

The Effect Of Strategic Planning Initiatives On The Sustainability Of Oman Telecommunication Company (Omantel)

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Abstract

Abstract: The present study is conducted with several objectives; to verify and construct validate the measurement model of Omantel sustainability, to estimate the causal relations between strategic planning, quality assurance initiatives and sustainability in the relationship between strategic planning and Omantel sustainability. A total of 333 employees from Omantel will be drawn as a sample based on the simple random sampling technique. Four instruments were developed to collect data; the first covers the demographic information of the respondents and the remaining consisted of a questionnaire with 58 items, rated on 5-Likert type categories, adapted from four established scales which have been validated and used in previous studies. The instrument went through extant literature and content validation process which involved a group of experts in the areas of business administration as well as scale development. Data will be analysed using descriptive statistics (using SPSS version 25) for the preliminary analysis including data screening and presenting the participants' demographics. After that Structural Equation Modeling (SEM) procedures (using AMOS version 24) will be conducted in two steps to ensure the validity and reliability of the measurement model as well as to test they hypothesized relationships between variables of this study.

Keywords: Strategic planning initiatives, Sustainability, Oman Telecommunication Company (Omantel), Strategic planning theory and Sustainability theory.

I. Introduction

Omantel is the leading and major telecommunication services provider in the Sultanate of Oman (Al Hinai, 2019). The company has played a significant role in connection all parts of the Sultanate together and, by extension, the rest of the world (Al Shibli & Al-Shahri, 2021). Since the emergence of the Sultanate of Oman as an independent country over the last 45 years, Omantel has been a key player in the development process witnessed by the people of the Sultanate (Al-Raisi, 2000). The company currently provides a wide array of integrated telecommunication services to meet

the needs of individuals, and both government and private organisations. It also caters to the needs of both local and international telecom companies that access the Sultanate market through its wholesale business operation (Al-Raisi, 2000; Maguire, Ojiako & Said, 2010; Prakash & Mathew, 2014).

Omantel, which has a very strong brand presence in Oman, has been voted by international independent firms, as the most valuable brand in the Sultanate as well as the best brand in Oman in general and in among the telecom sector in particular. Omantel enjoys also the privilege of being the largest

listed company in Muscat Securities Market in terms of market value, as of the end of February 2015. Omantel network owns 59.1% of the mobile market in the Sultanate (including Mobile Resellers) and with 77.5% of the fixed market share as of Dec 2015. Investing in the future of the nation, Omantel connects even the most remote communities of the Sultanate to each other and the world. Omantel is the Sultanate's first and leading integrated telecommunications services provider, enabling the digital society to flourish, allowing new ways of doing business and delivering a world of information, news and entertainment (Al-Raisi, 2000; Maguire, Ojiako & Said, 2010; Prakash & Mathew, 2014). All the success of Omantel can only be achieved with using strategies that ensure firm's sustainability. This paper also presents the Oman telecommunications company, strategic planning initiatives, sustainability, the theoretical structure and the overall conclusion.

Strategic planning initiatives are significant factors in the sustainability of institutions. The reason for this is because strategic planning initiatives are considered the priorities of institutions particularly in the context of Oman (Al-Ajmi, 2020). The government of Oman has made no secret in turning its public companies the best among the Gulf countries. This calls for strategic planning initiatives and quality assurance that will ensure the sustainability of its public organisations that will continue to cater for the growing demand of its ever-increasing population. The Sultanate of Oman has been one of the shining light in the Arabian Gulf region. With the growth of the Sultanate's economy some decades ago, the country has been experiencing shortages of manpower. This reason makes the country's ministry of manpower one of the most significant and critical ministries of the nation (Al-Hamadi, Budhwar & Shipton, 2007). The Sultanate issued policies that would afford greater opportunities to the local people for their participation in the economy. Their greater contribution is necessary for the prosperity of rising nation. However, this will not be possible without strategic planning initiatives and sustainable choices that have to be made by the Ministry of Manpower.

2. Literature Review

2.1 Oman Telecommunications Company (Omantel)

Omantel is the first telecommunication company established in Oman and has been the main provider of internet services throughout the Sultanate. It was first established in 1981 and formally came into its own in 1985 when the General Telecommunications Organisation was established. The company has gone through several phases of evolution before its current form. Its current format came into existence in 1999 with the company's headquarter in Muscat (Muscat Security Market, 2017a). Omantel is listed as a public company with the government owning 51 percent of its share. The company also owns large shares in other telecommunication companies in the Middle East. It owns 12.1 percent of Zain Group stake making its share the second largest in the company with 21.9 percent stake (The Report: Oman, 2014).

In late 1980s and 1990s, the company carried out a number of projects that include the rural communications, mobile telephony, long distance transmission, as well as local exchanges and networks (MOTC, 2017). Omantel had a monopoly of the Omani telecommunication sector until 2004 when a license was issued to Nawras as the first 2 private telecommunication company to operate in Oman. Currently, Omantel and Ooredoo have a joint 90 percent shares of Oman telecommunication market (Prakash & Mathew, 2014). Omantel is the licensed provider of fixed telephone line and the internet services in the Sultanate of Oman. According to a report in 2016, Omantel group made a net profit of 116.7 million OMR in that year (Omantel, 2017). As of 2017, the company had 2680 Omani and 268 non-Omani employees working in the company's 34 scattered branches across the Sultanate. In addition, as of December 2016, the company boasted a total of over 3.35 customers across the Sultanate of Oman (Belwal & Amireh, 2018).

2.2 Strategic Planning Initiative

The term strategic planning initiatives is concerned with the development of action plan that will guide organisations for future achievement. The term is a key management

process that draws the institutional values and goals to devise a framework for quality and deployment of resources. It is believed that the history of strategic planning initiatives began with the ancient Chinese theory that implemented by the military for its planning for war. The planning set up the military for future achievement. Strategic planning has been studied in relation to various positive organizational outcomes by many researchers (Mallon, 2019; Wolf & Floyd, 2017).

number of studies focused on how strategy is formulated (Bryson, Edwards & Slyke, 2018; Mintzberg, 1993). Strategic planning is said to be created through planning, strategic vision and strategic learning. Some believe that strategy can be created by a visionary where an organization depends on a single creative strategist. However, another approach is to create strategy through learning often having a variety of actors that are capable of experimenting and integrating (Mintzberg, 1993). The three ways of creating strategy namely, planning, a visionary leader, and through learning must all put together for an organization to succeed in strategic planning. However, it is also a common practice of some organisations to use strategic planning as a tool for public relations particularly in dealing with powerful outsiders who take that seriously (Lo & Sugiarto, 2021; Mintzberg, 1993). Whatever the intention is, strategic planning has become an important aspect of successful management of organisations.

In recent years, strategic planning has been widely studied in the context of higher education. However, organisations in other sectors have also recognized the immense significance of strategic planning initiatives. Strategic planning as a process is believed to be necessary for organisations which enables them to proactively strategize their decisions, solutions, and planning that map out goals and objectives leading the organization toward sustainable growth (Hopkins, 2021).

2.3 Sustainability

There has been an increasing attention to sustainability in public organisations adding more environmental and social aspects in their strategic agendas (Gelderman et al., 2017). The

term sustainability is often employed to mean the utilization of resources in meeting present's needs without compromising the ability of future generations to meet their own needs (WCED, 1987). The concept of sustainability has been around for some decades now. However, its popularity is often credited to the Brundtland commission which introduced it into the international policy discourse (Purvis, Mao & Robinson, 2019). Later the institutionalization of sustainable development followed particularly with the "Rio Process" in 1992 Earth Summit in Rio. During this summit, world leaders pledged their supports and vowed to commit to the principle of sustainable development (Jordan & Voisey, 1998; Purvis, Mao & Robinson, 2019).

Sustainability has been interpreted in a variety of ways that include inter-generational philosophical position and a multi-dimensional term for business management. It involves the consideration of the economic, environmental and societal effects of business activities in a simultaneous manner (Elkington, 1997; Sikdar, 2003). Sustainability, therefore, has three dimensions: the economic, the environmental and the social, as to be discussed in detail later under the theoretical framework section. Despite the popularity of these three pillars, they are not however universal. Some studies consider additional pillars such as institutional (Turcu, 2013; Stevenson, 2020), cultural (Gartler, Kuklina & Schweitzer, 2020; Palang, Printsmann & Birkeland, 2017; Soini & Birkeland, 2014; Soini & Huttunen, 2018), and technical (Goh et al., 2020; Hill & Bowen, 1997). Others like Barbier (1987) proposed another three system with a slight variance. He started with biological system, then included economic and social systems. Each of these three systems has ascribed goals. For example, genetic diversity, resilience, biological productivity, satisfying basic needs (e.g. the reduction of poverty), equity-enhancement, the increase of useful goods and services, cultural diversity, institutional sustainability, social justice, and participation (Barbier & Burgess, 2019; Barbier, Burgess; 2017; Lélé, 1991). The term 'sustainability' and 'sustainable development' are very much intertwined and have been used interchangeably within the extant literature

(Purvis, Mao & Robinson, 2019).

2.4 Sustainability and Strategic Planning

Sustainability and strategic planning are two concepts that have been studied in relation to each other. Sustainability is considered significant that it has to be featured in organisations' strategic planning while there are also studies that deals with the two separately (Feleki, Vlachokostas & Moussiopoulos, 2020). A study conducted by Bieler and McKenzie (2017) in education context reviewed representation of sustainability in the strategic plans of Canadian higher education institutions. The study carried out a content analysis of the strategic plans of 50 higher education institutions to determine the extent of sustainability inclusion as a significant policy priority in their plans. The analysis involved five domains of governance namely, education, campus operations, research, and community outreach. Findings of the study found 41 strategic plans involving some discussions on sustainability. The findings also identified three characteristic types of response. The first is accommodative responses that involve sustainability as one of various policy priorities and address just one or two sustainability domains. The second is reformative responses which consist of some alignment of policy priorities with sustainability values in just a few domains. The last is progressive 23 responses that make a link up between four or five domains and give a more detailed discussion of sustainability as well as sustainability-specific policies.

Sustainability in relation to strategic management has also been studied in public sector context. A study conducted by Zeemering (2017) argued that public sector managers lack clear frameworks that would prescribe them the way to integrate sustainability into their practices of management. Using Laszlo and Zhexembayeva's definition of embedded sustainability, the study suggests that local government managers should focus on incorporating sustainability in their strategic planning processes to be able to advance sustainability as a reform in local government. The incorporation of sustainability in strategy is associated with the sustainable performance particularly with regard to small and medium size businesses. Kowo and Akinbola (2019) examined how strategic leadership help in the sustainability

of small and medium size businesses in Nigerian context. Findings of the study revealed a significant influence of strategic planning on the sustainability of small and medium size enterprises especially in relation to their profit performance. In addition, the study discovered that the return of investment on small and medium enterprise depends on the appropriateness of the leadership practices employed.

Some researchers tried to link up sustainability and strategic planning theoretically. For example, Bush, Hes and Murfitt (2018) investigated how provision of targeted information on theories of sustainability transitions can help in strengthening organisational strategic planning. The focus of the study was on Moreland Energy Foundation Limited (MEFL) which is a community-based not-for-profit organisation that specialises in sustainable energy in Australia. Findings of the study indicated that inclusion of the sustainability transitions theoretical framework paved the way for the organisation to explicitly define its shared 'model of change' which reinforced the organisation's conceptualisation of its role as the 'intermediary' between grassroots and governments. Such theoretical conceptualisation of both strategic planning and sustainability is what led Barbosa et al. (2020) to use the term sustainable strategic management. The study made an attempt to develop a management model that would combine both strategic planning and sustainability together in a single framework. The study used some well-established conceptual bases that include Strategic Management, Triple Bottom Line, and Balanced Scorecard in building an integrated model particularly for small businesses in order to enable them insert sustainability in their activities holistically, feasibly, and in a controllable manner which should help them develop a competitive advantage.

3. Theoretical Framework

The model presented in Figure 1 consists of an independent variable (IV), a dependent variable (DV), and mediating variable. The study hypothesizes that the independent variable, strategic planning initiatives, has a direct impact on the dependent variable, the sustainability of Oman Telecommunication (Omantel) company. It also hypothesizes that

the strategic planning initiatives (the IV) has an indirect impact on the sustainability of Omantel Company (the DV)



Figure 1: Conceptual Framework

3.1 Theories of the study

The theories provide a framework of understanding for all the major variables, concepts of the study. These include strategic planning theory and sustainability theory. The first theory, the strategic planning theory provides a conceptual understanding of strategic planning initiatives which is one of the major variables of this study. Sustainability theory provides this study with the foundation upon which the concept/variable sustainability is understood.

4. Conclusion

This study drives its relevance from the attempt of adding to the extant knowledge both theoretical and practical contributions, and to fill in some identified gaps within the extant literature on strategic planning initiatives, sustainability and quality assurance initiatives. The literature reviewed herein revealed that the concept of sustainability is widely applicable in various sectors, institutions around the world. It is hardly possible nowadays to find an organization or a company that operates nationally or globally without sustainability policies and serious consideration of strategic planning. However, the effect of strategic planning initiatives on the sustainability of Oman Telecommunication company is yet to be examined the effect of strategic planning

initiatives on the sustainability of Omantel.

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