The Roles of Strategic Planning in Organizational Crisis Management: The Case of Jordanian Banking Sector

Hasan Yousef Aljuhmani1*, Okechukwu Lawrence Emeagwali2

1Faculty of Business and Economics, Girne American University, Republic of North Cyprus, 2Faculty of Business and Economics, Girne American University, Republic of North Cyprus. *Email: jahmani_hassan@yahoo.com

ABSTRACT

This study aimed to identify the roles of strategic planning in organizational crisis management on Jordanian banks in Ramtha. The main goal of conducting this study is to measure the external and internal orientation in strategic planning and the crisis management from four different perspectives: Signal detection, preparation and prevention, crisis recovery and learning on Jordanian banks in Ramtha. The research provides a substantial and original contribution to the fact that it deals with economic sector, the banking sector, which is one of the most vulnerable sectors of the crises, especially in the light of the political conditions, economic instability and the Arab Spring, which is pushing the researcher to know how to take benefit of the features provided by strategic planning and its role in crisis management. This study also showed that employees were either ignorant about crisis management stages or there was a clear disregard for crisis management stages at Jordanian banks in Ramtha.

Keywords: Strategic Planning, Crisis Management, Jordanian Banks, Performance

JEL Classifications: M00, M1, M19

1. INTRODUCTION

Organizations are facing exciting and dynamic challenges in the 21st century, as the world has become a smaller geographic size because of the information; Communication; Technological development; and cognitive revolution, which could lead to crises consecutive face by these organizations and threaten the sustainability and the survival of organizations today can take a variety of forms, ranging from financial scandals; failures; epidemics and natural disasters; violent deadly attacks on/or between employees and now even the terrorist attacks. The banking sector faces various types of changes as if other organizations have seen changes due to intense competition and technological development and changes in the economic environment and politics. The companies cannot control these aspects but can respond to change if necessary, which to develop strategic plans. It became necessary to the perception of future conditions, plans, and the preparation of the necessary actions to address them.

Strategic planning is the key to ensuring that our organization is ready to meet the challenges of tomorrow. Strategic planning today includes more than building up a long-term plan for realizing a vision or dealing with future environmental conditions. It is neither exclusively prescriptive nor exclusively clear (Mintzberg and Waters, 1985). On this premise, we characterize strategic planning processes as organizational activities that systematically discuss mission and goals, explore the competitive environment, analyze strategic alternatives, and coordinate actions of implementation across the entire organization (Andersen, 2004). The goal of the strategic planning process is to design competitive strategies that enable the firms to discover a position in the business environment confronted by the organization (Proter, 1979).

Crisis management has become consequential for organizations operating today (King, 2002). The management of crisis is to strengthen the capacity of an organization to react flexibly and quickly to the various forms of crisis. The purpose of organizational crisis management is to make timely decisions based on best facts
and clear thinking when operating under extraordinary conditions (Pearson, 2002). Organizational crises are infrequent events that can threaten viability of organizations but additionally provide opportunities for learning.

More and more companies seeing the need to develop plans for the crisis management. Crisis can strike in any organization. It is important to have a detailed plan of action for variants of crisis that may occur. This plan can make or break the organization in times of a crisis (Pheng et al., 1997). The aim of crisis management is identifying the crisis, planning a response to the crisis, confronting the crisis, and resolving the crisis (Öcal et al., 2006). And to plan and provide for possible crisis events which may occur the pre-crisis stage, to decrease or mitigate the impacts of a crisis by improving the response management the crisis, to swiftly and effectively define the damage caused by the crisis the post crisis stage (Evans and Elphick, 2005).

Hence, the importance of this research is to identify the role of strategic planning in crisis management in Jordanian banking sector. The main goal of conducting this study is to measure the external and internal orientation in strategic planning and the crisis management from four different perspectives: Signal detection, preparation and prevention, crisis recovery and learning on Jordanian banks in Ramtha because of its impact on the level of effectiveness in achieving the goals that have aspirations of this sector.

2. THEORETICAL FRAMEWORK

2.1. Strategic Planning

Strategic planning is a disciplined and creative process to map how an organization can use its resources to achieve the desired results usually within 3-5 years (Akdeniz, 2015). The history of strategic planning dates back to ancient Greece. The term “strategy” is derived from the Greek word “Strategos,” which means “general” or military leader (Mintzberg, 1994; Powell, 1992). Strategic planning is a process in which the organization is turning to the future recognizes the vision, mission creates and develops the values and guiding principles (Gilley and Gilley, 1998). The strategy can be seen as a long-term orientation that the organization should strive, to achieve their goals (Johnson et al., 2008). Strategic planning is a systematic, methodical and complementary process of cooperation, which takes into account strategic thinking of organization’s members (Freire, 2008). Organizational planning should be guided by a structured orientation, focusing on long-term goals in order to achieve a sustained impact (Renz, 2001).

2.1.1. The importance of strategic planning

Strategic planning is presently observed as a continuous dynamic process that redefines an organization as its resources and center abilities change (Prahalad and Hamel, 1990; Torraco and Swanson, 1995). It includes a procedure of openness, for building heading around inside conditions, aggregate skills (Mirebile, 1996) and the community qualities that connection an organization to the interests it serves (Mintzberg and Lampel, 1999). The planning perspective is established in the convention of objectivity. Strategic planning constitutes an orderly way to deal with a management where strategy is defined the basis of comprehensive analyses of the organization’s competitive environment (Anthony, 1965; Hofer and Schendel, 1978; Proter, 1980). Strategic planning processes incorporate general mission, goals, policies, and action plans across all levels of the organization from enterprise and business levels to different functional units (Andrews, 1980; Ansoff, 1965; 1988; Hofer and Schendel, 1978).

2.1.2. The benefits of strategic planning

Numerous defenders of strategic planning point to the benefits for organizations. Advocates guarantee that strategic planning can possibly enhance management, decision-making, stakeholder involvement in public organizations, and performance. As far as helping improve internal management, strategic planning can help unify various parts of an organization through better communication (Denhardt, 1985; Pindur, 1992; Berry and Wechsler, 1995; Boyne, 2001) and an upgraded capacity to react to the organization’s environment, as far as reacting to crisis or to exploit new opportunities (Bryson, 1981; Denhardt, 1985; Bryson and Einsweiler, 1987; Pindur, 1992; Boyne, 2001; Bryson, 2004). Finally, strategic planning can prompt to the achievement of expressed goals (Pindur, 1992) and improved performance and efficiency (Pindur, 1992; Bryson, 2004).

2.2. Crisis Management

Crisis management is predicated on the measurement and evaluation of threats, and then the development of strategies to management. In general, the strategies used include transferring threats somewhere else, evade the threats, or alleviate their negative impact (Al Hanafi, 2007). The word “crisis” originates from the Greek word “Krisis” - translated into English it would be similar to “decision” or “choice” (Paraskevas, 2006). Fink (2002) visually perceives the crisis as an anomalous situation, or even perception, which is beyond the scope of everyday business and which threatens the operation, safety, and reputation of an organization. The crisis is additionally conceptualized as an unstable time or state of affairs in which a decisive change is impending (Seeger and Ulmer, 2003).

Organizational crises are extraordinarily arduous, as is offering leaders the first-hand, experiential training indispensable to manage the unexpected efficacious. Instead, preparing aptitude to lead during crises requires systematic, non-experiential leadership-development efforts. Organizational crises are low-probability, high-impact situations that threaten both critical stakeholders and the organization’s viability (Pearson and Clair, 1998). They unexpected; Even unthinkable, events that most organizations expressly endeavor to eschew. Consequently, efficacious crisis replication is a non-event (Reason, 1997), and developing crisis-leadership capabilities through direct experience is fictitious if not infeasible. Developing bellwethers who can manage crises mandates fixate on training and proxies for an experience (Baran and Adelman, 2010).

Crisis Management is the culling of an organized process, is plausibly cost efficacious, order to abate certain threats facing the organization or company. It is a process coupled with the principle of sustainability. It is a quantifying process, and one
used to evaluate threats and develop a strategy to manage it. These strategies include moving the threats elsewhere, evading them and decreasing their negative impact, and accepting some or all of its effects. It betokens two options one which can occur. Indubitably the cases whereby there is only one chance are the cases where there are no threats (Al-Abbadi, 2015). Crisis management is withal the art of making decisions to head off or mitigate the effects of such an event, they are occurrences and events threaten the entelechy of goals, and could have a negative impact on continuation of the work, thus making the crisis management an authentic art undertaken with competence, professionalism, and experience (Walbbeh, 2008).

2.2.1. The importance of crisis management

Crisis can strike in any organization. It is important to have a detailed plan of action for variants of crisis that may occur. This plan can make or break the organization in times of a crisis (Pheng et al., 1997). It is not question of “if” an organization will face a crisis, it is question “where” and “when” the crisis will occur. Despite if it is an earthquake, a disaster or a strike, the crisis will hit organization with full force. All that matters for the organization is how well prepared they are to handle it (Kash and Darling, 1998). A crisis is a high consequence, low probability action that strikes an organization, and has the potential power to threaten the entire business. A crisis imperils the public sense of values, safety, and correctness (Alas et al., 2010; Hale, 1997; Pearson and Clair, 1998; Larsson and Rudwall, 2010). Coombs (1999) text also reinforces significance of crisis planning by focusing on important issues, such as detection, prevention, preparation, recognition, containment, and recovery. Finally, Barton (2001) suggests today’s organizational leaders must be able to recognize, anticipate, manage, and formally prepare for a crisis.

2.2.2. Crisis management objectives

The goal of crisis management is to help organizations avert crises or more effectively manage those that do occur. To achieve this goal, the organization’s senior executives must actively endorse and participate in crisis management efforts even before signals of an impending crisis. Development of the company’s wide vigilance is measure (Mitroff et al., 1997). Moreover, stopping adverse trends and handling the crisis situation, reaching a turning point and ensuring the foundations for new development is one of the crisis management objectives (Dubrovski, 2004).

2.3. Development of Hypotheses

2.3.1. The relationship between strategic planning and crisis management

According to Somers (2009) the fact that the strategic planning success in the crisis management is not only inseparable but interrelated proximately, there is a desideratum to take into account certain elements of the orchestrating activities to perform efficacious replication through the building of flexibility and legerity enabling strategy to adaptive deportment and capitalizing on improvisation and innovation. The crux of the strategic planning process lies in extent prognostication of potential crises, the posture of the parties and the direct and indirect and circumstances circumventing the crisis and its effects on the caliber of prosperity in its administration. Through the strategic orchestrating of the organization seeks to achieve more efficiency. The abstraction element of surprise and uncertainty (Thompson and Louie, 2006). To respond to rapidly take decisions more efficacious (Coombs, 2007). Dynamic assessment of cognate issues (Valackiene and Virbickaitė, 2011). Sanctioning the organization take more preponderant control over the crisis.

For any organization to face the crisis and to be able to anticipate and prepare for the next challenges, managers of the business must be able to anticipate, recognize and respond to changes in the external and internal environment. The change is a certainty, and for this reason, the managers must be actively engaged in a process that allows them to change and modify the activity to take the best advantage of the change. This is called strategic planning process.

H₁: There is a significant relationship between the role of strategic planning in the stages of crisis management in the Jordanian banking sector.

2.3.2. External and internal orientation in planning and crisis management

The process of crisis management to surmise the management of the organization and management of the crisis to carry out several bases of crisis management commensurate with each of the nature of each of its stages.

According to Pearson and Mitroff (1993) the crisis management consist of five main stages is signal detection, preparation and prevention, containment/damage limitation, crisis recovery and learning. Signal detection and preparation/prevention constitute proactive types of crisis management. If done properly and if successful, these activities can prevent many crises from occurring in the first place. Containment/damage constraint and recuperation are reactive activities carried out after a crisis has transpired and together they called “Crash Management.” The cognition phase points to the interactive aspect of crisis management. It can arise either as component of a crisis management plan absence of crisis or as a result of experience of the crisis (Elsubbaugh et al., 2004). Learning from organizational crisis involves understanding the causes of the crises as well as identifying ways of averting homogeneous infrequent events from recurring (Rerup, 2009). Learning refers to actions and reforms that result from analysis and learning from the crisis to invigorate organizations and systems (Figure 1) (Nyenswah et al., 2016).

Figure 1: Overview of crisis management stages
2.3.2.1. Signal detection phase
In today’s world, the company ability to adopt the changes will determine its success and sustainability or even survival. As today the worldwide environment has been changing significantly and the firms confront numerous new difficulty’s day by day. There are lots of competitive pressures and risks which prevent the businesses from achieving their goals (Akdogan and Cingoz, 2012). Environmental scanning as one of the imperative parts of the strategic planning process has gotten significance to investigate new open doors and to distinguish dangers for settling on an important strategic decision. Authors in the range of enterprise and private companies have perceived the requirement for persistent and cognizant investigation of the environment and integrate the environmental information into their strategic planning (Balasundaram, 2008).

Most crises have early signals that denote potential quandaries; sensing potential quandaries is the first step toward evading or resolving them or minimizing their impact (Herrero and Pratt, 1996). Early warning signs can originate from a variety of sources. Some might emerge from technical data, research, or, feedback loops innate in operating systems. Other warning signs could emanate from individual stakeholders, who exhibit indications of growing concern or distress with organizational processes, policies, or decisions (Simola, 2005). Signal detection will only be efficacious to the extent to which information is given uptake by someone empowered to take action (Mitroff, 2000).

During signal detection, the job for strategic planning is to be a strategic positioner who identifies internal and external hazards that may threaten an organization’s sustainability. After identifying all risk factors, strategic planning can then conduct a risk assessment and help senior leaders ask: How realistic is the potential crisis?; What is the impact of the crisis on business and employees?; Can any action stop or reduce it?; What resources are available in the bank?; Is the will to act present?; What would be the impact if no action was taken to avoid the crisis? Information assembled during this phase guides the next planning phase.

H_{1a}: There is a significant relationship between the attention to internal and external facets and the signal detection phase in Jordanian banking sector.

2.3.2.2. Preparation and prevention phase
A key issue strategists ought to give careful consideration to is that of enough equilibrating the internal and external analysis effort (Ghezzi, 2010). A very much grounded writing suggests that a good strategic planning process driving above-average performance is the result of correct interaction and fit of business management with internal and external environment (Ansoff, 1985; Andrews, 1987; Porter, 1991; Houben et al., 1999). Given the heightening of corporate ecological multifaceted nature and the expanding event of radical changes, more noteworthy consideration might be committed to creating and refining the natural examining component of the planning system (Ansoff, 1980; Thomas, 1980; Veliyath, 1992; Lozada and Calantone, 1996). Among the highest ranked set of planning support tools and techniques employed by firms, we find the strengths, weaknesses, opportunities, and threats analysis and the critical success factors identification (Clark, 1997; Glaister and Falshaw, 1999).

The following stage, preparation/prevention, organizations that get ready for emergencies deliberately and ceaselessly scan for potential breaks before they are too enormous to fix (Pearson and Mitroff, 1993). The option is more uncommon; endeavors can attempted to moderate the impacts of emergencies, through securing resources, moving to more secure areas, and undertaking defensive measures. The likelihood that signs aren’t identified (or they recognized but rather the emergency is not preventable) mirrors a shortcoming in the emergency alternate course of action, which strengthens activities toward control (Hensgen et al., 2003). Readiness and counteractive action, then again, is a phase that emergency handlers start get ready for or turning away the emergency that foreshadowed in the flag location arrange (Pillai et al., 2015).

During the preparation and prevention phase, the job for strategic planning, as a strategic positioner, needs to align crisis management plans with business goals through comprehensive knowledge of all aspects of the business and collaborate across organizational functions. The more a crisis leader understands all aspects of business and is able to span organizational boundaries, the more comprehensive a crisis plan is likely to be. It is important to consider external environments such as economic conditions, legislation, social responsibilities and geographical locations. Plan builders need to think creatively and plan all possible actions for each identified the risk factor. If an organization prepares for the “worst-case scenario,” such as a total inability to use the organization’s resources and infrastructure for an extended period of time, it can handle other situations as well.

Finally, the strategic positioner must be sensitive to changes in the internal and external environments and to evaluate how the changes affect the plans. The crisis management plans should be regularly reviewed and kept up to date.

H_{1b}: There is a significant relationship between the attention to internal and external facets and the preparation and prevention phase in Jordanian banking sector.

2.3.2.3. Crisis recovery phase
A formal way to deal with planning usually begins with the evaluation of the organization’s late history and current situation. This step or stage in planning is variously referred to “situation audit,” “appraisal,” etc. In this assessment, the organization’s internal capability’s receives close study to identify its strengths and weaknesses. Often plans fail because of an inadequate or incorrect assessment of the organization’s internal aspects. The degree of attention to internal aspects such as past performance, current strengths and weaknesses, and diagnostic assessment of recent failures or performance shortfalls treated in this study as a distinct and important influence on the effectiveness of an organization’s planning (Ramanujam et al., 1986).

Recovery is the next phase which designates that the best-prepared organizations have programs of short-term and long-term business
recuperation (Pearson and Mitroff, 1993). Management of crises and disasters is vital to reduce the impacts and amend recuperation time both at an organizational and destination level. Recovery defined as the development and implementation of strategies and actions to bring the destination back to a mundane (pre-event) condition or an ameliorated state. Recovery may commence in the immediate aftermath of a crisis or disaster, or delayed until such time as a destination is able to undertake instauration efforts. (Mair et al., 2016). Business recuperation additionally entails establishing alternative sites such as those needed for computer operations and data back-up (Pearson and Mitroff, 1993).

During crisis recovery, it is important to be aware that the impact of a crisis continues long after it has ended for employees, organizations, and communities. The strategic planning can; execute the talent and succession plans and move the workforce to another temporary location if necessary so that the bank can resume. It is also time for strategic planning to translate the plan into actions and deliverables, which means aligning strategic planning programs with the overall organizational crisis management effort and develop the organizational capacity to recover from any crisis.

H$_{13}$: There is a significant relationship between the attention to internal and external facets and the crisis recovery phase in Jordanian banking sector.

2.3.2.4. Learning phase
According to Mitroff (1994) and Coombs (2007), the pre-crisis stage offers organizations the first opportunity to eschew crisis by learning from warning signals. These warning signals may emanate from inside the organization, or outside. By scanning the environment (Coombs, 2007). Organizations can apperceive failures and crises of other organizations as warning signals to the potential for a homogeneous crisis experience. Organizations can learn vicariously from the failures and crises of other organizations and enact vicissitudes in the pre-crisis stage (Ulmer et al., 2007). However, if the rhetorical barriers obviate apperception of warning signals, organizations can still learn if a failure occurs, stimulating adaptation afore a full-blown crisis. If the failure rationalized or prosperity solidifies the reliance on prosperity, learning will only take place following the recalcitrance of a crisis. Simply verbally expressed, organizational learning is a process of detecting and rectifying the error (Argyris, 1982). Learning occurs when errors shared and analyzed and the experience distributed as edification learned by the organization to enact transmutations in the routine process (Popper and Lipshitz, 2000). Senge (1990) posits that learning organizations should develop by utilizing feedback to “change the thinking that engendered the quandary in the first place.” The critical element is in redressing the right quandary.

Learning refers to actions and reforms that result from analysis and learning from the crisis to invigorate organizations and systems (Nyenswah et al., 2016). According to Priporas and Poimenidis (2008), accentuate the consequentiality of learning from failures and the implicative insinuations for organizational learning. A review examination and analysis of past crises and the edifications learned are vital in considering how to take efficacious steps to avail avert their occurrence in the first place. Activities after the crisis should commence with the analysis of the current position of the company. Incipient directions of the organization should decide by analyzing the effects of the crisis on the organization. Feedback on managerial, financial and organizational performance acclimated to engender incipient mission and policies of the organization. Thus, strategic repositioning in the product/market position coalesced with a series of holistic vicissitudes in the structure, systems, processes needs to undertaken in order to prosperous especially, in the case of cumulative crises (Öcal et al., 2006).

During learning, strategic planning works as a capability builder to promote learning from the crisis experience. The objective is to create an organization’s crisis knowledge base and develop critical thinking and reflection skills. Employees also to compare and share their experiences of the crisis and reflect on what has been done well and what would be done differently; during this time, strategic planning documents the lessons learned and any other comments or feedback.

H$_{24}$: There is a significant relationship between the attention to internal and external facets and the learning phase in Jordanian banking sector.

2.4. Jordanian Banking Sector
The banking sector in Jordan considered one of the main pillars of the Jordanian financial system. In spite of the tragedy of events that have been taking place since the beginning of the year 2011 following the Arab Uprising (Arab Spring), organized and highly regulated banking sector proved steadiness, maintaining its presence and magnification during the past 3 years (2013-2015) (Orabi et al., 2016). The sector currently consists of 25 banks, 15 of which listed on the Amman stock exchange (Jordan Banking Sector Brief, 2015). 13 of which are commercial with 521 branches and 52 representative offices, three Islamic banks with 94 branches and 12 representative offices, and nine peregrine banks with 48 branches and 7 representative offices (Zeitun and Benjelloun, 2013). In general, the banking sector in Jordan can characterized as being well-established and has access to advanced IT systems and qualified human resources. The sector is exhibiting designations of positive magnification in a market of auspicious demographics (The Banking and Indemnification Sector in Jordan, 2014).

2.4.1. The risks in Jordanian banking sector
The banking sector worldwide faces sundry types of external and domestic risks which threaten the prosperity and long-term survival of many banks (Sawalha et al., 2011). The extreme turbulence of financial markets since September 2008, eradication of the World Trade Centre in 2001, cyberspace attacks and ecumenical terrorism have convinced many banks of the desideratum to certain business continuity following unexpected incidents, and to realize monetary stability (Al-Tamimi and Al-Mazrooei, 2007; Swartz et al., 2003). Jordanian banks withal face many domestic threats, such as elevating inflation, exchange rate deterioration, changes of lending and borrowing rates in the light of developments in international markets, the consequences of Gulf War I and II, and a regime budget deficit (Miani and Daradkah, 2008; Abumustafa, 2006).
Furthermore, The Arab Spring and political tensions in the region are impacting the economy and external financial performance of Jordan (Jordanian Banking Sector, 2016).

Technology and non-technology disasters, including man-made and natural disasters, terrorist attacks, and pandemics have highlighted the significance of strategic management (long-term orchestrating) in ascertaining perpetual business operations (Wang, 2009). The main purport of banks is to maximize revenue and to engender value for shareholders and customers by providing a wide range of banking accommodations and secure platforms for these accommodations through the efficacious management of jeopardy (Al-Tamimi and Al-Mazrooei, 2007). Ergo, a lack of sound strategic management (continuity orchestrating) procedures will result in discontinuity business operations and critical functions during unexpected incidents, and subsequently, loss of revenue and value (Gibb and Buchanan, 2006; Tilley, 1995).

2.5. Conceptual Framework
Based on the literature above, various dimensions could influence the strategic planning and crisis management. This research paper is distinct from previous literature because it incorporates the most important selection motives and analyzes the key determinants contributing to measuring the external and internal orientation of the strategic planning and the crisis management from four different perspectives: Signal detection, preparation and prevention, crisis recovery and learning (Figure 2).

![Figure 2: Research hypothetical framework](image)

The study scheme represents a group logical relationships between the strategic planning which are independent variable represented in dimension (attention to internal and external facets) have been defined based on the intellectual framework for the study (Ramanujam and Venkatraman, 1987), and crisis management which is dependent variable represented in dimensions (detection, preparation and prevention, crisis recovery and learning) have been identified based on the intellectual framework for the study (Pearson and Mittroff, 1993).

3. METHODOLOGY

3.1. Data Collection and Sample
This study is primarily a descriptive analytical research that uses questionnaire survey design to gather and analyze a variegated array of information on Jordanian banks in Ramtha and identify the level of the strategic planning exercise in crisis management. We analyzed our hypothesis using data via questionnaire survey from Jordanian banks in Ramtha. All employees of banks currently operating the Ramtha/Jordan territories constitute the population of this study. A sample of 75 respondents has been selected for this research using non-probability purposive sampling technique. A sum of 75 questionnaires was distributed among employees of Jordanian banks in Ramtha. There are currently seven banks operating in Ramtha/Jordan, Jordan Islamic Bank, Bank of Jordan, Cairo Amman Bank, Jordan Commercial Bank, Jordan Ahli Bank, The Housing Bank for Trade and Finance and Bank al Etihad. The selected banks almost have an equal weight of invested capital and number of branches.

3.2. Items Measurement
The questionnaire makes the purpose of this research that has been designed based on the literature related to strategic planning and crisis management and the factors that effect on them. Based on the literature of Awamleh and Shorouk (2009) and Khcala and Al-Kutub (2007) have been used to test the crisis management and the factors that effect on them. Based on the literature of Ramanujam and Venkatraman (1987) and Galbreath (2010) have been used for the purpose of the present research to test the attention to internal and external facets of strategic planning. And based on the literature of Awamleh and Shorouk (2009) and Khcala and Al-Kutub (2007) have been used to test the crisis management from four different perspectives: Signal detection, preparation and prevention, crisis recovery and learning. In order to achieve the tool reliability and validity response from the questionnaire the reliability of the questions asked and the correctness of the recording of this information can be the measurement of accuracy. As a reliability analysis, Cronbach’s Alpha is used to represent the accuracy of this research is presented in Table 1.

![Table 1: Reliability statistics](image)

Whilst a reliability coefficient of 0.70 or higher is consider acceptable in most social science research situation, the alpha coefficient for 21 items in this research is 0.7645 (Table 1). Therefore, suggesting that the items have reliability high internal consistency.

4. DATA ANALYSIS
We tested our hypotheses using a multiple linear regression analysis. This first allowed us to test the stages of crisis management effects on the four dependent variables (signal detection, preparation and prevention, crisis recovery and learning). It also enabled us to account for the interrelationship among the one independent variable (attention to internal and external environments) to test the role of strategic planning in crisis management covered by our study.

According to Table 2, the main effect of the variables on one another. Testing the attention to internal and external facets has a significant effect on the dependent variables.

![Table 2: Hypothesis testing](image)
Table 2: Multiple linear regression analysis

<table>
<thead>
<tr>
<th>Items</th>
<th>β</th>
<th>T</th>
<th>Significant</th>
<th>R</th>
<th>R²</th>
<th>F</th>
<th>Significant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Signal detection phase</td>
<td>0.57</td>
<td>3.60</td>
<td>0.01</td>
<td>0.53</td>
<td>0.28</td>
<td>3.86</td>
<td>0.01</td>
</tr>
<tr>
<td>Preparation and prevention phase</td>
<td>−0.37</td>
<td>−1.91</td>
<td>0.06</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Crisis recovery phase</td>
<td>0.25</td>
<td>1.63</td>
<td>0.11</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Learning phase</td>
<td>−0.11</td>
<td>−0.71</td>
<td>0.48</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

detection phase. It is clear from Table 2 that were (β, T) 0.57 and 3.60 respectively. Which states that strategic planning (attention to internal and external facets) has a positive impact on Jordanian Banks in Ramtha, signal detection phase at the level of α ≤ 0.05. Therefore it can be concluded that H₁₁ is accepted.

H₁₂: There is no significant relationship at the level of (α ≤ 0.05) between the attention to internal and external facets and the preparation and prevention phase. It is clear from Table 2 that, were (β, T) −0.37 and −1.91 respectively. Which states that strategic planning (attention to internal and external facets) has a negative impact on Jordanian Banks in Ramtha, preparation and prevention phase at the level of α ≤ 0.05. Therefore it can be concluded that H₁₂ is rejected.

H₁₃: There is no significant relationship at the level of (α ≤ 0.05) between the attention to internal and external facets and the crisis recovery phase. It is clear from Table 2 that, were (β, T) 0.25 and 1.63 respectively. Which states that strategic planning (attention to internal and external facets) has a negative impact on Jordanian Banks in Ramtha, crisis recovery phase at the level of α ≤ 0.05. Therefore it can be concluded that H₁₃ is also rejected.

H₁₄: There is no significant relationship at the level of (α ≤ 0.05) between the attention to internal and external facets and the learning phase. It is clear from Table 2 that, were (β, T) −0.11 and −0.71 respectively. Which states that strategic planning (attention to internal and external facets) has a negative impact on Jordanian Banks in Ramtha, learning phase at the level of α ≤ 0.05. Therefore it can be concluded that H₁₄ is also rejected.

H₁: There is a significant relationship at the level of (α ≤ 0.05) between the role of strategic planning in the stages of crisis management in the Jordanian banking sector. It is clear from Table 2 that, where (R = 0.53), it means that, the role of strategic planning measurement is positively correlated with the stages of crisis management on Jordanian Banks in Ramtha, (R² = 0.28), it means that, the role of strategic planning has a positive impact in the stages of crisis management on Jordanian Banks in Ramtha, and (F = 3.86), it is a statistically significant (Sig = 0.01) at the level of (α ≤ 0.05), it means that, there is a significant relationship between the role of strategic planning (attention to internal and external facets) in the stages of crisis management on Jordanian Banks in Ramtha. Furthermore it can be concluded that H₁ is accepted.

**5. FINDINGS AND DISCUSSION**

The findings in this study reveal that the Jordanian banks in Ramtha pay particular attention to the issues associated with the external and internal environment. Senior management support and promote the efforts of the department of the crisis management through scanning the internal and external environment of the bank is done comprehensively and systematically in order to collect and detect signals of malfunction that may indicate a new crisis.

This study also showed that employees were either ignorant about crisis management stages or there was a clear disregard for crisis management stages at Jordanian banks in Ramtha.

The first main hypothesis demonstrate that the strategic planning (attention to internal and external facets) will positively influence the stages of crisis management on Jordanian Banks in Ramtha. The results of hypothesis agreed with previous studies which agree that the strategic planning has a positive impact on the stages of crisis management Al-Qubaïs and Hussein (2013). Environmental scanning as one of the imperative parts of the strategic planning process has gotten significance to investigate new open doors and to distinguish dangers for settling on an important strategic decision. Authors in the range of enterprise and private companies have perceived the requirement for persistent and cognizant investigation of the environment and integrate the environmental information into their strategic planning (Balasundaram, 2008). The degree of attention to internal aspects such as past performance, current strengths and weaknesses, and diagnostic assessment of recent failures or performance shortfalls treated in this study as a distinct and important influence on the effectiveness of an organization’s planning (Ramanujam et al., 1986). Our finding, however, offer a different perspective that it is the first time that link between strategic planning and crisis management have been conducted in Jordanian banking sector.

The first sub-hypothesis demonstrate that the strategic planning (attention to internal and external facets) will positively influence the signal detection phase on Jordanian Banks in Ramtha. Earlier research has shown that, the environmental scanning plays a significant role in scanning for signals (Paraskevas and Altiniy, 2013). Furthermore, the internal and external environmental scanning has a significant impact in detect warning signals early (Elsubbaugh et al., 2004). According to the Rousaki and Alcott (2006) that the strategic planning of the crisis could expand the possibilities of readiness through the exercise of reflection, allocation of resources and access to information and experience acquired in dealing with this situation. Ergo, it is more than the degree of readiness of organization of the crises. In addition to detect signals early warnings and crisis (Parakevas, 2006). Provision of better replication (Shekar 2009). Through identification of time and effort and precautions material and human resources at the same time maintaining economic dealing with the crisis obviation activities of indiscriminate and compulsory (Al-Hamadani, 2010). The focus on the main problem and to contribute to provision of
the necessary time to identify the dimensions of the crisis and the search for the tools and skills help in reducing the mitigation (Rahima, 2008). Our finding, however, is the first to contribute to the early detection of weaknesses and the factors affecting the performance of banks in Jordan, and stand on its causes and to try to avoid and face the crisis through preparedness and prevention before they occur, which supports the banking performance and to strengthen its capacity to manage crises and benefit from them in the future, which supports the stability and growth of these banks and avoid floundering and bankruptcy.

The second sub-hypothesis demonstrate that there is no significant relationship between the attention to internal and external facets and the preparation and prevention phase. From the test conducted in this study reveals that the second sub-hypothesis is rejected. This hypothesis was not strongly supported by the findings of the study. The results obtained from this study revealed inconsistent with previous study. According to Al-Qubaisi and Hussein (2013) states that there is a higher degree of attention to internal and external facets and the preparation and prevention phase in crisis management. Furthermore, the second crucial crisis preparation and prevention activity is to combine strategic planning with crisis management (Perrow, 1984; Fink, 1986; Pearson et al., 1997). When signs distinguished and grasped the association must start to get ready for an emergency. Such planning is in one of two modes. On the chance that signs identified sufficiently early and suitable assets conveyed to hold up under emergencies can kept away from (Perrow, 1984). Our finding, however, showed that employees were either ignorant about preparation and prevention phase or there was a clear disregard for preparation and prevention phase at Jordanian banks in Ramtha.

The third sub-hypothesis demonstrate that there is no significant relationship between the attention to internal and external facets and the crisis recovery phase. From the test conducted in this study reveals that the third sub-hypothesis is rejected. This hypothesis was not strongly supported by the findings of the study. The results obtained from this study revealed inconsistent with previous study. According to Stafford et al., (2002) states that the internal and external environmental scanning has a significant impact in crisis recovery. Furthermore, strategic planning is not in the normal operating framework of many businesses in crisis recovery (Mair et al., 2016). Activities after the crisis should commence with the analysis of the current position of the company. Incipient directions of the organization should decided by analyzing the effects of the crisis on the organization. Feedback on managerial, financial and organizational performance acclimated to engender incipient mission and policies of the organization. Thus, strategic repositioning in the product/market position coalesced with a series of holistic vicissitudes in the structure, systems, processes needs to undertaken in order to prosperous especially, in the case of cumulative crises (Ocal et al., 2006). Our finding, however, showed that employees were either ignorant about crisis recovery phase or there was a clear disregard for crisis recovery phase at Jordanian banks in Ramtha.

The final sub-hypothesis demonstrate that there is no significant relationship between the attention to internal and external facets and the learning phase. From the test conducted in this study reveals that the forth sub-hypothesis is rejected. This hypothesis was not strongly supported by the findings of the study. The results obtained from this study revealed inconsistent with previous study. According to Mitroff (1994) and Coombs (2007), the pre-crisis stage offers organizations the first opportunity to eschew crisis by learning from warning signals. These warning signals may emanate from inside the organization, or outside. By scanning the environment (Coombs, 2007). Learning occurs when errors shared and analyzed and the experience distributed as edification learned by the organization to enact mutations in the routine process (Popper and Lipshitz, 2000). Senge (1990) posits that learning organizations should develop by utilizing feedback to “change the cerebrating that engendered the quandary in the first place.” The critical element is in redressing the right quandary. Our finding, however, showed that employees were either ignorant about learning phase or there was a clear disregard for learning phase at Jordanian banks in Ramtha.

6. CONCLUSION

As it has been discussed in detail and well understood that in the world today, which is very challenging and uncertain and the practice of strategic planning is the most reliable and efficient way to compete with these difficulties for all types of businesses. This research study is mainly concerned with gathering and analyzing variegated array of information on Jordanian banks in Ramtha to identify the level of the strategic planning exercise in crisis management and determine the nature of the relationship between the strategic planning and crisis management. We discussed that strategic planning can contribute to the development of both operational capability and enhanced capacity to learn both during and after the crises. We encourage strategic planning specialists and those responsible for crisis management on Jordanian banks in Ramtha to become more cognizant of the role that strategic planning can play in the effective management of crises and crisis preparedness. Theories of crisis management should expand their current boundaries to incorporate the strategic planning contribution.

This study reveals that, Jordanian banks in Ramtha as a corporate body has a clear strategic plan to face and avoid the crisis when they occur, which is articulated to all of its employees at various levels and departments within the bank. It reveals that, the strong agreement of factors of various dimensions of strategic planning and crisis management indicate that, there is an existence of strategic planning exercise in crisis management and there is a strong relationship between strategic planning and crisis management on Jordanian banks in Ramtha adopted by employees of the bank and hence affects the banks performance positively.

REFERENCES

Aljuhmani and Emeagwali: The Roles of Strategic Planning in Organizational Crisis Management: The Case of Jordanian Banking Sector


Aljuhmani and Emeagwali: The Roles of Strategic Planning in Organizational Crisis Management: The Case of Jordanian Banking Sector


National Security Policy


