# Closing the strategic planning and implementation gap through excellence in the public sector: empirical investigation using SEM

# Hassan Al-Dhaafri and Mohammed Alosani

#### Abstract

**Purpose** – Strategic planning and strategy implementation are proposed to impact overall performance. However, the purpose of this study is to empirically examine the mediating effect of organisational excellence on the relationship between strategic planning, strategy implementation and organisational performance (*OP*).

**Design/methodology/approach** – Hypotheses have been developed for testing using primary data obtained through a survey questionnaire. The data were gathered from the Dubai police organisation. Out of a total of 500 questionnaires, only 244 questionnaires were returned. For measurement and structural models, the structural equation modelling (SEM) approach was used to analyse the data.

**Findings** – All proposed hypotheses were supported and confirmed the positive and significant relationships between strategic planning, strategy implementation, organisational excellence and OP. Statistical findings using SEM-partial least square also confirmed the mediating role of organisational excellence as a mechanism between strategic planning, strategy implementation and OP.

**Practical implications** – Results discussed many valuable implications. The outcomes will help managers, decision-makers and practitioners to consider organisational excellence strategy when implementing strategic planning process to achieve the best performance.

**Originality/value** – The current study is one of the most important empirical studies to analyse and examine the relationships between strategic planning, strategy implementation organisational excellence and business performance. In addition, this study is one the rare studies that involve excellence as a practice when implementing strategic planning process.

**Keywords** Strategic planning, Organisational excellence, Structural equation modelling, Organisational performance (OP), Strategic management, Strategy, Business excellence **Paper type** Research paper

#### 1. Introduction

Despite the importance of performance goals in the prescriptive literature, Greenley (1994) pointed out that strategic planning and performance in empirical research have not been given attention. Moreover, strategic planning was used by many organisations as a copy-paste tool benchmarked from other organisations or institutions. In public organisations, strategic planning is implemented after extensive training by trainers or practitioners. Then, organisations start applying the learned principles and lessons by themselves or through help from external consultation companies. In their implementation, practitioners follow guidelines provided by experts or previous implementers. During the process of strategic planning and even execution, many mistakes happen due to the lack of awareness of such implementation. The practice of strategic planning should be taken as excellence work and

Hassan Al-Dhaafri is based at University of Dubai, Dubai, United Arab Emirates and Dubai Police Force, Dubai, United Arab Emirates. Mohammed Alosani is based at Dubai Police Force, Dubai, United Arab Emirates.

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not simply an identification of vision, mission, values and objectives. Therefore, implementers of strategic planning processes should consider many important factors to achieve an excellent plan and involve dimensions of excellence such as personnel commitment, customer focus and innovation. However, the key drawbacks in strategic management activities are usually related to the implementation process (Atkinson, 2006). In addition to uncontrollable factors in the external environment, the most commonly occurring plan implementation problems include underestimating the time needed for implementation and major issues surfacing, which had not been expected. According to Akhtar and Sushil (2018), strategy implementation is promoted through its vision and mission, which are realistic, achievable and shared throughout the organisation. Successful strategy implementation requires sound mechanisms for directing activity and behaviour, in particular including effective communication systems and appropriate strategic and management controls (Atkinson, 2006).

The current research investigates the possibilities for achieving alignment between strategic planning, strategic implementation, organisational excellence and organisational performance (OP) in a public sector context. It focusses on the benefits of these relationships on OP. The main objective of this research is to understand the mechanism power of organisational excellence as a tool when implementing strategic planning and strategy implementation towards the desired OP.

This study seeks to rectify this disparity by analysing the relationship between strategic planning, strategy implementation and OP in organisational excellence in UAE's emerging developing economy and contributes to the literature in Section 2. The current study considers the previous research problem of consistent and generally poor execution of strategic plans in the public sector that leads to poor service delivery in the public sector besides the non-realisation of specified goals and desired benefits explained in Section 3 to 5.

#### 2. Literature review and hypotheses

The core focus of this study is the role of intervening of organisational excellence between strategic planning process, strategy implementation and OP. Barney (1991) developed a resource-based view (RBV) theory, which focusses on internal capabilities that can help companies improve performance and gain competitive advantages. Strategic planning, strategy implementation and organisational excellence, as intangible factors can distinguish them in the competitive market, are critical internal factors for any organisation.

#### 2.1 Public sector issues, excellence and performance

Most existing studies focus on the private sector. The public sector was neglected in different areas. The current study's variables, that is, strategic planning and implementation, excellence and performance, have also been ignored in previous studies that related to the public sector.

Taking into account the need for contingency research (Escrig and de Menezes, 2016) and the lack of literature on the implementation of business excellence models in a particular sector, in this study, we intend to examine the differences between public and private organisations in business excellence models to identify key drivers for business outcomes and customer satisfaction.

Most business excellence studies discussed awards that organisations achieved because of their superior performance. They looked at the business and organisational excellence as the ultimate goal that should be achieved according to their strategic planning and strategies. The role of excellence as a practice or strategy was missed by many researchers due to the lack of studies in this field. Public sector organisations such as in the



UAE, only look at excellence as awards to be gained such as Dubai excellence model, European Foundation for Quality Management Model and other designed models.

Many issues in the public sector such as the proper model for strategic planning implementation, need to be highlighted by researchers and practitioners. Culture also plays an important role because of the multicultural society in the UAE. Owing to this reason, organisations in the public sector should consider their main purpose and what ultimate goals should they should achieve. Of course, profit and service excellence are the goals that represent overall OP in the private sector and in public organisations, respectively. To this end, organisational (public) or business (private) excellence is a mandatory practice and strategy that should be considered in strategic planning to achieve the ultimate vision, which is enhancing overall OP.

# 2.2 Strategic planning

As a branch of management, strategic management is considered one the most important practices for organisations that help them achieve superior performance. Strategic management focusses on three important phases, namely, strategy formulation, strategy implementation and strategy controlling. Strategy formulation or strategic planning, is the first important step that is concerned on planning the future of organisations.

A company's valuable strategic resources determine its performance in competitive environments, according to the company's RBV (Collis and Montgomery, 2008). Kachaner *et al.* (2016) suggested that many organisations do not have an active strategic planning system, resulting in poor strategy and poor overall performance.

Moreover, Lederer *et al.* (2017) confirmed that a key goal of strategic management is to ensure the execution of strategies in organisations' daily operating business processes. Sometimes, however, plans are not reported or directly linked to business processes, and therefore mid-term targets are sometimes not available (Lederer *et al.*, 2017).

In their contribution to the same field, Kachaner *et al.* (2016) differentiated the time horizons on which strategic planning is carried out in successful firms and its implementation. Strategic planning and implementation should be carried out on three different time horizons, namely, long-term time horizon, validating or redefining the company's purpose, vision and values of the organisation. Five years or more should be contemplated. In the medium term, the aim should define the measures needed to achieve the vision of the organisation, usually within the next three–five years. The emphasis should be on identifying specific action plans that identify the strategic initiatives needed. In the short term, the goal should be to explore options and accelerate the execution of the strategy.

According to Gkliatis and Koufopoulos (2013), strategic planning has major dimensions that should be considered: functional coverage, centralisation and time horizon of planning, planning formality and internal and external orientation. They highlighted the positive outcomes/benefits of planning in accordance with the opinions of executives and the financial performance of five-star hotels in Greece that were examined.

In literature, many definitions have been given to the term strategic planning. For example, Steiner (1979, p. 16) defined:

[...] strategic planning is not a simple aggregation of functional plans or an extrapolation of current budgets. It is truly a systems approach to manoeuvring an enterprise over time through the uncertain waters of its changing environment to achieve prescribed aims.

In a theoretical insightful perspective, Albrecht (2002) suggested that understanding what an organisation is capable of doing well in the sense of strategic planning and focussing on



results is important. Therefore, he suggested that revisiting the vision and the task can be useful irrespective of what the planning structures are, as they are meant to describe the business.

Previously, Ackoff (1974) identified the potential benefits of organisational planning that arise after engaging in the strategic planning process for organisations. Gerbing *et al.* (1994) indicated that for an enterprise, strategic planning's benefits are crucial and important. They believe that apart from making a positive contribution to financial performance, these benefits could also be essential for an entire organisation's welfare. Those benefits demonstrate an organisation's ability to solve tactical issues.

Figure 1 illustrates the relationships between management, strategic management and strategic planning. Strategic planning is clearly part of strategic management (formulation stage) and strategic management is a branch of management (according to the five principles of management, namely, planning, organising, staffing, leading and controlling). Hence, strategic management is considered a management discipline that focusses on linking management into strategies. Therefore, this relationship is likened to a father, son and grandson relationship.

SWOT analysis is one of the strategic planning's most common methods (Lu, 2010). It is the first step to analyse an organisation's internal environment. SWOT is an acronym for strengths, weaknesses, opportunities and threats. It was developed in the 1960s, by Learned *et al.* (1965) and Weihrich (1982) popularised it.

As parts of strategic planning components, vision and mission are provided by taking into account all internal and external factors, although they are somewhat considered internal factors. Darbi (2012) believed that the proper vision and mission definition would enhance the performance of employees in pursuit of corporate strategies. Bratianu and Balanescu (2008) concluded that vision and mission are important because they demonstrate a company's ability to transform these statements of vision, mission and core value into powerful integrators in the development of their intellectual capital.

A vision articulates an enterprise's desired future. A vision includes a corporate strategy's intellectual framework, which describes a strategic direction and offers a conceptual map of





how an organisation moves from its current reality to a desired future state. A vision is also a source of motivation (Mirvis *et al.*, 2010). Previous studies found that a driving force behind personal responsibility is human values.

By incorporating vision, mission and values into a collection of "governing ideas" for a business, we can implement them as the "what" picture of the future as vision, the "why" existence of the organisation as mission and the "how" acting to implement vision and mission.

#### 2.3 Relationship between strategic planning and organisational performance

The competitive nature of the current business environment has exposed the importance of strategic planning to maximise profit. Strategic planning is simply an instrument that can be defined as a business vision achievement guide (Bryson, 2011). A strategic planning process illustrates a company's mission and vision. It covers internal and external business contexts that define a company's operations (Hervani *et al.*, 2005). Owing to strategic planning's insight into organisational adequacy and ability to track results, the importance of strategic planning has been widely recognised worldwide. Strategic planning is an important component of strategic management conduct (Julian, 2013).

Many research studies reported positive and significant impacts of strategic planning on OP (Al-Dhaafri and Al-Swidi, 2016; Donkor *et al.*, 2018; Fadol *et al.*, 2015; Glaister *et al.*, 2008; Hill *et al.*, 2014). Thus, the following hypothesis is proposed:

H1. Strategic planning has a positive and significant impact on OP.

# 2.4 Strategy implementation

The focus of strategic planning is to shift strategic planning into implementation and then controlling. Strategic planning or strategy formulation is the first step in strategic management. It should follow with another step that will converted the written plans into execution. Strategy implementation is considered a complex process in which linear models project the implementation process as something rational and systematic (Kazmi, 2008). Strategy implementation is the process of transforming strategic intentions into actions. According to Fennelly (1998), strategic management is that all organisations scan the environment, develop and implement strategies to react to this environment and seek strategic control system to feed back to the process of formulation and implementation of strategy (Figure 2).

According to Figure 2; Allio (2005) explained the period of the implementation programme as five steps, namely, refining vision and strategy, crafting individual implementation programmes, integrating implementation programmes, ratifying the strategies and implementation programmes and the last step is implementation. In another empirical study, Obeidat *et al.* (2017), found that four of the operational process factors, namely, resource availability, communication, operational planning and control and feedback, strongly affect the success of strategy implementation. They analysed 11 key implementation factor of strategy, namely, strategy development, environmental uncertainty, organisational structure, organisational culture, leadership, operational planning, resource allocation, communication, people, control and outcome.

#### 2.5 Relationship between strategy implementation and organisational performance

Implementation of the strategy is the process, which implements the strategies and plans to achieve business objectives and expectations. Implementing the business strategy for the





company is as more relevant than their approach (Sage, 2015; Balarezo and Nielsen, 2017). Therefore, Strategy implementation is significant due to the expected failure to carry out a strategy that can render opportunities lost (Slater *et al.*, 2010). Over the past two decades growing attention has been paid to the links between strategy and performance measurement (Micheli *et al.*, 2011). Issues relating to the implementation of the strategy, performance measurement and Alignment is particularly relevant for diverse groups of businesses, as ties between headquarters and branches and between the company and corporate units from a profitability and market performance point of view, of primary importance (Dossi and Patelli, 2008).

Several scholars have noted how necessary it is to formulate and execute an explicit strategy and emphasised how it is not enough to formulate a plan to improve market performance rather, execution of the plan is essential to ensuring strong performance (Kaplan and Norton, 2000; Love *et al.*, 2002). Most of the previous studies focussed on the first phase of the strategic planning process and there is lack of available literature concerning the implementation process of an organisation's strategy and fewer ones that analyse the factors affecting the implementation phase (Miller *et al.*, 2004; Hrebiniak, 2006; McKeown, 2011).

According to the finding of Akhtar and Sushil (2018), strategy planning, strategy implementation, strategic flexibility, strategic performance management design, information system flexibility, implementation issues and critical success factors and performance feedback and learning are the macro-level factors impacting the strategic performance management system effectiveness in measuring and managing the performance of the organisation. They argued that traditional management of performance system were based mostly on productivity and financial measures but in the past 25 years, many other measures focussed on how performance can be measured such as customer satisfaction, quality, effectiveness, efficiency, employee satisfaction and innovation. To have empirical evidence from the public sector, the following hypothesis were postulated:

H2. Strategy implementation has a positive and significant impact on OP.



#### 2.6 Organisational excellence

Organisational excellence has several main principles, that is, emphasis on performance and customer satisfaction, leadership and specific priorities, process and fact management, employee growth and engagement, learning, innovation and creativity and social responsibility (Goetsch and Davis, 2006; Houshi and Taleghani, 2016). Organisational excellence is the creation and implementation of strategies to achieve operational consistency in compliance with an organisation and its environment, preserving the process of implementing these plans and updating them on the basis of total quality management methods, continuous improvement and organisational learning (Perkmann *et al.*, 2011; Goetsch and Davis, 2006; Houshi and Taleghani, 2016).

Excellence is a strategic tool that helps organisations achieve good quality and competitive advantage in achieving their objectives (Ahmad, 2019). Excellence is a way for organisations to assess their performance, identify other opportunities for improvement and gain a competitive position amongst market competitors and allow them to maintain a stable environment (Tsiotras *et al.*, 2016). Organisational excellence also helps organisations enhance their areas of operation and achieve their desired results (Lasrado and Uzbeck, 2017).

In the relationship between excellence and performance, the challenge is to identify, which one of them can lead to the other. Other considerations should be included in the answer to this question such as their significance, organisational objectives and procedures implemented. Organisational excellence can, therefore, be the ultimate goal to gain rewards and recognition and can be a tool and strategy of performance enhancement and development (Al-Dhaafri and Al-Swidi, 2016).

Antony and Bhattacharyya (2010) explored the relationship between organisational excellence and OP. They found a positive relationship between these constructs, which allows leaders in their organisations to consider them when implementing initiatives and strategies. Furthermore, Ooncharoen and Ussahawanitchakit (2008) also found the same positive and significant effect between organisational excellence and performance.

In the literature, numerous works have investigated the various relationships between the models of excellence. In particular, the leadership influence of strategy is unarguable. Research articles on models of excellence have highlighted this relationship (Jayamaha *et al.*, 2008; Heras-Saizarbitoria *et al.*, 2012). Several studies of models of excellence and how certain models affect performance have been done such as those of Calvo-Mora *et al.* (2014) and Sabella *et al.* (2014).

According to Raharjo and Eriksson (2017), many studies clarified the relevance and directions in excellence models between different criteria. Most studies such as those of Samson and Terziovski (1999), Curkovic *et al.* (2000), Lee *et al.* (2003), Moon *et al.* (2011) and Calvo-Mora *et al.* (2014) analysed data from private organisations. Nevertheless, as the models are standardised in nature, arguing that the business excellence models are not relevant for public organisations is difficult. Research on the use of models of business excellence in public organisations is generally limited.

Three research on public organisations investigated the implementation of business excellence models of Eskildsen *et al.* (2004), Gómez-Gómez *et al.* (2011) and Raharjo *et al.* (2015). However, public and private sectors have differences. Most findings do not contradict the results that have been reported by studies in private organisations as to whether the approaches suggested in the models of excellence are statistically significant. Evidence shows that most of the paths are empirically (non-zero) in the public organisations, as stated in the concept of excellence (Raharjo and Eriksson, 2017).



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# 2.7 The relationship between strategic planning, strategy implementation organisational excellence and organisational performance

Organisational excellence is important as a practice to strengthen the role of strategic planning and strategy implementation for the sake of OP improvement. Many studies found that strategic planning is important but can sometimes lead organisations to failure due to its complicated procedures especially the implementation process. Some small companies do not have any strategic plans but continue to succeed. Therefore, strategic planning contributes only 30% in achieving goals according to one study. However, this percentage is important to firms and can differentiate them from their competitors. How the best outcomes can be achieved by implementing strategic planning is a question that this study will answer. This study will involve excellence as an intangible construct that can lead organisations to achieve competitive advantages according to RBV theory.

In view of the above concerns, this research will consider another important factor, organisational excellence, to empirically improve the analysis of the strategic planning and implementation–performance relationship with a particular focus on service industries. Therefore, the following hypotheses are introduced:

- H3. Strategic planning has a positive and significant effect on organisational excellence.
- H4. Strategy implementation has a positive and significant effect on organisational excellence.
- H5. Organisational excellence has a positive and significant effect on OP.
- *H6.* Organisational excellence mediate the relationship between strategic planning and OP.
- *H7.* Organisational excellence mediate the relationship between strategy implementation and OP.

The below model aligns with previous research highlighting the important integration of strategic planning and strategy implementation (Kaplan and Norton, 1996) (Figure 3).

# 3. Research methodology

To evaluate the proposed theoretical framework, a quantitative analytical technique was used to examine the significant relationships between the variables of the study. A survey questionnaire was used to collect data from the Dubai police. Quantitative methodology is





conducted in this study because of its suitability to investigate the correlational relationships between constructs.

# 3.1 Instrument and measurement

To examine the relationships between strategic planning, strategy implementation organisational excellence and OP, the survey questionnaire has (41) items. The survey questionnaire was originally tested by three practitioners and two academics to verify the content validity. Items in the questionnaire were adopted and adapted from many previous studies that were found in the literature review. In consideration of the language of these studies, the original version of the questionnaire was english. It was then translated into Arabic (as the mother tongue of the respondent) and then retranslated to ensure proper comprehension and comparability between the two versions.

The independent variable is strategic planning and its items were adopted from Terziovski and Samson (1999). The five-point Likert scale was used for independent variables ranging from 1 = "strong disagree" to 5 = "strongly agree". Strategy implementation's items were adopted from Wu *et al.* (2004). The mediating variable is organisational excellence and its items were adopted from Pinar and Girard (2008) using a five-point Likert scale ranging from 1 = "strongly disagree" to 5 = "strongly agree". OP is proposed to be a dependent variable that is measured by adopting 15 items adapted from Kaplan and Norton (1992) using a five-point Likert scale ranging from 1 = "strongly disagree" to 5 = "strongly disagree".

# 3.2 Pretesting

Originally, 41 items were intended to gather data from respondents for all variables. The items were obtained from various sources to ensure that the instrument is accurate, correct and reliable. A pre-test was carried out using 30 questionnaires in the pilot study. Cronbach's alpha was extracted using SPSS (Sekaran, 2003) to test the validity of the variables. The tests showed good internal consistency according to Nunnally (1978), who suggested a cut-off value of 0.70. Before this analysis, questionnaire items were screened by selected respondents to obtain initial feedback about their consistency.

# 3.3 Sampling and data collection

The Dubai police was chosen as a field of study to collect data from respondents and then test the proposed model. Owing to their awareness of the activities and methods under review, sub-departments and their middle managers were target respondents in this study. The questionnaire survey was sent to respondents via email and as a hard copy. Ultimately, 280 questionnaires were received and used for analysis, which represents 49% as a response rate.

# 4. Statistical analysis and results

# 4.1 Profile of respondents

As shown in Table 1, the demographic information of respondents were classified into three categories. The collected data was composed of 244 responses from the Dubai police departments. Respondents consisted of 212 male and 32 female employees, which represent 86.89% and 13.11%, respectively. In terms of educational attainment, 58.20% of respondents possess a college degree, 19.67% have a high school diploma, 13.52% attained graduate studies and only 8.61% have educational attainment below high school. Finally, 61.89% of respondents have more than 10 years in the organisation.



#### Table 1 Participants' demographic information

| Demographic variable | Category          | Frequency<br>(N = 244) | (%)   |
|----------------------|-------------------|------------------------|-------|
| Gender               | Male              | 212                    | 86.89 |
|                      | Female            | 32                     | 13.11 |
| Qualifications       | Under high school | 21                     | 08.61 |
|                      | High school       | 48                     | 19.67 |
|                      | College degree    | 142                    | 58.20 |
|                      | Graduate studies  | 33                     | 13.52 |
| Experiences          | 0–5 years         | 37                     | 15.16 |
|                      | 6–9 years         | 56                     | 22.95 |
|                      | 10 years or more  | 151                    | 61.89 |

#### 4.2 Structure equation modelling results

As a non-parametric model testing technique, the partial least square structural equation modelling (PLS-SEM) is popular in the management literature.

Wold (1982) suggested PLS-SEM as a common method used in path models in the estimation of causal relationships to calculate latent constructs. The PLS-SEM algorithm, however, is essentially a regression sequence to achieve convergent fixed-point equations. PLS has the ability to predict a limited number of test path models even though their distribution is highly skewed (Bagozzi, 1994).

In this study, the measurement model was examined by using model validity and reliability before examining hypotheses in the structural model as detailed in the following sections:

4.2.1 The measurement, outer model. The estimation model was validated using the PLS-SEM methodology prior to testing the proposed hypotheses. To this end, this analysis was accompanied by a two-stage approach suggested by Anderson and Gerbing (1988).

Reliability and validity of the construct were tested by using content validity, convergent validity and discriminant validity.

4.2.2 Content validity. Content validity is known and defined in the multivariate analysis literature as the case when items used to measure a construct display in the same model have higher loads on their constructs than the other constructs. Therefore, as stated by Chin (1998) and Hair *et al.* (2010), the loading variable has been used to test content validity if items are loaded higher in dimensions other than their loads, then they will be excluded.

According to the results shown in Table 2, all items loaded on their respective constructs more than the constructs of other forms. The results show the significance of the factor loading of all the variables' products on their respective constructs. This finding confirmed the content validity of the measurement method.

4.2.3 Convergent validity. Convergent validity is the degree to which a set of items converge to measure a given construct (Hair *et al.*, 2010). The factor loading, composite reliability and the average variance extracted (AVE) can be studied throughout the SEM literature.

Therefore, for calculating constructs with at least 0.7 for variable loading and composite reliability and at least 0.5 AVE, the loading should be strongly loaded and statistically significant, as shown in Table 3. The results showed that the results met the cut-off values, and thus verified the model's convergent validity (Bagozzi and Yi, 1988).



| Table 2   Significant factor loadings |        |          |                |         |                 |  |
|---------------------------------------|--------|----------|----------------|---------|-----------------|--|
| Construct                             | ltems  | Loadings | Standard error | t-value | p <i>-value</i> |  |
| Organisational excellence             | EXP1   | 0.825    | 0.027          | 28.631  | 0.000           |  |
|                                       | EXP2   | 0.850    | 0.015          | 59.990  | 0.000           |  |
|                                       | EXP3   | 0.815    | 0.032          | 22.074  | 0.000           |  |
|                                       | EXP4   | 0.724    | 0.056          | 10.472  | 0.000           |  |
|                                       | EXC1   | 0.804    | 0.033          | 23.587  | 0.000           |  |
|                                       | EXC2   | 0.894    | 0.032          | 23.614  | 0.000           |  |
|                                       | EXC3   | 0.888    | 0.026          | 29.714  | 0.000           |  |
|                                       | EXI1   | 0.807    | 0.022          | 38.472  | 0.000           |  |
|                                       | EXI2   | 0.881    | 0.013          | 68.022  | 0.000           |  |
| 00                                    | EXI3   | 0.858    | 0.010          | 88.484  | 0.000           |  |
| OP                                    | OPC4   | 0.772    | 0.010          | 89.432  | 0.000           |  |
|                                       | OPC5   | 0.645    | 0.019          | 41.107  | 0.000           |  |
|                                       | OPC6   | 0.734    | 0.034          | 21.036  | 0.000           |  |
|                                       |        | 0.744    | 0.028          | 27.960  | 0.000           |  |
|                                       | OPEN   | 0.749    | 0.019          | 42.307  | 0.000           |  |
|                                       | OPF2   | 0.009    | 0.020          | 20.940  | 0.000           |  |
|                                       | OPI10  | 0.793    | 0.012          | 17 022  | 0.000           |  |
|                                       | OPI11  | 0.554    | 0.041          | 16.064  | 0.000           |  |
|                                       |        | 0.010    | 0.043          | 10.904  | 0.000           |  |
|                                       |        | 0.692    | 0.031          | 20.910  | 0.000           |  |
|                                       |        | 0.091    | 0.020          | 36 389  | 0.000           |  |
|                                       |        | 0.787    | 0.023          | 36 759  | 0.000           |  |
|                                       |        | 0.707    | 0.021          | 13 643  | 0.000           |  |
|                                       | OPL 15 | 0.672    | 0.010          | 42.040  | 0.000           |  |
| Strategic planning                    | SP1    | 0.854    | 0.010          | 42.400  | 0.000           |  |
| Strategie planning                    | SP2    | 0.663    | 0.013          | 62 757  | 0.000           |  |
|                                       | SP3    | 0.000    | 0.011          | 80.290  | 0.000           |  |
|                                       | SP4    | 0.742    | 0.014          | 58 601  | 0.000           |  |
| Strategy implementation               | SI1    | 0.673    | 0.062          | 10 979  | 0.000           |  |
| ettatogy implementation               | SI2    | 0 795    | 0.058          | 13 688  | 0.000           |  |
|                                       | SI3    | 0.667    | 0.076          | 8 702   | 0.000           |  |
|                                       | SI4    | 0.621    | 0.113          | 4.774   | 0.000           |  |
|                                       | SI5    | 0.646    | 0.075          | 8.765   | 0.000           |  |
|                                       | SI6    | 0.666    | 0.075          | 9.014   | 0.000           |  |
|                                       | SI7    | 0.749    | 0.049          | 15.329  | 0.000           |  |
|                                       | SI8    | 0.759    | 0.072          | 10.605  | 0.000           |  |
|                                       | SI9    | 0.744    | 0.080          | 9.188   | 0.000           |  |
|                                       | SI10   | 0.789    | 0.075          | 10.410  | 0.000           |  |
|                                       | SI11   | 0.822    | 0.058          | 13.968  | 0.000           |  |
|                                       | SI12   | 0.711    | 0.058          | 12.312  | 0.000           |  |
|                                       | SI12   | 0.711    | 0.058          | 12.312  | 0.000           |  |

In addition, construct reliability was tested by comparing the Cronbach's alpha values with the composite reliability values as described in Table 2. The cut-off value of 0.7 was indicated by previous researchers such as Nunnally (1978) and Hair *et al.* (2010). The results showed that the Cronbach's alpha and the composite reliability values are higher than 0.7, which confirmed the adequacy of items to measure their respective constructs and have the proper reliability.

4.2.4 Discriminant validity. Discriminant validity was defined in SEM literature as the degree to which a set of items can distinguish a construct from other constructs in the model. Fornell and Larcker (1981) proposed a suggestion depending on the diagonal elements that should be higher values (AVE's square roots) than respective rows and columns as shown in Table 4, which confirmed the discriminant validity, and therefore confirm the suitability of measurement.



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| Table 3   Convergent validity analysis |  |  |                 |                               |                          |                  |
|--|--|--|-----------------|-------------------------------|--------------------------|------------------|
| Construct                              | t  | Items  | Loadings        | Cronbach's alpha              | $CR^{a}$                 | AVE <sup>b</sup> |
|  |  | EXP1   | 0.825           | 0.952                         | 0.959                    | 0.699            |
|  |  | EXP2   | 0.850           |                               |                          |                  |
|  |  | EXP3   | 0.815           |                               |                          |                  |
|  |  | EXP4   | 0.724           |                               |                          |                  |
| Organisa                               | tional excellence  | EXC1   | 0.804           |                               |                          |                  |
|  |  | EXC2   | 0.894           |                               |                          |                  |
|  |  | EXC3   | 0.888           |                               |                          |                  |
|  |  | EXI1   | 0.807           |                               |                          |                  |
|  |  | EXI2   | 0.881           |                               |                          |                  |
| 00                                     |  | EXI3   | 0.858           | 0.000                         | 0.004                    | 0 501            |
| OP                                     |  | OPC4   | 0.772           | 0.923                         | 0.934                    | 0.501            |
|  |  | OPC5   | 0.645           |                               |                          |                  |
|  |  |  | 0.734           |                               |                          |                  |
|  |  |  | 0.744           |                               |                          |                  |
|  |  | OPEN   | 0.749           |                               |                          |                  |
|  |  | OPF2   | 0.009           |                               |                          |                  |
|  |  | OPF3   | 0.793           |                               |                          |                  |
|  |  | OPI10  | 0.554           |                               |                          |                  |
|  |  | OPITI  | 0.516           |                               |                          |                  |
|  |  | OPIO   | 0.692           |                               |                          |                  |
|  |  |  | 0.091           |                               |                          |                  |
|  |  | OPL12  | 0.764           |                               |                          |                  |
|  |  | OPL13  | 0.787           |                               |                          |                  |
|  |  | OPL 14   | 0.090           |                               |                          |                  |
| Stratagia                              | planning   | OFLID<br>OFLID                                     | 0.072           | 0 724                         | 0.021                    | 0 552            |
| Siraleyic                              | pianing  | 3F 1<br>SP2  | 0.654           | 0.734                         | 0.031                    | 0.555            |
|  |  | 0F2<br>6D2   | 0.003           |                               |                          |                  |
|  |  | 0F0<br>8D4   | 0.701           |                               |                          |                  |
| Stratoqui                              | molementation  | SF4<br>SI1   | 0.742           | 0.01/                         | 0.927                    | 0.515            |
| Siraleyyi                              | Πριεπιεπιατίοπ   | 512  | 0.075           | 0.314                         | 0.321                    | 0.010            |
|  |  | 512  | 0.735           |                               |                          |                  |
|  |  | SIA  | 0.007           |                               |                          |                  |
|  |  | SI5  | 0.646           |                               |                          |                  |
|  |  | SIG  | 0.666           |                               |                          |                  |
|  |  | SI7  | 0.000           |                               |                          |                  |
|  |  | SI8  | 0.759           |                               |                          |                  |
|  |  | SI9  | 0.744           |                               |                          |                  |
|  |  | SI10   | 0.789           |                               |                          |                  |
|  |  | SI11   | 0.822           |                               |                          |                  |
|  |  | SI12   | 0.711           |                               |                          |                  |
| Notes: <sup>a</sup> C<br>loading) 2    | $CR = (\Sigma \text{ factor load})$<br>$\Omega/(\Sigma (\text{factor loading}))$ | ing) $2/{(\Sigma factor)}$<br>$2 + \Sigma$ (varian | tor loading) 2) | $+ \Sigma$ (variance of error | )}. <sup>b</sup> AVE = 2 | $\Sigma$ (factor |

| Table 4         Correlations of disc                  | riminant validity       |                |       |       |
|---|-------------------------|----------------|-------|-------|
| Construct   | OE                      | OP             | SP    | SI    |
| Organisational excellence<br>OP<br>Strategic planning | 0.836<br>0.699<br>0.751 | 0.853<br>0.744 | 0.866 |       |
| Strategy implementation                               | 0.623                   | 0.672          | 0.527 | 0.718 |



# 4.3 Structural model (inner model) and hypotheses testing

After confirming the measurement model by examining different validities in the previous sections, the postulated hypotheses were examined as a structural model by running the SmartPLS algorithm and bootstrapping. Path coefficient and their significance were extracted to confirm the model adequacy and see whether the hypotheses supported or not (Figures 4 and 5).

Figure 5 and Table 5 show that strategic planning has a positive and important impact on OP at 0.05 ( $\beta = 0.493$ , t = 6.396, p < 0.001), which supports H1. The second hypothesis' finding also supports the positive and significant effect of strategy implementation on OP ( $\beta = 0.182$ , t = 3.127, p < 0.01). The effect of strategic planning and strategy implementation on organisational excellence were also found to be positive and significant ( $\beta = 0.584$ , t = 5.487, p < 0.001), ( $\beta = 0.315$ , t = 3.130, p < 0.01), respectively, and therefore supported H3 and H4.

Likewise, organisational excellence has a positive and significant impact on OP ( $\beta$  = 0.752, *t* = 5.016, *p* < 0.001), which confirms H5.

The five tested hypotheses support the importance of the internal unique practices that lead to enhance OP, and therefore achieve competitive advantages.

The mediating role of organisational excellence was proposed between strategic planning, strategy implementation and OP according to H6 and H7. These relationships were examined in Table 6, which shows the partial mediating role of organisational excellence between strategic planning and OP ( $\beta = 216$ , t = 3.402, p < 0.01) and partial mediating role of organisational excellence between strategic planning and OP ( $\beta = 216$ , t = 3.402, p < 0.01) and partial mediating role of organisational excellence between strategic planning and OP ( $\beta = 0.117$ , t = 2.859, p < 0.01).

The partial mediating effect was suggested because of the inconsistent results in the direct effect between strategic planning, strategy implementation and OP. Organisational excellence achieved 70% and 81% variation on OP on the basis of the variation accounted for proposed by Hair (2014). The mediating impact of organisational excellence has, therefore, been confirmed and H6 and H7 were supported.







| Table 5         Hypotheses testing results  |   |                         |                         |                         |                                     |
|---|---|-------------------------|-------------------------|-------------------------|-------------------------------------|
| No Hypothesis   | Path<br>coefficient   | Standard<br>error       | t-<br>value             | p-<br>value             | Decision                            |
| H1 Strategic planning $\rightarrow$ performance<br>H2 Strategy implementation $\rightarrow$<br>performance  | 0.493 <sup>***</sup><br>0.182 <sup>**</sup>                         | 0.077<br>0.058          | 6.396<br>3.127          | 0.000<br>0.002          | Supported<br>Supported              |
| <i>H3</i> Strategic planning $\rightarrow$ excellence<br><i>H4</i> Strategy implementation $\rightarrow$ excellence<br><i>H5</i> Excellence $\rightarrow$ performance | 0.584 <sup>***</sup><br>0.315 <sup>**</sup><br>0.752 <sup>***</sup> | 0.107<br>0.101<br>0.074 | 5.487<br>3.130<br>5.016 | 0.000<br>0.002<br>0.000 | Supported<br>Supported<br>Supported |
| Notes: *** $p < 0.001$ ** $p < 0.01$ ** $p < 0.05$  |   |                         |                         |                         |                                     |

# 4.4 Predictive relevance of the model

The predictive significance of the model is to measure the power of the function by using cross-validated redundancy, Cross-validated and  $R^2$ .  $R^2$  is the variation described by the independent (exogenous) variable of the dependent variable (endogenous).

Table 7 shows that strategic planning, strategy implementation and organisational excellence explained 86% of OP. As suggested by Cohen (1988),  $R^2$  is considered substantial with values in excess of 0.26, moderate with values in excess of 0.13 to 0.26 and weak with values in excess of 0.02 to 0.13. According to the results, these values are deemed significant, which suggests the strength of the frameworks in this model to explain an organisation's performance.

The model's consistency was measured using values of cross-validated redundancy and cross-validated society. The SmartPLS blindfolding approach was used to derive their values. Blindfolding technique is based on omitting some data values and then measuring them as missing values. After their values are produced, a comparison will be applied to decide how close the actual results are.



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|                                 | ision                       | ial mediation  | ial mediation  |              |
|---------------------------------|-----------------------------|--|--|--------------|
|                                 | Dec                         | Parti  | Parti  |              |
|                                 | Variance<br>accounted for   | 0.507  | 0.818  |              |
|                                 | t-<br>value                 | 6.396  | 3.127  |              |
|                                 | C'<br>Path<br>coefficient   | 0.493  | 0.182  |              |
|                                 | t-<br>value                 | 9.247  | 3.999  |              |
|                                 | c<br>Path<br>coefficient    | 0.721  | 0.293  |              |
|                                 | t-<br>value                 | 3.402  | 2.859  |              |
|                                 | a* b<br>Path<br>coefficient | 0.216  | 0.117  |              |
|                                 | t-<br>value                 | 5.016  | 5.016  |              |
|                                 | b<br>Path<br>coefficient    | 0.369  | 0.369  |              |
|                                 | t-<br>value                 | 5.487  | 3.130  |              |
| S                               | a<br>Path<br>coefficient    | 0.584  | 0.315  |              |
| ple 6 Mediation analysis result | p.<br>Hypothesis            | Excellence mediate the<br>relationship between strategic | planning and performance<br>Excellence mediate the<br>relationship between strategy<br>implementation and<br>performance | e: *p < 0.05 |
| Tat                             | Л<br>И                      | ΗG   | H7   | Not          |

| Table 7   | Prediction relevance of the model |                              |                               |
|-----------|-----------------------------------|------------------------------|-------------------------------|
| Construct | $R^2$                             | Cross-validity<br>Redundancy | Cross-validity<br>Communality |
| OP        | 0.864                             | 0.366                        | 0.382                         |

The predictive quality of the model is evaluated to be more than 0 or the outcome of the cross-redundancy values will not be verified. Table 7 shows the values of 0.366 for the cross-validated redundancy organisational results. Thus, the value verified that the predictive efficiency of the model is adequate.

#### 4.5 Goodness-of-Fit of the model

One method is used to calculate the fitness of the model in PLS-SEM, according to Tenenhaus *et al.* (2005). To perform the method, the endogenous variable's average  $R^2$  and AVE geometric mean are calculated in the equation below:

$$Gof = \sqrt{(-R^2 \times -AVE)}.$$

The cut-off values suggested by Wetzels *et al.* (2009) for Goodness-of-Fit (GoF) are (0.36 =large, 0.25 = medium, 0.1 = small). This study's GoF was 0.709, which according to the values in Table 8 is considered large and concludes the adequacy of the validity of the model.

#### 5. Discussions and conclusion

The study's main goals are to investigate the effect of strategic planning, strategy implementation and organisational excellence on OP. A new model was built to better evaluate these relationships because of the inconclusiveness of the relationships between these variables in the previous results. Therefore, data are needed to evaluate the model generated to be tested in the Dubai police department as a field of study. Data were collected and analysed by using PLS-SEM methodology through SmartPLS.

Statistical analysis results supported the postulated hypotheses. Positive and significance was the outcome of the relationship between strategic planning and OP, thereby supporting H1 ( $\beta$  = 0.493, *t* = 6.396, *p* < 0.001). This result aligns with other previous studies that confirmed the positive and significant impact of strategic planning on OP (Al-Dhaafri and Al-Swidi, 2016; Donkor *et al.*, 2018; Fadol *et al.*, 2013; Glaister *et al.*, 2008; Hill *et al.*, 2014). The result of the second hypothesis about the relationship between strategy implementation and OP also was supported ( $\beta$  = 0.182, *t* = 3.127, *p* < 0.01) and align with other previous results (Joanna *et al.*, 2014; Rapert *et al.*, 2002; Rofiaty, 2019).

The relationship between strategic planning and organisational excellence was positive and significant (( $\beta = 0.584$ , t = 5.487, p < 0.001), which supports H3. Similarly, the relationship between strategy implementation and organisational excellence was positive and significant ( $\beta = 0.315$ , t = 3.130, p < 0.01), which supports H4. Organisational excellence and its impact on OP are also positive and significant at the 0.001 level of significance ( $\beta = 0.752$ , t = 5.016, p < 0.001), which was similar to previous results (Calvo-Mora *et al.*, 2014; Sabella *et al.*, 2014).

| Table 8   | GoF   |       |       |
|-----------|-------|-------|-------|
| Construct | $R^2$ | AVE   | GoF   |
| Average   | 0.864 | 0.567 | 0.700 |



The most important hypotheses are H6 and H7 that proposed the mediating role of organisational excellence on the relationship between strategic planning, strategy implementation and OP also have significant results. Organisational excellence has the intervening power between strategic planning and OP ( $\beta = 216$ , t = 3.402,  $\rho < 0.01$ ) and between strategy implementation and OP ( $\beta = 0.117$ , t = 2.859,  $\rho < 0.01$ ).

# 5.1 Theoretical implications

The results of this study have various theoretical contributions. Prior studies have not examined the constructs as in the model of the current study, which contribute to the existing body of knowledge. Therefore, this research is one of the most important studies to close the gaps in the current knowledge base by integrating important internal factors such as strategic planning and implementation and operational excellence, that can enhance OP.

In some circumstances, strategic planning is considered a technique that contributes to performance enhancement. In other situations, consistency is also considered an integral part of the application of strategic planning.

Strategic planning clearly has a strong effect on OP. However, how it can be implemented and what factors are involved and considered during the process of planning are important concerns. Therefore, it is important to use strong tool or practice as strategic planning but it is not easy to ensure the positive effect that can play in enhancing OP through its implementation. For this purpose, another powerful practice is needed to be involved to complement the model. Organisational excellence can play this role by explaining the mechanism between strategic planning, strategy implementation and OP. In addition, public sector studies are limited in general, especially in the Middle Eastern countries. Therefore, police departments, in this study, can contribute to this field by closing this gap.

In addition to these contributions, the current study will contribute to RBV theory by involving new constructs that help understand the importance of intangible internal resources in performance enhancement and lead organisations to gain competitive advantages.

#### 5.2 Practical implications

In practice, the results of the study will increase awareness amongst managers, practitioners and decision-makers. Armed with new knowledge, they can integrate the study variables to enhance their OP and consider excellence factors when implementing a strategic planning approach to gain competitive advantages and lead their organisation to achieve their objectives.

Owing to challenges in adopting strategic planning, the results of this study are relevant that organisations should always consider planning to implement strategies and practices that will help them have the proper planning with a culture of support. Without a culture of excellence, a major failure would result in organisational changes that will cause negative consequences from strategic planning.

#### 5.3 Suggestions for future research

This study has made several contributions and insights. However, some limitations can be considered future research subjects. Only one public organisation was the source of collected data in this study, which limits the generalisability of the findings to other public organisations.

Therefore, future research is proposed to collect data from other perspectives such as other public organisations or private firms. Ultimately, future research can use a longitudinal analysis approach to analyse the study's model and identify the dynamic changes in the relationships between the variables.



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# Corresponding author

Hassan Al-Dhaafri can be contacted at: hassan\_saleh3@hotmail.com

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