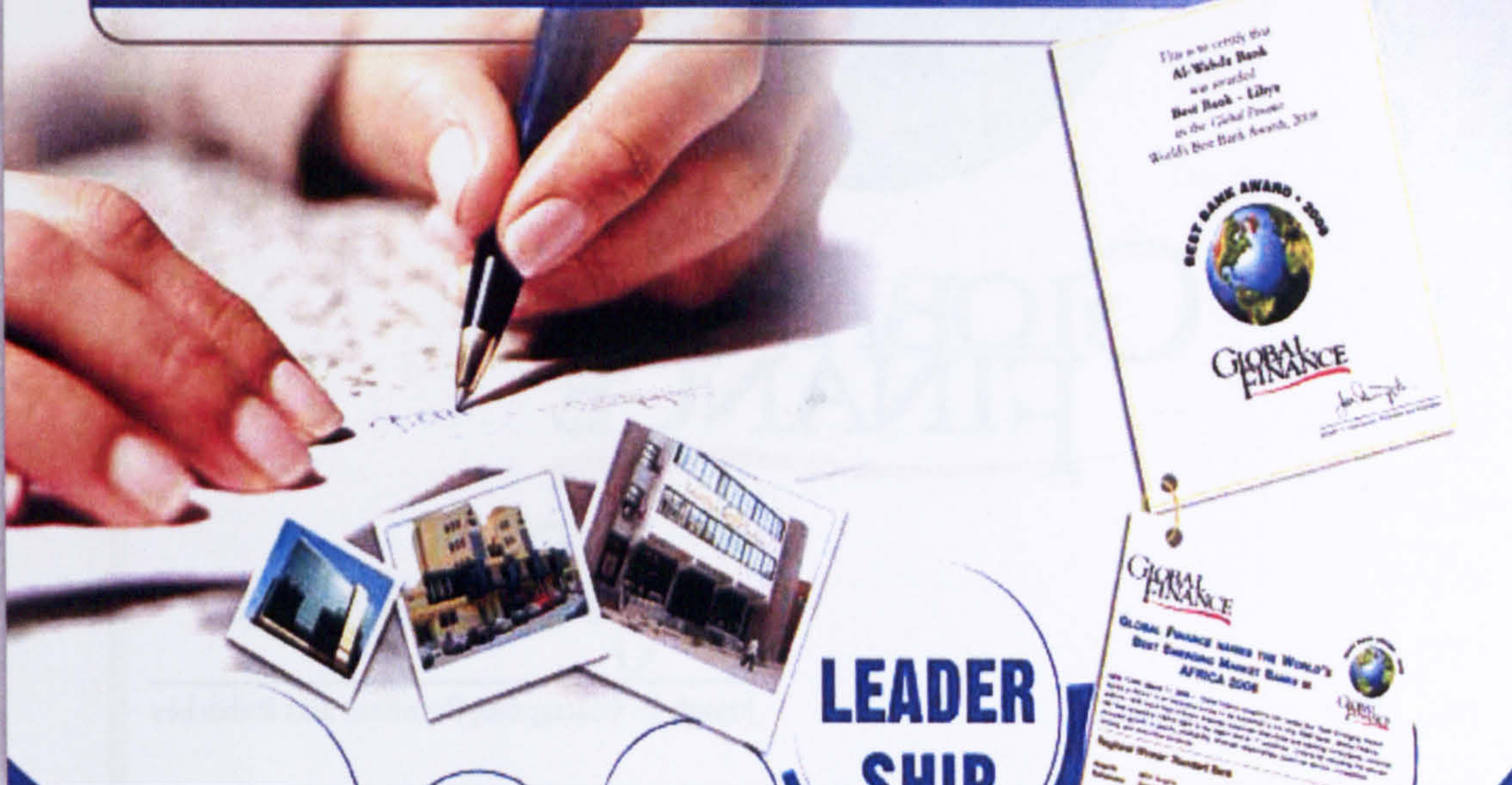
The wide spread Magazine (Banker) has selected Wahda Bank as the Bank of the Year 2008 in Libya for its valuable and distinguished achievements in the banking Industry on both local and international levels.

Wahda Bank amongst Africa's top 100 Banks:

The African Business Magazine has listed Wahda Bank amongst top 100 Banks in the Oct. / 2008 rankings; the selection was based on (Total Assets, Efficiency , Capital Adequacy, Total and net profit, participation in development)

Wahda Bank amongst top 100 Banks in the Arab Word:

The union of Arab Banks Magazine has listed Wahda Bank in the Sept. / 2008 Ranking Amongst top 100 Arab Banks in terms of Assets.



Appendix P

TRANSCRIPT OF AN INTERVIEW

Interview with the Director of Marketing at the Gumhouria Bank

Date: 12.Aug.2009

Location: the manager's office

Key interview: Fthia (F) & the Marketing Manager of Gumhouria Bank: R

F: What is your position in the bank?

R: Director of Marketing at the bank.

F: How many people do you manage?

R: Honestly I do not know a specific number exactly. Approximately the number of our branches exceeds 140 and the employees are more than 5500, in this case I will leave you to guess the number.

F: What are the main services of your bank?

R: The bank provides multiple services to individuals and companies, for example current accounts, saving accounts, loans, documentary letters of credit and internal and external money transfers....

F: What are your bank objectives, (sales, profitability, growth, market share)?

R: The goal of our bank is primarily to achieve profitability.

F: Mm

R: it is one of our goals. As you know now our bank has been incorporated with the Umma Bank

F: Yes.

R: Therefore, the size of our bank assets has increased, and the bank occupies second place after the Libyan Foreign Bank in terms of size of assets. The bank became one of the largest ten banks in West and North Africa. Increasing the rate of growth in our assets and revenues is also one of the main goals of the bank, also increasing our market share.

F: How?

R: by extending our services network at the local level, via for example opening new branches in some areas that have an increased population. This is in addition to more implicit goals.

F: Like what?

R: Our bank seeks to provide advanced services to our customers, high quality of services and to facilitate transactions and procedures that aim to increase the customer's satisfaction.

F: Right, what about your bank's marketing objectives?

R: The most important goals in our new strategy concern achieving profit and growth in the long term, and we regard that as a basis for marketing decision-making. Also, permanency in the market is important and is a criterion for our decisions.

F: How do you ensure that? Or in other words, what is your strategy to achieve these goals?

R: The market is rapidly evolving and spreading, so we do not have a guarantee, but we have several strategies.

F: Can you give some examples please?

R: Sure, these strategies for example including searching for new marketing opportunities.

F: for example?

R: Such as integration to strengthen our balance sheet; supporting and developing our marketing information through the NPS; and seeking to achieve customer satisfaction.

F: Sorry, but again how?

R: by providing appropriate prices and good and faster services.

F: how do you do that?

R: we have developed the means of electronic payment to the branches and agencies.

F: Mm

R: yes, as well as setting up some service machines in some places by way of trying to be close to the customers, and we are trying to be available when they request our services.

F: Okay. What about the bank branches, does this strategy include them?

R: Sure, because we care about our customers, our new strategy concentrates on developing the skills of our staff through internal and external training courses for example language skills and electronic services. Also, we develop the general aspect of our branches (in construction, furnishing and design). The main goal in this development lies in strengthening the competitive position of the bank.

F: okay, let me ask you, what is the role of marketing in your bank?

R: Marketing is one of the bank's main responsibility functions for decision-making and implementing it rests with the marketing department?

F: So, what is the main task of marketing department?

R: The task of the marketing department at the bank is to achieve efficiency in the operation of the branches, the promotion of banking services, advertising, following-up banking activity, and developing its effectiveness with the customers.

F: in this term, what is the relationship between the marketing department and other functional departments?

R: There is a sales department, which is responsible for marketing activities, which are coordinated with other activities as an integral part of the bank's activities. The marketing department supervises bank branches and it cannot achieve the bank goals alone, because the marketing function sustains their implementation in all departments.

F: How does the marketing department deal with the market and other organisations outside the bank? (Consumers, distributors, government agencies, media etc.)

R: To document the relevant specific information with dealers and generally with the financial market, the bank has established a website to show all the new decisions that the bank has emitted, as well as to explain all the procedures that are necessary to benefit from our services.

F: Okay, What about the relationship with the community?

R: We are trying to establish and maintain relationships with the community and particularly with our customer through trying to solve the problems that may face in accessing our services. We have also started studying customers' suggestions and complaints.

F: Fine, We will move to another question, is there a strategic planning committee in your bank?

R: There is no strategic planning committee as such, but we have a external consulting company.

F: No, I mean internal committee?

R: kind of, I mean capable staff from various key departments have been chosen to cooperate with this consulting company, for example from financial, marketing and human resources departments?

F: if you have this consulting company, what is its role in formalising and implementing strategic planning?

R: actually its role is to provide it with the necessary information and cooperate in developing and choosing the appropriate strategy.

F: Mm, so what is the aim of this plan?

R: in fact, the plan aims to put the bank at the forefront of Libyan banks.

F: How?

R: I mean in terms of financial position and diversification of banking products and services.

F: Now I would like to ask you about some items of the bank organisational culture, can you clarify the relevance to your Bank?

R: Sure.

F: how do you describe the follows? the relationship between superiors and subordinates in the Bank?

R: The principle of respecting the young to the old is a core value of the bank, regardless of their status in the organisational level. The nature of Libyan society and the working environment encourages the strengthening of social relations between managers and subordinates.

F: Suppose that one of the staff facing a financial problem, how you deal with that?

R: usually we help each other.

F: Promotion policy of the bank

R: recording to career progression.

F: The level of technical skills of the bank staff

R: differ from competency to another.

E: Changing and developing work systems

R: One of the shortcomings is cover neglect the area of activating the system of self-supervision, because the bank system is not flexible enough, especially with regard to any changes in the management system. Usually meetings are held between the heads of departments and the Board of Directors. However, only a few heads of departments or branches are allowed to participate in seminars and conferences, which are vital activities that contribute to raising the efficiency of performance.

F: Participation in decision-making

R: There is no importance placed on the participation of subordinates in decision-making in the banking institution; subordinates implement what they are asked to do.

F: Do you mean that the degree of delegating authority to subordinates is limited? **R:** Yes.

F: Why?

R: because decisions in financial institutions are based on legal and legislation foundations; the manager does not take any decisions without returning to the Legal Department, to ensure that the legitimacy of the decision has been provided.

F: could tell me about the functional competencies, I mean to what extent this bank has specialists in banking work?

R: With regard to human resources planning, previously there was no good planning for employment, which caused an accumulation of employment in some departments and a decrease in others. Recently, the planning has been done annually to determine the needs of the specialists in computer programming engineering, marketing, and accounts.

F: So, what is the role of planning in this context?

R: the role of planning is clarifying the strategy and the principle of increasing profits and reducing costs, it helps to focus on good planning of the human resources, i.e. the recruitment

training and developing the capacity of existing employment, which has expertise in banking work.

F: Okay, what about the training needs that you have mentioned?

R: We have several training programs every year, internal and external programs.

F: Who is responsible for these programs?

R: The bank's training programmes are organised by the management of training and development...usually when they design the programmes, they focus on the general needs, which mean as many staff as possible, and the reason for this is to get good deals. After that, they look at the individual needs or deficiencies.

F: let us talk about marketing strategy, do you have marketing strategy?

R: Yes.

F: What are the main features of your marketing strategy in the next years?

R: We aspire to reach the leading position in the Libyan banking market; therefore we seek to reach all Libyans in every city and village.

F: How?

R: We are trying to expand as much as possible, so we are following a policy of geographical spread. Also, we follow a development strategy of our services by providing new services and develop the existing services.

F: could you please give me details about this?

R: Okay, for example, recently, we have adopted the ATM cards and telephone banking services. At the same time, our strategy requires directing customers to accomplish the various banking operations services through the Internet and telephone banking, in order to reduce management costs and to improve competitiveness.

F: Aaaaa.

R: We have improved and modified our procedures, I mean the way that we deal with our customers, for example, as you have seen a few minutes ago the manager of X company was in my office and we were finishing what he requested. We try to be as friendly as we can with our customers; also we have some staff dedicated to serving certain customers.

F: Okay, do you break down the market into segments?

R: yes.

F: how?

R: We target individuals and both types of companies, small and large.

F: Why you are targeting these sectors?

R: The significance of our focus on these sectors is because we consider them as a safety net to protect against fluctuations; also they provide the required profitability with low rates of risk. During the last two years (2007-2008) the number of bank customers has increased by 7% compared with the figure for the last two years (2.4 mn)

F: Maybe this due to the bank mergence with the Umma bank?

R: Yes it could be, but Gumhouria bank has witnessed a considerable growth rate of 24% during the last five years. So, increasing competition in the Libyan market compels all the banks to adopt a scientific advanced approach to improving its performance.

F: So from your experience, which customer motivations or values lead people to decide to purchase your services?

R: We have a wide variety of banking products and services. In addition, we pursue a broad geographical spread policy (174 branches), which are close to various commercial and institutional sectors. Thus, the lending portfolio has geographical diversity. Because we have branches in different areas, our services include all sectors, which contribute to creating balance sectored development. For example, there is a trend among various government agencies to facilitate transactions for citizen, such as passport services, employment offices, and telecommunications, through opening access to payment of fees in the branches, which will give the branch chance to attract new customers, and direct these funds into lending processes.

F: Have you seen any changes in SMP since 1997?

R: Yes, of course it has changed.

F: Could you give me an example?

R: Okay, I will give you some examples, for example, the percentage of women workers in Libya was small or not significant, but now the ratio has increased dramatically, and because of our respect for our religion, our customs and our women, we have set aside in some major branches in cities and in crowded areas special windows to serve women to facilitate and to speed their service. In addition, we have begun to rely on a promotional strategy for our services through advertising, publishing and public relations. Also, we have adopted ATM cards and telephone banking service.

F: right, what about the trend of your marketing strategy, in your opinion, should your marketing planning be top-down or bottom-up?

R: our bank's marketing planning begins in public administration and ranges to the branches.

F: How long has your bank done SMP?

R: Exactly two years.

F: Which year was the last strategic plan completed?

R: I do not know, because previously the CBL was responsible for it.

F: Is there any documentation on any elements of the strategic planning process?

R: Yes. But as I told you, the plans in previous years were supervised by the CBL, and they included the five LCBs. Currently, each bank has its own strategy; therefore, I do not have the previous plans. Also, personally I did not receive any documents. But my colleagues who participate in the preparation of new plans have initial versions of its contents.

F: Have any strategies ever come from your long term plan in response to something that has come up?

R: Our strategy is characterised by flexibility, which means there are some things e.g. chances which may suddenly arise, and it could require modifying our annual plans. For example, a shop was vacated behind one of our branches and the location was excellent, so the Branch Director sent a memorandum requesting its annexation to the Bank in order to exploit it for the night ATM. It took action to buy and use the place, because it was an opportunity difficult to be missed.

F: If a strategy is developed in response to something, at what stage does it get written into any formal strategy documents?

R: Yes, in the situation I mentioned a plan was documented plan from the outset. And of course the strategy varies from one situation to another.

F: What is the role of the planning department in your bank in the SMP?

R: The role of this department is to prepare general and specific guidance for strategic planning activities to be issued by the Department of Finance to all destinations and other operational departments.

F: Why?

R: To ensure that strategic marketing planning activities fit with the overall vision, mission and strategy of the bank.

F: Is there any other roles for this department?

R: Oh yes, they collect departments' proposals; review, integrate, and submit them to senior management for final review.

F: Then?

R: Then, senior management recommends that the Board of Directors authorise them and adjust them according to the budget before during and after approval. The strategic plan is monitored and followed up after be implementation, in coordination with departments, and the Department of Planning and Financial Control provides the information required.

F: So, SMP linked to the budget?

R: Yes, and closely

F: How is it linked?

R: The marketing plan is primarily aimed to raise the profit, and make appropriate incomings. Therefore, it depends on the value of the ceiling of loans and documentary brokering.

F: Right, Does your SMP empower you to make important decisions?

R: Yes, for example the decision to merge the bank was the result of the strategy to strengthen the bank status and improve its performance.

F: Fine, what are the major achievements of the SMP?

R: The most important decisions that were taken are the draft NPS and SWEFT.

F: Why they are so important?

R: Because for example, the NPS aims to improve and upgrade the level of existing services, modifying the patterns of presented services, broadening the base of banking services and developing performance tools and raising bank staff awareness and developing their capabilities of dealing with customers.

F: What do you see as the major barriers, if any, to the implementation of the SMP?

R: In fact, there are many obstacles as you know; marketing problems are intangible, which means they suddenly appear only in the long term, and cause problems such as the accumulation of deposits, which cannot be discharged. Sudden change and discrepancy sometimes in laws and regulations governing the banking operations lead to uncertainty. Sometimes we note the increasing demand for liquidity, and sometimes note an increase in the supply. All those reflect a negative cumulative effect on both sides of the relationship between the bank and the consumers.

F: these problems face the whole bank's strategy, what about the marketing strategy? I mean how do you deal with these barriers?

R: Okay, in order to meet the customer's needs, the bank has to adapt to the environmental developments and the market. Also, the products' characteristic should be competitive to access real marketing. But to get there we must surpass some of the obstacles:

F: For example!!!

R: the most important of which is the bank's ignorance of its customers, inconsistency of marketing banking policies, and the banks ignorance of what is happening in technological developments. Another cause is poor understanding of the management team of the importance of marketing; this is due to poor banking management competencies.

F: these are internal obstacles you can beat them, what about the external obstacles?

R: Yes, there are some external constraints. For example, the Libyan banking market is characterised by weak or non-existent competition. Specialised banks have a monopoly of a specific activity, and nobody rivals them, so the bank waits for clients and is not looking for them, because of that the client is forced to deal with them. Services do not have a quality standard, as in state-owned banks where profit was not the most important priority. But I think the foreign banks that have entered the Libyan market will create competition and improve the quality of the banking products.

F: How many competitors are there in this industry?

R: The number of state commercial banks in Libya is eighteen and we consider that they are all competitors.

F: As part of the environmental scanning process, does your bank identify its strengths or weaknesses in any of its resources (human resources, revenues, & facilities)? Please list specific resources identified.

R: In fact, we have several weaknesses, such as the lack of qualified staff that have marketing skills to reflect a new style of performance... They had not researched the development of dealing with customers, banking services and, more importantly, the role of Islamic Banking in bringing a lot of customers... There was technological delay in the equipment that we used in banks.

F: So what did you do to solve these problems?

R: Of course, now we understand the problem and, currently, we have linked the agencies and branches of a network or systems, in order to facilitate the banking business, reduce administrative expenses and minimise work time on routine procedures.

F: Mmmm

R: But, there is low educational level of a number of employees; even those who obtain advanced degrees do not have the necessary knowledge and skills in marketing. In addition, there was no real competition in the banking market, as I have previously said, to push developing banks, the absence of rigor in retrieving bank's resources by a lot of dealers for some reasons for example, the use of old ways in feasibility studies. The practice of Libyan banks to wait for customers rather than search for them, especially those who provide important projects.

F: Obviously, there are plenty of problems to deal with, but is there any strength?

R: Of course, we have a lot, for example we have a good financial position, a good number of branches, a good reputation, and good relationships; and we understand our problems and try to resolve them. In addition I would just like to mention that we follow the instructions of the

CBL, but now its role has become regulatory and supervisory, and therefore we are given a degree of freedom to act and compete.

F: Okay let me ask you about the employees who implement the strategy, I mean do they understand how what they are doing will contribute to the vision?

R: The vision was not clear even to some managers. If you asked about the reason for this decision or procedure, you will hear, "This is the decision of the Director-General or the Board of Directors". So, the objectives were not clear and the strategy was not generalised.

F: What are your main sources of information?

R: Our information is obtained both internally and externally. Internal sources include internal records, periodic reports issued in statements, lists, and cash flows of the bank. So the Sales Department prepares periodical reports about customers' complaints, and measures their level of satisfaction with services rendered. This is in addition to studies, researches and reports that are submitted by the various departments.

F: How do you use of this information?

R: Managers use this information to evaluate performance, detect problems and search for solutions. This type of information is characterised by being inexpensive and fast.

F: Do you collect any information from outside the banks?

R: Yes, we gather information from external sources, such as from magazines, newspapers, reports of the CBL, research and information centres, and also from our clients.

F: How do you measure performance? I mean in relation to achieving your goals, quantitatively or qualitatively?

R: We use the criteria and indicators of what should be the performance as we compare between the actual performance and the expected performance to determine the degree of diversity and which department may be held responsible.

F: Then?

R: Then we take corrective actions and work to prevent it happening in the future.

F: When you say we who do you mean (the bank or your department)?

R: Oh, in fact, the bank has a specialist department for planning and control which is responsible for evaluating performance. It compares planned and real budgets the financial side. Usually, this department assesses the bank performance through a variety of sources such as minutes of meetings and reports from departments, such as marketing, and financial. Also, the records of customer complaints, letters from customers, lists of the profits and losses, and balance sheets of the bank are tools to assess performance.

F: Aaaa, I would like to ask you about the affect of government on the bank, What is the influence of the government and governmental policies on your bank?

R: The Libyan public banks continue to implement what the government recommends, but since 2007 they have begun to develop their own strategies for banking services. Before 2007 they did not give any importance to the marketing strategy aspect for example, and this was of course due to the nature of state owned banks, and also to the poor banking culture among the current staff, there is a parable which says (those who are ignorant of something, disagree with it). Current banking administrators urgently need to correct this shortcoming, and focus on developing marketing policies.

F: How they do that?

R: The starting point is reprogramming the mental approach of banks, to reflect the attitudes that currently exist in international organisations which have proven to be successful in this area such as European banks, and especially the Swiss. Generally, Government intervention is a real or substantial factor even in capitalist countries, which takes different forms, such as identifying investment areas for private capital, setting prices, and determining the dimensions and areas of competition. As for its shape, it takes for example, the form of laws, legislation and tax and monetary policy.

F: What kind of support, if any, can you get from the local/ national government, and how?

R: Governmental procedures strongly supported the banks and provided them with liquidity, which contributed to improving and developing their performance. New forms of services and investment methods, as a result of economic liberalisation, are helping to boost growth.

F: How frequently is this bank evaluated (Is the evaluation oral or written?)

R: Both.

F: How often do you formally discuss performance outcomes within your bank?

R: Evaluation is an ongoing process

F: What are the factors that will possibly influence the future of the industry?

R: I think technology and openness to the global market will have the greatest impact on the banking industry?

F: Do you mean openness to the foreign investors?

R: Not necessarily openness to the western banking markets only, but there are many studies which support the need for a Libyan banking market for financial services and Islamic banking. For example, there needs to be a market service based on the wishes and needs of customers, and not just what these banks have been offering up to now....

F: you have mentioned to the Islamic banking services, what is your position now according to this term?

R: The Libyan market has an urgent need for Islamic banking; which I think is the only way to survive in the market. Several years ago the Libyan citizen started to doubt the moral legitimacy of the banking services provided by banks, and specifically the commercial ones. Libyan citizens adhere to Islamic law and its principles, causing them to reject some services that are based on paying interest, and this is one reason of the existence of funds outside the banking system, and groups of citizens who do not do business with these banks.

F: So, do you think that is because Libyan banks do not study the needs of their customers, they did not reach the necessary level of customer satisfaction in terms of speed and quality of service?

R: As has shown by many studies conducted on random samples of clients in Libyan banks, they have to deal with banks and pay interest because the banks represent the only way for some Libyans to obtain, for example: mortgages, credit facilities, loans for purchasing a car or for building maintenance... Due to a lack of understanding by some Libyan citizens of service fees, banks have been seen as cash stores, and any value given in excess of the original amount in interest, is regarded as usury. This has caused many Libyans to reject dealing with banks, and they think that the current banks which they are usurious banks can not deal with.

F: Okay, what about the technological development does have any influence on the future of your industry?

R: Of course, it will have a significant positive impact on our banking dealings, specifically and in general. F: could you tell me how?

R: The problems lay in our bank laws, as in general, Arab banks did not regulate electronic transactions; the reason for this was that these transactions and services were not popular or common when the laws were issued. For example, the laws focused on the traditional means of proofing (data - written signatures - witnesses) and this may have hampered the evolution of technology. But, a few years ago we realised the problem and headed off difficulties, as Law No. (1) 2005 achieved a specific advance; this law added a lot, such as dealing by plastic electronic cards and the process of buying and selling debts, in addition to the recognition of electronic signatures and the outputs of a computer as a substitute for accounting records. As well as developing the procedures of work, it granted independence to audit management departments under the control of senior management, all that will have a positive result and will move the Libyan banks to better and higher levels in the coming years.

F: What are the opportunities and threats to your bank? And how do you deal with them?

R: There are many threats to our bank, for example, the current mergers between “Ahlia” and foreign banks, the new technologies that currently have been under development in the banks...

F: Are these threats?

R: I mean all these developments will create stiff competition. In addition, the attention of managers has been given to the short-term goals more than long-term goals, which threatens the banking industry; this is in my view due to the lack of professional managerial competencies that provide the capacity to think strategically. On the other hand, the opportunities are represented by the huge available investment opportunities, because we have a surplus of liquidity, therefore efforts by the public and private sectors to establish and develop an economic climate that is able to absorb these surpluses must be intensified.

F: Given enough resources, in what area do you think the bank has to improve in your department to increase market share, sales growth and profit growth.

R: As previously mentioned the modern banks these days regard the marketing side as a great importance, and they have specialised departments in this area and they implement continual interaction and evolution. On the other hand, our banks today absorbed with minutiae and are often far away from the foundations and international standards adopted in the banking industry. Unfortunately, our banks are still in the rudimentary stages of banking, and they are closest to banking-shops more than to the institutions which are the foreign banks.

After many years of what is called banking reform, we found ourselves today needing to reform what we have been repairing. We very much need to reform the mental approach to our banking before reforming the banking system. Often, we note the absence of a clear vision for the advancement of banking, and this is due to the absence of administrative staff qualifications in banking, control of routine and administrative legal obstacles.

F: How do you view the future of this industry?

R: I think that the circumstances are better now and the problem in my view is not to adopt a strategy or specific marketing plan to achieve the marketing objectives of the bank, but the problem lies in the way of thinking, steering culture and performance and is not a problem of resources. So, we started this process through our merging and partnership with local and global banks, which will open the way to compete in the global market, also this will allow the local banks, which often cannot afford market research to learn how to study the needs of their customers and the market in general, from these banks. The partner who has good experience in this area will benefit from the local bank if the partnership agreement includes that position.

F: Thank you.