

## Do strategic planning dimensions and transformational leadership contribute to performance? Evidence from the banking sector

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### ABSTRACT

While some organizations realize the important role of strategic planning (SP) and leadership in influencing their business performance, it is unknown what SP dimensions and leadership style are required to improve the performance of banking institutions. The purpose of this study is to investigate the effects of transformational leadership (TL) style and SP dimensions (strategic planning level, implementation and barriers) on organizational performance. To this end, a self-administered questionnaire is distributed to a sample of 246 managerial employees from private banks in Yemen. The analysis with structural equation modelling using partial least squares indicates that TL style and SP dimensions significantly influence the performance of Yemeni banks. The results reveal that TL and SP dimensions are profoundly needed to enable Yemeni banks to propel to improved bank performance. The results draw several pertinent implications for decision makers that will help enhance the performance of the banking sector. Limitations from the findings and recommendations for further research are put forward.

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## 1. Introduction

Current organisations are challenged by the great concern for sustainable solutions from their stakeholders (Morioka et al., 2018). Organisations tend to strive hard to minimise competitive disadvantages in the management through variety of approaches and increase activities with positive effects on the natural environment, which results in profit increase and cost effectiveness (Samad, 2018a). The performance of organizations is the concern of many industries and scholars due to its impacts on their future survival and sustainability (Yusoff et al., 2019). This is no exception in the performance of the banking industry in Yemen. The performance of Yemeni banks is not at the expected level for the past few years and the trend maybe same in the coming years (Ahmad, 2016). According to Ahmad (2016), the low performance of Yemeni banks was due to the factors that are associated with leadership and strategic planning (SP). Certainly, this problem will cause a negative impact as Yemeni banks are regarded as the main contributor to the economy and growth of the nation. Thus, the performance of Yemeni banks is of major concern and if action is not taken it may diminish their overall effectiveness and organizational performance (Qatinah, 2012). This study unravels the question of whether SP and leadership influence the performance of Yemeni banks. Furthermore, while business sustainability and organizational performance (OP) connote economic, social, and environmental aspects (Samad, 2020; Martínez García de Leaniz & Rodríguez del Bosque, 2013), recent studies have emphasised the importance of strategic planning (Guo et al., 2018) and leadership in influencing future business sustainability and performance (Para-González et al., 2018; Sattayaraksa & Boon-itt, 2018). Interestingly, several studies have also highlighted the significant effect of TL style on organisational performance (Bycio et al., 1995; Howell & Avolio, 1993; Samad & Abdullah, 2012). Evidence from previous studies indicates that SP and TL are two variables that are independently related to OP (Innocent & Levi, 2017; Keror & Kilika, 2017). Additionally, scarce studies have been carried out to

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simultaneously link both SP and TL to OP in the bank industry. Samad et al. (2015) opined that multi-dimensional factors could serve as powerful predictors for OP. Being rooted in this notion, the present study is motivated by the following reasons: Firstly, much research has focused on the causes and consequences of SP on OP. This is because SP is a dominant stream and emphasises the scarcity theory, which proposes the applicability of SP on organizational outcomes (Samad et al., 2017). This study attempts to explore this topic in the context of banking industry. Secondly, debates on the link between SP and OP have alluded arguments that the success of organisations depends on the dimensions that are important in SP (Kaissi & Begun, 2008). Mixed findings in previous research (Šuklev & Debarliev, 2012) suggests that several SP dimensions such as formalised strategic planning, strategic planning formalisation and strategic planning level (SPL) are important dimensions for OP. Robertson (2011) argued that SP would be futile without considering barriers to strategic planning (BAR). Meanwhile, Saenz (2010) proposed dimensions of SP level (SPL) and implementation planning strategies (PI) as important factors to achieve OP. Different views about SP concept undeniably provide a gap that needs to be filled through scientific investigation. On another note, SP as a sole variable may not be a powerful explanatory factor for OP (Samad et al., 2015), implying the importance of exploring other variables such as TL. This is in line with Falshaw et al. (2006) who urged that the conventional notion of linking SP with OP did not necessarily increase the probability of organisational success. Furthermore, much research has epitomised the importance of TL and highlighted its significant effect on OP as it is characterised with leaders who are very visionary and inspiring in enhancing OP (Samad & Abdullah, 2012). Additionally, though recent studies have reported explicit and implicit links between TL and organizational outcomes in numerous parts of organisational theories, not much critical attention is given to understanding this concept and its effect on the performance of Yemeni banks.

To date, the effects of SP in terms of strategy at planning level (SPL), planning implementation (PI), and barriers to strategy planning (BAR) are not well understood on Yemeni banks context. Moreover, despite a myriad of studies on OP, limited empirical studies that relate these dimensions of SP and TL to OP (Campbell, 2010; Vance & Larson, 2002). The less critical literature exploring performance implications from the relationship between SP and TL justifies the study's plausibility, given the importance of these concepts in organisational functions (Njau & Ogolla, 2017). This study attempts to fill the existing gap of previous research findings by examining the effects of SP and TL on the performance of Yemeni banks, and identifies the most significant factor influencing OP.

## 2. Review of Literature

### 2.1 Organizational performance

Shahzad and Luqman (2012) relate the definitions of OP to organisations' strive towards achieving their goals, whereas Wade and Recardo (2001) refer OP to the capability of attaining goals and objectives in an organisation. Cascio (2015) defines OP as the accomplishment of a mission, in which employees execute the required tasks. Moreover, OP is also manifested from the perspective of sustainability (Hubbard, 2009), which is measured based on a model of the macroeconomic system, the approach on quality, and the balanced scorecard sustainability. OP is also defined based on financial (Šuklev & Debarliev, 2012) perspectives. The financial aspect indicates the effective management of revenue, resources, and profit by the company (Patiar et al., 2012). However, scholars have directed criticisms against unbalanced, short term, market oriented, and less competitive financial performance. These criticisms have sparked the idea of performance measures based on non-financial aspects (Kaplan & Norton, 1992; Patiar & Mia, 2015). However, such practices are rarely executed in banks, although learning and growth as well as exposure to international business perspectives, are important for them (Samad et al., 2015). The notion of addressing OP based on non-financial is due to its ability to measure many performance aspects in organisations (Samad et al., 2017). Parallel to this, Patiar and Mia (2015) concluded that leadership, market competition and management accounting system positively and significantly affected non-financial performance. In addition to the above arguments, most studies on OP have used the measure of performance based on financial indicators (Asree et al., 2010). Recent studies however have emphasised that both financial and non-financial components are vital in measuring OP (Patiar & Mia, 2015; Samad et al., 2015). Based on the discussed arguments, this study operationalises OP based on financial and non-financial performance. A successful OP system consists of crucial factors positively influencing the behaviour and attitude of employees with regard to organisation strategy and leadership. Thus, SP and TL can be assumed as factors that are vital to OP, particularly in the banking sector. Previous studies support the research framework that examines the extent SP and its dimensions along with TL are related to OP (see Fig. 1).

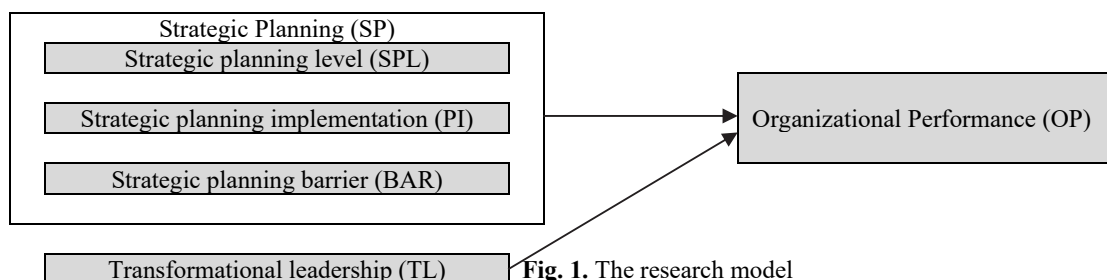


Fig. 1. The research model

## 2.2 Strategic planning

SP is linked to OP in fulfilling the needs of stakeholders and the need to be future-oriented in practices and techniques (Rohrbeck & Schwarz, 2013). SP is also referred to as the compatibility of an organisation with its environment (Johnson et al., 2017). Church and Smith (2008) defined SP which encompasses a formulation and implementation strategy. Based on a formulation strategy, managers use appropriate tools to achieve organisational goals and strategies, while in an implementation planning strategy, managers develop plans to execute and achieve goals efficiently and effectively. Saenz (2010) suggested that SP included strategy planning level (SPL) and implementation level (PI) strategies. Robertson (2011) contended that SP would not be sufficient without analysing the strategy planning barrier (BAR). To date, rare studies have been conducted on SP that focuses on the aspects of BAR in Yemeni banks. The existing gap in the literature is of concern because BAR is important for the continuation of a favourable balance between an organisation and its environment in the long run (Robertson, 2011). This suggests that integrating strategy planning barriers in SP is vital and requires further investigation. According to Robertson (2011), BAR includes communication, limited resources, and uncertainty. The present study examines a new proposed construct of SP which constitutes of SPL, PI, and the strategy planning barrier (BAR).

## 2.3 Transformational leadership

Leadership is an important element in business environments and the attention of many scholars (Waite, 2014). TL is the most popular leadership theory referred to by most scholars and practitioners (Samad et al., 2015). This is due to its ability to articulate a convincing vision, provide clear objectives and support, and stimulate followers to accomplish their tasks (Bycio et al., 1995). The ability of TL to uplift followers' ideals and raise their level of maturity, develop a sense of concern towards achievement, and foster self-confidence and care towards the well-being of members are elements that make it to be a successful leadership style. Moreover, TL creates an environment of trust that will encourage innovation in an organisation (Al-Husseini & Elbeltagi, 2016). Pioneered by Bass (1985), TL has become popular and a plethora of definitions have been proposed for it by scholars (e.g., creating a vision, encouraging human relations and sense of citizenship). The management ability of leaders according to future scenarios and the enhanced self-confidence of employees can be realised by focusing on followers' potential in communicating mission and vision statements as well as fulfilling their needs (Peterson et al., 2009). Bass and Avolio (1995) proposed a TL model encompassing four dimensions. Admired, respected, and emulated role models that put a high priority on trust, values, and ethics are linked to idealised influence (first dimension). Leaders who are able to provide meaning and also to challenge and inspire followers are linked to inspirational motivation (second dimension). On the other hand, intellectual stimulation (third dimension) refers to the ability of leaders to break traditional and unchallenging assumptions and beliefs. Meanwhile, individual consideration (fourth dimension) signifies the importance of directing every follower to fulfil their needs. These four dimensions are used in the present study.

## 2.4 Strategic planning and organizational performance

The strategic management literature has presented several models and guidelines to improve OP. One of the most used typologies is the Porter strategy model (Porter, 1980). Nevertheless, according to a new stream of thoughts, an appropriate strategy that well suits the organisational environment can only be formulated and applied. This implies that there exists no single best strategy that can lead to sustainable competitive advantage and OP. A strategy can be applied if it is appropriate to a given environment and to the needs of an organisation (Otungu et al., 2011). However, uncertainty in the external environment, global competition, growth market rate, more demanding customers, and new business orientation has forced organisations to re-evaluate their competitive strategies. This is not an exception in the banking industry, in which changes are unavoidable. (Nellis et al., 2000) contended that changes in organisations would occur due to the potential to exploit the economies of scale, lower level of domestic market concentration, and support from institutional investors. Scholars have argued that the success of any organisation is due to deliberate attempts towards creating a different and unique strategy through appropriate planning. Accordingly, SP and OP have been the focus of research for the past couple of decades (Samad, 2018b). Recent studies have indicated the positive relationship between SP and OP. Elbanna (2010) found a positive association between SP and OP in public sectors and firms in United Arab Emirates. A study in five-star hotels by Aldehayyat and AlKhattab (2012) provided positive evidence for the relationship between SP and OP. Additionally, studies conducted in banks have indicated the positive impact of SP on the performance of banks in Nigeria (Abdul, 2013), the performance of banks in Indonesia (Ridwan, 2017) and the performance of insurance companies in Nigeria (Alaka et al., 2011). SP and multiple organisation objectives are also related to subjective performance outcomes (Andersen, 2000). However, some studies have contradicted the conception and research findings that relate SP to superior OP. Al Shaikh (2001) observed a weak impact of SP on the performance of a new company, suggesting that the application of SP is ineffective at an embryonic stage of an organisation. A study by Obasan and Oginkoya (2013) revealed that SP was unable to provide a compelling influence on achieving superior performance in bank management. Previous research findings show that various SP strategies in different organisations have discriminating effects on OP. The previous inconsistent research findings justify the plausibility of this study. Subsequently, a comprehensive study regarding the effect of SP on the performance of Yemeni banks are unknown. Therefore, the present study proposes the following hypotheses:

H1a: SPL is positively related to OP.

H1b: PI is positively related to OP.

H1c: BAR is positively related to OP.

## 2.5 Transformational Leadership and performance

Previous studies have revealed the influence of TL on OP (Sattayaraksa & Boon-itt, 2018). The finding is in tandem with what Van Linden and Fertman (1998) have described transformational leaders as those who are capable of transforming and influencing followers for OP at a greater height. Transformational leaders are processed-oriented, in which followers are motivated and inspired for the exceptional achievement of organisational goals (Berson & Avolio, 2004; Johns & Moser, 2001). TL is an act of influence, a process, and the trait qualities of a person (Johns & Moser, 2001). Contrary to transactional leadership, TL changes and transforms followers by focusing on the emotions, values, ethics, standards, and long-term goals of an individual (Avolio et al., 1999). A transformational leader is described as a risk-taker and an excellent coach who builds the confidence of team members and is able to secure opportunities from the environmental situation and sustainability of the transformation process within the organisation (Banerji & Krishnan, 2000). The core tenet of TL is the ability of leaders to effectively communicate a captivating vision, elucidate obscurity among members in an organisation, and assure that everyone is in the right direction. TL is effective for developing organisations and businesses due to its pragmatism in executing significant changes, providing answers to complex issues, and creating new paradigms for sustainable solutions. Organisations such as banks have numerous responsibilities to ensure effective management and provide high-quality services to customers, as well as to propose solutions to ensure business sustainability. The banks certainly require a proactive management team to provide an appropriate and conducive environment for customers and manage their operations effectively. One such proactive measure is for the management staff at a managerial level to act as transformational leaders, who will inspire members through a shared vision and recognise their potentials. Patiar et al. (2012) suggested that motivated staff would demonstrate positive behaviours and maintain organisational efficiency. Previous studies have indicated solid support in the relationship between TL and OP. Furthermore, meta-analyses have delivered a consistent notion, in which TL would collectively stimulate the efficacy of staff members, resulting in the high OP (Sivasubramaniam et al., 2002) and other positive attitudinal and behavioural aspects in organisation (Judge & Piccolo, 2004). A significant and positive relationship was observed between transformational leaders' competencies and the organisation effectiveness in Kenyan indigenous banks (Louw et al., 2017). Most studies have concluded that the role of transformational leaders is vital during crisis and change, as it helps craft new ideas and future strategic directions, in line with the vision of the organisation. Being derived from the above articulations, the hypothesis H2 is developed as follows:

H<sub>2</sub>: TL is positively related to OP.

## 3. Research Methodology

### 3.1 Sampling Procedure

A self-administered questionnaire developed through the survey method is distributed to participants, consisting of 300 managerial employees in Yemeni banks, in order to collect the data. A simple random approach from the sampling frame of the Central Bank of Yemen directory is chosen to determine the sample size of the study. A total of 246 usable questionnaires are returned and analysed with the response rate of 82 percent. The data collection is carried out within a three-month period. The collected data is based on a set of questionnaires comprising four sections: Section 1, organizational performance (OP); Section 2, Strategic planning (SP) consisting SPL, PI, BAR; Section 3, TL; and Section 4, demographic variables. The items in the OP questionnaires are adapted from a previous instrument developed by Blackmon (2008). OP construct is measured based on a composite construct consisting of the following dimensions: customer perspective (9 items), international business perspective (9 items), learning and growth (4 items), and financial perspective (5 items). Moreover, SP is measured based on a) SPL composite construct measured by four dimensions; normative planning values (4 items), environmental analysis (4 items), operative planning (5 items), and evaluation and control (3 items); b) PI with 12 items measured based on composite constructs of three dimensions, including spread vision and mission (4 items), periodical plan revision (4 items), and amendment consideration (4 items); and c) the construct of strategy planning BAR was measured based on dimensions of communication barriers (7 items), limited resources (6 items), and uncertainty barriers (3 items). SPL and PI are measured using the instrument developed by Saenz (2010), while BAR is measured using the instrument adapted from Robertson (2011). In addition, TL is measured based on a composite construct of five dimensions, namely individualised consideration, idealised attributes, idealised behaviours, inspirational motivation, and intellectual stimulation, with 20 items adapted from Bass and Avolio (2004). Refer appendix A for all the items in the questionnaires.

### 3.2 Analysis of data

Partial least squares analysis is used in the study, as proposed by Ringle et al. (2015) to analyse the questionnaires. Based on Anderson and Gerbing (1988), prior to the measurement of the structural model, a measurement model is tested. Subsequently, the structural model is examined, as proposed by Hair et al. (2014). The study uses the bootstrapping method (based on 5000 re-samples) to test the significance of loadings and coefficients.

#### 3.2.1 Model of measurement

In the measurement model, as suggested by Gholami et al. (2013), convergent validity was ascertained after the assessment of the loadings factor, the average variance extracted (AVE), and composite reliability (CR) was performed. Table 1 shows

that the overall values are higher than the thresholds of 0.50 for factor loadings and 0.70 for both CR and AVE (Hair et al., 2014). This analysis is based on the second-order analysis as suggested by Zahra and Garvis (2000). The second-order is conducted for all the constructs; SPL (normative planning values, environmental analysis, operative planning and evaluation and control); BAR (communication, limited resources, and uncertainty); and OP. Prior to this, the first-order analysis was conducted. In the first-order analysis the factor loadings, CR and AVE analysis was performed for each construct; SPL (normative planning values, environmental analysis, operating planning and evaluation and control); PI (spread vision and mission, periodical plan revision and considering amendment); BAR (communication, limited resources and uncertainty); TL and OP. The first-order analysis reports that all of the factors loading, CR and AVE value are within the threshold of  $> 0.50$ ,  $> 0.70$  and  $> 0.70$  respectively (Hair et al., 2014).

**Table 1**

Overall Results of Measurement Model

Overall constructs	Factor loading	Average variance extracted	Composite reliability
Strategic planning level (SPL):			
Normative planning values (NP)	0.878	0.954	0.874
Environmental analysis (EA)	0.909		
Operating planning (OP)	0.934		
Evaluation and control (EC)	0.872		
Strategic planning Implementation (PI)			
Spread vision and mission (SVM)	0.781	0.904	0.611
Periodical plan revision (PPR)	0.892		
Considering amendment (CA)	0.941		
Strategic planning barriers (BAR):			
Communication (BC)	0.853	0.918	0.789
Limited resources (BR)	0.888		
Uncertainty (BU)	0.774		
Transformational Leadership (TL)			
Customer perspective (CP)	0.829	0.915	0.784
Learning and growth (LG)	0.834		
International business perspective (IP)	0.885		
Financial perspective (FP)	0.824		

Further, discriminant validity is carried out to discriminate different items within the construct that distinguishes distinct concepts. This notion is based on Fornell and Larcker's (1981) criterion of comparison between constructs and the square root of AVE. All the measures indicate the discriminant based on greater values shown on the diagonals compared to values in the columns and rows (see Table 2). Similarly, prior to the second-order was conducted, the discriminant analysis was performed for all the constructs based on the first-order. The results of the discriminant analysis in the first-order has also indicated the acceptance of discriminant validity, as the diagonal values were reported as higher than values in the correlations of the constructs.

**Table 2**

Matrix correlation of latent variable

Construct	SPL	PI	BAR	TL	OP
SPL	<b>0.977</b>				
PI	0.506	<b>0.951</b>			
BAR	0.602	0.625	<b>0.958</b>		
TL	0.653	0.632	0.683	<b>0.944</b>	
OP	0.646	0.662	0.652	0.663	<b>0.957</b>

### 3.2.2 Structural model

As proposed by Hair et al. (2014), t-values,  $R^2$ , and  $\beta$  values are assessed in the study based on the bootstrapping of 5000 resamples. The results of the hypothesised structural model are depicted in Table 3. The  $R^2$  value in this study is 0.626, indicating that 62.6% of the variance in OP is explained by SP and TL. By examining individual factors, it is found that TL and all SP components including SPL, PI, and BAR are positively related to OP. Thus, the results provide support for the hypotheses H1a, H1b, H1c, and H2. A closer look at each value reveals that TL ( $\beta = 0.326$ ) is the highest predictor of OP, followed by SPL ( $\beta = 0.322$ ), BAR ( $\beta = 0.321$ ) and finally PI ( $\beta = 0.209$ ). This suggests that TL is the most important factor for OP.

**Table 3**

Structural model results

Casual path	Hypothesis	Path Coefficient	Std Error	t-value	Decision
SPL→OP	H1a	0.322	0.090	2.587***	Supported
PI→OP	H1b	0.209	0.116	1.902*	Supported
BAR→OP	H1c	0.321	0.094	3.431***	Supported
TL→IO	H2	0.326	0.083	3.725***	Supported

**Note:** t-values > 1.65\* (p < 0.10); t-values > 1.96\*\* (p < 0.05); t-values > 2.58\*\*\* (p < 0.01)

#### 4. Discussion, Conclusion and Recommendation

The main purpose of the study was to examine the extent OP is affected by TL and SP, consisting of SPL, PI, and BAR. The study also aimed at identifying the most significant factor influencing OP. There is a need to do a future study examining the factors that affect the firms' performance such as SPL and TL especially in banking sectors (Njau & Ogolla, 2017). The background of the study has provided support for conducting a study on how SP and TL will affect performance. The findings of the research based on the partial least squares analysis showed that SP dimensions (SPL, PI, and BAR) significantly affected OP which supports the Hypotheses 1a, 1b, and 1c. These findings are supported by Al Shaikh (2001) and Elbanna (2010) who found the effect of SPL on OP. Findings from research by Aldehayyat and Al Khattab (2012) and Robertson (2011) has also provided support to the study, which indicated the positive influence of PI and BAR on OP. Studies by Latif et al. (2012); Abdul (2013); Ridwan, 2017) have also found a positive effect of BAR on OP.

The study also revealed the effect of TL on OP, which answered the hypothesis H2. Previous research indicates consistent results with the current study, suggesting a positive effect of TL on OP. This is in tandem with the results of Stokers et al. (2012) who emphasised TL as an important factor in the functionality of top management levels. This result is supported by Bhandarker and Rai (2015) who revealed that TL had a significant influence on the positive development and performance of banks. This notion implies that TL significantly and positively influences OP. Finally, this study attempted to investigate the most significant factor influencing OP. The analysis revealed TL to be the most significant factor influencing OP based on the highest obtained  $\beta$  value (0.326). The finding is closely related to previous studies conducted by Rigas and Nawar (2016) and Louw et al. (2017). The findings of this research model suggest that SP (which include SPL, PI and BRR), and TL are valuable key factors that contribute to organizational performance. The plausible explanation of the effect of SP and TL on performance could be assumed that the organizational performance depends on TL and SP variables.

The finding has implications for theory and practice in the OP and helps managers and decision-makers in enhancing OP. Currently, there is not enough and appropriate examination of such a study in Yemen context, with the main reason, is due to lack of information (Qatinah, 2012). This study bridges the gap of previous research and contributes to the current knowledge by highlighting the effect of SP and TL on performance. The finding supports the notion that there exists a significant influence of SP on OP as well as the effect of TL on OP in Yemeni banks. Consequently, it adds new knowledge to the field of strategic management and leadership as well as OP in the banking industry. Hence, the results suggest that the significant influence of TL and strategic management cannot be ignored in improving the performance of banks. However, the study is limited to the banking industry in Yemen and used a quantitative approach with the selected variables. The results may not be generalisable to other settings due to variations and differences in terms of culture, demography, and topography. Accordingly, further research may be conducted in other countries and industries using other methods such as qualitative approaches to validate the findings.

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## Appendix A

**Table A1**

Measurement items of the study

<b>1. Strategic Planning Level (SPL)</b>	<b>Items</b>
Normative planning values	1. The mission statement of the bank is defined
	2. Organizational values are defined
	3. The vision statement of the bank is defined
	4. What the bank wants are defined
Environmental analysis	1. Internal strengths and weaknesses are analysed.
	2. The threats and external opportunities are analysed .
	3. Analyse the market organization belong.
	4. Core competency is analysed to define strategies.
Operative planning	1. Strategies are defined periodically.
	2. Targets are defined annually.
	3. Programs are defined to meet the objectives.
	4. Goals are defined annually.
	5. Monitoring indicators are defined to achieve the goals
Evaluation and control	1. Employees' incentives are determined to achieve the goals.
	2. Review of plans dates are defined.
	3. Review of budget dates are defined
<b>2. Strategic Planning Implementa-</b>	<b>Items</b>
Spread vision and mission	1. Values of organization are informed to employees
	2. Mission statement is shared to all staff
	3. Vision statement is communicated to all staff
	4. Mission and vision statement are well informed to all employees
Periodical plan revision	1. The budget is reviewed as scheduled
	2. Meeting to review organisation objectives are held periodically
	3. Goals are reviewed periodically
	4. Results of goals, objectives and budget indicators are assessed periodically
Considering amendment	1. Objectives are determined based on strengths and weaknesses of the organization
	2. Corrective actions are done on the plans when deviations in goals are detected.
	3. Incentives are given to employees for achievement of the objectives.
	4. Threat and opportunities are considered to define goals and/or objectives of core competency
<b>3. Strategic Planning Barriers (BAR)</b>	<b>Items</b>
Limited Resource Barriers	1. The bank assesses its available resources.
	2. The bank's leaders identify the cause(s) of their limited resources.
	3. The bank focuses a large portion of its resources on a set objectives
	4. The bank competes based on their capability and familiar fields.
	5. The bank focuses its resources that can achieve the goals.
	6. The bank develops strategic plans for selected units gradually.
Communication Barriers	1. The bank avoids using complex words to communicate
	2. The terms used in the bank is standardized
	3. The message used in the bank is simple for everyone.
	4. Well defined instructions
	5. The management communicate the message frequently
	6. Strategic planning inconsistencies will be explained to staff.
	7. Interactive communication is practiced in the bank
Uncertainty Barriers	1. Alternatives means are developed to achieve strategic goals.
	2. Alternative means to achieving strategic goals are prioritized
	3. The choice of alternatives means to achieve the goals is effective.

4. Transformational leadership	Items
Transformational leadership	1. Instil pride in others.
	2. Go beyond self-interest for the good of the group.
	3. Act in a way that builds others' respect.
	4. Display a sense of power and confidence.
	5. Talk about the most important values and beliefs.
	6. Specify the importance of having a strong sense of purpose.
	7. Consider the moral and ethical consequences of a decision.
	8. Emphasize the importance of having a collective sense of mission.
	9. Talk optimistically about the future.
	10. Talk enthusiastically what needs to be accomplished.
	11. Articulate a compelling vision of the future.
	12. Express confidence the goals will be achieved.
	13. Re-examine to the questions.
	14. Seek differing perspectives when solving problems.
	15. Look at problems from many different angles.
	16. Suggest new ways to solve problems.
	17. Have time for teaching and coaching.
	18. Treat individuals as a member of a group.
	19. Consider individuals as having differences.
	20. Help to develop strengths.
5. Organizational performance	Items
Learning and Growth	1. Enough tasks information received by employees.
	2. Enough information to make decisions and achieve performance
	3. Employees have established performance objectives
	4. Training are provided to meet my job requirements
Customer Perspective	1. Consistently meet the expectations of shareholders
	2. Consistently meet the expectations of customers
	3. The quality of services has improved
	4. The number of provided services has improved.
	5. The type of services has improved
	6. The number of people served has increased
	7. The demand for the services has increased
	8. Actions are taken on what programs are needed
	9. Consistently meet the expectations community
Internal Business Perspective	1. Organizational planning processes are improved.
	2. Quality program is provided.
	3. Quality control processes are provided
	4. Service delivery processes are improved
	5. Policies and procedures are developed
	6. Consistently follow program quality protocols
	7. Consistently follow program service delivery protocols
	8. Program planning is based on mission
	9. Management makes it easy in achieving mission
Financial Perspective	1.The cash flow return on investment has increased
	2.The bank has no problem in its return on equity
	3.The profit (net income) of the bank has increased
	4.The Deposit growth in the bank has improved
	5.The Return on assets in the bank is at high level



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