International Journal of Business and Management Invention
ISSN (Online): 2319 – 8028, ISSN (Print): 2319 – 801X
www.ijbmi.org || Volume 5 Issue 6 || June. 2016 || PP—01-07

The Relationship between Performance Measurement Systems and Corporate Strategy Formulation Processes: A Field Study in Syrian Banks

Farouk Abu Jdea
Business Administration Department Damascus University, Syria

ABSTRACT *: The study identified the effect of performance measurement in corporate strategy formulation processes in Syrian banks. This has been done through a survey of the views of senior management in the banks of the study sample, the study aimed to identify the level of performance measurement and what is the style of measurement used in these banks, in addition to the identification of strategy formulation processes, and the role that provided performance measurement systems for strategy formulation processes in studied banks. In order to achieve these objectives the researcher prepared a questionnaire, has distributed questionnaires on the banks of the study sample, where the study examined two government banks and seven private banks. The distributed questionnaires has reached (147) form, and the recovered (116), which represented the percentage (78.91%) which is acceptable to represent the community of study. The researcher analyzed data using the Statistical Package for Social Sciences (SPSS) and to identify the descriptive statistics for the sample of the study and its characteristics, as well as to prove the validity of hypotheses.*

KEYWORDS*: Corporate Strategy, Performance Measurement Systems, Strategy Formulation, Syrian Banks.*

I. INTRODUCTION

Since the mid-1980s, increasing attention has been paid to the study of performance management systems (PMSs) as tools for effective strategy implementation. More precisely, in recent years special interest has been placed on strategic performance measurement systems (strategic PMSs or SPMSs), a subset of multi-dimensional causal-oriented PMSs which includes models such as tableaux-de-board, Balanced Scorecards and Performance Prisms. Like most PMSs, SPMSs were primarily conceived as tools for the successful implementation of strategy. Consequently, most studies of SPMSs have focused on their role regarding the translation of strategy into action, concluding that SPMSs are particularly instrumental in this regard (Kaplan and Norton, 1996).

While most practice and research has emphasized the use of SPMSs regarding strategy implementation, their potential role in strategy formulation and in intertwining strategy formulation and strategy implementation has seldom been explored.

II. LITERATURE REVIEW

However, a limited number of recent standalone in-depth case studies have suggested that SPMSs may be effectively used for these purposes, because they may help question the strategic assumptions being made and identify potential problems with the firm's strategy. This paper aims to add to this emerging literature by enhancing the understanding of how SPMSs may influence some important attributes of strategy formulation processes. We examine two research questions related to the processes of strategy (re)formulation: (1) whether organizations that use SPMSs (re)formulate their strategy more frequently, and (2) whether the use of SPMSs influences the nature of the organization's strategic agenda resulting from strategy (re)formulation processes.

Corporate strategy formulation

The distinction between strategy formulation and strategy implementation can be traced back to the origins of strategic management as a discipline (Chandler, 1962). On the one hand, strategy formulation refers to the process through which a firm defines its overall long-term direction and scope. It involves establishing the way a company creates value through the configuration of its activities and resources in the markets in which it operates. Strategy formulation is a purposeful, deliberate exercise to develop a company's competitive advantage and thus enhance its performance (Porter, 1996). Strategy implementation, on the other hand, refers to the process of turning strategy into action and monitoring and assessing the results. While they are conceptually different, it was soon recognized that formulation and implementation are interdependent, in that a well-formulated strategy needs to take into account the way it will be implemented, and it is through the learning in its implementation that a company's strategy is refined and eventually reformulated.

The way organizations formulate strategy has become one of the most contested areas of debate in the strategic management field. In the conventional approach (the so-called 'prescriptive' or 'design' school of thought), strategy development is mainly the result of a systematic, rational process of deliberate planning by a top management team, which is then communicated to the organization for implementation. In large companies, this process typically occurs through formal strategic planning systems. An alternative approach, based on descriptive studies of strategy formation, sees strategy as the result that emerges from a complex, multi-level process of organizational decision-making. The realized strategy is thus the outcome of two simultaneous processes: on the one hand, the execution of the strategy as conceived by the top management team (deliberate strategy) and, on the other, the cumulative effect of day-to-day decision-making in a changing environment which eventually results in the formation of emergent strategies (Mintzberg and Waters, 1985). The fundamental critique of the 'design' school of thought, and by extension of strategic planning, is that its approach creates a gulf between formulation and implementation that precludes learning and creativity. Overall, the descriptive perspectives see strategy-making as an iterative process involving experimentation and feedback; they stress a greater overlap and interplay between strategy formulation and strategy implementation. Interestingly, the practice of strategic planning in large companies has undergone a significant transformation since the 1980s, as can be seen by the emergence of new types of strategic planning systems that combine the design and emergence approaches to strategy formulation and implementation. A well-known case is that of the oil majors, where strategic planning responsibility has shifted from corporate planning departments to line managers. Thus, while corporate headquarters set the overall direction and scope of the organization, as well as setting guidelines for the development of strategic plans, once these plans are decided upon, the divisional and business unit managers have considerable leeway in adjusting, adapting and experimenting (Wilson, 1994). In contrast, in the General Electric Company (GE), strategic planning has remained integrated with corporate-level strategy development and decision-making. A recent in-depth study into GE's strategic planning practices highlights that strategy development, operational planning and manpower planning are activities that are tightly coupled with decision-making channels integrating participants from different organizational levels. GE's approach stresses that strategic planning is a responsibility that can be effectively shared between both corporate executives and operating unit managers (Ocasio and Joseph, 2008).

Overall, empirical evidence shows that modern versions of formal strategy formulation practices are common in modern medium and large-sized firms and that, under certain conditions (such as an effective link between strategy formulation and strategy implementation, or operating managers having enough room to take autonomous action), they have a positive effect on performance (Miller and L. B. Cardinal, 1994).

Strategic performance measurement systems (SPMSs) and corporate strategy formulation

In recent years increasing emphasis has been placed on the study of strategic PMSs (SPMSs). While most practice and research has emphasized the use of SPMSs regarding strategy implementation, our concern here is with the role of strategic PMSs (SPMSs) in the strategy (re) formulation process. But we deem it important first to explain how PMSs and SPMSs were defined in our study. Performance Measurement Systems (PMSs) are concise sets of (financial and/or non-financial) metrics that support the decision-making processes of an organization by gathering, processing and analyzing quantified information about its performance, and presenting it in the form of a succinct overview (Neely, 2007). Strategic Performance Measurement Systems (SPMSs) are a subset of PMSs. In this study, we specifically define SPMSs as those PMSs that support the decision-making processes of an organization through a series of distinctive features such as: 1) the integration of long-term strategy and operational goals; 2) the provision of performance measures in the area of multiple perspectives; 3) the provision of a sequence of goals/metrics/targets/action plans for each perspective; and 4) the presence of explicit causal relationships between goals and/or between performance measures (Chenhall, 2005). Instances of well-established models providing frameworks and guidelines for SPMS design include (but are not limited to) tableaux-de-board, SMART Performance Pyramid Systems, Balanced Scorecards and Performance Prisms (Pun and White, 2005).

Hitherto most studies have focused on the role of strategic PMSs in communicating the firm's strategy and facilitating its execution and control; as a consequence, little attention has been paid to the active role they can potentially play in the (re)formulation of company strategy. Some very generic claims about SPMSs being able to support both strategy (re)formulation and implementation have been made (Kald and Nilsson, 2000), but empirical evidence on the specific role and influence of their use in strategy (re)formulation is still scarce. Yet some limited case-based evidence suggests that they can be used to challenge and question strategic assumptions being made, increasing the chance of identifying problems derived from mistaken assumptions and therefore encouraging their revision (Bourne et al., 2000). At a more instrumental level, statistical analyses of causal links between performance measures have been proposed as useful devices in identifying potential problems in the firm's strategy, and in testing and adapting such strategy (Campbell et al., 2008). While this limited empirical evidence indicates that SPMSs may play an active role in strategy (re)formulation processes, not much is known about the connection between the use of SPMSs and the attributes of these processes. We next develop a line of

reasoning which leads us to expect that SPMSs will influence some relevant attributes of the strategy formulation process.

The literature on strategic choice (Hrebiniak and Joyce, 1985) and on the role of upper echelons (Carpenter, and Sanders, 2004) in strategic management emphasizes the importance of top managers in strategy formulation and implementation. Both streams argue that, while many people may participate in scanning and processing data, it is at the top management level that information is brought together and interpreted for companywide action. Top managers, as boundedly rational individuals, use mental representations as cognitive structures that support them in understanding, reasoning and predicting (Markman, and Gentner, 2001). Thus, the mental representations that top managers develop about their organization and its environment are instrumental in defining the organization's strategic agenda (Dutton and Jackson, 1987).

This leads to study the main hypothesis: there is a relationship between performance measurement systems and corporate strategy formulation, which divided to the following hypotheses:

H1: There is a relationship between performance measurement systems and development of vision and mission.

H2: There is relationship between performance measurement systems and strategic objectives.

H3: There is a relationship between performance measurement systems and external environment analysis.

H4: There is a relationship between performance measurement systems and internal environment analysis.

H5: There is a relationship between performance measurement systems and strategic choice.

H6: There is a relationship between performance measurement systems and corporate strategy design.

III. RESEARCH METHODOLOGY

Sampling design and data collection

Researcher relied on deductive search method to determine the relationship between the variables of the study, and he designed questionnaire, and then collected data and described the study sample, and analyzed data, and tested hypotheses.

Data was collected through a field survey of bank's managers in Damascus, Syria. A sample of 147 managers, and was distributed a total of 116 (78.91%) valid questionnaires were collected and used for analysis. Table 1 shows the community demographics.

Table I. Community demographics

	Category	Frequency	Percentage %
Gender	Female	28	24.1
	Male	88	75.9
	Total	116	100
Age	Less than 30	24	20.7
	31 – 40	18	15.5
	40 - 50	48	41.4
	51 to above	26	22.4
	Total	116	100
Education level	Bachelor	53	45.7
	Master	51	44
	Doctorate	12	10.3
	Total	116	100
Managerial level	Board member	4	3.4
	CEO	6	5.2
	Head of unit	55	47.4
	Head of section	35	30.2
	Others	16	13.8
	Total	116	100
experience in banking	less than 5 years	8	6.9
	5 years to less than 10	32	27.6
	10 years to less than 15	18	15.5
	15 years to less than 20	44	37.9
	More than 20 years	14	12.1
	Total	116	100
experience in current position	less than 5 years	38	32.8
	5 years to less than 10	22	19
	10 years to less than 15	44	37.9
	15 years to less than 20	12	10.3
	Total	116	100

IV. METHOD OF DATA OBTAINMENT

Before conducting the final survey, a preliminary study was conducted with a sample size of 30, to judge the applicability of instrument items. For this purpose, researcher designed a questionnaire consists of items about study variables (performance measurement and strategy formulation). Respondents are asked to indicate their agreement level of each item of the sections on the five-point Likert scale anchored by " fully agree (=1)" to " fully disagree (=5)".

Analysis of results

Measurement model

This study employs a structural equation modeling (SEM) approach, using AMOS 18, to develop a model that represents the causal relationships among the variables (Chin, 2001). Each variable was measured using previously developed components of instruments that have demonstrated good psychometric properties.

Exploratory Factor Analysis was conducted to define possible relationships of observed variables for strategy formulation. The results indicated that we can't combine any dimension with others.

A confirmatory factor analysis (CFA) was conducted to empirically test the measurement model. Multiple tests on construct validity and reliability were performed, where items with low loading were eliminated. Model fit was evaluated using the maximum likelihood (ML) method.

Construct reliability: Construct reliability was assessed using Cronbach's α, composite reliability (CR) and average variance extracted (AVE) using CFA. As the α-values (Table II) for all the constructs are greater than the guideline of 0.70, it can be concluded that the scales can be applied for the analysis with acceptable reliability (Saunders et al., 2003). CR and AVE were calculated from model estimates using the CR formula and AVE formula given by Fornell and Larcker (1981). In the measurement model, all constructs had a CR over the cut-off of 0.70 and the AVE for all exceeded the recommended level of 0.5 (Bagozzi and Yi, 1988). Based on these assessments, measures used within this study were within the acceptable levels supporting the reliability of the constructs (Table III).

Content and discriminate validity: Content validity was verified by expert judgment and by a careful literature review, to assess the discriminate validity, Fornell and Larcker's (1981) criterion, that square root of the AVE for each construct should be greater than the correlation between constructs, was used. Table V shows the values of the square root of the AVE are all greater than the inter-construct correlations. Eight common model-fit measures were used to assess the model's overall goodness of fit. As shown in Table IV, all the model-fit indices exceeded the respective common acceptance levels suggested by previous research (Kim et al.,2004), demonstrating that the measurement model exhibited a good fit with the data collected.

Table II. Results for the measurement model

Construct	CR	AVE	Cronbach's α
Performance measurement	0.835	0.90	0.962
Development of vision and mission	0.971	0.55	0.902
Strategic objectives	0.892	0.52	0.955
Analysis of the external environment	0.849	0.54	0.916
Analysis of the internal environment	0.766	0.51	0.918
Strategic choice	0.756	0.58	0.801
Corporate strategy design	0.745	0.51	0.852

Table III. Correlation and average variance extracted

	Performance measurement	Vision and mission	Strategic objectives	External environment	Internal environment	Strategic choice	Strategy design
Performance measurement	0.73						
Vision and mission	0.254	0.68					
Strategic objectives	0.266	0.408	0.73				
External environment	0.131	0.173	0.351	0.73			
Internal environment	0.222	0.384	0.466	0.281	0.70		
Strategic choice	0.261	0.403	0.404	0.170	0.512	0.72	
Corporate strategy design	0.260	0.296	0.428	0.502	0.507	0.398	0.93

Table IV. Measurement model fit indices

Fit index	Recommended value	indices values
Chi-square / (df)	≤ 3.00	2.150
GFI	≥ 0.80	0.922
AGFI	≥ 0.80	0.915
NFI	≥ 0.90	0.876
IFI	≥ 0.90	0.929
CFI	≥ 0.90	0.929
TLI	≥ 0.90	0.917
RMSEA	0.05 to 0.08	0.052

The researcher used Spearman's to test the hypothesis as the below table. The positive value of Spearman pointed to the positive relationship and direct correlation between the variables.

Table V. Hypothesis tested by Spearman

Variables	Spearman's	Sig.
Performance measurement - development of vision and mission	0.352	0.000
Performance measurement - strategic objectives	0.512	0.000
Performance measurement – external environment analysis	0.410	0.000
Performance measurement – internal environment analysis	0.411	0.000
Performance measurement – strategic choice	0.470	0.000
Performance measurement – corporate strategy design	0.418	0.000

In order to measure frequency, respondents reported the number of times the firm had revised its strategy through formal strategy formulation processes in the last three years. Number and variety of decisions were made operational through an instrument which included an open list that enumerated more than 20 instances of potential strategic issues (e.g. opening of foreign markets, outsourcing, diversification or know-how development) (Prahalad and Doz, 1987). The number of decisions was measured as the sum of reported occasions in which decisions regarding any strategic issue were made in the formal strategy formulation processes during the last three years. The variety of decisions was measured as the number of strategic issues that were the object of strategic decisions at least once in formal strategy formulation processes over that period.

V. CONCLUSIONAND IMPLICATIONS

The traditional performance measurement systems have a limited role in corporate strategy formulation processes. While the modern performance measurement systems play an important role in strategy formulation processes as a source of information and control implementation. Banks that use modern performance measurement systems do review of strategy more than the banks that use traditional measurement systems. Banks that use modern performance measurement systems have wider choices during manufacturing operations and strategic decision-making more than others which use traditional systems.

Performance measurement systems which used in Syrian banks were based on measuring the performance of operational plans, and moved away from measurement strategies. All of studied banks measure their performance in an automated way. Some of these banks measure performance in a traditional way, which relies heavily on measuring the financial side only. Study pointed to the low level of the degree of participation in the operational managements of the banks from all functional areas in the design and selection of performance measures. Most of participants in the study sample believed that strategic objectives of their banks take into account the customer's requirements, and they considered that objectives quantifiable and it's include time for implementation, which was well known to all workers in the banks.

Findings of this study provide recommendations to update information system in PMS and to take more care to develop flexible strategies to accommodate emergency situations. The study recommended banks to define a set of criteria and indicators cover all activities to be used as tools for performance measurement system, and to increase the participation rate of the operational managers of all functional areas in the design and selection of performance measures.

Banks should be designed the long-term objectives in a manner consistent with performance measurement systems and take more care to develop flexible strategies to accommodate emergency situations.

VI. LIMITATION AND FUTURE RESEARCH

The study has been carried out in most of Syrian banks. Sample include managers of the central departments in the Syrian capital Damascus, but didn't include the sub-managers in the rest of Syrian governorates. The study was applied on two public banks out of six and seven private banks out of 14. This research focused on levels of performance measurement systems and its effect on corporate strategy formulation process. For further research we can study the relationship between performance measurement systems and the functional strategies or business units strategies. However, the research did not study the relationship between performance measurement and strategy implementation. The results coming from the bank sector might not be applicable to other economic sectors.

REFERENCES

[1.] Bagozzi, R. and Yi, Y. (1988). "On the evaluation of structural equation models", Journal of the Academy of Marketing Science, Vol. 16 No. 1, pp. 74-94.

[2.] Bourne, M., Mills, J., Wilcox, M., Neely, A. and Platts, K. (2000). "Designing, implementing and updating performance measurement systems", International Journal of Operations and Production Management, Vol. 20, No. 7, pp. 754-771.

[3.] Campbell, D., Datar, S., Kulp, C. and Narayanan, G. (January 2008). "Using the Balanced Scorecard as a control system for monitoring and revising corporate strategy", Working paper, Harvard Business School, available at SSRN: hhtp/ssrn.com/abstract=328880; R. S. Kaplan and D. P. Norton, Mastering the management system, Harvard Business Review, pp. 63-77.

[4.] Carpenter, A. and Sanders, G. (2004). "Upper echelons research revisited: antecedents, elements and consequences of top management team composition", Journal of Management, Vol. 30, No. 6, pp. 749-778.

[5.] Chandler, A. D. (1962). "Strategy and Structure", MIT Press, Cambridge, MA; Ansoff, I. (1965). "Corporate Strategy", McGraw-Hill, New York; Andrews, K. (1971). "The Concept of Corporate Strategy", Irwin, Homewood, IL.

[6.] Chenhall, R. H. (2005). "Integrative Strategic performance measurement systems, Strategic alignment of manufacturing, learning and Strategic outcomes: an exploratory study", Accounting. Organizations and Society, Vol. 20, pp. 395-422.

[7.] Chin, W. (2001). PLS-graph user's guide. PLS-Graph User's Guide Version 3.0, Soft Modeling Inc, Houston, TX.

[8.] Dutton, J. M. and Jackson, S. E. (1987). "Categorizing strategic issues: links to organizational action", Academy of Management Review, Vol. 12, No. 1 , pp. 76-90.

[9.] Fornell, C. and Larcker, D. (1981)."Evaluating structural equation models with unobservable variables and measurement error", Journal of Marketing Research, Vol. 18 No. 1, pp. 39-50.

[10.] Hrebiniak, G. and Joyce, F. (1985). "Organizational adaptation: Strategic choice and environmental determinism", Administrative Science Quarterly, No. 30, 336-349.

[11.] In accordance with the recent literature on performance management (e.g. Neely, A. "Business Performance Measurement". Cambridge University Press (2007)), in this study we reserve the term 'performance measurement systems' for systems that provide a concise overview of performance to guide decision-making. While selected metrics derived from financial statements may be and most often are included as indicators within PMSs, we consider financial statements as a category of management systems in their own right, and consequently they do not fall into the definition of PMSs as used here.

[12.] Kald, M. and Nilsson, F. (2000). "Performance measurement at nordic companies", European Management Journal, Vol. 18, No. 1, pp.113-127; Kaplan, R. and Norton, D. (2000). "The Strategy-Focused Organization", Harvard Business School Press, Boston, p. 372.

[13.] Kaplan, R. and Norton, D. (1996). "The Balanced Scorecard", Harvard Business School Press, Boston; Butler, A. et al. (1997). "Linking the Balanced Scorecard to strategy", Long Range Planning, Vol. 30, No. 2, pp. 242-253; Murby, L. and Gould, S. (2005). "Effective Performance Management with the Balanced Scorecard", Technical Report CIMA/INSEAD; Garengo, P. and Biazzo, S. and Bititci, U. S. (2005). "Performance measurement systems in SMEs: a review for a research agenda", International Journal of Management Reviews, Vol. 7, No. 1, pp. 25-47.

[14.] Kim, M; Park, M and Jeong, D (2004). "The Effects of Customer Satisfaction and Switching Barrier on Customer Loyalty in Korean Mobile Telecommunication Services", Telecommunications Policy, Vol. 28, No. 2, pp. 145-159.

[15.] Markman, A. B. and Gentner, D. (2001). Thinking, Annual Review of Psychology 52, pp. 223-247.

[16.] Miller, C. C. and Cardinal, L. B. (1994). "Strategic planning and firm performance: a synthesis of more than two decades of research", Academy of Management Journal Vol. 37, pp. 1649-1665; Andersen, T. J. (2000). "Strategic planning, autonomous actions and corporate performance", Long Range Planning Vol.33, No.2, pp. 184-200; Miller, S. et al., (2004). "Beyond planning strategies for successfully implementing Strategic decisions", Long Range Planning, Vol. 37, No. 3, pp. 201-218.

[17.] Mintzberg, H. and Waters, J. A. (1985). "Of strategies, deliberate and emergent", Strategic Management Journal Vol. 6, No. 3, pp. 257-272.

[18.] Ocasio, W. and Joseph, J. (2008). "Rise and all - or transformation? The evolution of Strategic planning at the General Electric Company, 1940-2006", Long Range Planning, Vol. 41, No. 3, pp. 248-272.

[19.] Porter, M. E. (1996). "What is Strategy?" , Harvard Business Review, Vol.74, No.6, pp. 61-78; Collis, D. J. and Montgomery, C. A. (2005). "Corporate Strategy: A Resource Based Approach", McGraw-Hill, New York.

[20.] Prahalad, C. K. and Doz, Y. L.(1987). "The Multinational Mission: Balancing Local Demands and Global Vision", Free Press, New York; Dean, J. W. and Sharfman, M. P. (1996). "Does decision process matter? A study of strategic decision-making effectiveness", Academy of Management Journal, Vol. 39, NO. 2, pp. 368-396.

[21.] Pun , K. F. and White, A. S. (2005). "A performance measurement paradigm for integrating strategy formulation: a review of systems and frameworks", International Journal of Management Reviews, Vol. 7, No.1, pp. 49-71.

[22.] Saunders, M., Lewis, P. and Thornhill, A. (2003). Research Methods for Business Students, 3rd ed., Financial Times Prentice-Hall, London.

[23.] Wilson, I. (1994). "Strategic planning isn't dead _ it changed", Long Range Planning Vol.27, No.4, pp. 12-24; Grant, R. M. (2003). "Strategic planning in a turbulent environment: evidence from the oil majors", Strategic Management Journal Vol. 24,No. 6, pp. 491-518.

APPENDIX. QUESTIONNAIRE ITEMS

- Is there a performance measurement system in place in your bank which is used at top management levels? (Yes/no)
  Attached definition: Performance Measurement Systems (PMSs) = concise sets of metrics (financial and/or non-financial) that support the decision-making processes of an organization by gathering, processing and analyzing quantified information about its performance, and presenting it in the form of a succinct overview. While selected metrics derived from financial statements may be included as indicators within PMSs, in this survey we consider financial statements as a category of management systems in their own right, and consequently they do not fall into the definition of PMS. If yes, then:
  - Performance goals in the PMS are explicitly linked to long-term strategy (*1= fully disagree; 5 = fully agree*).
  - There is a high degree of senior manager's involvement in the design and selection of the performance measures (*1 = no involvement; 5 = very high involvement*).
  - Relationships between activities/functional areas are included in the PMS (*1 = fully agree; 5 = fully disagree*).
  - PMSs offer assistance to managers that helps them understand relationships between activities and of relationships between functional areas (*1 = fully agree; 5 = fully disagree*).
  - Operating managers from different functional areas are involved in the design and selection of the performance measures (*1 = fully agree; 5 = fully disagree*)
  - The performance measurement system in place explicitly contains a) goals, b) metrics, c) targets d) action plans (*Yes = 1; No = 0 for each of the four items*).
  - Is the performance measurement system explicitly organized in different blocks or perspectives? (*examples of perspectives follow*). If so, which blocks or perspectives are captured? (*an open list of examples follows: financial, customer, internal processes, asset development, learning, others*).
- Your bank's vision and mission defined clearly for all stakeholders. (*1= fully disagree; 5 = fully agree*).
- All members of top management are involved in formulation the bank's vision and mission. (*1= fully disagree; 5 = fully agree*).
- The strategic objectives of your bank are flexible to deal with the emergency situations. (*1= fully disagree; 5 = fully agree*).
- The strategic objectives of your bank quantifiable. (*1= fully disagree; 5 = fully agree*).
- Your bank predicts the intensity of competition within the external environment. (*1= fully disagree; 5 = fully agree*).
- Your bank uses the qualitative methods in external environment analysis. (*1= fully disagree; 5 = fully agree*).
- Your bank identifies the strengths and weaknesses in the organizational chart. (*1= fully disagree; 5 = fully agree*).
- Your bank continuously analyzes the internal environment. (*1= fully disagree; 5 = fully agree*).
- Your bank seeks to choice the strategic alternative which achieves competitive advantage. (*1= fully disagree; 5 = fully agree*).
- The MIS provide the managers with updated wanted information. (*1= fully disagree; 5 = fully agree*).
- In the last three years, how many times have you engaged in revisions of your corporate strategy through formal strategy formulation processes?
- During the last three years, how many times have decisions been taken regarding the following instances of strategic decisions (*an open list of 25 items follows, including items such as opening of foreign markets, outsourcing, diversification or know-how development*).