

The Impact of Strategic Planning on the Performance of Telecommunications Sector in Jordan

Dua'a Adnan M Abu Shariah^{1*}, Eyad Jber Aljber¹, Bashar Al-amryeen¹, Abdo Alghushami¹

¹Faculty of Business, Mutah University, al Karak, Jordan

DOI: [10.36348/sjbms.2022.v07i02.002](https://doi.org/10.36348/sjbms.2022.v07i02.002)

| Received: 30.12.2021 | Accepted: 05.02.2022 | Published: 10.02.2022

*Corresponding author: Dua'a Adnan M Abu Shariah

Faculty of Business, Mutah University, al Karak, Jordan

Abstract

Competition in the business environment and rapid global developments have created great challenges for organizations, which increases the importance of strategic planning to ensure business continuity despite any potential crises and competitions. This study aims to clarify the impact of strategic planning on the performance of Jordanian telecom companies. In order to achieve the aim of the study, a comparison approach was adopted by reviewing previous studies that dealt with the subject and discussing the most important results that they reached. Accordingly, he concluded that strategic planning has an active and important role in developing the work of organizations so that it will be reflected positively on them. Therefore, we recommend through this study to activate strategic planning in the departments of Jordanian telecommunications companies to ensure more innovation and creativity in light of the intense competition for telecommunications services in the Jordanian market, with the need to develop a strategic plan to be evaluated periodically in line with the organization's mission and vision to ensure that it remains on the path. The correct approach that you seek in addition to the need to set short and long-term goals and strive to achieve them within the set strategic plan, in addition to the scientific contribution, there must be some obstacles represented in Research because this study during the Corona pandemic there was difficulty in collecting data or conducting interviews, so it is possible in the future to conduct this study by addressing a proposed model that addresses the variables that highlight strategic planning strategies on the performance of Jordanian telecom services companies and collect and analyze data to reach a more comprehensive scientific contribution.

Keywords: Strategic Planning, Telecommunications Sector, Performance Jordan.

Copyright © 2022 The Author(s): This is an open-access article distributed under the terms of the Creative Commons Attribution **4.0 International License (CC BY-NC 4.0)** which permits unrestricted use, distribution, and reproduction in any medium for non-commercial use provided the original author and source are credited.

1. INTRODUCTION

The business world is rapidly growing, due to several factors related to technology and modern communications (Rahi *et al.*, 2021), which make global development in all sectors has become a major challenge for the organization in the labor market, which increases the importance of employing strategic planning to overcome potential challenges and ensure its continuity in the required manner in the future (Rothwell, 2010; Alghizzawi, 2019), Therefore, traditional management methods are no longer effective with the current global development, and it has become necessary to use modern administrative methods so that the organization develops in following up the business environment until it reaches a clearer vision for the future, based on strategic plans. In order to achieve

flexible and effective internal systems for the institution in addition to the need to activate the role of administrative leaders with expertise and competencies within the organization so that the organization's management can overcome challenges and define future strategic goals (Schoemaker, Krupp, and Howland, 2013; Hannn, 2019; Lehyeh, Alharafsheh, and Abushareah, 2020). What increases the importance of strategic thinking is that all organizations are working to reach a competitive advantage in the labor market so that it is a difficult number for its competitors, and through strategic planning, it is possible to reach a comprehensive evolutionary vision for the organization in all administrative departments and this is a basic requirement due to high competition and modern management methods, especially In the

telecommunications sector, which relies heavily on technology, and in Jordan, this sector relies on modern management methods, but it also needs more creativity in light of high competition because there is a large supply of telecommunications services among a not so large number of users.

2. JORDANIAN TELECOM SECTOR

The Jordanian economy relies heavily on the telecommunications sector due to its importance in providing job opportunities and achieving high financial

returns for the state's treasury, as its contribution to the GDP reaches approximately 12% in addition to providing 16,000 job opportunities and also provides support to 84,000 jobs, and information technology exports reach as many Approximately 207.4 million US dollars (Authority, 2020), Based on the reports of the Jordanian Telecommunications Regulatory Commission The volume of Jordanian telecom sector revenues amounted to 2019 998,741,884 (JD) (jordanian Telecommunications Regulatory Commission, 2021) This is shown in the following figure No1.

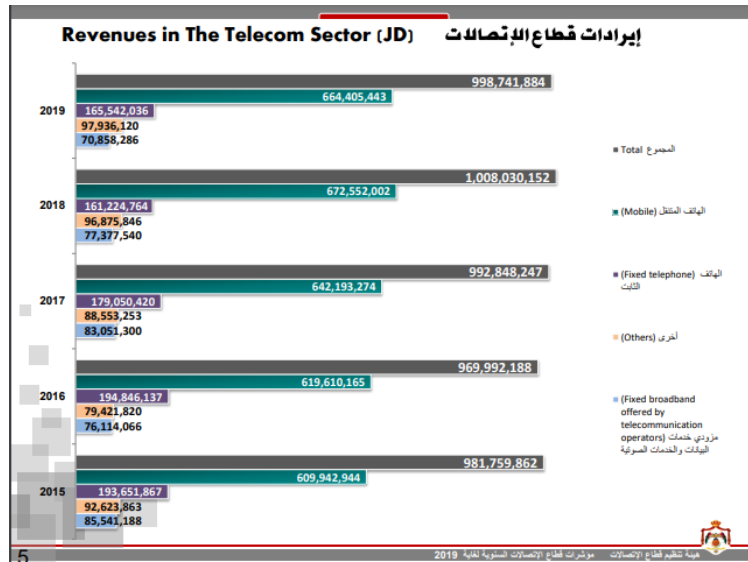


Fig-1: Shows the percentage of the telecom sector revenues in Jordan from 2015 to 2019

According to many studies and global reports of telecommunications companies, the telecom market in Jordan is full. There are three main companies: Zain, Orange Umniah, which provides services to nearly 10 million citizens only, and Jordan ranks second in the Middle East region in the telecommunications sector

(Alghzawi, Alghizzawi and Tarabieh, 2020) Based on the reports of the Jordanian Telecommunications Regulatory Commission Investment in the telecom sector amounted to 178,121,930 With all the services provided This is shown in Figure 2 (jordanian Telecommunications Regulatory Commission, 2021).

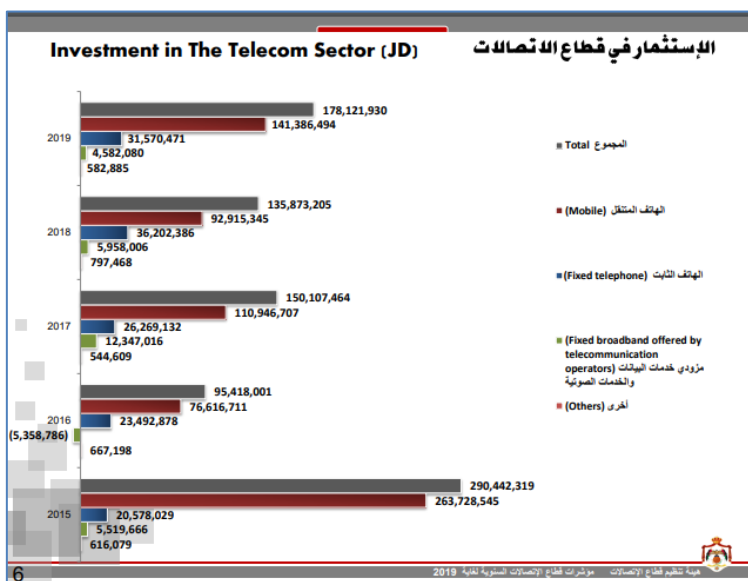


Fig-2: Show the Investment in the telecom sector in Jordan

3. METHOD AND PROCEDURES

This comparative study will be based on previous studies (Habes *et al.*, 2018), that dealt with the impact of strategic planning on the business sector, as the results of these studies will be reviewed and discussed to reach the most important conclusions that in turn help the Jordanian telecommunications sector to reach creativity and develop it to face global competition.

4. PREVIOUS STUDIES

The importance of strategic planning has become evident and essential in many organizations and sectors, as it is considered a major contributor to the strategic management of the organization in addition to achieving many benefits that help to develop the work performance of the organization (Donkor, Donkor and Kwarteng, 2018). Based on the study of (Mau, 2005), he showed us that strategic planning achieves the organization's clarification of the main goal it seeks in addition to that it develops and advances the goals of the organization. Strategic planning takes into account the effective performance that achieves the aspirations and goals of the organization in line with its strategies and policies so that the work is gradually tracked to reach an effective work for the service or goods provided by the organization (Steiner, 2010). According to (Monye and Ibegbulem, 2018) study that dealt with the impact of strategic planning, its results showed that strategic planning enhances the survival of the organization as it defines short and long goals and pursues them in line with the vision and mission of the organization with the importance of taking into account the work environment of the organization with the capabilities of strategic planning. (Jenster and Sjøilen, 2013) study, which deals with the relationship of strategic planning with the organization's performance, affirmed that strategic planning has a great impact in raising the level of the organization's performance, thus enhancing its position in the labor market and among competitors. Any organization must rely on strategic planning to achieve creativity and development in the business environment despite high competition to ensure that it achieves the desired goals (Alawneh and Al-Zoubi, 2020), Mahoro, (2017) study, which dealt with the impact of strategic planning on managing small and medium companies in Nairobi, also confirmed that the results of the study showed that strategic planning has an important link with the mission and vision of the organization in addition to that strategic planning extended a helping hand to decision-makers in organizations and the business sector to develop plans that Enable them to achieve the desired goals in accordance with the vision and goals set. According to Auka and Langat, (2016) study, which dealt with the relationship between strategic planning and the performance of organizations, the study emphasized that strategic planning plays an important role in organizational performance, which strengthens the

relationship between strategic planning and the organization's performance in the labor market. Through the science of strategic planning, an organization's plan and policy can be formulated with the ability to evaluate it periodically, and this in turn greatly enhances the organization's performance. Therefore, here we link the relationship between strategic planning and the evolution of the organization's performance (Otieno, Namusonge and Mugambi, 2018).

5. DISCUSSIONS

Strategic planning has an influencing role on the performance of organizations as it brings many benefits to them (Jenster and Sjøilen, 2013; Auka and Langat, 2016; Donkor, Donkor and Kwarteng, 2018) It is known that the goals of the organizations are very important, and strategic planning enters into a basic task in this field by defining the goals of the organization and classifying them into long-term and short-term in addition to that it tracks the extent to which these goals are achieved within the framework of the periodic evaluation in line with the mission and vision of the organization and this This is very important so that the organization's compass does not go incorrect (Mau, 2005; Steiner, 2010; Mahoro, 2017; Monye and Ibegbulem, 2018), and within the framework of the business environment and high competition, it is necessary to continue to pursue development and effective dynamics, and this cannot be achieved without achieving strategic planning. In addition, strategic planning enters into activating the organization's departments and establishes outlines that define the master plan of the organization to enable it in the business environment to face any challenges and crises (Otieno, Namusonge and Mugambi, 2018; Alawneh and Al-Zoubi, 2020).

6. 1 CONCLUSION

This paper sought to identify the impact of strategic planning on the performance of organizations in the Jordanian telecommunications organizations sector. To reach this, previous literature studies that dealt with the science of strategic planning and its impact on organizations were relied upon. After this study, we find that strategic planning has an effective positive effect on the performance of organizations in terms of activating the role of The administration within the organization and defining the main plan of the organization, including the goals, vision and mission of the organization, which ensures the periodic evaluation of the organization's work performance, enabling it to stand up to challenges, crises and competition in the work environment, which in turn develops it

6.2 Scope and recommendation

After a broad vision of the impact of strategic planning on the performance of organizations, it is necessary to emphasize the importance of applying it

within organizations to ensure access to safety in the fierce business environment whose risks are increasing day by day, especially in the Jordanian telecommunications sector, which is saturated, which generates high competition in addition to this sector. It depends on permanent development, so by employing it in the Jordanian telecommunications sector organizations, we can reach a firm foundation, innovation and creativity that constitute a new revolution for these three companies. Therefore, we stress to their decision-makers the need to adopt more comprehensive policies for the concept of strategic planning.

6.3 Limitations and future research

This study deals with the impact of strategic planning on the performance of organizations in the Jordanian telecommunications sector, and in any study there must be some restrictions, and this study focuses on the fact that part of the Corona crisis is what prompted the researcher to adopt it. A comparative approach based on previous literature on the topic. Therefore, these results cannot be generalized to sectors. Otherwise, it must be more accurate by collecting data and conducting interviews with the management of these organizations to reach more comprehensive and accurate results, and thus achieving a more comprehensive scientific contribution that can be generalized to other service sectors.

REFERENCES

- Alawneh, E., & Al-Zoubi, K. (2020). 'The Effect of Strategic Direction in Enhancing the Role of Social Responsibility through Organizational Prowess in Jordan Services Ministries'.
- Alghizzawi, M. (2019). 'A survey of the role of social media platforms in viral marketing: The influence of eWOM', *International Journal of Information Technology and Language Studies*, 3(2).
- Alghzawi, M., Alghizzawi, M. and Tarabieh, S. (2020). 'Consumer impulsive buying behavior of services sector in Jordan', *JournalNX-A Multidisciplinary Peer Reviewed Journal*, 6(7), 227–237.
- Auka, D. O., & Langat, J. C. (2016). 'Effects of strategic planning on performance of medium sized enterprises in Nakuru town', *International Review of Management and Business Research*, 5(1), pp. 188–203.
- Authority, I. (2020) *Information and communication technology*. Amman Jordan. Available at: <https://www.jic.gov.jo/ar/تكنولوجيا-المعلومات والاتصالات/>.
- Donkor, J., Donkor, G. N. A., & Kwarteng, C. K. (2018). 'Strategic planning and performance of SMEs in Ghana: The moderating effect of market dynamism', *Asia Pacific Journal of Innovation and Entrepreneurship*.
- Habes, M. (2018). 'The Relationship between Social Media and Academic Performance: Facebook Perspective', *International Journal of Information Technology and Language Studies*, 2(1).
- Hasan, H. F. (2019). 'Exercising tax administration leaderships for the dimensions of strategic direction and their relationship to organizational excellence', *Journal of Accounting and Financial Studies*, (private).
- Jenster, P., & Soilen, K. S. (2013). 'The relationship between strategic planning and company performance—A Chinese perspective', *Journal of Intelligence Studies in Business*, 3(1).
- Jordanian Telecommunications Regulatory Commission. (2021). *Statistics and indicators*. Amman Jordan. Available at: <https://trc.gov.jo/Pages/viewpage?pageID=86>.
- Lehyeh, S. M. A., Alharafsheh, M. and Abushareah, M. (2020). 'Understanding the Impact of Knowledge Management on Marketing in Jordan: Excellence Perspective', *PalArch's Journal of Archaeology of Egypt/Egyptology*, 17(7), 15423–15440.
- Mahoro, S. F. (2017). 'The Effects of Strategic Planning On the Performance of Small and Medium Sized Enterprises in Nairobi'. United States International University-Africa.
- Mau, T. A. (2005). 'Strategic Planning for Public and Non-Profit Organizations: A Guide to Strengthening and Sustaining Organizational Achievement', *Canadian Public Administration*, 48(3), 444–447.
- Monye, M. C., & Ibegbulem, A. B. (2018). 'Effect of strategic planning on organizational performance and profitability', *International Journal of Business & Law Research*, 6(2), 31–40.
- Otieno, D. O., Namusonge, G. S., & Mugambi, F. (2018). 'Effect of strategic planning on the financial performance of small and medium size enterprises in professional service sector in Kenya', *International Journal of Arts and Commerce*, 7(6), 57–71.
- Rahi, S. (2021). 'Does employee readiness to change impact organization change implementation? Empirical evidence from emerging economy', *International Journal of Ethics and Systems*, ahead-of-p(ahead-of-print). doi: 10.1108/IJOES-06-2021-0137.
- Rothwell, W. (2010). *Effective succession planning: Ensuring leadership continuity and building talent from within*. Amacom.
- Schoemaker, P. J., Krupp, S., & Howland, S. (2013). 'Strategic leadership: The essential skills', *Harvard business review*, 91(1), 131–134.
- Steiner, G. A. (2010). *Strategic planning*. Simon and Schuster.