



**THE EFFECT OF STRATEGIC PLANNING ON  
MOTIVATION AND PERFORMANCE OF  
EMPLOYEES: A CASE STUDY - GENERAL  
ELECTRICITY COMPANY OF LIBYA (GECOL)**

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## THESIS APPROVAL PAGE

I certify that, in my opinion, the thesis THE EFFECT OF STRATEGIC PLANNING ON MOTIVATION AND PERFORMANCE OF EMPLOYEES: A CASE STUDY — GENERAL ELECTRICITY COMPANY OF LIBYA (GECOL) submitted by Munir Khamis Almahzoum ALJEDEK is fully adequate in scope and quality as a thesis for the degree of PhD.

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This thesis is accepted by the examining committee with a majority of votes in the Department of Business Administration as a PhD thesis on February 4, 2022

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The degree of PhD by the thesis submitted is approved by the Administrative Board of the Institute of Graduate Programs, Karabuk University.

Prof. Dr. Hasan SOLMAZ .....

Director of the Institute of Graduate Programs

## **DECLARATION**

I hereby declare that this thesis is the result of my own work, and all information has been obtained and presented according to the academic rules and ethical policy specified by the institute. Besides, I declare that all the statements, results, and materials not original to this thesis have been properly cited with their references.

Without being bound by a particular time, I accept all moral and legal consequences of any detection contrary to the aforementioned statement.

**Name Surname:** Munir Khamis Almakhzoum ALJEDEK

**Signature:**



## **FOREWORD**

First of all, I want to thank my supervisor Dr. Neşe YILDIZ for valuable guideline and amazing contributions to my knowledge and career. I also want to thank the committee members for their precious time and guideline. I want to thank the university management for support and facilitation. I feel thankful my father, mother, wife, friends, and extended family members for their prayers and support. Thank you all for your unwavering support.

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## **ABSTRACT**

This study is entitled “The Effect of Strategic Planning on Motivation and Performance of Employees: A Case Study — General Electricity Company in Libya (GECOL)”. The study was guided by four specific objectives: 1) relationship between strategic planning and motivation, 2) analyzing the relationship between strategic planning and employee’s performance, 3) verifying the role and impact of motivation in performance, 4) Analyzing the impact of strategic planning activity on employee performance by considering motivation as a mediating variable.

The study adopted a descriptive survey research design. The target population consisted of general managers, management directors, department managers, masters, Department masters, heads of offices. Therefore, the research relied on the questionnaire as a main tool in order to achieve objectives of the field study to obtain information. The size of current study sample amounted to (455) individuals in a total population of (1100), and the review of the sample ones showed the validity of the questionnaires depended on (381) respondents.

The questionnaires were unloaded and analyzed using (Statistical Package for Social Sciences) version 23 to use the preliminary tests necessary to identify the significance with the values and indicators aimed at verifying the credibility of the research tool (the questionnaire) in the test. The hypotheses of the study and an advanced statistical method (SEM) structural equation model by Amos (21.0) program. Explanatory Factor Analysis (EFA) and Confirmatory Factor Analysis (CFA) were used.

**Keywords:** Strategic Planning, Motivation with Performance of Employees

## ÖZ

Bu çalışma, “stratejik planlamanın, çalışanın motivasyonu ve performansı üzerindeki etkisi: Libya'daki genel elektrik şirketi (GECOL) vaka çalışması” başlığını taşımaktadır.

Çalışma dört özel hedef tarafından yönlendirilmiştir: 1) stratejik planlama ve motivasyon arasındaki ilişki, 2) stratejik planlama ile çalışan performansı arasındaki ilişkiyi analiz etme, 3) motivasyonun performans üzerindeki rolünü ve etkisini doğrulama, 4) Stratejik planlama etkinliğinin çalışan performansı üzerindeki etkisini motivasyonu aracı bir değişken olarak kabul ederek analiz edilmesi.

Çalışma, tanımlayıcı bir anket araştırma tasarımını benimsemiştir. Hedef kitle, Genel Müdürler, yönetim müdürleri, departman müdürleri, Departman sorumluları ve ofis başkanlarından oluşmaktadır. Bu nedenle, araştırmacı, bilgi elde etmek için saha çalışmasının amaçlarına ulaşmada, temel yardım aracı olarak ankete dayanmaktadır. Çalışmanın örneklem büyüklüğü 455, toplam popülasyon 1100 kişiden oluşmuştur. Örnekleme oluşturan 455 kişinin 381'inin cevapları geçerli kabul edilerek ankete konu olmuştur.

Anketler, testteki araştırma aracının (anket) güvenilirliğini doğrulamayı amaçlayan değerler ve göstergelerle anlamlılığı belirlemek için gerekli ön testleri kullanmak için (Sosyal Bilimler için İstatistiksel Paket) sürüm 23 kullanılarak analiz edilmiştir. Çalışmanın hipotezleri, Amos (21.0) programı ile ileri istatistiksel yöntem (SEM) plan yapısal eşitlik modeli ile çalışılmıştır. Açıklayıcı faktör analizi (AFA) ve doğrulayıcı faktör analizi (DFA) kullanılmıştır.

**AnahtarKelimeler:** Stratejik Planlama, Motivasyon ile Çalışan Performansı.

## ARCHIVE RECORD INFORMATION

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## ARŞİV KAYIT BİLGİLERİ

<b>Tezin Adı</b>	Stratejik Planlamanın Çalışanın Motivasyonu ve Performansı Üzerine Etkisi Bir Vaka Çalışması Libya Genel Elektrik Şirketi (GECOL)
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<b>Anahtar Kelimeler</b>	Stratejik Planlama, Motivasyon ile Çalışanların Performansı

## **ABBREVIATIONS**

<b>SV</b>	The combined variance
<b>CFI</b>	The comparative compatibility index
<b>AVE</b>	The extracted variance
<b>CFIOS</b>	Comparative Fit Index
<b>RMSEA</b>	Root Mean Square Error of Approximation
<b>CFA</b>	Confirmatory Factor Analysis
<b>CR</b>	The critical period
<b>EFA</b>	Exploratory Factor Analysis

## **SUBJECT OF THE RESEARCH**

1. Test the relationship between planning and motivation in the General Electricity Company.
2. Analyze the relationship between strategic planning and the performance of employees working for the General Electricity Company.
3. Verify the effect of motivation on the employees' performances.
4. Analyze the impact of strategic planning and its effect on the performance of employees by using motivation as an intermediate variable in the hypothetical theoretical model of the study.

## **PURPOSE AND IMPORTANCE OF THE RESEARCH**

### **Question of the Study**

Libya is going through turmoil during these years. Despite the issues, the management of the General Electricity Company is making efforts to improve and provide the services to the clients and fulfill the company's needs. The management is also making efforts to address the technical problems experienced at the production stations and compensate for the deficit resulting from the shortfall in the provision of electricity because of the conditions prevailing in the country and the state of power supply infrastructure.

Several indicators indicate weaknesses in the services provided by the company, as well as the clear lack of attention to its workforce, which significantly affected the performance.

This lack of attention to the workforce is reflected in the quality of services provided to the customers. The views of the chairman of the company clearly indicate that the General Electricity Company is facing multiple issues. Their main reason is because of the events happening in the country, which led to deterioration of its performance and failure to implement its strategic plans.

The success of any institution requires paying attention to its human element, especially moral and material aspects (motivation). Paying attention to the human element creates a competitive advantage. This is a cornerstone of all the operations. In contrast, all institutions seek to survive, compete, and excel by enhancing their

employees' organizational commitment, which is reflected in raising the level of their performance and productivity because organizational commitment is an important factor in influencing employees' behavior.

It can only be accomplished through strategic plans to achieve competitive advantage through improving job performance. So far, no organization has progressed in quality management without a leadership with high administrative capacity.

The situation of the General Electricity Company, in terms of power production and production methods, requires a more trained workforce to play a highly productive role, given that the service is produced and consumed simultaneously, which requires the producer or service provider to be efficient. The employees' skillsets should be high. They should be able to understand the changes that occur in the organizational environment, which occur because of the obsolescence of the knowledge and skills of the workers acquired in the past. According to the rapidly changing organizational environment, today's environment wants individuals to constantly update their skills and knowledge and acquire new skills and knowledge. Thus, there's a need for policies and practices to develop the capabilities, skills, and attitudes of the workforce.

Although the impact of strategic planning is increasing on employee performance in service sectors, there is still limited literature on human resource development issues in developing countries (Debrah & Ofori, 2006), and customers have growing concerns regarding low-quality services. It should be noted that studies on employee performance issues are scarce in developing countries, which created a gap in the existing studies regarding the mentioned issues related to employee performance (Nassazi, 2013). This study, however, will contribute to reducing this gap in the literature, thus laying a basis for understanding strategic planning and its impact on motivation and employee performance in the Libyan General Electricity Company.

Based on the preceding, the researcher believes that there is a shortcoming in the effect of strategic planning in the General Electricity Company. It has resulted in low motivation of workforce within the institution and thus reflected on their performance, which further led to poor services.

Hence, it can be said that the research problem lies in clarifying the effect of strategic planning on motivation and employee performance in the General Electricity Company, Libya.



### **Reasons for Choosing the Topic**

The researcher's interest in the field of this study is the first reason, in addition to attempting to develop logical solutions for the company under study, as it is the only company that provides this product (electricity) and the allied services in Libya. From this point of view, the services provided to customers must be at a satisfactory level, which can only be done through appropriate administration of its business.

This is what the researcher tries to clarify by showing the effect that strategic planning plays on motivation, which is, in turn, reflected in the employee performance in the General Electricity Company.

### **The Importance of the Research**

The importance of this study has been highlighted by the role General Electricity Company has played in financing the Libyan economy. Besides, its importance is also evident in providing direct services to the citizens. Hence, it contributes to finding solutions to meet the problems related to the performance of its workers by clarifying and highlighting the role strategic planning plays in paying attention to motivation in a systematic and planned manner. Moreover, the results of this study can contribute towards assisting the decision-makers in the organization to identify how to deal with the employees, specifically weak performers, more effectively.

The study can also benefit by generalization to other industrial organizations, which can benefit from applying the results of this study. In addition, it draws the attention of officials and decision-makers to one of the relatively recent and important topics in contemporary administrative thought, which is motivational policy. It is likely to highlight the importance of motivating employees and enriching and deepening their scientific knowledge.

The importance of this study lies in analyzing the role of motivation from a successful managerial perspective, which helps mitigate the administrative efforts and reduces the time that managers take to make decisions in unplanned situations. It also sheds light on the relationship between the organization and its employees. Furthermore, it is a source to evaluate the organization because it determines how to measure its success and failure and the quality of administrative decisions and actions.

This study tackles a vital topic, which is the importance of strategic planning to contribute to raising the GECOL employees' performance level. It also helps the company identify the role planning plays in achieving fair and effective motivation and raising the efficiency of the employees.

## **METHOD OF THE RESEARCH**

This chapter will tackle the applied method for collecting and tabulating the data, study variables, and theoretical models. The exploratory factor analysis was used to verify the tool's validity and extract the useful outcomes from the scale. Then, the most important statistical methods were used to analyze it and carry out an exploratory study to assure the reliability and validity of the questionnaire and evaluate the factors and variables of the study. Detailed information regarding the research methodology is given in Chapter 3.

## **HYPOTHESES OF THE RESEARCH/RESEARCH PROBLEM**

### **Research Questions:**

**RQ1:** What is the relationship between strategic planning and motivation?

**RQ2:** What is the impact of planning on the performance of employees?

**RQ3:** What is the relationship between motivation and employee performance?

**RQ4:** Does motivation in the General Electricity Company require the role of a mediator to strengthen the relationship between strategic planning and the employees' performance?

### **Research Hypotheses:**

Since the rationale for all hypotheses was broadly discussed in Chapter 3, hypotheses are only shown here without discussing their theoretical backgrounds.

**H1:** There is a positive relationship between strategic planning and staff performance in GECOL.

**H2:** Strategic planning at GECOL will positively affect employees' motivation.

**H3:** Motivation within GECOL positively and directly influences employees' performances.

**H4:** Paying attention to the planning at GECOL may affect the employees' performances by influencing their motivation.

## **POPULATION AND SAMPLE**

The size of the current study sample is 455 individuals in a total population of 1100, comprising general managers, directors, divisional directors, heads of department, and official chiefs. According to the company's official records, the total number of employees is 37092, including 4,464 administrative employees. According to the General Electricity Company Report 2010, it was reported that the owners of the targeted administrative centers were 1100.

The researcher adopted the intentional sampling method because the study aims to clarify the role of the planning to decision-makers. Total 455 questionnaires were sent, and 407 were received back. That was 85% of all the questionnaires distributed. After examining the questionnaires, it was found that 381 questionnaires were valid.

## **SCOPE AND LIMITATIONS/DIFFICULTIES**

### **Scope of the Research**

#### **Study design**

To answer its main questions and take into account the aim of the study, this study is divided into five chapters; each chapter is preceded by an introduction and followed by a conclusion, which are listed as follows:

**First Chapter** (General framework of the study)

**Second Chapter** (Theoretical background and previous studies)

**Third Chapter** (Methodology)

This chapter will tackle the methodology used to collect and tabulate the data, the studied variables, and the theoretical model. The exploratory factor analysis was used to verify the validity of the study tool and extract the required outcomes from the

scale. Then the most appropriate statistical methods were used to analyze it and carry out an exploratory study to ensure the questionnaire's reliability and validity of the studied variables.

**Fourth Chapter** (data analysis and results presentation):

This chapter is devoted to testing the study's hypotheses by applying an advanced statistical method based on factors extracted from its final structural model.

**Fifth Chapter** (Discussion of results)

**Conclusion**

The first chapter tackles the general outlines of the study, and it also tackles the study problem, objectives, questions, limits, importance, and reasons for choosing the topic, besides developing a complete outline of the study and clarifying the contents of each chapter.

**Limitations and Directions for Future Research**

**Objective:** Study the relationship and the effect of planning and motivation on the performance of employees in the General Electricity Company.

**Spatial Limits:** The mentioned limits are represented in the General Electricity Company, considering that it is the only company that monopolizes electricity production. It is one of the largest industrial companies in terms of branches and the number of customers compared to other Libyan industries.

**Time Limits:** It shows how the relationship and the impact of strategic planning on employee motivation and performance have been studied, evaluated, and analyzed. They are represented in the period during which this study was prepared by collecting data. The period covers the field by distributing the questionnaire among the respondents. Then, it was analyzed to find the most important results of this study during the years 2020 and 2021.

## **1. THEORETICAL FRAMEWORK**

Strategic planning has become one of the most interesting sciences, like administration, political science, social sciences, and economics, from the latter half of the twentieth century to the present time. The importance of strategic planning as a modern science begins to play its role in developing managerial performance. It aids the organizations in foreseeing different parameters regarding competitive advantage. Strategic planning refers to long-term planning, which considers all external and internal variables and identifies all the targeted segments, sectors, and methods of competition. In addition to various activities carried out and the relationship between the organization and the surrounding environment, strategic planning is one of the key components of strategic management.

Bovaird (2010) argued that an organization without a strategy does not have a direction and becomes incompetent. Maleka (2014) mentioned the guiding principles in any strategic management process, whether public or private, about understanding the needed changes and how to implement and manage such changes. It also helps create a roadmap for sustainable improvements that boost the overall performance. Applying strategic planning to employee performance and motivation is a key step for organizational success because employee performance determines whether an organization will achieve its goals or not. Employee performance should be seen from the perspective of an employee's job execution, from tasks to duties to responsibilities and performance quality. Employee performance is a vitally fundamental factor responsible for organizational success. Thus, this chapter underlines the general frame of strategic planning and how it influences employees' motivation and performances (Mwangi, 2014).

## **1.1. Planning**

### **1.1.1. The Concept of Planning**

Planning is a process of designing actions, allocating resources, and making efforts in the light of future rationale. It helps to employ these resources and efforts to serve the established objectives through policies and strategies. It draws the route for decision-makers to implement actions by collecting the necessary information that defines the objectives, policies, and strategies. It is the work of assumptions about the future prospects and planning that indicates the goals to be achieved and the resources to achieve such goals (Berzins, 2012). Planning is the organization's process of defining objectives, due diligence, and developing its strategic, tactical, and operational activities. In other words, planning designs processes for the desired future and defines effective ways to achieve it. Planning is a selection; thus, it is plausible and possible only when alternative options for action occur (Ginter, Duncan, & Swayne, 2018).

From the definitions mentioned above and the framework, the following points are valid about the planning process (Berzins, 2012):

1. Keeping in view the past knowledge, we need to answer a question: Where we are? It forms the foundation to determine the present and foresee the future that we are planning for. A Danish philosopher said, "If we want to live our lives, we must look forward, but we must look backward if we want to understand this life.

2. Predict the future, which is a forecast of what the situation will be by analyzing the environmental information based on historical data, estimation, and their impact on the potential internal or external variables and the relationship between reasons and events.

3. Setting the goals to be achieved in the future, which have been predicted, whether in the long-term, medium-term, or short-term.

4. Providing appropriate resources and possibilities for achieving the plan. In most cases, planned projects fail due to reliance on unavailable or inadequate resources. It is a mistake to embark upon a great project without having the necessary

resources. There must be equilibrium between the means and ends, and means include competencies, human resources, material resources, and time.

5. Drawing rational methods to achieve the goals and taking advantage of the newly-developed methods by human experience, taking flexibility into account, is essential because some methods are suitable for nowadays and will not be meaningful in the future.

### **1.1.2. Planning & Plan**

Planning differs from the plan in many aspects (Berzins, 2012):

- Planning is a scientific method with rules and regulations set by objectives, decisions, and actions, while a plan is an application of planning in the form of projects and actions.

- Planning is an ongoing dynamic process. Thus, it is not limited to the formation of plans but includes the revision of the drafted plans in the light of the factors, circumstances, and emergencies. In contrast, a plan or plans are specific programs of action for certain periods.

- Planning is the main process that makes drafting a plan possible, which then becomes tactical, operational, long-term, medium-term, or short-term.

### **1.1.3. Types of Planning**

Planning can be divided into several levels. The economic system can be divided into macro-planning for all areas and sectors within the state and micro-planning for a particular area of economic activity. At an administrative level, strategic planning is executed at a senior-administrative level, tactical planning at the middle-administrative level, and operational planning at operational and administrative levels. In terms of timing, it is divided into long-term, medium-term, and short-term planning. For managerial functions, planning can be classified into the following (Berzins, 2012):

- **Production planning:** It intends to control the flow of raw materials, machinery, and workforce in the production process to balance production volume and demand for a commodity or service.

- **Product planning:** It is based on studying the produced goods and understanding their nature and the extent of consumers' acceptance, their strong desires, or the provision of substitute goods and understanding the nature of substitute goods that competitors produce.

- **Financial Planning:** It aims to ensure the company's financial safety by providing working capital and reserve capital to meet the emergency needs.

- **Human Resources Planning:** It is the form of planning that ensures the workforce supply in a certain time. It includes training to refine their skills and abilities to keep pace with technological development.

**Table 1.** Classification of the types of planning.

<b>Types of Planning</b>			
<b>On State Level</b>	<b>On Administrative Level</b>	<b>With respect to Term</b>	<b>On Functional Level</b>
<ul style="list-style-type: none"> <li>• Macro Planning</li> <li>• Micro Planning</li> </ul>	<ul style="list-style-type: none"> <li>• Senior Admin-Level</li> <li>• Middle Admin-Level</li> <li>• Operational Admin-Level</li> </ul>	<ul style="list-style-type: none"> <li>• Long-term</li> <li>• Medium-term</li> <li>• Short-term</li> </ul>	<ul style="list-style-type: none"> <li>• Production planning</li> <li>• Product Planning</li> <li>• Financial Planning</li> <li>• HR Planning</li> </ul>

## **1.2. Strategic Planning**

The word "strategy" originated from the Greek word "strategos," which is a combination of two words; "stratos" which means a military commander and "ago" which means leading. Thus, it refers to the art of war, battle management and command. It is the general war knowledge.

The knowledge of a general or a commander comprises three dimensions: (1) A general is a person who acts in a determined manner, whereas the job description of his role is to choose the best way to achieve a competitive advantage in a particular area; (2) influences and accepts influences of the competitors through actions and decision-making; (3) has a profound time management sense and knows when he should act. He



studies his plans deeply, assures the best strategic movements, and implements them appropriately to gain the desired results.



**Figure 1.** Process of Strategy.

### **1.2.1. Strategy in Warfare and Strategy in Management**

Some common denominators exist between the concept of strategic warfare and strategy in the business world:

The philosophy of strategy in the business world is inspired by a military concept defined by ancient Greek generals, including Alexander, the Great, and Napoleon.

Common terminologies, in this context, include objectives, missions, strengths, and weaknesses, which are used both in warfare and business. Thus, clear objectives before any project, a well-defined mission, policies to exploit the strengths, and efforts to eliminate weaknesses or minimize their impact, help achieve a competitive advantage.

A commander must have ready plans and programs to win the war before indulging in it, and the same is true for strategy-makers in the administrative hierarchy.

In most cases, wars between nations are extensions of a state's global strategy, and the role of the army commander is to make efforts to succeed in achieving the war goals. It is also the case with the administrative levels of an organization or a

company, and the efforts and successes must be in the interest of the whole organization.

A commander must be aware of the real environment of the war, including the internal and the external environments and the surrounding circumstances or variables that may emerge during the war. It is also the case with companies and institutions.

A commander selects the best way to succeed and implements the strategy appropriately to achieve success and win the battle at the lowest cost. Likewise, the company administrators must also work efficiently and effectively to achieve the highest possible success at the lowest cost and with the least possible effort.

### **1.2.2. Strategy, Tactics & Planning**

Chinese General Sun says: "Indeed anyone can clearly see the tactics I used to win the battle, but no one can see the strategy I used to win the war."

**Tactic:** It implies managing the art of battle by involving different resources during the stages of warfare to gain more victories. It differs from the strategy; because a tactical victory is temporary and limited, and it is contrary to strategy, which extends to the overall objectives. Briefly, a strategy is all about integrating organizational activities and utilizing and allocating the scarce resources within the organizational environment to meet the present objectives. While planning a strategy, it is essential to consider that decisions are not taken in a vacuum. Any organizational action is likely to create a reaction from those affected, such as competitors, customers, employees, or suppliers (Hudzikovski, 2015).

### **1.2.3. Concept of Strategic Management**

Strategic planning takes its roots from the planning theory, so, it is significant to understand the specific conditions for planning, which are the characteristic of all types of plans. The organization's plans and activities should ensure a degree of congruence between its mission and objectives and between this mission and the environment in which they operate effectively and efficiently (Ferreri & Lang, 2016). Strategic management is the process through which an organization develops and

implements plans that help achieve the organization's goals and objectives. The strategic management process is continuous and evolves as long as the organizational goals and objectives change. The organization's overall engagement in strategic management ensures that it should adapt to the trends and external changes such as globalization (Kiple and Lewis, 2009). The organization's perception of the expected relationship between the organization and its environment clarifies long-term operations and underlines the process for achieving the organizational goals. In other words, it is the determination of the organization's future direction, keeping in view environmental variables, and making precise resource identification and allocation decisions, considering it as a comprehensive plan to achieve the goals within the framework of the organization's policies. It is a set of decisions and administrative systems that define the organization's vision and mission in the long term, in the light of competitive advantage through the study, follow-up, assessment of opportunities, environmental threats, and their relationship to the organizational strength and weakness. It is also significant to balance the interests of various concerned parties (Flynn, Schroeder, & Sakakibara, 1995).

**The following points can summarize the definitions:**

- Determination of the company's mission, vision, and future goals.
- Study and analyze the company's internal and external environment to identify the strengths, weaknesses, opportunities, and risks.
- Choose the right long-term strategy among the available strategic alternatives to achieve the goals and objectives of the company.

Looking at the mentioned points, some similarities exist between the points and the elements of strategic planning, which raises an important question: Are strategic management and strategic planning two sides of the same coin? Or is there a difference between them?

#### **1.2.4. Strategic Management and Strategic Planning**

Leading researchers and strategists have differed in determining the differences between the two terms: Strategic management and strategic planning. Some scholars think that definitions of strategic management are limited in the components of

strategic planning: Preparation and configuration of the organization's mission, analysis of the internal and external environment, and selection of a suitable alternative among the available ones. It indicates that they deem the two terms two sides of the same coin.

Other scholars also distinguish strategic management from strategic planning. Their definitions of strategic management are beyond the components of strategic planning because they added two important things: strategic application and evaluation, as mentioned in a definition by Strickland (Scisney-Matlock et al., 2009). Strategic management is the art of creating the organization's future direction, indicating its objectives in the long term, and choosing an appropriate and strategic style in the light of the factors and internal and external environmental variables before applying and evaluating the strategy.

Researchers consider strategic planning a part of strategic management that includes planning, orientation, and control. In contrast, planning is a part of management that includes: planning, organizing, orientation, and supervision. Thus, they are not two sides of the same coin. It supported strategic planning as a part of strategic management, which represents the first three tasks of strategic management (field work of the organization, development of its integrated vision and mission, translation of the mission into the specific strategic goals, preparation of a strategy to achieve strategic objectives, performance evaluation, and taking corrective actions.) Thus, strategy implementation, performance supervision, and corrective actions are not strategic planning concepts (Bracker, 1980).

### **1.2.5. Strategic Planning**

Strategic planning helps an organization ensure taking responsibility and staying relevant to its competitive advantage, contributes to the organizational growth and stability, and provides a necessary dynamic for monitoring progress by assessing its impact and results because it allows the organizations to look into the future in a systemic and orderly way (Eddleston, Kellermanns, & Sarathy, 2008). Selecting the organization's objectives and defining its policies and strategies to achieve these objectives requires a long-term planning process that is officially prepared to achieve

the organizational objectives (Davis, 1982). Is it how an enterprise's resources are coordinated with its long-term opportunities?

From the definitions mentioned above, we can understand that strategic planning is described as a form of continuity in the future and an effective way of measuring performance and feedback in the long-term for its decisions, which are consistent with the vision and mission of the company. Several features characterize strategic planning. In addition, it utilizes the past knowledge to predict the future and envision it, set goals for the future, find the resources and possibilities, and find rational ways to achieve goals. Strategic planning differs from traditional planning because the latter tries to predict future trends that affect the company and determines what could be done. It helps decision-making before the need arises. But strategic planning is a perfect foresight of the company in the future and how to achieve that. In other words, traditional planning is an extension of the past, and it uses the data to see what must be done in the future, which is usually based on prediction. Strategic planning tries to pierce into the future and dives deep to determine the organizational form.

A strategic plan is a comprehensive action plan through which an organization aims to achieve its objectives and answers the following questions:

- What is our organization?
- Where is it now?
- What must the institution be?
- When and how can this be achieved?
- What is a perfect foresight of the company in the future?
- Detection block in the company's future
- Insight features of the company in the future
- Perception of direction and path of the company in the future
- See the mission and objectives of the company's future
- Business and activities within the company

**Strategic planning is based on several assumptions, namely:**

- Reorganizing the future level of the organization.
- Analysis of the competitive environment that will face the organization after reorganization.
- Comprehensive view of economic factors over the coming years
- Strengthen the marketing direction of the organization
- Determine the expected rate of profit
- Indicate the organization's position as compared to its competitors.
- Revision of needs and requirements of employees to determine the priorities.
- Revision of functions and business of the organization following the dimensions of total quality.
- The importance of using technology in the industry

Strategic planning is about the future prediction, and people differ in their views towards the future, so that takes two forms:

- The future that we prepare and adapt ourselves to by predicting what will happen in the environment is called "short-term planning."
- The future that we shape and mold on our own occurs through predicting the mission, objectives, and direction of a company and this is called "strategic planning."

Strategic planning has some features and attributes:

- It is a comprehensive system that deliberately sets recognized steps.
- It determines the company's future course of action and includes the identification of the company's mission, objectives, and actions required to achieve that and the efforts directed towards resource allocation.
- It is a system through which a company identifies the areas that require attention and identifies the scope of work and the company's future course of action.
- It is the reaction of both strengths and weaknesses in the company's performance and the threats and opportunities that exist in the environment.
- It is a course of action in the right direction.

- It is a method to determine the expected benefits for groups of stakeholders in a company, whether economic or not, but they justify the organizational survival.

It can be noted from these features and attributes of strategic planning that it stipulates the following:

- The need to identify the company's mission.
- Identify strengths and weaknesses of the company resulting from the analysis of the company's internal environment.
- Knowledge of the opportunities and potential threats to the company that can be sensed by studying the company's external environment.
- Choosing the areas of excellence and competitive edge available to the company. It means choosing an optimal strategy among strategic alternatives available to achieve the highest possible success for the company's survival.

### **1.2.6. History of Strategic Planning**

Strategic planning had gone through several stages before it was recognized as an autonomous science in the business management literature. It can be summarized in three stages:

Stage I: Historical roots of strategic planning (Hall, 2013):

Strategic planning is ancient in human thought, as previously underlined. In Greek civilization, the word strategy is derived from strategies, which means knowledge. In the era of Alexander of Macedonia, this word existed in war and governance philosophies. In the Napoleonic wars, this word was referred to as the science and art of facing the enemy through military force. The word evolved to include economic and political aspects that improve military achievements (Horwath, 2006).

Stage II: The concept of strategic planning after World War II

The concept of strategic planning started in the 1950s, and management scholars frequently quoted it under the pretexts of strategic management, strategic mind, or strategic thinking. The credit goes to two renowned personalities, namely:

(1) Chester Bernard, a senior US Telephone and Telegraph Company official, was interested in institutions' mission. He mentioned that if the managers in the senior

roles cannot explain why the institutions exist and their mission, they will not be able to deal with the internal and external events effectively.

(2) Alfred Chandler, a Harvard professor, focused his scientific activities on exploring the relationship between the organizational structures and strategic performance of institutions and their impact on the competitive positions of organizations. He noted that the decision-making process in the organization differs in its nature and its orientations according to the strategies used in it, and said: The organizational structure follows its strategies. The credit for the concept of strategic planning goes to a Russian scientist Igor Ansoff, who lived in the United States while publishing. He shifted the paradigm in the business world. In 1969, he was able to establish the concept of strategic planning as a management specialization, and he became the dean at the Graduate School of Management, University of Vanderbilt, and named his project: Training advocates and agents of change (Clegg, Schweitzer, Whittle, & Pitelis, 2019). The researcher believes that both views can be combined, especially when we look at the date of publication of each book, Igor Ansoff and Alfred Chandle (the latter was published in 1962) before the date of publication of Igor Ansoff's book, which was published in 1969. It can also be argued that Ansoff's book created a remarkable shift in the concept of strategic planning, and later, it was conceptualized by Chester Bernard and Alfred Chandler.

During the early 1960s, the Pentagon's strategic planning system became successful, which prompted U.S. President Lyndon Johnson to guide in August 1965 to use the strategic system in all the US federal agencies under the planning system, programs, and budget (Mintzberg, 1993). During the same era, most business schools included a strategic planning curriculum within their programs in the name of administrative policies. They remained until the concept of strategic planning replaced it before the end of that period. Then, strategic planning entered Europe and developing countries during the 1960s (Mintzberg, 1993).

Stage III: The concept of strategic planning evolved from 1960 to the 2000s.

In 1976, Helen and Hanger published their work on strategic planning based on their research. They presented a comprehensive strategic planning model. Qanbar and Trejo mentioned that a power source of the company that contributes to the formulation of the overall goals and objectives of the constituent units, considering



that the overall goals act as a bridge between the overall strategy and objectives of the constituent units. Omayra also published a book, "Strategic Mind," in 1985 that caused a major shift in the growth and development of contemporary strategic management approach (Kliuchnikova and Pobegaylov, 2016).

In 1991, John Thompson published a theory on developing strategic awareness based on diagnosing the overall organization associated with the strategy formulation to reach the goal. In the same year, Lynch published a book entitled "Strategic" that dealt with strategic planning and concluded that the objective identification and strategy formulation should be done regarding customers, commodities, and value addition (Ferreira & Otley, 2009).

One year later, George, a professor at the University of California, published a book criticizing the global multinational companies that did not change their concepts towards the world and did not have a comprehensive global strategy. The study included Coca-Cola, McDonald's, Canon, and Volkswagen. He urged the companies to motivate their employees and keep pace with changes in the world through the mutual interdependence of all branches of the company. Finally, the experience of General Electric Company under Jack Welch's leadership resulted in the following findings (French-Davis, Pietrobelli, Zamagni, and Ocampo, 2000):

- Abandonment of excessive bureaucracy
- Encourage individual initiatives and give confidence to employees through empowering and delegation of responsibility
- Abandonment of technical and mechanical backwardness
- Commitment to finding better strategic alternatives
- Understanding the equations of modern and complex markets.
- Cope with changes, civilization, and development
- Adoption of the principle of the open company without borders, which allows space for everyone to contribute their ideas as true partners and actors during the production process.

We can underline the stages and evolution of strategic planning in other ways:

- Strategic planning stage depends on the financial basis (preparation and implementation of the annual budget, consisting of financial targets in terms of revenue and cost).

- Planning stage based on the prediction for many years to come and increase the importance of studying the external environment factors and their impact on the organization.

- Planning-orientation stage means attempting to understand the reality of the market and its components, depending on the central prediction methods, which are more responsive to consumers and market orientations (the beginning of real strategic thinking).

- Stage of complementarities between strategic management and strategic planning, and that stage has been described as follows:

1. Strategic thinking at all administrative levels

2. Deep, intensive, flexible, and creative planning process.

3. The existence of assistance values, which are supported by the team, and open communication to exchange information between different administrative levels.

### **1.2.7. Importance of Strategic Planning**

From the beginning of the last half of the twentieth century, organizations and companies began moving toward the adaptation of strategic philosophy in their future vision, and strategic planning tools transformed into attributes and features of companies and institutions in developed countries as well as some developing countries (Heracleous, 2003). We asked respondents: What are the motives of strategic planning in those companies and institutions? And what is their importance to them? Organizations follow strategic planning for different reasons. Companies have long-term goals and they want to start now to achieve them, and require the development of strategic plans, which are commensurate with such long-range goals built on the future vision/s of the organization. Or they do not know how to adapt to the surrounding environment and the market. It may invite them to embrace the concept of strategic planning and policy to study the surrounding environment and gain knowledge of the market-based observation of whether the market is open or monopolistic? What is the scientific method to gain a reasonable market share or control it? Or sometimes,

companies engage themselves in building strategic plans to understand the parameters of internal and external parties in a project (Ades et al., 2014). The parties may be interested in issues concerning the organization, for example: Why was the price raised? Why has the number of products increased? Why did the scope of the distribution fall? Why has the system of reward and punishment been introduced? Why is there a change in working hours? And why the financial methods have changed?

A survey of 1500 US company managers regarding the importance of strategic planning shows that strategic planning is one of the determining factors for high performance. It helps achieve administrative effectiveness, and it represents the revolution and positive development in the management culture because it also helps achieve organizational well-being and long-term viability (Talib, Ali, & Idris, 2013). In addition to that, we can summarize the importance of strategic planning through the following points:

- **Clearance of the future vision:** The formulation of the strategy requires a great deal of accuracy in the expected future events and organizational environment. It also includes actions to deal with future circumstances and guarantees continuity and growth.

- **Achieving environmental interaction in the long-term:** It is a fact that business organizations cannot achieve tangible impact on the conditions and environmental variables in the short term, whether these conditions are political, economic, technological, or cultural; however, they can achieve it in the long-term through strategic decision-making to exploit future opportunities and reduce the risks.

- **Strengthen the competitive position:** Strategic management and planning strengthen an organization's status in light of competitive conditions, both locally and internationally.

- **Efficient allocation of resources:** Strategic management helps an organization maintain its direction in the long run because it enables them to effectively use its resources and capabilities, exploit its strengths, and avoid its weaknesses.

- **Improve organizational problem-handling capacity and cope with change:** Managers generally encourage their staff members to increase their capacities

in the strategic planning process. It also helps them understand the change and cope with it.

- **Strategic planning helps integrate the administrative and operational activities:** Strategic management is at the core of the relationship between the administrative and operational activities. It guides the individuals within the organization to find the correct approach. Strategic planning also leads to the integration of strategic objectives and prevents the emergence of conflict between the objectives of organizational sub-units.

- **Promotions:** Strategic planning helps managers of functional departments to cope with the problems they face when they are promoted to senior designation in the organization. The participation of these managers in strategic planning helps develop their skills and vision of how to integrate the sub-unit goals and the main organizational objectives.

- **Strategic planning can increase the organization's ability to connect to different groups within the organizational environment:** Strategic planning helps clear the organization's picture to all the interests and various groups working with the organization.

### 1.2.8. Levels of Strategic Planning

Strategic planning is divided into three main sections. Organizations may differ in terms of administrative levels because of organizational sizes. Giant organizations dealing with international markets differ from medium or small companies dealing with local markets, which differ in the ways of strategy formulation and implementation. There must be coordination and interaction between these three organizational levels if an organization wishes to achieve success. The organization's policy may be different in ways to build and formulate a strategy, either from top to bottom or vice versa, or interactive (Hartzell, 2018):

- **Top-down approach:** The senior direction gets an initiative to prepare the strategy and request from business units and functional departments to prepare their own strategies as tools to develop an overall preliminary strategy.

- **Bottom-up approach:** This process starts by proposals of functional directions forwarded to the business units to include their strategic vision and then turn to senior direction to include the main strategic vision.

- **Interactive-approach:** This process involves negotiation and dialogue between different organizational levels to achieve compatibility and harmony and strengthening of the goals, strategies, policies, programs, budgets, and procedures in all administrative levels.

The three levels are:

### **Section I: Strategic planning at the corporate level:**

It refers to the management of activities that define the characteristics and distinguish an organization from others. It usually focuses on the nature of the project, products, processes, markets and consumers that also focus on the distribution of resources in general, the integration between the departments of the project, and the change within the organization. This type of strategic planning must answer the following questions:

- What is the fundamental purpose of this organization?
- What is the image that the organization wishes to be left in the society?
- What are the philosophies and ideals that an organization wishes its employees to believe?
- What is the field of employment of concern? How resource allocation could be conducive to achieve the objectives?

The organization in this level of strategic planning seeks to make a set of objectives which are as follows:

- Identify the characteristics that distinguish an organization from another
- Identify the basic mission of the organization in the community
- Identify the product and the market for the organization
- Allocation of resources available for alternative uses
- Create a high degree of participation between the different strategic business units of the organization

## **Section II: Strategic Planning at the level of business units**

It refers to the management of the efforts of strategic business units to effectively compete in a particular area of work, and participate in the purposes of the organization as a whole. Strategic business units refer to an independent management which has responsibilities and authorities - the powers - attracting from all the existing units in the organization, and qualified personnel to manage strategic operations and to apply it in the functional units.

This kind of strategic planning must answer the following questions:

- What is the product or service that the unit will supply to the market?
- Who are the potential consumers of the unit?
- How can the unit compete with its competitors in the same market?
- What are the philosophies and ideals of the organization that contribute to the achievement of its objectives?

## **Section III: Strategic planning at the functional level**

The strategies made in the functional areas of the organization, namely production, marketing, finance and human resources. Each manager is responsible for one of these functional areas to determine the contribution of their domain to decide the strategy, and bear in mind the main strategies (Ruekert & Walker Jr, 1987). It is a process of managing a particular area of activity for the organization, which is an important activity and vital for the continuation of the organization. For example, financial strategic planning is the process of developing the budget and accounting system, investment policies, and cash inflows/outflow. It is not interested in daily operations that occur within the organization. Still, it sets a general framework to guide these operations.

### **1.2.9. Models of Strategic Planning**

Organizations follow multiple models for the preparation of strategic plans. The criteria for selecting a particular model may depend on the size of an organization and the correct understanding of the essence of the strategy (Shrivastava & Grant, 1985).

The scholars of strategy differ on the best way to determine strategic planning design, but they agree that there are three models for the designation of strategic planning (Wolf & Floyd, 2017).

**Table 2.** Models of Strategic Planning.

<b>Models of Strategic Planning</b>			
	<b>Linear model</b>	<b>Adaptive model</b>	<b>Interpretative model</b>
<b>Nature of Strategy</b>	Integrating decisions and plans to reach specific goals.	Creating a degree of similarity or congruence between the organization and its environment.	Mixed model
<b>Responsible</b>	Senior Level	Senior Level with other units	Specialized committee
<b>Strategic Behaviour</b>	Application of the marketing concepts	Modifies the revision of the product or market to satisfy the needs of the consumers.	Legitimacy and organizational confidence
<b>Basic Hypothesis</b>	Relative stability	Adapting an organization's performance to its environmental changes.	Motivation and information are the keys to success in the application of strategic planning

Strategic planning may be approached in four different ways (Bryson, Edwards, & Van Slyke, 2018):

- 1) **Chief strategist model:** A chief does a strategic plan himself, thereby taking a leading role.
- 2) **Mandate model:** It involves the mandate to make strategic plans at other levels.
- 3) **Collaborative model:** It involves cooperation between the top officials and other levels in making strategic plans for the organization
- 4) **Self-initiative model:** It encourages and develops personal initiatives from various individuals within the work environment.

### 1.2.10. Obstacles in using strategic Planning

While drawing strategic plans, facing some obstacles can restrain its application because of circumstances. Identifying the current and future obstacles helps the organization address them or minimize their potential impact. The obstacles are (Getz, 1983):

- Multiplicity and conflict of objectives between individuals in the organization help individuals try to act in a manner they believe contributes to the organization's continued survival in the business world.

- Organizations sometimes face the problem of finance and liquidity.

To avoid these problems, some organizations take those financiers as a focal point in directing projects and activities, forgetting the consumer who receives the service and for whom the organization is set.

- Lack of qualified human resources has become well known in the business world because success of any organization depends primarily on staff and skilled workforce available to combine theoretical knowledge and practical experience.

- The managers in senior roles engage themselves in daily and routine problems showing no concern for strategic problems that relate to the growth of an organization and its objectives in the long term.

- **Non-participation of other management levels in strategic planning and implementation limits its success:** Strategic planning is fundamentally related to the main organizational goals when we marginalize some managerial levels and they are not involved. They might not feel themselves part of the organization and can get them to resist any idea they consider harmful to their interests. While applying strategic plans, the general interests of the organization and employees may be hurt, especially in the long term.

- **Lack of sources and funding:** The financial alternatives are important to any organization that gives it security to make its programs and activities, or threaten its financial position, financial security, and strategic projects, which might lead them to an economic crisis.



- **The belief that strategic planning is needed at great cost and time:** Some managers may find that strategic planning requires a tremendous amount of information and statistics that may not be available to the organization, and then they feel obliged to collect them, which certainly have a cost. Maybe the cost to obtain information and statistics is higher than some small organizations' affordability. Even large organizations may be reluctant to spend on such efforts because they are rarely certain that such information and statistics will increase organizational productivity.

- **Environmental impact on strategic planning:** The environment surrounding the organization can be stable, relatively stable, complex, or maybe rapidly changing. The application of strategic planning in a stable or relatively stable environment may not be complicated. It may lead to administrative deadlock, so strategic planning in a rapidly-changing environment may make the strategic planning process obsolete and futile before it is completed (Brews & Purohit, 2007).

### **1.2.11.Strategic Planners and Components**

The role of an organization's strategic planner varies from one organization to another, depending on the organization's existing structure and managerial culture. But effective contemporary management calls for the participation of all administrative levels in the development of strategic planning within the organization, from senior to middle and lower management levels, as well as the participation of many consultants and experts within and outside the organization (Rowley, 1997). Despite this organizational principle, administrators believe that the degree of responsibility varies from one administrative level to another in terms of strength and weakness; however, the degree of responsibility increases along the administrative ladder. The role of experts and consultants differs from others. Still, by bringing them together, they represent the strategic planning body of the organization, and their role is summarized in the following points (Dowling, 1993):

- Facilitate the planning process by scheduling the necessary schedules and reviewing the plans from managers along the line of authority to ensure their sincerity and conflict avoidance.

- Studying and forecasting environmental factors is important for diagnosing their current and potential impact on the organization and linking the organizational goals, potentials, constraints, and opportunities. Managers often lack sufficient skills to make these predictions.

- Identify strategic problems and develop various alternatives to address them.
- Advise managers along the power line during the planning process by interpreting different forecasts, opportunities, and alternatives.

- Continuous evaluation of the organization's strategy based on both planning and control information helps improve the quality of decision-making.

- Create an organizational climate and try to change this climate in cooperation with the regulatory specialist to introduce the required organizational changes.

Roles of different groups in building strategic plans (Murray, 2008):

**First: Senior Management (Board of Directors and Executive Director):**

The role of senior management is summarized in certain points, namely:

- Defining the role or definition of the organization in the future
- Adaptation of the organization to the external environment
- Outline the strategy
- Create the necessary climate for departmental participation at all management levels and technical specialists in the planning process.

- Periodic review of strategies
- Use strategies as a frame of reference for their decisions
- Participate in taking risks from the application or adoption of strategies
- Proposals on strategies to be adopted

The role of the Chairman is to perform the following (Gupta & Govindarajan, 1984):

- Provide an appropriate environment for the strategic management process, which is their primary responsibility, although part of it must be delegated to others.

- Ensure that the process design is appropriate to the individual characteristics of the organization.

- Determine whether there is a need for an organization chart. If yes, how many people are needed for the mission?

- Participate in planning.
- Meeting managers to develop plans and ensure appropriate evaluation
- Report to the board on the overall strategic management process.

### **Second: Consultants and Experts:**

Advisors and experts play a pivotal role in developing strategic plans because they help senior management, whether they are experts or consultants, either permanent or working temporarily. Small organizations cannot often provide such competencies because of the high costs, but there is a difference between the role of experts and consultants. The latter is involved in the entire strategic planning process, from planning and implementation to evaluation, and the former serves only a single strategic planning stage (Bryson & Alston, 2010).

### **Third: Administrative Levels (Middle and Lower):**

Traditional management neglects the role of other departments in developing strategic plans because it considers that it is the responsibility of senior management and the role of the rest of the levels to perform those strategies that senior management plans. But modern management has taken another approach, including the participation of all administrative levels, upper, middle, and lower, in the development of strategic plans within an organization, and this leads to the interaction between the different administrative levels while implementing those strategic plans, which in turn lead to increase the real organizational productivity (Albrechts, 2004).

## **1.2.12. Components of Strategic Planning**

Strategic planning is based on certain pillars and components that are the real essence of this process. The components are given below (Fisher, Wisneski, & Bakker, 2020):

- Mission of the organization
- Environmental analysis
- Available strategic alternatives

- Evaluation of alternatives and selection of optimal alternative

**First: Mission of the organization:**

An organization's mission is too distinct from one organization to another in terms of the activities, products, customers, and markets, which reflect the root cause of the existence of an organization, its identity, quality, and forms of practice. The mission statement is a proclamation of the organization's primary objective that encapsulates its core values and its aims and aspirations, which are the result of a series of influences. From the definition, we can understand that the mission is a written document representing the constitution of the organization and the principal guide behind all decisions and efforts, and covering a long time. It is clarified by the following points (A. Campbell & Tawadey, 2016):

- Identify the main reasons behind the organization's existence
- Determine the social or legal quality of the organization
- Determine the general philosophy of the organization towards customers, society, products, services, human resources, and other concerned parties.
- Link the function or social levels of the organization with its main goals and objectives.

An organization's mission differs from its purpose because it is about the purposes and organizational objectives, indicating ways to get into it following specific policies and procedures. It is different from the organizational objectives. The objectives are a statement of what the organization intends to achieve, usually formulated within a framework that defines the level of achievement required within a specific time space and developed in a quantitative or qualitative form, which is formulated in a simplified and easily-understandable way for all concerned. They are measurable and maybe long-term, medium-term or short-term (Murphy & Cleveland, 1995).

A company's mission is about the goals it stands for. And a good goal should be characterized as follows (Drumwright, 1996):

- **Acceptability:** Managers and individuals are expected to adopt goals consistent with their preferences, and they may ignore or oppose those goals that are incompatible with their values or interests.

- **Measurability:** The process of formulating goals should accurately reflect what needs to be achieved and when. Thus, goals should be measurable over time.

- **Flexibility:** Organizational objectives must be able to adapt to unexpected changes in the business environment, but such flexibility may be at the expense of target accuracy and may also affect the confidence of employees in the set of objectives.

- **Clarity & Understanding:** Managers at all organizational levels should be able to understand what needs to be achieved and they should also understand the criteria to evaluate their performances. Hence, the objectives should be formulated to unite the understanding of both the goal-setter and the implementer.

- **Achievability:** Objectives must be consistent with the quality of capabilities, whether physical, financial, or human, that the organization possesses. They should reflect the interests of the concerned parties and consider the relationship between the interests of the organization and those of the surrounding environment.

## **Second: Environmental Analysis**

Environmental analysis is the opinion of internal and external factors or variables that influence (or are likely to affect) the effectiveness and efficiency of the organization. It is for evaluating an organization's internal factors: Strengths and weaknesses typically include looking at what the organization is doing well, in addition to its weaknesses, and it should apply to how an organization approaches its opportunities and threats and the external forces that influence the organization (Bennett et al., 2018).

The environment is divided into the external and internal environments of the organization. The first one is to study the external environmental factors surrounding the organization. Contemporary organizations are subject to an open system with the external environment, affected and influenced by its variables, but the knowledge of that environment is necessary for its success. And internal environment consists of several variables that directly and clearly affect the function of an organization. These variables and factors indicate whether the organization is well-positioned to seize opportunities from the external environment by identifying its strengths and weaknesses or they are unwilling to accept new opportunities and strategies (Fauzi,

Santosa, Purwanti, & Nurhayati, 2021). It is possible by (1) analyzing project functions: production, operations, marketing, services, finance, and human resources, or (2) by analyzing managerial functions: planning, organization, direction, and control.

**Third: Strategic Alternatives:** After identifying the opportunities and potential threats through studying the external environment and recognizing its strengths and weaknesses and evaluating the internal environment, the management must identify strategic alternatives available before making and adopting any strategic decision in the future. Strategic alternatives imply the alternatives and opportunities available to the organization during developing strategic plans for its future (Chen, Ganesan, & Liu, 2009).

**Fourth: Evaluation of alternatives and choosing the best alternative**

- Alternative assessment matrices
- Criteria for choosing the optimal alternative

**Alternative assessment matrices:** The definition of matrices means scientific methods and methods used by the strategy scholars to evaluate different strategic alternatives to reach strategic decisions. An organization follows offensive, competitive, defensive, and conservative strategies to improve its competitive position and strengthen its position by finding compatibility appropriate between the organizational message and the internal and external environments (Kuratko & Audretsch, 2009).

### **1.2.13. Management and Strategic Planning**

Since introducing the concept of strategy in the business world, companies have repeatedly referred back to the military vision, from which this concept originated. The formation of the strategy was then based on a dichotomy between formulation and implementation, a cleavage between those who design and those who realize. At the heart of this dichotomy is the concept of strategic planning. The application of this concept revealed several shortcomings and favored the emergence of the concept of "strategic management." This concept makes strategy a collective

affair that concerns senior officials and other members of the company (Mintzberg, 1990).

Business strategy has been primarily based on planning strategy. It takes place in two stages: The first time when the strategy is formulated and the second when it is implemented. The formulation phase is entrusted to the "strategists" of the company (the general management assisted by the planners), while the other levels are in charge of the implementation phase. Such an approach to formulation has been criticized for several reasons. First, the environment's discontinuity, unpredictability, and dynamism are designated as the main cause behind the failure of strategic planning. Indeed, forecasting methods for strategic planning are inefficient in the face of discontinuities, mainly of a technical and competitive nature. The failure of strategic planning can be explained as follows: unverified assumptions, limited or misused skills, lack of imagination, omission of constraints, excessive optimism, extrapolation of mechanical tendencies, and excess of precision (Wheelen, Hunger, Hoffman, & Bamford, 2017). Another source of failure in strategic planning techniques is that they are essentially based on financial and accounting languages and the model's quantitative prediction and modeling. Their algorithmic nature does not fit well with the specificities of strategic issues that are poor or unstructured. In an environment characterized by innumerable variables and multiple interactions, the model cannot represent a true picture of reality, regardless of its degree of sophistication. Techniques often lead to ignoring less quantifiable variables such as social dimensions, culture and environmental policies. At the same time, changes in these areas are likely to question the company's legitimacy. The powerful logic of the models makes us forget that it is a simple construct designed to help in reflection only. Leaders tend to forget the reality and to believe that the model is a reality (Kerzner, 2002).

Finally, failure of planning happens because of the company's negligence of the human dimension, political dimension, and power structure. Indeed, strategic planning is ineffective when the organization is facing psychological, social, and political questions. This logic of separation between the formulation and the implementation of the strategy leads to creating a refractory climate between the people responsible for the formulation and the ones responsible for implementation. To fill these gaps, the focus is on strategic management that marks, by opposition to strategic planning, the

articulation between formulation and implementation of the strategy and thus by integrating the company members.

### **1.3. Motivation**

#### **1.3.1. Concept of Motivation**

Motivation is a kind of incentive that motivates human behavior and helps to direct them towards performance when these incentives are important to the individual. These incentives are offered to the individual as a compensation for the outstanding performance. Every employee wishes to be satisfied with their job to perform to the maximum capacity. This attitude leads to an emotional orientation that pertains to individuals' general attitude toward the job, either satisfaction or dissatisfaction (Cerasoli, Nicklin, & Ford, 2014). Motivation is a combination of physiological and psychological factors, such that the staff feels motivated toward their job. It is identified as the effective direction of individuals regarding their organizational commitment. On the other hand, it is a set of feelings, attitudes, and beliefs individuals personally have about their jobs.

Additionally, it is an inner feeling linked with internal and external motivations (Olorunsola, 2012). Its internal feeling is an underlying principle in most aspects of human resources, and it has significant applications in an organization. It refers to enjoyment in performing a job and the motivation to work for an organization (Maharjan, 2012).

In other words, motivation is the main internal feeling created by numerous factors. A basic human need is what individuals feel about their work and the environment (Natale et al., 2013). Motivation is one of the organizational behaviors that illustrate various relations toward the job. It obtains positive and negative energies existing in personal and social life because both are important for achievement. Furthermore, employee motivation is a basic human need and a key variable affecting organizational performance. Latham (2012) points out that motivation is a known factor in the emergence of a behavioral organization. It shows the staff's feelings



toward their work. Thus, increasing or decreasing this fundamental factor directly affects the organizational performance (Latham, 2012).

In this theory of human motivation, Abraham Maslow's Theory of Hierarchy of Needs, or simply Hierarchy of Needs showed that human behavior results from certain unsatisfied needs. Maslow arranged these needs hierarchically at five levels according to their importance. The catalyst of these needs is to change an individual's behavior for the better. And the five sections of needs, as Maslow sees, impact the individual's psychology and behavior (Ozguner & Ozguner, 2014). (1) Physiological needs are the basis of Maslow's pyramid and include the basic things that humans need, such as food, air, water, and housing; (2) the need for security: after the satisfaction of the basic human need, which is a physiological need, people try to satisfy another need, the need for security. An employee needs to work in a safe environment free from physical and psychological damage and guarantee social security. (3) Social needs: this level of needs comes after satisfying the first and the second needs in the pyramid. And the social need means that the individual needs to satisfy the need for belonging, which helps to form friendships, acceptance of others, and create social clubs or competitive activities; (4) need for appreciation: satisfy the need for self-esteem, develop self-esteem, desire for progress and success, and gain prestige among people; (5) the need for self-assertion: this need is at the top of Maslow's pyramid, and it is possible to access it after satisfying other needs, which provide appropriate conditions that help the individuals innovate and provide the best that they have, and feel their existence.

Motivation is influenced by certain factors peculiar to the work environment, precisely the supervisor's style, work procedures and policies, work conditions, and fringe benefits. The first comprises intrinsic factors associated with satisfaction, such as achievement, autonomy at work, professional prestige, and development. The second is the extrinsic dimension of the job, which relates to working conditions, pay, and benefits. Both aspects are connected to issues related to organizational commitment and motivation. From the above elucidation of the concept, it is evident that motivation results from an employee's perception of how well their job provides these things that are viewed as important. Motivation is an emotional response to a job situation. It cannot be sensed, and it can only be inferred. It is often determined by job satisfaction which means how well an outcome meets or exceeds expectations. For instance, if organizational participants feel that they are working much harder than

others in the development but receiving fewer rewards, they will probably hold negative attitudes towards work, their seniors, and co-workers. On the other hand, if they feel they are treated very well and paid equitably, they are likely to have positive attitudes towards their job (Thompson, 2002).

Some factors are conducive to motivation and organizational commitment. Experts have identified nine factors that determine the motivation of employees. These factors are pay, promotion, supervision, fringe benefits, contingent rewards, operating conditions, nature of work, and communication. These factors are given below in detail (Heyliger, 2014):

1. Pay and Compensation significantly affect the overall job condition and employee performance. Unfair pay leads to unhappiness and a low pace of performance (João & Coetzee, 2012). When employees feel that their pay is equitable and fair, they tend to be more satisfied (Leip & Stinchcomb, 2013).

2. Promotion refers to the opportunities for advancement available to employees in an organization. The literature has mentioned that promotion provides opportunities for personal growth, allows an individual to accept more responsibilities, and increases social status (João & Coetzee, 2012). According to Singh and Jain (2013), the opportunity for promotion determines the degree of employees' motivation, indicating the great importance of promotion for employee satisfaction.

3. Supervision is linked to the idea that when an immediate supervisor is friendly, praises subordinates, and listens to employees' opinions. It remains interested in their actions, and job satisfaction is more likely to increase (João & Coetzee, 2012).

4. Fringe benefits refer to both monetary and non-monetary benefits an organization offers to its employees. Fringe benefits can be intrinsic or extrinsic. Organizations can increase the commitment and performance of workers by making fringe benefits available, which are important for the staff (João & Coetzee, 2012). Fringe benefits can impact job satisfaction because they are important components of a worker's compensation.

5. Contingent rewards stand for appreciation and recognition for the work done by the subordinates. When employees feel unrewarded according to their contributions, their dissatisfaction increases, leading to low commitment and

productivity (João & Coetzee, 2012). According to Armstrong (2010), reward management develops motivation and job engagement by valuing people in accordance with their contributions. The application of contingent rewards system improves employees' performance and leads to new developments in different managerial forms (Armstrong, 2006).

According to Durowade et al. (2020), contingent reward systems positively reinforce a job well done. This reinforcement measurement encourages employees to effectively complete their tasks and meet their goals in a professional and timely fashion. Unlike annual performance reviews and evaluations, the contingent reward system provides a more frequent assessment of the employees' work with applicable rewards when qualified. The employee should meet the immediate goal; he should uphold and maintain the company's metrics of desired behavior.

An effective reward system entails meeting and exceeding employee expectations by rewarding everyone in the organization according to the level of effort (Armstrong, 2010). The contingent reward system has been widely applied. It has gained prominence in various fields of organizational management, both in the public and private firms, where it has been successfully applied. The contingent reward system has resulted in remarkable performance improvements through increased employee flexibility, innovation, creativity, productivity, development, quality, and general preparedness to deal with market and competitive events (Obiwuru, Okwu, Akpa, & Nwankwere, 2011).

6. Working conditions refer to the physical environment. Working conditions include ventilation, lighting, tools, space and other related environmental features, the amount of work, and the institution's facilities. Some other researchers acknowledged human response to the environment by different ambient conditions (Sundstrom, Town, Rice, Osborn, & Brill, 1994); such as lighting, temperature, air quality, and noise include ambient conditions. Work conditions have been used interchangeably with operating conditions in the literature. The term refers to the policies and procedures used in an organization. Some procedures may be too tight that flexibility is impossible when needed. It may lead to dissatisfaction among the employees (Carroll, Marchington, Earnshaw, & Taylor, 1999). Employees become more satisfied when wanted or respected (Kumari & Rachna, 2011). Working conditions also refer to

the environment in which employees work. It affects their satisfaction, comfort, and motivation (Singh & Jain, 2013). There is a link between workplace environment, employees' mental and physical well-being, and job satisfaction (Waqas et al., 2014). Many other researchers found significant and positive links between environmental satisfaction and job satisfaction (Veitch, Charles, Farley, & Newsham, 2007).

7. Co-workers, who are friendly and supportive of each other, are very important. Having such coworkers brings satisfaction, and there will be dissatisfaction if coworkers are non-cooperative (Singh & Jain, 2013). Fortunately, strong support from co-workers and supervisors improves work environments by relieving employee stress (Cattell, Bowen, & Edwards, 2016) which enhances job satisfaction and performance (Fried, Shirom, Gilboa, & Cooper, 2013) and subsequently reduces issues in enterprises and organizations (Fried et al., 2013). Supervisors are in a position that can address employee complaints and help employees obtain necessary resources (Boz, Martínez, & Munduate, 2009). Employees can successfully finish tasks and reduce stress if they have good relations with their coworkers (Kohut, 2008).

8. Nature of work refers to the type of work done. When employees are mentally challenged in their work, provided with various tasks, freedom, and opportunity to develop their skills, abilities and feedback, they are more likely to be satisfied with their jobs (Lumley, Coetzee, Tladinyane, & Ferreira, 2011). Significant research literature on this topic shows that job satisfaction is strongly linked to productivity, motivation, lack of absenteeism/tardiness, accidents, mental/physical disorders, and life satisfaction (Lumley et al., 2011). The emotional state of an individual is affected by interactions with their work environment. People identify themselves as professionals, such as doctors, lawyers, or teachers, to mention a few. An individual's well-being at work is significant for appropriate workflow (Hickman, Saha, De Choudhury, & Tay, 2019).

There are essentially two types of job satisfaction based on employees' feelings regarding their jobs. The first and most analyzed is global job satisfaction, which refers to employees' overall feelings about their jobs (for example, overall, I love my job) (Mueller & Kim, 2008). The second is job facet satisfaction, which refers to feelings regarding specific job aspects, such as salary, benefits, work hierarchy, and growth opportunities (for example, overall, I love my job, but my schedule is difficult to

manage) (Mueller & Kim, 2008). Job satisfaction helps identify specific aspects of a job that require improvement. The findings may aid organizations in improving the overall job satisfaction or understanding organizational issues such as high turnover (Kerber & Campbell, 1987).

9. Communication includes both formal and informal communications within an organization. Effective communication within an organization brings motivation and commitment, resulting in increased job satisfaction (Kumari & Rachna, 2011). Communication relates to satisfaction both at the personal level and at the organizational level. A lack of effective communication prevents an organization from achieving its goals (Kumari & Rachna, 2011). One of the most important aspects of an individual's work in modern organizations concerns communication management (Mishra, 2013). Smart leaders know that happy workers are productive workers and ultimately benefit their companies (Waggoner, 2013).

Studies have shown that different aspects of effective organizational communications, such as high frequency, openness, accuracy, performance feedback, and adequacy of information about organizational policies and procedures are positively related to employees' feelings of happiness in the workplace and job performance (Neves & Eisenberger, 2012).

From the above elucidation of job satisfaction, it is evident that it is a result of employees' perception of how well their job provides those factors that they consider important. Researchers have discussed different aspects and determinations of job satisfaction in their respective manner and described job satisfaction as "a pleasurable or positive emotional state resulting from the appraisal of one's job or job experience." Job satisfaction or dissatisfaction is affected by the relationship between a person's job expectations and actual achievements.

Spector (1997) stated that there are two antecedents of job satisfaction; the first is job-setting characteristics, and the second is individual/personal characteristics. Both factors influence job satisfaction. Kadushin and Kulys (1995) agree that job satisfaction is controlled by factors described by Adeyemo and Longe (2000). From their viewpoint, satisfaction in a job might be motivated by the nature of the job, its pervasive social climate, and meeting the workers' peculiar needs (Tella, Ayeni, & Popoola, 2007). Working conditions similar to local and international standards

(Oshagbemi, 2000) and the extent to which they resemble the work conditions of other professionals in the locality also contribute to job satisfaction.

A successful organization normally has satisfied employees, while poor job satisfaction can cripple an organization's job satisfaction. Job satisfaction consists of inclusive or general job satisfaction and a variety of satisfaction facets (Friday & Friday, 2003). Yiing and Ahmad (2009) found that lack of job satisfaction affects absenteeism, grievance, expression, tardiness, low morale, high turnover, quality improvement, and participation in decision-making. These, in turn, affect the overall organizational performance (Page & Vella-Brodrick, 2009).

### **1.3.2. Evolution of Motivation**

Motivation is not new in the business world. In the past, the scientific management movement has paid much attention to the subject of motivation. In the late nineteenth century, Frederick Taylor introduced a new system of raising wages based on the piece. The piecework remuneration system is the oldest motivation system. It suggests two rates of production wages by piece: the first is high if the worker can finish the piece on time, and the second is low if the piece is produced in a long time.

Then, the motivation concept evolved; Guent, one of Taylor's students, introduced a guaranteed wage system even if employees could not achieve desired productivity. Emerson also belongs to Taylor's school of thought, which developed a system based on two determinants of the employee wage according to the degree of productivity that is regularly measured on a weekly basis. There is no doubt that Taylor and his school adopted a production and remuneration system considering quality, adequacy, or workload. But, that does not mean that there were no other motivation systems (Rahman, 2012). Frederick Hals, through his system, tried to tempt the workers to produce a unit in less than scheduled production time. It is currently noticed that the idea of motivation is no longer confined to the application of the two previous systems. There are many different types of motivation; because of its different objectives, diversity, and multiple needs of human resources (Eshun, 2011).

At the beginning of the 20th Century, when psychology became an independent discipline, two radical positions were influenced by Darwin's paradigm:

### **Radically Empirical Position of Behaviorism:**

Observing the behavior and conditions in which it unfolds is necessary and appropriate, so "Psychology should get rid of notions of consciousness "(Watson, 1913). In that paradigm, forces, feelings, and motives were considered determinants of most human behavior, and behavior interpretation is the research method " (Izard, 2013).

The idea of motivation is already present in the tripartite division of the soul in Plato (Singpurwalla, 2010). Epithumia is the origin of the desire to eat or to reproduce. The general point of view of ancient philosophy, expressed particularly by eudemonism, considers that the search for happiness is the imperative requirement at the base of motivation; the other expectations are only partial and isolated. It is difficult to trace the history of the general concept of motivation because we have no trace of a possible study between antiquity and the twentieth century (R. L. Campbell & Christopher, 1996). Still, we can draw a parallel concept keeping in view the history of organizations that used a restricted concept of motivation. Later, workshops and large companies were created at the end of the Middle Ages, coinciding with the transition to modern times (Dyer, 2012). Thus, the art of organization and management quickly became a necessity from then on. In the 18th Century, Kant expressed two origins of motivation. The first is the duty, while the second is the satisfaction of the desire or sensible motivation (Wood, 1999).

### **1.3.3. Theories of Needs and Motivation**

There are different theories for motivation and needs in business, but the most popular is the pyramid of Maslow's needs. The theory prioritizes needs and says that the more one "climbs" levels, the motivation becomes more important. But higher levels can only be reached if the basic needs are met. First, human beings must meet their physiological needs, and then, they try to meet their security needs. A person cannot meet their safety needs until he has met his physiological needs. Once these two needs are met, then social needs arise, the need for self-esteem, and finally, the

need for actualization. The theory also states that these needs have a multidimensional structure from one subject to another, but the level of satisfaction is not the same. Thus, certain categories of individuals ignore certain levels. For example: The relationship between artists and physiological needs (feeding, sleeping) (Saul McLeod, 2007). The theory is criticized today because data shows that individuals keep on satisfying a need, and satisfaction of needs is in a logical sequence.

Theories X and Y concerning motivation at work were presented in 1960 when Douglas McGregor attempted to explain what drives people to work (McGregor, 1960). Overall, these theories present the motives of employees as perceived by managers. According to X theory, people generally do not like work, have no ambition, and like to flee any form of responsibility (Miner, 2008). Managers, who embrace this perspective, believe that the behavior of their workforce continuously changes, and they need to be controlled and directed to meet the needs of the organization. Thus, if managers do not exercise strict and rigorous control, employees may not adopt the behaviors leading to the achievement of organizational objectives. According to Theory Y, people like to work; that is to say, they enjoy doing their work; so, work and recreation or recreational activities are a potential source of valorization and emancipation. Managers who take this view consider that workers are looking for responsibility and autonomy and showing initiative and creativity in accomplishing their tasks.

The Theory of Herzberg's two factors, the great contribution of this theory, among the most classical works, shows that motivation can be influenced by external factors, called extrinsic factors (Pardee, 1990). For Herzberg, motivation varies according to internal factors, but demotivating influences are also termed hygiene factors. Thus, motivation is only possible if the hygiene factors are high (Holmberg, Caro, & Sobis, 2018). But there is no pure motivation. These two concepts (motivation and demotivation) are parallel and do not fall within a continuum. The amount of commentary and criticism generated by Herzberg's work is important. The method used for data collection is often criticized as a source of bias. In fact, the critical incident method collected the moments when the employees felt happy and the moments when they felt dissatisfied. While doing this, the conclusions established that only the intrinsic factors (self-fulfillment, work in itself, responsibilities) contribute to satisfaction, and their absence leads to neutral states. Extrinsic factors (remuneration



and hierarchical qualities) reduce dissatisfaction but would have little or no influence on satisfaction. The distribution between internal and external factors can be questioned. One can wonder if the responsibilities entrusted are internal or external factors. More generally, this model blithely confuses two distinct notions: motivation and satisfaction. This criticism is pointed out by authors like Claude Levy-Leboyer and Robert Francès. The model formed the basis for the so-called movement of enrichment at work.

McClelland's Theory of Needs for Realization, also called the theory of needs, was constructed from measuring needs. David McClelland points to three types of needs at the top of Maslow's pyramid that motivates employees (Alschuler, 1973):

1. Achievement needs: They refer to the desire to succeed (accomplishment);
2. The need for power: This refers to wanting to influence others;
3. Affiliation needs: This refers to the need for satisfactory social relations.

Thus, these three factors show that the will to succeed is powerful self-motivation.

Alderfer's ESC theory or Motivational Theory is based on existence, growth, and sociability. Clayton Alderfer was inspired by Maslow's theory, based on the theory of hierarchical needs. On the other hand, this theory does not follow the order of Maslow's pyramid of needs because they are complementary. It is used in management to facilitate the work of human resource specialists.

- **Existence:** The need for existence is reflected in the two basic categories of Maslow's pyramid of needs, including security and physiological needs. This factor is influenced in the workplace by remuneration and working conditions, and once these factors are controlled, managers find their employees more motivated and accomplished.

- **Sociability:** Humans need love and belonging. They feel the need to be associated with people, and they need interaction and recognition within a group.

- **Growth:** Humans need to flourish, and they must be ambitious to accomplish new things and grow as individuals. By setting and achieving goals, they feel like a more fulfilled person.

The Theory of the Characteristics of the Task (1968) shows the historical effect and work enrichment, keeping in view the task proposed by the author. The theory of self-determination, proposed by Edward Deci and Richard Ryan, presents motivation in two forms:

**Intrinsic motivation:** Accomplishment of action for pleasure alone or the interest it provides;

**Extrinsic motivation:** Accomplishing an action because of the reward (Karsenti & Thibert, 1998).

The Theory of Accomplishment Goals, or the Achievement Goal Theory, proposed by Edwin A. Locke, describes that setting a precise and hard-to-reach goal, followed by feedback, optimizes the individual's performance. Smart goals, often valued in professional environments, are inspired by this theory (Sosu, 2016).

The theory of self-efficacy depends on the feeling of self-efficacy, that is, the belief that an individual thinks that he or she is capable of performing a task. This theory was developed by Albert Bandura (Shortridge-Baggett, 2000).

Vroom's theory (V.I.E), a cognitivist theory, also called the theory of expected result, is based on three concepts: the "valence" (V), or the value, either positive or negative, that is attributed to the result of its actions or its performance. This answers the question: What do I get in return for my accomplished performance? Is it important for me or not? In the context of work, for example, for some, the level of wages may be important, and for others, it may be free time (Locke, 1991).

The reversal theory, presented by Michael Apter in 1982, is less concerned with the biological or environmental determinants of motivation than with its dynamics in a cybernetic approach by reversing between relatively stable states, called meta-motivational states (Lachenicht, 1985). It thus claims to reflect both individual variations with preferred states and intra-individual variations, such as the passage (constant environment) from boredom to euphoria or from relaxation to anxiety (Kjellgren, 2003). With the notion of a meta-motivational state, the individual appears to be less fundamentally dependent on impulses or vital needs. A few pairs of meta-motivational states have been identified and have undergone validation testing. The best known and most important is the telic/paratic state pair; very close to the

extrinsic/intrinsic motivation distinction, the goal (telos) at the heart of the telic state is the quintessence of extrinsic motivation (Reach, 2015).

Theories of reinforcement (behaviorists), according to behaviorism, hold individual internal characteristics, which are, in principle, negligible. Motivation always results first and foremost from factors more or less closely related to conditioning and, more specifically, from the different extrinsic reinforcements exerted on behaviors considered positive. Theories of reinforcement are based on pain avoidance and the search for happiness and pleasure at the lowest possible cost to explain the behavior of individuals (Eisenberg, 2014). These elements can be related to two concepts of operating conditions, namely reinforcement, an event that motivates the individual to reproduce the behavior, and punishment, an approach that conditions the individual to refrain from reproducing a negative behavior. There are two types of reinforcement: Positive and negative.

#### **1.3.4. Types of Motivation**

Motivation and incentives are used by management to increase a company's productivity and its competitive advantage. There are different types of approaches to get this done, such as

**Positive Motivation:** Incentives that promote creativity and innovation include:

- **Material motivation:** It includes annual wages and bonuses, and increases in wages to meet the increase in living expenses, remuneration, and profit-sharing, consisting of hourly, weekly, daily, or yearly payments, in addition to performance-based payment increases, as well as benefits such as health insurance, compensation, and fringe benefits of material value (Mamdani & Minhaj, 2016).

- **Moral motivation:** It includes promotion and appreciation of the efforts of employees, involvement of employees in the administration, ensuring work stability, and delegation of authority.

There are various means to give moral motivation:

- **Opportunities for promotion and progress:** Promotion should be an effective moral incentive if linked to efficiency in performance and productivity.

- **Appreciation of workers' efforts:** This can be achieved by granting certificates of appreciation and praise to competent workers who achieve high performance in recognition of their efforts by management.

- **Empowerment:** To have a voice in the decision-making by actively participating in formulating the organization's policies and decision-making processes.

- **Work guarantee and stability:** Guarantee and stability in the work is an incentive that significantly affects the morale of the workforce.

- **Expansion of work:** It means the addition of new tasks to an individual's routine within the scope of the original specialty. As a moral incentive, it creates a sense of the importance of the function performed by the individual.

**Negative Motivation:** It means different penalties imposed on subordinates, which may change the employee's behavior to improve performance. Behavioral motivation is divided into:

- Material incentives

- Moral incentives:

- **Individual incentives:** They are given to a particular individual due to a particular action performed or beyond the predetermined goal, and these incentives may be material or moral.

- **Collective incentives:** Such incentives are directed to a group of employees in the organization who work collectively in a specific section. Collective incentives, in this case, help move workers toward the goal of increasing efficiency, increasing productivity, increasing self-censorship, and using their suggestions for improved performance.

**Motivation for Excellence:** Any attempt to ensure continuous improvement in job performance is connected with motivation, and it tends to encourage employees based on differentiation in their performance.

The lack of motivation and incentives in the workplace may lead to low productivity compared to the targets. Sometimes, workers feel dissatisfaction with

their work; it eliminates the spirit of cooperation within the framework of action and enforces self-interest, indifference, absence of a sense of responsibility, high employee turnover, absenteeism, or social conditions, such as lack of respect, and increased accidents at work and diseases resulting from the practice of certain professions.

**Conditions for Success of Incentives:** Thus, to make motivation and incentives successful, several basics need to be taken into consideration, such as:

- Incentives should be linked to the objectives of both staff and management.
- Find a close link between the motivation and the goal that drives the humans to achieve his wishes.
- Selecting the appropriate time by which incentives are used, especially material incentives.
- Ensure the continuity of incentives and create a sense of reassurance among individuals expecting regular receipt of incentives.
- Policy regulating incentives must be fair, equitable, and efficient.
- To develop organic relationship between good performance and motivation in the worker's mind.
- Motivation must be proportional to individual performance.
- Recognize and know individuals about the policy under which incentives are regulated and granted.

### **1.3.5. Basic Stages for Designing Motivation System**

For the administration to design a good incentive system here is a practical guide to the steps that should be taken. Management can adjust these steps to fit, and these steps are:

**1. Study and preparation phase:** Human Resources Department conducts a detailed study of a group of factors, including humanitarian, administrative, economic, and legal factors, in terms of workforce composition, trends of individuals during the previous period, performance, past incentives, laws, regulations, and policies. It also

entails looking at the core values and expectations of the organization's society, individuals, their perception of incentives and the concept of rights and obligations.

**2. Plan development phase:** Human resources departments compile, classify, and analyze the data collected in the first stage to absorb its implications and dimensions and then develop a plan for the system. And motivation should follow the following steps:

- Defining the objective of the incentive system and spreading it among all employees.
- Determine the minimum wage for the job based on the salary scale.
- Determine the performance rates of the job on an individual or collective basis.
- Determine incentives in the light of the nature of work in the organization.
- Define a framework for the process of changing incentives in line with organizational development.

**3. Pilot phase of the plan:** Before the plan is implemented, human resource departments should provide an appropriate environment for its application, such as holding several meetings with the employees to explain the plan. It is preferable to pilot the plan at this stage on a small scale in a particular section or a small group of staff to ensure that they are appropriate for application in the organization.

**4. Implementation and follow-up phase:** In light of the information obtained in the previous stages, Management makes the necessary adjustments to the plan or other policies to ensure its success and its future continuity.

## **1.4. Employee Performance**

### **1.4.1. Concept and Definition of Performance**

There are some key definitions of the term to conceptualize better and understand the meaning of performance. Berman Evan has defined performance as “the effective and efficient use of resources to achieve results” (Roberts, Hsiao,

Berman, & Reich, 2006). It is defined as “a continuous process of identifying, measuring, and developing performance in organizations by linking each individual’s performance and objective to its overall mission and goals” (Aguinis, Gottfredson, & Joo, 2013). In the first definition, there are three components: (1) Use of effectiveness and efficiency, (2) resources, and (3) achieving goals.

Effectiveness is the level of results an organization, individual, or group shows, such as the number or the amount of accomplishment. Efficiency means a ratio of outcomes to inputs. And the distinction between the outcomes and the outputs is that outcomes are measured by determining the achievement of organizational goals. In other words, immediate results measure the outputs. But in a second definition, there are two principal components: (1) Continuous process and (2) the mission and goals. Ongoing performance is a never-ending process of setting goals and objectives, observing performance, and giving and receiving ongoing coaching and feedback. It directly links employee performance and organizational goals and makes the employees’ contribution to the organization explicit. To improve a company’s performance, the concerned department for development should proceed to diagnose the performance problems, bring knowledge for alternative performance improvement strategies, analyze the receptivity of organizations for performance efforts, implement strategies and skills, and finally assess the outcomes (Poister, Pasha, & Edwards, 2013).

#### **1.4.2. Overview of Theories Explaining Performance**

Scholars of management developed three fundamental perspectives as frameworks helping to explain the theories or the models of performance and how they can be improved. Each of these models is associated with specific performance enhancement interventions, but the logic is to integrate the three models to obtain a clear view of performance. An overview of those theories includes (1) an individual model, (2) a situational model, and (3) a regulation model. Comparison of performance between individuals can be explained by individual differences in abilities, personalities, or motivation (Sonnetag, 2002). For an individual model, individual differentiation factors are identified in terms of personality, ability, and motivation. Three elements are determined in this model that includes (1) declarative knowledge,

(2) procedural knowledge and skills, and (3) motivation (Sonnentag, 2002). Declarative knowledge is about principles, goals, facts, and personality, and it is linked to a person's personality, abilities, education, interests, experiences, training, and interactions. Skills and procedural knowledge are about physical skills, cognitive and psychomotor skills, interpersonal skills, and self-management skills. Motivation is about performing with persistence and the level of effort.

The situational model refers to stimulating and supporting performance by the individuals' environment. In this situational model, workplace factors and specific motivational dynamics are significant for improving performance. The relationship between the individual and situational models are two major approaches, including (1) those that focus on situational factors to enhance and facilitate performance and (2) those that attend to situational factors which impede performance (Sonnentag, 2002). The performance regulation model focuses on the performance process itself and how to bring it into action. Thus, it gives less interest in individual or situational aspects, and generally, it addresses some common questions: "What happens when someone is 'performing'?" "How does the performance process look like?"

### **1.4.3. Performance Management**

Performance management is defined as "functions that include the use of performance appraisal for salary administration, promotion decisions, retention/termination decisions, recognition of individual performance, and identification of poor performance" (Chubb, Reilly, & Brown, 2011). Aguinis also defined it as "a continuous process of identifying, measuring and developing performance in organizations by linking each individual's performance and objectives to the organization's overall mission and goals" (Aguinis et al., 2013). Performance management is linked to recognition, constructive feedback, personal development, and career opportunities. Still, there will always be an inevitable tension within career management that has to satisfy both the organization's interests and the employees. Individuals may demand a career where there is a scope for development and progression, while organizations need to ensure they have the right people in the right jobs and build a talent pool for the future (Chubb et al., 2011).



According to Mirela Oana, three components are important to define performance in general and performance management in particular (Mirela-Oana, Adrian, & Viorel, 2013):

- Performance in action. In this sense, performance is a process and not a result that appears at a time. Performance is not a state but a process, and its content became almost secondary in relation to its own dynamics.
- Performance is the result of an action, and performance measurement is understood as "post-assessment of the results."
- Performance means success. Performance does not exist by itself, and it is a dependent representation of the success of the different categories of users of accounting information.

#### **1.4.4. Performance Control**

Performance monitoring is the last step in the strategic planning process where the implementation of a strategy is verified, and its impact on the organization's performance is valued. It can be considered an information tool for periodically reviewing the use of available resources, the progress of programs, and their results. In the broad sense of the term, performance monitoring may include individuals, management performance, or performance of programs. Performance monitoring helps monitor program evolution and provides necessary corrective measures. On the formal level, periodic monitoring provides structured information on sensitive aspects, such as the use of available resources, the conduct of program activities, compliance with standards, budgetary control, and its application by agents. Thus, monitoring the performance of the plan should be a relatively continuous process (Mangusho, Murei, & Nelima, 2015).

A performance indicator is an element or a set of important information, a representative index, a targeted and contextualized statistic according to a measurement concern, resulting from the collection of data on a state, manifestation observable of a phenomenon, or an element related to the functioning of an organization. They are often directly measurable but without necessarily being quantitative. More specifically, in the case of monitoring the performance of a strategic

plan, indicators can be used to identify key objectives of the strategy, monitor the progress of an organization concerning these objectives, create links between the various partner departments for achieving the objectives, facilitate benchmarking and provide an overview of an organization's situation. A management dashboard is also a tool used to track performance (Cole, 1999).

### **1.4.5. The Concept of Employee Performance**

Scholars agree that job performance is a multi-dimensional concept. If it is defined as an act of doing a job, or to reach a goal, or a set of goals within a job, role, organization, behavior, or a separate entity from the outcomes of a particular job, which relates to success and productivity (Binnewies, Sonnentag, & Mojza, 2010). It is also defined as “actions that contribute to organizational goals under the individual’s control” (Rotundo & Sackett, 2002). The components of these concepts are (1) behavioral and (2) outcome-based. The behavioral aspect refers to taking action from general or specific behaviors. For appropriate conceptualization, attention should be paid to actions that can be counted as performance. The aspect of outcome refers to an individual’s results.

There are three basics of performance: (1) task performance, (2) contextual performance, and (3) adaptive performance. Task performance covers the contribution of individuals to organizational performance, and it consists of activities that may transform resources into goods and services, bringing efficiency and effectiveness to the organization. The contextual performance focuses on invisible aspects, a behavior that supports the organizational, psychological, and social environments and does not directly contribute to organizational performance. In other words, it consists of activities that are generally in the job description. But adaptive performance is about the company’s flexibilities, abilities, and proficiencies to integrate new learning experiences and materials to improve its general performance.

#### **1.4.5.1. Employee Performance Limitations**

Employees work to boost the organizational goals and increase their productivity. Effective workers combine their skills with productivity in a work

environment. While doing that, some constraints and limitations can affect their performance. The companies should be aware of those factors to restrain them or eliminate them to get the maximum performance from their employees. Following are the most significant factors for job performance: (1) motivation, (2) ability, (3) individual characteristics, and (4) managerial standards (Mekonnen, 2014; Rotundo & Sackett, 2002).

Motivation is to get the best possible performance from employees. Effective motivation should be more than a weekly paycheck. There are many ways to motivate employees, such as involvement opportunities in organizational projects, financial incentives, and a career plan. Thus, effective motivation can help to get further productivity in a workplace. At the same time, the lack of a good motivational policy can limit the employees' performance. Ability is competence and qualification to accomplish daily tasks. If an employee's ability is lower than expectations, it will affect their job performance. Mekonnen pointed out that "the relationship between effort and performance should be stronger for individuals with high cognitive ability than those with low cognitive ability. The effort has the role of leveraging performance with the cognitive ability (Mekonnen, 2014).

Managerial standard is a two-sided administrative tool; it may motivate the workers at the workplace, or de-motivate them. These standards must be clarified in job descriptions or job duties while hiring persons to ensure they are doing what they were hired for. Thus, successful performance expectations should be in line with job duties. If an organization expects more than usual from its employees according to their background, that factor may diminish the workers' performances.

Individual characteristics are other factors that may limit job performance in the workplace. In terms of age, older employees usually tend to collaborate rather than focus on competitive tasks, contrary to their younger colleagues. An empirical study by Makonnen (2014) highlighted a negative relationship between aspiration, ambition, age, and overall motivation (Chebet, 2015; Mekonnen, 2014).

#### The Concept of Performance Improvement

Performance improvement, as defined by Darlene M. Van Tiem, "focuses on making a situation, an organization, or a workplace better, perhaps by enhancing the customer experience, providing effective fire safety or police security, increasing

opportunities within a company, or increasing the quality of fresh produce in the market” (Dessinger, Moseley, & Van Tiem, 2012). Performance improvement is about exploiting performance opportunities, involving overcoming performance problems related to practice, service, or governance. It is a form of organizational development that focuses on improving efficiency and increasing outputs for a particular procedure or a process. And this performance improvement could occur at various levels: team level, employee level, division, unit, or at the level of the whole organization. The most common form of this performance improvement is quality control to ensure the outcomes and performance analysis.

Organizations seek to have a strong performance by interventions like training for performance improvement. There are individual and collective methods. In organizations, development procedures for performance improvement are taken by models such as training and development, industrial engineering, quality assurance, and human resources to address performance gaps in systemic ways. In addition, many factors should be in place to ensure performance improvement for employees in a workplace (Dessinger et al., 2012):

1. Clear job expectations
2. Clear and immediate performance feedback
3. Adequate physical environment, including proper tools, supplies, and workspace
4. Motivation and incentives to perform as expected
5. Skills and knowledge required for the job

### **1.5. Relationship between Motivation and Employee Performance**

In this thesis, job performance has been defined as a measurement of comparing a company`s outcomes to its inputs. And job satisfaction is a collection of feelings and beliefs that people have about their current job. Organizations need high performances from their employees to achieve organizational objectives. To do that, organizations should prove a competitive advantage by satisfying their employees to keep them performing at a high level. The correlation between job satisfaction and job

performance determines satisfying working conditions and how far the workers produce a maximal performance for what they are determined for. Bin Shmailan (2015) pointed out that a study “confirms that satisfied employees perform better and contribute to the overall success of an organization. On the other hand, employees who are not satisfied do not perform well and become a barrier to success” (Bin, 2015). The study proposed that organizations should work to improve the connection between the two interdependent variables, job satisfaction and job performance, to achieve organizational success.

Ram (2015) found a correlation between job performance and job satisfaction. In his study, the employees are questioned to respond to some variables to understand the levels of employees` current satisfaction and its impact on job performance and organizational performance records. Those variables are (1) Record of leaves, (2) productivity-incentive-bonus record, (3) attendance, absenteeism, and tardiness record, (4) accident and injury record, (5) passenger complaint record, and (6) punishment record (Bin, 2015; Ram, 2013).

## **2. LITERATURE REVIEW**

### **2.1. Introduction**

Strategic planning is considered a basic and important stage of the administrative process because it represents an approach to thinking and differentiating between the existing methods and methods of work to choose the best appropriate alternatives in light of the available capabilities on the one hand and the nature of the objectives desired to be achieved on the other hand in a world that has become smaller than its geographical size because of globalization and the technologies of the internet age, as the winds of change, with its various variables, which undoubtedly affected all its parties. Thus, strategic planning is an administrative tool used by institutions to implement their work and projects by mobilizing and focusing their energies and ensuring that all workers are moving in the right direction and achieving the same objectives of strategic activities, in addition to evaluating and adjusting the direction of the organization in response to environmental changes.

Strategic planning contributes to laying good foundations for incentive policies to motivate employees to provide the best performance.

The use of incentives dates back to the era of the scientific management movement, which Frederick Taylor advocated in the 20th Century. Since then, the private sector has employed the use of incentives as a means of raising employee productivity. Its benefit is meant to motivate the employee to put in extra effort to achieve a better result. It is a tool that any company can use, whether the company is public or private and regardless of the type of assignment (Tongo, 2016). What prompted attention to incentive systems of all kinds is the effective role of incentives in achieving integration between the goals of the individual and the organizational goals, and individuals, when they seek to obtain incentives, whether material or moral, to satisfy their personal needs and exert more effort and time to obtain them, directly or indirectly contribute to achieving organizational goals.

## **2.2. Strategic Planning**

Strategic planning has become one of the most interesting sciences in administration, politics, social sciences, and economics from the latter half of the twentieth century to the present era. The importance of strategic planning as modern science begins to play its role in developing managerial performance and helps the organizations foresee different parameters regarding the incoming competitive advantage. Strategic planning is long-term planning, which considers all external and internal variables, and identifies all target segments and sectors and methods of competition. Thus, it leads us to the route to our goal by taking into account the organization's future vision and linkage between all aspects of the organization, in addition to the various activities carried out and the relationship between the organization and the surrounding environment. And it is one of the key components of strategic management.

Darabos (2013) terms strategic planning as a “very important” business activity. It is an organization's process of defining its strategy or direction and making decisions on allocating its resources to pursue this strategy. To determine the organization's direction, it is necessary to understand its current position and the possible avenues to pursue a particular course of action. For an organization's vision and mission to be effective, it must assimilate into its culture. They should also be assessed internally and externally. The internal assessment should focus on how members of the organization interpret its mission statement. The external assessment that includes all the stakeholders is valuable since it offers a different perspective. These discrepancies between the two assessments can provide insight into their effectiveness. It seemed very interesting to explore the involvement of employees in the process of strategic planning in retail chains in Croatia and the impact of the level of involvement on their motivation. The aim was to investigate the extent to which employees at different hierarchical levels involve themselves in the strategic planning process. The results show that the top management is mostly involved, which harms employee motivation. It also indicates that the impact on employee motivation in retail chains is positive only if management realizes the importance of the participation of employees at all levels in defining and creating strategic plans.

Pearce and Sandberg, Robinson, and Pearce II (2000) believed that strategic planning concerns the firm's objectives and acts as a vehicle for top management to plan for the future. It also includes the identification of mission and goals, the implementation process towards the achievement of identified goals, and finally, finding solutions or corrective actions in strategic evaluation and control processes.

Bovaird (2010) argued that an organization without a strategy does not have direction and leads to being incompetent. Maleka (2014) mentioned that the guiding principles in any strategic management process, whether in the public or private sector, is about understanding what changes are needed, how to implement and manage the changes, and how to create a roadmap for sustaining improvements leads to better performance. Applying strategic planning to employee performance and motivation is a key factor for organizational success because employee performance is a determining element for achieving organizational goals. It is also seen as an employee's job execution from tasks to duties to responsibilities to quality. Employee performance is vitally fundamental to factors responsible for the success level of any organization. Thus, this chapter underlines the general frame of strategic planning and how it influences employees' motivation and performance.

The importance of strategic planning and development has increased in recent years as an efficient means of developing human resources because of changes and the challenges facing vital sectors like petroleum because the organizations are open systems that interact with the environment, affecting them and getting affected by it for achieving social and economic goals. The research tries to illustrate the importance of strategic planning and its role in developing human resources and improving its efficiency in continuous development.

Al-Damour (2008) argued in a study to examine the reality of strategic planning of human resources in the public sector in Jordan. It also aimed at investigating the factors that affect strategic planning in Jordanian ministries.

Bouhadid (2008) pointed out that identifying the conceptual framework for the performance of human resources and the different approaches to improving it in an Algerian public hospital, addressing strategic planning and its reality in the Algerian public hospitals, and showing the contribution of strategic planning in improving the human resources' performance in the public health institution of Arris Batna. The



study found several results, but the most important ones are: Strategic planning contributes to improving the performance of human resources in the public health institution of Arris by focusing on compatibility between the function and the responsibility for this function; the need for staff training as a strategic option; activate the workers' incentives system; developing the capabilities and skills of human resources, and evaluating the performance of human resources. A set of proposals was presented to alleviate the constraints facing strategic planning and improve the performance of human resources in the Algerian public hospitals.

Al-Salih (2017), Murphy, and Cleveland (1995) argued in a study "Impact of strategic planning on performance and productivity" that strategic planning and career path development has impact on the performance of employees. The study aimed to highlight the extent of awareness of planning and developing the career path among the employees.

One of the most important findings is that most employees need to do training courses, and there is an intermediate correlation between strategic planning and employees' performances.

Hawwariya (2016) found a relationship between strategic planning and employee performance besides finding a relation between strategic planning elements and employee performance.

From the research recommendations, we have found that the important factors include the necessity to depend on strategic planning in making the futuristic decision of an organization, paying more attention to developing human resources and increasing employee performance efficacy, organizational strategy, and defining a realistic employee performance level.

According to Mohammed (2017), there is a relationship between strategic planning and employee performance and between strategic planning elements and employee performance level.

The research recommends the necessity of strategic planning in making future decisions, specifically regarding the organization's human resources, giving more attention to developing human resources and increasing employee performance.

Zaybi (2014) found several results in a study. The most important of which was: Two independent variables (strategic analysis, strategic choice) affiliated with strategic planning affect the dependent variables represented in a university's performance.

### **2.3. Employee performance**

Today in the business world, three major perceptions or approaches could explain how employee empowerment leads to high performance.

**Socio-structural perspective:** Through a socio-structural perspective, employees' statuses are defined, studied, and examined with their skills and expertise. And within the context of their findings, a structural plan was strategically adopted to enhance, design, organize, and develop specific organizational policies, measures, systems, principles, practices, and structures to give specific employees the specific power, authority, and influence that will be needed to carry out the specific job tasks ahead (Ellinger, Ellinger, & Keller, 2003).

**Psychodynamic perspective:** Through a psychodynamic perspective, the mental states of employees are retrospectively defined, analyzed, studied, and examined concerning their personality, behavioral traits, and upbringing. Some people may argue that this is way too far or not necessary; it is believed that every individual has a connecting past that lingers on into their future. In most cases, it influences their actions tenaciously positively or negatively. The importance and benefits of the psychodynamic perspective lie in creating a more secure and assured path to the empowering process of employees (SA McLeod, 2007).

The situational model refers to stimulating and supporting performance by the individuals' environment. In this situational model, workplace factors and specific motivational dynamics act as capital for improving the level of performance. And the relationship between the individual and situational models are two major approaches: (1) Approaches that focus on situational factors that enhance and facilitate performance and (2) those that attend to situational factors which impede performance (Fay & Sonnentag, 2002).

Employee performance is analyzed and defined from the employee's job execution, from tasks to duties to responsibilities to quality. While most companies officially assess their employees' performances on an annual or quarterly basis, others officially assess their performance on an hourly and daily basis to quickly ascertain whether or not the employees are fit for a task or worth an investment. Some companies have different demands and employee expectations too. Employee performance is leveled and placed on a large scale in most organizations, whereas in others, it might be on a lower scale. Employee performance is vitally fundamental to factors responsible for the success level in any given organization (Liden, Wayne, & Sparrow, 2000).

Scholars of management developed three fundamental perspectives as a framework that explains the theories or the models of performance and how they can be improved. Each of these models is associated with specific performance enhancement interventions, but the logic is to integrate the three models to give a good image of performance. An overview of those theories is given below:

(1) Individual model, (2) Situational model, and 3)) Regulation model

The performance of different individuals can be explained by individual differences in abilities, personalities, and motivation (Sonnetag, 2002).

Theoretically, viewing the process of employee empowerment as a stimulator for employee performance justifies and explains the dimensions of employee commitment levels regardless of their economic situation, financial status, and cultural classification. Hence, employee performance becomes a force within the workplace that influences the course of actions through job tasks and call for duties. The economic impact of employee empowerment has multiple streams for professional achievements and accomplishments. Technically, performance appraisal has proven to be a more systematic and structural approach to examining and evaluating employee performance. This approach has reinstated the inherent qualities of employees' worth, talent, and value through the excellence of their work and labor (Ahearne, Mathieu, & Rapp, 2005).

Undoubtedly, employee empowerment matters while talking about employees' performance; however, the force of influence has built a connection and a professional collaboration between employers and employees. The professional tie among these

relationships is centered on the productive power of delivery and task execution. While employees see external organizational threats as opportunities and paths to launch out their strengths, employers reconfirm their commitment to employee performance, which is located on a height of precedence. The benefits of employees' performance cannot be underrated or denied (Ahearne et al., 2005).

An employee is a key element of the organization. The success or failure of the organization depends on employee performance (Hameed & Waheed, 2011).

Employee motivation is considered a force that drives the employees toward attaining specific goals and organizational objectives. Nowadays, it is one of the most significant issues in organizations since everyone wants to make the best use of their financial and human resources. The main purpose of this study is to inquire what factors influence employee motivation in Pakistan and find the extent to which motivation affects employee performance.

Another study shows that the phenomenon of increased competition between firms and their need to respond effectively to rapidly changing operational conditions and personnel requirements has escalated the necessity to identify those factors that affect employee performance (Diamantidis & Chatzoglou, 2019).

Employee engagement is a concept that has gained significant importance in the past ten years, and organizations use engaged employees to make them strategic partners in the business. The concept of employee engagement has now gained even more importance since many drivers have been identified that impact employee performance and well-being at the workplace (Bedarkar & Pandita, 2014).

Islam and bin Mohd Rasad (2006) believe that employee performance evaluation is designed to assess each individual's contribution to the organization. The performance of individuals against organizational goals determines whether the organization meets its goals. The basic objectives of performance evaluation are two-fold: Firstly, to reward employees for meeting organizational objectives, and secondly, to identify which objectives are not met.

Pawirosumarto, Sarjana, and Muchtar (2017) argued in their explanation and analysis of the influence of leadership style, motivation, and discipline on employee performance.

Another study sought to investigate the effect of leadership styles practiced in an organization and their effect on employee performance and different leadership, democratic, and participative styles on employee performance (Iqbal, Anwar, & Haider, 2015).

Ahmed, Sultana, Paul, and Azeem (2013) mentioned that performance evaluation is critically essential for effective human resource management of an organization and evaluation of staff that helps develop individuals, improve organizational performance, and improve business planning.

Manzoor, Ullah, Hussain, and Ahmad (2011) found clear evidence that teamwork and other employee performance measures are positively linked to employee performance.

Edirisooriya (2014) mentioned that human resource is a strategic asset for any organization because accomplishing an organization's objectives largely depends on employees' performances.

Griffin, Neal, and Parker (2007) explored that the performance of an individual is determined by three factors, including motivation, work environment, and ability to work.

Chandrasekar (2011) examined that the work environment positively and negatively affects employees' morale, productivity, and job performance.

The organizational systems and structures of institutions can be explained and understood better through the dimensional impact of the relationship between employee empowerment and performance. The spheres of influence, control, and level of dominance created by employees through the impact of these correlations have been unprecedentedly remarkable over the years. A theoretical study has been constantly and progressively examined to assert and notice that employee empowerment has led to a higher level of employee performance in organizations of higher learning, companies, and firms (Seibert, Silver, & Randolph, 2004).

**Pay and Compensation:** This aspect of job satisfaction compensation relates to pay or raising an employee's pay. Although money has some credit for humans, having enough may not necessarily satisfy the individual. Results of many studies show that pay can significantly affect overall employee satisfaction (Lumley et al., 2011).

Although many people take pay as a motivator, some researchers still recognize that unfair pay leads to unhappiness and slows down performance.

Motivation: It refers to the opportunities for advancement that are made available to subordinates in an organization. The literature has mentioned that motivation provides opportunities for personal growth, more responsibilities, and increased social status (Lumley et al. (2011). According to Singh and Jain (2013), the opportunity for promotion determines the degree of employee satisfaction and contributes to their job performance.

A theoretical analysis of the study of employee performance is based on a simple regression analysis that illustrates the effectiveness of economic principles fashioned out of dogmatic functional policies. The rapidity of the paradigm shift from job execution to job performance appraisal changes that the pathologies of empowerment resonate with theoretical issues and concerns, such as historical, transactional, cultural, social, and psychological effects, which have now snowballed into a more standardized process for employee performance (Ellinger et al., 2003).

## **2.4. Motivation**

Motivation is a kind of incentive that motivates human behavior and helps to direct them towards performance when these incentives are important to the individual. These incentives are offered to the individual as compensation for their outstanding performance. Every employee would wish to be satisfied with their job to perform to the maximum capacity. This attitude leads to an emotional orientation that pertains to individuals' general attitude toward the job, either satisfaction or dissatisfaction. Motivation is a combination of physiological and psychological factors. For example, if the staff feels motivated toward their job, it is likely to perform better. It is identified as the effective direction of individuals regarding their organizational commitment. On the other hand, it is a set of feelings, attitudes, and beliefs individuals personally have about their jobs.

Many disciplines are interested in various forms of motivation as drivers of human behavior. Psychology offers a consolidated classification of motivation, mainly based on the distinction between intrinsic and extrinsic motivation (Deci, 1971).

Intrinsic motivation operates when individuals engage in a behavior because they find the activity challenging and rewarding and derive satisfaction in enhancing their competence in that specific task.

Shawky and Brahim (2017) mentioned that motivation plays a major role in raising job performance; however, other factors may affect the staff's performance, including personal and social aspects and the nature of work. The diversity and multiplicity of incentives have been linked to the multiplicity of viewpoints regarding the position of the human element in an organization. We find the diversity of definitions that highlight the content of incentives. If there are many, the desired goal remains one, which is to motivate the workers to ensure the achievement of the general objectives of the two parties: the institution and the individual.

Kuranchie-Mensah and Amponsah-Tawiah (2016) explained in their empirical finding that management must ensure that employees are well motivated to curb the rate at which employees embark on industrial unrest, which affects performance.

**Contingent Rewards:** It stands for appreciation, recognition, and appreciation of the subordinates' work. When employees feel that they are not rewarded according to their contributions, they are more likely to be dissatisfied, leading to low commitment and, therefore, low productivity. (Kuranchie-Mensah and Amponsah-Tawiah (2016).

Milne (2007) concluded that incentive programs could positively affect motivation, performance, and employees' interest in an organization.

According to Hafiza, Shah, Jamsheed, and Zaman (2011), several factors affect employee performance, like training and development opportunities, working conditions, worker-employer relationship, job security, and overall policies to reward employees. Motivation comes with highly important rewards among the factors that affect employee performance.

Shortridge-Baggett (2000) pointed out that motivation has psychological and managerial meanings. The psychological meaning of motivation refers to the internal mental state of a person that relates to the initiation, direction, persistence, intensity, and termination of behavior. The managerial meaning of motivation, on the other hand, deals with the activity of managers and leaders to induce others to produce

results desired or outlined by the organization or by the manager, which confirms the relationship between motivation, ability, and performance.

Latham (2012) noted that rewards that bind an employee to an organization have more to do with how an employee is treated than any particular pay scheme. She suggests that people may come to work for the pay, but they stay at work for many other reasons. Managers need to acknowledge and manage those other rewarding conditions as a part of an overall strategic approach to rewards. Using the term “recognition” as the broader term, Latham mentioned that recognition works because it is a way to show that managers are paying attention. The power of just notice cannot be overestimated. “paying attention” does not mean that handing out money and a simple “thank you” goes a long way. A big part of motivating people is giving direction and purpose to what they do. By recognizing accomplishments when they occur can keep the enthusiasm going. It is especially important when a big project is underway, and the overall goal is a long way off. Stopping to celebrate the milestones, however, informally, keeps people working towards a goal.

Schunk (1995) discussed the relationship between self-efficacy, motivation, and performance in cognitive and sports domains. Self-efficacy refers to one’s beliefs about accomplishing a task that can influence the choice of activities, efforts, persistence, and achievements. People enter activities with varying levels of self-efficacy derived from prior experience, personal qualities, and social support. As they work on tasks, they acquire information about how well they are doing, influencing their self-efficacy for continued learning and performance. Research shows that interventions involving models, goal setting, and feedback affect self-efficacy. Regardless of domain, research shows that self-efficacy helps to predict motivation and performance. And studies testing causal models highlight the important role played by self-efficacy. Suggestions for future research are given, along with implications of theory and research for education and training.

Goulet (1994) mentioned that no good match exists between incentives held out by governments to promote development and the people’s perceptions of their own needs in most developing countries. Incentive packages usually benefit a privileged few, harm numerous others, and appear irrelevant to many. Incentives are rewards and penalties held out to induce or deter a given behavior, rewards are positive, and



penalties are negative incentives. Incentives vary widely from one institution to another.

Latt (2008) mentioned that motivation and performance are very important factors in organizational success and achievement; if changes occur in the external environment, an organization must adopt that change because it may ultimately motivate people to gain a competitive advantage.

Robbins (2010) wrote that motivation plays an important role in an organization because it increases employees' productivity, and the goals can be achieved efficiently. The behavior of employees can be changed through motivation in any organization. From situation to situation, the level of motivation differs.

Mustafa and Othman (2010) described that motivation plays an important role for teachers because it helps them efficiently achieve their targets. Teacher motivation is very important. It improves the skills and knowledge of teachers because it directly influences the student's achievements.

Moreover, an effective reward system entails meeting and exceeding employee expectations by rewarding everyone in the organization according to their level of effort (Armstrong (2009)).

The contingent reward system has been widely applied and has gained prominence in various fields of organizational management, both in public and private firms, where it has been successfully applied. The contingent reward system has resulted in remarkable performance improvements through increased employee flexibility, innovation, creativity, productivity, development, quality, and general preparedness to deal with market and competitive events.

**Nature of Work:** It refers to the type of work done. When employees are mentally challenged in their work and provided with various tasks, freedom, and opportunities to develop their skills, abilities, and feedback, they are more likely to be satisfied with their job (Lumley et al., 2011).

Extensive research has shown that job satisfaction is linked to productivity, motivation, absenteeism/tardiness, accidents, mental/physical health, and general life satisfaction (Landy, Barnes, & Murphy, 1978).

A common factor in the research has been, to an extent, an individual's emotional state is affected by interactions with their work environment. People identify themselves by their professions, such as doctors, lawyers, or teachers. Hence, an individual's well-being at work is a significant aspect of research (Alghamdi, 2015).

There are essentially two types of job satisfaction based on employees' feelings regarding their jobs. The first, and the most analyzed, is global job satisfaction, which refers to employees' overall feelings about their jobs (such as overall, I love my job) (Miller, 1995). The second is job facet satisfaction, which refers to feelings regarding specific job aspects, such as salary. The findings may aid organizations in improving the overall job satisfaction or understanding organizational issues, such as high turnover (Kerber & Campbell, 1987).

### **Communication:**

Communication includes both formal and informal communication within the organization. Effective communication within an organization brings motivation and commitment, resulting in increased job satisfaction (Lumley et al., 2011).

Communication relates to satisfaction both at the personal level and at the organizational level. A lack of effective communication prevents an organization from achieving its goals (Kumari & Rachna, 2011).

One of the most important aspects of an individual's work in modern organizations concerns the management of communication demands that they encounter on the job.

Smart leaders know that happy workers are productive workers and ultimately benefit their companies. Waggoner (2013) has discussed different aspects of effective organizational communications, such as high frequency, openness and accuracy, performance feedback, and adequacy of information about organizational policies and procedures, which are positively related to employees' feelings of happiness in the workplace and job performance (Neves & Eisenberger, 2012).

From the above elucidation of job satisfaction, it is evident that it is a result of employees' perception of how well their job provides those factors that are viewed as important. Researchers have discussed different aspects and determinations of job satisfaction in their own manner.

Job satisfaction is "a pleasurable or positive emotional state, resulting from the appraisal of one's job experience." Job satisfaction or dissatisfaction is affected by the relationship between a person's job expectations and actual achievements.

Spector (1997) stated that there are two antecedents of job satisfaction, the first of which is job-setting characteristics and the second is individual or personal characteristics. Both factors influence employee job satisfaction.

Kadushin and Kulys (1995) agree that job satisfaction is controlled by factors such as the nature of the job, and its pervasive social climate, given that the workers' peculiar needs are met.

A successful organization normally has satisfied employees, while poor job satisfaction can cripple an organization's job satisfaction. Job satisfaction consists of inclusive or general job satisfaction and a variety of satisfaction facets (Friday & Friday, 2003). It is influenced by various factors, such as supervisors' displays of nonverbal immediacy.

Yiing and Ahmad (2009), found that job satisfaction affects absenteeism, grievance, expression, tardiness, low morale, high turnover, quality improvement, and participation in decision-making. These, in turn, affect the overall performance of an organization (Hesselink, Kooij-de Bode, & Koppenrade, 2008).

Hafiza et al. (2011) highlighted the relationship between nature and culture; the hedonic system is, for example, activated by chocolate. For those who love it by nature, so they engage in a given situation, the individual expresses a certain motivation or simply enthusiasm. In the case of situational motivation, its driver is a function of a more individual motivation corresponding to the personal attractions of the situation; for example, a student's enthusiasm for studying a particular work will be partly dependent on their taste for reading. We can speak at this level of a usual motivation; motivation capable of engaging the individual more or less in all situations favorable to his expression. The usual motivation is primarily determined by the deep interests of the individual or personal motivations and incidentally by elements related to his history and development.

When motivation is determined by pleasure and the feeling of autonomy, it is called "intrinsic." The need for autonomy is not only a defensive posture; it can be expressed in particular by the need for success (Atkinson, 1983).

But a success, which only responds to a social necessity, to an educational injunction, will be "extrinsically motivated." While some people from a certain culture see it as motivating, others do not even think about it. In simple words, an activity that is practiced for itself, for its content is said to be intrinsically motivated, while an activity that is practiced for its effects, to obtain a positive consequence, or to avoid a negative consequence, is extrinsically motivated. Finally, deprived of satisfaction or conviction, an extrinsically motivated person is not essentially interested in the activity. This motivation will focus on obtaining a grade, a positive appreciation from the teacher, or a diploma in teaching. Estimating a degree of extrinsic motivation should not mask the complexity at the basis of motivation that leads to schematics, in which motivations or individuals of one type or another would be distinguished without great caution. Motivational scales based on this model try to frame this discrimination.

Organizations need qualified employees who are well-equipped and empowered to booming productivity and better manage the common destiny of organizational success. Human resource management is, as a consequence, more fundamental today for the success of any organization than ever before. The query that arises at this point is what measures an organization should take to power the human resource output? Workers must no longer be considered liabilities but rather a vital resource that needs greater attention and consistent development (William, 2010).

In this thesis, job performance has been defined as a measurement of comparing a company's outcomes to its inputs. And job satisfaction is a collection of feelings and beliefs that people have about their current job. Organizations need high performances from their employees to achieve organizational objectives. To do that, organizations should prove a competitive advantage by satisfying their employees to keep on performing at a high level.

The correlation between job satisfaction and job performance determines satisfying working conditions and how far the workers produce a maximal performance for what they are determined for. Bin Shmailan (2015) pointed out that a

study “confirms that satisfied employees perform better and contribute to the overall success of an organization. On the other hand, employees who are not satisfied do not perform well and become a barrier to success” (Bin, 2015). The study proposed that organizations should work to improve the connection between the two interdependent variables, job satisfaction and job performance, to achieve organizational success. In conclusion, high employee performance in the workplace cannot be assured with ineffective human resource management practices, so qualified and well-trained employees play a vital role in ensuring job performance. Performance measurement is defined as “the process of developing measurable indicators that can be systematically tracked to assess the progress made for achieving the predetermined goals and using such indicators to assess the progress to achieve these goals” (Harvey, 2008).

The performance at a workplace is “the aggregated financial or non-financial added value by the employees in contribution to achieving goals both directly and indirectly, of the targeted organizational goals” (Dajani & Zaki, 2015).

According to relevant literature, this study investigates several hypotheses presented as follows:

H1: There is a positive relationship between strategic planning and the performance of the staff at General Electric Company.

H2: Strategic planning at General Electric Company will positively affect employee motivation.

H3: Motivating within the General Electricity Company positively and directly influences employee performance.

H4: Paying Attention to planning at General Electric Company will affect employees' performances by influencing their motivation.

### **3. RESEARCH METHODOLOGY**

#### **3.1. Methodological Framework of Study**

For a methodological framework, our search is in the related problematic area that requires an accurate description to obtain as much information as necessary to explain it scientifically. Looking for the most used scientific methods used in studies, we found that the descriptive method is the most appropriate analytical method, which has been associated with the study of problems in humanities. It is because of the difficulty of using the experimental method in these fields. Many writers have unanimously agreed that this descriptive method observes, describes, justifies, and analyzes the events and their impact. It goes beyond determining the expected effects, classifying and organizing information, and expressing it quantitatively and qualitatively. It leads to the understanding of its apparent relation with other phenomena. Thus, the researcher relied on the questionnaire as the main helping tool to achieve the objectives of the study to obtain the information, data, and facts related to the studied subject because it is a frequently-used tool by those engaged in humanitarian research on a large scale to obtain the already existing facts. The tool went through several steps until it became applicable in the field during the results of the exploratory study tests, which will be reviewed later in this chapter.

This chapter is divided into three main sections; the first section tackles the study hypotheses extracted and built on the theoretical framework and scientific theories that explain the causal relations between its variables. The exploratory study has been conducted to verify the credibility and reliability of the measurement tool (questionnaire). This topic will also review a pictorial explanation of the study model and design and highlight its community's size and the method of selecting the sample.

The study tool, its contents (the scale), and the sources on which it is built will be clarified, and the content validity and reliability will be verified.

The second topic will tackle an illustrative (exploratory) analysis of the study's scale and its dimensions to reach an accurate measure in hypothesis testing. The third section will address the statistical methods used in testing the hypotheses of the current study for use in the fourth chapter.

### 3.1.1. Study Methodology

The study's methodology is the way or path that the researcher takes to reach the knowledge by following a set of rules and processes that are followed by the mind and sense, to reach a specific goal or a result because of the nature of this study and the goals it seeks to achieve, for detecting the effect of planning on motivation and performance of workers in the General Electricity Company, Libya, from the questions that this study seeks to answer. The researcher used the descriptive analytical approach, which is based on the study of reality and is concerned with describing it accurately. The descriptive method fits with the theoretical objective, which is to identify the concepts of this study. In contrast, the analytical method fits with its practical objective, which is the effect of planning on the employees' motivation and performance.

This methodology does not depend on collecting the information and data related to phenomena or reality but rather goes beyond it to reach conclusions that contribute to understanding and developing reality. The study was based on using the quantitative descriptive method because it helps to make the study conclusions more accurate and objective. The reason for using the quantitative descriptive method is to help the researcher understand based on the used statistical tools and predict employees' performance in the future under the followed policies and incentive plans. In addition, it will provide more accurate and unpredictable results. Thus, by using the quantitative analysis, the study results will be verified with high reliability, leading more accurately to the study's final conclusion. Moreover, the quantitative descriptive method will support the conclusions of the study.

The descriptive quantitative method for this study is the most appropriate because it will lead to understanding the factors that contribute to improving the employees' performances in the General Electricity Company, to raise its performance, which will positively affect the satisfaction of the customers (clients).

**Study style:** In this study, the researcher relied on two important methods:

Office study style: This method was followed to obtain secondary data to form the theoretical framework of the study to serve the practical and logical analysis of the primary data collected. Besides, it supports the results that will be obtained. The following sources were relied on to obtain the secondary data for this study, Arabic

and foreign books and references related to the subject of the study, previously published periodicals and studies related to this area, and documents and records of information centers in the institution under study, and the international information network (Internet).

**Field study method:**

While initiating the field study, the researcher followed the generally-accepted scientific steps, either for defining the studied population and its sample, methods of data collection, determining methods to analyze them, and presenting the results. Because of hypotheses of the Study

Based on the previous studies and scientific theories related to the factors of the study, which are referred to in the second chapter, the hypotheses of the current study are summarized in the following hypotheses:

**First Hypothesis:** paying attention to the planning process in General Electric Company. It will positively affect the performance of employees.

**Second Hypothesis:** paying attention to General Electric Company will positively affect the investigation stimulus.

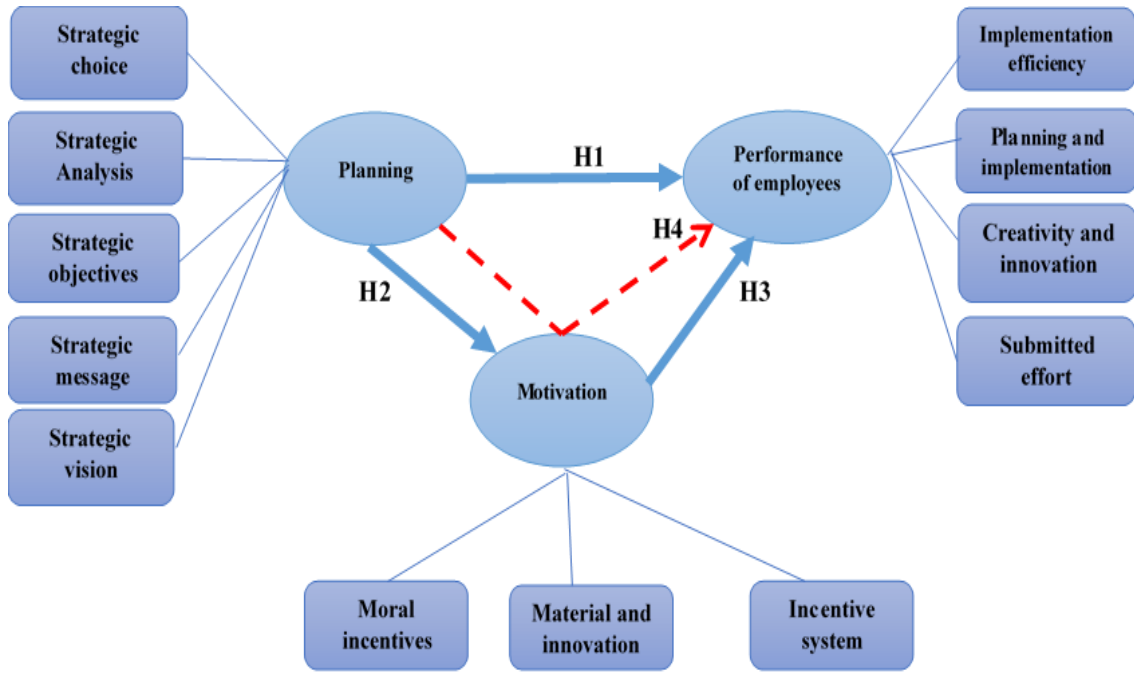
**Third Hypothesis:** Motivating employees in the General Electricity Company positively and directly influence their performance.

**Fourth Hypothesis:** Paying attention to planning at General Electric Company affects employees' performances by influencing their motivation.

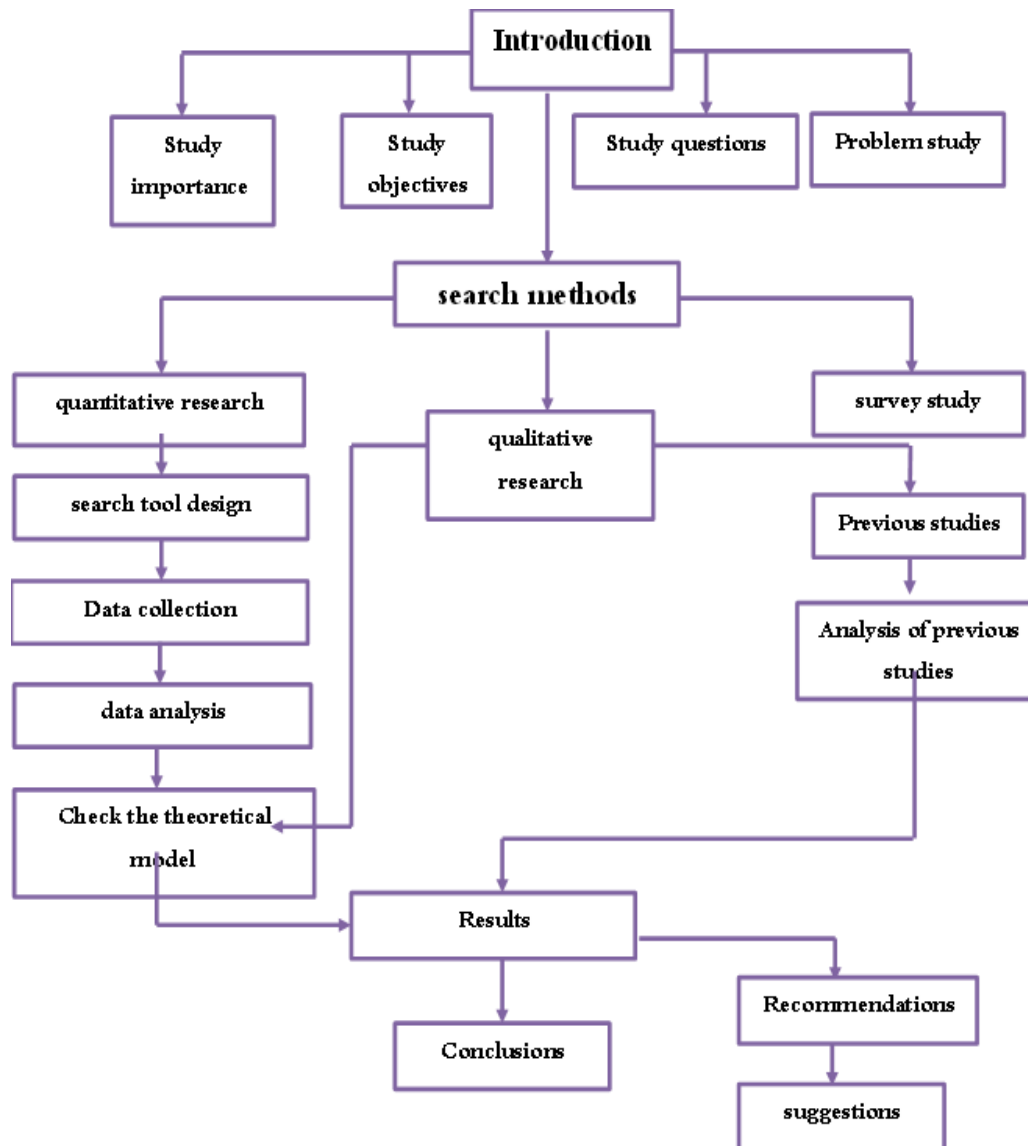
**3.1.2. Study Model**

Since the subject of the study is the impact of planning on the motivation and performance of workers working at GECOL, the researcher relied on some previous studies in building a hypothetical and theoretical model of the study (Al Jarad, 2016; Marzouqe, 2014; Zaybi, 2014; Al-Wafi, 2013; Halabi, 2013; Mahboob, 2015).





**Figure 2.** Hypothetical theoretical model of the study



**Figure 3.** Planned study

Source: Designed by the researcher based on previous literature and related scientific theories.

### 3.1.3. Study Population and Sample

The population consists of the administrative persons working for the General Electricity Company, Libya (Managers General, management directors, department managers, heads of departments, and heads of offices). In contrast, the company is the only source that produces electricity in Libya. By virtue of its singularity, providing this important service is one of the life's priorities of the professionals because of its magnitude, large size, and branching out into each quarter in Libya. For these reasons,

the General Electricity Company was chosen. We now present a brief overview of the company:

The General Electricity Company was established in 1984 when it initiated the implementation of projects in the operation and maintenance of electricity networks, power production plants, management operations, and maintenance of water desalination plants throughout the country. The company established and implemented the projects and manufactured the equipment and materials it uses in cooperation with the authorities. The company provides public services and consumer services in electricity for a prescribed fee. With the grace of God Almighty and thanks to its employees, the sector succeeded in implementing many plans and projects that enabled it to achieve its goals and provide distinguished electrical power supply services to citizens in all parts of Libya. The company continuously plans to develop its capabilities and potential in electricity production, development of transmission and distribution networks, and control centers to maintain the electric power quality and maintain an independent legal status. The company has developed steps and mechanisms through which it has defined its objectives and mission as follows:

**The Company's name:**

The General Electricity Company performs under the supervision of the Ministry of Electricity and Renewable Energy.

**• Main Headquarters of the company:**

The main headquarter of the company is located in the middle of the country's capital (Tripoli city). It has several main branches (Tripoli Branch, Sahel Benghazi Branch, Al Wusta Branch, Farp Western, Farp Southern, and Farp Al-Jabal Al-Akhdar). These branches are divided into other sub-branches to cover the geographical suburbs of these branches. It also includes other branches distributed over the regions for power production and distribution, which are (Al Khums, West Tripoli, Derna, Tobruk, Abu Kamash, Al Khums, Ghazieh, South Tripoli, Zueitina, Kufra, Western Mountain, North Benghazi, Misurata, Western Mountain Ghazieh, Zuetina Ghazieh, Sarir, Zawiya, Misurata Al-Hadeed, and Bed Industrial River). Furthermore, it has other branches that deal with sea water desalination, including (West Tripoli new, Al-Khums, Zalten, Sirte, New Sousse, Tobruk, New Tobruk New Derna, Al-Bamba Bay, Misurata, and Zueitina. It also owns ten sub-centers for control and monitoring, some

of which have been accomplished and operating. Others are under construction, including Tripoli Sub-control Center, Southern sub-control center, Western Sub-control Center, Middle Sub-control Center, Al-Baida Sub-control Center, Sirte Sub-control Center, Al-Jabel Algharbi Sub-control Center, Tobruk Sub-control Center Kufra & Al-Sareer Sub-control Center.)

- **Company management:**

The company is managed by a chairman of the board of directors who manages it and undertakes all the affairs and the required business and implements the related plans.

- Purposes of General Electric Company:

- Power production operation and maintenance of stations
- Provide services to consumers in return for an agreed payment.
- Manufacturing and maintenance of transformers, switches, and other electrical materials
- Management, operation, and maintenance of seawater desalination plants to provide citizens with useable water
- Operating and maintaining overhead lines, distribution networks, desalination plants, and centers
- Training company's employees according to the training plans provided by the Training Department to raise the efficiency of the employees, whether these courses are courses internal or external.
- Conduct technical studies and research related to the electrical and administrative system to keep pace with development and continuous change by participating in external and internal conferences. Hold conferences to benefit from the experiences of the participating countries.
- Replace the old system and introduce new technology, whether it is in stations, desalination centers, or financial, administrative, and information systems. It was done through financial and administrative development and change projects introduced in the company in 2001.

- **Company Vision:**

For the General Electricity Company to become one of the best electrical energy providers by supporting the national economy, providing distinguished services, and creating an exemplary work environment.

- **Company Message:**

Contribute to supporting and ensuring the continuity of the wheel of economic and social development by providing electrical energy following standards of quality, safety, and security for all consumers while staying committed to investing in the development of human resources.

- **Company Values:**

- Satisfaction and comfort consumers
- Environmental safety
- Performance excellence
- Work with team spirit
- Mutual trust between employees within the company (Source: The annual report of the General Electricity Company, 2010).

### **3.2. Study Community**

The population consists of the administrators, including general managers, department managers, department managers, department heads, and office heads. It is in line with the nature of the study because it discusses the situation at the level of the institution as a whole, so this category of employees is the target until the situation is described and the phenomenon is accurately explained.

#### **3.2.1. Study Sample**

There are many ways to determine the sample size. Still, most researchers agree that the sample should reflect the opinion of the most relevant community. The sample of this study was determined based on the method presented by Sekaran (2003) because of the large population size (number of questions in the questionnaire  $\times$  5) (5:1). In the sense that at least five people answer each question, according to the

opinion of most statisticians, and perhaps the most prominent of them is Kline (2011). Kline believes that when using the structural modeling equation technique (SEMIn) for verifying the model and proving its hypotheses, the appropriate sample size must be greater than or equal to 200. The sample is as follows:

1. Method of Sekaran (2003):

$$\text{Number of questions} \times 5 = 91 \times 5 = 455$$

Thus, the sample size for the current study should be 455.

2. To be guided by the opinion of statisticians when using the structumodeling modifier (SEM), the sample size was 455, which exceeds 200.

Accordingly, the size of the current study sample amounted to 455 individuals in a total population of 1100, consisting of general managers, directors of departments, department heads, and officials.

According to the company's official records, the total number of employees is 37092, including (4,464) administrative employees in the company. According to the General Electricity Company Report-2010, the managers of the targeted administrative centers were 1100.

The researcher adopted the intentional sampling method because the study aims to clarify the role of planning to decision-makers so that they can know its role and the need of those who used it. The study questionnaire has a target sample of 455, but the respondents who responded to the questions were 407, 85% of all the questionnaires distributed. After examining the questionnaires, it was found that 381 questionnaires were valid. The following tables show the number of distributed and retrieved questionnaires that are valid for analysis:

**Table 3.** Number of questionnaires distributed, number of questionnaires retrieved, and percentage of the refund

Ratio of recovered questionnaires to sample size	Number of valid questionnaires	Number of questionnaires retrieved	Number of questionnaires distributed	Sample Test Method	Sample volume	Study population volume
90%	381	407	455	intentionality	455	1100

### **3.2.2. Methods of Data Collection**

The researcher relied on the method of collecting data through two main sources:

#### **1. Primary Sources**

The researcher relied on the field side by distributing forms (questionnaires) to the population and then stored and compiled the necessary information on the subject of the study before processing and analyzing it using Statistical Package for Social Science Version 23 to use the necessary preliminary tests to identify the connotations with values and indicators that aim to verify the reliability of the research tool (the questionnaire) for testing the study hypotheses and used another advanced statistical method (SEM). It will be discussed in detail later in this chapter.

#### **2. Secondary Sources**

In this aspect, the researcher relied on books, periodicals, and scientific publications on planning and its impact on the motivation and performance of workers. The researcher also benefited from secondary sources for methods of writing scientific studies and taking a general perception about the latest developments in the current field of study.

### **3.2.3. Study Tools and Procedures**

According to the nature of the data to be collected, the available conditions, and the approach followed, the study tool was the questionnaire, which is an appropriate method in such studies to collect data, and the respondents' opinions about a particular phenomenon can be obtained to measure variables and scientific facts about the topic. The questionnaire was designed based on some of the previous studies that were viewed and extrapolated to planning, motivation policies, and employee performances (ALWafi, 2013; Al Jarad, 2016; Hawwariya, 2016 Marzouqah, 2014; Zaybi, 2014; Nassazi, 2013)

## 1-Preparation and Presentation Level:

**Table 4.** Questionnaire preparation stages

variable latent	Sub variables	Vocabulary Number	Variable type	Measurement	Source
Planning	Strategic choice	7	Independent	Likert scale-5	(Al Jarad, 2016) (Zuaibi2014 (Marzouqe, 2014)
	Strategic analysis	7	Independent	Likert scale-5	
	Strategic objectives	7	Independent	Likert scale-5	
	Strategic vision	7	Independent	Likert scale-5	
	Strategic message	7	Independent	Likert scale-5	
Motivation	Incentive system	8	Mediator	Likert scale-5	(Al-Wafi, 2013) Hawwariya, 2016),
	Material incentives	8	Mediator	Likert scale-5	
	Moral incentives	8	Mediator	Likert scale-5	
Performane of employees	Implementation efficiency	8	Follow	Likert scale-5	, (Nassazi, 2012)
	Planning and Execution	8	Follow	Likert scale-5	
	Creativity and innovation	8	Follow	Likert scale-5	
	Submitted effort	8	Follow	Likert scale-5	



At this stage, the questionnaire was prepared in its initial form based on some previous studies and presented to the supervisor to verify its suitability and accuracy for collecting information, as shown in the table.

Table 4 shows the number and type of study variables, the number of items they represent in the questionnaire and the sources relied upon while selecting the scales.

### **2-The stage of final preparation and arbitration:**

When suggestions were taken regarding resetting and modifying what needed to be modified, the questionnaire was prepared in the semi-final form. It was presented to a group of experienced and specialized arbitrators. The jury consisted of 12 senior academics and faculty members who were experienced in scientific research (see Appendix No.1).

They took all their suggestions and made the necessary adjustments by modifying, deleting, and replacing some items until the total number of items on the questionnaire was 91 (see Appendix 2). And the questionnaire appeared in its final form after the procedure. All the modifications were based on arbitrators' opinions.

### **3-The validity and reliability of the study tool:**

#### **Validity of the study tool:**

The validity of the questionnaire “is to make sure that it will measure what it was prepared to measure.” It also means “the comprehensiveness of the form for all the elements that must be included in the analysis on the one hand, and clarity of its phrases and vocabulary, on the other hand, so that it is understandable to everyone who answers it

#### **Content Authenticity:**

The validity of the content of the study tool was ascertained by displaying the questionnaire after it was designed for arbitration on two levels: The first is the academic level, where the researcher presented the questionnaire to a few arbitrators who were professors at different universities in this field to identify their opinions regarding the suitability of the questionnaire to the objectives of the study. Their opinions were also obtained regarding the degree of clarity. Then it was shown to several decision-makers working at the General Electricity Company to take their

opinion on the content as to whether it covers what it was developed for, so the total arbitrators were 12, including 7 faculty members (Tripoli University, Libyan Academy, University of Benghazi, Al-Hadhra University) and they are specialists in management, economics, and statistics. The other 5 of them worked at General Electric Company. The researcher responded to the concerns of the arbitrators and made the necessary deletion and modifications in light of their suggestions after recording them. Only those items were selected for the questionnaire, which were approved by more than 8 arbitrators, while others were amended. Some of them were rejected, which were approved by less than 5 arbitrators. The questionnaire in its final form was sent to the respondents. Table 5 briefly explains some of the modifications.

**Table 4.** The excluded and modified items in the questionnaire form

Items Before Modification	Items After Modification
What is your opinion on the reward system in your institution	I feel that justice prevails in the system of government's incentives and rewards
The institution provides a clear and accurate system for periodic bonuses	Most incentives and rewards are given to those who show outstanding performance.
The institution provides a fair and thoughtful system for exceptional promotions.	I think that mediation and favoritism do not prevail in granting incentives and rewards.
The institution is constantly reviewing the incentive system.	Mechanisms and methods of granting incentives and rewards often do not affect my job performance.
The institution studies the needs of employees and links them to the incentive system.	I think that there is a relative unfairness that is not mentioned in the granting of incentives and promotions.
The institution has illustrative models for motivating employees.	Grades and promotions are often awarded to those who deserve them.
The motivation process in the institution is carried out in an objective manner	I see natural career progression is appropriate in the Incentives and Promotions Law.

Source: Prepared by the researcher.

#### **4-The Final Distribution and Data Collection Stage:**

The questionnaire was distributed to all population members to collect the necessary data for the study. The questionnaire was divided into two parts as follows

**A. Section One:** It deals with the demographic data of the respondents, such as:

Gender, position, educational qualification, years of experience at GECOL

**B. Section Two:** It includes three main themes:

**First Axis:** It discusses strategic planning and contains five main dimensions to measure it, such as:

**First Dimension:** Discusses strategic choice. (It consists of 7 items.)

**Second Dimension:** Discusses strategic analysis (It consists of 7 items.)

**Third Dimension:** Discusses strategic objectives (It consists of 7 items.)

**Fourth Dimension:** Discusses strategic message. (It consists of 7 items.)

**Fifth Dimension:** Discusses strategic vision. (It consists of 7 items.)

**Second Axis:** Discusses the Motivation, which has three main dimensions to measure it:

**First Dimension:** Discusses the incentives system. (It consists of 8 items.)

**Second Dimension:** Discusses the material incentives. (It consists of 8 items.)

**Third Dimension:** Discusses the moral incentives. It consists of 8 items.

**Third Axis:** Discusses the performance of employees, and it has four dimensions:

**First Dimension:** Discusses the implementation efficiency. It consists of 8 items.

**Second Dimension:** Discusses the planning and implementation. It consists of 8 items.

**Third Dimension:** Discusses creativity and innovation. It consists of 8 items.

**Fourth Dimension:** Discusses the submitted effort. It consists of 8 items.

Moreover, the Likert pentagram was applied to measure the responses, shown in the following table

**Table 5.** Degrees Likert scale

<b>Response</b>	<b>Strongly Agree</b>	<b>Agree</b>	<b>Neutral</b>	<b>Disagree</b>	<b>Strongly Disagree</b>
-----------------	-----------------------	--------------	----------------	-----------------	--------------------------

<b>Points</b>	<b>5</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>
---------------	----------	----------	----------	----------	----------

On this basis, the arithmetic mean range of the respondents' trends on each of the study's axes was as follows:

From 1-3 indicate a low approval level.

From 3-4 indicate the average approval level.

From 4-5 indicate a high approval level.

**Validity and reliability of the study tool:**

The researcher conducted an initial test (Pilot Test) by sending the questionnaire to an exploratory sample consisting of 40 employees of the General Electricity Company to ensure the clarity of the questions, and then produced the questionnaire in its final form and to measure the reliability of the questionnaire. The researcher used Cronbach's Alpha. Miller (1995) indicates that it is one of the most common reliability testing measures. Hair, Black, Babin, Anderson, and Tatham (2006) reported that the quality of the tool is assured if Cronbach's alpha coefficient exceeds 0.60.

In addition to the Cronbach's Alpha test, the researchers have calculated the correlation between the questionnaire's items and the field to which this item belongs, only to verify the internal consistency between its items, which indicates the degree of correlation of each item of the questionnaire with the field or the dimension, to which it belongs.

It is known as Pearson linear correlation, which was calculated between each item of the questionnaire and the total score for the domain to which the item belonged.

The exploratory results show us the reliability coefficient for each of the scale items and the correlation coefficients between each item of the planning dimensions (the independent factor), and the total score for each of its main dimensions, which

reveals to us that the correlation coefficients were sufficient at 5% level of significance. The field is true to what it was designed to measure. Accordingly, each of the main study factors and the dimensions of its measurement were tested to show the reliability of the questionnaire.

### **3.3. Statistical Methods Used in the Study**

Explanatory factor analysis by (Principal Component Analysis)

The use of factor analysis in the manner of the basic components was relied upon to verify the validity of the planning questionnaire, motivation, and workers' performance. It is a statistical method that aims to reduce a large number of items that are difficult to deal with in the light of a few general factors without losing the ideas expressed in those items. The factor analysis also proves the formative validity of the scale or factors. The method of analyzing the basic components is one of the most important methods of this analysis because it provides us with the main information or criteria for testing the validity that was later applied to the questionnaire (Hair, Ortinau, & Harrison, 2010).

Steps of Explanatory Factor Analysis Using the Basic Components Method

The process of factor analysis using the principal components method goes through three steps (Tabachnick, Fidell, & Ullman, 2007).

#### **First-General Statistical Hypotheses:**

##### **1. Normal distribution of vertebrae resolution:**

The distribution of the study sample on the questionnaire items is normal if the Skewness T-values are less than 3 and the Kurtosis T-value is less than 7 for each item in the questionnaire (Kline, 2011).

##### **2. Reliability of Items:**

Reliability of items means that there is consistency between the items in the measurement of the factor they represent if it exceeds the specified standard of reliability (0.70). Here it means the extent of reliability of the resolution items in measuring the latent factor (Tabachnick).

### **3. Correlation:**

To ensure that there is no significant overlap and similarity, which may reach the degree of fusion between the items of the questionnaire (Brown & Lam, 2008), which is shown through the correlation matrix between the scale items in the factor analysis, and it reflects the absence of the items from the strength of the internal correlation. It must not exceed 0.85.

#### **Second-Special Statistical Hypotheses:**

##### **1. Kaiser-Meyer-Olkin scale and Bartlett test:**

This test and scale were used to ensure that the sample is suitable for factor analysis and fulfills its conditions. It is achieved in the case of the Kaiser-Meyer-Olkin Scale (KMO) ratio, which should be equal to or greater than 0.70, and the significance level of Bartlett's Test equals 0 or less than 0.001 (Field, 2009).

##### **2. Anti-Image Correlation Matrices:**

Each item of the resolution must have a counter-correlation, and the ratio of this correlation should be higher than 0.50 and the matrix represents a counter-image of the partial correlation matrix, which shows a negative trend, so that it separately determines the measurement of the sample efficiency for each item in the scale (Field, 2009).

##### **3. Communalities:**

They indicate the extent to which each item contributes to the formation of the complete factor, which means that the percentage of participation or prevalence of each item in the formation of the latent factor, which will be determined through the saturation matrix, where the percentage of prevalence for each item must be at a minimum 0.50.

#### **Third-Principal Component Analysis:**

The rotation method was chosen to determine the arrangement of the resolution items in the slab. This method is used when a questionnaire is adopted in terms of

application in a new environment, and the correlation between some items is less than 0.30.

### **1. Proportion of Variance Explained:**

The annotated variance-ratio that exceeds the acceptable limit of 0.50 in the human sciences is considered one of the most important main criteria for the analysis of the basic components, which aims to determine the percentage of the interpretation of the items for the factor they represent, as well as the percentage of the contribution of each factor to the interpretation of the latent factor, as this aspect of the analysis consists of two parts. The first part represents the initial latent roots (the potential root of each element, the percentage of each root's participation in the variance, and the cumulative ratio), and the second part represents the final latent roots (the values of each potential factor).

### **2. Congruence of the number of latent roots with the theoretical reference:**

Congruence of the number of the extracted latent components with the hypothetical theoretical model or the theoretical framework represents a basic criterion that reflects the efficiency of the questionnaire.

### **3. Amount of Factor Loadings:**

Loading or saturation means the correlation of each item with its latent factor, and here the items that exceed the percentage of 0.50 were chosen and interpreted. This percentage is high and desirable for choosing the item and making sure that the items are linked or saturated to represent only one factor without the other.

### **4. Reliability of concept, reliability of its items, and relevance of each item to its field (Construct Reliability):**

To determine the percentage of reliability on the Cronbach's alpha coefficient for each factor, it must exceed the required limit for reliability, which is more than 0.70 at the level of the items of each factor, or the structural reliability or the reliability of the concept (Hair et al., 2010).

#### **3.3.1. CFA-Confirmatory Factor Analysis**

This type of analysis is used to examine the evidence of structural validity (construct validity) for the scale or resolution, based on the existence of a prior

scientific theory (Prior Knowledge) or scientific literature, or based on the results of the explanatory factor analysis (EFA). There are two types of validity: Convergent and discriminant.

According to this type of analysis, the existence of latent factors or concepts is assumed, where the latent construct is referred to as a hypothetical theoretical concept that is measured through a set of items, and these factors are first studied according to previous studies and literature or based on the analysis. The explanatory or exploratory factor analysis (EFA), as shown in this study, analyzes the workers' performance as a theoretical or hypothetical method with four dimensions (execution efficiency, planning and implementation, creativity, and effort). These dimensions are considered buildings or latent theoretical concepts measured through the items representing each dimension or structure, and so on for the rest of the components or variables of the model.

#### **Exam consequences of confirmatory factor analysis:**

This test means testing the existence of a set of indicators through which it can be said that the theoretical model matches the sample data or not. These indicators aim to measure the extent of congruence or suitability between the hypothetical theoretical model and the reality is measured through the data collected from the study environment when at least there are four indicators to judge the conformity of the theoretical model with the data, which are as follows:

#### **1-Chi-Square:**

It refers to the difference between the ratio of the expected values matrix and the real values through the ratio of the level of significance (P). And here, if the significance level is higher than 0.05, it indicates that there are no differences or differences between the hypothetical model of the study and the collected data, meaning that there is a match between the default model and the data.

#### **2-Relative or Normed Chi-Square:**



This indicator indicates the value of the chi-square divided by the degrees of freedom. If this ratio is less than 5 and greater than 2, it indicates the acceptance of the model in the sense that there is a match between the model and the data.

### **3-Comparative Fit Index (CFI):**

The value of this indicator ranges between 0 and 1, and a high value within this range indicates a better fit of the model with the sample data. This indicator compares the hypothetical theoretical model, which confirms the existence of relations between variables and the zero model, which emphasizes the absence of relations or correlations between variants.

### **4-Root Mean Square Error of Approximation (RMSEA):**

It is one of the most important indicators of the quality of conformity, and here if its value is less than 0.05, this indicates that the model completely matches the data. If the value is confined between 0.05 and 0.08, this indicates that the model closely matches the sample data, and if it is more than 0.1), the form will be rejected (Lattin, Carroll, & Green, 2003; Marcoulides & Moustaki, 2002).

### **Modified Theoretical Model:**

When the hypothetical theoretical model does not achieve the specified values in the indicators of congruence with the data collected from the study sample mentioned above, the researcher resorts to modifying the hypothetical theoretical model by relying on the Modification Index in the AMOS program to modify the theoretical model through a procedure Correlation process between measurement error (measurement error between two items) or the deletion of some items from the measurement tool, and this modification aims to reach the hypothetical theoretical model and the specified values of the congruence indicators.

### **Results of the confirmatory factor analysis:**

This analysis aims to test the relation or correlation between two or more latent factors to verify the structural validity of the study model, which consists of:

#### **1- Discriminant Validity:**

It aims to verify that there is a difference between the factors, and this is evident through the ratio of the relation between the workers, which should not be less than a specific percentage of 0.20 and does not exceed the proportion of 0.90 so that they do not reach the melting point among them, and multiply this ratio by itself or square it, which is called the covariance.

## **2- Convergent Validity**

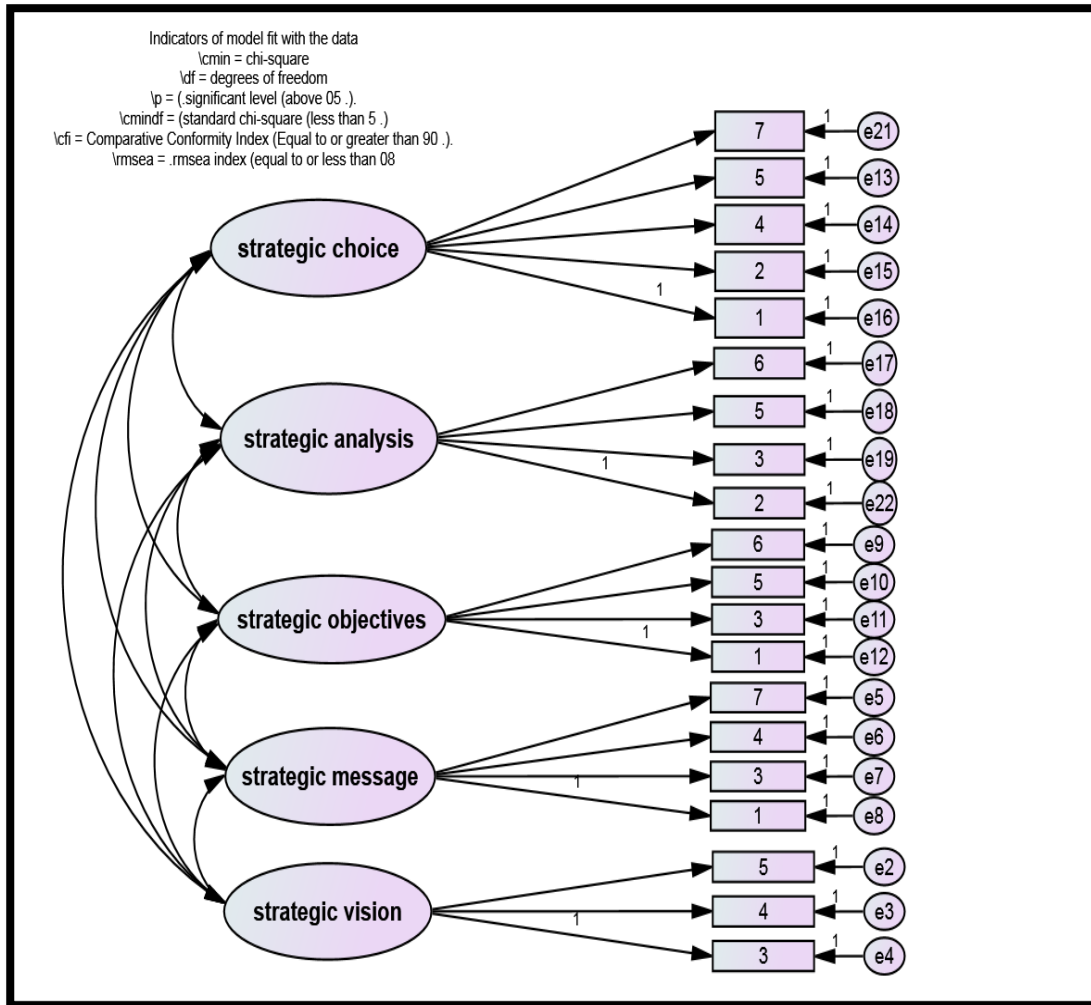
The purpose of verifying the convergent validity of the underlying factors or dimensions and the items that they represent with the measurement tool is to study the relationship between the items and the latent factor they represent, for example, planning (a latent factor) (Hair et al., 2006):

- \* All links, saturations, or loadings are equal to or greater than 0.70. It is considered an excellent, high and ideal ratio, while the loading ratio exceeding 0.50 is also acceptable.

- \* Square the ratio or saturation for each of the items. It is called the multi-squared correlation, and here the arithmetic mean of the multi-squared correlation for all items of one factor is called the extracted mean of variance (Average Variance Extracted). Here convergent validity is available when the extracted average variance ratio is minimum 0.50.

- \* Fornell–Larcker Criterion:

Fornell and Larcker introduced a basic criterion as a guide to assure the validity of the differentiation through confirmatory factor analysis. And this criterion is widespread in applied studies and various fields of knowledge. This criterion states that the extracted average variance (AVE) for each factor in the scale must be higher than the common variance (SV) for all relations or correlations between workers. If this criterion is achieved, the questionnaire is distinguished by differentiation. Figure 4 shows the concepts related to the confirmatory factor analysis.



**Figure 4.** Concepts related to confirmatory factor analysis on a planning model

Source: Prepared by the researcher based on statistical analysis.

### 3.3.2. Full Fledge Structural Equation Modeling

Since it is impossible to address the research questions and hypotheses using regression, because the research model is sophisticated and complex, and the regression technique cannot help us test and treat the hypotheses of this study, a statistical methodology known as Structural Equation Modeling or SEM is used. Full Fledge Structural Equation Modeling is done through Amos 21.0 based on the existence of prior knowledge, literature, and scientific studies. Several metrics were used based on building the variables and models of the study.

Hence, the use of integrated construction of structural equation modeling is considered scientific and advanced statistical method to answer questions and test the

hypotheses of this study, for example: Is there relation and a positive impact of planning on the performance of employees through its relation and positive impact on motivation?

### **1. Structural Equation Modeling Integrated Test:**

Before starting the application of the integrated construction of the structural equation modeling and answering the study questions, and verifying its hypotheses, it is preferable to test the statistical hypotheses of the structural equation modeling to ensure the appropriateness of the data collected from the study sample. Some of these assumptions have been presented through the specific explanatory and confirmatory factor analysis, such as normal distribution, outliers, collinearity, or strong internal correlation, and the values of the model fit indicators with the sample data (Model Fit Indices).

### **2. Results of integrated construction of structural equation modeling:**

The integrated construction of structural equation modeling aims to test the relation between one or more latent factors to know and determine the percentage of the effect of the first factor, which is planned in this study, and it is an exogenous variable. The second factor is the performance of employees, an endogenous variable.

### **3. Standard estimates on direct effect and effect size:**

Standard estimates indicate the value of the relation between the two factors or variables, one of which is independent and known as the exogenous variable. The other is dependent, called the endogenous variable. According to this study, the relationship between planning and motivation needs to be explored. The ratio between these two factors must equal or exceed the given value (0.20 (Chin, 1998).

### **4. Direct Effect:**

This effect indicates the existence of a direct causal relationship between the independent and the dependent variable without the presence of an intermediary factor between them, and here the level of statistical significance of this relation is judged based on the statistical value (t). If it is equal to 1.964 or greater, this indicates the existence of a relationship between each of the independent (external) and dependent (internal) variables. This relation or path coefficient value must be at least 0.20 (Chin, 1998).

## **5. Effect Size:**

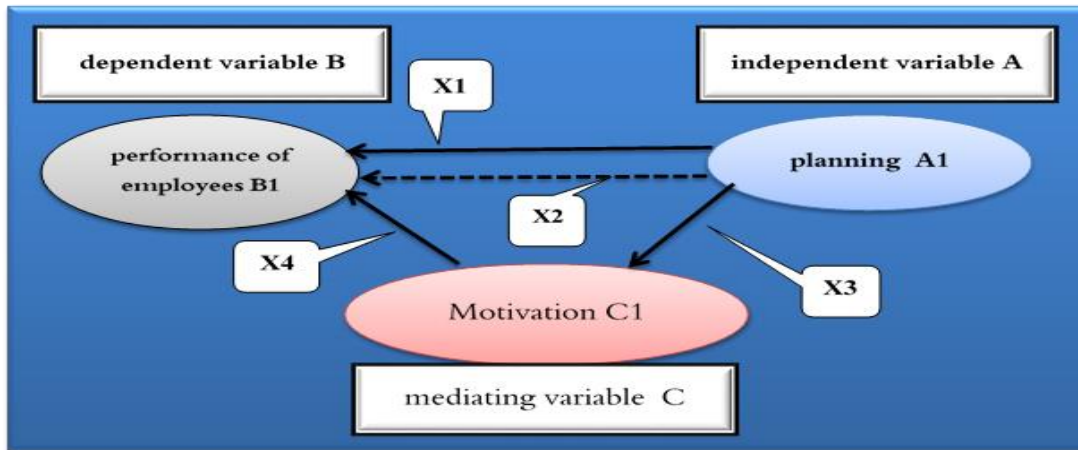
Effect size refers to the extent of the influence of the independent variable on the dependent variable. It is obtained by multiplying the value of the relation between the two factors or variables, one of them is independent. The other is dependent in itself, and here, if the size is less than 0.09, the effect is weak, and it is medium if the value is between 0.09 and 0.25, and when it is equal to or greater than (0.25), it indicates that the effect is high (Cohen, 1988).

## **6. Indirect Effect:**

This effect indicates the existence of an indirect relation between an independent (external) variable and a dependent (internal) variable with the presence of a mediator, 5an independent or external variable (A), as represented in Figure 5. Planning affects another intermediate variable (C) (motivation), which in turn affects a third factor or variable (B) (dependent or internal) (the performance of the workers). This analysis must be a simultaneous and immediate analysis without resorting to multiple analyses, as this type of analysis assumes the presence of latent variables as in the case in the study scheme, where the three main factors (planning, motivation, and performance of two factors) are latent. Each has several apparent dimensions that it represents. In addition, the latent variables, according to the integrated construction model, are in the form of circles and not in the standard form (rectangles), which is the case in the path analysis, a prerequisite for the indirect influence or the mediating variable, where it does not require a direct relationship between the independent variable (planning)), and the dependent variable (the performance of the workers) to judge the existence of an effect of the mediating variable represented in the relation denoted by the letter X1 in the form of number 6. It is related to the question: Is the mediating variable total or partial? To judge that, two conditions must be met, the first is that the relation or path between the independent variable and the mediating variable is statistically significant for the relation denoted by X3 in Figure 55, and the second must be the relation or path between the intermediate variable and the variable. The dependent variable is statistically significant for the relation denoted by X4 in the figure mentioned above. If one of them is not a statistical function, it is not preferable to delve into the questions of the influence of the mediator or the indirect effect.

## 7. Indirect Effect:

Looking at Figure 55, the indirect influence relation, which is denoted by X2, and to get this value, the path value or the relation between the independent variable when the mediating variable is multiplied, which means the relation denoted by X3 with the path value or the relation between the intermediate variable and the dependent variable, that is, the relation denoted by X4. X4 that can also be obtained through the outputs of the Amos program, which is the sum of the value of the direct relation for the independent variable (planning) and the dependent variable (the performance of workers), as well as the value of the indirect relation ( $X1 + X2$ ). It is called the total effect value, and it can be obtained through the outputs of the Amos program.



**Figure 5.** Clarification of direct and indirect relations between the studied variables

8. Methods for testing the level of statistical significance for the median variable:

Looking at Figure 5, the indirect influence relation is symbolized by the dotted arrow X2, and the last part explains the procedures for obtaining the value of the indirect relation, and this relation can be studied for its statistical significance by:

\* The statistical T-value of the path or the relation between the independent variable (planning) and the mediating variable (motivation) and the relation or path between the mediating variable (motivation) and the dependent variable (the performance of the workers). If the value of the t-test is greater than 1.964, this indicates the indirect effects are statistically significant.

\* The Sobel Test is relied on online by using the value of the path or relation between the independent variable and the mediating variable and the relation or path between the mediator and dependent variable, and the standard error for each relation. If the value of (t) statistic is greater than 1.964 and the level of the statistical significance is less than 5%, which is obtained from the Sobel Test, which indicates that the indirect effect is statistically significant.

\* Applying the same procedures mentioned in the previous step on the path factor, if the value of the path factor is greater than 0.20 for the relation X3 and the relation X4, then this indicates that the indirect effect between the independent variable and the dependent variable through the intermediate variable is statistically significant.

#### 9. Full Mediation versus Partial Mediator:

In the case where there is a direct relationship between the independent and dependent variable and denoted by a letter X1 in Figure 5. It is not a statistical function, and the median variable, in this case, is a full mediator.

In other words, the mediating variable (motivation) is the only factor that affects the dependent variable (employee performance). If there is a direct relationship between the independent and dependent variables and a statistical function, the mediating variable is a partial mediator. It means that the mediating variable is not the only factor that affects the dependent variable (workers' performance), but the independent variable (planning) also affects the dependent variable.

### **3.4. Study Analysis Factor**

Because of the independence of the factors that make up the questionnaire or the measuring tool for this study, its aspect of the study contains three main parts, and each part shows an explanatory (or exploratory) factor analysis.

#### **3.4.1. Principal Component Analysis of Planning**

##### **General hypotheses:**

1: Normal Distribution

Looking at the table, we find that the values of the Skewness test and the Kurtosis test for each scale item are less than 3 for the Skewness test and less than 7 for the Flatness test, and this confirms the normal distribution of the sample.

**Table 6.** Mean, standard deviation, flatness, skewness, and reliability of scale vertebrae planning

Item No	Planning scale items	Mean	std. Deviation	Skewness	Kurtosis	Reliability
<b>strategic choice</b>						
1	The institution develops appropriate strategic alternatives.	34.357	144,338	-.428	-1.284	.964
2	The institution's management is committed to the programs and timetables it sets to achieve its goals.	34.331	137,031	-.420	-1.218	.964
3	The institution's management applies clear standards and performance indicators to judge the institution's plan.	35.171	121.735	-.603	-.661	.966
4	The institution participates with all employees in preparing the executive assistance plan.	33.675	137,511	-.451	-1.146	.964
5	We make strategic decisions in line with established plans.	33.018	140.889	-.366	-1.265	.964
6	We have performance benchmarks for each component of the strategic plan.	33.622	136,884	-.470	-1.121	.964
7	Management focuses on the appropriateness of each strategic option with the variables of the external environment.	33.675	134.022	-.358	-1.181	.964
<b>Strategic analysis</b>						
1	The organization's external environment has various variables that may affect it in the future.	35.328	122.350	-.575	-.722	.965
2	The management of the enterprise analyses the internal environment of the institution to identify the sources of strengths and weaknesses.	33.911	133,646	-.477	-1.085	.964
3	The company operates according to a clear vision to develop and invest in	33.911	135,407	-.436	-1.122	.964



	strengths and reduce weaknesses.					
4	We identify opportunities in the environment in the form of foreign investment.	33.438	133.176	-.394	-1.107	.964
5	We need to learn about threats to the environment and externalities to avoid or limit their effects.	34.304	134,498	-.448	-1.117	.964
6	We study the environment and its contents change, whether increasing or decreasing in the inner region.	33.307	139,391	-.407	-1.221	.964
7	We identify strengths to take advantage of and improve the institution's conditions.	32.992	143.993	-.359	-1.304	.965
<b>Strategic objectives</b>						
1	We've got Realistic and measurable long-term goals that we strive to achieve.	32,651	137,671	-.309	-1.231	.964
2	Our goals motivate abilities and skilled personnel for development and performance improvement.	33.622	142.535	-.383	-1.284	.964
3	The institution's objectives are derived from the objectives home of our university.	33.570	135.671	-.401	-1.146	.964
4	The institution achieves its goals within the available capabilities.	33.465	135.362	-.379	-1.183	.964
5	The organization's goals are flexible, and the organization has the ability to adapt to unexpected changes.	33.648	134.975	-.395	-1.140	.965
6	The institution's objectives are clear and understandable. All people in the institution have a consensus.	33.412	135.690	-.389	-1.154	.964
7	Employees participate in the formulation of the objectives of the organization. All parties are responsible for its achievement.	34.436	137.462	-.474	-1.118	.966
<b>Strategic message</b>						
1	Our outputs are specialized according to scientific standards.	33.701	143.712	-.428	-1.267	.964
2	Our message is so broad that it allows the institution to invest in new opportunities to develop its performance.	34.619	131,659	-.459	-1.081	.965

3	We prepare our message in a balanced way according to the available capabilities and resources.	32.835	140.805	-.348	-1.289	.964
4	We employ different sciences to prepare research and studies.	32.362	145,162	-.246	-1.380	.964
5	Our purpose is to raise the efficiency.	33.465	135,362	-.379	-1.183	.964
6	The organization's mission is distinguished from other institutions.	33.307	141.638	-.365	-1.285	.964
7	The organization's mission includes its values, beliefs, and the nature of its work.	33.228	142.283	-.379	-1.267	.964
<b>Strategic vision</b>						
1	We have clear and specific strategic visions for future goals.	35.118	135.063	-.531	-1.033	.965
2	The organization provides tireless services to society and scientific, civilized, and humanitarian foundations.	34.173	138.283	-.479	-1.108	.965
3	We announce our vision for the community both internally and externally.	31.522	136.031	-.146	-1.326	.964
4	We seek to improve and consolidate our relationship with the external environment.	29.659	139.412	.049	-1.395	.964
5	We seek to consolidate science and knowledge and the employment of technology to reach civilized sophistication.	30.709	136.409	-.029	-1.338	.964
6	The vision of the institution and the amount of progress the organization is making are measurable.	30.630	143.682	-.068	-1.416	.964
7	The institution's vision is defined by a date that is suitable to achieve.	31,680	144.300	-.059	-1.467	.964
<b>Consistency in the general scale</b>		<b>0.965</b>				

## **2-Reliability of Items:**

Reliability refers to the consistency of the items used in the planning scale to measure the concept of "planning." From here and Table 7, it is clear that the results of each item of the planning scale on Cronbach's Alpha test are high and exceed the standard limit (0.70). The overall reliability of the planning scale is high (50.96), which confirms the internal consistency of the planning items used in this study.

## **3-Correlation:**

From the correlation matrix between the items of the planning scale shown in 8Table 8, it becomes clear that the correlation ratio for all its five dimensions ranged between 0.350 and 0.797 (despite these acceptable correlations, there are some rather high correlations between some items (item 11 and 12), where the correlation is 0.88. The correlation between items 11, 13, and item 12, and 13 were respectively 0.926 and 0.928. The researcher adopted those items based on what was referred to by Pallant, who permitted the acceptance of items that exceeded the standard set by Brown & Lam (2008). They did not exceed 0.85, and in general, this percentage does not indicate the existence of the problem of the power of pluralism.

Linearity (Multicollinearity): Here, the values in the table indicate no significant similarity between the items of the planning scale, and some values are less than 0.30. It indicates that the appropriate rotation method for the planning scale is oblique method.

**Table 7.** Correlation matrix for scale planning

Items	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
1	1.000																				
2	.761	1.000																			
3	.544	.654	1.000																		
4	.502	.541	.680	1.000																	
5	.692	.797	.703	.561	1.000																
9	.467	.489	.449	.514	.454	1.000															
7	.459	.484	.438	.479	.473	.775	1.000														
8	.477	.500	.485	.515	.492	.572	.646	1.000													
9	.471	.470	.446	.442	.466	.682	.719	.746	1.000												
10	.530	.505	.467	.478	.506	.471	.496	.592	.468	1.000											
11	.434	.419	.378	.376	.417	.399	.384	.406	.388	.682	1.000										
12	.372	.384	.352	.358	.350	.395	.393	.390	.362	.625	.880	1.000									
13	.405	.406	.363	.371	.392	.411	.407	.414	.392	.673	.926	.928	1.000								
14	.494	.493	.450	.470	.465	.582	.530	.535	.536	.517	.475	.459	.484	1.000							
15	.493	.430	.454	.444	.426	.513	.498	.454	.480	.465	.374	.375	.380	.593	1.000						
16	.443	.415	.416	.396	.396	.464	.486	.444	.442	.476	.419	.426	.432	.532	.774	1.000					
17	.487	.473	.440	.430	.447	.556	.472	.494	.442	.471	.400	.389	.414	.739	.698	.615	1.000				
18	.479	.466	.493	.498	.456	.458	.410	.462	.455	.521	.445	.425	.445	.485	.515	.487	.453	1.000			
19	.481	.497	.462	.431	.497	.472	.421	.495	.476	.419	.413	.376	.401	.523	.496	.462	.510	.723	1.000		
20	.435	.438	.424	.393	.451	.512	.454	.451	.472	.434	.446	.385	.423	.498	.465	.497	.483	.637	.744	1.000	
21	.498	.487	.436	.401	.491	.513	.451	.456	.452	.436	.456	.428	.456	.496	.457	.490	.497	.586	.728	.787	1.000

## Statistical assumptions related to the analysis of the main components:

### 1-Kaiser-Mayer-Olkin and Bartlett test

The Kaiser-Meyer-Olkin scale (for short, the KMO scale) and the Bartlett test are the basic criteria for testing the suitability and efficiency of the sample for exploratory factor analysis. Here the Kaiser test must be at least 0.60. In contrast, the Bartlett test must be statistically significant and less than 5%. Looking at Table 9, it turns out that the Kaiser-Meyer-Olkin ratio is equal to 0.929. The level of significance on the Bartlett test is equal to 0 or less than 0.001 for the planning scale, and this refers to the research sample, which is appropriate for exploratory factor analysis and fulfillment of its conditions.

**Table 8.** KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		<b>0.929</b>
	Approx. Chi-Square	<b>7035.152</b>
Bartlett's Test of Sphericity	Degree of freedom (Df)	<b>210</b>
	Significance (Sig)	<b>0.000</b>

Source: Prepared by the researcher based on statistical analysis.

### 2-Anti-Image Correlation Matrices

Each item of the planning scale has an anti-correlation, and the ratio of this correlation should be higher than 0.50. Looking at Table 10, it becomes clear that each item of the planning scale exceeded this ratio (touchstone).

**Table 9. Anti-image Matrices**

Items	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15th	16	17	18	19	20	21
1	.946a																				
2	-0.432	.926a																			
3	0.091	-0.151	.938a																		
4	-0.056	0.013	-0.401	.946a																	
5	-0.150	-0.432	-0.318	-0.037	.936a																
6	0.021	-0.062	0.026	-0.160	0.068	.929a															
7	0.013	-0.020	0.034	-0.021	-0.071	-0.493	.933a														
8	0.037	-0.031	-0.017	-0.145	0.015	0.121	-0.147	.919a													
9	-0.070	0.030	-0.041	0.111	-0.023	-0.235	-0.230	-0.498	.917a												
10	-0.112	0.007	-0.001	-0.018	-0.062	-0.008	-0.059	-0.313	0.136	.957a											
11	-0.088	0.042	-0.010	-0.001	-0.057	-0.005	0.084	0.059	-0.048	-0.184	.922a										
12	0.048	-0.067	-0.049	-0.005	0.106	-0.021	-0.046	-0.029	0.063	0.050	-0.180	.910a									
13	0.040	0.009	0.048	-0.001	-0.034	0.019	-0.028	0.026	-0.037	-0.109	-0.555	-0.612	.877a								
14	-0.012	-0.031	0.018	-0.060	0.011	-0.056	-0.022	-0.005	-0.108	-0.035	-0.020	-0.021	-0.023	.957a							
15th	-0.123	0.098	-0.055	-0.037	-0.002	-0.016	-0.036	0.092	-0.093	-0.032	0.015	-0.031	0.045	-0.030	.912a						
16	0.023	-0.039	-0.015	0.021	0.035	0.084	-0.103	-0.019	0.013	-0.034	0.010	-0.048	-0.011	0.026	-0.556	.927a					
17	-0.026	-0.030	-0.018	0.042	-0.003	-0.174	0.088	-0.127	0.161	0.000	0.037	0.041	-0.054	-0.466	-0.309	-0.092	.923a				
18	-0.054	0.010	-0.079	-0.134	0.068	-0.016	0.062	0.056	-0.050	-0.189	0.057	-0.038	-0.022	-0.005	-0.091	-0.036	0.082	.944a			
19	0.024	-0.057	0.021	0.023	-0.059	0.042	0.041	-0.123	-0.011	0.130	-0.028	0.000	0.019	-0.058	-0.071	0.083	-0.056	-0.417	.933a		
20	0.065	0.027	-0.017	0.031	-0.010	-0.066	-0.024	0.037	-0.041	-0.011	-0.123	0.092	0.022	-0.025	0.047	-0.103	-0.002	-0.143	-0.266	.931a	
21	-0.116	0.011	0.002	0.025	-0.051	-0.092	0.009	-0.020	0.046	0.040	0.050	-0.045	-0.053	0.022	0.064	-0.079	-0.038	0.041	-0.263	-0.478	.937a

### 3-Popularity or subscriptions (Communalities):

Table 11 shows the percentage of participation of each item in the formation of the latent factor determined through the saturation matrix. The percentage of participation in each item must be equal to 0.50. And looking at the table, it becomes clear that all the items on the planning scale had higher contributions to the specified percentage, ranging between 0.59 as the lowest participation rate and 0.87 as the highest percentage.

**Table 10.** Popularity or subscriptions Communalities

Item No.	Extracti on	Initial	Items
<b>Strategic choice dimension</b>			
1	.692	1.000	The institution develops appropriate strategic alternatives.
2	.803	1.000	The institution's management is committed to the programs and timetables it sets to achieve its goals.
4	.714	1.000	The institution participates with all employees in preparing the executive assistance plan.
5	.585	1.000	We make strategic decisions in line with established plans.
7	.813	1.000	Management focuses on the appropriateness of each strategic option with the variables of the external environment.
<b>Strategic analysis dimension</b>			
2	.750	1.000	The institution's management analyses the institution's internal environment to identify the sources of strengths and weaknesses.
3	.806	1.000	The institution works according to a clear vision to develop and invest in strengths and reduce weaknesses.
5	.719	1.000	We learn about threats in the external environment to avoid them or limit their effects.
6	.809	1.000	We study the environment and its changes, whether increasing or decreasing in the interior region.
<b>Strategic objectives dimension</b>			
1	.678	1.000	We have realistic and measurable long-term goals that we strive to achieve.
3	.924	1.000	The institution's objectives are derived from the main objectives of our whole organization.
5	.910	1.000	The institution's objectives are flexible and able to adapt to unexpected changes.
6	.950	1.000	The institution's objectives are clear and understandable to all individuals in the institution.
<b>Strategic message dimension</b>			
1	.644	1.000	Our outputs are specialized according to scientific standards.
	.833	1.000	We prepare our message in a balanced manner according to the

3			available capabilities and resources.
4	.751	1.000	We employ various sciences to prepare research and studies.
7	.770	1.000	The institution's mission includes its values, beliefs, what it does, and what distinguishes it.
<b>strategic vision dimension</b>			
3	.673	1.000	We announce our vision for both the internal and external communities.
4	.830	1.000	We seek to improve and consolidate our relationship with the external environment.
5	.834	1.000	We seek to consolidate science and knowledge and employ technology to reach advancements.
6	.790	1.000	The institution's vision is measurable by the amount of progress it is making.

Extraction Method: Principal Component Analysis.

**Efficiency criteria for factor analysis using the principal component analysis method:**

Before getting into the details, the rotation method was chosen in an oblique method. This method is used when a questionnaire is adopted in terms of application in a new environment.

1: Annotated total contrast ratio or Explainer:

Table 12 explains the overall variance (Proportion of Variance Explained), consisting of two parts. The first part represents the initial latent roots (the potential root of each component, the proportion of each root in the variance, and the cumulative ratio) and the final latent roots (the values of each latent factor), and from the indicated table, it is clear that the total variance ratio was 77.617%, and this indicates that the items of the scale used have explained the concept of planning by 77.617%, and this percentage is high for the scale in the administrative and human sciences for the percentage of contribution of each dimension For the interpretation of the planning scale, they were respectively in the five dimensions (17.881%, 16.208%, 15.160%, 14.672%, 13.696%), and with regards to the Eigen roots, it was found that the number of latent components (Kaiser roots) or the factors extracted from those dimensions that measure the planning scale are five dimensions, the first is strategic option, the second is strategic analysis, the third is strategic objectives, the fourth is strategic message, and the fifth is strategic vision. The Eigen value for all factors exceeds the correct one and is shown in Table 12 (10.833, 1.818, 1.361, 1.259, 1.029)



**Table 11. Total Variance Explained**

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% Of Variance		Total	% Of Variance		Total	% Of Variance	
	Root latent for every ingredient	Participation Each root of each component in the variance	Cumulative %	Root latent for every ingredient	Participation Each root of each component in variance	Cumulative %	Root latent for every ingredient	Participation Each root of each component in the variance	Cumulative %
1	10.833	51.584	51.584	<b>10.833</b>	51.584	51.584	3.755	<b>17,881</b>	17,881
2	1.818	8.658	60.242	<b>1.818</b>	8.658	60.242	3.404	<b>16,208</b>	34.089
3	1.361	6.480	66.722	<b>1.361</b>	6.480	66.722	3.184	<b>15.160</b>	49,249
4	1.259	5.994	72.716	<b>1.259</b>	5.994	72.716	3.081	<b>14,672</b>	63.921
5	1.029	4.900	77.617	<b>1.029</b>	4.900	77.617	2.876	<b>13.696</b>	77.617
6	.670	3.190	80.806						
7	.566	2,694	83.501						
8	.534	2.541	86.042						
9	.420	2.001	88,043						
10	.375	1.787	89,830						
11	.326	1.554	91.384						
12	.260	1.236	92.620						
13	.249	1.184	93.804						
14	.221	1.052	94.857						
15	.210	1.000	95.857						
16	.196	.932	96.788						
17	.189	.901	97.690						
18	.169	.807	98.496						
19	.157	.746	99.242						
20	.103	.489	99,731						
21	.057	.269	100.000						

Source: results of statistical analysis

**2: Congruence of the number of latent roots with the theoretical reference of the scale:**

The symmetry between the number of latent components extracted with the hypothetical theoretical model represents a major test that expresses the scale and its efficiency. Here it is clear from the analysis that the number of Ijen roots as in Figure 6 whose value exceeds 1. They are five factors and this number agrees exactly with the factors shown theoretically.

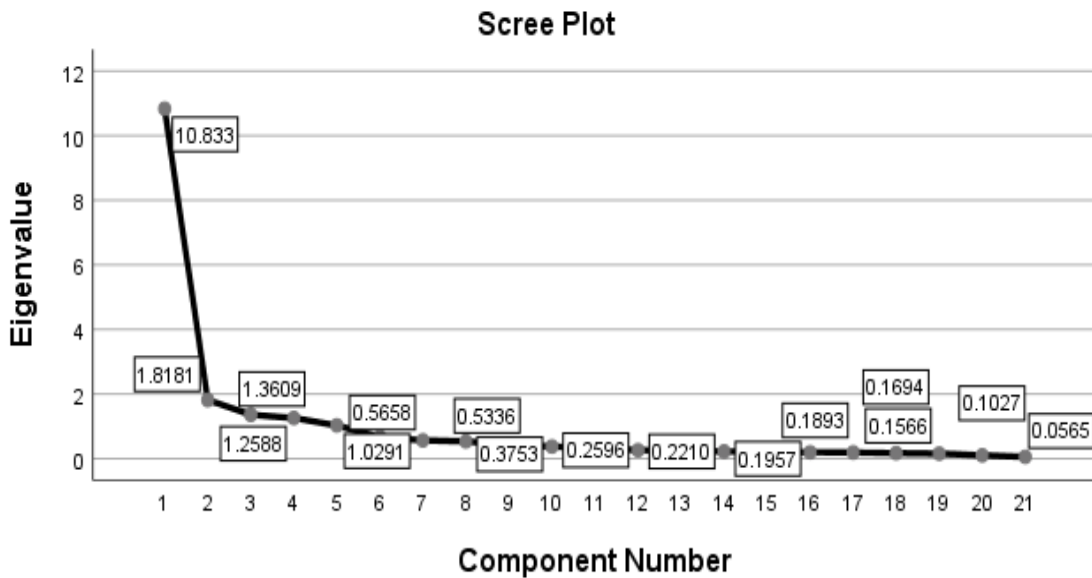


Figure 6. Eigen values

**3-Engagement of loading or saturation for each item in the dimension or field that it represents:**

The ratio of factor loading means the saturation with the correlation of each item with its latent factor. In this analysis, the researcher relied on the selection and interpretation of items that exceed the percentage of 0.50 and this percentage is high and desirable in choosing the item, as Table 13 shows the number of the basic components of the planning scale and their arrangement with the special items for each factor. The first factor is called “strategic choice,” the second factor is “strategic analysis,” the third factor is “strategic objectives,” and the fourth factor is “strategic message.” The fifth and final factor is “strategic vision.” It came in accordance with previous literature. And the theoretical framework is specified in advance, as these factors were arranged sequentially. The number of items for each factor is sufficient to represent it, as each factor has four or more items, as shown in Table 13. In addition to

that, the percentage of saturation or correlation of each item in the factor it represents is high and exceeds the specified percentage of saturation, which is more than 0.50.

**Table 12.** Number of basic components and the saturation of each item in the planning questionnaire

No.	Items	Dimensions of Measuring Strategic Planning				
		Strategic Option	Strategic Analysis	Strategic Objectives	Strategic Message	Strategic Vision
1	The institution develops appropriate strategic alternatives.	.711				
2	The institution's management is committed to the programs and timetables it sets to achieve its goals.	.808				
4	The institution participates with all employees in preparing the executive assistance plan.	.759				
5	We make strategic decisions in line with established plans.	.623				
7	Management focuses on the appropriateness of each strategic option with the variables of the external environment.	.823				
2	The institution's management analyzes the institution's internal environment to identify the sources of strength and weaknesses.		.609			
3	The institution works according to a clear vision to develop and invest in strengths and reduce weaknesses.		.894			
5	We learn about threats in the external environment to avoid them or reduce their effects.		.901			
6	We study the environment and its changes, whether increasing or decreasing in the interior region.		.912			
1	We have realistic and measurable long-term goals that we strive to achieve.			.724		
3	The institution's objectives are derived from the main			.798		

	objectives of our organization.					
5	The institution's objectives are flexible and able to adapt to unexpected changes.			.705		
6	The institution's objectives are clear and understandable to all individuals in the institution.			.805		
1	We produce specialized outputs according to scientific standards.				.657	
3	We prepare our message in a balanced manner according to the available capabilities and resources.				.802	
4	We employ various sciences to prepare research and studies				.817	
7	The institution's mission includes its values, beliefs, what it does, and what distinguishes it.				.774	
3	We have announced our vision to both the internal and external communities.					.581
4	We seek to improve and consolidate our relationship with the external environment.					.813
5	We seek to consolidate science and knowledge and employ technology to reach civilized advancement.					.757
6	The institution's vision is measurable by the amount of progress it is making.					.753
<b>The root of the dimensions of strategic planning</b>		<b>10.833</b>	<b>1.818</b>	<b>1.361</b>	<b>1.259</b>	<b>1.029</b>
<b>The contribution of each dimension to the interpretation of the phenomenon of the study</b>		<b>17.881%</b>	<b>16.208%</b>	<b>15.160%</b>	<b>14.672%</b>	<b>13.696%</b>
<b>The general reliability of all dimensions of strategic planning</b>		<b>0.899</b>	<b>0.936</b>	<b>0.899</b>	<b>0.904</b>	<b>0.885</b>

Source: results of statistical analysis

In addition to the above, the items of the strategic planning scale represent only one factor without the other. In other words, we did not find a single item in the scale that was linked or saturated with more than one factor (cross loading), and the items representing each factor had a positive trend (positive direction). The planning scale is devoid of items that measure factors in a negative direction (items opposite to meaning). This indicates the consistency of the items. The items shown in Table 14 were excluded from the scale because the percentage of saturation or correlation was less than 0.45.

**Table 13.** Items deleted from the planning scale

<b>Item No.</b>	<b>Item</b>
3	The institution's management applies clear performance standards and indicators to judge the institution's plan.
6	We have performance benchmarks for each component of the strategic plan.
1	The institution analyzes the external environment to identify the various variables that may affect it in the future
4	We identify opportunities available in the external environment for their investment.
7	We identify the strengths to take advantage of improving the institution's conditions.
2	Our goals stimulate the capabilities and skills of employees for development and improvement of their level of performance.
4	The institution achieves the goals it has set for itself in light of its available capabilities.
7	All parties participate in the formulation of the goals of the institution.
2	Our message is broad enough to allow the institution to invest in new opportunities to develop its performance.
5	We aspire to deliver the institution's message to employees for the purpose of raising performance efficiency.
6	The mission of the institution is the framework that distinguishes it from the rest of the institutions.
1	We have clear and specific strategic visions for future ambitions.
2	The institution provides frameworks that serve the community on scientific, civilized, and humanitarian foundations.
7	The vision of the institution is defined by an appropriate date for its realization.

Note: The numbering of each dimension has been rearranged to facilitate the test of confirmatory analysis in Chapter Four.

**4: The reliability of concept and its items, the relevance of each item to its field:**

From Table 13, it is clear that the squared correlation of each item exceeded the specified criterion (0.30), where the squared correlation indicates the extent to which the item is related to the factor it represents. The table also shows the reliability percentage of Cronbach's alpha for each of the five factors. It exceeded the required reliability limit, as the reliability ratio of the first factor, "strategic choice," was 0.899, the second factor, "strategic analysis," was 0.936, the third "strategic objectives" was 0.899, and the fourth factor "strategic message" was 0.904., and the fifth "strategic vision" was 0.885, where all of these factors exceeded the required limit for reliability, which is more than 0.70 at the level of the items of each factor (Construct Reliability), which refers to the total reliability of the items of each factor.

### 3.4.2. Explanatory Motivation Factor Analysis

Factor analysis procedures using the method (Principal Component Analysis)

#### Statistical general hypotheses:

##### 1. Normal Distribution

Table 15 shows the descriptive statistics and techniques of the normal distribution of the items on the stimulus scale. It is clear from the table that the values of the Skewness test and the Kurtosis test for each item in the stimulus are less than 3 for the Skewness test and smaller than 7 for the flatness test. It indicates the normal distribution of the sample.

**Table 14.** Descriptive statistics and techniques of normal distribution of the items on the motivation scale

Item No.	Motivation scale items	Mean	std. Deviation	Skewness	Kurtosis	Reliability
<b>Incentive system dimension</b>						
1	I feel that justice prevails in the system of government incentives and rewards.	3.5879	1.32814	-.526	-1.050	.945
2	Most incentives and rewards are granted to outstanding performers.	3.3701	1.29454	-.472	-.831	.947
3	I think mediation and favouritism do not prevail in granting incentives and rewards.	3.5906	1.19001	-.692	-.528	.945
4	The mechanisms and methods of granting incentives and rewards often do not affect my job performance.	3.4882	1.22817	-.602	-.685	.946
5	I think there is a relative unfairness that is not mentioned in the granting of incentives and promotions.	3.2362	1.24472	-.324	-.847	.948
6	Grades and promotions are often awarded to those who deserve them.	3.5564	1.26703	-.564	-.924	.945
7	I think career progression is appropriate in the incentives and promotions law.	3.3097	1.24124	-.439	-.750	.948
8	I think that most managers and officials were promoted through fair and impartial mechanisms.	3.4672	1.29456	-.502	-.921	.946
<b>Material incentives dimension</b>						
1	The salary is commensurate with the nature of the work assigned to the employees.	3.3885	1.30234	-.426	-1.059	.946
2	The salary meets the needs of the employees.	3.4199	1.36960	-.394	-1.194	.946
3	The institution provides material rewards that motivate employees to complete the work efficiently.	3.4724	1.38123	-.518	-1.100	.946

4	The institution provides a system for periodic bonuses to ensure that the work is done well	3.4908	1.35648	-.527	-1.050	.946
5	The institution provides a system for exceptional bonuses	3.3071	1.31697	-.309	-1.158	.947
6	The institution offers fair promotions to employees according to a well-studied scientific process.	3.3412	1.30550	-.338	-1.148	.947
7	The institution provides a system for gifts, encouraging the employee to make more effort at work.	3.3438	1.40484	-.370	-1.253	.946
8	The institution offers bonuses for overtime hours, motivating employees to stick to work.	3.4856	1.40597	-.541	-1.104	.946
<b>Moral incentives dimension</b>						
1	The institution is interested in providing certificates of appreciation to those with good performance.	3.5197	1.34664	-.526	-1.026	.947
2	The manager is interested in providing verbal praise and thanks to the employees.	3.4226	1.33866	-.455	-1.088	.946
3	The institution is interested in holding honouring ceremonies for distinguished and retired people.	3.3360	1.37362	-.303	-1.296	.946
4	The institution is interested in honorary promotions without increasing the salary.	3.2310	1.35693	-.228	-1.275	.946
5	The institution offers the benefits of transferring an employee to a better job to improve their performance.	3.4068	1.34746	-.355	-1.200	.946
6	The institution provides the benefits of participating in training courses to improve the performance of employees at work.	3.3465	1.34582	-.364	-1.204	.946
7	The institution nominates employees for graduate studies to develop their performances.	3.2861	1.33162	-.314	-1.180	.947
8	The institution involves employees in the decision-making process, which increases their satisfaction.	3.4042	1.39713	-.410	-1.218	.946
general reliability		0.948				

Source: Results of statistical analysis.

## 2: Reliability of Items

The reliability refers to the consistency of the items of the motivation scale while measuring the concept of “motivation.” From Table 15, it is clear that the reliability of each item on Cronbach’s Alpha is high and exceeds the standard limit (0.70), and the overall reliability of the scale is also high (0.948). It confirms the internal consistency of the items on the motivational scale.

### 3: Correlation

Through the correlation matrix between the items of the motivation scale shown in Table 16, it is clear that the correlation ratio did not exceed 0.85, as this ratio humiliates the presence of the problem based on internal correlation or interference (Multicollinearity). The correlation values are shown in Table 16. The aforementioned has cleared that there is no significant similarity to the items on the motivation scale. The table shows values less than 0.40, which indicates that the appropriate rotation method for the motivation scale is the oblique method.

**Table 15.** Correlation matrix between the items of the motivation scale

Items	1	2	3	4	5	6	7	8	9	10	11	12
1	1.000											
2	.728	1.000										
3	.710	.608	1.000									
4	.652	.601	.561	1.000								
5	.431	.454	.472	.399	1.000							
6	.429	.377	.464	.400	.596	1.000						
7	.459	.382	.505	.418	.489	.716	1.000					
8	.459	.443	.498	.429	.614	.578	.540	1.000				
9	.424	.336	.506	.375	.451	.366	.397	.426	1.000			
10	.497	.389	.484	.412	.394	.370	.399	.431	.565	1.000		
11	.473	.414	.504	.399	.436	.418	.492	.473	.498	.549	1.000	
12	.467	.392	.556	.396	.452	.385	.438	.449	.701	.586	.645	1.000

#### Special Statistical Hypotheses:

##### 1: Kaiser-Meyer-Olkin Scale and Bartlett Test

KMO and Bartlett's Tests have been shown in Table 17. Obviously, the Kaiser-Meyer-Olkin Scale ratio is equal to 0.913, and the level of significance on the Bartlett



test is equal to 0 or less than 0.001. It indicates that the sample is suitable for factor analysis.

**Table 16.** KMO, Bartlett’s KMO, and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		<b>.913</b>
Bartlett's Test of Sphericity	Approx. Chi-Square	<b>2634.895</b>
	Degree of freedom Df	<b>66</b>
	Significant Sig	<b>0.000</b>

## 2. Anti-Image Correlation Matrices

All the items on the motivation scale have an anti-correlation, and the percentage of this correlation should be higher than 0.50. In Table 18, we find that each paragraph of the motivation scale has a correlation ratio and these percentages were higher than the test 0.50, where they ranged from 0.80 to 0.90.

**Table 17.** Anti-Image Matrices

Items	1	2	3	4	5	6	7	8	9	10	11	12
1	.889 <sup>a</sup>											
2	-0.425	.903 <sup>a</sup>										
3	-0.340	-0.125	.946 <sup>a</sup>									
4	-0.258	-0.202	-0.071	.952 <sup>a</sup>								
5	0.045	-0.152	-0.022	-0.005	.919 <sup>a</sup>							
6	-0.022	0.032	-0.024	-0.034	-0.292	.865 <sup>a</sup>						
7	-0.040	0.039	-0.097	-0.045	0.038	-0.525	.888 <sup>a</sup>					
8	0.008	-0.056	-0.060	-0.050	-0.299	-0.159	-0.101	.947 <sup>a</sup>				
9	-0.002	0.071	-0.098	-0.038	-0.123	0.019	-0.018	-0.029	.896 <sup>a</sup>			
10	-0.145	0.028	0.006	-0.045	0.007	-0.018	0.002	-0.065	-0.213	.949 <sup>a</sup>		
11	-0.034	-0.044	-0.022	-0.004	-0.031	0.019	-0.154	-0.085	0.035	-0.185	.932 <sup>a</sup>	
12	0.017	0.000	-0.146	0.009	-0.044	0.030	-0.021	-0.007	-0.449	-0.147	-0.345	.885 <sup>a</sup>

### 3-Communalities:

From Table 19, which shows the prevalence of each paragraph in the formation of the latent factor that is determined through the saturation matrix, it is clear that all the statements of the motivation scale were more common than the percentage specified as a minimum equal to 0.50, as it ranged between 0.59 as the lowest prevalence rate and the highest rate is 0.87.

**Table 18.** Communalities

Item's no	Items	Initial	Extract ion
Statements of the motivation scale			
Incentive System Dimension			
3	I think that favouritism does not prevail in granting incentives and rewards.	1.000	.824
4	The mechanisms and methods of granting incentives and rewards often do not affect my job performance.	1.000	.776
6	Grades and promotions are often awarded to those who deserve them.	1.000	.697
8	I think that most managers and officials were promoted through fair and impartial mechanisms.	1.000	.681
Dimension of material incentives			
1	The salary is commensurate with the nature of the work assigned to the employees.	1.000	.630
3	The organization provides material rewards that motivate employees to complete the work efficiently.	1.000	.807
4	The institution provides a system for periodic bonuses to ensure that the work is done well.	1.000	.703
8	The institution offers bonuses for overtime hours, which motivates the employee to stick to the work	1.000	.647
Dimension of moral incentives			
3	The institution is interested in holding honouring ceremonies for distinguished and retired people.	1.000	.725
4	The institution is interested in honorary promotion without increasing the salary.	1.000	.641
5	The institution offers the benefits of transferring an employee to a better job to improve performance.	1.000	.623
8	The institution involves employees in the decision-making process, which contributes to increasing their satisfaction.	1.000	.798

**Efficiency criteria for factor analysis using the principal component analysis method:**

**1: The ratio of the total variance explained:**

Table 20 shows the total variance (Proportion of Variance Explained), consisting of two sections. The first section refers to the initial latent roots (the potential root of each element, the proportion of each root in the variance, the cumulative ratio) and the final latent roots (the values of each latent factor). From the table, it is clear that the percentage of total variance was 71.27%, and this indicates that the statements of the scale used explained the concept of motivation by 71.27%. This percentage is considered high for the questionnaires designed to conduct research in administrative sciences and humanities.

The percentage of the contribution of each factor to the interpretation of the motivation scale was, respectively, for the three factors (24.098%, 23.762%, and 23.415%) and the primary Eigen roots of Kaiser. It shows that the number of latent components or factors extracted from those items measuring the motivation scale is three. They include motivation system, physical stimulus, and moral stimulus because the value of Eigen for each factor exceeds one, which are 6.304, 1.139, and 1.110, respectively, as shown in Table 20.

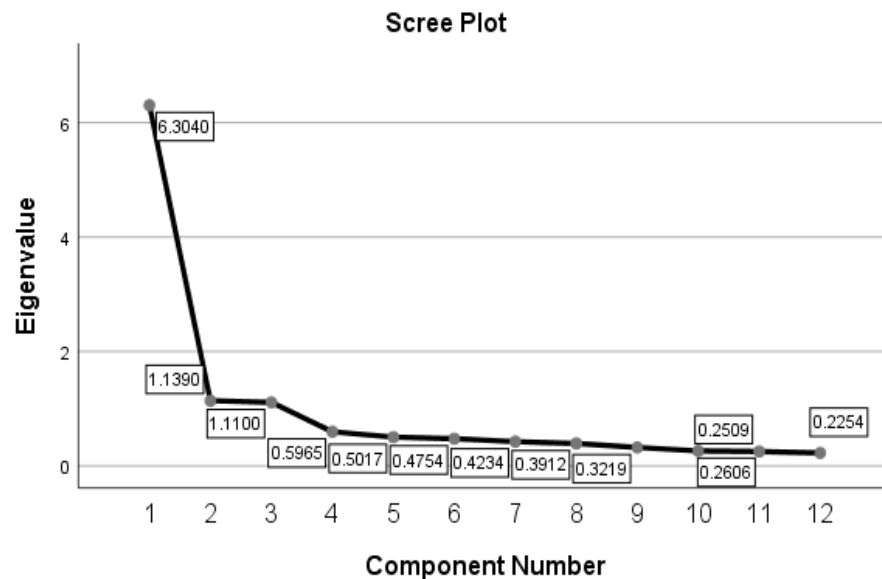
**Table 19.** Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% Of Variance	Cumulative %	Total	% Of Variance	Cumulative %	Total	% Of Variance	Cumulative %
1	6.304	52.533	52.533	6.304	52.533	52.533	2.892	24.098	24.098
2	1.139	9.492	62.025	1.139	9.492	62.025	2.851	23.762	47.860
3	1.110	9.250	71.275	1.110	9.250	71.275	2.810	23.415	71.275
5	.502	4.180	80.427						
6	.475	3.962	84.388						
7	.423	3.528	87.917						
8	.391	3.260	91.177						
9	.322	2.683	93.860						
10	.261	2.172	96.031						
11	.251	2.091	98.122						
12	.225	1.878	100.000						

Source: Results of statistical analysis.

## 2: The number of latent roots matches the scale's theoretical reference

In case the number of the extracted latent components matches the hypothetical theoretical model or the predetermined theoretical framework, it represents a major test that expresses the strength of the scale (Incentive system, material incentive, moral incentive). The number shown in the value of Eigen roots completely agrees with the three factors theoretically explained in this study.



**Figure 7.** Root or Eigen value

Source: Results of statistical analysis.

## 3: The percentage of loading or saturation for each paragraph in the dimension or field

The factor loadings or saturation ratio means the correlation between each paragraph and its latent factor. In this analysis, statements that exceed 0.45 were selected and interpreted. The percentage is high and desirable in choosing the paragraph, and Table 21 shows the number of basic components or factors on the motivation scale, their arrangement with the statements of each component or factor, as they were named according to their theoretical content, where the first factor is called "the incentives system," the second is "material incentives," the third factor is "moral incentives," as these factors were sequentially arranged in the number of statements. Each factor is sufficient to represent it (three statements or more). From Table 21, it becomes clear that the percentage of saturation or correlation of each

paragraph in each factor is quite high, sufficient, and exceeds the specified percentage of saturation.

Table 20 . The number of basic components and the saturation of each paragraph in the motivation questionnaire

No	Statements	Dimensions of stimulation measurement		
		Incentive System	Material Incentives	Moral Incentives
3	I think that favouritism does not prevail in granting incentives and rewards.	.829		
4	The mechanisms and methods of granting incentives and rewards often do not affect my job performance.	.836		
6	Grades and promotions are often awarded to those who deserve them.	.657		
8	I think that most managers and officials were promoted through fair and impartial mechanisms.	.764		
1	The salary is commensurate with the nature of the work assigned to the employees.		.805	
3	The institution provides material rewards that motivate employees to complete the work efficiently.		.723	
4	The institution provides a system for periodic bonuses to ensure that the work is done well.		.672	
8	The institution offers bonuses for overtime, which motivates the employee to stick to the work.		.835	
3	The institution is interested in holding honouring ceremonies for distinguished and retired people.			.697
4	The institution is interested in honorary promotions without increasing the salary.			.862
5	The institution offers the benefits of transferring an employee to a better job to improve performance.			.768
8	The institution involves employees in the decision-making process, which increases their satisfaction.			.696
The latent root of motivation		6.304	1.139	1.110
The contribution of each dimension to the interpretation of the phenomenon of the study		24.098%	23.762%	23.415%
Overall stability of each stimulus dimension		.877	.853	.851

Source: Results of statistical analysis

By looking at the previous table, we find that the statements in the motivation scale were linked and saturated to represent only one factor without the other. There is no paragraph in the scale associated with more than one (Cross Loading) factor, and the statements representing each factor have a positive direction. The motivation scale is devoid of items that measure factors in a negative direction (statements opposite to the meaning), which confirms the consistency of the scale's statements. A group of items has been excluded from the scale shown in Table (22) because the saturation rate was less than 0.45. It is saturated in more than one factor.

**Table 21.** Deleted Statements from Motivation Scale

No	Deleted Statements
1	I feel that justice prevails in the system of government incentives and rewards.
2	Most incentives and rewards are granted to outstanding performers.
5	I think that there is a relative unfairness that is not mentioned while granting incentives and promotions.
7	I think career progression is appropriate in the incentives and promotions law.
2	The salary meets the needs of the employees.
5	The institution provides a system for exceptional bonuses.
6	The institution offers fair promotions to employees according to a well-studied scientific process.
7	The institution provides a system for in-kind gifts, encouraging the employee to make more effort at work.
1	The institution is interested in providing certificates of appreciation to those with good performance.
2	The manager is interested in providing verbal praise and thanks to the employees.
6	The institution provides the benefits of participating in training courses to improve the performance of employees at work.
7	The institution nominates employees for graduate studies to develop their performances.

**4: The reliability of the concept, the reliability of its statements, and the connection of each paragraph with its field**

The quadratic correlation indicates the extent to which each paragraph is related to the field it represents, and it must be at least 0.20. And here, it's clear from Table 21 that each of the statements representing each of the four factors is related to its representative field with a higher than the specified percentage. It is clear from the table that the percentage of reliability of Cronbach's alpha coefficient for all factors that represent the motivation scale exceeds the required limit (0.70) at the level of the

statements of each factor or the reliability of the concept (Construct Reliability), which refers to the total stability of the statements separately of each factor.

### 3.4.3. Exploratory Factor Analysis of Employee Performance Scale

#### Factor analysis procedures using Principal Component Analysis:

#### General hypotheses:

#### 1: Normal Distribution

Table 23 presents the descriptive statistics and the normal distribution of the workers' performance scale items, and here it is clear from the table that the values of Skewness and Kurtosis for all items of the workers' performance scale are less than 3 for the Skewness test and less than 7 for the flatness test. Thus, we conclude the normal distribution of the sample.

**Table 22.** Average, standard deviation, kurtosis, skewness, and reliability of the items of the employee performance scale

Paragraph No	The items of employee's performance	Mean	Std. Deviation	Skewness	Kurtosis	Reliability
<b>Implementation Efficiency dimension</b>						
1	The employees have the professional skill and technical knowledge required to carry out their work efficiently.	3.4882	1.37573	-.518	-1.108	.959
2	The employees feel dedication, seriousness, and the ability to take responsibility.	3.4882	1.34673	-.524	-1.075	.959
3	Employees carry out their work according to specific policies and procedures.	3.3937	1.35622	-.378	-1.203	.959
4	The employees have the skill and ability to solve daily business problems	3.2703	1.45381	-.334	-1.338	.959
5	Employees have the motivation, ability, and desire to carry out the work efficiently.	3.3097	1.37788	-.315	-1.240	.959
6	Employees feel satisfied with the work they do within the organization.	3.4226	1.32085	-.420	-1.092	.959
7	Employees understand their roles accurately and clearly.	3.3412	1.33342	-.396	-1.140	.959

8	The employees perform their assigned duties according to the required quality standards.	3.3176	1.32841	-.314	-1.186	.959
<b>Dimension of planning and implementation</b>						
1	Employees have the ability to plan the work and complete them according to the planned schedule.	3.3701	1.33261	-.420	-1.131	.959
2	Planning before carrying out the work shortens the employee's time.	3.3097	1.37788	-.315	-1.240	.959
3	Planning before starting a business gives employees a sense of comfort.	3.4278	1.35653	-.479	-1.077	.959
4	Planning before starting the work's implementation contributes to determining the goals to be reached.	3.4068	1.32182	-.395	-1.158	.959
5	Planning before carrying out the work helps the employees to choose the appropriate procedures to carry out their work.	3.3963	1.40033	-.378	-1.266	.959
6	Planning before carrying out the work increases the ability of employees to focus on completing the tasks.	3.4278	1.37961	-.450	-1.141	.959
7	Information systems help employees plan well to implement the tasks assigned to them.	3.2992	1.43993	-.359	-1.304	.959
8	My administration is working to provide all the information I need on time.	3.4304	1.33910	-.531	-1.012	.959
<b>The dimension of creativity and innovation</b>						
1	The employees perform the work assigned to them in a renewed manner.	3.4121	1.44941	-.437	-1.256	.959
2	Employees shy away from repeating what others are doing to solve business problems.	3.5302	1.34056	-.473	-1.151	.959
3	Employees do not feel bored of repeating the procedures followed in completing work.	3.5774	1.23221	-.663	-.586	.960
4	Employees have the ability to come up with ideas and quick solutions to face work problems.	3.4882	1.30101	-.500	-.981	.960
5	Employees have the ability to present more	3.3228	1.39481	-.403	-1.188	.959



	than one idea within a short time period.					
6	The employees have the freedom to fluently and freely express their thoughts.	3.5512	1.29193	-.614	-.834	.960
7	Employees are keen to make changes in their working methods.	3.3176	1.43689	-.372	-1.264	.959
8	Employees anticipate business problems before they occur.	3.4304	1.34498	-.442	-1.096	.959
<b>Submitted effort</b>						
1	Employees perform their job duties according to the required quality standards.	3.3596	1.30156	-.330	-1.184	.959
2	The employees have the desire and willingness to work outside official working hours to speed up the completion.	3.3806	1.39342	-.421	-1.198	.959
3	Line managers appreciate the efforts and perseverance of the employees.	3.3123	1.33361	-.346	-1.174	.959
4	The organization is keen to provide additional benefits to employees to motivate them to do more.	3.4226	1.36398	-.415	-1.175	.959
5	Rewards and bonuses are proportional to the effort.	3.4619	1.31659	-.459	-1.081	.959
6	Feeling proud and proud of the work is a motive to do more	3.4829	1.35057	-.495	-1.078	.959
7	The administration provides gradual increments to the employees who perform well.	3.4751	1.33674	-.485	-1.056	.959
8	The institution provides additional moral benefits to the employees to motivate them to work.	3.3333	1.36562	-.313	-1.240	.959
<b>General reliability</b>						<b>0.960</b>

Source: Results of statistical analysis

## 2-Reliability of Items

Reliability refers to the consistency of the statements in the employee performance scale that measures “employee performance.” Table 23 shows that the reliability of each paragraph of the employees’ performance in the Cronbach’s Alpha

criterion is high and exceeded the criterion limit (0.70), the overall stability of the employee performance scale was high (0.960), and this confirms the internal consistency of the items of the scale used for the employee performance.

### **3-Correlation**

The correlation matrix between the statements of the performance scale of the employees has been explained in Table 24, where it was found that the correlation ratio did not exceed 0.85, because this ratio proves the existence of the problem of the strength of multicollinearity, and this indicates that there is no significant similarity. For the statements on employee performance scale, as it appears in the table that there are values less than 0.30, and this indicates that the appropriate rotation method for the employees performance scale is the oblique method.

**Table 23.** The correlation matrix between the statements of the performance scale of the employees

Items	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
1	1.000																		
2	0.756	1.000																	
3	0.598	0.690	1.000																
4	0.489	0.557	0.565	1.000															
5	0.442	0.503	0.470	0.404	1.000														
6	0.374	0.485	0.425	0.435	0.560	1.000													
7	0.478	0.542	0.449	0.421	0.563	0.685	1.000												
8	0.482	0.452	0.412	0.413	0.499	0.504	0.695	1.000											
9	0.430	0.410	0.345	0.386	0.418	0.426	0.450	0.574	1.000										
10	0.416	0.412	0.413	0.320	0.438	0.399	0.427	0.422	0.389	1.000									
11	0.347	0.380	0.401	0.267	0.374	0.329	0.359	0.334	0.312	0.638	1.000								
12	0.341	0.322	0.378	0.284	0.369	0.294	0.363	0.396	0.279	0.554	0.654	1.000							
13	0.329	0.335	0.326	0.337	0.306	0.361	0.402	0.365	0.345	0.524	0.593	0.619	1.000						
14	0.381	0.441	0.389	0.376	0.454	0.416	0.472	0.369	0.366	0.553	0.642	0.549	0.583	1.000					
15	0.462	0.508	0.439	0.490	0.383	0.351	0.419	0.394	0.407	0.338	0.308	0.294	0.256	0.380	1.000				
16	0.409	0.442	0.409	0.457	0.370	0.386	0.401	0.332	0.402	0.256	0.278	0.274	0.248	0.346	0.703	1.000			
17	0.420	0.469	0.448	0.426	0.422	0.378	0.431	0.381	0.410	0.351	0.283	0.300	0.308	0.366	0.624	0.682	1.000		
18	0.502	0.557	0.494	0.474	0.452	0.417	0.445	0.421	0.442	0.371	0.324	0.361	0.348	0.401	0.587	0.487	0.656	1.000	
19	0.459	0.527	0.487	0.491	0.462	0.420	0.482	0.485	0.450	0.351	0.312	0.266	0.293	0.413	0.627	0.519	0.624	0.689	1.000

## Statistical hypotheses for the analysis of principal components:

### 1-The Kaiser-Meyer-Olkin Scale and the Bartlett Test

Looking at Table 25, it becomes clear that the Kaiser-Meyer-Olkin Scale ratio is equal to 0.925 and the significance level on the Bartlett test is equal to 0 or less than 0.001 for the performance scale of employees, and this indicates that the sample is suitable for factor analysis.

**Table 24.** KMO and Bartlett's test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		<b>0.925</b>
Bartlett's Test of Sphericity	Approx. Chi-Square	<b>4418.499</b>
	Degree of freedom (Df)	<b>171</b>
	Significant (Sig.)	<b>0.000</b>

### 2-Anti-Image Correlation Matrices

Each item of the employee's performance scale has an anti-correlation and the ratio of this correlation must be greater than 0.50, and Table 26 shows that all items of the employee's performance scale have an anti-correlation that exceeded the specified standard.

**Table 25.** Anti-Image Correlation Matrices

Items	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
1	.921 <sup>a</sup>																		
2	-0.510	.913 <sup>a</sup>																	
3	-0.099	-0.313	.947 <sup>a</sup>																
4	-0.028	-0.096	-0.242	.957 <sup>a</sup>															
5	-0.017	-0.050	-0.071	-0.007	.967 <sup>a</sup>														
6	0.125	-0.081	-0.027	-0.106	-0.215	.919 <sup>a</sup>													
7	-0.016	-0.117	0.017	0.064	-0.092	-0.413	.903 <sup>a</sup>												
8	-0.124	0.082	-0.003	-0.067	-0.070	0.030	-0.460	.892 <sup>a</sup>											
9	-0.079	0.011	0.058	-0.028	-0.050	-0.084	0.099	-0.343	.938 <sup>a</sup>										
10	-0.089	0.024	-0.039	0.013	-0.078	-0.073	0.003	-0.038	-0.085	.947 <sup>a</sup>									
11	0.034	-0.054	-0.100	0.113	-0.008	0.000	0.045	0.028	-0.014	-0.303	.905 <sup>a</sup>								
12	-0.028	0.092	-0.094	0.019	-0.077	0.072	0.031	-0.172	0.112	-0.113	-0.298	.902 <sup>a</sup>							
13	-0.021	0.019	0.052	-0.121	0.131	-0.063	-0.070	0.015	-0.087	-0.079	-0.162	-0.304	.925 <sup>a</sup>						
14	0.028	-0.067	0.068	-0.064	-0.111	-0.002	-0.127	0.114	-0.039	-0.087	-0.286	-0.089	-0.205	.946 <sup>a</sup>					
15	-0.020	-0.069	0.046	-0.102	0.038	0.082	-0.021	-0.028	-0.002	-0.071	-0.020	-0.015	0.081	-0.028	.927 <sup>a</sup>				
16	-0.055	0.027	-0.011	-0.096	0.001	-0.108	-0.028	0.089	-0.111	0.148	-0.054	-0.059	0.040	-0.017	-0.440	.878 <sup>a</sup>	-0.421		
17	0.036	0.011	-0.058	0.053	-0.053	0.052	-0.044	0.019	-0.007	-0.101	0.074	0.016	-0.065	0.014	-0.049	-0.421	.919 <sup>a</sup>		
18	-0.063	-0.098	-0.009	-0.031	-0.031	-0.059	0.028	0.055	-0.085	0.029	0.046	-0.134	-0.037	0.015	-0.128	0.128	-0.307	.934 <sup>a</sup>	
19	0.042	-0.020	-0.066	-0.067	-0.054	0.010	-0.013	-0.144	-0.027	0.019	-0.040	0.137	0.020	-0.092	-0.213	0.024	-0.158	-0.335	.943 <sup>a</sup>

### 3-Communalities:

It is clear in Table 27 that the prevalence rate for each paragraph of the employee performance scale in the formation of the latent factor with contributions was higher than the specified percentage (criterion) greater than 0.50.

**Table 26.** Communalities

Item's no	Items	Initial	Extraction
Statements of employee performance scale			
<b>The dimension of implementation efficiency</b>			
1	The employees have the professional skill and technical knowledge required to carry out the work efficiently.	1.000	.729
2	Employees feel dedication, seriousness, and the ability to take responsibility.	1.000	.823
3	Employees carry out their work in accordance with specific policies and procedures.	1.000	.741
6	Employees feel satisfied with the work they do within the organization.	1.000	.549
<b>Planning and implementation dimension</b>			
1	Employees have the ability to plan work and complete it according to the planned schedule.	1.000	.561
3	Planning before starting work gives employees a sense of comfort.	1.000	.659
4	Planning before starting the implementation of the work contributes to determining the goals to be reached.	1.000	.764
6	Planning before carrying out the work increases the ability of employees to focus on completing the tasks assigned to them.	1.000	.701
7	Information systems help employees to plan well for the implementation of the work entrusted to them.	1.000	.518
<b>The dimension of creativity and innovation</b>			
2	Employees refrain from repeating what others are doing to solve business problems.	1.000	.629
3	Employees do not feel bored of repeating the procedures followed in the completion of work	1.000	.766
4	Employees have the ability to come up with ideas and quick solutions to face work problems	1.000	.704
6	The employees have the ability to freely express their thoughts.	1.000	.660
7	Employees are keen to make changes in working methods.	1.000	.651
<b>Submitted Effort dimension</b>			
2	The employees have the desire and willingness to work outside official working hours to speed up completion.	1.000	.739
3	Managers appreciate the efforts exerted and the perseverance of the employees at work.	1.000	.710
4	The institution is keen to provide additional benefits to employees to motivate them to do more.	1.000	.751
6	Feeling proud and proud of the work is a motive to do more.	1.000	.647
7	The administration increases the wages of workers who perform the tasks well.	1.000	.669

Extraction Method: Principal Component Analysis.

**Efficiency criteria for factor analysis using the principal component analysis:**

**1-The annotated or explained total variance ratio**

Table 28 shows the overall variance explained (Proportion of Variance Explained) and consists of two sections. The first section embodies the initial latent roots (the potential root of each component, the proportion of each root in the variance, and the cumulative ratio), and the final latent roots (the specific values of each factor). From the above-mentioned table, it is clear that the total variance was 69.007%, and this indicates that the statements of the scale used explained the concept of employees performance by 69.007%, and this percentage is high for the scale used in the humanities and administrative sciences, and the percentage of each factor's contribution explains the performance. The obtained percentages were 18.653%, 18.282%, 16.649%, and 14.682 for all factors' statements. The first factor is the implementation efficiency, the second factor is the planning and implementation, the third factor is creativity and innovation, and the fourth factor is the submitted effort, The Eigen value for these factors was respectively (8.843, 1.916, 1.208, and 1.004) and all of them exceeded 1, as shown in Table 28.

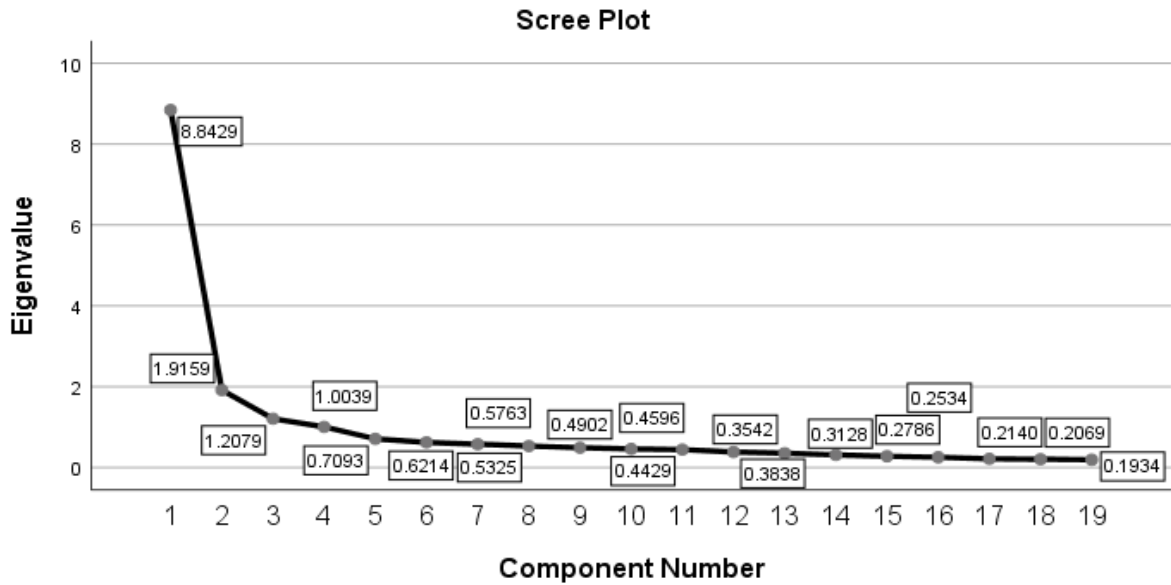
**Table 27. Total Variance Explained**

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotational Sums of Squared Loadings		
	Total	% Of Variance	Cumulative %	Total	% Of Variance	Cumulative %	Total	% Of Variance	Cumulative %
1	8.843	46.541	46.541	8.843	46.541	46.541	3.544	18.653	18.653
2	1.916	10.084	56.625	1.916	10.084	56.625	3.474	18.282	36.935
3	1.208	6.357	62.982	1.208	6.357	62.982	3.163	16.649	53.584
4	1.004	5.284	68.266	1.004	5.284	68.266	2.790	14.682	68.266
5	.709	3.733	72.000						
6	.621	3.271	75.270						
7	.576	3.033	78.303						
8	.533	2.803	81.106						
9	.490	2.580	83.686						
10	.460	2.419	86.105						
11	.443	2.331	88.436						
12	.384	2.020	90.456						
13	.354	1.864	92.320						
14	.313	1.646	93.967						
15	.279	1.466	95.433						
16	.253	1.334	96.766						
17	.214	1.126	97.893						
18	.207	1.089	98.982						
19	.193	1.018	100.000						

## 2-The number of latent roots matches the scale's theoretical reference

When there is symmetry between the number of the extracted latent components and the hypothetical theoretical model, it is considered a basic test that expresses the strength of a scale. Here we noted from Figure 8 that the number of Eigen roots exceeded one, and there were four factors. The obtained number fully agrees with the four factors, as explained theoretically.





Source: Results of statistical analysis.

**Figure 8.** Root or Eigen value

### **3-The Percentage of Loading or Saturation for Each Paragraph in the Dimension or Field**

The percentage of loadings (ratio of factor loadings), or the saturation with the correlation is significant. In this analysis, the statements that exceed the percentage (0.50) were selected and interpreted. This percentage is high and desirable in choosing the paragraph, Table 29 shows the number of basic components or the factors for measuring the employee performance, their arrangement with the statements of each factor. In addition to that, they were named according to their theoretical content, where the first factor is called “implementation efficiency”, the second is “planning and implementation”, the third is “creativity and innovation” and the fourth is “submitted effort.” These factors were sequentially arranged and the number of statements for each factor is sufficient to represent it (three statements or more). From the table, it is also clear that the percentage of saturation or correlation of each paragraph in each factor is quite high and sufficient, and exceeds the specified percentage of saturation which is greater than 0.50.

**Table 28.** The number of basic components and the saturation of each paragraph Employee performance questionnaire

No	Items	The dimension scale of employee's performance			
		Implementation effectiveness	Planning and implementation	Creativity and innovation	Effort
1	The employees have the professional skill and technical knowledge required to carry out the work efficiently.	.752			
2	Employees feel dedicated, serious, and accountable	.786			
3	Employees conduct their work in accordance with established policies and procedures	.761			
6	Employees feel satisfied with the work they do within the organization.	.570			
1	Employees have the ability to plan and complete work according to the planned schedule.		.594		
3	Planning before starting work gives employees a sense of comfort.		.735		
4	Planning before starting the implementation of work contributes to determining the goals to be reached.		.779		
6	Planning before carrying out works increases the ability of employees to focus on completing the tasks assigned to them.		.758		
7	Information systems help employees to plan well for the implementation of the tasks assigned to them.		.584		
2	Employees refrain from repeating what others are doing to solve business problems.			.697	
3	Employees do not feel bored of repeating the procedures followed in the completion of work.			.840	
4	Employees have the ability to come up with ideas and quick solutions to face work problems.			.805	
6	Employees have the ability to freely express their thoughts.			.768	
7	The employees are keen to make changes in their working methods.			.707	
2	. The employees have the desire and willingness to work outside official working hours to speed up the completion.				.790
3	Line manager appreciates the efforts and perseverance of the employees at work.				.798
4	The organization is keen to provide additional benefits to employees to motivate them to do more.				.805
6	Feeling proud of the work is a motivator to do more.				.654
7	The management grants the increase in wages to workers who perform the tasks well.				.677
The latent root of employee performance dimensions		8.843	1.916	1.208	1.004
The contribution of each dimension to the interpretation of the studied phenomenon		18.653%	18.282%	16.649%	14.682%
General reliability of each employee's performance		.862	.852	.877	.891

Source: Results of statistical analysis.

Thus, the items in the employee's performance scale of the questionnaire represented only a single factor. In other words, we did not find a single paragraph in the employees' performance scale that was linked or saturated with both factors (cross loading). The items representing each factor have a positive direction, and the scale is devoid of items that measure factors in a negative direction (statements opposite to the meaning). It indicates the consistency of the statements of the employees' performance scale. This group of statements has been deleted and shown in Table 30 because the percentage of saturation or correlation for these statements was less than the specified percentage, which is 0.45.

**Table 29.** Deleted Statements

NO	Deleted Statements
4	The employees have the skill and ability to solve daily business problems.
5	Employees have the motivation, ability, and desire to carry out their work efficiently.
7	Employees accurately and clearly understand their role.
8	The employees perform their assigned duties according to the required quality standards.
4	The employees have the skill and ability to solve daily business problems.
2	Planning before carrying out the work shortens the employee's time.
5	Planning before carrying out the work helps the employees choose the appropriate procedures to carry out their work.
8	The administration is working to provide all the information employees need on time.
5	Employees have the ability to present more than one idea within a short time.
8	Employees anticipate business problems before they occur.
1	Employees perform their job duties according to the required quality standards.
5	Rewards and bonuses are proportional to the effort.
8	The institution provides additional moral benefits to employees to motivate them to work.

**4-The stability of the concept, the stability of its statements, and the connection of each statement with its field**

From Table 29, it is clear that the squared correlation of each statement of the employee's performance scale exceeds the specified standard (0.30). This squared correlation indicates the extent of the relationship or correlation of the statement with the factor it represents. It is also clear from the table that the percentage of The reliability on Cronbach's alpha coefficient for each of the four factors exceeds the

required limit for reliability, which is greater than 0.70, and at the level of the statement of each factor or the structural stability or the reliability of the concept (construct reliability), which refers to the total reliability of the statement of each factor separately.

### **3.5. Conclusion**

In this chapter, the researcher dealt with the research methodology in a detailed form, as mentioned in the introduction. Then, the researcher touched the method used for collecting data by designing the study tool (a questionnaire) and presenting the contents after verifying the validity of the content by presenting it to a panel of specialized professors and conducting the pilot study on A sample from the population to ensure the reliability. Then, the researcher performed general statistical hypotheses to test the normal distribution of the data. Factor analysis tests extracted the study factors to determine the most important statistical procedures and indicators that the researcher used to test the study hypotheses using the Structural Equation Modeling (SEM) method.

## **4. REVIEW OF THE RESULTS**

### **4.1. Introduction**

Chapter four deals with three main axes: In the first axis, the demographic characteristics of the study sample (gender) are discussed in addition to the scientific characteristics of the sample (scientific qualification, specialization, and years of experience). The second axis deals with the evidence of structural validity of the study tool through the technique of Confirmatory Factor Analysis (CFA), which includes three factors (planning, motivation, and employee performance). In contrast, the third axis deals with the hypothetical model in the study consisting of direct and indirect relationships between planning, motivation, and employee performance through structural equation modeling (SEM) using the Amos program.

### **4.2. Personal and Demographic Characteristics of the Study Sample**

#### **4.2.1. The Demographic Characteristics of the Study Sample**

Table 31 shows the percentage distribution of the sample according to personal characteristics such as gender and marital status. It turns out that its percentage (69.3%), which represents 264 individuals of the study sample while the number of females in the population of study is 117 from the original population of the study (30.7%), and the researcher attributes this to the nature of culture in Libya. Generally, this industry requires specifications that depend on muscular efforts, so the low number of women is justified to a certain extent. It might indicate that women's contribution to this field is one of the important components of human resources. Thus, the company must increase the number of women and assign them suitable roles. Thus, it can bring about a kind of integration in the human resources investment.

**Table 30.** Demographic variables of the study sample with respect to gender.

Variable	Level of Variable	Frequency	Percent age	Cumulative Percentage
<b>Sex</b>	Male	264	69.3	69.3
	Female	117	30.7	100.0
	<b>Total</b>	381	100.0	-

Source: Prepared by the researcher

#### **4.2.2. Academic Characteristics of the Study Sample**

Table 32 shows the academic characteristics of the sample. Most respondents had an intermediate diploma as far as academic qualifications are concerned. In contrast, the number of holders of this qualification was 168 individuals (44.1%), followed by 141 (37%) higher diploma holders. It indicates a high educational level of the respondents, which is a healthy indicator that reflects the ability of the respondents to understand the questionnaire fully. A total of 61 (16%) individuals obtained a bachelor's degree, followed by 11 (2.9%) postgraduate qualification holders. The researcher attributes the low percentage of higher education qualifications in the study sample to the company's lack of direction towards educating its workforce or attracting, selecting, and appointing educated people with competencies and capabilities of understanding technical developments and changes taking place in the industrial environment. It indicates that the institution does not have qualified human resources, so it needs planning, training, and motivation because it can help the organization perform better.

As far as the specialization of the sample is concerned, the results of the descriptive analysis are revealed, as shown in Table 32, and a total of 99 (26%) have accounting skills. In comparison, 142 (37.3%) specialized in financial sciences. And the number of those who specialized in the administrative sciences was 90 (23.6%), while the number of those with other majors was 50 (13.1%).

In addition to that, the sample's descriptive analysis shows us the respondents' experiences over the number of years. Most of the respondents had 15 or more years of experience. Their number was 133 (34.9%), followed by those with 10-15 years' experience, followed by the ones, who had 5 to 10 years' experience, respectively, had (27.3% and 24.7% percentages. Professionals who had less than 5 years of experience constituted 13.1% of the sample, and they were 50 employees. From the researcher's

point of view, and according to the analysis results, the respondents who have sufficient experience have the highest percentage in administrative work.

**Table 31.** Academic specifications of the sample

Variable	Level of Variable	Frequency	Percentage	Cumulative Percentage
Qualification	Intermediate Diploma	168	44.1%	44.1
	Higher Diploma	141	37.0%	81.1
	Bachelor	61	16.0%	97.1
	Master	11	2.9%	<b>100</b>
	<b>Total</b>	<b>381</b>	<b>100.0</b>	-
Experience	Less than 5 years	50	13.1%	13.1
	5-10 years	94	24.7%	37.8
	10-15 years	104	27.3%	65.1
	More than 15years	133	34.9%	<b>100</b>
	<b>Total</b>	<b>381</b>	<b>100.0</b>	-
Speciality	Accounting	99	26.0%	26.0
	financial sciences	142	37.3%	63.3
	Administrative sciences	90	23.6%	86.9
	Other	50	13.1%	<b>100</b>
	<b>Total</b>	<b>381</b>	<b>100.0</b>	-

Source: Prepared by the researcher based on statistical analysis.

#### **4.3. Structural Validity of the Study Tool Factors (the questionnaire):**

In this chapter, the researcher conducted a confirmatory factor analysis on the factors consisting of three main variables; the first is the planning factor, an independent variable, which has five dimensions (strategic choice, strategy analysis, strategic objectives, strategic message, and strategic vision), the second is the motivation factor, a mediating variable, which has three dimensions (incentive system, materialistic incentive, and moral incentive), and the third is the employees' performance factor. It dependent variable has four dimensions (implementation efficiency, planning and implementation, creativity and innovation).

The researcher also made statistical hypotheses concerned with confirmatory factor analysis to ensure the extent to which each factor's main dimensions are separately represented because of their independence.

### 4.3.1. Confirmatory Factor Analysis (CFA) and Strategic Planning

The explanatory (or exploratory) factor analysis results indicated that the statement of the planning scale included five latent factors: strategic choice, strategic analysis, strategic objectives, strategic message, and strategic vision. Also, each factor had sufficient statements, as explained in Table 13 in the third chapter. Here, the confirmatory factor analysis (CFA) technique was used to examine the evidence of constructive honesty of the planning factor measurement tool, consisting of convergent honesty and discriminant honesty using Amos 21.0.

#### **Assumptions of the confirmatory factor analysis for the planning scale:**

Based on the statistical assumptions presented in the third chapter, explaining the explanatory factor analysis of the planning scale, the confirmatory factor analysis of the planning scale requires that there is no outlier value (very small or very large value), as shown in Table 33 by the results of the Amos program. The value of the first possibility (P1) and the value of the second possibility (P2) are greater than 0.0000 for 296 respondents, while the total number of respondents was 381, according to the outputs of the Amos program; therefore, there should be no outlier, or the questionnaires should be omitted from the analysis.

**Table 32.** Outlier values of Planning Scale

Observation number	P1	P2
319	0.000	0.000
2	0.000	0.000
296	0.001	0.000
107	0.002	0.000
272	0.003	0.000

Source: Prepared by the researcher based on statistical analysis.

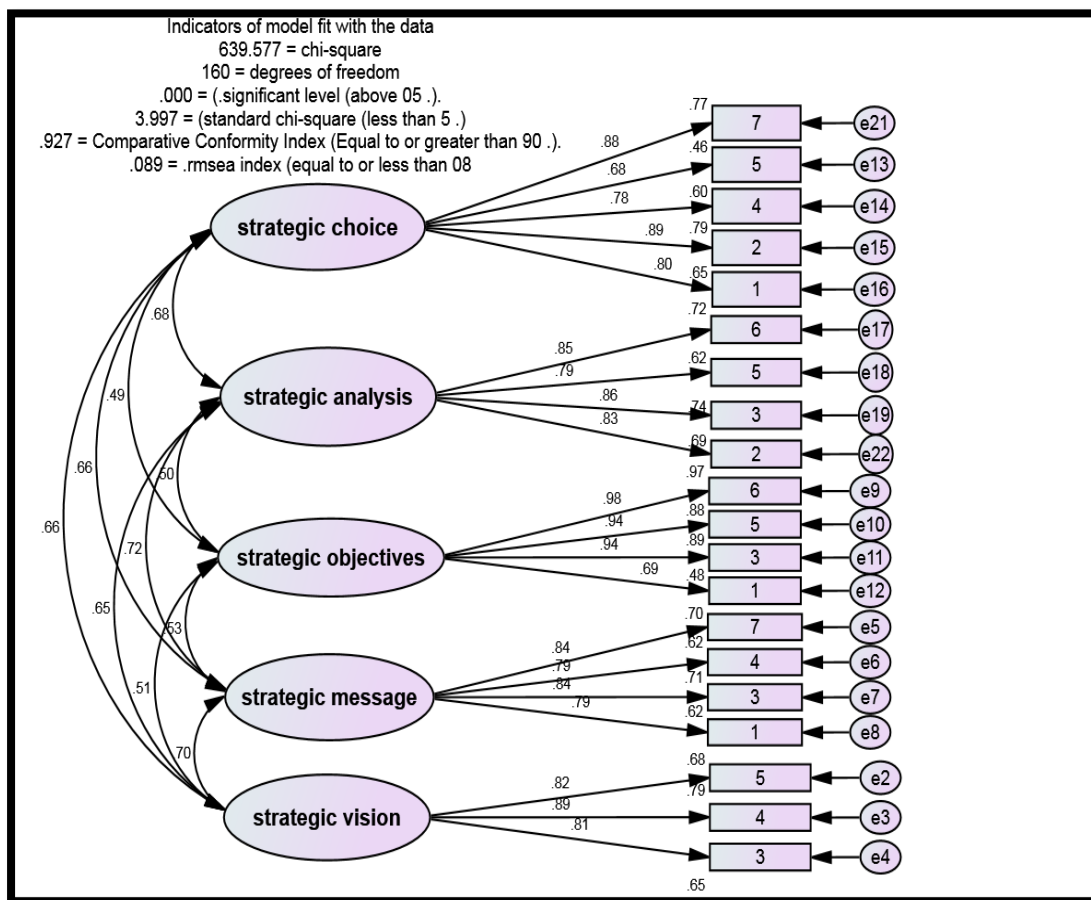
#### **The results of the confirmatory factor analysis of the planning scale:**

The results of the confirmatory factor analysis, as shown in Figure 9 of the planning model and its five dimensions, indicate that it is free of illogical correlation, which reaches or exceeds 1, and this confirms that there is no problem in the confirmatory analysis of the model. According to the explanatory factor analysis, planning, which consists of five main dimensions (strategic choice, strategic analysis, strategic objectives, strategic message, and strategic vision), according to the results of the explanatory factor analysis, does not differ from the theoretical divisions of the



five-factor planning scale. According to the results presented in Figure 9 and Table 34, it is clear that the conformity indicators of the model with the data exceeded the approved limit, which means that, there is a non-conformity between the dimensions of the planning factor, and the sample data, which is evident from the value of the chi-square (.701-101), and the degree of freedom was 179, and the level of significance was  $P = 0.000$ , but the standard of chi-square (chi-square/degrees of freedom) for the planning scale was (3.917) that did not exceed the approved limit (5), in addition to the value of the comparative congruence of the planning scale that equals 0.925, which is a percentage greater than the approved percentage (0.90), and the value of the Ramsey index of the scale or the approximate root mean square error equals 0.088 which is greater than the value of the criterion 0.080, and this difference of the theoretical model of the planning scale from the data requires re-adjusting the planning scale (the model before modification).

**Figure 9.** Confirmatory factor analysis (AMOS program) for the planning



Source: Prepared by the researcher based on statistical analysis.

To carry out modifying the confirmatory factor analysis model for the planning scale requires linking some statements to ensure conformity and appropriateness between the model and the sample data.

**Table 33.** Values of appropriateness and conformity indicators for the planning scale before and after modification

No	Indicators of conformity and suitability to the planning model	The model is based on the theoretical framework pointer value before modifying the form	pointer value after modifying the form	Quality of conformity value (approved standard)
1	chi-square (cmin)	639.577	520.408	
2	Degree of freedom (df)	160	176	
3	indication level (p)	0.000	0.000	Not significant
4	standard chi-square (cmin/df)	3.999	2.957	Less than 5
5	Comparative conformity indicator (cci)	0.927	0.951	More than 0.90
6	Rmsea Indicator	0.088	0.072	Less than 0.08

Source: Prepared by the researcher based on statistical analysis.

**Results of the modified confirmatory factor analysis of the planning scale:**

After carrying out the modification process, it is clear from Figure 9 of the modified confirmatory factor analysis of the planning scale that there is conformity of the planning scale. The conformity indicators did not exceed the approved standard, as shown in Table 34. It means that there is symmetry or conformity between the planning scale and the data of the study, and this is clear by the value of chi-square, which was 520.408, the degree of freedom is equal to 176, and the level of significance is  $P = 0.000$ , and the standard of chi-square (chi-square/degrees of freedom) was 2.957 that did not exceed 5, which is the basic criterion. The value of the comparative conformity indicator of the planning scale was 0.951, which was greater than 0.90, and this indicates and confirms that there are relationships and correlations between the statements of the scale as well as correlations among the latent factors (strategic choice, strategic analysis, strategic objectives, strategic message, and strategic vision) in the proposed model, as indicated by the value of the Ramsey indicator or the RRMS

indicator of the planning scale (0.072) which is smaller than the approved standard (0.080). It indicates that the planning scale is widespread in the study population from which the sample has been taken. Hence, all the indicators mentioned above confirm conformity between the theoretical model of the planning scale and the study's data.

It is also clear from Figure 10 and Table 35 that the correlations (relationships) between the factors (strategic choice, strategic analysis, strategic objectives, strategic message, and strategic vision) were statistically significant, as the T-statistic value ranged Between 7.172 and 9.562. All of them were higher than 1.964, at a 5% level of significance (probability value), and the value of correlation between the five statistically significant factors was 0.49 or less. The highest correlation was 0.70 between the strategic message and the strategic vision, and the correlation was not less than 0.20, which did not exceed 0.90. It indicates evidence of the validity of discrimination (discriminant validity) between all the factors included in the planning scale. In other words, there is a correlation between the factors that express the difference and differentiation between them.

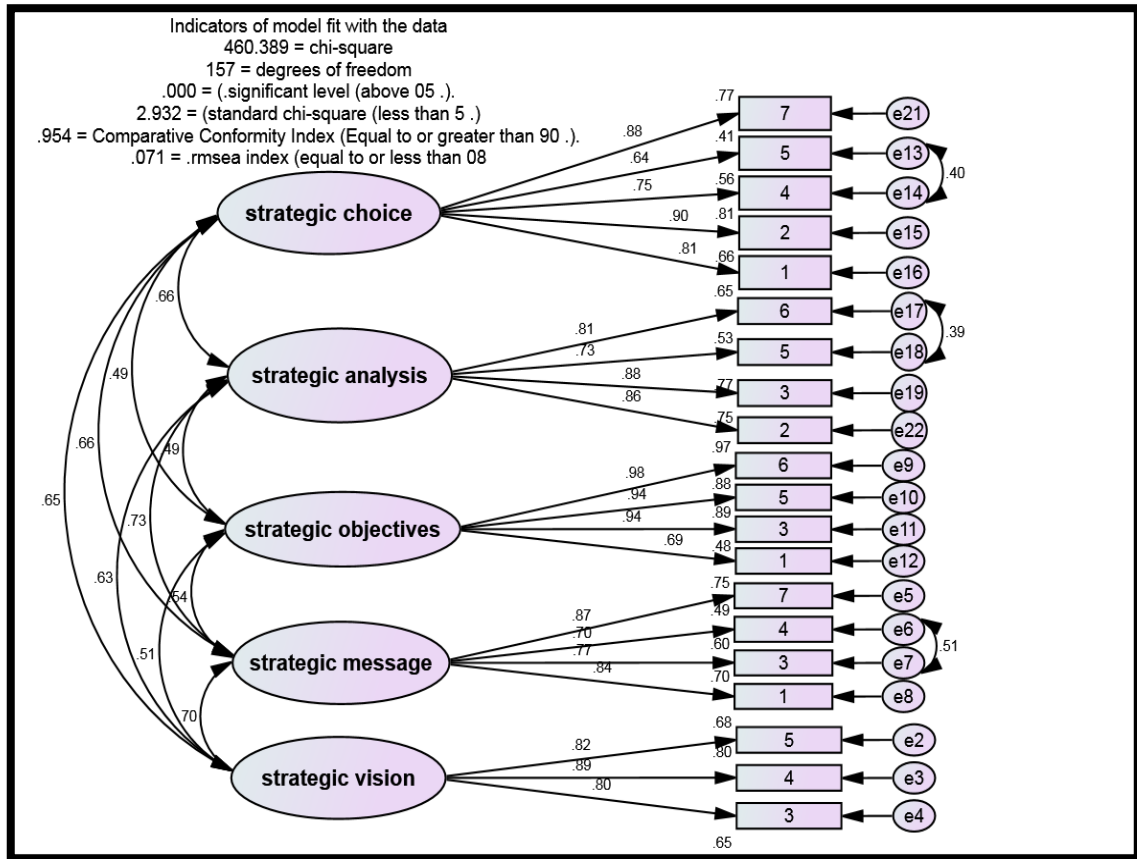
The shared variance for each relationship or association between two of the five factors in the planning scale is shown in Table 35; for example, the correlation between strategic analysis and strategic choice was 0.66. When this ratio is squared, it becomes 0.44. This result is called (joint variance); the correlation between strategic choice and strategic objectives was 0.49, and its square is 0.24. It is called joint variance, so for the rest of the relationships, correlations between the remaining factors are shown in Table 35, and the covariance is considered a major test when it is compared with the extracted average variance to ascertain the validity of convergence and differentiation, according to the Foerner-Lacker test criteria.

VE	R	P	C.R.	S.E.	Estimate	latent	connec	latent factor
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Common contrast	Connection	Significant level	T-value	Standard error	Estimates are not codified.			
0.44	0.66	0.000	8.989	0.097	0.872	Analysis	<-->	Choice
0.24	0.49	0.000	7.357	0.070	0.514	Goals	<-->	Choice
0.44	0.66	0.000	8.716	0.088	0.771	Letter	<-->	Choice
0.42	0.65	0.000	8.620	0.091	0.789	Vision	<-->	Choice
0.24	0.49	0.000	7.569	0.082	0.616	Goals	<-->	Analysis
0.29	0.54	0.000	9.562	0.106	1.013	Letter	<-->	Analysis
0.41	0.63	0.000	8.874	0.104	0.924	Vision	<-->	Analysis
0.29	0.54	0.000	7.323	0.074	0.544	Letter	<-->	Objectives
0.26	0.51	0.000	7.172	0.076	0.542	Vision	<-->	Objectives
0.49	0.70	0.000	9.083	0.098	0.888	Vision	<-->	Message

**Table 34.** The level of significance between the five latent factors and the correlation value of the planning scale

S.E: Standard Error, C.R: Critical Ratio, P: Probability, R: Correlations, VE: Variance Extracted.



**Figure 10.** Confirmatory factor analysis (AMOS program) for the planning scale model (modified model)

**Convergent Validity Test Results for Planning Factors:**

**Convergent Validity of a Dimension (Strategic Choice):**

The percentage of saturation (factor loading) or the correlation between the strategic option factor, and the five statements that represent it, are shown in Figure 10 and Table 36.) They were statistically significant. The T-Value calculated by the Amos program in the critical period (Critical Ratio (CR)) for the statements ranged between 13.122 and 21.302, higher than 1.964 as an approved standard, statistically significant at a 0.001 significance level. The percentage of saturation (confirms the convergent validity of the concept of strategic choice, which refers to the participation and sharing of these statements in the embodiment of the strategic choice factor. When this saturation is squared, it is called Squared Multiple Correlation (SMC) for the factor determining the strategic choice. The arithmetic mean of this multi-squared correlation (that is, summing the multi-squared correlations and dividing them by their number) is called the extracted average variance (AVE), and it must be at least 0.50 as an approved criterion for variance and as one of the main criteria for the convergent

validity of the factor. The table shows that the value of the extracted variance for the strategic option factor was 0.64, and it turns out that the five statements were efficient to represent the factor. This factor is characterized by convergent validity (saturation, variance, and stability).

**Table 35.** Unregulated estimates, T-value, significance level, saturation percentage, multi-squared correlation, and the extracted mean of variance for the strategic choice factor

Item's no	Latent factor	Irregular estimates	S.E.	C.R.	P	Load ing	SMC	AVE
			Standard error	T-value	Indication level	saturation	square correlation	Extracted contrast
1	strategic choice	1.000	-	-	-	0.81	0.66	<b>0.64</b>
2	strategic choice	1.052	0.049	21.302	0.000	0.90	0.81	
4	strategic choice	0.876	0.055	15.898	0.000	0.75	0.56	
5	strategic choice	0.767	0.58	13.122	0.000	0.64	0.41	
7	strategic choice	1.003	0.050	19.976	0.000	0.88	0.77	

Source: Prepared by the researcher based on statistical analysis.

#### **Convergent validity of a dimension (strategic analysis):**

The percentage of saturation (factor loading) or the correlation between the strategic analysis factors is shown in Figure 10 and Table 37. It was statistically significant; the T-Value was calculated by the Amos program. The critical ratio (CR) for the statements ranged between 15.656 and 21.963, higher than 1.964 as an approved standard and statistically significant at a 0.001 significance level; the saturation percentage was higher than 0.50. It ranged between 0.88 for Statement3 and 0.73 for Statement5. This high percentage confirms the convergent validity of the concept of strategic analysis, which emphasizes the participation and sharing of these statements in the embodiment of the factor. The square of this saturation, called Squared Multiple Correlation (SMC) for the strategic analysis factor, ranged between 0.53 (and 0.77, the arithmetic mean of this multi-squared correlation (that is, summing up the multiple-squared correlations and dividing them by their number) is called the

Average Variance Extracted (AVE) must be at least 0.50 as an approved criterion for variance and as one of the main criteria for convergent validity for the factor of strategic analysis. The table shows that the value of the variance extracted for the factor of strategic analysis was 0.68. Here, it becomes clear that the four statements sufficiently represented the factor of strategic analysis. It is characterized by evidence of convergent validity (saturation, variance).

**Table 36.** Unregulated estimates, T-value, significance level, saturation percentage, multi-squared correlation, and mean of variance extracted for the strategic factor

Item's no	latent factor	Irregular estimates	S.E.	C.R.	P	Loading	SMC	AVE
			Standard error	T-value	Indication level	saturation	square correlation	Extracted contrast
2	Strategic analysis	1.000	-	-	-	0.87	0.75	<b>0.68</b>
3	Strategic analysis	1.032	0.47	21.963	0.000	0.88	0.77	
5	Strategic analysis	00.844	0.54	15.656	0.000	0.73	0.53	
6	Strategic analysis	0.972	0.52	18.720	0.000	0.81	0.65	

Source: Prepared by the researcher based on statistical analysis.

#### **Convergent validity of the dimension (strategic goals):**

The percentage of saturation (factor loading), or the correlation between the factor, and the statements that represent it, are shown in Figure 10 and Table 38. It is statistically significant because the T-Value, calculated by the Amos program, was statistically significant. The critical ratio (CR) for the statement ranged between 17.414 and 18.095; it is higher than 1.964 as an approved standard and statistically significant at a 0.001 significance level. The saturation percentage was higher than 0.50, ranging between 0.69 and 0.94 for Statement 5.3. This high percentage confirms the convergent validity of strategic goals, which emphasizes the participation and sharing of these statements in embodying the factor of strategic goals. If squared, it is called the squared multiple correlations (SMC) for the factor of strategic objectives, which range between 0.48 and 0.88; the arithmetic mean of this multi-squared correlation (that is, summing and dividing by the multi-squared correlations) is called

the average variance) extracted (AVE) and must be at least 0.50 as an approved criterion for variance and it one of the main criteria for convergent validity for the factor of strategic objectives. The table shows that the value of the extracted variance for the factor of strategic objectives was 0.80, making it clear that the four statements sufficiently represent the factor of strategic objectives. This factor is characterized by evidence of convergent validity (saturation, variance).

**Table 37.** Unregulated estimates, T-value, significance level, saturation percentage, squared multiple correlations, and the extracted average variance for the strategic objectives

Item's no	latent factor	Irregular estimates	S.E.	C.R.	P	Loadin g	SMC	AVE
			Standar d error	T- value	Indication level	saturati on	square correlatio n	Extrac ted contra st
1	strategic objectives	1.000	-	-	-	0.69	0.48	<b>0.80</b>
3	strategic objectives	1.341	0.77	17.491	0.000	0.94	0.88	
5	strategic objectives	1.331	0.76	17.414	0.000	0.94	0.88	
6	strategic objectives	1.401	0.78	18.095	0.000	0.98	0.96	

Source: Prepared by the researcher based on statistical analysis.

#### **Convergent validity of the dimension:**

As is clear in the validity of the convergence of the previous factors, the percentage of saturation (factor loading) or the correlation between the strategic message factor and the four statements representing it are shown in Figure 10 and Table 39. The T-Value of the statement, known as the critical ratio (CR), ranged between 14352-19.616, which is higher than 1.964. It is an approved and statistically significant criterion at a 0.001 significance level. The percentage of saturation was higher than 0.50, which ranged between 0.84 for Statement1 and 0.70 for Statement4. This high percentage confirms the convergent validity of the concept of strategic message. The saturation, which is also called the squared multiple correlations (SMC) for the factor, which ranged between 0.76 and 0.49, the arithmetic average of this multi-square correlation (the sum of the correlations divided by their number) is called the mean of the extracted variance (average variance extracted (AVE)), and it must be



at least 0.50. It is an approved criterion for variance as one of the main criteria for the convergent validity of the factor. The table shows that the value of the extracted variance for the strategic message factor was 0.70. It confirms that the four statements sufficiently represent the factor as it is characterized by evidence of convergent validity (saturation, variance).

**Table 38.** Unrated estimates, T-value, significance level, saturation percentage, multi-squared correlation, and the extracted average variance for the strategic message factor

Item's no	latent factor	Irregular estimates	S.E.	C.R.	P	Loading	SMC	AVE
			Standard error	T-value	Indication level	saturation	square correlation	Extracted contrast
1	strategic Message	1.000	-	-	-	0.84	0.64	<b>0.70</b>
3	strategic Message	0.903	0.56	16.258	0.000	0.77	0.59	
4	strategic Message	0.848	0.59	14.368	0.000	0.70	0.49	
7	Strategic Message	1.026	0.52	19.626	0.000	0.87	0.76	

Source: Prepared by the researcher based on statistical analysis.

**Convergent honesty of a dimension (strategic vision):**

The percentage of saturation (factor loading), or the correlation between the items that represent it, is shown in Figure 10 and Table 40. It was statistically significant, and the T-Value was calculated by the Amos program in the period. The critical ratio (CR) for the statement ranged between 18.252 and 19.499. It is higher than 1.964 as an approved standard, statistically significant at a 0.001 significance level. The saturation percentage was higher than 0.50, which ranged between 0.87 for SStatement4.5, and 0.76 for Statement 3. It high ratio confirms the convergent validity of the strategic vision. The square of this saturation, which is called Squared Multiple Correlation (SMC) for the strategic vision factor, which ranged between 0.58 and 0.76, the arithmetic mean of this multiple squared correlation (that is, summing the multiple-squared correlations and dividing them by their number) is called the Average Variance Extracted (AVE). It must be at least 0.50. It is an approved criterion for variance and one of the main criteria for the convergent validity of the strategic vision factor. The table shows that the value of the extracted variance for the factor was 0.70. It turns out that the statements efficiently represent the strategic vision factor and that

this factor is characterized by the evidence of convergent validity (saturation, variance).

**Table 39.** Unregulated estimates, T-value, significance level, saturation percentage, quadratic multiple-correlation, and the extracted mean of variance for the strategic vision factor

Item's no	latent factor	Irregular estimates	S.E.	C.R.	P	Loading	SMC	AVE
			Standard error	T-value	Indication level	saturation	square correlation	Extracted contrast
3	strategic vision	1.000	-	-	-	0.76	0.58	<b>0.70</b>
4	strategic vision	1.168	0.064	18.252	0.000	0.87	0.76	
5	strategic vision	1.143	0.065	17.499	0.000	0.87	0.76	
6	strategic vision	1.181	0.070	16.994	0.000	0.85	0.72	

Source: Prepared by the researcher based on statistical analysis.

**Discriminant Validity:**

**Fornell-Larcker Criterion:**

Both Fornell and Larcker gave a basic criterion as a guideline to the validity of the distinction by using the confirmatory factor analysis. This criterion is widespread in applied studies in various fields of knowledge. The criterion states that the average variance is extracted for all the factors that make up the strategic planning scale (strategic choice, analysis, objectives, message, and vision). It must be higher than any common variance of all correlations between two factors in the planning scale. Table 41 shows the correlations between the five factors (strategic option, strategic analysis, strategic goals, strategic message, and strategic vision) for the scale of strategic planning.

**Table 40.** Matrix of correlations between the variables inherent in the planning scale

Latent Variables	Strategic choice	Strategic analysis	Strategic goals	Strategic letter	Strategic vision
Strategic choice	1				
Strategic analysis	0.66	1			
Strategic objectives	0.49	0.49	1		
Strategic message	0.66	0.73	0.54	1	
Strategic vision	0.65	0.64	0.52	0.70	1

Source: Prepared by the researcher based on statistical analysis.

Table 42 also shows the common discrepancy between the five factors (strategic choice, strategic analysis, strategic objectives, strategic message, and strategic vision) of the strategic planning scale, which we obtain by multiplying the correlation value given in Table 41, as mentioned previously, the extracted variance refers to the arithmetic mean of the multi-squared correlation of the factor, and based on Table 42, the extracted variance for each factor in the planning scale was higher than the common variance among all factors. This confirms the validity of convergence and differentiation validity of the planning factor scale used in this study.

**Table 41.** The covariance matrix and the extracted variance for the strategic planning scale

Latent Variables	Strategic choice	Strategic analysis	Strategic goals	Strategic letter	Strategic vision
Strategic choice	<b>0.64</b>				
Strategic analysis	0.44	<b>0.68</b>			
Strategic objective	0.24	0.24	<b>0.80</b>		
Strategic message	0.44	0.29	0.29	<b>0.70</b>	
Strategic vision	0.42	0.41	0.27	0.49	<b>0.70</b>

Source: Prepared by the researcher based on statistical analysis

### 4.3.2. Confirmatory Factor Analysis (CFA) of Motivation

Based on the results of the explanatory (exploratory) factor analysis explained in the third chapter, the statement of the motivation scale was reduced to three main factors, the first factor is the incentive system, the second factor is material incentives, and the third factor is moral incentives. Each of these factors was represented by several sufficient statements, shown in Table 21 in Chapter 3.

Here, the Confirmatory Factor Analysis (CFA) technique was used to examine the construct of the motivation factor measurement tool, which consists of two types of convergent validity and discriminant validity (Amos 21.0).

**Statistical confirmatory factor analysis hypotheses for motivation scale:**

The normal distribution of the statement of motivation and reliability scale as statistical conditions were clarified in the context of the requirements of the explanatory factor analysis. In addition, the confirmatory factor analysis requires the absence of outliers (for example, very small or very large), based on the outputs of the Amos program explained in Table 43. It appears that the value of the first possibility (P1) and the value of the second possibility (P2) are higher than 0.000 for case 223 and were in the first order of the total number of the study sample (381); therefore, there is no suggestion to delete any case.

**Table 42.** Outliers of Motivation Scale

Observation number	P1	P2
	First prospect value	Second prospect value
223	0.001	0.021
237	0.002	0.001
41	0.002	0.000
294	0.002	0.000
50	0.002	0.000

Source: Prepared by the researcher based on statistical analysis.

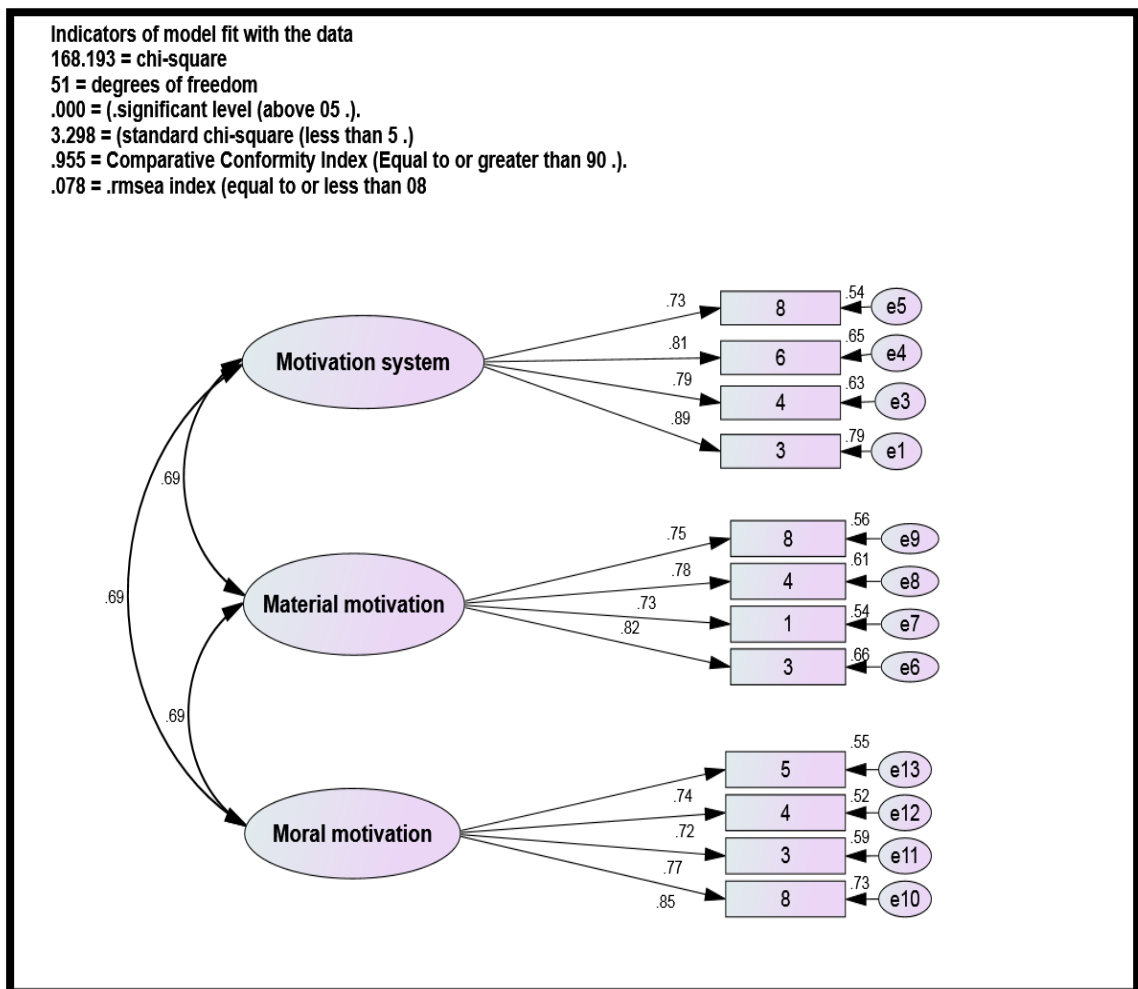
**The results of the confirmatory factor analysis of the motivation scale:**

Depending on the explanatory factor analysis results shown in Figure 11, it turns out that the motivation scale is free from illogical correlation (the presence of one value or higher), and this indicates that there is no problem in the confirmatory factor analysis of the model. The motivation scale consists of three factors (incentives system, material incentives, and moral incentives).

Based on the results presented in Table 44) and Figure 11, it turns out that the indicators of congruence of the motivation scale with the data did not exceed the approved standard. It confirms that there is a match between the scale and the data of the study, in which the value of a square is (168.193, the degree of freedom is 51, and the level of significance was statistically significant at P = 0.000, the standard chi-square (chi-square/degrees of freedom) was 3.298, less than the approved value (5),

the value of the comparative matching index is 0.955, which is the value of higher than the approved value (0.90), but the value of the Ramsey index of the model or the root mean square error was 0.078, which is very close to the approved standard (0.080), so the study suggests that the model should be modified based on the link between measurement errors from a list (Modification Indices) to improve this indicator and the quality of the model, despite the model being acceptable to the previous indicators.

**Figure 11.** Confirmatory factor analysis (AMOS program) for the motivation scale (the Model before modification)



Source: Prepared by the researcher based on statistical analysis

Here, to modify or characterize the motivation scale, this must be done by linking the measurement error of Statement 7 with Statement 8 in the material incentives dimension and Statement 11 with Statement 13 in the moral incentives dimension.

**Table 43.** Values of congruence indicators for the Motivation Scale

Source: Prepared by the researcher based on statistical analysis.

**The results of the modified confirmatory factor analysis of the motivation**

The value of Match quality (Standard approved)	The model based on the theoretical framework		Indicators of matching and appropriateness of the stimulus model	T
	pointer value after modifying the form	pointer value before modifying the form		
-	112.928	168.193	Chi square (cmin)	1
-	49	51	Degree of freedom (df)	2
Not significant	0.000	0.000	Semantic level (p)	3
Less than 5	2.305	3.298	Standard chi-square (cmin/df)	4
More than 0.90	0.975	0.955	Comparative Conformity Index (CFI)	5
Less than (0.08)	0.059	0.078	Ramsea Pointer (Rmsea)	6

**scale:**

After the modification process for the motivation scale as in Figure 10, the indicators matching the motivation scale with the study data had the required quality. It indicates a great match between the scale, the study data, where the value of the chi-square was 112.928 and the degree of Freedom was 49, the level of significance is statistically significant ( $P = 0.000$ ), the standard chi-square (chi-square/degrees of freedom) was 2.305 that did not exceed the approved value (5). The value of the comparative congruence index of the scale was equal to 0.975. It is a percentage greater than the value of the adopted criterion (0.90), which indicates that there are relationships and correlations between the items of the scale at the same time correlations between the three factors (the incentives system, material incentives, and moral incentives) in the motivation scale, in addition, the value of the Ramsey index was the model or approximation error is 0.059. It was smaller than the criterion (0.080) and smaller than the previous model's value (0.078), which indicates that it is far from the minimum standard. It confirms that the motivation scale is widespread. In the studied community, and based on these indicators, it can be said that there is a significant match between the theoretical model of the scale and the data of the study.

**Correlation between factors of motivation scale:**

It is clear from Figure 10 and Table 45 that the correlations (relationships) between all the factors, which make up the motivation measurement model, were statistically significant, as the t-statistic value ranged between 8.973-9.348. All of them were higher than 1.964 and at 5% level of significance. The correlations between the three factors with statistical significance ranged between 0.67 as the lowest correlation ratio and 0.68, the highest correlation. The ratio of correlations exceeded 0.20, but it was less than 0.90. It indicates evidence of the validity of the distinction (discriminant validity) between the factors contained in the motivation scale. In other words, there is a correlation between all factors.

**Table 44.** The level of significance between the five latent factors and the correlation value of the motivation scale

latent factor	Connection	latent factor	Irregular estimates	S.E. Standard error	C.R. T-value	P indication level	R Connection	SV Extracted contrast
Incentive's system	<-->	Material Incentives	0.784	0.086	9.149	0.000	0.67	0.45
Incentive's system	<-->	Moral Incentives	0.834	0.089	9.348	0.000	0.68	0.46
Material Incentives	<-->	Moral Incentives	0.878	0.098	8.973	0.000	0.68	0.46

SE: Standard Error, C.R: Critical Ratio, P: Probability, R: Correlations, VE: Variance Extracted

Source: Prepared by the researcher based on statistical analysis.

Through the same Table 45, which includes the shared variance for each relationship or association between two of the three factors in the motivation scale, for example, the ratio of the relationship between the dimension of the incentives system and the dimension of material incentives was 0.67. When this ratio is squared (0.67x0.67), the result is 0.45, which is called the covariance. The correlation between the incentives system and moral incentives was 0.68. When this ratio is squared (0.68x0.68), the result is 0.46, which is called the common variance. So for the rest of the other relationships and correlations, the results are shown in Table 45. The common variance is considered a basic criterion for studying the evidence of the validity of differentiation, which became clear when the Fornell-Larker criterion was presented later.

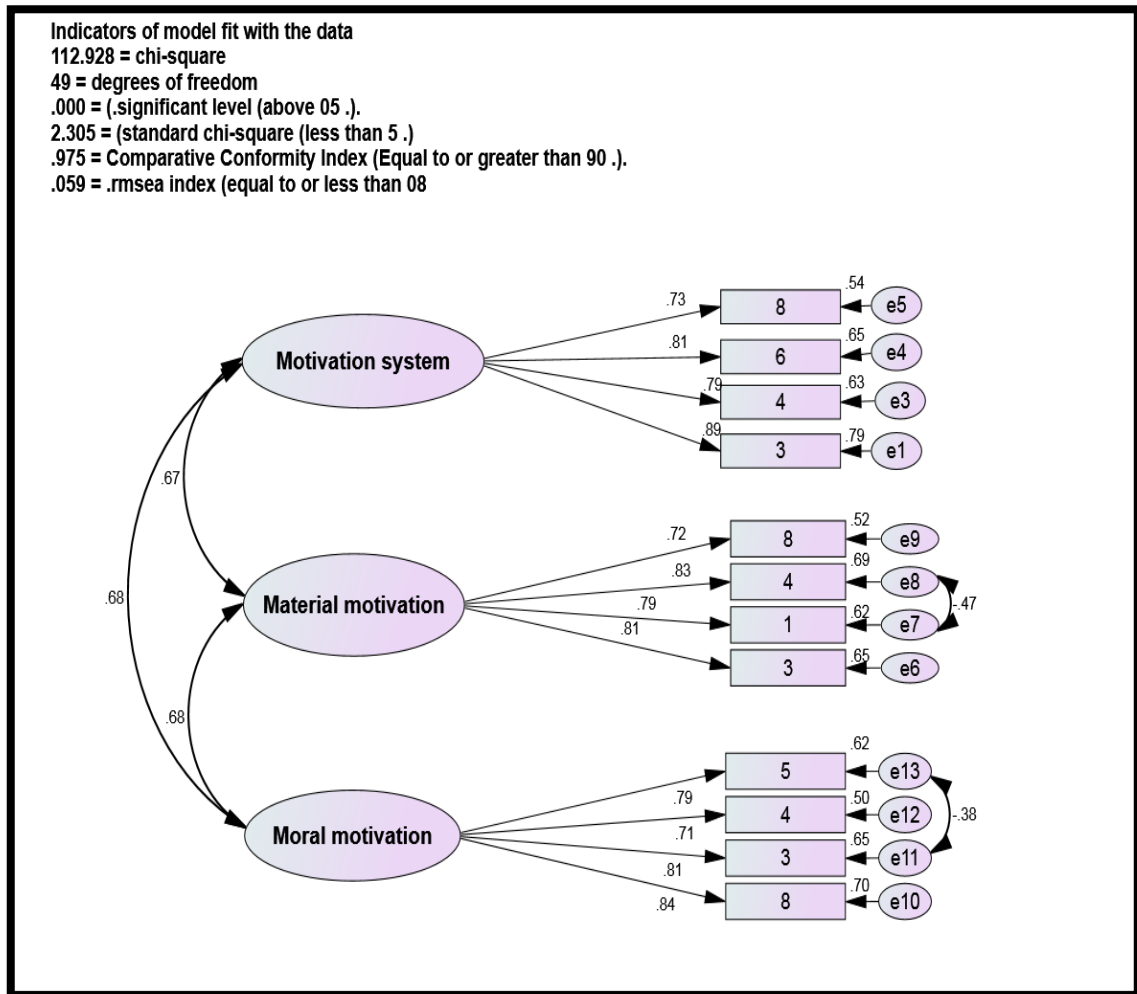
**Convergent Validity Test Results (Convergent Validity) for Motivation Model Factors:**

**Convergent validity of a dimension (incentives system):**

The percentage of saturation (factor loading), or the correlation between the motivating factor and the statements are shown in Figure 12 and Table 46. They were statistically significant. The value of the statistical (T-Value), calculated by the Amos program in the critical period (Critical Ratio (C.R)) for the statement ranged between 16.739 and 19.367, was higher than 1.964 as an approved standard, statistically significant at 0.001 level of significance. The percentage of saturation was higher than 0.70, which ranged between 0.81 for Statement 6, and 0.73 for Statement 8. This high percentage confirms the convergent validity of the concept of the incentives system. The square of the saturation is called squared multiple correlation (SMC) for the incentives system factor, which ranged between 0.53 and 0.79. The arithmetic average of this multi-squared correlation (that is, summing the multi-squared correlations and dividing them by their number) is called the average of the extracted variance (AVE), and it must be at least 0.50 as an approved criterion for variance and as one of the main criteria for the convergent validity of the motivation factor. The table shows that the value of the extracted variance for this factor was 0.65. Thus, it turns out that all the statements that represent the factor were sufficient to represent it, as it is characterized by evidence of convergent validity (saturation, variance).

**Figure 12.** Confirmatory factor analysis (AMOS program) for the Motivation Scale (Modified Model).





**Table 45.** Unregulated estimates, T-value, significance level, saturation percentage, multi-squared correlation, and the extracted average of variance for the incentives system factor

Statement	Latent Factor	Estimate	S.E.	C.R.	P	Loading	SMC	AVE
		Estimates are not regulated	standard error	T-value	Indication level	Saturation	square correlation	Extracted contrast
3	Incentive's system	1.000	-	-	-	0.89	0.79	0.65
4	Incentive's system	0.924	0.049	18.903	0.000	0.79	0.62	-
6	Incentive's system	0.968	0.05	19.367	0.000	0.81	0.66	-
8	Incentive's system	0.900	0.054	16.739	0.000	0.73	0.53	-

Source: Prepared by the researcher based on statistical analysis.

**Convergent validity of a dimension (material incentives):**

The percentage of saturation (factor loading) or the correlation between the stimulating factor of the substance, and the statement it represents, shown in Figure 13 and Table (47), was statistically significant. The T-Value, calculated by the Amos program with the critical period (Critical Ratio (C.R)) for the statement, ranged between 15.271 and 16.657 and was higher than 1.964 as an approved and statistically significant criterion at a 0.001 significance level. The saturation percentage was higher than the desired value (0.70), which ranged between 0.72 for Statement 8 and 0.83 for Statement 4. The ratio confirms the convergent validity of the concept of material incentives. The square of this saturation, which is called (Squared Multiple Correlation (SMC)) for the factor, ranged between 0.52 and 0.69, the arithmetic average of this squared correlation (that is, summing up, dividing by the number of squared multiple correlations) the average variance extracted (AVE) is called (Average Variance Extracted (AVE)), it must be at least 0.50 as an approved criterion of variance. It is one of the main criteria for the convergent validity of the factor. From the table, we note that the value of the variance extracted for the material incentives factor was 0.62. Hence it becomes clear that the statement representing the material incentives factor was efficient, and this factor is characterized by evidence of convergent validity (saturation, variance).

**Table 46.** Unregulated estimates, T-value, significance level, saturation percentage, squared multiple-correlation and the extracted average of variance for material incentive factor

Statement	Latent Factor	Estimate Estimates are not regulated	S.E. standard error	C.R. T-value	P Indication level	Loading saturation	SMC square correlation	AVE Extracted contrast
3	material Incentives	1.000			-	0.81	0.66	<b>0.62</b>
1	material Incentives	0.921	0.059	15.562	0.000	0.79	0.62	-
4	material Incentives	1.011	0.061	16.657	0.000	0.83	0.69	-
8	material Incentives	0.914	0.06	15.271	0.000	0.72	0.52	-

Source: Prepared by the researcher based on statistical analysis.

### **Convergent Validity of Dimension (Moral incentives):**

The percentage of saturation (factor loading), or the correlation between the motivational factor and the statement that embody it, is shown in Figure 12 and Table 48. It was statistically significant. The T-Value, calculated by the Amos program in the critical period (Critical Ratio (CR)), ranged between 15.079-16.236, higher than 1.964 as an approved standard, statistically significant when the significance level (probability value) is less than 0.001, the percentage of saturation was higher than 0.70, which ranged between 0.84 for Statement 8 between (0.71) for Statement (4), this high percentage confirms the convergent validity (Convergent Validity) of the concept of moral motivation. When saturation is squared, it is called squared multiple correlation (SMC), which ranges between 0.50 and 0.71. The arithmetic average of this multi-squared correlation (that is, summing the multi-squared correlations and dividing them by their number) is called the average of the extracted variance (AVE), and it must be at least 0.50 as an approved criterion for variance as one of the main criteria for the convergent validity of the factor. The table shows that the value of the variance extracted for the moral incentives factor was 0.62. Thus, it turns out that the statements that represent the moral motivation factor are sufficient to represent it, and this factor is characterized by evidence of convergent validity (saturation, variance).

**Table 47.** Unregulated estimates, T-value, significance level, saturation percentage, multi-squared correlation, and the extracted average of variance for the moral incentives factor

Statement	Latent Factor	Estimate	S.E.	C.R.	P	Loading	SMC	AVE
		Estimates are not regulated	standard error	T-value	Indication level	saturation	square correlation	Extracted contrast
8	moral Incentives	1.000	-	-	-	0.84	0.71	<b>0.62</b>
3	moral Incentives	0.947	0.056	17.024	0.000	0.81	0.66	-
4	moral Incentives	0.82	0.054	15.315	0.000	0.71	0.50	-
5	moral Incentives	0.903	0.055	16.358	0.000	0.79	0.62	-

Source: Prepared by the researcher based on statistical analysis.

**Discriminant Validity:**

**Fornell–Larcker Criterion:**

Fornell and Larcker both gave a basic criterion as a guide to the validity of the discriminant used in the case of the confirmatory factor analysis. The criterion states that the variance extracted for each factor of the motivation scale (incentives system, material incentives, and moral incentives) must be higher than the combined variance of all correlations (relationships) between two factors. Table 49 shows the matrix of correlations between the three factors of the motivation scale.

**Table 48.** The matrix of correlations between the latent variables in the motivation scale

Source: Prepared by the researcher based on statistical analysis.

From Table 50, which shows co-variance between the three factors of the motivation and outcome scale by multiplying the correlation value by itself, which

Latent Variables	Motivation system	Material Motivation	Moral Motivation
Incentive's system	1		
Material Incentives	0.67	1	
Moral Incentives	0.68	0.68	1

ranged between 0.45 as the lowest value and 0.46 as the highest value, It is clear that the average variance extracted for each of the incentives system (0.65), the material incentives, and moral incentives (0.62), were higher than the common variance among all factors, and this confirms the validity of the discriminant (Discriminant Validity) of the motivation scale used in this study.

**Table 49.** The covariance matrix and the extracted variance for the motivation scale

Latent Variables	Motivation system	Material Motivation	Moral Motivation
Incentive's system	<b>0.65</b>		
Material Incentives	0.45	<b>0.62</b>	
Moral Incentives	0.46	0.46	<b>0.62</b>

Source: Prepared by the researcher based on statistical analysis.

#### 4.3.3. Confirmatory Factor Analysis – CFA of employee performance:

Through the results of the explanatory (exploratory) factor analysis explained in the third chapter, it became clear that the statements of the employees' performance scale were reduced to four main factors (implementation efficiency, planning and implementation, creativity and innovation, effort) as shown in Table 29 in the third

chapter, the structural validity evidence (construct validity) for the employees' performance used in this study was examined by a confirmatory factor (Confirmatory Factor Analysis (CFA)) using the Amos 21.0 program.

**Assumptions of confirmatory factor analysis for employee performance scale:**

Normal distribution of the items of the employee performance scale and reliability are statistical conditions that were clarified in the context of the requirements of the explanatory factor analysis. In addition, the confirmatory factor analysis requires that there are no outlier values (too small or too large), Through the outputs of the Amos program explained in Table 51, it appears that the value of the first possibility (P1) and the value of the second possibility (P2) is higher than 0.000 for case 71. It was in the first order of the total number of the study samples (381); therefore, there is no suggestion to omit any extreme case, as we did not find it in the second possibility (P2).

**Table 50.** The extreme values of the statements of the employee performance scale

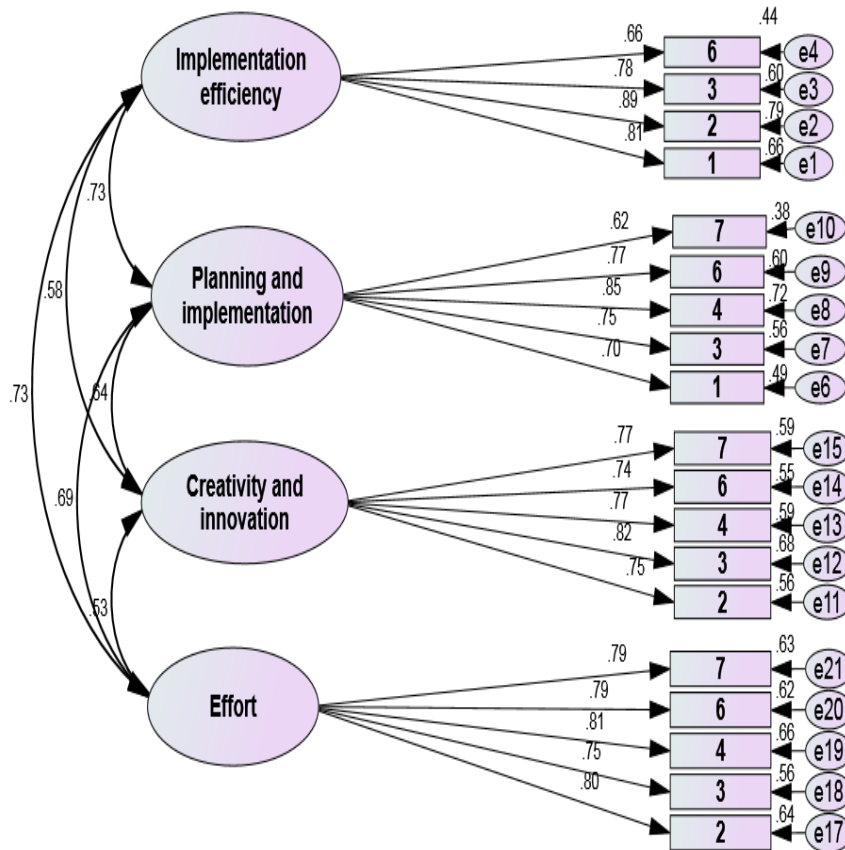
Observation number	P1	P2
71	0.000	0.012
309	0.000	0.001
7	0.000	0.002
5	0.001	0.000
102	0.001	0.000

Source: Prepared by the researcher based on statistical analysis.

**The results of the confirmatory factor analysis of the employee performance scale:** Depending on the results of the explanatory factor analysis, the results of the confirmatory factor analysis of the employee performance model are shown in Figure 13. It turns out that the model is free of illogical correlation (illogical correlation) (the presence of one value or higher). It indicates no problem in the confirmatory factor analysis of the component of employees' performance scale (implementation efficiency, planning and implementation, creativity and innovation, effort). According to the results presented in Figure 13 and Table 52, the indicators of conformity of the employee performance scale model with the study's data did not exceed the approved standard. It confirms that there is congruence between the performance scale of the employees and the data of the study. The value of the chi-

square (431.332), the degree of freedom (146), and the level of significance were statistically significant ( $P = 0.000$ ). Thus, the standard chi-square (chi-square/degrees of freedom) was 2.954 and less than 5. In addition, the value of the comparative congruence index of the employee performance scale was 0.934, which is a greater percentage than the approved value of 0.90. Thus, the value of the Ramsey index for the employee performance scale or the root average square error of the approximation was 0.072, which is less than the approved standard (0.080); therefore, it can be said that the meanings of the indicators of the employee performance scale confirm the congruence between the theoretical model of the employee performance scale and the data of the study.

Indicators of model fit with the data  
 431.332 = chi-square  
 146 = degrees of freedom  
 .000 = (.significant level (above 05 .).  
 2.954 = (standard chi-square (less than 5 .)  
 .934 = Comparative Conformity Index (Equal to or greater than 90 .).  
 .072 = .rmsea index (equal to or less than 08



**Figure 13.** Confirmatory factor analysis (AMOS program) for the employee performance scale

Source: Prepared by the researcher based on statistical analysis.

**Table 51.** Values of congruence indicators for the employee performance scale

	Indicators of compliance with employee performance	The value of Match quality standard approved	
		INDICATOR VALUE	MODEL
1	chi square (cmin)	431.332	-
2	degree of freedom (df)	146	-
3	indicative level (p)	0.000	not significant
4	standard chi-square (cmin/df)	2.954	less than 5
5	Comparative match index (cfi)	0.934	greater than (0.90)
6	Ramsey indicator (Rmsea)	0.072	Less than (0.08)

Source: Prepared by the researcher based on statistical analysis.

**Correlation between factors of employee performance scale:**

It is clear from Figure 14 and Table 53 that the correlations (relationships) between all the factors of the employee performance scale (implementation efficiency, planning, and implementation, creativity and innovation, effort). It was statistically significant, as the t-statistic value ranged between 7.419 and 9.358, higher than 1.964, at a 5% significance level. The correlation ratio between the four factors with statistical significance ranged between 0.53 as the lowest correlation ratio to the highest correlation ratio 0.73. The ratio of these correlations was not less than 0.20. It did not exceed 0.90, which indicates evidence of the validity of the discriminant validity (discriminant validity) between all the factors that are included in the employees' performance scale, which means that there is a correlation between the four factors (implementation efficiency, planning and implementation, creativity and innovation, effort).



**Table 52.** The level of significance between the four latent factors and the correlation value of the employees' performance scale

S.E: Standard Error, C.R: Critical Ratio, P: Probability, R: Correlations, VE: Variance

Latent factor	Correlation	Latent factor	Estimate	S.E.	C.R.	P	R	SV
			Estimates are not regulated	standard error	T-value	Indication level	Correlation	Shared VARIANCE
Implementation efficiency	<-->	Planning and Implementation	0.908	0.097	9.358	0.000	0.73	0.53
Implementation efficiency	<-->	creativity and innovation	0.759	0.086	8.780	0.000	0.58	0.34
Implementation efficiency	<-->	Effort	0.643	0.081	7.905	0.000	0.73	0.53
Planning and Implementation	<-->	creativity and innovation	0.594	0.075	7.951	0.000	0.64	0.41
Planning and Implementation	<-->	Effort	0.715	0.084	8.503	0.000	0.69	0.48
creativity and innovation	<-->	Effort	0.584	0.079	7.419	0.000	0.53	0.28

Extracted.

Source: Prepared by the researcher based on statistical analysis.

The shared variance for each relationship or correlation between two of the four factors in the performance scale of workers, for example, the relationship between the implementation efficiency and planning and implementation, was 0.73. When this ratio is squared, it will be 0.53. The ratio is called the shared variance, so for the rest of the relationships and correlations between the remaining four factors shown in Table 53. Shared variance is a major test when it is compared with the extracted average variance.

**Structural validity test results (Convergent Validity) for Model Employee Performance Factors:**

**Convergent Validity (Implementation Efficiency):**

The percentage of saturation (factor loading) or the correlation between the discovery stage of warning signals factor for the statements that represent it and shown in Figure 14 and Table 54. It was statistically significant. The statistical T-Value, calculated by the Amos program with the critical period (Critical Ratio-CR), for the statements ranged between 13.611 and 19.721 and higher than 1.964 as an approved and statistically significant criterion at a 0.001 significance level. The percentage of saturation was higher than 0.70, which ranged between 0.89 for Statement 2 and 0.66

for Statement 6. This high percentage confirms the convergent validity of the concept of the implementation efficiency stage. The square of this saturation is called squared multiple correlation (SMC) for the implementation efficiency factor, ranges between 0.44 and 0.79. In addition to the arithmetic average of this multi-squared correlation (that is, summing the multi-squared correlations and dividing them by their number), it is called the average of the extracted variance (AVE). It must be at least 0.50 as an approved criterion for variance, and it is one of the main criteria for the convergent validity of the implementation efficiency factor. The table shows that the value of the variance extracted for the phase factor of detection of alarm signals was 0.62. Thus, it turns out that all the statements were sufficient to represent the factor of implementation efficiency, and this factor is characterized by evidence of convergent validity (saturation, variance).

**Table 53.** Unrated estimates, T-value, significance level, saturation percentage, multi-squared correlation, and the extracted average variance for the implementation efficiency factor

Statement	Latent factor	Estimate	S.E.	C.R.	P	Loading	SMC	AVE
		Estimates are not regulated	Standard error	T-value	Indication level	Saturation	squared correlation	Extracted variance
1	Implementation efficiency	1.000	-	-	-	0.81	0.66	<b>0.62</b>
2	Implementation efficiency	1.077	0.055	19.721	0.000	0.89	0.79	
3	Implementation efficiency	0.944	0.057	16.620	0.000	0.78	0.61	-
6	Implementation efficiency	0.785	0.058	13.611	0.000	0.66	0.44	-

Source: Prepared by the researcher based on statistical analysis.

**Convergent Validity (Planning and Implementation):**

The percentage of saturation (factor loading) or the correlation between the second factor, planning and implementation, and the statements that represent it, are shown in Figure 14 and Table 55. It was statistically significant, the value of the statistical T-Value calculated by the Amos program with the critical period (Critical Ratio (CR)) for the statements ranged between 11.200-14.904, and it is higher than the

approved value of 1.964, which is statistically significant at 0.001 level of significance, the saturation percentage was also higher than the desired value (0.70), as it ranged between 0.62 for Statement 7 and 0.85 for Statement 4. This high percentage confirms the convergent validity of the concept of planning and implementation, which confirms the participation of these statements in embodying the factor of planning and implementation. The squared saturation is called squared multiple correlation (SMC) for the readiness phase factor, ranging between 0.48 and 0.74.

The arithmetic average of this multi-squared correlation (summing the multi-squared correlations and dividing them by their number) is the average of the extracted variance (AVE). It must be at least 0.50 as an approved criterion for variance, and it is one of the main criteria for the convergent validity of the factor, and from the table, it is clear that the value of the extracted variance for the planning and implementation factor was 0.55. Hence, it becomes clear that the statements representing the factor were sufficient to represent it, and this factor is characterized by evidence of convergent validity (saturation, variance).

**Table 54.** Unregulated estimates, T-value, significance level, saturation percentage, squared multiple correlation, and the extracted average variance for the planning and implementation factor

Statement	Latent factor	Estimate	S.E.	C.R.	P	Loading	SMC	AVE
		Estimates are not regulated	Standard error	T-value	Indication level	Saturation	squared correlation	Extracted variance
1	Planning and Implementation	1.000	-	-	-	0.70	0.49	<b>0.55</b>
3	Planning and Implementation	1.086	0.081	13.343	0.000	0.75	0.56	
4	Planning and Implementation	1.200	0.081	14.904	0.000	0.85	0.72	
6	Planning and Implementation	1.143	0.083	13.768	0.000	0.77	0.59	
7	Planning and Implementation	0.957	0.085	11.200	0.000	0.62	0.38	

Source: Prepared by the researcher based on statistical analysis.

**Convergent validity for the dimension (creativity and innovation):**

The percentage of saturation (factor loading) or the correlation between the factor of creativity, innovation, and the statements that represent it, are shown in Figure 14 and Table (56) were all statistically significant. The statistical T-Value, calculated by the Amos program with the critical period (Critical Ratio (CR)) for the statements ranged between 13.417 and 15.764 and higher than 1.964 as an approved and statistically significant criterion at a 0.001 significance level.

And the percentage of saturation was higher than the desired value of 0.50, which ranged between 0.69 for Statement 72 and 0.80 for Statement 68. These high percentages confirm the (convergent validity) of the concept of the stage of creativity and innovation. When they are squared, the result is called the squared multiple correlations (SMC) for the factor, which ranged between 0.55 and 0.67. The arithmetic average of this multi-squared correlation, which is called the average of the extracted variance (AVE), must be at least 0.50 as an approved criterion for variance. It is one of the main criteria for the convergent validity of the factor.

The table shows that the value of the extracted variance (AVE) for the creativity and innovation factor was 0.74. Thus, it turns out to us that all the statements were efficient to represent the factor of creativity and innovation, and this factor is characterized by evidence of convergent validity (saturation, variance).

**Table 55.** Unregulated estimates, T-value, significance level, saturation percentage, squared multiple-correlation, and the extracted average variance for the creativity and innovation factor

Statement	Latent factor	Estimate	S.E.	C.R.	P	Loading	SMC	AVE
		Estimates are not regulated	Standard Error	T- Value	Indication Level	Saturation	Square Correlation	Extracted variance
2	creativity and innovation	1.000	-	-	-	0.75	0.56	<b>0.74</b>
3	creativity and innovation	1.013	0.064	15.788	0.000	0.82	0.67	
4	creativity and innovation	0.995	0.068	14.654	0.000	0.77	0.59	
6	creativity and innovation	0.959	0.068	14.201	0.000	0.74	0.55	
7	creativity and innovation	1.104	0.075	14.732	0.000	0.77	0.59	

Source: Prepared by the researcher based on statistical analysis.

**Convergent Validity for a Dimension (Submitted Effort):**

The percentage of saturation (factor loading) or the correlation between the phase of the exerted effort, and all the items that represent it, are shown in Figure 14 and Table 57. It was statistically more significant, where the statistical T-Value, calculated by the Amos program with the critical period (Critical Ratio (C.R)) for the statement ranged between 16.605 and 17.412, higher than 1.964 as an approved standard and statistically significant at the 0.001 significance level. The percentage of saturation was higher than 0.70, which ranged between 0.81 for Statement 4 and 0.75 for Statement 3. The values confirm the convergent validity of the concept of exerted effort. The square of this saturation, which is called squared multiple correlation (SMC) for the factor, which ranged between 0.56 and 0.66, the arithmetic average of this multi-squared correlation (that is, summing the multi-squared correlations and dividing them by their number) is called the average of the extracted variance (AVE), and it must be at least 0.50. It is an approved criterion for variance, and it is one of the main criteria for the convergent validity of the factor. The table shows that the value of the extracted variance for this factor was 0.62. Hence, it becomes clear that all the statements that represent the factor of effort were sufficient to represent it. This factor is characterized by evidence of convergent validity (saturation, variance).

**Table 56.** Unrated estimates, T-value, significance level, saturation percentage, multi-squared correlation, and the extracted average variance for the factor of exerted effort

Statement	Latent factor	Estimate	S.E.	C.R.	P	Loadin g	SMC	AVE
		Estimates are not regulated	Stand ard errors	T-value	Indica tion level	Saturati on	square correl ation	Extracted variance
2	Submitted effort	1.000	-	-	-	0.80	0.64	<b>0.62</b>
3	Submitted effort	0.896	0.058	15.580	0.000	0.75	0.56	-
4	Submitted effort	0.995	0.058	17.268	0.000	0.81	0.66	-
6	Submitted effort	0.955	0.058	16.604	0.000	0.79	0.62	-
7	Submitted effort	0.955	0.057	16.819	0.000	0.79	0.62	-

Source: Prepared by the researcher based on statistical analysis.

### **Discriminant Validity:**

#### **Fornell–Larcker Criterion:**

Fornell and Larcker both gave a basic criterion as a guideline for discriminant validity while using confirmatory factor analysis. The criterion states the variance extracted from each factor of the employees' performance (implementation efficiency, planning and implementation, creativity and innovation, and submitted effort).

It should be higher than the common variance of all the correlations (relationships) between two factors. The results are shown in Table 58, which shows the correlations between the four factors of the workers' performance scale

**Table 57.** The matrix of correlations between the latent variables in the performance scale of employees

Latent Variables	Implementation efficiency	Planning and Execution	creativity and innovation	Submitted effort
Implementation efficiency	1			
Planning and Implementation	0.73	1		
creativity and innovation	0.58	0.64	1	
Submitted effort	0.73	0.96	0.53	1

Source: Prepared by the researcher based on statistical analysis.

Table 59 shows the common variance between all factors of the performance scale of workers and the output by multiplying the correlation value by itself. It turns out that the average variance extracted for each factor (implementation efficiency, planning and implementation, creativity and innovation, and submitted effort) was higher than the common variance among all factors, and this confirms the Discriminant Validity of the performance scale used in this study

**Table 58.** The covariance matrix and the extracted variance for the employee performance scale

Latent Variables	Implementation efficiency	Planning and Execution	creativity and innovation	Submitted effort
Implementation efficiency	<b>0.62</b>			
Planning and Implementation	0.53	<b>0.55</b>		
creativity and innovation	0.34	0.41	<b>0.74</b>	
Submitted effort	0.53	0.92	0.28	<b>0.62</b>

Source: Prepared by the researcher based on statistical analysis.

#### **4.4. Test the Theoretical Model of the Study in a Way "Full-fledged Structural Equation Modelling."**

##### **4.4.1. Test the Standard Model for the Theoretical Model of the Study Using the Confirmatory Factor Analysis**

###### **A-Main Standard Model (Measurement Model)**

After verifying the required statistical hypotheses for analysis by Structural Equation Modelling (SEM-AMOS), the next step was to check the conformity of the hypothetical model (planning, motivating, and employee performance) with the sample data and then check the validity of the hypotheses in the hypothetical theoretical model.

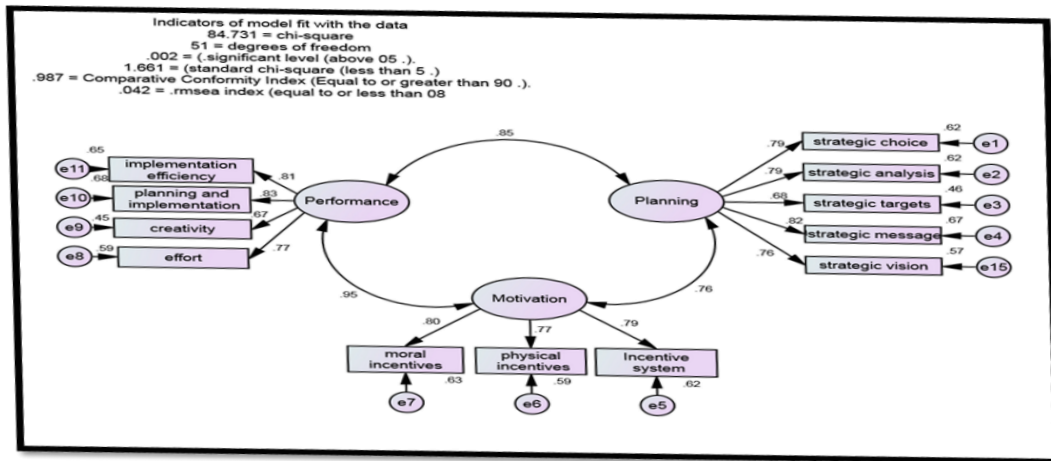
Figure 14 explains the scheme of the hypothetical theoretical model of the study by modelling the structural equation through the Amos program, which consists of the planning model as an independent variable through several phenomena dimensions (strategic choice, strategic analysis, strategic objectives, strategic message, and strategic vision). The motivation factor is a variable (mediator) (incentive system, material incentives, and moral incentives). In addition, the employee performance factor is a dependent variable, represented by the apparent dimensions (the implementation efficiency, planning and implementation, creativity and innovation, and submitted effort).

Through Table 60, it becomes clear that indicators of conformity of the overall model (planning model, motivation model, and employee performance model) with the data. The standard chi-square was 1.734 and less than the main standard of 5, and the corresponding comparison index was 0.986, which is higher than the main standard (0.90). It indicates that the model confirms the existence of relationships and correlations between the planning model, the motivation model, and the employee performance model. It is considered the best and strongest among the zero models, which indicates that there are no correlations between the planning model, motivational model, and the employee performance model. The Ramsey index (root average square error of the approximation index) of the model and its value is 0.044, which was less than the main criterion (0.080). It indicates the spread of the model in

the community from which the sample was taken. All these data and indicators shown in the figure mentioned above confirm that there is no need to modify, improve, or re-characterize the model (planning, motivation, employees' performance).

### B-Model Fit Indices

A model displays that table data matches the model data given in Table 60 and Figure 15. It is clear that there is a match between the default model (planning, motivation, and performance). It is based on the value of the chi-square (84,731) and degree of freedom (51), and the level of significance is 0.002, and it is statistically significant. Since the significance level is affected and it is less than 0.50 in case the sample number is greater than 200 cases. Thus, the quality of congruence was tested using several indicators, including the relative standard chi-square value, which was



**Figure 14.** Scheme of the main standard model consisting of planning, motivation, and employee performance

1.661, a value less than the specified standard (5). The value of the comparative congruence index is 0.987, and it was greater than the criterion (0.90). It indicates and confirms that the hypothetical model in this study has correlations and relationships between the variables. It also moves away from zero, which includes the absence of relationships between the factors (variables) of the model.

In addition to the above, the Ramsey index or the root average square error of the approximating index equals 0.042. It was less than the criterion (0.080), as shown in Table 60 and Figure 15. It confirms that the hypothetical theoretical model includes its presence in the entire community from which the data was collected.



The summary of these values, indicators, and data presented indicates the conformity of the hypothetical theoretical model consisting of three latent factors. The efficiency of factor saturations (factor loadings) can be checked, and then the internal paths or hypotheses in the theoretical model can be tested.

**Table 59.** Conformity Indicators Values for the Model (Planning, Motivation, Performance)

T	Indicators of conformity and suitability of the model	Main Standard Model Figure(15)	structural model Figure(16)	The value of Match quality standard approved
		INDICATOR VALUE	INDICATOR VALUE	
1	Chi-square (cmin)	88.447	84.731	
2	Freedom degree (df)	51	51	
3	Semantic level (p)	0.001	0.002	not significant
4	Standard chi-square (cmin/df)	1.734	1.661	less than 5
5	Comparative Conformity Index (CFI)	0.986	0.987	greater than 0.90
6	Ramsey Pointer (Rmsea)	0.044	0.042	less than 0.08

Source: Prepared by the researcher based on statistical analysis.

### **C-Efficiency of saturation factors of the study model**

Saturation means the connection between the latent factors and the variables or dimensions they represent. For example, the relationship or correlation between the latent factor planning and its five dimensions (strategic choice, strategic analysis, strategic targets, strategic message, and strategic vision) is explored. The motivation model is a latent theoretical concept and the relationship with the dimensions (motivation system, physical incentives, and moral incentives). Saturation also refers to the relationship between the employees' performance model and its four stages (execution efficiency, planning and execution, creativity, and effort). Here, the value of these relationships must be at least 0.50. It is clear from Figure 15 and Table 61. We find that all the saturations or correlations of the variables that were embodied in the model (in rectangles) and the latent factors that were embodied in the circles (ovals) were high and exceeded the specified test (0.50). These are called saturations, loadings, or standard estimates (factor loadings).

### **1-Efficiency of saturation factors of the planning model**

We find that the T-Value is symbolized by CR and known as the critical ratio. For each relationship between planning, its dimensions or factors are greater than the

main criterion (1.964). The T-Value ranged between 16.891-13.677; therefore, it is statistically significant at 5%. It confirms and indicates a statistically significant relationship between planning as a hypothetical theoretical factor and its individual factors (strategic choice, strategic analysis, strategic targets, strategic message, and strategic vision). These saturations or correlations have statistical significance, shown in Table 61, ranging between the planning model (as a latent factor) and its dimensions or five factors higher than 0.70. These values were limited to 0.68 as the lowest correlation between the latent factor (planning) and the dimension of the strategic target. The highest value (0.82) was observed between the latent factor of planning and the dimension or factor of the strategic message, as shown in the results in Figure 15 and Table 61. The value of the extracted average variance (AVE) for the planning model was 0.59, which is greater than the main criterion of 0.50. Hence, we conclude that all the criteria for convergent validity (saturation, average variance extracted) for all factors (strategic choice, strategic analysis, strategic targets, strategic message, and strategic vision) were highly representative of embodying the concept of the planning model.

## **2-The saturation efficiency of the motivation model factors**

Through the results of the analysis, it was found that the T-Value, which is known as the critical period in the Amos program (critical ratio) and symbolized by (CR), For each relationship between the motivation model, its dimensions (incentive system, physical incentives, and moral incentives) were greater than the main criterion (1.964), which ranged between 16.139 and 15.663 and at the 5% significance level. Hence, it can be said that there is a statistically significant relationship between the motivation model and all its dimensions or factors, as Figure 15 and Table 61 show. It explains the saturation of the motivation model and its three factors. It turns out that all of them were greater than the desired value (0.50). The correlation value was 0.77 between the latent factor of motivation and the dimension of physical incentives, which is the lowest correlation, and 0.80 between the latent factor of motivation and the dimension of moral incentives, which is the highest correlation. Then, the extracted average variance (AVE) was calculated for the motivation factor (0.61). It exceeds the main criterion (0.50), thus confirming (saturation, the extracted variance) as evidence of convergent validity of four stages (incentive system, physical incentives, and moral incentives).

### **3-Saturation factors efficiency model of employee performance**

Table 61 shows the T-Value symbolized by (CR) and known as the critical ratio. Each correlation or connection between the employees' performance model and its four stages (efficiency of business implementation, business planning and implementation, creativity and innovation, and effort) was calculated. The T-Value ranged between 13.298 and 16.894, which is greater than the main criterion at a 5% level of statistical significance. We conclude that there is a statistically significant relationship between the theoretical model (the performance of workers) and all its stages. From the results obtained, it is also clear that the saturation of the performance model of workers and its four stages was greater than 0.70. These values were confined between 0.67 as the lowest correlation value between the latent factor (workers performance) and the creativity dimension. The highest value was 0.83 between the latent factor, the workers' performance, and the dimension or factor of planning and implementation, according to the results obtained and shown in Figure 16 and Table 61. In addition, it turns out that the average variance extracted (AVE) was 0.59, which is greater than the main criterion (0.50). Based on this, we find that the criteria (saturation, the extracted average variance) of the convergent validity confirm the strength and efficiency of representing the four stages of the employee performance model.

**Table 60.** Parameters and non-normative and normative parameters of the standard theoretical model of planning, motivation, and employee performance

noticeable variable	correlation	Latent factor	Estimate Estimates are not regulated	S.E. Standard error	C.R. T-value	P Indication level	Loading saturation	SMC square correlation	AVE Common variance
<b>planning model</b>									
Planning	<-->	<b>strategic choice</b>	1				0.79	0.62	<b>0.59</b>
	<-->	<b>Strategic Analysis</b>	1.017	0.062	16.445	***	0.79	0.62	
	<-->	<b>Strategic objectives</b>	0.917	0.067	13.677	***	0.68	0.46	
	<-->	<b>Strategic message</b>	1.093	0.065	16.891	***	0.82	0.67	
	<-->	<b>Strategic vision</b>	1.008	0.065	15.602	***	0.76	0.57	
<b>Motivation model</b>									
Motivation	<-->	Incentive's system	0.946	0.059	16.139	***	0.79	0.62	<b>0.61</b>
	<-->	Material incentives	0.975	0.062	15.663	***	0.77	0.59	
	<-->	Moral incentives	1				0.80	0.63	
<b>Employee performance model</b>									
Employee's performance	<-->	<b>Implementation efficiency</b>	1.061	0.063	16.735	***	0.81	0.65	<b>0.59</b>
	<-->	<b>Planning and implementation</b>	1.033	0.061	16.894	***	0.83	0.68	
	<-->	<b>Creativity and innovation</b>	0.842	0.063	13.298	***	0.67	0.45	
	<-->	<b>Effort</b>	1				0.77	0.59	

Source: Prepared by the researcher based on statistical analysis

**D-Test: the associations between the main factors in the model**

From Figure 15 and Table 62, it is clear that the relationship between planning, motivation, and employee performance was statistically significant. The statistical T-Value ranged between 9.184 and 10.182 for three relationships, and it was greater than the value of the criterion (1.964) at a 5% significance level. The correlation between the planning model, the motivation model, and the performance model was less than the test criterion (0.90), with the exception of one relationship, the stimulus model, with the lowest correlation (0.76) between the planning and the employee performance model was 0.85. The correlation ratio between the motivation model and the workers' performance model was 0.95, which was the highest. The value of this relationship between the median factor "motivation" and the dependent factor "workers' performance" exceeded the specified criterion. The correlation value was slightly greater than the criterion, with a value of 0.95. But, this relationship was accepted based on the results of parametric and non-parametric assessments, as they were all consistent with the specified criteria, as shown in Table 62. The researcher relied on accepting this value indicated by the scientist Pallant (2001). He permitted the acceptance of the percentage that exceeds the specified standard in the presence of a theoretical framework that supports the correlation between the factors of the study. Accordingly, the researcher adopted these values because of the presence of a strong theoretical framework, as explained in the second chapter. Based on the previous, the validity and conformity of the study's theoretical model and the data collected from the study environment were checked by testing the main standard model of the current study

**Table 61.** Significance level among the three latent factors (planning, motivation, employee performance)

Latent factor	correlation	Latent factor	Estimate	S.E.	C.R.	P	R
			Estimates are not regulated	Standard error	T-value	Indication level	Correlation value
planning	<-->	performance	0.679	.070	9.750	***	0.85
planning	<-->	motivation	0.623	0.068	9.184	***	0.75
Motivation	<-->	performance	0.731	0.072	10.182	***	0.94

Source: Prepared by the researcher based on statistical analysis.

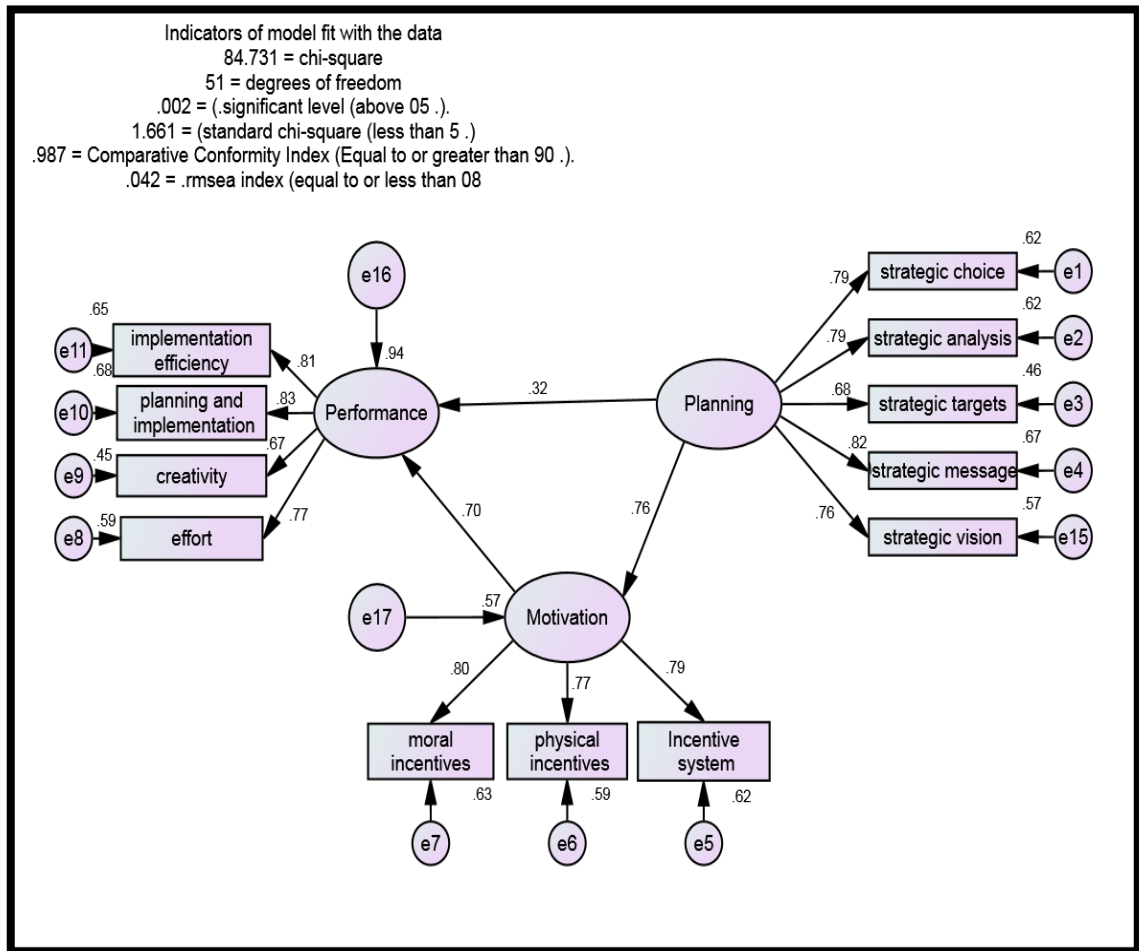
#### **4.4.2. Test the Structural and Theoretical Models of the Study:**

Is a difference between the structural or synthetic model shown in Figure 16 and the standard model shown in Figure 15. In the synthetic model, planning was determined as an independent or external variable (exogenous variable). Motivation is a mediator variable, and employee performance is an endogenous variable. It is done by using the single-headed arrow tool (->). These relationships fully represent the research scheme shown in the third chapter. In the standard model, they are represented by the relationships between the three models (strategic planning, motivation, and employee performance) without specifying which of these variables are independent, dependent, or intermediate, and for this, they were represented by the arrow with two heads or the clipped arrow (<->)

##### **A-Conformity of the structural (synthetic) model with the sample data**

The structural (synthetic) model (independent and dependent relationships) does not differ from the standard model (correlations) in terms of matching values and indicators. It happens because the values and indicators match the synthetic model with the sample data (Model Fit Indices) presented in Table 60 and Figure 16. It is clear that there is a match between the default model (planning, motivation, and employee performance) and the collected data. It is cleared by the value of chi-square (84.731), the degree of freedom is 51, and the level of significance was 0.002. It does not mean differences between the hypothetical theoretical model and the data, but because the sample had 381 cases, which were greater than 200. Thus, the significance level value was less than 5%. Thus, the quality of conformity was tested by several other indicators, including the standard chi-square value (1.661) and less than the specified standard (5). The value of the comparative congruence index is equal to 0.987, as shown in Table 61 and Figure 15. It was greater than the test criterion (0.90), and this indicates and confirms that the hypothetical model of the study has correlations or relationships between its variables (planning, motivation, and performance). It is far from the zero models, indicating no relationships or correlations between the variables. In addition, the Ramsey index or the root mean square error of the approximating index was 0.042, as shown in Table 61 and Figure 15, it was less than the test criterion (0.08), and this confirms that the default model (planning, motivating, performance) is widespread in the study population. The data shows that

the indicators' values indicate the conformity of the hypothetical theoretical model consisting of three latent factors (planning, motivation, and performance). Based on the data, it is possible to check the study's main hypotheses.



**Figure 15.** The scheme of the synthetic model consisting of planning, motivation, and performance.

Source: Prepared by the researcher based on statistical analysis

**B-Test, the main hypotheses of the model**

After checking the efficiency of the correlation or relationship of the apparent variables with their latent factors (planning, motivation, and performance), the correlation between the variables, and the hypotheses of the theoretical model given in the second chapter, are tested.

### 1-Checking of the first hypothesis:

(Strategic planning at the General Electricity Company will positively affect the performance of employees within the company.)

This hypothesis was built according to the theoretical framework of the current study, and it confirmed that the company's management cares for strategic planning in all its aspects (strategic targets, strategic message, and strategic vision). It positively affects the performance of employees within the company because of the outputs of the statistical analysis (SEM) and as fully illustrated in Figure 15, which reflects causal relationships between the factors of the study. Table 63 also shows the outputs of the Amos program, the hypothesis was statistically significant, and the value of CR was 5.048 and higher than the criterion (1.964). It indicates its presence in the hypothetical acceptance area and its distance from the rejection area, as the value of the significance level (P=0.000) was statistically significant at 5%. In addition to the value of the path coefficient or standard estimates, which is equal to 0.320 and has a positive direction, which confirms that the management of the General Electricity Company takes an interest in strategic planning (strategic goals, strategic message, and strategic vision). It will contribute by positively increasing the performance of employees by 32%. It means that the effect of planning on the performance of employees was 32%. According to Cohen's classifications, its effect is considered significant as it was more than 25% (Cohen, 2002).

**Table 62.** Non-normative and normative parameters of the structural (synthetic) model of the study

Latent Construct	Effect	Latent Construct	Estimate	Standard Error (S.E.)	Critical Ratio (C.R.)	P-Value	Standardized Regression Weights	Result
External latent factor	effect	Internal latent factor	Non-normative estimates	Standard error	Critical ratio	Significance level	Normative estimates	result
<b>planning</b>	→	<b>Employee performance</b>	<b>0.300</b>	<b>0.059</b>	<b>5.048</b>	<b>0.000</b>	<b>0.32</b>	<b>acceptance</b>

Source: Prepared by the researcher based on statistical analysis.



**2-Checking of the second hypothesis: (Planning directly affects motivation.)**

The second hypothesis confirmed a direct relationship between planning and motivation. Because of the schema of the hypothetical theoretical model shown in Figure 16 and the Amos program output given in Table 64, it is evident from the obtained results that the hypothesis was statistically significant. The T-Value is 12.319 and higher than the criterion (1.964), which is significant at 5%. The correlation between planning and motivation was 0.76, and this value is considered excellent between planning and motivation, as Chen (2002) mentioned. He also mentioned that the value of the relationship between the two models should be at least 0.20. The value of the relationship that is equal to or higher than 0.30 is considered excellent and the obtained relationship is positive. It indicates that increased attention to planning will lead to motivation. The effect of planning on motivation was 57%, which is considered significant as it was more than 25% according to Cohen's classifications.

**Table 63.** Non-normative and normative parameters of the structural (synthetic) model of the study (planning and motivation)

Latent Construct	Effect	Latent Construct	Estimate	Standard Error (S.E.)	Critical Ratio (C.R.)	P-Value	Standardized Regression Weights	Result
External latent factor	Effect	Internal latent factor	Non-normative estimates	Standard error	Critical ratio	Significance level	Normative estimates	Result
<b>planning</b>	<b>————→</b>	<b>motivation</b>	<b>0.733</b>	<b>0.059</b>	<b>12.319</b>	<b>0.000</b>	<b>0.76</b>	<b>acceptance</b>

Source: Prepared by the researcher based on statistical analysis.

**3-Checking the third hypothesis:**

(There is a relationship between motivation and employee performance.)

The third hypothesis indicates a direct relationship between motivation and employee performance. According to the results shown in Figure 16, which represents the scheme of the hypothetical theoretical model, and Table 65, which shows the outputs of the Amos program, the hypothesis was statistically significant because the T-Value was 9.624. It was higher than the criterion (1.964). The significance level

value (P=0.000) is statistically significant at a 5% significance level. In addition, the value of the path factor or standard estimates is equal to 0.70, and it has a positive relationship, which confirms that the motivation of employees within the company has an important role for improving their performances. In addition, the effect was 0.94, which means that planning and motivation can improve the workers' performance by 94%.

**Table 64.** Non-normative and normative parameters of the structural (synthetic) model of the study (Motivation and Employee performance).

Latent Construct	Effect	Latent Construct	Estimate	Standard Error (S.E.)	Critical Ratio (C.R.)	P-Value	Standardized Regression Weights	Result
External latent factor	Effect	Internal latent factor	Non-normative estimates	Standard error	Critical ratio	Significance level	Normative estimates	Result
<b>Motivation</b>	→	<b>Employee performance</b>	<b>0.680</b>	<b>0.071</b>	<b>9.624</b>	<b>0.000</b>	<b>0.70</b>	<b>Acceptance</b>

Source: Prepared by the researcher based on statistical analysis.

**4-Checking the fourth hypothesis:** (Effect of planning and motivation on employees' performances.) The fourth hypothesis: "Attention to strategic planning in the General Electricity Company will positively impact the performance of employees with an indirect influence of motivation."

The fourth hypothesis confirmed that in the General Electricity Company, there is an indirect impact of strategic planning on the performance of employees, which is indirectly affected by motivation as well. According to Table 66, the value of the relationship or the indirect effect was 500. It was multiplied by the value of the path factor or the normative estimates of the relationship between planning and motivation, it to 760. The value of the path factor or the normative estimates of the relationship between motivation and performance of the workers is 700, which means that the value of the indirect impact is 53, and the total impact was 85. It is the result of the direct effect of strategic planning on the workers' performance (0.32). The coefficient of the indirect path or the indirect influence between strategic planning and the performance of employees is  $0.32 + 0.53$ .

**Table 65:** The values of the indirect effect, the sum of the effect, and the level of significance of the indirect relationship between planning, motivation, and employee performance

Independent	Mediation	Dependent	Indirect Effect	Total Effect	Indirect impact test		
					Sobel test results Sobel Test		
					S. T. S	O.T. P	T.T. P
The independent variable (external)	Intermediate variable	Dependent (internal) variable	The value of the indirect effect	Total Effect	T-value for Sobel	Significance level single-tailed	Significance level tow-tailed
Planning	motivation	Employee performance	0.53	0.85	7.631	0.000	0.000

T.T.P: Two-tailed probability, O.T.P: One-tailed probability, S.T.S: Sobel test statistics.

Source: Prepared by the researcher based on statistical analysis.

**Testing the level of statistical significance for the indirect effect of planning in the study model:**

The first method, known as the T-value method, is shown in Table 66 in the median variable test (motivation). It indicates the indirect effect of planning on the performance of employees through motivation was statistically significant, as the T-value of the relationship between planning and motivation was 12.319, and the statistical T-value of the relationship between motivation and employee performance was 9.624. Both values are greater than the T-value (1.964).

Two values used in Sobel's test are shown in Figure 16. The T-Value equals 7.584, and it was higher than the standard criterion (1.964). The value is significant at a 5% level of significance.

# CALCULATION FOR THE SOBEL TEST

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Alternatively, you can insert  $t_a$  and  $t_b$  into the cells below, where  $t_a$  and  $t_b$  are the t-test statistics for the difference between the  $a$  and  $b$  coefficients and zero. Results should be identical to the first test, except for error due to rounding.

Input:	Test statistic:	p-value:
$t_a$ 12.319	Sobel test: 7.58401191	0
$t_b$ 9.624	Aroian test: 7.56854247	0
	Goodman test: 7.59957659	0
<input type="button" value="Reset all"/> <input type="button" value="Calculate"/>		

The reported p-values (rounded to 8 decimal places) are drawn from the unit normal distribution under the assumption of a two-tailed z-test of the hypothesis that the mediated effect equals zero in the population. +/- 1.96 are the critical values of the test ratio which contain the central 95% of the unit normal distribution.

We should note that there are three principal versions of the "Sobel test" - one that adds the third denominator term (Aroian, 1944/1947 - this is the version popularized by Baron & Kenny as the Sobel test), one that subtracts it (Goodman, 1960), and one that does not include it at all. We stress that researchers should consult MacKinnon, Lockwood, Hoffman, West, and Sheets (2002), as well as sources cited therein, before attempting to interpret the results of any of these tests. Researchers should consult Krull & MacKinnon (1999) before attempting to apply the Sobel test to parameter estimates obtained from multilevel modeling.


Formulae for the tests provided here were drawn from MacKinnon & Dwyer (1994) and from MacKinnon, Warsi, & Dwyer (1995):

**Sobel test equation**

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**Figure 16.** Statistical t-test to test the significance of the indirect effect (or the average variable)

The second method is the standardized estimates method, which is shown in Table 66 in the test of the median variable (motivation). It confirmed that the correlation of the indirect impact of strategic planning on the performance of employees through motivation was statistically significant because its value was 0.76. The correlation between motivation and workers' performance is 0.70, and both values are greater than the test value of 0.20 for the standardized estimates or path coefficients. The third method, known as the "Sobel test" method, as in Figure (17) in the median variable test (motivation), indicated that the relationship with an indirect effect of planning on the performance of employees through motivation was statistically significant, as the t-value (the value of Sobel's T) equals 7.829. It was greater than the test criterion of 1.964 at a 5% significance level.



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### Sobel Test Calculator for the Significance of Mediation

This calculator uses the Sobel test to tell you whether a mediator variable significantly carries the influence of an independent variable to a dependent variable; i.e., whether the indirect effect of the independent variable on the dependent variable through the mediator variable is significant. This calculator returns the Sobel test statistic, and both one-tailed and two-tailed probability values.

Please enter the necessary parameter values, and then click 'Calculate'.

```

graph LR
    IV[independent variable] -- A (SE_A) --> MV[mediator variable]
    MV -- B (SE_B) --> DV[dependent variable]

```

A:

B:

SE<sub>A</sub>:

SE<sub>B</sub>:

**Calculate!**

Sobel test statistic: **7.82914287**

One-tailed probability: 0.0

Two-tailed probability: 0.0

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**Figure 17.** Sobel's test to test the significance of the indirect effect (the median variable)

**Motivation is a partial intermediate variable (Partial Mediation):**

It is clear through the form of the model that planning has a relation with employees' performance, and motivation has an indirect effect on their performance, as shown in Figure 17. Motivation plays the role of the partial median variable (partial mediation) but not the total median (full mediation). It happens because of the direct impact of planning as an independent variable on the performance of employees as a dependent variable. It means that planning and motivation have a combined direct effect on employees' performance. The correlation of no direct connection between planning and the workers' performance is 0.32, as shown in the synthetic model of this study. We may judge that overall, motivation is an average variable (full mediation).

**4.5. Conclusion**

In this chapter, we dealt with the analysis of demographic data for the study sample according to its characteristics, which include gender, educational

qualification, and years of experience. We also discussed the uses of Confirmatory Factor Analysis for the main study factors (planning, motivation, and performance) to reach the evidence of structural validity.

After confirming the structural validity of the studied factors, the general and specific statistical hypotheses of full-fledged Structural Equation Modeling were discussed to reach accurate results by using structural equation modeling. The four hypotheses of the study were also tested, as explained in the third chapter (study methodology). The study concluded that there is a direct relationship between planning and motivation, and thus, there is a relationship between motivation and performance. Finally, to prove the direct relationship between motivation, planning, and performance and the existence of an indirect relationship between planning and performance through motivation, we used multiple tests because it plays the role of a partial median variable in the model.

## **5. DISCUSSION ON RESEARCH FINDINGS, RECOMMENDATIONS, AND SUGGESTIONS**

### **5.1. Introduction**

This chapter summarizes the results of the exploratory factor analysis (EFA) and confirmatory factor analysis (CFA) to identify the main factors that form the studied model's foundation, including the planning scale, motivation scale, and employee performance scale. Now, we will discuss the results in the light of established theories and the research work. The chapter also discusses the results of the research model (which comprises factors such as planning, motivation, and employee performance) and its hypotheses. The part also covers the most important recommendations and proposals based on the research results that have the potential to support future research on the topics of planning, motivation, and employee performance.

### **5.2. Summary and Discussion of the Results of the Demographic and Academic Characteristics of the Study Sample:**

1. This study showed that most of the employees currently working at the General Electricity Company are men, with a percentage of 69.3%. The researcher attributes this demographic to the prevailing culture in Libyan society, where in some parts of the country, women play a limited role in industrial institution management.

2. The results of this study show that 44.1% of the employees of the General Electricity Company have an intermediate diploma, and the percentage of those with a higher degree is just 2.9%. The researcher attributes the high percentage of diploma holders in the study sample to the lack of focus of the institution on educating its workforce through attracting, selecting, and appointing educated persons who are capable of comprehending technical developments in the industrial environment and the changes that have occurred in the other parts of the world. It is an indication that the company should take care of the qualified human resource. It is one of the most important issues that the institution must overcome to ensure the achievement of the plans for which GECOL was originally established. For this, long-term strategic planning is required.

3. The study confirmed that 34.9% of the respondents of the study have experience of more than 15 years, and this makes the researcher feel that GECOL is a mature institution that has experienced human resources, which is certainly a positive indicator that can be used to improve the role of planning and policy-making. That is a great measure to boost the employees' performances in a manner that is likely to increase their motivation in the future. It is one of the company's strengths to maintain and not neglect.

4. The study confirmed that 37.9% of the respondents have specializations or deep knowledge of financial matters. The researcher attributed this to the company's interest in financial policies more than other policies. Using this as a platform, the researcher emphasizes that thorough planning for future policies must be considered to ensure the achievement of operational advantages through an improved workforce, which can achieve a higher performance level and an environment filled with motivation.

### **5.3. Summary and Discussion of the Results of the Factorial Analysis of Criterion**

#### **1-Summary and discussion of the results of the factor analysis of the planning scale:**

The results of the exploratory factor analysis indicate that on the planning scale, five factors were considered, including the strategic choice, strategic analysis, strategic targets, strategic message, and strategic vision. It does not differ from the theoretical divisions of the five-factor planning scale, and as mentioned earlier, confirmatory factor analysis (CFA) is used for the planning scale. The results of the confirmatory factor analysis confirm that the planning scale is characterized by structural integrity criteria, which include both convergent validity criteria and discriminant validity criteria. Thus, it can be said that there is conformity between the planning scale with five factors, including strategic choice, strategic analysis, strategic targets, strategic message, and strategic vision.

The results of the current study also indicate that all five factors of the planning scale agree with the results of several previous studies (Zaybi, 2014;) Al Jarad, 2016; Marzouqah, 2014). Determining the impact of the planning stages on the



areas of performance indicates the most important areas and areas that need to improve through the design of the treatment planning process. The result contributes by urging the concerned officials first to take the senior management in confidence and initiate a planning process. It also increases the value of this activity and ensures continued commitment to support it. The result is also consistent with what was concluded in a previous study (Al-Shara, 2008), which confirms the need for a comprehensive planning process in different units of an organization according to the different nature of their work and the existence of a positive relationship between the accomplishment of each planning level and its impact on the performance of workers. The current study is more advanced because it includes advanced statistical methodologies, confirming the importance of comprehensive planning.

## **2-Summary and discussion on the results of scale motivation and factor analysis**

The results of both exploratory factor analyses (EFA and CFA) have been considered. The motivation scale can be summarized by three factors: the incentive system, physical incentives, and moral incentives. The results of CFA show that the motivation scale is characterized by structural validity criterion) which includes both convergent validity criteria and discriminant validity criteria. Thus, it can be said that there is a link between the three-factor motivation scale (incentive system, physical incentives, and moral incentives) and the collected data.

The results of the current study also indicate that the motivation scale includes three factors, and this result is consistent with the researcher's conclusions about opinions, trends, and previous studies that adopted them to make them available to workers to raise their skills and abilities through motivating them. This result agrees with the findings of some studies (Mahboob, 2015; Halabi, 2013). The study has been approached differently because it is based on confirmatory factor analysis, which confirms the construct validity of the motivation scale.

## **3-Summary and discussion of the results of the factor analysis on the employee performance scale:**

The results of the exploratory factor analysis (EFA) indicate that the measure of the performance of the employees can be summed up by four factors, which include efficiency of business execution, planning, and implementation of business, creativity,

innovation, and the exerted effort. After using CFA and based on the results of the explanatory factor analysis (of the mentioned four factors) and the theoretical divisions (four factors) of the employees' performance scale. The results of the confirmatory factor analysis confirm that the results of the theoretical divisions (four factors) do not differ from the results of the exploratory factor analysis (four factors). The results of the confirmatory factor analysis confirmed that the performance measurement of the workers is characterized by the construct validity criterion, which includes both the convergent validity criteria and the discriminant validity criteria. Thus, it can be said that there is conformity between the performance of employees with the four factors (efficiency of business execution, business planning and implementation, creativity, innovation, and effort) and the collected data.

The results of the current study indicate that the employee performance measure includes four factors. Its result complies with the findings of several previous studies (Alshara, 2008; Alsaga, 2014; Mahjobi, 2014; Almoamar, 2014; Alalade, 2015).

Though the respondents' answers differ from the current study, confirmatory factor analysis confirmed the evidence of the construct validity of the workers' performances.

#### **5.4. Hypotheses of the Research Model:**

1-Discussion of the first hypothesis: The effect of planning on the performance of employees:

The first hypothesis of the study indicates that there is an effect of planning on the performance of employees, and the results confirm the existence of a positive and statistically significant relationship. If attention is paid to planning, it improves the employees' performance. Attention must be paid to the dimensions of the planning model (strategic choice, strategic analysis, strategic targets, strategic message, and strategic vision). It will increase the employees' performance and all dimensions (efficiency of business execution, business planning and implementation, creativity and innovation, and exerted effort).

This result agrees with the results and recommendations of some studies that emphasize the importance of planning and its direct impact on the performance of employees. A past study (Mohammed, 2017) confirmed a significant relationship between planning and employee performance. Another study (Habashi, 2012) also confirmed a relationship between planning and productivity. It can only be achieved through raising the efficiency of workers. A study (Al-Abdali, 2018) emphasized the importance and impact of planning for achieving the policies set for performance and how planning can improve the organization's capabilities to manage its workforce. Another study (Al-Anazi, 2014) also confirmed that planning ensures everything that the administration needs to raise the workforce's efficiency.

Recommendations of a study (Awda, 2008) highlight the necessity of providing accurate strategic plans and policies that provide workers with a comfortable work environment to increase production capacity. Research shows that attention should be paid to planning to raise performance efficiency, and giving more attention to strategic plans and it was found that continuous updating of plans further raises the efficiency (Al-Fahd, 2006; Al-khashal, 2007). Another study (Al-Qahtani, 2004) recommended developing a clear vision of the future through strategic plans to achieve the set goals and raise the efficiency of workers. The current study did not differ from previous studies in terms of results. Still, the current study aimed to present a holistic theoretical model to study planning and its impact on the employees' performance. It concludes that a 12% positive effect is obtained by multiplying the value of the correlation by itself ( $0.32 \times 0.32$ ). The percentage is called the effect size or the squared correlation, and this percentage is considered medium in terms of impact.

## 2-Discussing the second hypothesis: Planning and motivation:

The second hypothesis indicates that planning affects motivation. The study results also confirmed the existence of a positive and statistically significant correlation. The attention to planning leads to a serious level of motivation. Increasing attention to the dimensions of the planning model (strategic targets, strategic message, and strategic vision) leads to improving the dimensions of motivation (incentive system, physical incentives, and moral incentives).

The results of the analysis of the Amos model confirmed that the effect of planning on motivation is 0.57, which means that about 57% of stimulus results from

good planning. This percentage is called the effect size, or the squared correlation, and this percentage is considered high because it exceeds 25% (Cohen, 1988). It reflects the ability and efficiency of the hypothetical model in the current study.

Thus, planning is considered one of the most important tools used to raise the company's production capacity by raising the employees' efficiency within the company. The company can motivate employees, influence their behavior, and improve their scientific and practical skills through planning. Planning is, in fact, a real and direct investment that leads to motivation. The more an organization invests in developing people's skills and raising the level of their scientific and practical efficiency, it will improve the whole organization. It is exactly what the theory of investment in human capital recommends.

The results of the current study agree with the results of a previous study (Al-Adili, 2009), which emphasized the existence of a strong correlation and influence between planning and employee motivation. A study (Al-Azzawi, 2012) indicates a statistically significant effect of the level of strategic plans on motivation. A study (Al-kurdi, 2010) indicates a statistically significant relationship between motivation and the efficiency of planning for employees and developing their skills. A later study (Al-Salmani, 2012) also confirmed that strategic planning positively affects motivating workers, which is confirmed by another study (Al-Mutawa, 2006). The latter study concluded that the planning process for human resources is an essential factor for changing the behavior of employees, achieving their satisfaction, and developing their skills, especially in their field. A research paper (Hammad, 2003) established that planning through the development of training plans greatly contributes to the advancement of workers' skills and learning, and develops a spirit of teamwork among them. Still, the current study is distinguished from previous studies as it aims to present a holistic theoretical model for planning and its effects on a holistic theoretical model on motivation.

### 3-Discussing the third hypothesis: Motivation and employee performance:

The third hypothesis of the study indicated that there is an effect of motivation on workers' performance, as the results of the study obtained confirmed the existence of a positive and statistically significant relationship, which means that the results are

proven. Paying attention to motivation leads to improvement in the employees' performances.

The results of the Amos model analysis indicated a positive and direct effect of motivation on the performance of employees, and the effect size is 0.49. This effect results from squaring the correlation between motivation and the performance of workers (0.70). It means that workers' performance can increase by 49% due to motivation. In other words, the effect of motivation on the performance of employees is 49%, and this percentage is known as the effect size or the squared correlation. This percentage is considered high because it exceeds 25% (Cohen, 1989), reflecting the ability and efficiency of the hypothetical model presented in the current study.

It is noted that the direct effect of motivation on the performance of employees was 49% compared to planning, which had just a 12% effect on the performance of employees. In other words, both motivation and planning directly impact the employees' performance, but motivation has a clearly overwhelming effect on the employees' performance. Thus, this result confirmed the existence of a positive and statistically significant relationship between motivation and the ability of the General Electricity Company, Libya, to raise workers' performance and create a healthy relationship with them. According to the researcher's opinion, the interest and conviction of the senior management regarding the importance of motivating employees by setting plans ensures the development of their skills and abilities that can further lead to improved results.

Moreover, the company's leadership should focus more on planning because it motivates people. Moreover, extra focus on building effective communication systems will lead to effective implementation of plans and develop the leadership skills among the employees, which will ultimately improve the organizational production capacity.

This result is consistent with some previous studies that emphasize the importance of motivation for satisfying employees. They concluded that there is a significant relationship between motivation and achieving employee satisfaction to ensure improvement in their performance (Al-Zyada, 2012). The study also confirmed a relationship between employee motivation and the level of productivity. The more employees enjoy the appropriate incentive policies, the greater their ability and effectiveness become for achieving the company's goals. In other words, increasing

their efficiency and properly implementing strategic plans is possible because there is a relationship between motivation and the performance of employees. The result agrees with a couple of previous studies (Awda, 2008; Al-Duwaiheen, 2004). The study emphasized the importance of planning to motivate people, which further helps raise their efficiency and improves the overall production capacity.

It also agrees with the already mentioned previous studies (Al-khashal, 2007; Al-Qahtani, 2004 Al-Hudhali, 2002). The findings emphasize the importance of motivation to improve employee satisfaction and its positive impact on utilizing the highest human energies. It is reflected in the company's performance in general. The current study's findings match the findings of a previous study (Saleem, 2006). It concluded in one of its results that motivation has an important and effective role in the performance of employees. A study (Awda, 2008) shows that planning motivates people and helps implement the planning without deviations, which positively affects the overall performance of employees in the organization. This study is distinguished from previous studies because it presented a holistic theoretical model of motivation and its impact on measuring a holistic theoretical model to improve workers' performances. It concluded that there is a significant and sizeable effect on the employees' performance.

4-Discussing the fourth hypothesis: The effect of planning on the performance of employees through motivation:

The fourth hypothesis of the current study indicated that planning has an indirect effect on the employees' performance, which happens because of motivation. The relationship is statistically significant, and the value of the indirect effect is 53%, which is very high and indicates the indirect relationship's significance. The percentage is known as the indirect effect size, and this percentage is high because it is greater than 25%, reflecting the strength and efficiency of the research model.

In addition to the direct impact of planning on the performance of employees, there is an indirect effect of planning because planning affects motivation. That effect transforms the performances of workers. The value of the direct impact of planning on the performance of employees is 12%, and the value of the indirect impact of planning on the performance of workers is 53%. The total effect of the direct and indirect relationship is:  $0.32 + 0.53 = 0.85$  (85%). This percentage is considered large because

it is substantially greater than 25% and reflects the strength and efficiency of the research model. In other words, it means that 85% of the employees' performance is the effect of planning and motivation. The current study is distinguished from the previous studies because it has estimated a comprehensive theoretical model for planning, motivation, and their impact on the performance of employees. It is concluded that both have a positive relationship and a significant impact on employees' performance.

### **5.5. Study Contributions**

The results of the current study contribute to raising the ability of the General Electricity Company on the applied level to manage strategic planning by motivating employees, developing their skills and abilities, and raising their performances. In addition to that, it sheds light on the internal relationship between the variables and identified the strongest impact on workers' performance. The obtained results confirmed that motivation has an indirect and strong effect on employees' performance, which is even stronger than the effect of planning on the theoretical level. The study was able to formulate a working model for the impact of planning and motivation on the performance of employees, to measure the extent of the capabilities of General Electricity Company and its role in raising the performance of its employees, with the development of a conceptual framework that involves the alignment of strategic plans, implementation, and its impact on the performance of employees. On the methodological level, this study contributes because it can be directly implemented in General Electricity Company or other companies. In addition, it uses various statistical methods, such as explanatory or exploratory factor analysis, confirmatory factor analysis, and the structural model equation, which make the findings very reliable.

### **5.6. Study Recommendations**

In the light of the research results, the following recommendations can be given:

1. To spread the culture of planning at all organizational levels, it is not limited to the level of senior management but also includes middle management and lower management because each department has responsibilities that differ from the responsibilities of the other departments.

2. Imparting training courses in the field of planning for all institution employees, especially the planning and implementation team, provides them with the skills and capabilities that enable them to perform their roles very effectively and inform them about the new developments in strategic planning procedures.

3. Attempting to change the employees' attitudes by designing training programs changes the employees' direction towards the organizational goals because trends play an important role in the individual's behavior at work. Positive trends also help workers find new ways to think about solving problems.

4. Provide opportunities for the workforce to apply and practice the skills they feel are important in implementing the strategic plans.

5. Develop plans and policies that improve leadership skills, creative thinking, and problem-solving skills. The management should motivate employees, give information to them about the existing plans, and test the efficiency of these programs and plans, to the extent to which employees benefit and learn from them.

6. There is a need for a culture of supporting positive things and utilizing the company's strengths, foremost of which is the continuity of support and adoption of the senior management to motivate people, raise the capacity of the workforce.

7. Increase employee participation in setting strategic plans, take correct opinions and turn them into opportunities for growth and progress, and correct deviations in implementation.

8. Study and analyze the previous plans set by the company, and draw lessons learned from them in the process of preventing mistakes that may occur in the future.

9. Benefit from the experiences and expertise of international organizations that operate in neighboring countries. Their working conditions are similar to those of the company to prepare strategic plans and control deviations.



10. To develop the organizational culture prevailing in the institution to become more supportive of applying the approach and philosophy of motivation both morally and practically.

11. The necessity of establishing a new planning department in the General Electricity Company that undertakes the tasks of dealing with planning and implementation independently because the role of this department should be developing strategic plans, following up on their implementation, and evaluating deviations that may occur. The new department should also pay attention to financial or operational matters.

## **5.7. Conclusion**

To have successful management, which has a sincere desire to reach and maintain success and develop its human resources in light of the development surrounding it, is impossible without organizational leaders who are aware of what is going around them with efficiency and quality, and this is only possible through regular planning, implementation and follow-up.

We live today in a world in which relations are complex and intertwined, and the matter is further complicated by the speed with which the industrial world is developing. An organization must have workers capable of keeping pace with rapid changes, and the management should train the workers in every possible way. It is clear that material or moral incentives satisfy workers and raise their efficiencies. By developing strategic plans that include motivational policies to reach high and efficient performance, considerable positive change can be brought to the entire organization's performance.

To achieve the study's objectives and verify its hypotheses, the researcher has adopted a descriptive analytical approach (quantitative) and dispatched questionnaires to the respondents to collect data from the population consisting of decision-makers of the General Electricity Company, Libya. Before the accreditation and distribution processes, the validity was confirmed. The accuracy and reliability of the questionnaire were assured by presenting it to a group of arbitrators to verify the apparent validity and a pilot test to ensure the clarity of the questions and their output in the final form.

The Cronbach Alpha test was used to measure the reliability, and it became clear that Cronbach's alpha coefficients for all dimensions are high.

Hence, the questionnaire was distributed to the sample, which entered the analysis using the statistical package (SPSS) to conduct an explanatory factor analysis for all the factors and variables of the study model exploratory factor analysis (EFA) by the method of Principal Component Analysis, and then the researcher used the Confirmatory Factor Analysis (CFA) to ensure the structural validity of the tool for measuring the factors and variables of the study model.

The results were tested based on four indicators, the first is chi-square and degrees of freedom to clarify the difference between the ratio of the matrix of real values and the matrix of expected values through the ratio of the level (P) denotation, and the second relative or normal chi-square to determine the value of the ratio between the value of the chi-square divided by the degrees of freedom and this ratio was less than 5. It indicates the acceptance of the model in the sense that there is conformity between the model and the data.

In case of the failure to achieve the hypothetical theoretical model for some specific values in the conformity indicators, the researcher has used a modified theoretical model, depending on the Modification Index in the AMOS program. The aim of modifying the theoretical model is either to delete some statements or find a correlation between the two items to assess the measurement error. With access to the hypothetical theoretical model and the specific values of the congruence indicators, it became clear after modification that the value of the third indicator, the comparative compatibility indicator (CFI), for all the sub-models that make up the study model were 0.93, 0.97, and 0.95 respectively, which indicates good conformity. The fourth indicator relied on the root mean square error approximation (RMSEA) to test the degree of congruence. It is considered one of the most important indicators of the quality of congruence. Based on the results of the analysis (after modification), it became clear that the values of this indicator for all models in a row were 0.072, 0.05, and 0.071, which indicates the quality of the conformity.

In addition, the above relied on the joint and the extracted variance to ascertain the structural validity (differentiation and convergence) between the latent and apparent factors in the study model. It is clear that all the variables that make up the

model are distinguished by the validity of differentiation based on the results of the shared variance (SV). It is also clear from the analysis that all variables are characterized by convergent validity based on the results of the extracted variance (AVE). The Fornell-Larker Criterion was used in this field as a guide to assure the validity of the differentiation using confirmatory factor analysis. Here it becomes clear that all the factors that make up the model are distinguished by the validity of the differentiation, based on the comparison between the extracted variance (AVE) and the combined variance (SV).

Since it is not possible to answer the research questions and hypotheses using regression, the Structural Equation Modeling (SEM) is used for full-fledged Structural Equation Modeling using the Amos 21.0 program. Before starting this application, the statistical hypotheses were tested for the integrated construction of structural equation modeling, and the study questions were answered.

Considering the existing direct and indirect relationships in the model, it relied on the standard estimates to assess the direct effect and the size of the impact, based on the correlation between the two latent factors, one of which is independent and the other one is dependent. Because of the direct relationship, its existence was judged by the level of statistical significance. This relationship is based on statistical value (T), assuming the existence of an indirect effect of the independent variable on the dependent variable. It means an indirect causal relationship between an independent variable (planning) and a dependent variable (performance).

Then, a simultaneous and immediate analysis was used without multiple or phased analysis. It became clear that there is an indirect causal correlation between the independent and dependent variables through a mediating variable. Several statistical methods are used to study this relationship and its implications, including the statistical T- value, which was greater than 1.964, which indicates that the indirect effects are statistically significant. This significance was also tested using the path coefficient. Its value was greater than 0.20, indicating that the indirect effect is statistically significant. In addition, the online Sobel Test was applied to test the level of statistical significance for the stimulus variable. Its value was greater than 1.964 at a 5% level of significance. It indicates that the indirect effect is statistically significant. Given the existence of a direct relationship between planning and the performance of workers

and a statistical function, it is clear that the role or influence of motivation is partial and not total in the indirect relationship.

Based on the results and analysis by using the structural equation modeling (SEM-AMOS), the study found many results, including the positive impact of planning on the performance of workers, and the results of the analysis proved that motivation also has a relationship and a positive impact on the performance of workers. In addition, this study concluded that the motivating factor has a mediating role between the relationship and the effect of planning on the performance of employees. The most important lesson for the administrative leadership of the General Electricity Company is to work on strengthening the role of planning in the company and increase interest in stimulating its human resources at different management levels, in addition to increasing interest in developing clear plans to motivate according to the actual needs of employees. Moreover, the leadership should periodically evaluate these programs and work to increase interest in developing capabilities, skills, and employee attitudes. These capabilities and skills do not become obsolete and improve the largest amount of employee performance.

The researcher suggests conducting more research and more specialized scientific studies in this field to create a scientific and practical base in this relatively modern branch of knowledge. The employees should be trained to keep pace with scientific progress in this field. The researcher suggests doing future research on the impact of strategic planning on the performance of employees but also recommends using other standards for planning and other measures of employees' performance to ascertain whether this significant effect in achieving the greatest amount of their performance varies according to the scale. The management should study the impact of motivation on the company's overall performance and the importance of studying the impact of motivation on the level of employee turnover and studying the role of moral motivation to achieve the highest performance levels. Finally, the researcher suggests conducting a study to evaluate strategic and motivational plans of the General Electricity Company.

Finally, it is important to mention that there is no work without some difficulties, as we have faced some obstacles and problems that have affected this study. Some of the most important of these difficulties is the situation in Libya, which

is facing a war, multiple conflicts, political turmoil, economic issues, and social problems. The administration is a bureaucracy that impedes the progress of scientific research, so, keeping this study in focus, the administration expressed reservations about authorizing and disclosing reports, records, and statistics. Some of the information we required for our study was confidential, so the administration showed a lack of cooperation.

In addition to distributional difficulties and retrieval of the questionnaire, many respondents showed a lack of a spirit of cooperation, which wasted time and created issues for the researcher.

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## LIST OF ATTACHMENTS

### Survey Questionnaire:

#### First: Personal Data

**Section One:** The following questions are concerned with the demographic characteristics of the employees of the State Electricity Company. Thus, answering these questions must be based on your actual experience and personal information. Please tick (✓) in front of only one answer for each of the following sentences to describe your personal information.

1. Gender.  
Male  Female
2. Specialization.  
Accounting  Administrative Sciences  Financial Sciences  Other.....  
Please mention
3. Qualification.  
Intermediate Diploma  Higher Diploma  Bachelor  Higher qualification
4. Years of work experience.  
Less than 5 years  From 5 – 10 years  From 10-15 years  More than 15 years .

#### Second: Study Factors

**Section Two:** Consists of three main factors.

First factor: The independent variable (the strategic planning), consists of five main dimensions to measure:

- The first dimension: Discusses the strategic option and consists of 7 items.
- Second dimension: Discusses strategic analysis and consists of 7 items.
- Third Dimension: Discusses strategic objectives and consists of 7 items.
- Fourth Dimension: Discusses the strategic message and consists of 7 items.
- Fifth Dimension: Discusses strategic vision and consists of 7 items.

The independent variable: Strategic Planning						
First dimension: The strategic choice						
Serial No.	The Sentence	1	2	3	4	5
1	The Organization develops appropriate strategic alternatives.					
2	The management of the organization is committed to the programs and timetables that it sets to achieve its objectives					
3	The organization's management implements clear criteria and performance indicators for judging the organizational plan.					
4	The organization engages all employees in preparing the operational plan.					
5	We make strategic decisions that are consistent with the scheduled plans.					

6	We have standards for measuring performance for each component of the strategic plan.					
7	Management focuses on the suitability of each strategic option with the variables of the external environment.					
<b>Second Dimension: The Strategic Analysis</b>						
1	The organization analyzes the external environment to identify different variables that can affect it in the future.					
2	The organizational management analyzes its internal environment to identify the sources of strength and weaknesses.					
3	The organization works with a clear vision to develop and invest in strengths and reduce vulnerabilities.					
4	We identify opportunities in the external environment to invest.					
5	We identify threats in the external environment to avoid or limit their effects.					
6	We study the environment and the change it contains and whether it is increasing or decreasing.					
7	We identify strengths to take advantage of that in improving the organizational conditions.					

<b>Third dimension: The Strategic objectives</b>						
Serial No.		1	2	3	4	5
1	We have long-term, realistic, and measurable objectives to achieve.					
2	Our goals stimulate the abilities and skills of employees to develop and improve their level of performance.					
3	The organizational objectives are derived from the main objectives of our organization.					
4	The organization achieves the objectives it has set for itself in the light of its available capabilities.					
5	The organizational objectives are characterized by flexibility and adaptability to unexpected variations.					
6	The organizational objectives are clear and understandable to all individuals.					
7	All parties responsible for achieving the organizational objectives participate in formulating objectives.					
<b>Fourth Dimension: The Strategic Message</b>						
1	Our mission is to prepare specialized outputs according to scientific criteria.					
2	Our mission is great in its scope, allowing the organization to invest in new opportunities to develop its performance.					
3	We prepare our mission in a balanced manner, according to the available resources and capabilities.					
4	We employ different sciences to prepare research studies and reports.					
5	We aspire to communicate the organization's mission to the employees to raise their efficiency.					
6	The organization's mission is its distinctive framework from the rest of the organizations.					
7	The organizational mission includes its values, beliefs, what it works for, and its most important characteristics.					

<b>Fifth Dimension: Strategic Vision</b>						
Serial No.		1	2	3	4	5
1	We have clear and specified strategic visions for the future.					
2	The organization provides a framework that serves the community on a scientific, civilizational, and humane basis.					
3	We declared our vision to both internal and external society.					
4	We seek to improve and strengthen our relationship with the external environment.					
5	We seek to consolidate knowledge and employ technology to achieve progress					
6	The vision of the organization is measurable by the extent of its progress.					
7	The organization's vision is set at a suitable deadline for achieving it.					

**Second factor:** The median variable (motivation) consists of three main dimensions:

- First dimension: Discusses the incentives system, which consists of 8 items.
- Second dimension: Discusses material incentives, which consist of 8 items.
- Third Dimension: Discusses moral incentives, which consist of 8 items.

<b>Intermediary factor: Motivation</b>						
<b>First Dimension: Incentives system</b>						
Serial No.	Sentences	1	2	3	4	5
1	I feel that justice prevails in the system of incentives and rewards of the government.					
2	Most of the incentives and rewards are given to those who show outstanding performance					
3	I think there is no mediation and favoritism in granting incentives and rewards.					
4	Mechanisms and methods of giving incentives and rewards often do not affect my job performance					
5	I think there's a negligible relative injustice in awarding incentives and promotions.					
6	Positions and promotions are often awarded to those who deserve them.					
7	I see that hierarchical order is appropriate in the Incentives and Promotions Act.					
8	I think most managers and officials have been promoted through fair and impartial mechanisms.					
<b>Second Dimension: Material Incentives</b>						
1	The salary is according to the nature of the work assigned to the employees.					
2	Salary meets the needs of employees.					
3	The foundation offers material rewards that motivate employees to perform efficiently.					
4	The foundation provides a system of periodic bonuses to ensure that the work is done well					
5	The foundation provides a system of exceptional bonuses					

6	The foundation offers fair promotions to employees according to a scientifically studied basis.					
7	The foundation provides a system of giving gifts to employees that encourage them to make greater efforts at work.					
8	The foundation offers bonuses for overtime, which motivates the employees to stay at work.					

<b>Third Dimension: Moral incentives</b>						
Serial No.		1	2	3	4	5
1	The foundation is interested in providing certificates of appreciation to good performers.					
2	The director is interested in giving the staff oral expressions of praise and thank you notes.					
3	The foundation is interested in establishing honoring ceremonies for distinguished and retired employees.					
4	The foundation cares about honorary promotions without increasing the salary.					
5	The organization offers privileges of employee transfer to a better job for improving performance.					
6	The foundation offers the benefits of participating in training courses to improve staff performance at work.					
7	The foundation chooses distinguished employees for postgraduate studies to develop their performance.					
8	The foundation engages staff in the decision-making process, contributing to greater satisfaction.					

Factor Three: The dependent variable (employee performance) consists of four main dimensions to measure:

- First dimension: Discusses the efficiency of implementing work and consists of 8 items.
- Second dimension: Discusses the planning and execution of the work and consists of 8 items.
- Third Dimension: Discusses creativity and innovation and consists of 8 items.
- Fourth Dimension: Discusses the effort and consists of 8 items.

<b>The dependent factor.</b>						
First Dimension: Implementation efficiency						
Serial No.	Sentence	1	2	3	4	5
1	Employees have the professional skills and technical knowledge required to carry out the work efficiently.					
2	Staff feels dedicated, serious, and able to take responsibility.					
3	Employees perform their work following specific policies and procedures.					
4	Employees have the skills and abilities to solve everyday business problems.					
5	The staff is motivated, able, and willing to carry out the business efficiently.					

6	Employees are satisfied with the work they do within the organization.					
7	Employees understand their roles accurately and clearly.					
8	Employees perform their assigned work according to the required quality standards.					
<b>Second Dimension: planning and implementation</b>						
1	Staff members have the ability to plan and complete their work according to the planned schedule					
2	Planning before doing business shortens the time for employees.					
3	Planning before starting a business gives employees a sense of comfort.					
4	Planning before starting a business contributes to determining goals to be achieved.					
5	Business pre-planning helps employees choose the right procedures to carry out their work.					
6	Business pre-planning increases the ability of staff to focus on the delivery of the work entrusted to them.					
7	Information systems help employees to plan well for the execution of their assigned work.					
8	My administration is working to provide all the information I need on time.					
<b>Third dimension: Creativity and innovation</b>						
1	Staff members carry out their work in a renewed manner.					
2	Employees stay away from repeating what others do to solve business problems.					
3	Employees do not feel bored with repeating business processes to perform their work.					
4	Employees have the ability to give ideas and quick solutions to business problems.					
5	Employees have the ability to provide more than one idea over a short time.					
6	The staff has the ability to express their thoughts fluently and freely.					
7	Employees are keen to make changes in working methods.					
8	Employees predict business problems before they happen.					
<b>Fourth dimension: Submitted effort</b>						
1	Staff members perform their jobs in accordance with the required quality standards.					
2	Staff members are willing and ready to work after the official working hours for fast delivery.					
3	The line manager appreciates the efforts made and the staff's perseverance at work.					
4	The foundation is keen to provide additional benefits to employees to motivate them to do more.					
5	Rewards and bonuses commensurate with the efforts made.					
6	The feeling of pride and honor in work motivates me to exert more effort.					
7	The administration gives wage increases to workers who perform their tasks well.					
8	The foundation provides additional moral reinforcement to employees to motivate them to work.					

## Suggestions

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No	Name	Employer
1	DR.MOHMMAD MAAW.K.MOHAMED	electricity company of libya
2	DR.NASER RMDAN ALĪ	university of tripoli
3	DR.ALBHLOL MOHAMED ALFKY	libyan academy
4	DR.KĪDAGA MOHAMED AMHMĪD	university of tripoli
5	DR. ADĪL ABOALHA ARERA	libyan academy
6	DR.KĪER AHMAD MAHMUD	university of benghazi
7	DR.GMAĪ ABODSLAM AETĪB	university of zawia
8	MOHAMED SALM ALCHREĪF	electricity company of libya
9	KALD SLUĪMN ALFTURĪE	electricity company of libya
10	NORYĪ RMDAN ALMGRRY	electricity company of libya

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Thank You Very Much for Your Participation

The Researcher

A LIST OF THE EXPERTS AND ARBITRATORS FOR THE STUDY TOOL (THE QUESTIONNAIRE):

## **CURRICULUM VITAE**