



Impact of strategic thinking in improving the administrative and financial operations in the tourism sector

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Abstract

Tourism in Iraq, and the religious tourism sector, in particular, has become dependent on the movement of its institutions and activities on securing professional cadres and specialized tourism expertise and rehabilitation to serve this vital and important sector, and the adoption of scientific programs and plans aimed at creating an advanced tourism industry. Security and stability are one of the most important requirements of tourist attractions and the prosperity of tourism. Hence, the search for strategic tools that can help the success of the administrative and financial operations of this vital sector. Therefore, this study aimed to identify the impact of strategic thinking on improving the administrative and financial operations of tourism organizations. This study was applied at Najaf International Airport, and a multiple strategic model is presented and tested. The most important results were that some elements of strategic thinking are of great importance in improving administrative and financial processes.

Keywords: System perspective, intent-focused, intelligent opportunism, thinking in time, hypothesis driven.

Introduction

Iraq has begun cashing in on its ruins and ancient, archaeological sites in tourism initiatives for many years. There are ten thousand sites scattered all around the trendy cities. There may be up to as many as two hundred million Shiites wanting to visit the Republic of Iraq on a trip to remember. In Addition to the holy cities of Najaf and urban centers, the country has various religious shrines (Husein, 2018). The Islamist Ali International Airport, presently underneath construction in Najaf, will offer a positive contribution to the growing numbers of tourists. So this fact shows us the importance of this sector, which needs arrange of strategic tools like strategic thinking. At present, strategic thinking is considered a fundamental issue for both public and private companies or organizations in developed or developing countries (Haycock, 2012). The international context, and above all the globalization process, requires organizations to be efficient and effective in the management of financial, human, natural, and technological resources, among others, in order to face the many challenge that the not only national market represents, but outside the borders of the countries of origin (Kalargiros & Manning, 2015).

Since strategic thinking is a useful tool that every manager or leader must cultivate, it is an invaluable investment, since it denotes the achievement of objectives and the solution of problems



within a context characterized by uncertainty in the economic, political, social and cultural where arenas in which organizations operate today (Sharifi, 2012).

This research aimed to address fundamental theoretical aspects in the field of strategic thinking and its contribution to operational and financial business development in the tourism sector. Tourism is one of the forex generating activities of the country that have had the biggest boom over the last few years.

The Ministry of Tourism has promoted various programs that include the review of the national tourist plan to detect populations that are characterized by infrastructure and differentiating attractions (Kana, 2011). Once these mostly religious sites get the tourist 'badge', local entrepreneurs face the problem of offering tourist services with minimum quality standards to access support for the improvement in management and infrastructure of their tourism businesses. Therefore, these companies need a tool to make a success of their work, and given that strategic thinking has proved to be a success generator in many aspects, it can be considered to be one of these tools. So, the main aims of this study was to identify the impact of strategic thinking to improve the performance of administrative and financial operations for tourism.

Literature Review

Strategy

Few words have had faster dissemination in the literature and business language than the term 'strategy' or its use to adjust terms such as direction, planning or organization (Freeman, 2010). This term, used at the beginning exclusively in the 'art of war', has progressively made its way in the field of business administration and organizations until becoming a whole line of thinking, a way of understanding the direction and a methodology of analysis and planning of actions to be developed (Garrido, 2003). Thus, the strategy is the 'art of war', especially the planning of the movements of troops and ships, etc., towards favorable positions; action plans or a policy to be followed in business, politics, etc. (Oxford Dictionary). The term strategy refers to the combination of means to achieve the objectives in the presence of uncertainty. The strategy adopted represents the best bet, but nothing guarantees its success. When there is full certainty about the effectiveness of the means to achieve the objectives, strategy is not required. The relationship between objectives and means becomes purely technical. The term strategy thus has different nuances, as expressed by Frances (2005).

Strategic Thinking

High-level thinking is not something scientists, innovators and scholars enjoy doing. The executive and the entire business community generally strive to increase mental functioning through brilliant thinking to enrich lives. Thinking brilliantly might take the four dimensions of brilliant thinking which include sequential processing, quantitative processing, spatial processing, and executive innovation, decisiveness (Kalargiros & Manning, 2015). Thinking brilliant individuals always remains flexible and see challenges from multiple perspectives which allows them to interrogate and test underlying formulations of challenges and to generate an array of possible practical solutions. By consequence, developing vision and cognitive thinking all lead to strategic thinking (Steptoe et al., 2011). For full adoption of any vision, strategic thinking ought to apply available literature and uphold practicability (Goldman et al., 2015). Strategic thinking is the period between creating a strategy and making a decision based on the strategy (Dionisio, 2017). Strategic thinking will eventually lead to the generation of a strategic plan. However, inasmuch as there is a lack of a proper internal formula for implementation, strategic thinking remains an



unnecessary evil (Sadeghifar et al, 2015). According to (Sharifi, 2012) strategic thinking includes five elements.

System perspective

Strategic thinkers have integrated mental models on how to create value from the first stage to the end in a coherent and sequential manner (Haycock, 2012). They consider multiple aspects and understand the relationship between the institutional, business, and functional levels of strategies to the external context, as well as the personal everyday choices they make.

Intent-focused

Strategic intent represents a state of focus that allows individuals to organize their energies and attentions within the organization, as well as the focus required to achieve the objectives, and for this to be commensurate with the required change (Rui & Yip, 2008), which is compatible with the desired objectives. Therefore, strategic thinking is primarily concerned with the ongoing motivations and restructuring intentions to (Sharifi, 2012).

Intelligent opportunism

Strategic thinking requires that intelligence be employed and exploited in a way that ensures healthy decisions are made in a timely manner to (Sharifi, 2012), and that intelligence is a key factor in the success of the plans being built. Therefore, there must be acceptable levels of intelligence within the organization (Haycock, 2012).

Thinking in time

Organizations rely on the strategy on a balanced factor between time on the one hand, and the desired future on the other to (Pagani, 2009), where the gap between reality and the future is identified, and this is through the process of linking the past, present and future, and this is where the strategic thinking 'thinks in time' (Haycock, 2012).

Hypothesis driven

Assumptions are identified in the final stages of strategic thinking, as this element reflects the practical way of thinking, and how to develop a systematic roadmap for the desired future (Lai, 2011). Strategic thinking avoids the analytical divide that characterizes long-term planning, which is characterized by much debate about the value of planning to any project or idea (Sharifi, 2012).

Administrative and Financial Operations

While performance management is widely used in the workplace, it can also be applied wherever people interact such as schools, churches, social gatherings, sports teams, healthcare communities, government agencies, social events and even political events - anywhere in the world people interact with their environments to achieve desired goals. Armstrong and Barron (2005) defined it as an "integrated strategic approach to increasing the effectiveness of companies by improving the performance of the people who work in them and developing the capabilities of teams and personnel". Managers typically use a performance management system to align the company's objectives with those of its employees, thus ensuring productivity (Choi et al., 2008).

Financial performance focuses on the use of financial indicators to measure the achievement of objectives, so as to provide the basic support for the various activities practiced by the organization, and contributes in providing financial resources and the investment opportunities it needs to achieve the goals (Surroca et al., 2010). Here financial performance is a tool to stimulate the process of investment decision-making and fill the gaps and problems that may appear. It is



also useful in diagnosing the financial situation to identify future financial capacity based on budgets and funding (Uotila et al., 2009).

Financial performance is inseparable from managerial performance (Thornton & Byham, 2013), which is the basis for the success of the organization, through management behaviors related to the performance of tasks and responsibilities (Whiting et al., 2008). Administrative performance leads to the recognition of the reality of performance and motivates individuals and identifies weaknesses for development through the adoption of appropriate mitigating strategies. The operation of these elements need to focus on the process, such that a process is an essential element of a production system where a product or service cannot be produced without a process (Lim et al, 2012). A process cannot be called a particular activity unless it produces at least one product or service. The process may be an activity that needs to be understood and managed more than the rest of the various activities in the organization.

Research Methodology

Data Collection Procedure

A total of 60 sets of questionnaires were distributed to respondents. Each form was given a code to facilitate the tracking of incomplete forms. The incomplete form was returned to the appropriate respondent to be completed. All completed forms were successfully re-collected within four days. The number of distributed questionnaires were 60 sets, with 52 valid.

Instrument of Study

The questionnaire used consisted of three parts, namely parts A, B and C . Part A was a question based on the respondents' background, part B was a question about factors of Strategic Thinking (ST) and part C referred to questions based on Administrative and Financial Operations (AFO). Part B included (ST) and was adapted from (Sharifi, 2012), Part C (AFO) was adapted from (Uotila et al, 2009). Respondents' feedback was based on five point Likert scale .

The Model

Equation 1 shows the theoretical model considered to contrast the hypotheses raised in this work, where Y_i is the dependent variable (AFO), which depending on the case may be the system perspective (SP), the intent-focused (IF), intelligent opportunism (IO), thinking in time (TT), and hypothesis-driven (HD), where SP is the independent variable corresponding to the degree of these factors.

$$AFO = b_0 + B_1 SP + B_2 IF + B_3 IO + B_4 TT + B_5 HD \dots\dots\dots 1$$

Data Analysis Method

The data collected was analyzed using the Social Science Statistics Package (SPSS) version 23.0. The analysis used mean values, standard deviations and also regression. The data analysis to see the significant relationship between the two variables was conducted inferentially and focused on correlation analysis. The correlation analysis was used to measure the linear correlation between two variables, i.e. independent variables (Part B (ST), with dependent variables (Part C - AFO). Correlation strength analysis was based on the following: (0-20 (very weak), 20-40 (weak), 40-60 (moderate), 60-80 (strong), 80-100 (very strong)) (Piter et al.,2018).



A pilot study

To ensure that items in the questionnaire were reliable and valid, the researchers conducted a pilot study. The implementation of the pilot study was to test the reliability and validity of the constructs in the research instrument. A total of 25 sets of questionnaires containing demographic information and all the constructs used in the study were distributed to several respondents. Of these, 21 sets of questionnaires were returned and analyzed. In essence, a pilot survey was conducted to see whether all the instructions for each question were understood, the questionnaire items were accurate, clearly this was besides ensuring the objective of the study was understood by the respondents before the actual survey was conducted. The reliability coefficient for this pilot review was tested using the Cronbach alpha value. Cronbach alpha values for this study are shown in Table 1.

Table 1. Results of Credibility of the Items

Indicators	Items	Cronbach alpha values
SP	Item_1	0.863
	Item_2	
	Item_3	
	Item_4	
	Item_5	
IF	Item_6	0.788
	Item_7	
	Item_8	
	Item_9	
	Item_10	
IO	Item_11	0.850
	Item_12	
	Item_13	
	Item_14	
	Item_15	
TT	Item_16	0.727
	Item_17	
	Item_18	
	Item_19	
	Item_20	
HD	Item_21	0.757
	Item_22	
	Item_23	
	Item_24	
	Item_25	
ST		0.943
AFO	Item_26	0.915
	Item_27	
	Item_28	
	Item_29	
	Item_30	
	Item_31	
	Item_32	
	Item_33	
	Item_34	
	Item_35	



Respondent's Demographic Profile

The respondent's demographic profile is shown in Table 2. The majority of the respondents were male with (75%) and (25%) were female , The largest proportion was for the age group 30-40 with (55.8%), and the lowest group was the age group less than 30 with (13.5%). Most of the respondents were graduates with the percentage of (73.1%).

Table 2. Respondent's Demographic Profile

Variable		Frequency	Percentage
Gender	Male	39	75.0%
	Female	13	25.0%
Total		52	100.0%
Age	Less than 30	7	13.5%
	30-40	29	55.8%
	40-50	11	21.2%
	More than 50	5	9.6%
Total		52	100.0%
Education	Less than high school	3	5.8%
	High school	11	21.2%
	Graduate	38	73.1%
Total		52	100.0%

Descriptive Analysis

Descriptive analysis methods involving mean and standard deviation were used to determine respondents' perceptions of factors related to variables. Table 3 shows the findings from the analysis. Based on the results, SP recorded the highest overall mean score between the factors studied (M = 4.323, SD = 0.596). The TT factor recorded the second-highest mean reading (M = 4.230, SD = 0.523). and HD is the third reading with (M = 4.207, SD = 0.600). , while the fourth reading is to IO with (M = 4.157, SD = 0.697). Whereas, the IF factor records the lowest mean value (M = 4.050, SD = 0.629). Also the overall reading is good to ST with (M = 4.193, SD = 0.532), and to AFO with (M = 4.305, SD = 0.495). All factors indicated a simple alignment based on the mean value interpretation in the table below.

Table 3. Descriptive Statistics

Factor	Min	Max	Mean	Std.
SP	2.20	5.00	4.323	.596
IF	2.00	5.00	4.050	.629
IO	2.20	5.00	4.157	.697
TT	2.60	5.00	4.230	.523
HD	2.20	5.00	4.207	.600
X	2.24	5.00	4.193	.532
Y	2.92	4.92	4.305	.495

The scatter of data refers to positive high probability as it shown in Figure 1.

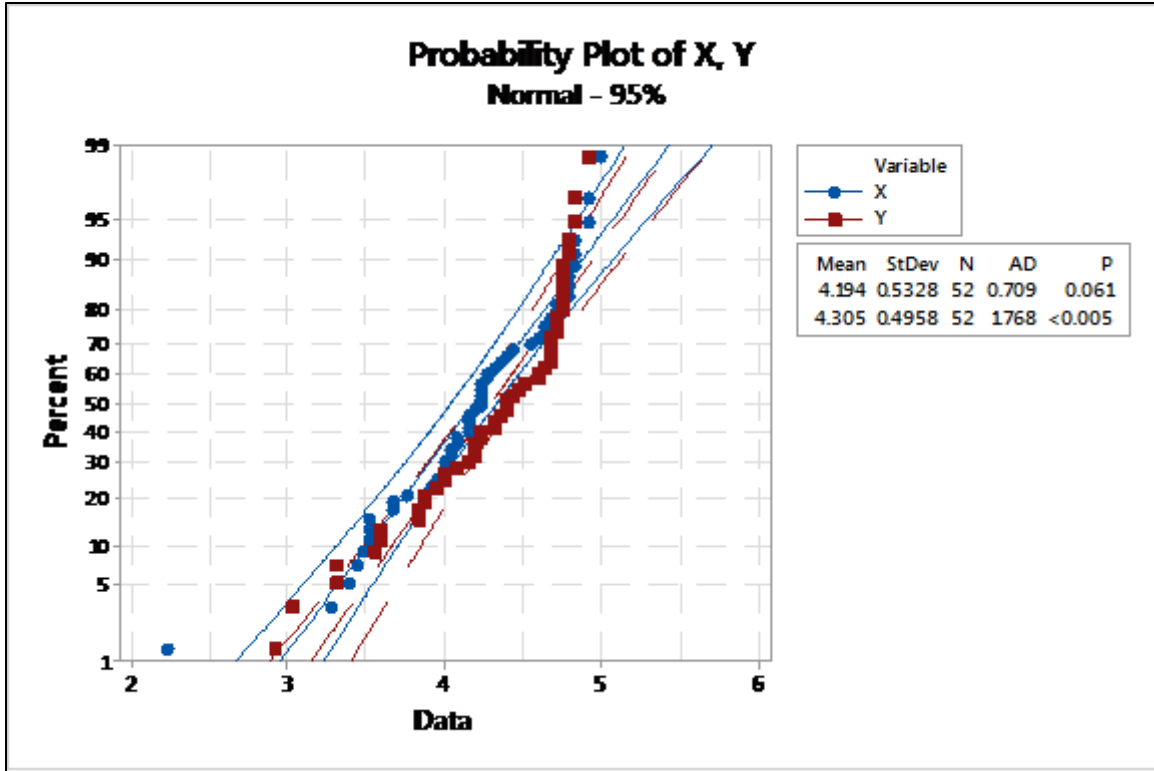


Figure 1. Probability Plot

Relationship between Variables

On a general level, we can observe similar correlational trends that are obtained, on the one hand, between the variables and the global average score and on the other between the variables. More accurately, results of Table 4 indicate that variable AFO positively and significantly correlates with all ST factors, with SP, IF, IO, TT and HD. The highest correlations are produced with the HD, IF, TT, IF and SP ($r_5 = 0.816$, $p < 0.05$; $r_2 = 0.803$, $p < 0.05$; $r_4 = 0.733$, $p < 0.05$; $r_3 = 0.684$, $p < 0.05$; $r_1 = 0.622$, $p < 0.05$, respectively).

Table 4. Correlation Coefficient between Variables

	SP	IF	IO	TT	HD	ST	AFO
SP	1	0.724**	0.580**	0.588**	0.728**	0.827**	0.622**
IF		1	0.758**	0.681**	0.801**	0.912**	0.803**
IO			1	0.689**	0.746**	0.874**	0.684**
TT				1	0.728**	0.834**	0.733**
HD					1	0.916**	0.816**
ST						1	0.836**
AFO							1

Analytical Method

Taking into account that multiple regression analysis has been used as a multivariate technique, it is necessary for its correct application that a series of assumptions are met, which are: the linearity of the phenomenon, constant variance, independence of terms and normality of distribution (Bullón, 2010). For the purposes of this investigation, the accepted multicollinearity degree has been set, defining a limit of 0.19 for the tolerance value and 5.3 for the variance inflation factor (VIF). Therefore, any variable with a tolerance value below 0.19 or above a VIF of 5.3 denotes high multicollinearity (Hair et al., 1999).

In this sense, in all the calculated models, the presence of multicollinearity was ruled out. In the same way, the assumption of independence was evaluated with the calculation of the Durbin-Watson statistic (DW), where independence is assumed between the residues when DW takes values between 1.5 and 2.5; in this case, the dependency on the data is discarded in each model. SO ,we can ensure the normality by the histogram in Figure 2.

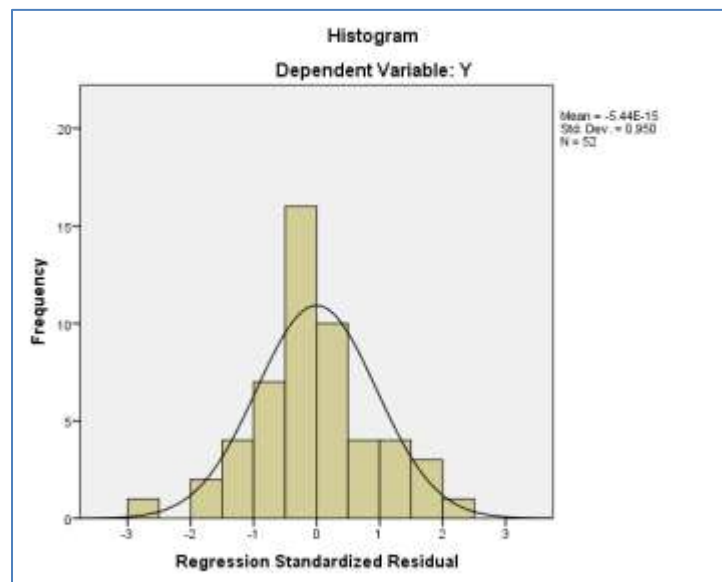


Figure 2. Normal Histogram

From Table 5 it was clear that there is a significant effect of the overall with ($f=28.21$, $R^2=0.754$) variable SP had no significant effect on AFO due to the value of (P) which was above (0.05), that rejects H1 hypothesis, while there is significant effect of IF on AFO , the results recorded that the standard beta value is (0.322), and this effect is significant depending on the value of the significant level ($P<0.05$), and this result supports H2 hypotheses. As for factor IO, it indicates that the relationship is not significant because the level of significance is greater than (0.05), and this result rejects H3 hypotheses. While there is a significant effect of TT on AFO ,the results recorded that the standard beta value is (0.224), and this effect is significant depending on the value of the significant level ($P<0.05$), and this result supports H4 hypotheses. Finally, there is a significant effect of HD on AFO ,the results recorded that the standard beta value is (0.345), and this effect is significant depending on the value of the significant level ($P<0.05$), and this result supports H5 hypotheses. Consequently, 60% of these hypotheses were supported, and the equation is been as follows:

$$Y_i = b_0 + B_2 IF + B_4 TT + B_5 HD$$
$$Y_i = 1.06 + 0.322 IF + 0.224 TT + 0.345 HD$$



Table 5. The Effect Results

Indicators	SP	IF	IO	TT	HD
B	0.074	0.322	0.034	0.224	0.345
P	0.436	0.006	0.700	0.043	0.006
T	0.785	2.864	0.387	2.074	5.855
VIF	2.43	3.80	2.89	2.42	4.00
b0	1.06				
D.W	2.495				
R2	0.754				
F	28.215				

Discussion

Many indicators confirm Iraq as a leading tourist center in the Middle East region because of its diverse historical, cultural and religious status in addition to its distinct geographical location and its picturesque nature with the presence of the Tigris and Euphrates rivers, lagoons, lakes, orchards, mountains, green plains and beautiful resorts in Iraqi Kurdistan. The process of developing tourism is not an easy step in any country, however, any place with the necessary resources and adequate natural and human resources can develop tourism via the identification of a number of ways appropriate to the place and time, and development methods work to achieve a number of objectives, which over time achieve a boom in tourism activity.

Iraq is one of the countries that have popular tourism and religious tourism, but this tourism needs a set of strategic tools for its successful positioning and the provision of services associated with high quality. Strategic thinking has emerged as a successful strategic tool that has proved successful in several places. Hence, the objective of this study was to determine the impact of strategic thinking on improving the administrative and financial operations in the tourism sector. The diagnosis was made in two aspects, first identifying the level of performance in management and financial competencies and then in the possibilities of covering the minimum score requirements for obtaining recognition. The initial diagnosis showed low performance in management skills in addition to having the minimum processes and documentation to participate in the improvement requirement effectively.

The results proved that the elements of strategic thinking have a positive effect on improving the administrative and financial processes, but not all of them were affected. This proved that the intent-focused aspect is an important factor in improving operations. This is in line with Sharifi, (2012). The effect of thinking in time was positive, and this reflects the importance of the balance required between time and the management of the future, and this result was in line with Neustadt, (2011). The effect of the hypothesis-driven approach was positive in improving administrative and financial operations, and this result is consistent with the study of Shin and Jemella, (2002). The study did not prove the impact of each of the system perspective or intelligent opportunism, and this may be the result of the current circumstances experienced by the country and this then did not provide all the elements required for the successful use of strategic tools.



Conclusion

The results indicate that the influence of the elements of strategic thinking (systems perspective and intelligent opportunism) did not exist, and there is a triple effect within the model, and it was proved that the impact of each of the three elements of strategic thinking (intent-focused, thinking in time, and hypothesis-driven) in the improvement of administrative and financial processes is significant.

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