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Assessing Strategic Performance of Palestinian Stone and Marble Industry

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Dedication

I would like to dedicate my thesis to:

- The soul of my father Khaled Dwaik.
- My Mother Inshirah Sharabati.

Acknowledgment

First and Foremost, praise is to ALLAH, the Almighty for giving me opportunity, determination and strength to complete my master's thesis.

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الاقرار

انا الموقع ادناه مقدم الرسالة التي تحمل العنوان:

Assessing Strategic Performance of Palestinian Stone and Marble Industry

اقر بان ما اشتملت عليه الرسالة هو من نتاج جهدي الخاص، باستثناء ما تمت الاشارة اليه حيثما ورد، وان هذه الرسالة ككل او أي جزء منها لم يقدم من قبل لنيل أية درجة علمية او بحث علمي او بحثي لدى اية مؤسسة تعليمية او بحثية اخرى.

Declaration

The work provided in this thesis, unless otherwise referenced is the researcher's own work and has not been submitted elsewhere for any other degree or qualification.

Student's Name: **اسم الطالب:**

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List of Abbreviations

GDP	Gross Domestic Product
USM	Union of Stone and Marble Industry
USAID	United States Agency for International Development
SME	Small and Medium enterprise
GNP	Gross National Product
MoNE	Ministry of National Economy
ITC	International Trade Center
PPU	Palestine Polytechnic University
BSC	Balanced Score Card
RII	Relative Important Index

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Abstract

In Palestine, stone and marble industry is the largest exporting industry in terms of export volume, and it is one of the important industrial sectors. Most of this sector's firms are classified as small and medium enterprise (SMEs).

Strategic planning is critical for success to any business, it is the shortest way to achieve and maintain competitive advantage. Increasing strategic performance leads to better chance for growth, development, and overcoming challenges and obstacles. The Palestinian stone and marble firms are facing increasing international and local challenges which require an effective and efficient strategic planning to deal with these challenges. From this point forth , this research is concerned with two topics and the interplay between them, namely “Strategic Planning” and “Strategic Performance”. An assessment of strategic performance was made using the Balanced Score Card (BSC) perspectives.

The research adopts a descriptive analytical approach with some exploratory analysis using quantitative survey technique for data collection

and analysis. A questionnaire was distributed to stone and marble firm's Owners /managers working in West Bank . The responses of firm's Owners /managers were analyzed by using statistical program SPSS.

The study findings show that there is a weakness in strategic planning within Palestinian stone and marble firms which adversely affected their strategic performance. In addition to that, the results reveal the positive correlation between strategic planning and strategic performance within these firms. The results also show that the main used competitive strategy is consisted from a combination of markets diversification, standardized products, and low cost. The results illustrate that the main internal barriers to strategic planning are pressure of time and apprehension of additional costs, while the main external barriers to strategic planning are instability of economic and political situations, and weakness of government role in supporting the stone industry. Based on research findings, and for improving the strategic performance level of the stone and marble industry some recommendations are developed to the union of stone and marble industry (USM), marble and stone firms, and governmental authorities.

Chapter One
Introduction

1.1. Chapter Overview

This chapter provides an overview of the research and introduce the problem statement of this study. It also displays the goal, objectives, research questions and hypotheses, significant, scope and limitations of this research. Finally, the research framework of the thesis is outlined.

1.2. Background

Natural resources with efficient usage are assumed to be as a blessing for the countries that have them, and this blessing has a positive impact on economic growth and development (Ding and Field, 2005). Also, the countries that have natural resources have an advantage over other countries, through the economic value represented by these resources which include the natural stone as a significant resource for many countries (Sultan, 2007).

Since ancient times, natural stone and marble have been used to show the greatness of civilizations, especially in constructing important buildings. They were the milestone for beautiful buildings, and contributed to the preservation of the heritage and history of civilizations (UNISCO, 2017).

Natural stone products began to spread from Europe to other countries at the beginning of the 19th century. In 2014, the international trade in stone products reached 85.9 million tons with a total sum that exceeded 22.8

billion euros (IMM, 2016). Globally, the stone and marble industry has been growing quickly since 1990, the trade in this sector has grown by an annual average of 8.7%. The stone industry is expected to continue to grow to 5 billion square meters by 2025 (USAID, 2006). More than 50% of the world total production of stone and marble is covered by four countries China, Italy, Turkey and India (IMM, 2016). However, Palestine is ranked 12th largest stone and marble producers globally (ITC, 2013).

Some of the factors which contributed to the development of industry sectors depends on strategic planning, where the industry sectors have taken the activities of strategic planning as an instrument that can be employed to accelerate their performances (Boyd, 1991). As a result, many firms have improved the effectiveness of strategic planning in many sectors, including the stone industry sector (Arasa and K'Obonyo, 2012).

1.3. Palestinian stone and marble industry

In Palestine, stone and marble industry is the largest exporting industry in terms of export volume and export markets (Palestine Trade Center, 2013). Also, it is one of the important industrial sectors from the viewpoint of commitment to Gross Domestic Product (GDP) and export perspective. The total number of stone and marble firms was reported to be about 550 firms (MoNE, 2018a) . In 2013, Palestine was the twelfth largest manufacturer of stone in the world with estimated annual production of 22 million square meters, including building stones, slabs, tiles and decorative stones (ITC, 2013).

Stone and marble sectors contribute to approximately 25% of Palestine's overall industrial revenue; 4.5% of the Gross National Product (GNP) and 5.5% of the GDP (Abu Hanieh et al., 2014). This sector is labor-intensive, and most of the firms operate as a family-owned model, with techniques being passed down through generations. Stone and marble sector employs between 15,000 and 20,000 workers, 99% of them are males (ITC, 2013). Most of this sector's firms are classified as small and medium enterprises SMEs, where only 0.5% of these enterprises include more than 50 employees (Sultan, 2014).

Like many industries in the Middle East countries, the industry in Palestine is facing many challenges; one of these challenges is the need to minimize production costs; where production cost reduction is considered one of the top priorities that organizations managers are always planning to achieve it (PWC, 2017).

According to Palestinian Union of Stone and Marble Industry (2011), the Palestinian stone industry faces critical obstacles and challenges related to quality, transportation, quarrying, marketing and environmental impact, this leads to a real need for robust strategic planning for the purpose of dealing with these challenges.

1.4. Problem Statement

Stone and marble industry in Palestine is increasingly facing strong international competition in addition to major national issues and obstacles. The Union of Stone and Marble Industry (USM) in his study for

developing stone sector strategies was summarized these issues and obstacles in difficulties to access to raw materials, poor quality management systems, high production costs, and raw materials and products transportation barriers (Palestinian Union of Stone and Marble Industry, 2011). Moreover, there are absence of strategic planning (PPU, 2011), inadequacy infrastructure (USAID, 2006), and many critical issues such as supply issues, business environment issues, market entry issues and development issues (ITC, 2013).

Thus, there is an increasing need for deeply studying this sector and developing effective solutions that could support the stone and marble firms to develop its managerial and organizational capacities.

By reviewing some of reports about Palestinian stone and marble sector for examples (ITC, 2013; Palestinian Federation of Industries, 2009; Palestinian Union of Stone and Marble Industry, 2011; USAID, 2006), they did not pointedly addressed the strategic performance of the firms working in this sector nor proposed strategic management practices to overcome sector challenges.

1.5. Research Goal and Objectives

The primary purpose of this study is to assess the strategic performance of the Palestinian stone and marble industry. In achieving the research goal, the research addresses the following objectives:

- Drawing an evident picture for the current situation of strategic performance of stone and marble firms.
- Identifying the main barriers facing marble and stone firms for strategic planning.
- Recommending strategic management practices and solutions that may help stone firms to enhance their strategic performance.
- Determining the correlation between firms strategic planning practices and their strategic performance.

1.6. Research Questions

Pursuant to the problem statement, this research is designed to answer the following questions:

1. What strategic management practices are adopted by Palestinian stone and marble firms?
2. What are the key barriers of strategic planning in the Palestinian stone and marble industry?
3. How are the strategic planning barriers effects of on Palestinian firm's strategic performance?
4. What are the key impacts of adopting strategic planning practices on strategic performance of Palestinian stone and marble firms?

1.7. Research Hypotheses

Based on the above-mentioned questions, the research tested set of hypotheses that were developed to examine the relationships among the strategic planning and strategic performance of the stone and marble industry, the main research hypothesis was summarized as:

"Strategic planning correlates positively with strategic performance of Palestinian stone and marble SMEs"

From this point forth, this research is focused mainly on the firm's characteristics, their strategic performance, strategic planning, and the extent of correlation between them according to the following main hypotheses:

- **Respondents qualifications have no significant influence on strategic planning in Palestinian Stone and Marble firms at 5% significance level.**

The separate impact of respondents qualifications on components of strategic planning is tested using two sub-hypotheses.

- **Respondents characteristics have no significant influence of using BSC model to assessing strategic performance in Palestinian Stone and Marble firms at 5% significance level.**

- **Firms characteristics have no significant influence extent of applying of strategic planning in Palestinian Stone and Marble firms at 5% significance level.**

The separate impact of Firms characteristics on components of strategic planning is tested using three sub-hypotheses.

- **Firms characteristics have no significant influence of using BSC model to assessing strategic performance in Palestinian Stone and Marble firms at 5% significance level.**

The separate impact of Firms characteristics on components of BSC model to assessing strategic performance is tested using three sub-hypotheses.

- **Strategic planning barriers have no significant influence strategic planning in Palestinian Stone and Marble firms at 5% significance level.**

The separate impact of Strategic planning barriers on components of strategic planning is tested using 6 sub-hypotheses.

- **Strategic planning have no significant influence on using BSC model to strategic performance in Palestinian Stone and Marble firms at 5% significance level.**

The separate impact of Strategic planning barriers on components of strategic planning is tested using 12 sub-hypotheses.

1.8. Research Significance

Although that the stone industry in Palestine is considered as a vital industry, it still depends on a traditional managerial process with weakness in strategic planning to deal with increasing challenges facing the sector

(Ihsheish and Falah, 2018). Therefore, to address the challenges facing this sector, the stone and marble firms should cope with the challenges by adopting strategies that are built on a robust administrative and organizational basis.This study will help in identifying the current situation of strategic performance of stone and marble firms and identifying the main barriers influencing this sector, thus offering stone firms and USM the chance to benefit from the study results in enhancing their businesses and developing the sector.

1.9. Research Scope

Due to the difficulty of applying the study to the whole firms which work in stone and marble industry in Palestine, the study population is limited to firms which working in natural stone cutting industry from the members in USM as a representative sample of the stone and marble industry sector.

1.10. Research limitations and obstacles

The most important limitations and obstacles that faced the researcher in this study can be summarized as follows:

- The insufficient of available data that address the Palestinian stone and marble sector.
- The scarcity of previous studies on the strategic performance of the stone and marble industry in Palestine.
- Lack of cooperation and interest to filling the questionnaire by respondents (Firm owners / Managers).

1.11. Research Structure

The study organized into five chapters as shown in Figure (1).

1.Introduction
*Chapter Overview
*Background
*Palestinian stone and marble industry
*Problem statement
*Research Goal and Objectives
*Research Questions
*Research Hypotheses
*Research significance
*Research scope
*Research limitations and obstacles
*Thesis Structure

2.Literature Review
*Chapter Overview
*Strategic Management
*Firm demographic characteristics
*Natural stone globally
*Palestinian stone and marble Industry
*Palestinian stone industry challenges and issues
*Palestinian Stone and Marble industry as SMEs

3.Research methodology
*Chapter Overview
*Research design flow chart
*Preliminary phase
*Research Strategy and data collection
*Research Population and Sample
*Data Analysis Method

4.Analysis of Research Findings
*Chapter Overview
*Normality Test
*Demographic characteristics of the study sample
*Firms competitive strategies
*Extent of applying strategic planning practices and top managements support
* Internal and external barriers
* Assessing strategic performance according to balance score card perspectives
* Bivariate Analysis for stone industry demographic characteristics
* Hypotheses test

5.Conclusions and Recommendations
*Chapter Overview
*Main research findings and results discussion
*Conclusions
*Research Contribution
*Recommendations
*Future Research Prospects

Figure 1: Research Structure

Chapter Two

Literature Review

2.1. Chapter overview

This chapter provides a general overview of concepts of strategic management and strategic performance measurement which include previous research that covers these issues and finally tools and techniques used for strategic performance measurement. This is followed by an overview of the natural stone industry globally, and then a discussion for current situation of Palestinian stone and marble industry, its significance, characteristics, and challenges.

2.2. Strategic management

2.2.1. Strategy

Strategy as a word and concept was associated with the efforts to enhancing the business outcomes. Many authors offered definitions for the strategy, most of these definitions define strategy as a plan to reach the goals. Some definitions of strategy as presented by several authors are briefly revised below:

- “A form of purposes, policies, programs, actions, decisions, or resource allocations that define what an organization is, what it does, and why it does it”(Bryson, 2018).

- “A broad formula for how a business is going to compete, what its goals should be, and what policies will be needed to carry out those goals”(Porter, 1980).

- “Strategy refers to a general plan of action for achieving one’s goals and objectives” (Nickols, 2016) .

2.2.2. Strategic management definition

The simple idea of strategic management is to achieve and maintain competitive advantage (Porter, 1980; Smallbone et al., 1995). It is intended to effectively combine the enterprise to its environment which consist of political, social, technological, and economic components (Staff, 1985).

Armstrong (1982) inspected the scope of strategic management by five variables (setting objectives, creating strategies, assessing strategies, monitoring the implementation, and adherence to implementation) and reached to the deduction that the strategic planning enhances the firms performance.

Lyles et al.(1993) stated that firms that embrace a more formal planning procedure will place greater emphasis on the quality of the strategic decision-making processes, and found that an advanced proceeding strategic management system effect positively on firms growth.

Strategic management researches that studied the activities included in the strategic planning process have generally summarized in the following scopes: defining vision and mission, deriving objectives, external analysis,

internal analysis, developing alternative strategies, strategy selection, implementation, and control (David, 2011; Dess et al., 2007; Stewart, 2002) .

2.2.3. Strategic management and strategic planning

According to Djordjevic et al. (2005), the term strategic management is used synonymously with the term strategic planning. In the business world strategic planning term is more often used, while the term strategic management is often used in academia. Sometimes strategic management term is used to refer to integrated process consisted of strategy formulation, implementation, and evaluation, whereas strategic planning is referring only to strategy formulation.

2.2.4. Stages of Strategic Management

Generally strategic management consists from four basic phases: Environmental scanning , Strategy formulation, Strategy implementation, and Evaluation of strategies. The first phase is environmental scanning, it is include monitoring, evaluating, and disseminating of information from the external and internal environments to key employees within the corporation, it is aims is to analyze strengths, weaknesses, opportunities, and threats (Wheelen and Hunger, 2011).

The second phase is strategy formulation process that aims to ensure that organizations reach their objectives. The formulation process includes allocating resources with effective way, creating of a mission statement,

identification of strengths and weaknesses, determining of external threats and opportunities, creating of long-term objectives, providing different strategies, and picking the suitable strategy to be implemented.

The third phase is the strategy implementation, this process is considered the hardest stage in strategic management, in this stage the firms execute their activities in accordance to strategic plans, it includes identifying the annual objectives, allocating resources, mobilizing managers and employees to transfer strategies from formulation stage into action stage. The fourth phase is the strategy evaluation process ,this process aims to determining the effectiveness of the strategy and evaluating cross-functional decisions to achieve the organization goals, and avoid failures (Pearce et al., 2000) .

The outcomes of strategic-management process carry out significant and long-lasting consequences, and any strategic failures will lead to high-losses rates, this reveals the importance of assessing strategic performance.

According to David (2011) there is a consensus among strategists that assessing strategic performance is energetic to an organization's growth, while evaluations in a proper time provide an indicator to the problems at an early stage. Through simple performance measures, the organization's strategic goals will be clearer to all stakeholders and provide an ongoing mechanism to monitor the progress of these goals, this will provides a common language to drive execution and produces positive development

which lead to achieving the organization's strategic vision (Chandrashekhar et al., 2017) .

2.2.5. Strategic Performance Measurement

The implementation of the strategy is regularly hard also critical to a firm’s success, in addition to that the way to strategic execution is not always easy. There are many problems facing strategic management, where more than 50% of developed strategies are not executed (Cooper et al., 2012); so the main procedure to assess the strategic performance is identifying strategic problems.

Many literature have highlighted problems of strategic execution, it is shown that many of strategies were failed during implementation process (Cândido and Santos, 2015), and more than 40% of the potential value of the strategies has been lost due to implementation failures; thus, one of the great roles to convert great strategy into great performance is to monitor and evaluate performance (Mankins and Steele, 2005).

Many of the literature that focused on strategy argued that the strategy creates connection between firm's internal components and resources and its external conditions; so, measuring strategic performance is to facilitate connection process between external organization's environment and its internal competencies and resources and it is an important part of the business management of any firm.

Some of the main perspectives for strategic performance measurement are: verifying firm's strategies, enhancing employees behavior, and improving firm performance management, according to that and through measuring strategic performance the strategic problems are becoming more clear which contribute to improve firm performance (Micheli and Manzoni, 2010).

2.2.6. Financial versus Strategic Objectives

In the firms commonly, there are two parts of objectives: financial and strategic objectives. Financial objectives involve those related with increasing in revenues, growth in earnings, higher profit margins, greater return on investment, higher earnings per share, a better stock price, more cash flow, and so on; while strategic objectives related to things such as a great market share, faster on-time delivery than rivals, shorter design-to-market times than rivals, lower costs than rivals, higher product quality than rivals, broader geographic coverage than rivals, achieving technological leadership, consistently getting new or improved products to market ahead of rivals, in other words it is related with superiority in competitiveness advantages among rivals (David, 2011).

Over many years, financial measures have been used to assess the performance of the enterprises. In recent years, increasing criticism has been levelled against the financial measures because it reveal a great deal about the company’s past actions but nothing about its future alertness (Lau and Sholihin, 2005). In addition to that, the financial measures become

inadequate for firms looking for a competitive advantage (Evans, 2005), and unable to support strategic decisions (Kaplan and Norton, 1992).

As a result of the growing criticism of financial model, the balanced scorecard model (BSC) was developed by KAPLAN and NORTON (1992) as a means to link the performance measures by looking at the organization's strategic vision and objectives from four significant perspectives: financial, customer, internal business, and innovative and learning .

The customer's perspective covers four categories: quality, performance, service, and cost, while the internal business perspective characterizes a strategy for producing goods and services in the best efficient approach. The financial perspective is related to a strategy of growth and profitability from the shareholder viewpoint. Finally the innovation and learning perspective covers the ability to develop new products and employee training (Mendelova, 2016).

2.2.7. Balanced Scorecard

The Balanced Scorecard is considered as a vital part of a strategic management system that converts strategy into action (Sushil, 2008). It is a structured procedure for employing performance measurement information into a set of approved performance goals (Hopf et al., 2008). Also it is encouraged to balance between financial and non-financial aspects, short-term and long-term objectives, positive and negative indicators, and external and internal performance sides (Sushil, 2008).

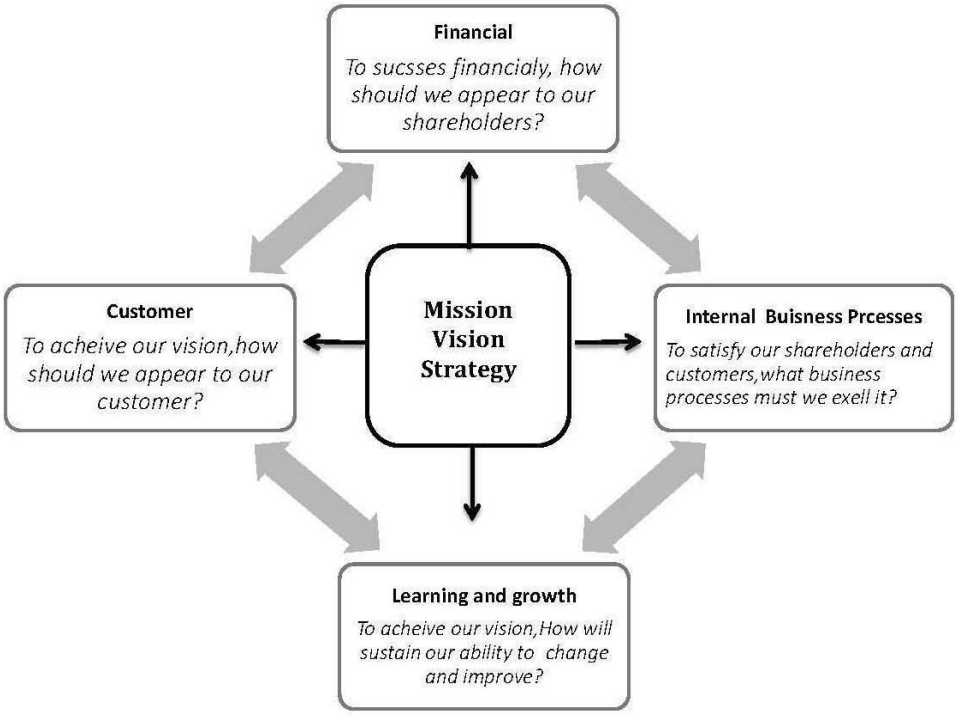

Figure 2: The balanced scorecard links performance measures, **Source**: This figure was adopted and modified from Kaplan and Norton (1992)

The BSC framework allows firms leaders to deal with business from four different vital sides, financial, customer, internal business, and innovative and learning (Kaplan and Norton, 1992). These perspectives are related with the four functions of accounting and finance, promotion and selling, value chains and human resources. Now BSC has more acceptance as a process that focus on intangible resources and challenges related with maintaining product quality, at the same time not ignoring financial performance (Kala and Bagri, 2014).

2.2.8. Competitive Advantage

The competitive advantage can be represented with firm ability to do something that the competitor firms cannot do, or owning something that the competitor firms desire (Rumelt, 2003).

The firms can reach to competitive advantage through a set of activities which focus on how to obtain a lower cost than competitors and arrange these activities in a process able to produce a differentiated value to buyers (Porter and Millar, 1985). According to Ma (1999), the competitive advantage arises from the differential between firms through the characteristics that allow one firm to generate distinguish customers value than do others.

For firms' leaders, the complex task is not to gain competitive advantage only, but the challenge is to sustain it in order to gain higher profitability. So they have to make efforts to identify, preserve, improve, and allocate resources and capabilities in order to empower the firm to reach to sustainable competitive advantage (Amit and Schoemaker, 1993).

2.2.9. Michael Porter's Five Generic Strategies

Porter (1980) argued that the firms are most interested in the intensity of competition within their industry. The level of this intensity is shaped mainly by five competitive forces, as shown in Figure (3), where the combination of these forces determines the potential level of the firm profit.

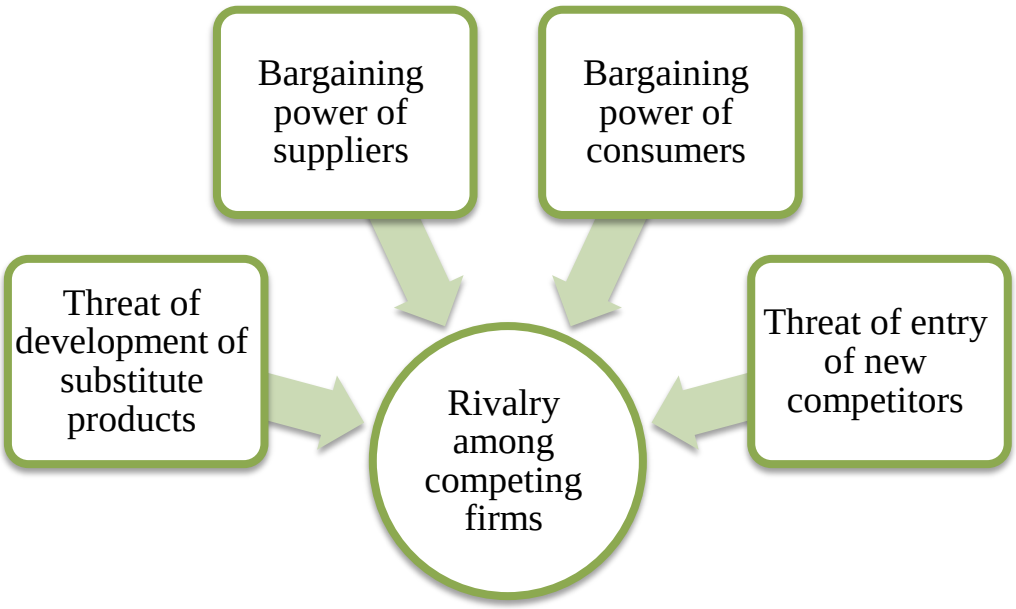

Figure 3: Forces Driving Industry Competition, *Source* : This figure was adopted and modified from Porter 1980

In carefully scanning of its industry, a firm must evaluate the importance and influence of each force to its success. These forces are: rivalry among competing firms, threat of entry of new competitors, threat of development of substitute products or services, bargaining power of consumers, and bargaining power of suppliers.

In the lower returns industries, the intensity of competition goes to increase. The result of severity of rivalry among existing firms is increasing the opportunities for new rivals to enter the industry with relative ease, and both suppliers and buyers can exercise considerable bargaining power (David, 2011).The profitability of the industries usually depends on the five forces, these forces influence the price, cost, and the required investment of the firms in an industry. The bargaining buyer's power influences the price that a firm can achieve, and the bargaining power of suppliers influences

the costs of raw materials and related inputs. The entry of new competitors influences prices and the presence of substitute products sets a ceiling on the price that can be achieved before buyers will switch to the substitute product (Porter, 2008).

2.3.Firm Demographic Characteristics

Firm characteristics refer to the origin of firm, the age of firm, firm size, and education level of manager-owner, experience and age of manager-owner, where these characteristics play important role on the firm performances:

2.3.1. Origin of firm

Smallbone et al. (1995) argued that the origin of the small firm's partnership is due to ownership and management, where typically these firms begin through a rally of individuals with future goals for the business which determined depending on personal lifestyle, family factors, and commercial considerations. Further, they judge that one characteristic which did differentiate the best performing firms from other firms was their adherence to growth.

Sepulveda and Vergara (2014) suggest that when ownership concentration in a family firms increases, affirmative effect of ownership concentration predominates, meaning work problems were reduced, which results in a better performance by the company. On the contrary, an increase in ownership concentration decrease performance in non-family firms, this is

due to majority shareholders would depleting resources from the company, with the consequent reduction in its performance.

2.3.2. Age of firm

This is associated with learning curve, old firms most probably have learned much from their experiences than have done by new firms. Sørensen and Stuart (2000) argued that older firms have a capital of organizational knowledge and creativity, and this can lead to effective strategic planning. Borch and Huse (1993) stated that a firm age has a direct impact on strategies. So, SMEs managers in older firms may be more inclined to adopt strategic planning.

2.3.3. Size of firm

In small firms, the owners are often personality-driven and influenced by the individual values and motivations of the entrepreneur. In these firms, their owners incline to play a role in the decision-making of procedure (Culkin and Smith, 2000). Therefore, the firm-owner understanding becomes as crucial for business growth. Kotey and Meredith (1997) argued that there is a link between business-growth and the characteristics of the owner-manager.

2.3.4. Education Level of Manager-Owner:

Wiersema and Bantel (1992) argued that education level of managers-owners have been a positive impact on implementing strategic change. In addition, a more educated individual will be able to implement broader and

more complex tasks, such as a higher capability for information processing. Recognizing the significance of new information, understanding it, and applying it to business ends are closely related to prior knowledge and skills (Cohen and Levinthal, 2000). Accordingly, managers with highly educated are expected to have a greater ability to gain a more complex understanding of the surrounding situation. Hence, education level should be positively associated with planning.

2.4. Natural Stone industry globally

Several civilizations had used natural stones as a key element in their important buildings to highlight their strength and to celebrate their greatness over many years. Roman and Greek empires used stone in building theaters and ancient temples, while the Egyptian used stone in constructing pyramids (Abu Hanieh et al., 2014) . Many countries still use stone in their important buildings and recently the natural stone has become increasingly used in decorative works in addition to its main use in floors and facades of buildings.

By the end of 2015 the international trade of stone reached to 31.6 billion USD with an increase of 12.4% compared to 2014 (IMM, 2016). Regarding to IMM (2016) report, China is still on the top of countries that export natural stone with market share of 42% from the global natural stone exports followed by Italy with 12.4% . In 2015, the EU countries imported natural stone for a value of 2.95 billion USD, and the USA also close to this value. With regard to the stone sector in Palestine, the Palestinian stone

and marble derives its global competitiveness depending on the sanctity and respect of its origin "the holy land" as well as the distinction of its colors and texture (USAID, 2006).

2.5. Palestinian Stone and marble Industry

Many Palestinian manufacturing sectors had grown seriously in the last period, from these sectors that has grown successfully the stone and marble industry, it has achieved annual sales around $400 million and total investment around $700 million (Quartet Representative, 2014).

This industry is regarded as the major industry in terms of size of investment, number of employees, companies number ,and sales (Palestinian Federation of Industries, 2009). It is widely known, not only locally, but also globally in depending on the sanctity and respect of its origin "The holy land" as well as the distinction of its colors and texture (USAID, 2006). In 2017 according to MoNE (2018b) the total exports value of stone and marble products to the foreign countries was amounted to 21.5 % of the total value of the national exports.

USM (2011) has developed strategic priorities focusing on capacity building, environmental effect, quality of products and equipment, access to raw materials, transportation to the markets, role of universities and exports. These strategic priorities are important to eliminate several problems that face stone sector which are related to poor infrastructure services, inadequate finance, permit requirements, marketing, training and maintenance (Basim and Mahmoud, 1999), raw material depletion, limited

access to new quarries areas specially in C areas (Quartet Representative, 2014).

The production chain of this industry starts from the quarries where large stone blocks are extracted after a strenuous excavate process using digging and chainsaw machines. By the trucks, these blocks are transferred to the stone cutting plants where they are converted to many kinds of products through cutting and polishing processes by special machines. These products include: masonry stones, tiles, slabs , and decorative blocks (USAID, 2006).

As shown in Fig (4), the quarrying areas in the West Bank are mainly located in the following governorates : Hebron ,Bethlehem, Ramallah, Salfit, Nablus , and Jenin, but the largest quarrying areas are concentrated in Hebron governorate followed by Bethlehem governorate (Quartet Representative, 2014).

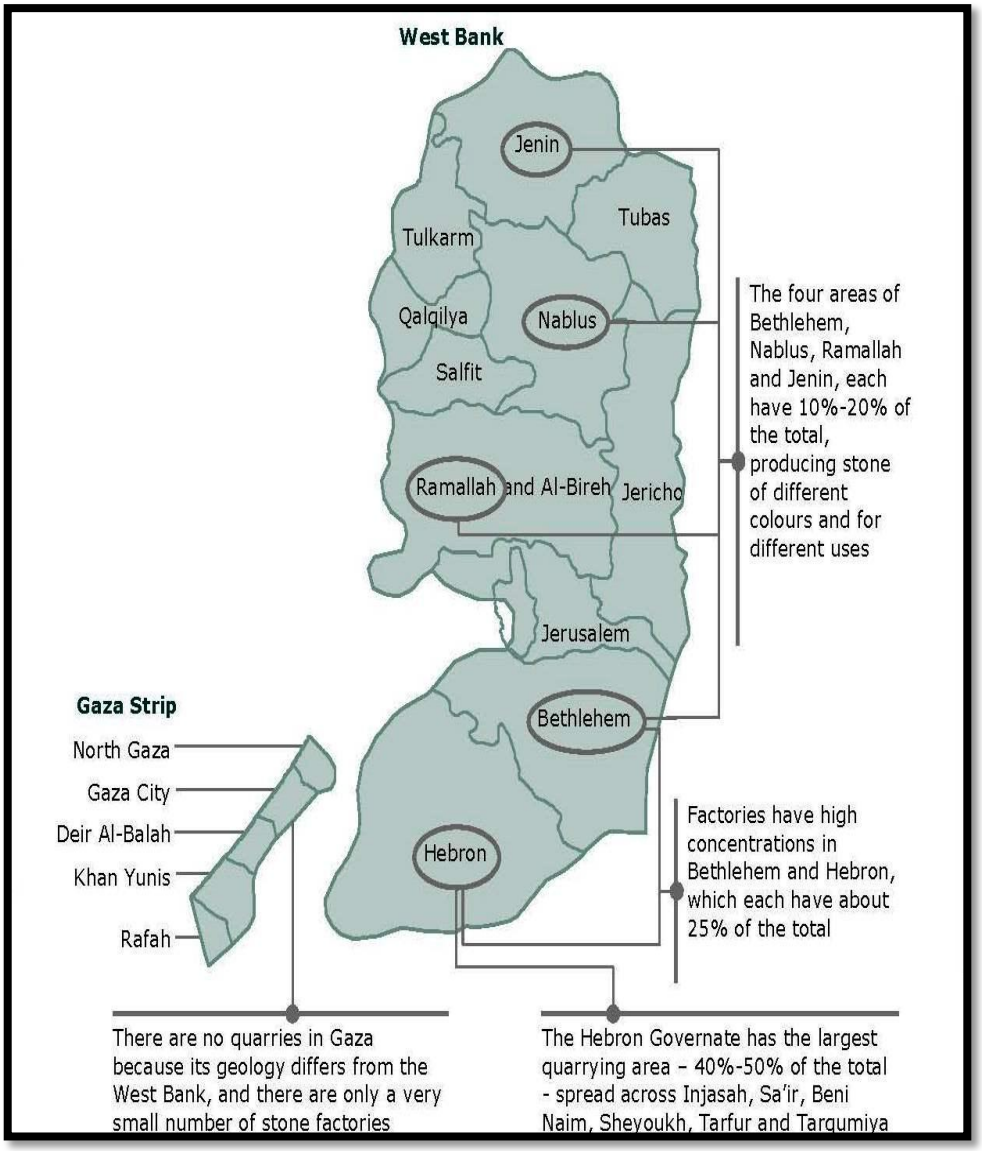

Figure 4: Prevalence of the quarrying areas in West Bank, *Source :*(Quartet Representative, 2014)

Stone and marble plants and workshops distributed along West Bank while in Gaza there is only some of small workshops. Table (1) illustrates the distribution of stone and marble firms in west bank which are registered in USM.

Table 1: Distribution of members of USM by governorates

No	Governorate	Number of companies
1	Hebron	164
2	Bethlehem	141
3	Jenin	79
4	Ramallah	7
5	Salfit	57
6	Tulkarm	8
7	Qalqilya	8
8	Nablus	100
	Total	564

Source: Union of Stone and Marble, September 2018 (USM, 2018)

Table (1) illustrates that the largest number of stone and marble firms exists in Hebron and Bethlehem governorates respectively and this due to that these governorates have the largest quarries in west bank.

2.6. Palestinian Stone industry challenges and issues:

Palestinian stone industry is of great strategic importance to Palestine; it is a genuine natural resource and an important component of Palestinian economy (Palestinian Union of Stone and Marble Industry, 2011)**.** The stone industry faces a number of challenges and issues, some of them are related to Israeli restrictions on the quarrying process, transportation and export routes; and others are related to the existing organizational practices and operational procedure of this industry (Basim and Mahmoud, 1999). The following points highlight the most important challenges that are facing the stone industry:

2.6.1. Exporting challenges

It has become self-evident to say that the world has become a small village, and this, as it offers positive aspects, it also has negative aspects, and if you do not go to new markets, it will come to you. Competing into new markets provides power for economic growth and this is an important issue for the Palestinian economy to enhance the trade balance.

The basic competitive advantages of Palestinian stone are: its dependency on local raw material, brand name (Holy land stone; Jerusalem stone), color, and texture (Palestinian Investment Promotion Agency, 2014), but on the opposite site, there is a shortage in the stone firms culture for export as well as the improving the quality (Palestinian Federation of Industries, 2009). In addition to that, the high production cost and complicated logistical processes at the Israeli borders add considerable delays and costs to exporting goods (ITC, 2013). Israeli checkpoints caused prejudice to competitiveness in terms of increasing transportation cost and delaying the delivery of shipments, in addition to that the risk of damage goods due to transforming of product from Palestinian trucks to Israeli trucks (Palestinian Union of Stone and Marble Industry, 2011).

2.6.2. Clustering

Depending on geographic concentrations, clusters still have an important part of the economic landscape for industrial sectors to enhance their competitiveness (Porter, 2000). Several studies have indicated the pressing need for the establishment of clustering in the Palestinian stone industry,

where USAID (2006) study have shown the need for clustering in order to raise the competitiveness of the Palestinian stone industry. But despite all the attempts and efforts that have been implemented in the past years the clustering in Palestinian stone and marble sector is still weak (Sultan, 2014).

2.6.3. Environmental impact:

Waste management is an essential element to any stone manufacturing firm to decrease the impact of this waste on the environment and reserve it (Center for Clean Products, 2011).

In Palestine, the annual amounts of waste generated by stone cutting process exceeds 700,000 tons of slurry waste and approximately 1 million tons of solid waste (Jabari and Sawalha, 2002). This waste has created a negative impact, not just on the health and safety of employees, but on the surrounding agriculture, humans, and groundwater (Al-Failat, 2013). Many Palestinian stone firms have a shortage in know-how and the technology to deal effectively with production waste, and there is other firms do not apply the solution of treating this waste to avoid additional cost (Palestinian Union of Stone and Marble Industry, 2011). Through the employment of a proactive waste management strategy, occupational exposures, and environmental degradation can be mitigated (Center for Clean Products, 2011).

2.6.4. Access to raw materials:

According to Palestinian Union of Stone and Marble Industry (2011) that there is no adequate information and database about the quantity of Palestinian stone raw material, at any depth located and its type, but there is an estimation that there are about 2000 hectares of quarrying areas, half of it is located in area C under Israeli occupation control, whereas Israeli Civil Authority imposes restrictions on the quarrying activities. Generally, the areas of quarrying are going to depletion and many quarries are no longer possible for extracting stones from them. Notwithstanding the uniqueness of the Palestinian stone, some kinds of stone are limited in degree of color uniformity or texture, which decrease the quantity of orders that can be fulfilled from goods with consistent texture and color (USAID, 2006). This highlights the need of a formal comprehensive geological survey to determine the extent of the stone reserves and its locations, and to create effective and efficient strategies to deal this challenges (Palestinian Union of Stone and Marble Industry, 2011).

2.6.5. Quality of Products:

The core of competitive features of the stone products are color and texture. Quality and price are interchangeable factors in the sector. Increasing quality means increasing costs in the manufacturing and supply chain (Palestinian Federation of Industries, 2009).

Globally, the stone industry is highly competitive. Palestinian stone firms cannot be the low-cost producer because of the high cost of fuel, the

complexity to export and transportation, and the relatively high cost of employees. This fact requires stone firms to make quality issues the top priority and within their strategy and to work hard to reach the world standards (Palestinian Union of Stone and Marble Industry, 2011).

2.6.6. Equipment and technologies

Highly competitive in the markets highlighted the growing need to search new ways in which companies can differentiate themselves and increase profit and enhance competitive position. Company's effectiveness is highly increased by upgrading machinery and using high technologies and applying periodic maintenance, these activities will impact on other working areas such as production, quality, production cost, working environment and amount of labor (Maletič et al., 2012).

The Palestinian stone sector has still far from using the high technologies in the manufacturing process especially in the finishing phase process .Few of the firms have been working on developing and upgrading their machinery regularly but the most of firms are still using an old and inadequate technology (Hushaysh, 2012).

Based on Palestinian Union of Stone and Marble Industry (2011) 30% of stone slabs are classified as unfit for marketing because of deep cracks, these slabs can be processed to become marketable through the technique of filling the cracks with resins and then treat them thermally but unfortunately there is few resin lines in Palestine.

2.7. Palestinian Stone and Marble industry as SMEs

According to Sabri (2008), the industrial sector in Palestine is characterized as SMEs. Stone and marble industry in Palestine is similar to other small business in most of Middle East countries which are categorized as SMEs and as a family owned business (Abu Hanieh et al., 2014). These SMEs firms have certain characteristics and challenges that differ from the challenges faced by large companies, and this leads to a management style that differs from that for large companies.

Small and medium-sized enterprises SMEs are fundamental catalyzer of job creation and comprehensive economic growth. In the Mediterranean, North Africa and Middle East Region, SMEs represent the majority of firms, account for between 50%-75% of total employment, and contribute substantially to novelty and value creation (OECD/The European Commission, 2014).

2.7.1. SMEs characteristics

The size of SME differ from small economy to large economy, in USA and China as a large economy the SME may have 500 employees (Madsen, 2015), while in small economy according to European commission the firms that have less than 250 employees are considered as SME (Muller et al., 2016). Many countries around the world is considered SMEs as a vital component in their local economies, for instance SMEs in EU counted more than 65% of employment in 2015 (Muller et al., 2016).

Many literatures have compared typical characteristics and management practices of SMEs and large firms as summarized in Table (2).

Table 2: Characteristics and management practices of SMEs and large firms

Practices	SMEs	Large firms	Reference
Owner function	Owner-manager (boundary spanning role) Close contact with employees	Limited role Little contact with employees	(Yongcai, 2010)
Management procedure	Informal and personal	Formal and impersonal	(McAdam, 2000)
Attitude	Fire-fighting (reactive)	Preventive (proactive)	(Brouthers et al., 1998)
Orientation	Short-term (survival and making ends meet)	Long-term	(Hudson et al., 1999)
Resource availability	Resource limitations and time constraints (e.g. finances, human resources)	Organizational slack	(Noci, 1995)
Strategic procedure	Informal and fluid	Formal and structured	(Rigby and Bilodeau, 2013)
Performance measurement systems	Primarily financial measurement	Multi-dimensional	(Patrizia et al., 2005)
Management and strategy tools	Few	Many	(Rodney Turner et al., 2009)

According to the World Bank Group (WBG), there are three quantitative measures for formative SMEs: number of employees, total assets and annual sales. If an enterprise have less than 50 employees and total annual sales less than 15 million USD, it is described as a SME's (IFC, 2008).

Palestinian Central Bureau of Statistics (PCBS) defined Palestinian firms' size based on employment size group as appear in the following table.

Table 3: Firm Size based on Employment Size

Firm Category	Number of Employees
Micro	1-4
Small	5-19
Medium-sized	20-50
Large	More than 50

Source: Palestinian Central Bureau of Statistics PCBS (2007)

In Palestine SMEs are considered as a vital component of the Palestinian economy, depending on previous criteria most of Palestinian stone firms are classified as small and medium enterprises SMEs, where only 0.5% of these enterprises include more than 50 employees (Sultan, 2014).

2.7.2. Extent of Strategic Planning in SMEs

Many studies into the process of strategic planning in SMEs have focused on the level of sophistication used to outline the strategic planning process e.g. (Lyles et al., 1993; Naffziger and Kuratko, 1991; Ramanujam and Venkatraman, 1987; Veliyath and Shortell, 1993).

Formal strategic planning has been defined as the development, implementation, and continued update of a documented robust strategic plan for a definite business (Stewart, 2002). According to Perry (2001), the level of strategic planning in SMEs were low, even though more systematic planning contribute into transfer SMEs from failure to success.

SME management suffers from an insufficient business-related knowledge base that top managers in SMEs possess. Indeed, formal plans or cost controls are often only provided on an irregular basis and planning

instruments are usually only used by a small number of individuals and developed rather intuitively (Kraus et al., 2008).

Many decision-makers in SMEs are convinced that real entrepreneurs do not plan (Posner, 1985). Instead, it is assumed that they use their limited time resources more effectively for operational or sales activities. Additionally, formal planning is often regarded as limited to large enterprises and thus not transferable to the requirements of the fast-moving and flexibly-structured SMEs. Furthermore, the process of strategic decision-making in SMEs is often based on experience, intuition or simply on guessing. SMEs mainly operate in a single or a limited number of markets with a limited number of products or services - often even in a market niche - they usually cannot afford central service departments that are able to conduct complex market analyses (Johnson et al., 2008).

Reviewing the literature on SMEs in Palestine has revealed that most of these studies were focused on the economic sides, quality management practices, competitive strategies (Herzallah et al., 2014; Mosallem, 2014; UNCTAD, 2004;Sultan, 2014; Issam, 2010; Sabri, 2008) . A Few studies have dealt with strategic planning of Palestinian SMEs (Analoui and Samour, 2012; El-Mobayed, 2006) , and no studies have dealt with strategic planning and strategic performance of Palestinian stone and marble SMEs. According to that, this research attempts to fill the gap by studying the strategic performance of Palestinian stone and marble SMEs.

2.7.3. Strategic Management Barriers in SMEs

In SMEs, generally, there are shortcomings in strategic planning or cost controls, and planning tools are only used by a few numbers of SME companies. These shortages point towards the significance of studying the importance of strategic management for SMEs (Kraus et al., 2008).

The most of SMEs are not interested in strategic management and planning, they focus on short term function rather than long term issues, and tends to be reactive rather than proactive (Wang et al., 2007). In majority, SMEs depend on intuitive without referring to scientific bases, this makes assessing strategic performance process more difficult (Kelmar and Noy, 1990). Many literature argued that there is lack of strategic management and planning in SMEs and there are many barriers that obstruct planning, from these barriers a lack of awareness of strategic planning, resistance to change, unwillingness to share strategic plans with employees, pressure of time and rare of professional expertise (Robinson and Pearce, 1984).In addition to that, a political turbulence and regional conflicts which is clear in Palestine (Ayyad, 2008), internal implementation barriers (O'Regan and Ghobadian, 2002), size of firms (Stonehouse and Pemberton, 2002), scope of industry (Shrader et al., 1989), and length of each stage of business life-cycle (Berry, 1998) are also considered barriers in the strategic planning for SMEs.

Chapter Three
Research Methodology

3.1. Chapter Overview

The research aims to assess strategic performance of stone and marble industry in Palestine through answering the questions of the research and testing the proposed hypotheses. The following chapter is presenting details on the methodology used in this research. This chapter covers Research design flow chart, Preliminary phase, Research strategy and data collection, Questionnaire development, Research population and sample, Reliability and Validity test, and Data analysis method.

3.2. Research methodology flow chart

Figure (5) illustrates the methodology flow chart of the research that consists of (7) phases.

The first and second of the research aims to define the problem statement and to determine the research goal and objectives.

The third phase of the research includes a literature review that was undertaken to review the basic concepts of performance and strategic management in a stone industry.

The fourth phase includes a survey and data collection. A survey conducted via questionnaire. A questionnaire was used to get the required information needed to complete the research Through questionnaire design, a pilot questionnaire was conducted by 11 of the firm owners to test whether the

questions were clear, valid and easy to answer. The data was collected from a largescale survey of 223 actors in stone marble firms.

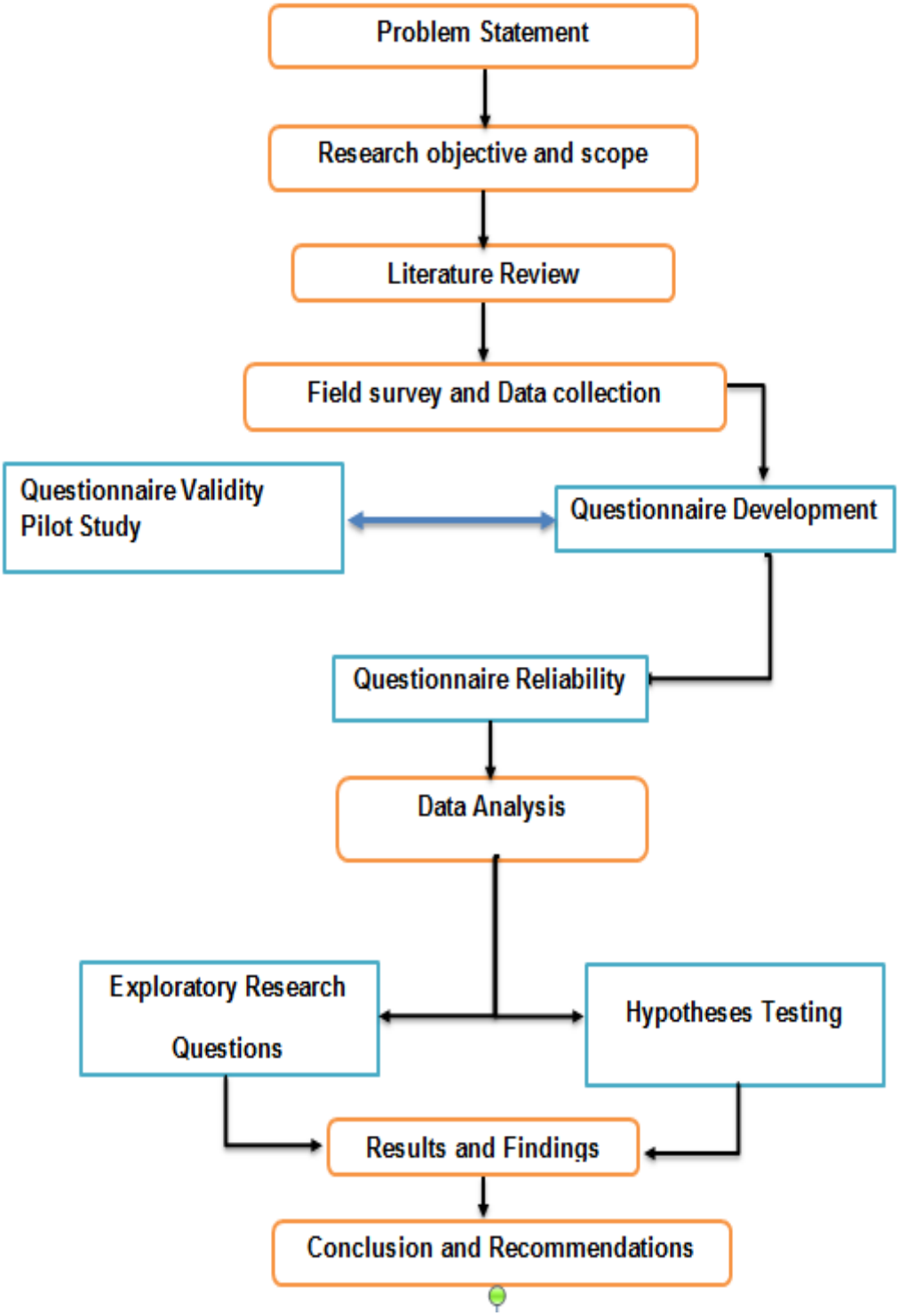

Figure 5: Research design flow chart

The fifth phase of the research is a data analysis. The statistical software (SPSS) was used to perform the required analysis. The data was analyzed through two phases: exploratory research questions and hypothesis testing.

The sixth phase of the research is results and findings discussion. Based on results of the research, the research discussed the main results to be more clear and useful for the stone firms.

The seventh phase of the research includes the conclusions, recommendations to the stone and marble industry practitioners, and suggestions for future research.

3.3. Preliminary phase

Information on strategic planning and strategic performance was collected through scientific review for related literature. An adequate collection of literature has been reviewed and relevant ideas were extracted, the source of this material included online sources and hard copies of textbooks.

Through this phase, the research was focused on the perception of strategic performance and strategic planning concepts in the stone industry field and on providing a clear overview of the research statement to reach the objectives highlighted. The collected information also contributed to the adoption of the research strategy and building of the questionnaire.

3.4. Research Strategy and data collection

To shed light on the strategic performance of Palestinian stone and marble industry, the research adopted a descriptive analytical approach with some exploratory analysis using a quantitative survey technique for data collection.

3.4.1. Questionnaire Development

The research used the questionnaire as a survey instrument to collect data, where that most of management researches commonly used the questionnaire as an instrument to collect a large amount of data from a sizeable population in a highly economical way (Saunders et al., 2008).

Based on a comprehensive review for literature of strategic planning of stone industry locally and internationally, and SMEs strategic performance assessing models, the questionnaire was used as a survey instrument. Usually, the questionnaires can be used for exploratory and descriptive research (Saunders et al., 2008).

The questionnaire was designed in order to achieve the following objectives:

- To collect quantitative data, test and quantify the research hypotheses.
- To inspect and identify the relations between independent and dependent variables.
- To analyze data statistically and generalize the results to all population.

The questionnaire has been distributed depending on a statistically representative sample of the firms working in the stone and marble sector in the west bank. The questionnaire addressed the owners/managers of the stone firms, to extract data about the stone firms' characteristics and their strategic performance. Moreover, the questionnaire was based on closed-ended questions, a few open-ended questions were included in the questionnaire especially those related to the recommendations for improving the strategic performance of Palestinian stone and marble firms.

The Questionnaire was divided into five sections:

- **Section One: Respondent and firm characteristics**

This section aims to gather general information about the stone firms' characteristics, including type of firm, size of firm, the position of respondent in the firm, qualifications, years of work experience, volume of work in the last year, types of products, firm location, and years in business.

- **Section two: Assessing the extent of the applying of strategic planning in Palestinian Stone and Marble firms.**

This section is to assess the extent of the applying of strategic planning in Palestinian Stone and Marble firms through three main topics (Firm Vision, Mission and Objectives), (External and Internal Environmental Scanning), and (Top Management Support for Strategic Planning), these three topics include thirteen questions. Respondents were asked to rank their agreement

on the existence of these factors in their firms according to their own experience in stone and marble industry. All questions were closed, items measured with a five-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree).

- **Section three: Identifying barriers for strategic planning in stone and marble firms**

This section identifies and ranks the key barriers for strategic planning in stone and marble firms and investigates the reasons that lead the firms to shortcoming in implementing strategic planning. This section includes eighteen questions categorized into two parts: Internal Barriers and External Barriers.

Respondents were asked to rank their agreement on the existence of these barriers in their firms, according to their own experience in stone and marble industry. All questions were closed, the barriers existence was measured through a five-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree).

- **Section Four: Assessing strategic performance using balance score card model (BSC)**

This section is to assess the strategic performance of stone and marble plants using balanced scorecard model (BSC), BSC model asses the firm performance from four sides: financial, customer, internal business, and innovative and learning (Kaplan and Norton, 1992) .

Respondents were asked to rank their agreement on the degree to which their firms apply BSC activities in their business. Questions were closed, items measured with a five-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree).

- **Section Five: Firm competitive strategies**

This section aimed to identify the general competitive strategies which were adopted by stone firms, this section includes three questions with two answers choices for each.

The questionnaire was designed in two forms: Arabic language form and English language form, in order to overcome the language barrier and to be easily understood by all respondents, and both are attached in Appendices A and B.

3.4.2. Validity and Reliability

In order to fulfill the research objectives, the data must have a high degree of validity and reliability, so validity and reliability were a vital part during develops the questionnaire, then analysis the needed data.

3.4.2.1.Validity

Validity is checking whether the research instrument measures actually what it is designed to be measuring or not (Joppe, 2000). In this research the validity of a questionnaire was tested by asking a group of academic scholars and experts to review the questionnaire to make sure that it can achieve the research objectives and to provide their expert feedback.

Feedback received from arbitrators and reviewers was taken into consideration and the questionnaire was modified based on these comments. The list of the reviewers and arbitrators is attached in Appendix C.

3.4.2.2. Reliability

According to Carmines and Zeller (1979), reliability is the consistency of repeated measurements, Cronbach Alpha test was used in this research to check the internal consistency of the measures. Cronbach's coefficient alpha (α) value ranges between 0.0 to and 1.0. The closer to 1 value indicated a greater level of internal consistency. For most purposes, the reliability coefficients above 0.7 are considered satisfactory (Nunnally, 1978) and between 0.6 to 0.7 are acceptable (Cortina, 1993).

In this research, reliability was tested using Cronbach Alpha and the result are shown in table (4).

Table 4: Cronbach's Alpha values

Main factor	**Number of sub factors**	**Cronbach alpha for the factor**
Section two: Strategic planning		
Firm vision, mission, and objectives	5	0.873
Environmental scanning	4	0.785
Support for strategic planning	4	0.807
Internal barriers	10	0.769
External barriers	8	0.782
Financial dimension	4	0.627
Customers dimension	8	0.726
Internal business processes dimension	8	0.692
Learning and growth dimension	10	0.664

According to the Cronbach's Alpha test of the questionnaire, as shown in Table (4), the values of the Cronbach's Alpha for all the variables are ranging between 0.627 and 0.873, indicating that some scales are more reliable than others, but all well beyond 0.60, which is acceptable.

3.4.2.3. Pilot questionnaire

The questionnaire was tested before it was sent out to the respondents. A pilot test is conducted on a small sample of respondents in order to identify and eliminate problems that might be present.

In order to check the questionnaire against the ambiguous questions and to refine the questionnaire so that respondents have no problems in answering the questions the researcher made a pretest study on 11 stone and marble firms. On the other hand, this pilot test was used to enhance the questionnaire and estimate the time required for filling the questionnaire. Furthermore, it was important to ensure that data provided from manager/owners was valuable and lead to achieve the study objectives.

3.5. Research Population and Sample

Research population is composed of a group of members who are directly affected by the problem of this research, the research population include owners/managers of the stone and marble firms in Palestine .

According to USM records the number of its members from stone and marble cutting firms reached 564 firms, these firms are prevalent

throughout the West Bank but mostly are located near the quarry's areas. The distribution of these firms is shown in table (5).

Table 5:Distribution of USM members

No.	Governorate	Number of companies	Percentage
1	Hebron	164	29.0%
2	Bethlehem	141	25.0%
3	Jenin	79	14.0%
4	Ramallah	7	1.2%
5	Salfit	57	10.1%
6	Tulkarm	8	1.4%
7	Qalqilya	8	1.4%
8	Nablus	100	17.7%
	Total	**564**	**100%**

Source: Union of Stone and Marble, September 2018 (USM, 2018)

The required sample size for the research is 229 applicants depending on the following equation which was used to calculate the sample size (Cochran, 1977):

Sample Size Calculation:

$$\boldsymbol{Sample\ size = \frac{X}{\left(\frac{Y}{Z}\right)^2}}$$

Where:

X: Distribution of 50%

Y: Margin of Error%

Z: Confidence Level Score (Z value at 95% Confidence Level equals 1.96)

Finite Population Correction:

$$True\ Sample = \frac{SS * P}{SS + P - 1}$$

Where:

SS: Sample Size

P: Population

$$\text{Sample Size} = \left(\frac{1}{2} * \left(1 - \frac{1}{2}\right)\right) \Big/ \left(\frac{0.05}{1.96}\right)^2$$

Sample Size = 384.16

$$\text{True Sample} = \frac{384.16 * 564}{384.16 + 564 - 1} = 228.56$$

According to previous calculations and statistics Fig (6) illustrates the distribution of sample size from stone and marble firms by governorates.

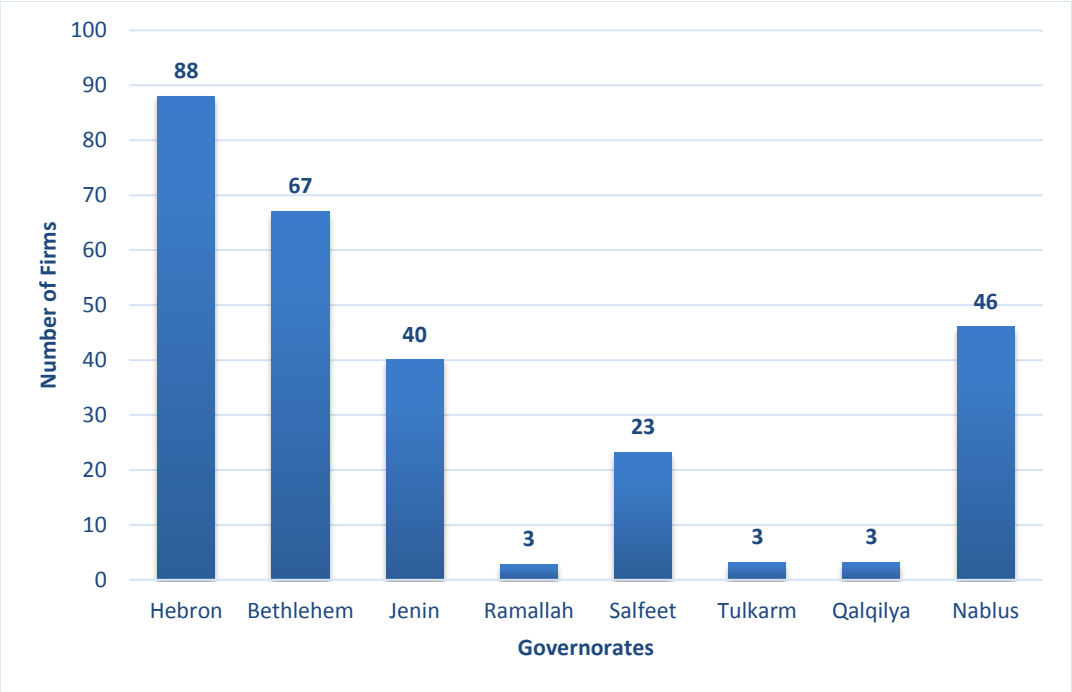

Figure 6: Distribution of study sample by governorates

The final draft of the questionnaire was distributed to (273) Owner /manager of stone and marble firms which working in West Bank, (237) are the total number of returned questionnaires, (14) of them were excluded due to their incomplete responses or its inconsistency, and only (223) were analyzed.

3.6.Data Analysis method

Qualitative data collected through semi structured interviews was used to determine the main views and trends related to general stone and marble sector strategies and the level of commitment to implement strategic plans. The answers of these interviews were not included in the data analysis but were used to obtain more in-depth answers and taking into consideration in deriving conclusions and suggesting recommendations.

For quantitative data, the analysis process consisted of organizing raw data into a meaningful order, then filtering the data into manageable quantities. After finalizing the data collection, all questionnaires were reviewed to dismiss unacceptable ones. After that, it was coded and filled into SPSS spreadsheets. Descriptive statistics was employed to identify sector characteristics (Median, Percent), while analytical statistics was employed for research hypotheses testing.

Chapter Four
Analysis of Research Findings

4.1. Chapter Overview

This chapter analyzes the findings of the study conducted to assess the strategic performance of Palestinian stone and marble industry. It includes two main sections: the first section presents and discuss the descriptive analysis, and the second section presents and discuss the results of hypotheses testing.

4.2. Normality Test

According to the normality of data the types of statistical tests are determined, so before conducting the statistical tests on the questionnaire items, the normality test was conducted to check if the variables are normally distributed. The results of Kolmogorov-Smirnova test and Shapiro-Wilk test for assessing the normality are listed in Table (6).

Table 6: Tests of Normality

Axis	Kolmogorov-Smirnova		Shapiro-Wilk	
	Statistic	Sig. P-value	Statistic	Sig. P-value
Vision, Mission, and Objectives	.081	.001	.963	.000
Environmental scanning	.239	.000	.875	.000
Firm Support for strategic planning	.136	.000	.965	.000
Internal barriers	.067	.016	.987	.036
External barriers	.128	.000	.906	.000
The financial dimension	.294	.000	.736	.000
Customers dimension	.102	.000	.969	.000
Internal business processes dimension	.107	.000	.983	.000
Learning and growth dimension	.097	.000	.966	.000

The above results indicate that all P values are less than 0.05, and therefore the data do not follow a normal distribution and therefore the nonparametric statistics were used for data analysis.

4.3. Demographic characteristics of the study sample

4.3.1. Respondent position

Figure (7) shows the characteristics of the study sample in terms of respondent's job positions. It is shown that those in the position of general manager formed most of respondents with ratio of 51%, followed by the position of the firm owner by 46% and the administrative officer by 3%. This makes the data filled in the questionnaire represent the orientations of senior management and decision makers in the stone and marble firms and not the views of employees.

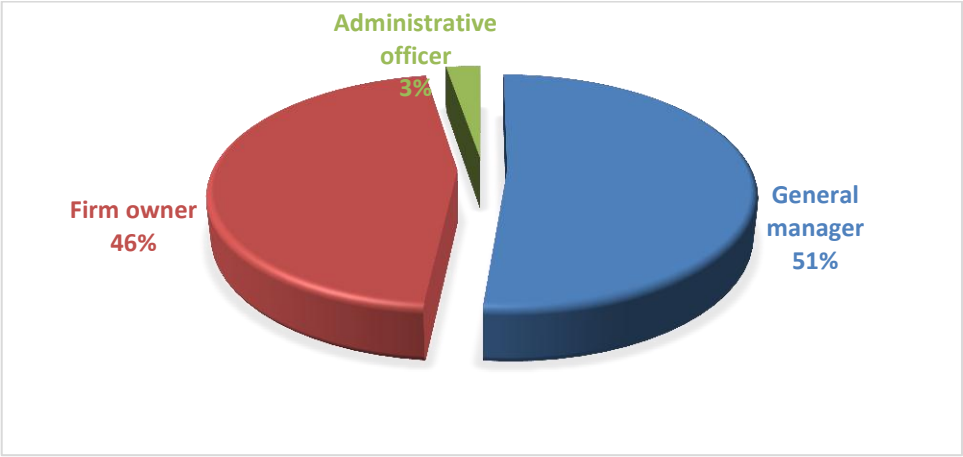

Figure 7: Respondents positions

4.3.2. Respondents Ages

Figure (8) demonstrates the ages distribution of the respondents, it is illustrates that 47.1 % of respondents ages are between 41 -55 years old, 32.7% of respondents ages are between 25 -40 years old, 19.3% of respondents ages are more than 55 years old, and just 0.9% of respondents ages are less than 25 years old.

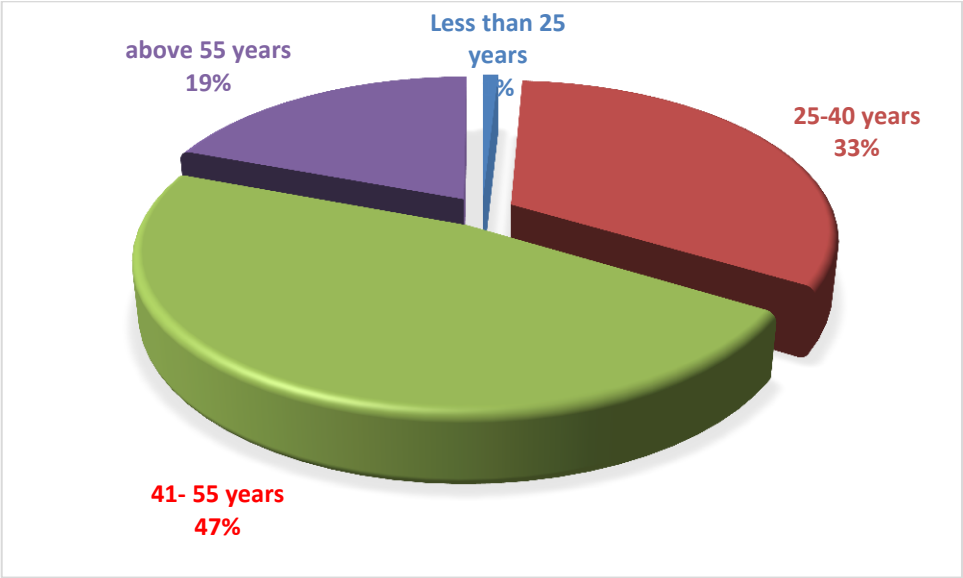

Figure 8:Respondents Ages

4.3.3. Respondents qualifications

Figure (9) shows the characteristics of the sample of the study in terms of scientific qualification. It is clear that those with an educational qualification (High school and lower) formed the majority by 61.9%, followed by those holding a bachelor's degree with a percentage of 22%, followed by the diploma 12.6%, and finally those holding a higher studies degree with a percentage of 3.6%.

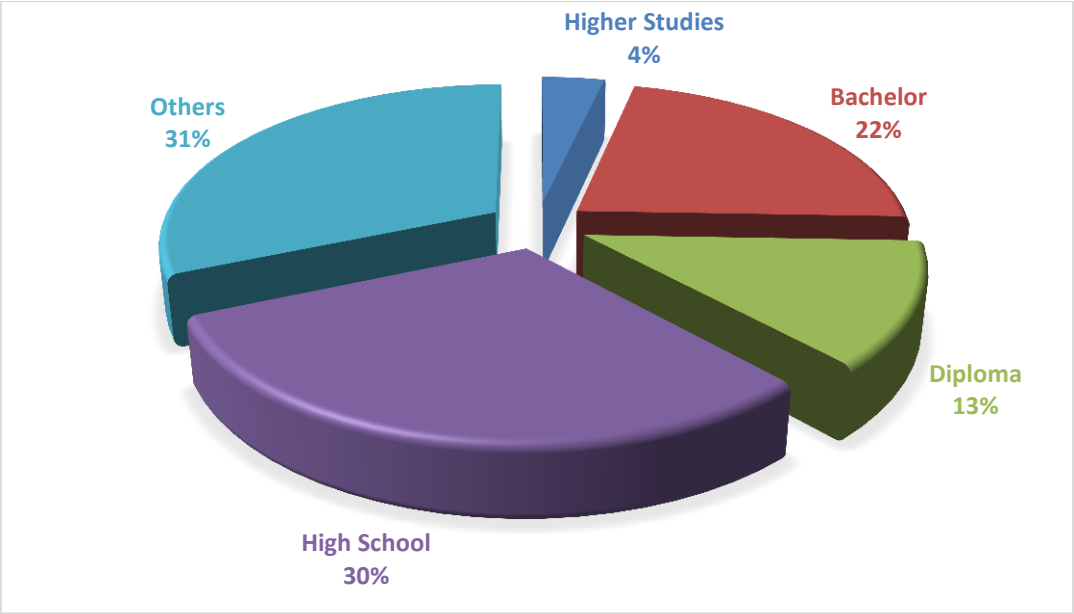

Figure 9: Respondents qualifications

The figure above shows that more than 60% of the analyzed study sample are from the holders of high school certificates or below. These results indicate the low level of education for those who lead the stone and marble industry, so that it reflects their ability to practice strategic planning on scientific basis and thus affect the strategic performance of their firms.

4.3.4. Respondents role in decisions making

Figure (10) shows that most respondents (80.3 %) are making decisions in a participatory manner and not individually. This is because most of stone and marble firms are categorized as family-owned firms, which adopt the principle of consultation and participation in decision making. This is a positive indicator for the development of the stone industry sector (Black and Gregersen, 1997).

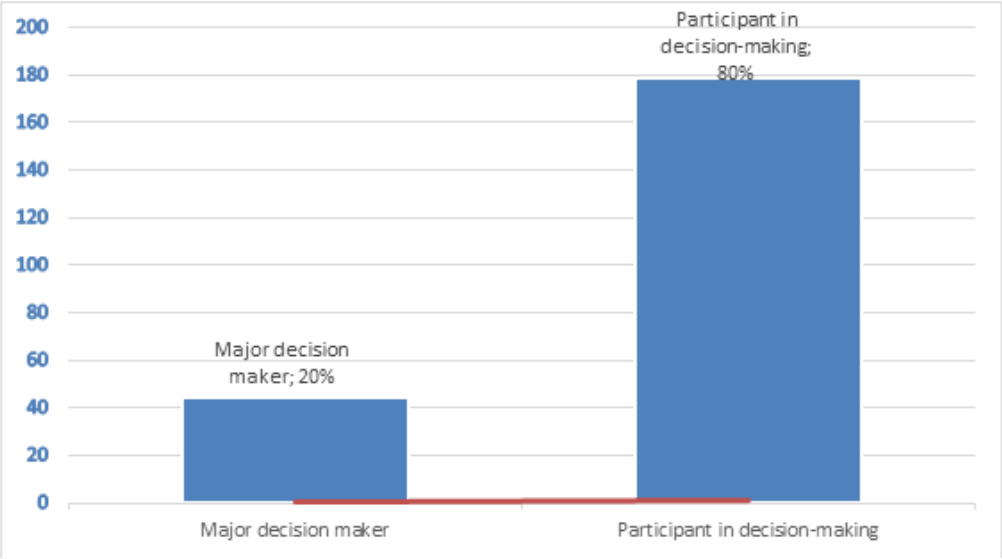

Figure 10: The respondents role in decisions making

4.3.5. Respondents experience in stone industry

Figure (11) illustrates that 38% of the analyzed study sample have an experience in stone and marble industry exceeding 10 years and 28% exceeding the 25 years of experience. An accumulated experience in this industry makes firms' owner/manager more depending on intuition for strategic planning and making decisions (Salas et al., 2010).

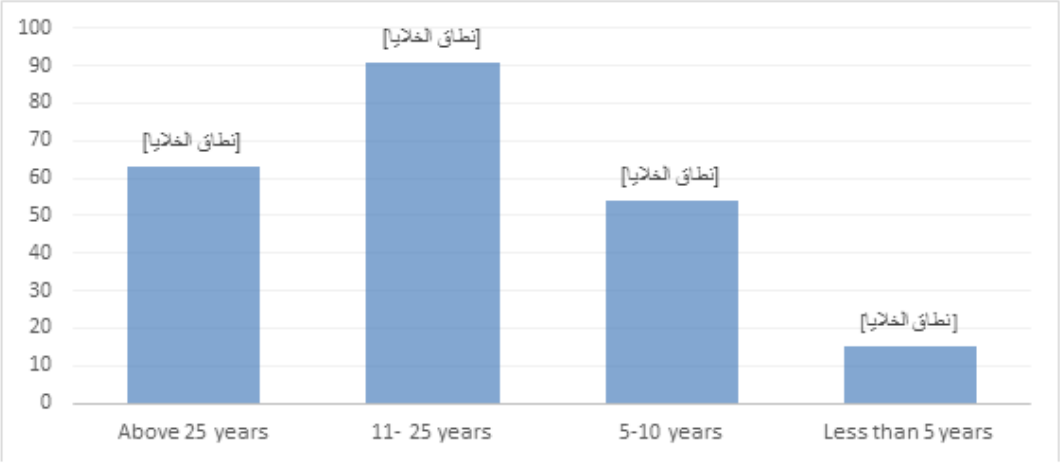

Figure 11 : Respondents experience in stone industry

4.3.6. Firms types

Figure (12) shows that most of the firms from the analyzed study sample are family-owned firms with a percent that reached 81% so these firms are characterized by a pattern of management different from non-family-owned enterprises.

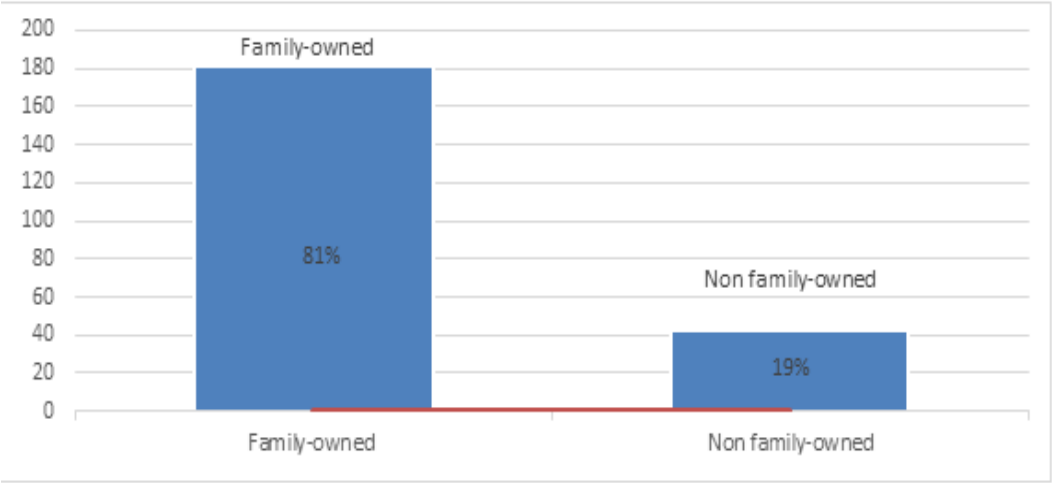

Figure 12 : Study sample firms types

4.3.7. Owning quarries

Figure (13) shows that the 38% of the firms participated in the analyzed study sample have quarries. This is due to the strategy of these firms to counter off the bargaining power of raw stones suppliers.

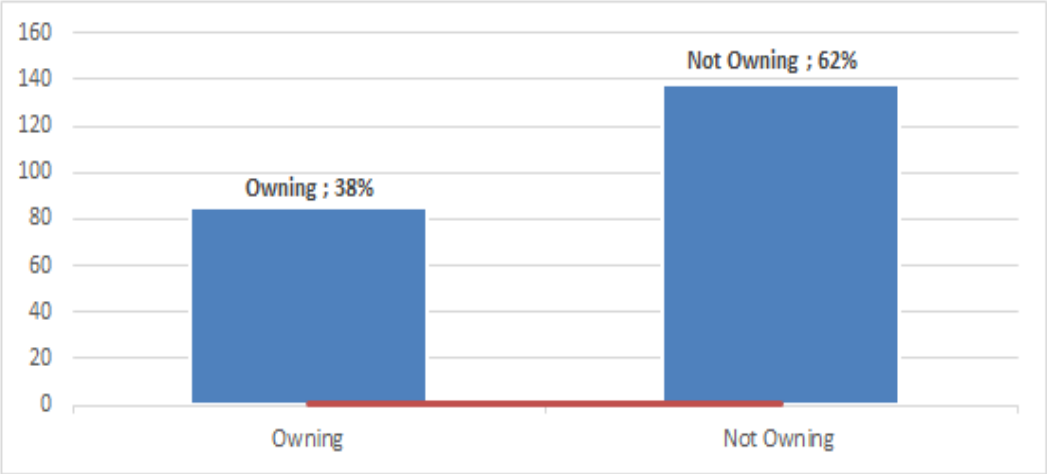

Figure 13 : Owning quarries

4.3.8. Number of employees

Figure (14) shows the distribution of the firms employees number from analyzed study sample, the smallest group was the firms which have more than 50 employees while the largest group of firms have employees between 11 - 20 employees. This result indicates that most of the Palestinian stone and marble firms can be considered as SMEs.

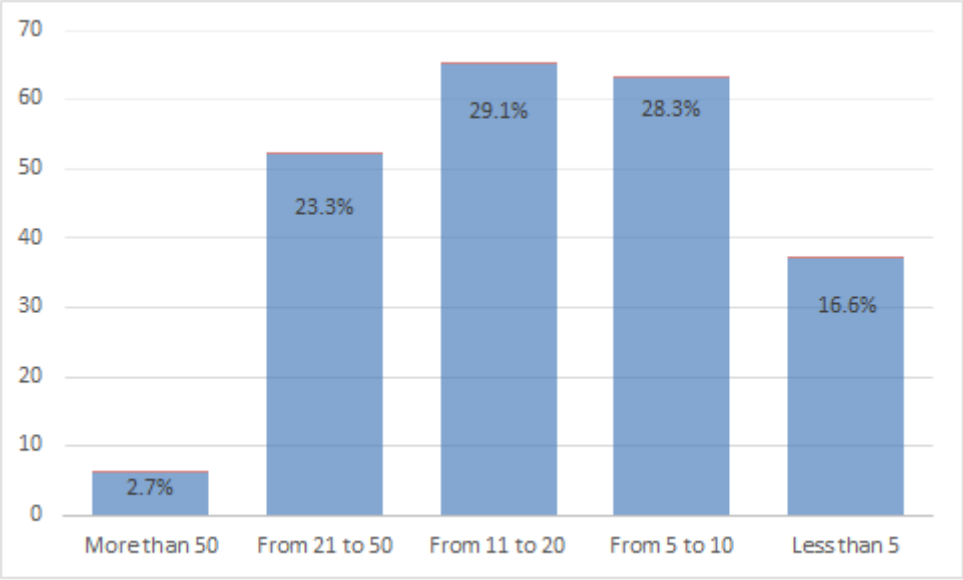

Figure 14 : Distribution according number of employees

4.3.9. Annual production Quantity

Figure (15) shows the distribution of the firms from the analyzed study sample according to annual production. The largest group with a percent of 41.3 % was the firms which have an annual production ranging between 10000 m^2 to 25000 m^2, followed by the firms with an annual production that ranged between 25000 m^2 to 50000 m^2 with percent 18.8 %, while the smallest group with percent 8.5% have an annual production less than 10000 m^2.

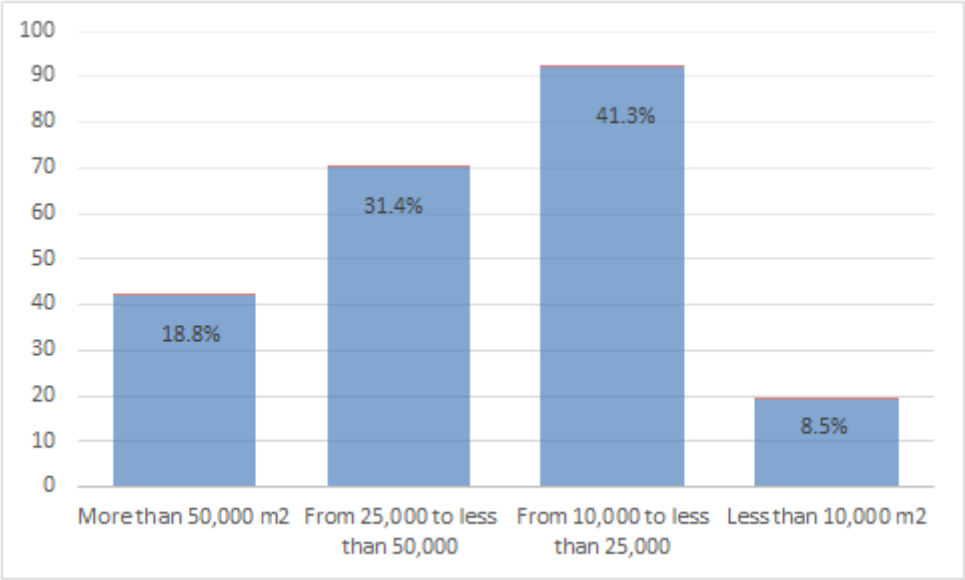

Figure 15 : Distribution according to annual production

4.3.10. Products Types

Figure (16) shows that 86.55% from the analyzed study sample are producing masonry stone, 46 % are producing stone trims, 32 % are producing slabs, and 26 % are producing stone tiles.

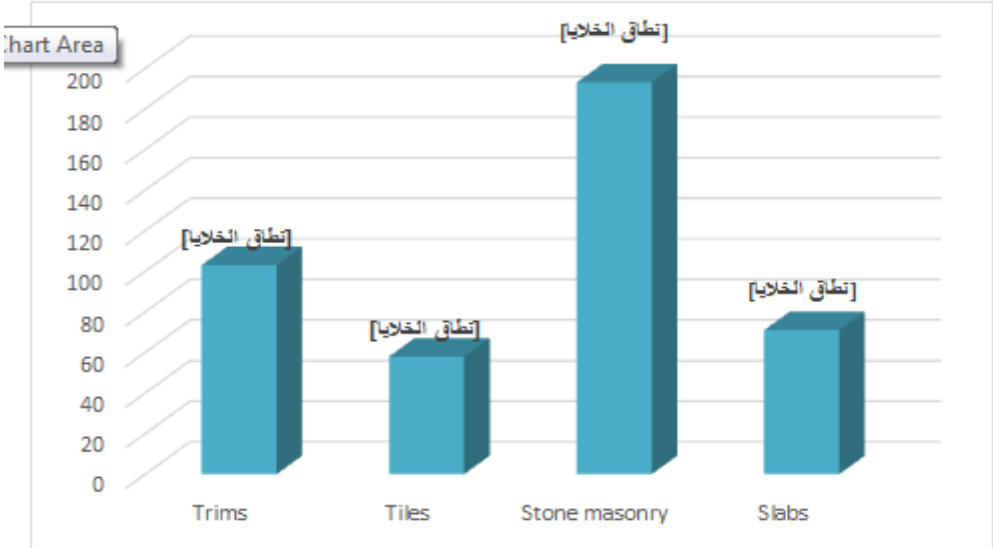

Figure 16 : Products Types

According to above result, the majority of the study sample is tended to produce traditional products.

4.3.11. The markets

Figure (17) shows that 83 % from study sample are selling their products into Israeli market, 74% are selling their products into local market, while 21.1% are exporting their products to international markets.

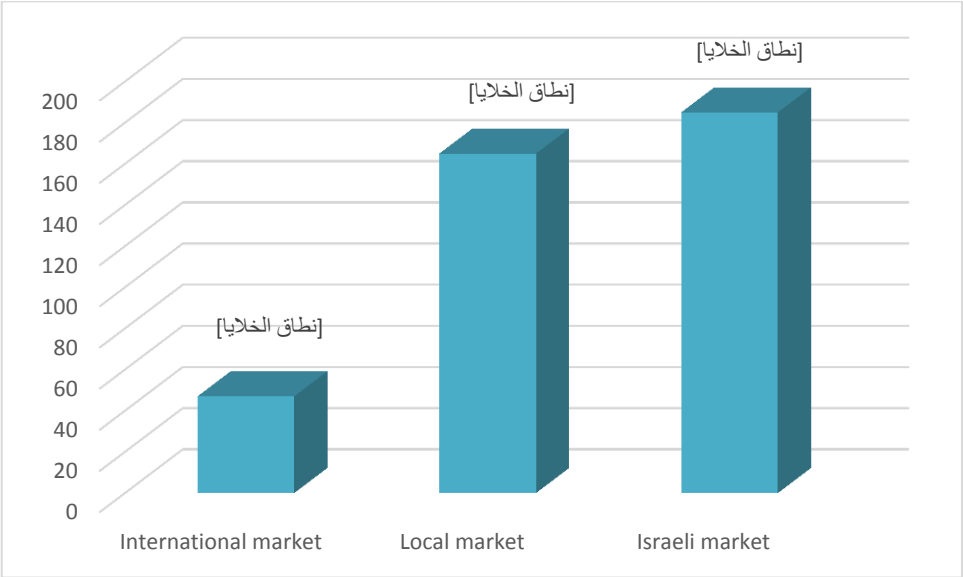

Figure 17 : The markets

4.3.12. Firm's administrative staff

Figure (18) shows that 73.1 % of the study sample are employing production officer, 39.9 % are employing accounting officer, 32.3 % are employing marketing officer, and 21.1% are employing quality officer.

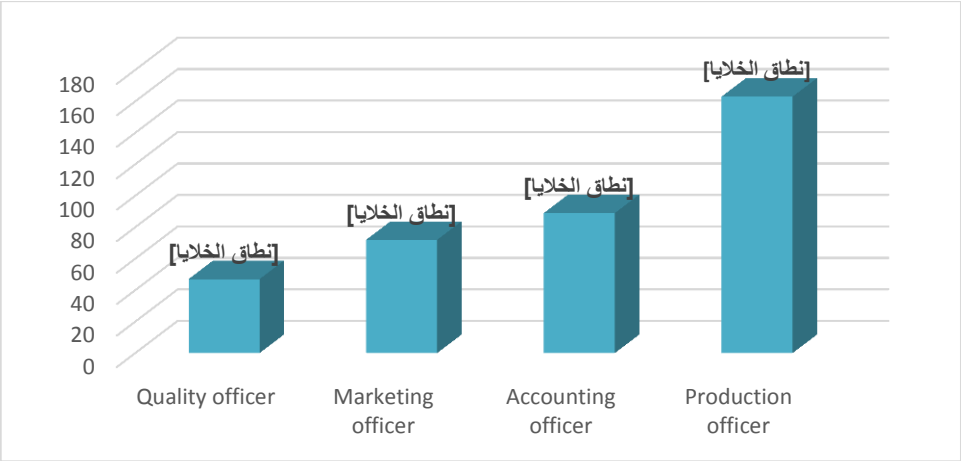

Figure 18 : Firm's administrative staff

4.4. Firms competitive strategies

Three questions with two choices to answer were used to explore the competitive strategies of the stone firms. The results are listed in table (7) which include the percentage of three types of competitive strategies

Table 7:Generic-competitive strategies

Competitive strategies		**N**	**Percentage**
Cost Leadership Strategy	High	91	41%
	Low	132	59%
Differentiation Strategy	Differentiated	105	47%
	Standardized	118	53%
Market focus	Diversification	155	70%
	Focus	68	30%

The answers of these questions were combined and analyzed to produce eight competitive strategies; the results are listed in table (8) which shows the percentage of each type of competitive strategies.

Table 8:Competitive Strategy Combination

No.	**Combination Scenarios**	N	Percentage
1	Diversification of customers & Differentiated products & High cost	44	20%
2	Diversification of customers & Differentiated products & Low cost	24	11%
3	Diversification of customers & Standardized products & High cost	9	4%
4	Diversification of customers & Standardized products & Low cost	78	35%
5	Specific customers & Differentiated products & High cost	30	13%
6	Specific customers & Differentiated products & Low cost	7	3%
7	Specific customers & Standardized products & High cost	8	4%
8	Specific customers & Standardized products & Low cost	23	10%

Table (7) illustrates that 59% from study sample are using the low-cost strategy. Regarding to differentiated strategy, 53% of the study sample are producing standardized products and 47% are producing differentiated products, much of this differentiation in products depends on the raw stone characteristics used and not on manufacturing technology. According to market focus strategy, 70% participants from the study sample are depending on diversification of markets and customers.

Table (8) shows that the (35%) of stone firms apply strategy combination which combined from diversification of customers, standardized products, and low cost, while (20%) of stone firms apply strategy combination which combined from diversification of customers, differentiated products, and high cost. In addition to that (13%) of stone firms apply strategy combination which combined from specific customers, differentiated products, and high cost.

4.5. Extent of applying strategic planning practices and top managements support

To assess the extent of strategic planning practices in marble and stone firms in West Bank- Palestine, respondents were asked to rank the degree to which each questionnaire' item was accepted practiced at their companies using a five-point Likert scale.

Respondents chose one of each of the following responses for each questionnaire item: (1) Strongly disagree, (2) Disagree, (3) Moderate, (4) Agree, and (5) Strongly agree. The application degree of each practice was identified by classifying the response averages into five degrees. These degrees, which are based on five intervals were calculated as follows: the interval length was calculated by dividing the response range (5 which corresponds to a very great extent minus 1 which corresponds to not at all) by the number of intervals which is 5, as follows:(5-1) /5= 0.8, Table (9) shows the intervals and there represented scaling degrees used in the research.

Table 9: Scaling Degrees

Interval	Degree
1.00-1.80	Very low
> 1.80-2.60	Low
> 2.60-3.40	Moderate
> 3.40-4.20	High
> 4.20-5.00	Very High

4.5.1. Firm vision, mission, and objectives

Table 10: Firm vision, mission ,and objectives

Item	Median	Acceptance Degree
1. The firms have clear and documented Vision	2	Low
2. The firms have clear and documented Mission	2	Low
5. The firms develop specific, measurable, realistic, and time-bound objectives	2	Low
4. The firm's objectives are clear to employees	3	Moderate
3. The firms have clear and documented goals and objectives	4	High

Table (10) demonstrates the degree of applying strategic plan tools, the lowest rank in this axis was given to the items (1), (2), and (5) which related with "clear and documented Mission , Vision and objectives", it was median (2.0). This was corresponded to the findings of several studies that investigated strategic planning in SME's. Kelmar and Noy (1990) argued that in SMEs plans are usually ad-hoc and intuitive instead of documented.

4.5.2. Environmental scanning

Table 11: Environmental scanning

Item	Median	Application Degree
1. The firms identify its strengths and weaknesses periodically	4	High
3. The firms identify their opportunities periodically	4	High
4. The firms review their objectives periodically	4	High
2. The firms identify their external threats periodically	4	High

Table (11) illustrates that the degree of working on environmental scanning. The activity of identifying external threats have a high ranks (4). These results are not far from the results of literature that examined strategic planning in SME's. May et al., (2000) argued that environmental

scanning would provide the organization with information to react quickly, adjust its strategy at the suitable time and to avoid threats and unexpected constraints. In addition to that SMEs need to successfully deal with the prevalent forces for change if they are to survive and grow and meet the expectations to create investment and employment opportunities (Banham, 2010). In these times of increasing global competition, heightened customer awareness and evolving customer needs, SMEs managers more than ever before must scan the environment in order to help their firms to survive and prosper. The failure to scan for threats and opportunities could mean a one-way ticket to extinction.(Jorosi, 2008).

4.5.3. Top management support

Table 12: Firm support for strategic planning

Item	Median	Application Degree
3. The firms provide adequate financial resources for strategic planning	2	Low
4. The firms provide adequate logistical and human resources necessary for strategic planning	2	Low
2. The firm's top management are committed to implementing strategic planning	3	Moderate
1. The firm's top management are convinced of the importance of strategic planning	4	High

From the Table (12) the lowest medians refers to provide adequate financial and human resources for strategic planning with degree of (2.00), this is despite that the firms top management are convinced of the importance of strategic planning with a degree of (4.00). This is consistent with the relevant literature. David (2011) argued that many firms do not have strategic planning because they see strategic planning too costly.

4.6. Internal and external barriers

To give an overall picture of the relative importance of the key internal barriers and external barriers to the strategic planning process of the Palestinian stone industry; the data were analyzed by the Relative Importance Index (RII) method. The respondents were asked to rank the factors, according to the degree of acceptance (1 – Strongly disagree; 2 – disagree ; 3 –Neutral; 4 – Agree; 5 – Strongly agree).

According to Akadiri (2011), the RII is recognized as an excellent approach for aggregating the scores of the variables rated on an ordinal scale by respondents. For analyzing data by ordinal scale by relative importance index following equation was used:

$$RII = \sum \frac{W}{AN} \times 100$$

$$= \frac{\boldsymbol{5n5 + 4n4 + 3n3 + 2n2 + n1}}{\boldsymbol{5 \times N}}$$

$$(\boldsymbol{0 \leq RII \leq 1})$$

Where:

RII = Relative Importance Index.

W= The weight given to each items by respondents, range from 1 to 5 by Likert scale.

A: the highest weight (5 in 5 -point Likert scale).

N : The total number of respondents.

4.6.1. Internal barriers

Table 13: Key internal barriers

Item	RII	Rank
8. Pressure of time	**0.7**	1
9. The apprehension of additional costs	**0.682**	2
10. Weakness in knowledge competencies related to strategic planning	**0.659**	3
4. For making decision the firms mainly depend on the intuition without referring to scientific bases	**0.639**	4
7. Firm focus on short term function rather than long term issues	**0.605**	5
5. Lack of employees understanding of the firm strategies	**0.603**	6
3. An absence of proactively thinking for improving the firm strategic performance	**0.542**	7
1. The firm's management team have resistance behaviors to change.	**0.502**	8
2. Lack of top-management awareness to the importance strategic planning	**0.489**	9
6. Lack of communication between top management and employees	**0.475**	10

Table (13) illustrates that the main four internal barriers are: Pressure of time; apprehension of additional costs; weakness in knowledge competencies related to strategic planning ; and depending on the intuition without referring to scientific bases for decision making. These results correspond to the related literature review that argued that from the main strategic planning barriers of SME's are lack of time, lack of expertise, inadequate knowledge of planning processes ,avoiding additional cost, and claim to plan depending on intuitive rather than formally written (Culkin and Smith, 2000; David, 2011; Wang et al., 2007)

4.6.2. External barriers

Table 14: Key external barriers

Item	RII	Rank
8. Instability of Palestinian economic and political situation.	**0.891**	1
4. Weakness of government role supporting the stone industry in strategic planning	**0.878**	2
5. Current laws and regulations do not provide an appropriate environment for strategic planning	**0.844**	3
3. Absence of a government strategic plan for the stone industry	**0.837**	4
7. Weakness of USM role to support the stone firms to apply strategic planning.	**0.766**	5
6. Absence of a USM strategic plan for the stone industry	**0.745**	6
2. Lack of education and training to improve strategic planning	**0.73**	7
1. The scarcity of experts in strategic planning	**0.681**	8

From Table (14) it is clear that the highest three positions for external barriers refer to instability of Palestinian economic and political situation; followed by weakness of government role to support the stone industry in strategic planning ; and current laws and regulations that do not provide an appropriate environment for strategic planning.

These results agree with the results of many studies which focused on SMEs like (Kunene, 2008; Qureshi and Herani, 2011). For most items the RII of external barriers factors is higher than the RII of internal barriers . These results were expected because that the firms owners/managers are tended to attribute their problems to external barriers.

4.7. Assessing strategic performance according to balanced score card perspectives

4.7.1. Factors related to strategic performance assessment using the financial perspective

Table 15: Strategic performance assessment using the financial perspective

Item	Median	Application Degree
1. The firms seek to maximize their sales value	4	High
2. The firms are constantly working to open new markets	4	High
3. The firms attach great importance to improving their financial structure	4	High
4. The firms utilize available assets with high efficiency	4	High

Table (15) shows that median for all items were (4) which indicates that the stone firms are greatly interested in financial performance. The first item "The firms seek to maximize their sales value" was given median (4) which means that there is a great support for maximizing the value of sales to customers by taking care of them and working to establish strong relationships and links with them. The second item with a median of (4) "The firms are constantly working to open new markets", this indicates a high interest in opening up new markets either by attracting new customers or offering new products or both. For item (3) its median was also (4) this indicates that the stone firms are very interested in improving their financial structure. Also, respondents answer for item (4) came with high acceptance degree with a median of (4). These results show that the stone

firms use the financial aspects to improve their strategic performance as one of the BSC perspectives.

4.7.2. Factors related to strategic performance assessment using customers perspective

Table 16: Strategic performance assessment using customers perspective

Item	Median	Application Degree
1. The firms monitor the customers purchase orders periodically	4	High
2. The firms have units for customer service	2	Low
3. The firms undertake great importance to after sales services	4	High
4. The firms ask their customers to express their opinion about the product after it was received.	4	High
5. The firms continuously conduct surveys to identify their customer's needs.	2	Low
6. The firms are interested for exporting their products.	4	High
7. The firms facing customers bargaining power through constantly seeking to acquire new customers.	4	High
8. The firms facing customers bargaining power by offering different products options.	4	High

The table above (Table 16) shows that items (1) , (3), (4), (6), (7) and (8) had the highest scores with median (4.00), this confirms the importance to monitor customers purchase orders in addition to acquire new customers, and this is what the stone firms work on to achieve through the keep on existing customers, seeking for new customers, and offering of new and different products options. On the other hand, items (2) and (5) had the lowest median (2.00), this indicates that the stone firms do not have units for customer's service and does not conduct periodic surveys to identify the customer's needs. This is a negative sign, that if customers complaints,

suggestions, needs and requirements are not followed up, they will gradually go to other competitors to fulfill their desires. These results show that the stone firms also are depending on the customers perspective to improve their strategic performance as one of the BSC perspectives but with a degree of dependence less than financial perspective.

4.7.3. Factors related to strategic performance assessment using internal business processes perspective

Table 17: Strategic performance assessment using internal processes perspective

Item	Median	Application Degree
1. The firms are greatly interested in the quality of the products provided to the customers.	4	High
2. The firms are working on the development of administrative work systems and the use of information technology.	3	Moderate
3. The firms allocate an annual amount for research and development	2	Low
4. The firms are working to reduce the rate of production defects.	4	High
5. The firms analyze internal operations process to determine how each of them contributes to adding value to the products	4	High
6. The firms exploit the raw materials efficiently as possible	4	High
7. The firms work on treatment of production waste and minimizing it	4	High
8. The firm products quality is differentiated than competitors' products.	4	High

Table (17) illustrates that that items (1) ,(4), (5), and (8) had the highest medians (4.00) with high degree of acceptance, these result show that stone firms greatly interested to be differentiated in the quality of their products and to keep on high level of quality and reduce the rate of production defects, in addition to attention to analyze internal operations process to

adding value to their products. Also ,the items (6) and (7) had the high score with medians (4.00), these results show that the stone firms are not highly interested to exploit the raw materials efficiently and to minimize the production waste. On other hand, items (3) and (2) had the lowest degree, with medians (2.00) and (3.00), these results indicate that the stone firms are not interested in allocate an annual amount for research and development and do not working on the development of administrative work systems and the use of information technology ,which affects negatively on their performance.

These results show that the stone firms are depending moderately on the internal business processes perspective to improve their strategic performance as one of the BSC perspectives but with a degree of dependence less than financial, customers, and learning and growth perspective perspectives.

4.7.4. Factors related to strategic performance assessment using learning and growth perspective

Table 18: Strategic performance assessment using learning and growth perspective

Item	Median	Application Degree
1. The firms keep pace with technological developments in stone industry	4	High
2. The firms keep pace with the latest production machines and add them to their production lines.	3	Moderate
3. The firm seeks to improve technology used in manufacturing processes	4	High
4. The firm have training programs designed to qualify and train new employees	3	Moderate

Item	Median	Application Degree
5. The firm have advanced training courses to develop the skills of the old employees	3	Moderate
6. The firms develop new products that meet the market needs	4	High
7. The firms are interested to improving the morale of its employees	4	High
8. The firms studying the strengths and weaknesses of competitors.	4	High
9. The firms facing threats of entry of new competitors through well-thought-out robust competitive strategies	4	High
10. The firms are facing the threats of entry of substitute products by offering products with better features	4	High

Table (18) demonstrates that the items related to employees (4), (5) and (7), had a high and moderate score with medians (3.00), (3.00) and (4.00) respectively. These results indicate that the stone firms are more concerned about training of new employees more than old employees. Both results are unsatisfactory and less than required, whereas continuous training is essential to increase employees' skills in carrying out various tasks within the firm to improve the quality of products and reduce costs, thereby improving the competitive position of the firm. Also, the results of item (7) show that the firms are interested in raising their employee's morale, this is a positive sign which increases employee's loyalty and productivity.

Items (6), (8, (9) and (10) had high degrees with medians (4.00), which show a high degree of acceptance .These results indicate that the stone firms are high interested in facing threats of substitute products and entry of new competitors through differentiated products and well-thought-out robust competitive strategies.

Items (1), (3), and (2) which are related to keep up with technology had medians (4.00), (4.00) and (3.00) respectively with high and moderate

degrees of acceptance. These results indicate that the stone firms are interested to improve the technologies used in manufacturing processes and keep pace with the technological developments in stone industry but nevertheless they are avoiding investment in new production machines.

These results show that the stone firms are depending moderately on learning and growth perspective to improve their strategic performance as one of the BSC perspectives but with a degree of dependence less than the financial and customers perspectives.

4.8. Bivariate Analysis for stone industry demographic characteristics

In order to highlight the main characteristics of the stone industry, some research hypotheses were examined to investigate any possible significant differences in the main axes of dependent variables that can be attributed to some of the demographic characteristics of the firms and respondents as independent variables. In order to conducting these bivariate analyses, the Kruskal-Wallis test was used as a nonparametric test because the data were not normally distributed. This test is based on an assumption of the null hypothesis (H_0) which means that there are no significant differences between two variables. The null hypothesis (H_0) is rejected if Sig. (P-value) is less than 0.05.

***H1$_0$**: There are no statistically significant differences in the extent of applying of strategic planning in Palestinian Stone and Marble firms that can be attributed to the respondents qualifications at a 5% significance level.*

Table 19: Bivariate analysis to extent of the applying of strategic planning according to the respondents qualifications

Axis	Qualification	Rank	Chi-Square	Sig. (P- value)	Acceptance
Vision, Mission, and objectives	Graduate Study	164.18	22.444	.000	Reject H_0
	Bachelor Degree	143			
	Diploma	109.48			
	High School	103.22			
	Other	95.22			
Environmental scanning	Graduate Study	114	20.85	.000	Reject H_0
	Bachelor Degree	148.73			
	Diploma	104.23			
	High School	102.44			
	Other	99.84			
Firm Support for strategic planning	Graduate Study	153.12	27.668	.000	Reject H_0
	Bachelor Degree	147.31			
	Diploma	122.44			
	High School	92.61			
	Other	98.61			

Table (19) indicates that the null hypothesis is rejected which means that there are strongly statistical significant differences at $\alpha \leq 0.05$ in the extent of the applying of strategic planning according to the respondents qualifications. These differences can be observed through table (20).

Table 20: Medians comparison for extent of the applying of strategic planning according to the respondents qualifications

	Respondent qualification				
	Graduate Study	Bachelor Degree	Diploma	High School	Other
Vision, Mission, and Objectives	3.6	3.2	3	2.7	2.3
Environmental scanning	3.62	4	3.75	3.5	3.5
Firm Support for strategic planning	3.5	3.5	3.25	2.75	2.5

The table (20) illustrates that the firms whose respondents (Owner/ Manager) had a higher educational qualifications are more interested to strategic planning and applying it.

***H2$_0$**: There are no statistically significant differences in the existence of the Internal and External barriers to strategic planning in Palestinian Stone and Marble firms that can be attributed to the respondents qualifications at a 5% significance level.*

Table 21: Bivariate analysis for the existence of the Internal and External barriers to strategic planning according to the respondents qualifications

Axis	Qualification	Mean Rank	Chi-Square	Sig. (P- value)	Acceptance
Internal barriers	Graduate Study	71.62	9.655	.047	Reject H_0
	Bachelor Degree	97.73			
	Diploma	115.19			
	High School	109.19			
	Other	127.20			
External barriers	Graduate Study	29.87	30.840	.000	Reject H_0
	Bachelor Degree	82.23			
	Diploma	130.07			
	High School	129.15			
	Other	117.33			

Table (21) indicates the null hypothesis is rejected which means that there are statistically significant differences at $\alpha \leq 0.05$ in the existence of the Internal and External barriers to strategic planning according to the respondents' qualifications. These differences can be observed through the following table.

Table 22: Medians comparison for the existence of the Internal and External barriers to strategic planning according to the respondents qualifications

	Respondent qualification				
	Graduate Study	Bachelor Degree	Diploma	High School	Other
Internal barriers	2.6	2.8	3	3	3.3
External barriers	2.25	3.75	4.125	4.1875	4

The table (22) illustrates that the existence of the Internal and External barriers to strategic planning are inversely proportional to the degree of educational qualification.

***H3$_0$**: There are no statistically significant differences in using BSC model to assessing strategic performance that can be attributed to the respondents qualifications at a 5% significance level.*

Table 23: Bivariate analysis for using BSC model to assessing strategic performance according to the respondents qualifications

Axis	Qualification	Rank	Chi-Square	Sig. (P- value)	Acceptance
Financial perspective	Graduate Study	136.93	9.048	.060	Accept H_0
	Bachelor Degree	129.40			
	Diploma	117.32			
	High School	103.73			
	Other	103.60			
Customers perspective	Graduate Study	168.5	21.142	.000	Reject H_0
	Bachelor Degree	137.30			
	Diploma	89.85			
	High School	113.69			
	Other	96.21			
Internal business processes perspective	Graduate Study	184.31	48.355	.000	Reject H_0
	Bachelor Degree	159.01			
	Diploma	81.05			
	High School	95.27			
	Other	101.11			
Learning and growth perspective	Graduate Study	182.81	37.961	.000	Reject H_0
	Bachelor Degree	147.69			
	Diploma	113.98			
	High School	83.54			
	Other	106.94			

Table (23) indicates that the null hypotheses are rejected except financial perspective which means that there are strongly statistically significant differences at $\alpha \leq 0.05$ in using BSC model to assess strategic performance that can be attributed to the respondents qualifications. These differences can be observed through the following table.

Table 24: Medians comparison for the using BSC model to assessing strategic performance according to the respondents qualifications

	Respondent qualification				
	Graduate Study	Bachelor Degree	Diploma	High School	Other
Financial perspective	4	4	4	4	4
Customers perspective	3.875	3.625	3.125	3.5	3.25
Internal business processes perspective	3.875	3.75	3.125	3.125	3.25
Learning and growth perspective	3.8	3.6	3.3	3.2	3.4

Table (24) illustrates that the firms whose respondents (Owner/ Manager) had a higher educational qualification are more interested to BSC model and using it to assessing strategic performance.

***H4$_0$**: There are no statistically significant differences in the extent of the applying of strategic planning in Palestinian Stone and Marble firms that can be attributed to the annual production rate at a 5% significance level.*

Table 25: Bivariate analysis to extent of the applying of strategic planning according to the firms annual production rate

Axis	Quantity of products	Mean Rank	Chi-Square	Sig. (P-value)	Acceptance
Vision, Mission, and objectives	x<10000	50.74	40.055	.000	Reject H_0
	b 10000=<x=<25000	100.24			
	b 25000=<x=<50000	120.92			
	b x>50000	161.13			
Environmental scanning	x<10000	100	13.682	0.003	Reject H_0
	b 10000=<x=<25000	95.91			
	b 25000=<x=<50000	129.28			
	b x>50000	121.95			
Firm Support for strategic planning	x<10000	43.61	69.303	.000	Reject H_0
	b 10000=<x=<25000	90.72			
	b 25000=<x=<50000	126.84			
	b x>50000	178.31			

Table (25) indicates that the null hypothesis is rejected which mean that there are statistically significant differences at α≤0.05 in the extent of the applying of strategic planning according to the firm's annual production rate. These differences can be observed through the following table.

Table 26: Medians comparison for extent of the applying of strategic planning according to the firms annual production rate

Axis	Quantity of products				
	x<10K	10K=<x=<25 K	25K=<x=< 50K	x>50K	Total
Vision, Mission, and Objectives	2.00	2.6	3.00	3.4	2.8
Environmental scanning	3.5	3.5	4.00	3.75	3.75
Firm Support for strategic planning	2.25	2.5	3.25	3.75	3.00

Table (26) illustrates that the firms with high rate of annual production are more interested to strategic planning and applying it. This result corresponds to previous studies which indicated that SMEs which interested in strategic planning are more potentially to fulfill higher sales growth (Bracker et al., 1988).

***H5$_0$**: There are no statistically significant differences in the existence of the Internal and External barriers to strategic planning in Palestinian Stone and Marble firms that can be attributed to the annual production rate at a 5% significance level.*

Table 27: Bivariate analysis for the existence of the Internal and External barriers to strategic planning according to the annual production rate

Axis	Quantity of products	Mean Rank	Chi-Square	Sig. (P-value)	Acceptance
Internal barriers	x<10000	103.66	0.919	0.821	Accept H_0
	b 10000=<x=<25000	109.44			
	b 25000=<x=<50000	114.21			
	b x>50000	118.94			
External barriers	x<10000	91.61	16.948	0.001	Reject H_0
	b 10000=<x=<25000	132.84			
	b 25000=<x=<50000	100.1			
	b x>50000	93.73			

Table (27) indicates the null hypothesis is accepted according to Internal barriers axis, but it is rejected according to external barriers axis, which means that there are statistically significant differences at $\alpha \leq 0.05$ in the existence of the external barriers to strategic planning according to the annual production rate. These differences can be observed through the following table.

Table 28: Medians comparison for the existence of the Internal and External barriers to strategic planning according to the annual production rate

Axis	Quantity of products				
	x<10K	10K=<x=<25 K	25K=<x=< 50K	x>50K	Total
Internal barriers	2.8	3.0	3.0	2.8	3.0
External barriers	3.875	4.125	4	3.875	4.0

The table (28) illustrates that the existence of the External barriers to strategic planning are highly exist in the firms whose annual production rate between 10000m^2 and 25000m^2.

***H6$_0$**: There are no statistically significant differences in using BSC model to assessing strategic performance that can be attributed to the annual production rate at a 5% significance level.*

Table 29:Bivariate analysis for using BSC model to assessing strategic performance according to the annual production rate

Axis	Quantity of products	Mean Rank	Chi-Square	Sig. (P- value)	Acceptance
Financial perspective	x<10000	100.92	2.004	0.572	Accept H_0
	b 10000=<x=<25000	112.39			
	b 25000=<x=<50000	109.88			
	b x>50000	123.18			
Customers perspective	x<10000	23.53	99.944	.000	Reject H0
	b 10000=<x=<25000	85.68			
	b 25000=<x=<50000	135.43			
	b x>50000	183.11			
Internal business processes perspective	x<10000	29.05	82.274	.000	Reject H0
	b 10000=<x=<25000	93.85			
	b 25000=<x=<50000	123.91			
	b x>50000	185.6			
Learning and growth perspective	x<10000	24.79	104.861	.000	Reject H0
	b 10000=<x=<25000	79.63			
	b 25000=<x=<50000	151.56			
	b x>50000	158.16			

Table (29) indicates that the null hypotheses are rejected except financial perspective, which means that there are strongly statistical significant differences at $\alpha \leq 0.05$ in using BSC model to assess strategic performance that can be attributed to the annual production rate. These differences can be observed through the following table.

Table 30: Medians comparison for the using BSC model to assessing strategic performance according to the annual production rate

Axis	Quantity of products				
	x<10K	10K=<x=<25 K	25K=<x=< 50K	x>50K	Total
Financial perspective	4.0	4.0	4.0	4.0	4.0
Customers perspective	2.5	3.37	3.75	4.0	3.5
Internal business processes perspective	2.37	3.25	3.37	4.0	3.37
Learning and growth perspective	2.8	3.2	3.7	3.7	3.4

The table (30) illustrates that the degree of interest to BSC model and using it to assess strategic performance directly proportional to the firms annual production rate.

***$H7_0$**: There are no statistically significant differences in the extent of the applying of strategic planning in Palestinian Stone and Marble firms that can be attributed to the firm's geographic location at a 5% significance level.*

Table 31: Bivariate analysis to extent of the applying of strategic planning according to the firm's geographic location

Axis	Governorate	N	Mean Rank	Chi-Square	Sig. (P-value)	Acceptance
Vision, Mission, and objectives	Hebron	80	107.18	13.021	.005	Reject H_0
	Bethlehem	66	133.27			
	Nablus	37	87.81			
	Jenin	40	108.94			
Environmental scanning	Hebron	80	113.92	4.175	.243	Accept H_0
	Bethlehem	66	121.70			
	Nablus	37	96.76			
	Jenin	40	106.26			
Firm Support for strategic planning	Hebron	80	129.45	16.489	.001	Reject H_0
	Bethlehem	66	117.78			
	Nablus	37	90.28			
	Jenin	40	87.65			

Table (31) indicates that the null hypotheses are rejected except environmental scanning perspective, which means that there are statistical significant differences at $\alpha \leq 0.05$ in the extent of the applying of strategic planning according to the firm's geographic location. These differences can be observed through the following table.

Table 32: Medians comparison for extent of the applying of strategic planning according to the firm's geographic location

Axis	Governorates				
	Hebron	Bethlehem	Nablus	Jenin	Total
Vision, Mission, and Objectives	2.8	3.0	2.2	2.8	2.8
Environmental scanning	3.75	4.0	3.5	4.0	3.75
Firm Support for strategic planning	3.25	3.0	2.5	2.75	3.0

The table (32) illustrates that the firms interested to environmental scanning are located mostly in Bethlehem followed by Hebron then Jenin and Nablus respectively.

***$H8_0$**: There are no statistically significant differences in the existence of the Internal and External barriers to strategic planning in Palestinian Stone and Marble firms that can be attributed to the firm's geographic location at a 5% significance level.*

Table 33: Bivariate analysis for the existence of the Internal and External barriers to strategic planning according to the firm's geographic location

Axis	Governorate	N	Mean Rank	Chi-Square	Sig. (P-value)	Acceptance
Internal barriers	Hebron	80	145.35	37.610	.000	Reject H_0
	Bethlehem	66	95.12			
	Nablus	37	107.23			
	Jenin	40	77.56			
External barriers	Hebron	80	113.31	11.448	.010	Reject H_0
	Bethlehem	66	97.54			
	Nablus	37	104.77			
	Jenin	40	139.93			

Table (33) indicates that the null hypothesis is rejected, which means that there are statistically strongly significant differences at $\alpha \leq 0.05$ in the existence of Internal and External barriers to strategic planning according to the firm's geographic location. These differences can be observed through the following table.

Table 34: Medians comparison for the existence of the Internal and External barriers to strategic planning according the firm's geographic location

Axis	Governorates				
	Hebron	Bethlehem	Nablus	Jenin	Total
Internal barriers	3.3	2.8	3.0	2.7	3.0
External barriers	4.0	3.93	4.0	4.12	4.0

The table (34) illustrates that the internal barriers to strategic planning highly exist in the firms that located mostly in Hebron followed by Nablus then Bethlehem and Jenin respectively, while the external barriers to

strategic planning are highly existing in the firms that located mostly in Jenin followed by Hebron then Bethlehem and Nablus respectively.

***H9$_0$**: There are no statistically significant differences in using BSC model to assessing strategic performance that can be attributed to the firm's geographic location at a 5% significance level*.

Table 35: Bivariate analysis for using BSC model to assessing strategic performance according to the firm's geographic location

Axis	Governorate	N	Mean Rank	Chi-Square	Sig. (P-value)	Acceptance
Financial perspective	Hebron	80	107.81	1.867	.600	Accept H_0
	Bethlehem	66	111.51			
	Nablus	37	110.32			
	Jenin	40	122.74			
Customers perspective	Hebron	80	115.93	18.511	.000	Reject H_0
	Bethlehem	66	132.28			
	Nablus	37	77.15			
	Jenin	40	102.93			
Internal business processes perspective	Hebron	80	119.84	13.647	.003	Reject H_0
	Bethlehem	66	125.39			
	Nablus	37	80.49			
	Jenin	40	103.38			
Learning and growth perspective	Hebron	80	129.80	22.859	.000	Reject H_0
	Bethlehem	66	123.23			
	Nablus	37	84.09			
	Jenin	40	83.69			

Table (35) indicates that the null hypotheses are rejected except financial perspective, which means that there are statistically significant differences at $\alpha \leq 0.05$ in using BSC model to assessing strategic performance that can be attributed to the firm's geographic location. These differences can be observed through the following table.

Table 36: Medians comparison for using BSC model to assess strategic performance according to the firm's geographic location

Axis	Governorates				
	Hebron	Bethlehem	Nablus	Jenin	Total
Financial perspective	4.0	4.0	4.0	4.0	4.0
Customers perspective	3.5	3.75	3.25	3.5	3.5
Internal business processes perspective	3.37	3.37	3.12	3.37	3.37
Learning and growth perspective	3.5	3.5	3.2	3.2	3.4

Table (36) illustrates that the customers and internal business processes perspectives are more applied in the firms located in Bethlehem followed by Hebron then Jenin and Nablus respectively, while the learning and growth perspective is more applied in the firms located in Hebron followed by Bethlehem then Jenin and Nablus respectively.

4.9. Hypotheses test and bivariate analysis between strategic planning practices and strategic performance

This section aims to investigate the relationships between the strategic planning practices and strategic performance variables to check which relations are available and which does not exist and test the research hypotheses. These will assist in formulating effective and applicable recommendations to enhance strategic performance of Palestinian stone firms. In order to test research hypotheses, the non-parametric correlation test "Spearman test" was used.

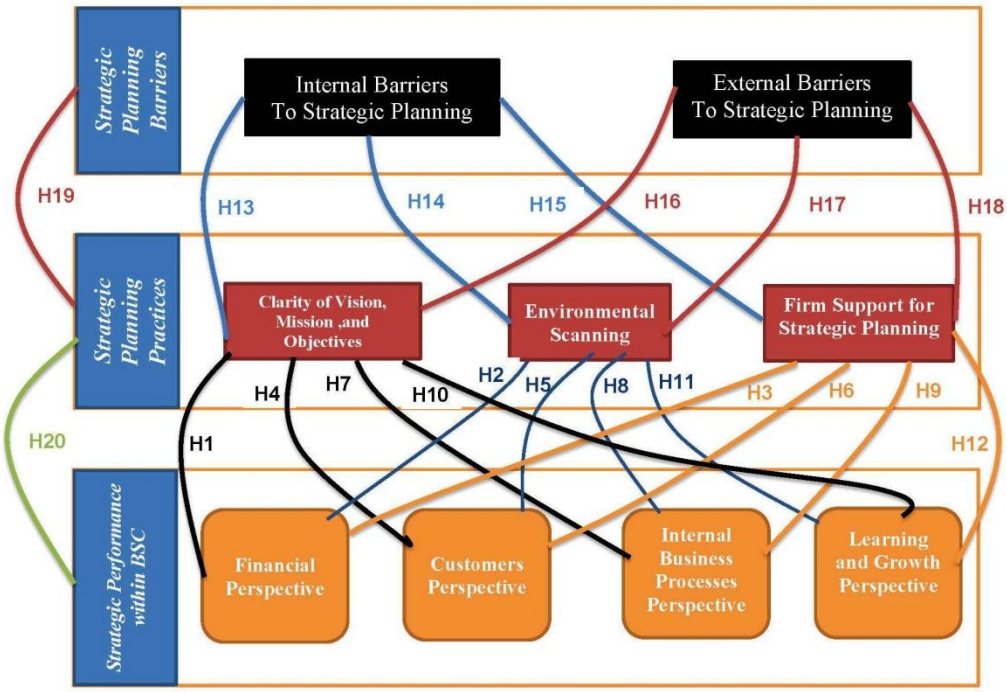

Figure 19: Research correlation conceptual model

As appear in Figure (19), the correlation conceptual model consists of twenty hypotheses. These hypotheses were tested in two sets of correlations. The first set was to test the correlation between strategic planning barriers and strategic planning practices while the second set was to test the correlation between strategic planning practices and strategic performance within BSC.

Hypothesis No.1

Null hypothesis H_0:

There is no statistically significant relationship at significance level (α =0.05) between the clarity of the firms vision, mission, and objectives, and their performance within financial perspective within the balanced scorecard.

The Spearman correlation coefficient test was used to test the hypothesis and Table (37) demonstrates the test results.

Table 37: Spearman correlation test for Hypothesis No.1

Item	Sig.(2-tailed)	Spearman correlation	Result
1. The firms have clear and documented Vision	.063	.125	Accept H_0
2. The firms have clear and documented Mission	.063	.125	Accept H_0
3. The firms have clear and documented goals and objectives	.009	.175**	Reject H_0
4. The firms objectives are clear to employees	.000	.279**	Reject H_0
5. The firms develop specific, measurable, realistic, and time-bound objectives	.011	.171*	Reject H_0

Table (37) illustrates that the null hypothesis is rejected and there is a statistically significant positive relationship between the clarity of the companies vision, mission, and objectives, and their financial perspective within the balanced scorecard. There are two statements not rejected (The firms have clear and documented Vision , and the firms have clear and documented Mission); this because most SMEs are interested in financial perspective regardless of their strategic planning practices (Madsen, 2015).

Hypothesis No.2

Null hypothesis H_0:

There is no statistically significant relationship at significance level (α =0.05) between the firms practices for environmental scanning and their performance within the financial perspective of the balanced scorecard.

The Spearman correlation coefficient test was used to test this hypothesis and Table (38) demonstrates the test results.

Table 38: Spearman correlation test for Hypothesis No.2

Item	Sig.(2-tailed)	Spearman correlation	Result
1. The firms identify its strengths and weaknesses periodically	.000	.311**	Reject H_0
2. The firms identify their external threats periodically	.067	.123	Accept H_0
3. The firms identify their opportunities periodically	.000	.272**	Reject H_0
4. The firms review their objectives periodically	.000	.296**	Reject H_0

Table (38) illustrates that the null hypothesis is rejected and that there is a statistically significant positive relationship between the firms practices for environmental scanning and their financial perspective within the balanced scorecard. There is one statement that was not rejected (The firms identify their external threats periodically); this is because most SMEs are interested in financial perspective regardless of their strategic planning practices (Madsen, 2015).

Hypothesis No.3

Null hypothesis H_0:

There is no statistically significant relationship at significance level (α =0.05) between the firms support for strategic planning and their performance within the financial perspective of the balanced scorecard.

The Spearman correlation coefficient test was used to test this hypothesis and Table (39) demonstrates the test results.

Table 39: Spearman correlation test for Hypothesis No.3

Item	Sig.(2-tailed)	Spearman correlation	Result
1. The firm's top management are convinced of the importance of strategic planning	.039	.138*	Reject H_0
2. The firm's top management are committed to implementing strategic planning	.125	.103	Accept H_0
3. The firms provide adequate financial resources for strategic planning	.277	.073	Accept H_0
4. The firms provide adequate logistical and human resources necessary for strategic planning	.040	.138*	Reject H_0

Table (39) illustrates that the null hypothesis is rejected for statement (1) and statement (4) and there is a statistically significant positive relationship between the firms practices for environmental scanning and their financial perspective within the balanced scorecard, while the null hypothesis is accepted for statement (2) and statement (3). The above results show that the lowest correlation was between the firms support for strategic planning and their financial perspective of the balanced scorecard.

Hypothesis No.4

Null hypothesis H_0:

There is no statistically significant relationship at a significance level (α =0.05) between the clarity of the firms vision, mission, and objectives, and their performance within customers perspective of the balanced scorecard.

The Spearman correlation coefficient test was used to test the hypothesis and Table (40) demonstrates the test results.

Table 40: Spearman correlation test for Hypothesis No.4

Item	Sig.(2-tailed)	Spearman correlation	Result
1. The firms have clear and documented Vision	.000	.313**	Reject H_0
2. The firms have clear and documented Mission	.000	.313**	Reject H_0
3. The firms have clear and documented goals and objectives	.000	.452**	Reject H_0
4. The firms objectives are clear to employees	.000	.256**	Reject H_0
5. The firms develop specific, measurable, realistic, and time-bound objectives	.000	.261**	Reject H_0

Table (40) illustrates that the null hypothesis is rejected and there is a strongly statistically significant positive relationship between the clarity of the companies vision, mission, and objectives, and their performance within customers perspective of the balanced scorecard.

Hypothesis No.5

Null hypothesis H_0:

There is no statistically significant relationship at a significance level (α =0.05) between the firms practices for environmental scanning and their performance within customers perspective of the balanced scorecard.

The Spearman correlation coefficient test was used to test this hypothesis and Table (41) demonstrates the test results.

Table 41: Spearman correlation test for Hypothesis No.5

Item	Sig.(2-tailed)	Spearman correlation	Result
5. The firms identify its strengths and weaknesses periodically	.000	.311**	Reject H_0
6. The firms identify their external threats periodically	.067	.123	Accept H_0
7. The firms identify their opportunities periodically	.000	.272**	Reject H_0
8. The firms review their objectives periodically	.000	.296**	Reject H_0

Table (41) illustrates that the null hypothesis is rejected and there is a statistically significant positive relationship between the firms practices for environmental scanning and their performance within customers perspective of the balanced scorecard.

Hypothesis No.6

Null hypothesis H_0:

There is no statistically significant relationship at a significance level (α =0.05) between the firms support for strategic planning and their performance within customers perspective of the balanced scorecard.

The Spearman correlation coefficient test was used to test this hypothesis and Table (42) demonstrates the test results.

Table 42: Spearman correlation test for Hypothesis No.6

Item	Sig.(2-tailed)	Spearman correlation	Result
1. The firm's top management are convinced of the importance of strategic planning	0.001	.223**	Reject H_0
2. The firm's top management are committed to implementing strategic planning	0.00	.317**	Reject H_0
3. The firms provide adequate financial resources for strategic planning	0.00	.231**	Reject H_0
4. The firms provide adequate logistical and human resources necessary for strategic planning	0.00	.278**	Reject H_0
Total			

Table (42) illustrates that the null hypothesis is rejected for all statements and there is a strongly statistically significant positive relationship between the firms practices for strategic planning and their performance within customers perspective of the balanced scorecard**.**

Hypothesis No.7

Null hypothesis H_0:

There is no statistically significant relationship at a significance level (α =0.05) between the clarity of the firms vision, mission, and objectives, and their performance within internal business processes perspective of the balanced scorecard.

The Spearman correlation coefficient test was used to test the hypothesis and Table (43) demonstrates the test results.

Table 43:Spearman correlation test for Hypothesis No.7

Item	Sig.(2-tailed)	Spearman correlation	Result
1. The firms have clear and documented Vision	.000	.288**	Reject H_0
2. The firms have clear and documented Mission	.000	.288**	Reject H_0
3. The firms have clear and documented goals and objectives	.000	.409**	Reject H_0
4. The firms objectives are clear to employees	.000	.318**	Reject H_0
5. The firms develop specific, measurable, realistic, and time-bound objectives	.000	.248**	Reject H_0

Table (43) illustrates that the null hypothesis is rejected and there is a strongly statistically significant positive relationship between the clarity of the companies vision, mission, and objectives, and their performance within internal business processes perspective of the balanced scorecard.

Hypothesis No.8

Null hypothesis H_0:

There is no statistically significant relationship at a significance level (α =0.05) between the firms practices for environmental scanning and their performance within internal business processes perspective of the balanced scorecard.

The Spearman correlation coefficient test was used to test this hypothesis and Table (44) demonstrates the test results.

Table 44: Spearman correlation test for Hypothesis No.8

Item	Sig.(2-tailed)	Spearman correlation	Result
1. The firms identify its strengths and weaknesses periodically	.000	.362**	Reject H_0
2. The firms identify their external threats periodically	.000	.303**	Reject H_0
3. The firms identify their opportunities periodically	.000	.267**	Reject H_0
4. The firms review their objectives periodically	.000	.334**	Reject H_0

Table (44) illustrates that the null hypothesis is rejected and there is a strongly statistically significant positive relationship between the firms practices for environmental scanning and their performance within internal business processes perspective of the balanced scorecard.

Hypothesis No.9

Null hypothesis H_0:

There is no statistically significant relationship at a significance level (α =0.05) between the firms support for strategic planning and their performance within internal business processes perspective of the balanced scorecard.

The Spearman correlation coefficient test was used to test this hypothesis and Table (45) demonstrates the test results.

Table 45: Spearman correlation test for Hypothesis No.9

Item	Sig.(2-tailed)	Spearman correlation	Result
1. The firm's top management are convinced of the importance of strategic planning	0.00	.238**	Reject H_0
2. The firm's top management are committed to implementing strategic planning	0.00	.381**	Reject H_0
3. The firms provide adequate financial resources for strategic planning	0.00	.426**	Reject H_0
4. The firms provide adequate logistical and human resources necessary for strategic planning	0.00	.420**	Reject H_0

Table (45) illustrates that the null hypothesis is rejected for all statements the and that there is a strongly statistically significant positive relationship between the firms practices in supporting strategic planning and their performance within internal business processes perspective of the balanced scorecard.

Hypothesis No.10

Null hypothesis H_0:

There is no statistically significant relationship at a significance level (α =0.05) between the clarity of the firms vision, mission, and objectives, and their performance within learning and growth perspective of the balanced scorecard.

The Spearman correlation coefficient test was used to test the hypothesis and Table (46) demonstrates the test results.

Table 46:Spearman correlation test for Hypothesis No.10

Item	Sig.(2-tailed)	Spearman correlation	Result
1. The firms have clear and documented Vision	.001	.225**	Reject H_0
2. The firms have clear and documented Mission	.001	.225**	Reject H_0
3. The firms have clear and documented goals and objectives	.000	.256**	Reject H_0
4. The firms objectives are clear to employees	.023	.152*	Reject H_0
5. The firms develop specific, measurable, realistic, and time-bound objectives	.046	.134*	Reject H_0

Table (46) illustrates that the null hypothesis is rejected and that there is a statistically significant positive relationship between the clarity of the companies vision, mission, and objectives, and their performance within learning and growth perspective of the balanced scorecard.

Hypothesis No.11

Null hypothesis H_0:

There is no statistically significant relationship at a significance level (α =0.05) between the firms practices for environmental scanning and their performance within learning and growth perspective of the balanced scorecard.

The Spearman correlation coefficient test was used to test this hypothesis and Table (47) demonstrates the test results.

Table 47: Spearman correlation test for Hypothesis No.11

Item	Sig.(2-tailed)	Spearman correlation	Result
1. The firms identify its strengths and weaknesses periodically	.008	.177**	Reject H_0
2. The firms identify their external threats periodically	.000	.317**	Reject H_0
3. The firms identify their opportunities periodically	.000	.291**	Reject H_0
4. The firms review their objectives periodically	.004	.190**	Reject H_0

Table (47) illustrates that the null hypothesis is rejected and that there is a strongly statistically significant positive relationship between the firms practices for environmental scanning and their performance within learning and growth perspective of the balanced scorecard.

Hypothesis No.12

Null hypothesis H_0:

There is no statistically significant relationship at a significance level (α =0.05) between the firms support for strategic planning and their performance within learning and growth perspective of the balanced scorecard.

The Spearman correlation coefficient test was used to test this hypothesis and Table (48) demonstrates the test results.

Table 48: Spearman correlation test for Hypothesis No.12

Item	Sig.(2-tailed)	Spearman correlation	Result
1. The firm's top management are convinced of the importance of strategic planning	0.00	.305**	Reject H_0
2. The firm's top management are committed to implementing strategic planning	0.00	.496**	Reject H_0
3. The firms provide adequate financial resources for strategic planning	0.00	.389**	Reject H_0
4. The firms provide adequate logistical and human resources necessary for strategic planning	0.00	.361**	Reject H_0

Table (48) illustrates that the null hypothesis is rejected for all statements and there is a strongly statistically significant positive relationship between the firms practices for firms support for strategic planning and their performance within learning and growth perspective of the balanced scorecard.

Hypothesis No.13

Null hypothesis H_0:

There is no statistically significant relationship at a significance level (α =0.05) between the internal barriers to strategic planning and Clarity of Vision, Mission, and Objectives.

The Spearman correlation coefficient test was used to test this hypothesis and Table (49) demonstrates the test results.

Table 49: Spearman correlation test for Hypothesis No.13

Item	Sig.(2-tailed)	Spearman correlation	Result
Clarity of Vision, Mission, and Objectives	0.00	-.306-**	Reject H_0

Table (49) illustrates that the null hypothesis is rejected and that there is a strongly negative statistically significant relationship.

Hypothesis No.14

Null hypothesis H_0:

There is no statistically significant relationship at a significance level (α =0.05) between the internal barriers to strategic planning and environmental scanning.

The Spearman correlation coefficient test was used to test this hypothesis and Table (50) demonstrates the test results.

Table 50: Spearman correlation test for Hypothesis No.14

Item	Sig.(2-tailed)	Spearman correlation	Result
Environmental scanning	0.01	-.226-**	Reject H_0

Table (50) illustrates that the null hypothesis is rejected and that there is a strongly negative statistically significant relationship.

Hypothesis No.15

Null hypothesis H_0:

There is no statistically significant relationship at a significance level (α =0.05) between the internal barriers to strategic planning and support for strategic planning.

The Spearman correlation coefficient test was used to test this hypothesis and Table (51) demonstrates the test results.

Table 51: Spearman correlation test for Hypothesis No.15

Item	Sig.(2-tailed)	Spearman correlation	Result
Support for strategic planning	0.250	-.077-	Accept H_0

Table (51) illustrates that the null hypothesis is accepted and that there is no statistically significant relationship.

Hypothesis No.16

Null hypothesis H_0:

There is no statistically significant relationship at a significance level (α =0.05) between the external barriers to strategic planning and the clarity of Vision, Mission, and Objectives.

The Spearman correlation coefficient test was used to test this hypothesis and Table (52) demonstrates the test results.

Table 52: Spearman correlation test for Hypothesis No.16

Item	Sig.(2-tailed)	Spearman correlation	Result
Clarity of Vision, Mission, and Objectives	0.250	-.077-	Accept H_0

Table (52) illustrates that the null hypothesis is accepted and that there is no statistically significant relationship.

Hypothesis No.17

Null hypothesis H_0:

There is no statistically significant relationship at a significance level (α =0.05) between the external barriers to strategic planning and environmental scanning.

The Spearman correlation coefficient test was used to test this hypothesis and Table (53) demonstrates the test results.

Table 53: Spearman correlation test for Hypothesis No.17

Item	Sig.(2-tailed)	Spearman correlation	Result
Environmental scanning	0.583	.037	Accept H_0

Table (53) illustrates that the null hypothesis is accepted and that there is no statistically significant relationship.

Hypothesis No.18

Null hypothesis H_0:

There is no statistically significant relationship at a significance level (α =0.05) between the external barriers to strategic planning and the Support for strategic planning.

The Spearman correlation coefficient test was used to test this hypothesis and Table (54) demonstrates the test results.

Table 54: Spearman correlation test for Hypothesis No.18

Item	Sig.(2-tailed)	Spearman correlation	Result
Support for strategic planning	0.195	-.087-	Accept H_0

Table (54) illustrates that the null hypothesis is accepted and that there is no statistically significant relationship.

Hypothesis No.19

Null hypothesis H_0:

There is no statistically significant relationship at significance level (α =0.05) between the barriers to strategic planning and implementation of strategic planning practices.

The Spearman correlation coefficient test was used to test this hypothesis and Table (55) demonstrates the test results.

Table 55: Spearman correlation test for Hypothesis No.19

Item	Sig.(2-tailed)	Spearman correlation	Result
Implementation of strategic planning practices	0.00	-.308-**	Reject H_0

Table (55) illustrates that the null hypothesis is rejected and that there is a strongly negative statistically significant relationship.

Hypothesis No.20

Null hypothesis H_0:

There is no statistically significant relationship at significance level (α =0.05) between strategic planning and strategic performance.

The Spearman correlation coefficient test was used to test this hypothesis and Table (56) demonstrates the test results.

Table 56: Spearman correlation test for Hypothesis No.20

Item	Sig.(2-tailed)	Spearman correlation	Result
Implementation of strategic planning practices	0.00	.578**	Reject H_0

This hypothesis is the last hypothesis and it is the main research hypothesis, table (57) illustrates that the null hypothesis is rejected and that there is a strongly statistically significant relationship.

Figure (20) illustrate the research hypotheses results which include twenty hypotheses.

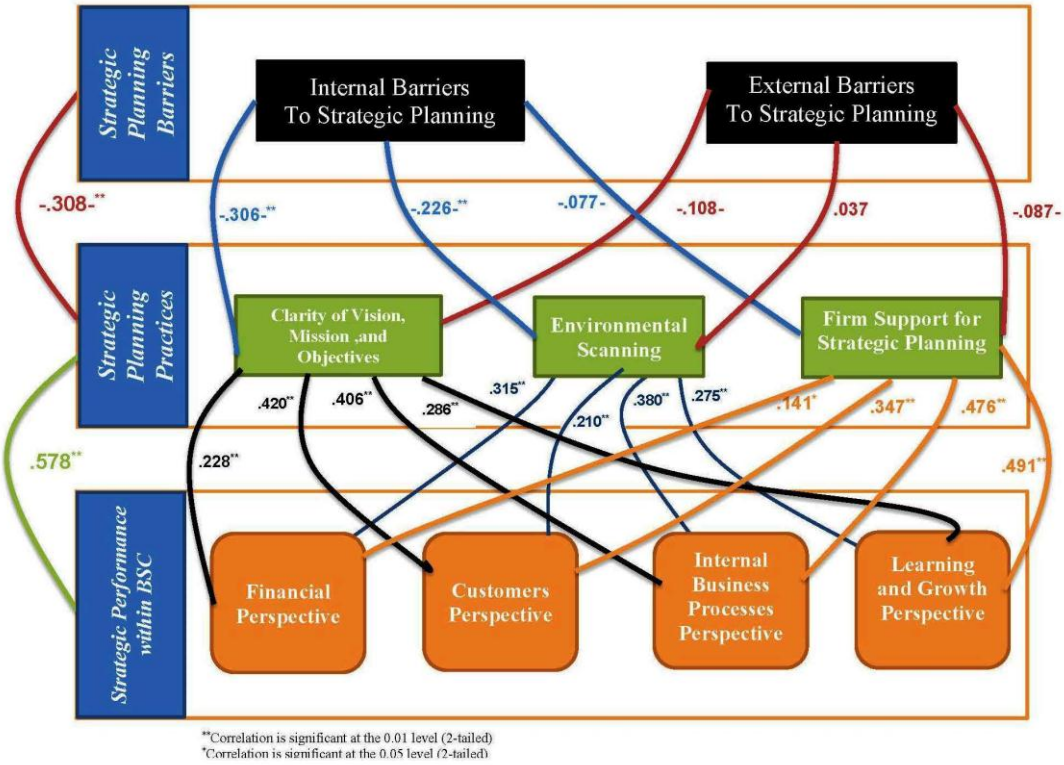

Figure 20: Conceptual model for research hypotheses results

According to above results, the research findings confirmed an existence of a relation between strategic planning and strategic performance for stone firms ,also the research findings supported that the effective strategic planning provide stone firms a chance to enhance their performance within many dimensions - financials ,customers, learning and growth ,and internal business process ,these will enable stone firms to promote their competitive advantage .Based on the above, the main research hypothesis is accepted:

"strategic planning correlates positively with strategic performance of Palestinian stone and marble SMEs"

Chapter Five
Discussion, Conclusions, and Recommendations

5.1. Chapter Overview

This chapter discusses the major research findings and results, conclusions, policy recommendations and suggestions for future research efforts.

The major purpose of the research was to assess the strategic performance of Palestinian stone and marble industry and to investigate the influence of using strategic planning practices on strategic performance effectiveness using the four dimensions of the balanced scorecard as a performance assessment tool.

5.2. Main research findings and results

5.2.1. Demographic characteristics of respondents

Based on the results of the descriptive analysis of the demographic characteristics for Palestinian stone and marble companies, it was found that there is a lack of youth leadership in the management of these firms, the majority of managers were between 40 and 55 years old and just 34% of the managers were of less than 40 years old. In addition to that, there was a shortage of high educational level, where more than 60% of the managers had only an educational qualification (High school and lower).

These represent a hindrance on the improvement and progress of their respective firms given the challenges brought about by locally issues and globally competing.

Results also indicated that the majority of the study sample has an experience in stone and marble industry exceeding 10 years, this accumulated experience in this industry lead the managers to neglect the scientific aspects and be more dependent on intuition to strategic planning and making decisions.

5.2.2. Demographic characteristics of Firm

Results indicated that the majority of the investigated firms are classified as a family owned business. Furthermore, the majority of investigated firms are classified as SMEs enterprises, where the firms which have more than 50 employees been just 2.7%.

As a result of the family management business style in addition to being SMEs, these companies used informal and personal strategic procedure with few strategic tools and were more depending on financial perspective to assess their performance (Appiah-Adu and Singh, 1998 ; Beaver, 2003; O'Regan et al., 2006; McKiernan and Morris, 1994;Kovachev and Ross, 2009;Rigby and Bilodeau, 2013).

An adequate percentage from the study sample has a production officer, but low percentage of the sample has a quality officer to avoid additional costs.

The majority of the investigated firms are still producing stone masonry as a traditional product, which consumes a large quantity of raw material and has a low added value.

Israel is still the largest market for these firms while the foreign countries are considered the smallest market. Most of firms as yet do not have ability to export their products as a result of many factors such as the weakness of their strategic performance and their dependence on traditional thinking ways.

5.2.3. Competitive strategies

The results of the analysis illustrate that the most firms used a strategy that consists from a combination of a markets diversification strategy, the standardized products strategy and the low-cost strategy.

Even the firms that adopted the strategy of differentiation, most of them depend on the differentiated characteristics of the stone and not on the added value through manufacturing process. An important reason for this is the traditional management style of these firms and the weakness of their manufacturing technology.

5.3. Conclusions

The main goal of this study is to assess the strategic performance of Palestinian stone and marble industry. The research adopted a descriptive analytical approach with exploratory analysis using a qualitative approach and quantitative survey technique for data collection and analysis.

According to the quantitative statistical analysis for the study sample the total median response to using strategic planning was (3.0) out of the 5-point Likert scale which is considered moderate, and the total median

response to strategic performance within BSC perspectives except financial perspective was (3.375) which also is considered moderate. The financial perspective was high (4.00 out of 5.00). These results agree with previous studies which indicate that the SMEs depend mainly on financial measurement as a performance measurement system such as (Appiah-Adu and Singh, 1998; Beaver, 2003; O'Regan et al., 2006; McKiernan and Morris, 1994; Kovachev and Ross, 2009; Rigby and Bilodeau, 2013).

The analysis indicated that there is weakness in the sides related to developing vision, mission, and SMART objectives where the response for these issues was unsatisfactory with median equal (2.8).

In addition to that, the firms did not provide an adequate financial resource for strategic planning in despite that the managers of the firms are convinced of the importance of strategic planning. On the other hand, there was a high interest in the environmental scanning, specially the external environment. This is considered as a positive aspect which provided adequate information to stone firms to address the risks and opportunities.

With regard to barriers facing strategic planning, the results showed that the top four internal barriers are:

- Pressure of time with RII = (0.70).
- Apprehension of additional costs with RII = (0.682).
- Weakness in knowledge of competencies related to strategic planning with RII = (0.659).

- Relying only on the intuition without referring to scientific bases for decision making with RII = (0.639).

And the top four external barriers are:

- Instability of Palestinian economic and political situation with RII = (0.891).

- Weakness of government role in supporting the stone industry in strategic planning with RII = (0.878).

- Current laws and regulations that do not provide an appropriate environment for strategic planning with RII = (0.844).

- Absence of a government strategic plan for developing the stone industry with RII = (8.37).

5.4. Research Contribution

The findings of this study draw a clear picture for the current situation of strategic performance for stone and marble firms, and constitute basis for stone and marble firms to improve their strategic performance. It also identifies the key external and internal strategic planning barriers . It provides useful recommendations to enhance the current level of strategic performance of stone industry.

5.5. Recommendations

The Palestinian stone and marble industry is an important and promising industry and has a large potential to develop and compete internationally,

the following are some recommendations to improve their current strategic performance level:

- The USM must focus on increasing the strategic management culture among the stone and marble firms through conducting workshops and training courses, this will support stone firms to enhance their competitive advantage.

- Stone and marble firms must strengthen their managerial staff to include a responsible production officer, quality officer, financial officer and marketing officer, thereby contributing to improving their strategic performance.

- The stone and marble firms must adopt a strategy of differentiation in order to improve their chances of exporting their products to the foreign markets.

- The stone and marble firms should focus on developing their clear and documented Vision, Mission, and SMART objectives.

- The stone and marble firms should allocate an adequate financial resources and human resources for strategic planning, this will give stone firms the ability to grow, develop and face the surrounding threats.

- Stone firms should direct strategic planning efforts not only towards internal manufacturing processes, but also towards quarrying operations, this will lead to increase the effectiveness of extracting process.

- USM and government should conduct a geophysical survey and create a map that identifies the optimum locations for extraction of the stone, the types and quantities expected. This will help the firms to identify their opportunities and improve their strategic planning.

- Stone and marble firms need to keep pace with the latest production machines and add them to their production lines and conduct advanced training courses to develop the production skills of the employees, this will contribute to improve quality and reduce production costs.

- Stone and marble firms need to allocate an annual amount for research and development to expand their chance to grow and develop differentiated products.

- The government should grant tax reduction for firms operating in accordance with an effective strategic plan, especially which aimed at exporting their products and to reduce production waste.

5.6. Future Research Prospects

- There is a need for research that links the appropriate competitive strategies with the firm's demographic characteristics.

- There is a need for a research to study the ways to increase effectiveness and efficiency of production processes.

- Further research is required to study the influence of using information and communication technology on the strategic performance of stone and marble firms.

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Appendices

Appendix A - Questionnaire

(English Form)

Assessing Strategic Performance of Palestinian Stone and Marble Industry

Introduction:

Stone and marble sector in Palestine is one of the most important industrial sectors in terms of employment, influence to GDP and export income, this sector is increasingly facing strong international competition in addition to major national issues and obstacles. This questioner is part of a master thesis that will introduce some facts and suggested solutions related to this sector**.**

Research Objectives:

- Identifying the main barriers to marble and stone industry for strategic planning.
- Recommending management practices and solutions that help stone firm's to enhance their strategic performance.
- Determining the correlation between firm characteristic and its strategic performance.

This questionnaire is considered as part of the supplementary research to achieve master degree in the Engineering Management/An Najah National University–Nablus.

Please take a look at the following questionnaire and try to answer correctly and accurately, as many questions as possible. All the information gathered here will be kept strictly confidential and will be used only for research and analysis purposes without mentioning the person or firm names. If you require clarification and any further information, please do not hesitate to contact me.

Walid Kh. Dwaik

Email: Walidwaik@yahoo.com

Thanks for your assistant and cooperation

Section One

General information about the questionnaire respondent and firm characteristics

1. Respondent position:

☐ Firm Owner ☐ Firm Manager
☐ Administrative officer ☐ Other

2. Respondent Age:

☐ Less than 25 years ☐ 25-40 years
☐ 41- 55 years ☐ above 55 years

3. Respondent qualification:

☐ Higher Studies ☐ Bachelor ☐ High School

☐ Diploma ☐ Others

4. Your role in making decisions:

☐ Major decision maker ☐ Participate in decision-making
☐ No role in decision-making

5. Your experience in stone industry:

☐ Less than 5 years ☐ 5-10 years
☐ 11- 25 years ☐ above 25 years

6. Your firm experience in stone industry:

☐ Less than 5 years ☐ 5-10 years
☐ 11- 25 years ☐ above 25 years

7. Firm type in terms of ownership:

☐ Family-owned ☐ Non family

8. Your firm owns quarries:

☐ Yes ☐ No

9. Your firm employees number :

☐ Less than 5 ☐ From 5 to 10

☐ From 11 to 20 ☐ From 21 to 50 ☐ More than 50

10. Quantity of stone produced during the last year in square meters

☐ Less than 10,000 m^2 ☐ From 10,000 to less than 25,000

☐ From 25,000 to less than 50,000 ☐ More than 50,000 m^2

11. Type of products:

☐ Slabs ☐ Building Stones ☐ Tiles

☐ Blocks ☐ Other

12. The Governorate where your firm is located:

…… ……..

13. Most of your firm's products are sold to:

☐ Local market ☐ Israeli market ☐ Forigen markets ☐ Other

14. Firm's have:

☐ Production officer ☐ Accounting officer ☐ Marketing officer

☐ Quality officer

Section Two

Strategic planning in Palestinian Stone and Marble firms

The following are some of factors, components and tools related with strategic planning practices and top management support.

Please indicate the degree of your approval on existence of this factors in your firm.

What is the degree of your acceptance on the following ?	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1) Firm vision, mission ,and objectives					
1. Your firm's have clear and documented Vision					
2. Your firm's have clear and documented Mission					
3. Your firm's have clear and documented goals and objectives					
4. Your firm's objectives clear to employees					
5. Your firm develops specific , measurable, realistic, and time-bound objectives					
2) Environmental scanning					
1. Your firm identify its strengths and weaknesses periodically					
2. Your firm identify its external threats periodically					
3. Your firm identify its opportunities periodically					
4. Your firm review its objectives periodically					
3) Firm Support for strategic planning					
1. Top management of your firm is convinced of the importance of strategic planning					
2. Your senior management is committed to implementing strategic planning					
3. Your firm provides adequate financial resources for strategic planning					
4. Your firm provides adequate logistical and human resources necessary for strategic planning					

Section Three

The barriers to strategic planning in stone and marble firms

The following are some barriers to strategic planning in stone and marble firms.

Please indicate the degree of your approval on existence of this barriers in your firm.

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1) Internal barriers					
1. Your Firm management have resistance behaviors to change					
2. Lack of top-management awareness to the importance of strategic planning					
3. An absence of proactively thinking for improving the firm strategic performance					
4. For making decisions your firm mainly depend on the intuition without referring to scientific bases					
5. Lack of employees understanding of the firm strategies					
6. Lack of communication between top management and employees					
7. Your firm focus on short term function rather than long term issues					
8. Pressure of time					
9. The apprehension of additional costs					
10. Weakness in the knowledge competencies related to strategic planning					
2) External barriers					
1. The scarcity of experts in strategic planning					
2. Lack of education and training to improve strategic planning					
3. Absence of a government strategic plan for the stone industry					
4. Weakness of government role supporting the stone industry in strategic planning					
5. Current laws and regulations do not provide an appropriate environment for strategic planning					
6. Absence of a USM strategic plan for the stone industry					
7. Weakness of USM role to support the stone firms to apply strategic planning.					
8. Instability of Palestinian economic and political situation.					

Section Four

Assessing Strategic Performance Using Balance Score Card Model

Below are a number of factors which reflect your firm strategic performance. Please indicate the degree of adoption for each factor in your firm *(Please mark just one box)*

Strategic performance factors	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1) Factors related to strategic performance assessment using the financial dimension					
5. Your firm's seeks to maximize sales value					
6. Your firm's is constantly working to open new markets					
7. Your firm's attaches great importance to improving its financial structure					
8. Your firm's utilizes available assets with high efficiency					
2) Factors related to strategic performance assessment using customers dimension					
1. Your firm's monitors the customers purchase orders periodically					
2. Your firm's have a unit for customer service					
3. Your firm's undertakes great importance to after sales services					
4. Your firm's asks customers to express their opinion about the product after it was received.					
5. Your firm's continuously conducts surveys to identify customers' needs.					
6. Your firm is interested in exporting its products.					
7. Your firm's facing customers bargaining power through constantly seeking to acquire new customers.					
8. Your firm's facing customers bargaining power by offering different products options .					

Strategic performance factors	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
3) Factors related to strategic performance assessment using internal business processes dimension					
9. Your firm's is greatly interested in the quality of its product .					
10. Your firm's is working on the development of administrative work systems and the use of information technology.					
11. Your firm's allocates an annual amount for research and development					
12. Your firm's is working to reduce the rate of production defects.					
13. Your firm's analyzes internal operations process to determine how each of them contributes to adding value to the products					
14. Your firm's exploits the raw materials efficiently as possible.					
15. Your firm's works on treatment of production waste and minimizing it					
16. Your products quality are differentiated than competitors' products.					
4) Factors related to strategic performance assessment using learning and growth dimension					
11. Your firm's keeps pace with technological developments in stone industry					
12. Your firm's keeps pace with the latest production machines and add them to their production lines.					
13. Your firm's seeks to improve technology used in manufacturing processes					
14. Your firm's has training programs designed to qualify and train new employees					
15. There are advanced training courses in your firm to develop the skills of the old employees					
16. Your firm's develops new products that meet the market needs					

Strategic performance factors	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
17. Your firm's is interested to improving the morale of its employees					
18. Your firm's studying the strengths and weaknesses of competitors.					
19. Your firm's facing threats of entry of new competitors through well-thought-out robust competitive strategies					
20. Your firm's facing threats of development of substitute products by offering products with better features					

What are your suggestions to improve the level of strategic performance of Palestinian stone firms?

……

…….

Section five

Firm competitive strategies

1. **Which of the following strategies is most closely related to your firm's customers targeting strategy?**

☐ Diversification of customers

☐ Focusing on specific customers segments

2. **Which of the following strategies is most closely related to your firm's products kind strategy?**

☐ Producing standarized products .

☐ Producing differentiated products .

3. **Which of the following strategies is most closely related to your firm's products cost strategy?**

☐ Producing low cost products.

☐ Producing high cost products.

Thank You

Appendix B-Questionnaire
(Arabic Form)

استبيان

تقييم الاداء الاستراتيجي لمناشير الحجر والرخام الفلسطينية

مقدمة:

صناعة الحجر والرخام تعد من القطاعات الصناعية المهمة في فلسطين من ناحية عدد العاملين وعائدات التصدير ومساهمتها في اجمالي الناتج المحلي، هذا القطاع يواجه وبشكل متزايد قضايا وتحديات متعددة على المستوى المحلي بالإضافة الى منافسة شديدة على المستوى العالمي. هذا الاستبيان جزء من رسالة ماجستير تدرس قضايا حول قطاع صناعة الحجر وتقترح حلول لها.

اهداف البحث:

- تحديد العوائق الرئيسية التي تعرقل التخطيط الاستراتيجي في قطاع صناعة الحجر الفلسطيني وبالتحديد مصانع قص الحجر.
- اقتراح ممارسات وحلول ادارية لمساعدة مصانع قص الحجر والرخام لتحسين ادائهم الاستراتيجي.
- تحديد العلاقة بين خصائص مصانع قص الحجر الفلسطينية ومستوى ادائهم الاستراتيجي.

يعتبر هذا الاستبيان جزء من البحث التكميلي لنيل درجة الماجستير في الادارة الهندسية – جامعة النجاح الوطنية / نابلس.

ارجو من حضرتكم تعبئة الاستبيان بالحقائق مع توخي الدقة قدر الامكان ،علما ان جميع المعلومات الواردة في الاستبيان ستستخدم فقط لأغراض البحث العلمي وسيتم نشر النتائج على شكل نتائج احصائية لمجموع شركات عينة البحث دون ذكر اسماء للشركات او للأشخاص.

لأية استفسارات او توضيحات ،يرجى التواصل مع الباحث عبر البريد الالكتروني Walidwaik@yahoo.com او جوال رقم 0598924654.

الباحث : م. وليد الدويك

شاكرين لكم حسن تعاونكم

القسم الاول

معلومات عامة عن الشركة ومجيب الاستبيان

15.الموقع الوظيفي :

☐ صاحب الشركة ☐ مدير الشركة ☐ اداري ☐ غير ذلك

16.العمر :

☐ أقل من 25 سنة ☐ 25- 40 سنة ☐ 41 – 55 سنة ☐ فوق 55 سنة

17.المؤهل العلمي :

☐ دراسات عليا ☐ بكالوريوس ☐ دبلوم ☐ ثانوية عامة ☐ غير ذلك

18.دوركم في اتخاذ القرارات:

☐ متخذ قرارات رئيسي ☐ مشارك في اتخاذ القرارات ☐ لا دور في تخاذ القرارات

19.خبرتكم الشخصية في مجال صناعة الحجر:

☐ اقل من 5 سنوات ☐ 5-10 سنوات ☐ 11-25 سنة ☐ اكثر من 25 سنة

20.خبرة شركتكم في صناعة الحجر :

☐ اقل من 5 سنوات ☐ 5-10 سنوات ☐ 11-25 سنة ☐ اكثر من 25 سنة

21.شركتكم هي :

☐ شركة عائلية ☐ غير ذلك

22.تمتلك شركتكم مقالع " محاجر" خاصة بها لاستخراج الحجر :

☐ نعم ☐ لا

23.عدد عمال وموظفي شركتكم خلال آخر سنة :

☐ اقل من 5 عمال ☐ من 5 – 10 ☐ من 11- 20 ☐ من 21 - 50

☐ اكثر من 50 عامل

24.كمية الحجر المنتج خلال اخر سنة بالمتر المربع :

☐ **اقل من 10,000 م^2** ☐ **من 10,000 – اقل من 25,000 م^2** ☐ **من 25,000 – اقل من50,000م^2**

☐ **اكثر من 50,000 م^2**

25.انواع المنتجات التي تنتجها شركتكم :

☐ **الواح** ☐ **احجار بناء** ☐ **بلاط تفصيل** ☐ **قطع خام**

☐ **غير ذلك**

26.المحافظة التي تقع ضمنها شركتكم :.....

27. معظم منتجات شركتكم يتم بيعها الى:

☐ **السوق المحلي** ☐ **اسرائيل** ☐ **الى دول خارجية** ☐ **غير ذلك**

28. يوجد في شركتكم :

☐ **مسؤول انتاج** ☐ **مسؤول مالي** ☐ **مسؤول تسويق** ☐ **مسؤول جودة**

القسم الثاني

التخطيط الاستراتيجي في شركات صناعة الحجر والرخام الفلسطيني

فيما يلي عدد من العوامل والمكونات والادوات المرتبطة بالتخطيط الاستراتيجي يرجى الإشارة إلى درجة موافقتكم على وجودها في شركتكم.

ما مدى درجة موافقتكم على العبارات التالية ؟	درجة موافقتكم				
على المربع الذي يحدد درجة موافقتكمXيرجى وضع علامة	لا أوافق بشدة	لا أوافق	محايد	أوافق	أوافق بشدة
1. رؤية ورسالة واهداف الشركة					
1.1. لدى شركتكم رؤية (Vision) واضحة ومكتوبة					
1.2. لدى شركتكم رسالة (Mission) واضحة ومكتوبة					
1.3. لدى شركتكم اهداف وغايات واضحة ومكتوبة					
1.4. اهداف شركتكم معروفة وواضحة لدى العاملين					
1.5. تقوم شركتكم بتطوير أهداف مرحلية محددة قابلة للقياس يمكن تحقيقها وواقعية ومرتبطة بزمن محدد					
2. تحليل البيئة المحيطة					
2.1. تقوم شركتكم بتحديد نقاط ضعفها ونقاط قوتها بشكل دوري					
2.2. تقوم شركتكم بتحديد المخاطر الخارجية المحيطة بها بشكل دوري					
2.3. تقوم شركتكم بتحديد الفرص المتاحة امامها بشكل دوري					
2.4. تقوم شركتكم بمراجعة اهدافها بشكل دوري					
3. دعم ادارة الشركة للتخطيط الاستراتيجي					
3.1. لدى إدارة شركتكم قناعة بأهمية التخطيط الاستراتيجي					
3.2. تلتزم الإدارة العليا لشركتكم بتطبيق التخطيط الاستراتيجي					
3.3. توفر شركتكم الموارد المالية اللازمة للتخطيط الاستراتيجي					
3.4. توفر شركتكم الموارد اللوجستية والبشرية اللازمة للتخطيط الاستراتيجي					

القسم الثالث

العوائق التي تعرقل التخطيط الاستراتيجي في شركات صناعة الحجر والرخام الفلسطينية

فيما يلي عدد من العوائق التي تحول دون تنفيذ التخطيط الاستراتيجي، يرجى الإشارة إلى درجة موافقتكم على وجود كل من العوائق التالية في شركتكم.

ما مدى درجة موافقتكم على العبارات التالية ؟	درجة موافقتكم				
على مربع واحد فقط X يرجى وضع علامة	لا أوافق بشدة	لا أوافق	محايد	أوافق	أوافق بشدة
1. عوائق داخلية					
1.1. وجود سلوك ونمط مقاوم للتغيير من قبل ادارة شركتكم					
1.2. عدم ادراك ادارة شركتكم لأهمية التخطيط الاستراتيجي					
1.3. غياب التفكير الاستباقي لتحسين الاداء الاستراتيجي للشركة					
1.4. اعتماد ادارة شركتكم على الحدس فقط في اتخاذ القرارات دون الرجوع الى الاسس العلمية					
1.5. عدم معرفة العاملين بشكل كافي لأهداف واستراتيجيات شركتكم					
1.6. ضعف في التواصل بين العاملين وادارة شركتكم					
1.7. شركتكم تركز على الاهداف قصيرة الامد فقط مهملة الاهداف طويلة الامد					
1.8. ضغط الوقت					
1.9. الخوف من التكاليف الإضافية					
1.10. ضعف في الكفايات المعرفية المتعلقة بالتخطيط الاستراتيجي					
2. عوائق خارجية					
2.1. ندرة الخبراء في مجال التخطيط الاستراتيجي					
2.2. غياب البرامج التدريبية لتحسين التخطيط الاستراتيجي					
2.3. عدم وجود خطة استراتيجية حكومية خاصة بقطاع صناعة الحجر					
2.4. ضعف الدور الحكومي الداعم لقطاع صناعة الحجر في مجال التخطيط الاستراتيجي					
2.5. الانظمة والقوانين السارية لا توفر بيئة مناسبة لعملية التخطيط الاستراتيجي السليم					
2.6. عدم وجود خطة استراتيجية خاصة باتحاد صناعة الحجر					
2.7. ضعف دور اتحاد الحجر الداعم لتطبيق التخطيط الاستراتيجي					
2.8. غياب الاستقرار السياسي والاقتصادي في فلسطين					

القسم الرابع

تقييم الأداء الاستراتيجي لشركات صناعة الحجر والرخام الفلسطينية

فيما يلي عدد من العوامل التي تعكس أداء شركتكم الاستراتيجي، يرجى الإشارة إلى درجة اعتمادكم لكل عامل في شركتكم.

ما مدى درجة موافقتكم على العبارات التالية ؟	درجة موافقتكم				
على مربع واحد فقطX يرجى وضع علامة	لا أوافق بشدة	لا أوافق	محايد	أوافق	أوافق بشدة
1. تقييم الاداء الاستراتيجي باستخدام البعد المالي					
1.1. تسعى شركتكم دائما إلى زيادة قيمة مبيعاتها					
1.2. تعمل شركتكم باستمرار على فتح أسواق جديدة					
1.3. تولي شركتكم أهمية كبيرة لتحسين هيكلها المالي					
1.4. تستخدم شركتكم اصولها "مواردها" المتاحة بكفاءة عالية					
2. تقييم الاداء الاستراتيجي باستخدام البعد المتعلق بالزبائن					
2.1. تراقب شركتكم عملية الشراء للزبائن بشكل دوري					
2.2. هناك قسم خاص في شركتكم لخدمة الزبائن وتلقي الشكاوى					
2.3. تولى شركتكم أهمية كبيرة لخدمات ما بعد البيع					
2.4. تطلب شركتكم من الزبائن التعبير عن رأيهم حول المنتج					
2.5. تقوم شركتكم باستمرار بإجراء استطلاعات لتحديد احتياجات الزبائن					
2.6. تهتم شركتكم بتصدير منتجاتها الى الخارج					
2.7. تواجه شركتكم قوة مساومة الزبائن بالسعي الدائم للحصول على زبائن جدد					
2.8. تواجه شركتكم قوة مساومة الزبائن بتقديم خيارات منتجات تلبي الاذواق المختلفة للزبائن					
3. تقييم الاداء الاستراتيجي باستخدام البعد المتعلق بأنظمة التشغيل الداخلي					
3.1. تهتم شركتكم بشكل كبير بضبط الجودة					
3.2. تعمل شركتكم على تطوير أنظمة العمل الإدارية واستخدام تكنولوجيا المعلومات					
3.3. تقوم شركتكم بتخصيص مبلغ سنوي للبحث والتطوير					
3.4. تعمل شركتكم على الحد من عيوب الإنتاج					
3.5. تقوم شركتكم بتحليل عمليات الانتاج الداخلية لتحديد كيفية مساهمة كل منها في إضافة قيمة للمنتج					
3.6. تقوم شركتكم باستغلال المادة الخام بأقصى ما يمكن بكفاءة وفعالية					
3.7. تقوم شركتكم بمعالجة مخلفات الانتاج وتقليلها					
3.8. جودة منتجاتكم تفوق جودة منتجات الشركات المنافسة					
4. تقييم الاداء الاستراتيجي باستخدام البعد المتعلق بمنظور التعلم والنمو					
4.1. شركتكم تواكب التطورات التكنولوجية في صناعة الحجر					
4.2. شركتكم تواكب أحدث الات الإنتاج وتضيفها الى خطوط إنتاجها.					
4.3. تسعى شركتكم إلى تحسين التكنولوجيا المستخدمة في عمليات التصنيع					
4.4. لدى شركتكم برامج تدريبية مصممة لتأهيل وتدريب العاملين الجدد					
4.5. هناك دورات تدريبية متقدمة في شركتكم لتطوير مهارات العاملين القدامى					
4.6. تقوم شركتكم بتطوير منتجات جديدة تلبي احتياجات السوق					
4.7. هناك اهتمام من قبل شركتكم بتحسين معنويات موظفيها					

ما مدى درجة موافقتكم على العبارات التالية ؟	درجة موافقتكم				
على مربع واحد فقطX يرجى وضع علامة	**لا أوافق بشدة**	**لا أوافق**	**محايد**	**أوافق**	**أوافق بشدة**
4.8. تقوم شركتكم بدراسة نقاط القوة والضعف لدى الشركات المنافسة					
4.9. تواجه شركتكم منافسة الشركات الاخرى من خلال استراتيجيات تنافسية مدروسة					
4.10.تواجه شركتكم تهديدات دخول منتجات بديلة "مثل الحجر الصناعي " بتقديم منتجات بمزايا افضل					

ما هي مقترحاتكم لتحسين مستوى الأداء الاستراتيجي لشركات الحجر والرخام الفلسطينية؟

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القسم الخامس

استراتيجيات شركتكم التنافسية

1. أي من الاستراتيجيات التالية أقرب لشركتكم من ناحية استهداف الاسواق؟

☐ استهداف قطاعات متنوعة من الاسواق ☐ استهداف قطاع معين من السوق

2. أي من الاستراتيجيات التالية أقرب لشركتكم من ناحية نوعية المنتجات ؟

☐ انتاج منتجات كباقي مصانع الحجر ☐ انتاج منتجات متميزة عن باقي مصانع الحجر

3. أي من الاستراتيجيات التالية أقرب لشركتكم من ناحية سعر المنتجات؟

☐ انتاج منتجات منخفضة السعر ☐ انتاج منتجات مرتفعة السعر

شكرا جزيلا لتعاونكم

Appendix C -List of Arbitrators

No.	Name	Position / Organization
1	Dr. Ayham Jaaron	Associate Professor of Industrial Engineering at An-Najah National University in Palestine. Director of ABET Center at An-Najah National University.
2	Dr. Nabil Al-Joulani	Associate Professor of Civil and Environmental Engineering at the Palestine Polytechnic University
3	Dr. Suhail Sultan	Assistant Professor of Strategic Management. Director of Master Program in Business Administration at Birzeit University
4	Dr. Hashem Ramadan	Ph.D. in Management Sciences
5	Mr. Jawad Al-Haj	Director of Stone and Marble and Center at the Palestine Polytechnic University
6	Mr. Ma'mon Rashid	Manager of Pal Team company for consulting and marketing
7	Mr. Munzer Khoury	Manager of Munzer Group for stone processing technology

جامعة النجاح الوطنية
كلية الدراسات العليا

تقييم الاداء الاستراتيجي لصناعة الحجر والرخام الفلسطينية

اعداد
وليد خالد سليمان الدويك

اشراف
د. رياض عبد الكريم عوض

قدمت هذه الاطروحة استكمالاً لمتطلبات الحصول على درجة الماجستير في الادارة الهندسية، بكلية الدراسات العليا، في جامعة النجاح الوطنية، نابلس- فلسطين.

2019

تقييم الاداء الاستراتيجي لصناعة الحجر والرخام الفلسطينية

اعداد

وليد خالد سليمان الدويك

اشراف

د. رياض عبد الكريم عوض

الملخص

تعتبر صناعة الحجر والرخام في فلسطين من القطاعات الصناعية الهامة وتعد من أكبر الصناعات من حيث حجم الصادرات وتصنف معظم شركات هذا القطاع على أنها شركات صغيرة ومتوسطة.

يعتبر التخطيط الاستراتيجي حاسماً لنجاح أي عمل، وهو أقصر الطرق لتحقيق الميزة التنافسية والحفاظ عليها. وكلما كان الأداء الإستراتيجي اعلى، كانت هناك فرص أفضل للنمو والتطوير والتغلب على التحديات والعقبات. في الوقت الراهن لا يتناسب الأداء الإستراتيجي لشركات الحجر والرخام الفلسطينية مع أهمية هذا القطاع، وتعاني الشركات من ضعف في التخطيط الاستراتيجي لمواجهة التحديات المتزايدة التي تواجه القطاع. يهدف هذا البحث إلى تقييم الأداء الاستراتيجي لشركات الحجر والرخام الفلسطينية، وفحص مدى تطبيقهم للتخطيط الاستراتيجي، واختبار العلاقة بين تطبيق للتخطيط الاستراتيجي والأداء الاستراتيجي. تم إجراء تقييم الأداء الاستراتيجي باستخدام بطاقة الاداء المتوازن BSC.

اعتمد البحث منهجًا تحليليًا وصفيًا مع بعض التحليل التوضيحي باستخدام تقنية المسح الكمي لجمع البيانات وتحليلها من خلال استبيان ورقي تم توزيعه على أصحاب ومالكي مصانع الحجارة والرخام العاملين في الضفة الغربية وتم تحليل ردودهم على الاستبيان باستخدام برنامج التحليل الإحصائي SPSS.

اظهرت نتائج الدراسة أن هناك ضعفاً في التخطيط الاستراتيجي داخل شركات الحجر والرخام الفلسطينية مما أثر سلباً على أدائها الاستراتيجي. كما وكشفت النتائج عن وجود علاقة ايجابية بين التخطيط الاستراتيجي والأداء الاستراتيجي داخل هذه الشركات. واظهرت أن الاستراتيجية التنافسية الرئيسية المستخدمة لدى شركات الحجر والرخام في فلسطين تتكون من مزيج قائم على تنويع الأسواق وانتاج منتجات غير مميزة وذات تكلفة منخفضة. كما وبينت النتائج أن العوائق الداخلية الرئيسية أمام تطبيق التخطيط الاستراتيجي هي ضغط الوقت والخوف من التكاليف الإضافية، في حين كانت العوائق الخارجية الرئيسية أمام التخطيط الاستراتيجي هي عدم الاستقرار في الأوضاع الاقتصادية والسياسية في فلسطين، وضعف الدور الحكومي الداعم لصناعة الحجر.

واستنادا إلى نتائج البحث، ولتحسين مستوى الأداء الاستراتيجي لصناعة الحجر والرخام، تم طرح بعض التوصيات والمقترحات الموجهة الى أطراف العلاقة وهم: اتحاد صناعة الحجر والرخام، وشركات الحجر والرخام، والوزارات والمؤسسات الحكومية ذات الصلة بقطاع صناعة الحجر.