

STRATEGIC PLANNING WITH ULŪ AL-ALBĀB APPROACH

Suhaimi Mhd Sarif

Department of Business Administration
International Islamic University Malaysia
Jalan Gombak, 53100 Kuala Lumpur

Dolhadi Zainudin

Department of Business Administration
International Islamic University Malaysia
Jalan Gombak, 53100 Kuala Lumpur

and

Rohaziah Yahya

Sekolah Rendah Islam Integrasi Ibn Khaldun Gombak Selangor

ABSTRACT

Strategic planning process is paper-based with conceptual and intellectual approach. The use of mind is inclined towards *ulū al-albāb* approach. This study argued that *ulū al-albāb* approach is powerful to provide precise, rigorous and vigorous human-mind way. This human-minded way allows for human to express humane factor. Every economic, social and non-political inclined entity requires *ulū al-albāb* approach in strategic planning to enable the entity to achieve goals with efficiency and effectiveness. This study has two objectives, to investigate the influence of *ulū al-albāb* approach in the practices of strategic planning in small and medium enterprises. These two research objectives are meant to answer two main research questions, namely (a) What are *ulū al-albāb* approach in strategic planning of small and medium enterprises?, and (b) In what ways *ulū al-albāb* approach provides efficiency and effectiveness sense in strategic planning of small and medium enterprises? The study found the level of *ulū al-albāb* in strategic planning and business models.

Keywords: Strategic planning, *ulū al-albāb* approach,

INTRODUCTION

Achieving goals with efficiency and effectiveness is always the expected outcomes for any organization. Organization is made up of purpose, people and structure. The integration of purpose with people's capability and facility through structure is essential. However, efficiency is not just about minimizing cost as lowest as possible. The minimization costs should not lead to pollution, inequity, injustice and social illness (La Torre, Liuzzi & Marsigliom, 2017; Nasrollahi, Hashemi, Bameri & Taghvaei, 2020). Effectiveness is not just about achieving the goals within time and resource allocated, but not to put things into injustice and severe risk (Liang, Hou, Jo & Sarigöllü, 2019). Therefore, *ulū al-albāb* approach of strategic planning allows for holistic, collective and unity to achieve goals with efficiency and effectiveness without giving side effect such as pollution, inequity, injustice, conflict and social illness.

All social, economic and non-political entities are made up of purpose, people and structure. These entities need to operationalize consistently with administrative industrialization. The *ulū al-albāb* approach should avoid irresponsible consequences to the society (Msosa & Govender, 2019; Sardana, Gupta, Kumar & Terziovski, 2020; Khan & Ozturk, 2020). As *ulū al-albāb* strategists, the essential duty is not just to go for profit maximization with legitimacy, but with responsibility, accountability and sustainability (Sardana et al., 2020; Nasrollahi et al., 2020).

The nature of strategic planning in itself has *ulū al-albāb* elements in the forms of art and science. The use of scientific approach is applying reasoning in *ulū al-albāb* approach. However, the general wisdom of using strategic planning stages including formulation, implementation and evaluation is acceptable. The abstract art of *ulū al-albāb* approach in strategic planning process is always out of intuition and previous experience without any scientific support (Sulaiman, Sabian & Othman, 2014; Shamsuddin, Mhd Sarif, Mohammed & Kamil, 2018; Weiss, 2019; June, 2020; Ghani, 2020; Mazzarol & Reboud, 2020). In corporate sector, strategic planning is always driven by profit as bottom line (George, Walker & Monster, 2019; Ojha, Patel & Sridharan, 2020). Joint ventures, strategic alliances, smart partnership, vertical and horizontal integration strategies are meant to minimize cost and maximize profit (Shamsuddin, et al., 2018; Ghani, 2020; Kools & George, 2020). Other bottom line for people and planet are incorporated into the strategies to maximize profit on sustainable basis.

Stakeholders are important in strategic planning. The position of stakeholders is part of the value chain of business (Sulaiman, et al., 2014; Weiss, 2019; Ahmad, 2020). There have been inadequate attentions to the welfare, wellness, and well-being of people who are employees, customers, and members of the society (Kamariah, 2016; Mahadi, 2017; Ojha, et al., 2020). The attention is limited to legal requirement for example the need to comply with employment and industrial relations laws.

Sustainable performance is always the expectation of decision outcomes for business decision makers and public policy makers. There is a need to unify both economic and social objectives (Costanza et al., 2016; Gough, 2017; Felber, 2019). United Nations Agenda 2030 outlined 17 sustainable development goals for all countries (especially member countries) to practice the 17 goals so that the world will be peace, justice and harmony (United Nations, 2016; Jayasooria, 2016; Wash, Murphy & Horan, 2020). A balance between economic and social end is practical in the competitive world (Geissdoerfer et al, 2017; Schroeder, Anggraeni & Weber, 2019). No country should be spared from practicing the 17 sustainable development goals due to the global value chain in socio-economic systems.

The practice of *ulū al-albāb* approach integrates big picture about life, ecosystem of the environment, and the concerns of sustainability in human mind, feeling, decisions and actions. The term *ulū al-albāb* is Quranic term to describe people who use their senses to make sense of the themselves, with their surrounding, ecosystem, and the planet.

This study has two objectives, to investigate the influence of *ulū al-albāb* approach in the practices of strategic planning in small and medium enterprises. These two research objectives are meant to answer two main research questions, namely (a) What are *ulū al-albāb* approach in strategic planning of small and medium enterprises?, and (b) In what ways *ulū al-albāb* approach provides efficiency and effectiveness sense in strategic planning of small and medium enterprises?

LITERATURE REVIEW

Strategic planning

Strategic planning is the strategy formulation stage to analyse internal and external factors before suggesting the next strategies for organizations to attain goals with efficiency and effectiveness. There are four main stages in strategic planning, namely, (a) pre-requisites, (b) internal factors analysis, (c) external factors analysis, and (d) formulation.

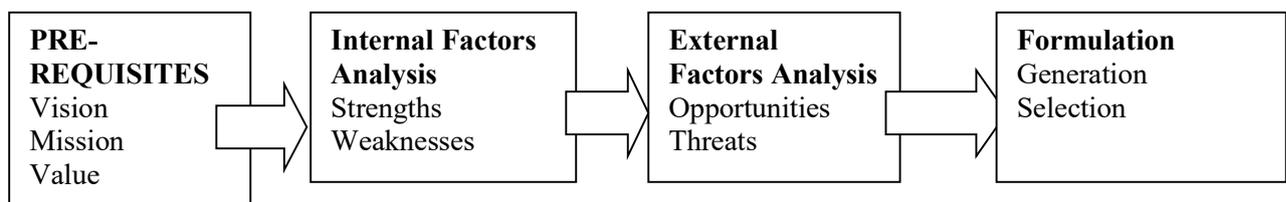
At the pre-requisite stage, there are three main activities, namely the need to establish direction of goals through vision, mission and value statements. The vision statement answers “what” organization wants to become. For example, a sedan car manufacturer company wants to become a leader in manufacturing best sedan car with related services. With this direction “what” to become, this company is now very focused on its activities. As for mission statement, it spells out what business activity of organization. For the sedan car manufacturing company, its mission will be the business in the production of sedan cars, the distribution, transportation of the sedan cars, and after sales services.

After the pre-requisite stage, the next strategic planning process is to conduct internal factors analysis. Internal factors are resources, competencies, experiences and assets of organizations. Organizations will identify resources, competencies, and assets to allow organizations to start operations to produce products or services. After identifying them, organizations will assimilate and capitalize them to be used in the operations. The internal factors analysis will result in knowing strengths and weaknesses of organizations. This is resource-based view approach argues that resources are vital in creating, maintaining and sustaining competitive advantage.

The external factors are variables, events, and trends that have impact on organizations. These variables, events and trends can be categorized into macro external factors and micro external factors. The macro external factors include politics, economics, social, technology, and environment. As for micro external factors or industry forces, there are included customers, suppliers, competitors, sellers, and other industry players. The external factors will result in knowing the opportunities and threats of organizations. This perspective is known as industrial organization view that is to seize the opportunities and at the same time to avoid the threats in creating, maintaining and sustaining competitive advantage.

Figure 1 illustrates strategic planning stages with the key elements.

Figure 1: Strategic Planning Stages



Strategic planning process itself has some dimensions of humanizing, *ulū al-albāb* and sustainability practices for performance and sustainable competitive advantage of organizations, enterprises and entities. However, the dimensions are limited to resources and industrial based perspectives with the objective of profit maximization. Humanizing is

focusing on meeting the demands, wants and aspiration of people both inside and outside organizations. The vision, mission and value statements incorporate the well-being of people in terms of consumption and leisure. Likewise, the external factors are showing opportunities in external trends and events to stimulate more consumption. In *ulū al-albāb* approach, in getting more consumption, there will be unethical and irresponsible activities that make the society vulnerable in consumption.

***ulū al-albāb* approach**

Islam offers peaceful and sustainable way of life. The term “deen” refers to way of life according to the Quran and Sunnah. Islam has three components, namely faith (*aqidah*), worship (*ibadah*), and morality (*akhlak*). Islam emphasizes the three elements in any decision and action. For example, in a conversation (*amal*) with a person or with a group of persons (general *ibadah*), one must have faith or believe that the person or persons are fellow human created by Allah. Therefore, one has to respect (*akhlak*) the person or persons without offending or hurting (*ibadah*) them. Conversation is an action (*amal*) natural to human. Any action is *ibadah*. Any action has consequences, for good action will get good consequences or vice versa, and also accountability. Figure 2 illustrates the Islamic process of deeds in seeking Pleasure of Allah.

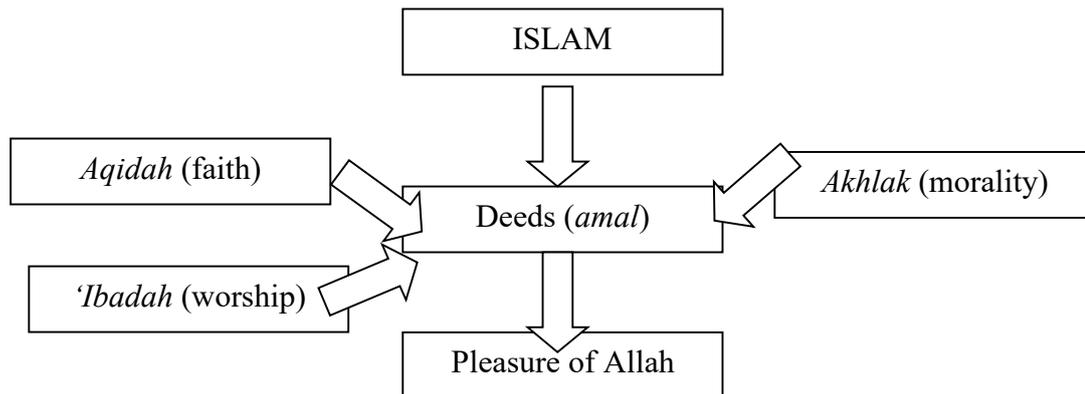


Figure 2: Islamic process of deeds in seeking Pleasure of Allah

How does *ulū al-albāb* approach apply in Islam? *Ulū al-albāb* refers to men or women who are contemplating or thinking about them as servants and vicegerents of Allah to please Allah within the eco-system or surrounding. They are busy to contemplate and to execute action that can produce good results for them and their surroundings.

Men and women with *ulū al-albāb* qualities are determined and passionate in acquiring and sharing knowledge with another men and women for mutual benefit (Aziz, 2006; 2012). The measurement of *ulū al-albāb* approach includes seeking knowledge for seeking Pleasure of Allah (Surah Ali Imran, verse 190), differentiating truth and falsehood (Al-Maidah, verse 100), seeking truth (Surah Az-Zumar, verse 18), improving life (Surah Ibrahim, verse 52), and instituting integrity (Surah al-Baqarah, verse 197).

The vision and perspective of individuals with *ulū al-albāb* qualities view the life for worship (*ibadah*) and to please Allah. According to Mohd Kamal Hassan (2010), *ulū al-albāb* qualities include the reasons for the creation of human as servants of Allah (*'ibād al-Rahmān*),

vicegerents (*khulafā' fī al-ard*), and true believers (*al-mu'minūn*). Ultimately, people with *ulū al-albāb* will contribute significantly to the betterment of human society and civilisation. In addition, Al-Faruqi (1992) argued that *ulū al-albāb* individuals who are guided with the revelation in using reasoning will make the life more significant and beneficial. The emotion icons in Figure 3 represent *ulū al-albāb* individuals and strategists participated in the value chain activities. Figure 3 depicts the process *ulū al-albāb* approach in decision and action.

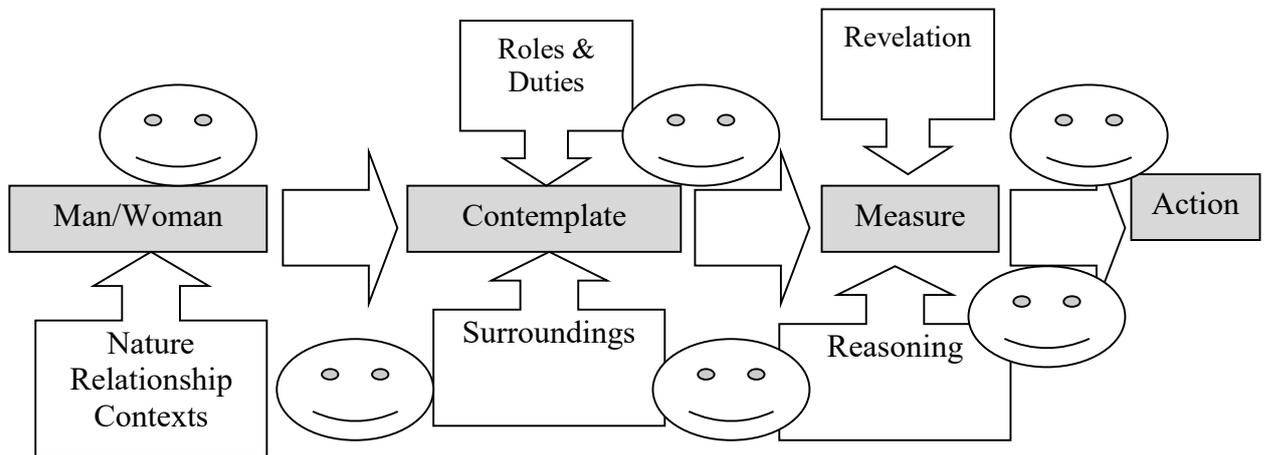


Figure 3: The *ulū al-albāb* approach in decision and action

This study has two objectives, to investigate the influence of *ulū al-albāb* approach in the practices of strategic planning in small and medium enterprises. These two research objectives are meant to answer two main research questions, namely (a) What are *ulū al-albāb* approach in strategic planning of small and medium enterprises?, and (b) In what ways *ulū al-albāb* approach provides efficiency and effectiveness sense in strategic planning of small and medium enterprises?

RESEARCH METHODOLOGY

This study explores strategic planning activities of selected companies in Malaysia. This study uses qualitative research through personal interview with executives of the companies. Five executives gave their consent to participate in the personal interview. The executives were approached during the attendance in a strategic planning workshop for two days.

Qualitative research allows in-depth study on context for rich information and understanding. The data will be in words that have meaningful understanding of the context (Creswell & Poth, 2017; Mason, 2017). This study is to investigate the influence of *ulū al-albāb* approach in the practices of strategic planning in small and medium enterprises. The use of personal interview allows for taking the feedback of informants through note taking (Charmaz, 2014). The nature of personal interview is pragmatic and interactive (Creswell & Miller, 2000; Rubin & Rubin, 2011; Charmaz, 2014). Prior to the interview, the interview protocol, interview questions and other instruments have been checked, tested and validated by subject matter experts (Mason, 2017; Creswell & Miller, 2000).

RESULT AND DISCUSSION

These two research objectives are meant to answer two main research questions, namely (a) What are *ulū al-albāb* approach in strategic planning of small and medium enterprises?, and (b) In what ways *ulū al-albāb* approach provides efficiency and effectiveness sense in strategic planning of small and medium enterprises?

Manager 1 mentioned that SE1 Company practices top-down approach with some input obtained from the staff before the top management decided and later announce it to the staff.

“Our company is using top-down and centralized approach. There will be briefing to all staff about direction, goals and strategies in the chairman annual remarks. We as officers were told to help them to prepare for reports from all the departments. Each department has been asked to prepare for budget and action plan for 1 year, 2 years and 3 years. There was no surprise in the annual budget. What is going to be executive in the following year will be based on the statistics of income and expenditure. After all, we are not a big company. Our survival is based on our daily sales. No sales, no income, as simple as that.”

Strategic planning is top management’s responsibility. Strategic planning is centralized and top-down approach with emphasis on procedural fairness. Strategic planning orientation has significant influence by size of organizations (Davis & Bendickson, 2020), routine operational experience (Mazzarol & Reboud, 2020). Thus, the conventional thought is overshadowed the working mode to be operational, conventional and transactional approaches. In this context, human intervention and taught will be minimal (Mazzarol & Reboud, 2020; Haleem, Jehangir & Ullah, 2020)

For SE2 Company, Manager 2 said that the strategic planning process is driven by profit only instead of other things.

“In any business, profit is always the main goal. We as employees are also looking for salary, perks and bonuses. We planned some targets, basically, based on current achievement, and trying some increment in the following year. Most of the time, no much change. At least, we are thankful to Allah for some businesses in our coffer. If no business, we will have no salary. Our boss decides the targets. Of course, we were asked to provide some reports. But, we were not in the strategic planning discussion.”

The strategic planning is on centralized with target approach. The tendency of management is leaned towards routine, transactional and conventional with target.

SE3 Company is visionary within its operational context of doing business. Manager 3 said:

“Our company has vision and mission statements. The vision is simply that this company will be preferred choice of customer in this state. All of efforts in this company are to achieve the leadership status in the market. We have not achieved yet. But our company is determined to achieve the vision.”

The visionary implication is phenomenal when it focuses on customers.

SE4 Company subscribes dynamism in strategic planning despite its conventional management approach. Its manager mentioned:

“I used to involve in strategic planning process, but not as top management team. I was there as special officer to the chairman. I prepared strategic planning analysis and recommendation. Our chairman will justify his proposal. The main criteria to accept any proposal has been always profit maximization.”

SE4 Company practices profit driven operations with some conventional management approach.

SE5 Company uses people input in strategic planning within the conventional management approach. The manager said:

“It was an intensive and extensive process. We have to gather all data from reports, news, research papers to evaluate the previous strategies before we could provide some alternative strategies to our bosses. Some sort of business plan presentation from each unit in our company. We spent the whole Saturday as business retreat nearby beach.”

In summary, the feedback from the informants suggested that their companies are still in top-down and mechanistic approach to strategic planning due to size, routines, risk taking attitude and engagement approach (Adiguzel, 2020; Davis & Bendickson, 2020; Mazzarol & Reboud, 2020). The humanizing agenda is limited to the economic and legal requirement when the emphasized on procedure, survival and routine (Cairns & Wright, 2019; Adiguzel, 2020; Verma & Suri, 2020). However, there are some elements of *ulū al-albāb* in terms of sharing knowledge through routines and guided by conventional management wisdom (He & Oxendine, 2019; Wynn & Jone, 2019; Haleem, et al., 2020; Verma & Suri, 2020). Table summarizes the findings and discussion.

Table 1: Summary of Findings and Discussion

Dimensions	SE1 Company	SE2 Company	SE3 Company	SE4 Company	SE5 Company
Strategic planning execution approach	Top down & centralized	Centralised & targeted	Visionary	Top-down	Top-down
Ethics	Procedural	Routine	Routine	Routine	Routine
Welfare	Survival	Profit	Customer first	Profit	Profit
Wellness	Survival	Profit	Customer	Profit	Profit
Well-being	Survival	Profit	Customer	Profit	Profit
Knowledge	Operational & evidence-based	Routine operational	Operational with sharing	Operational	Operational
Wisdom	Conventional logical	Conventional with target	Conventional with sharing	Conventional	Conventional

People	Transactional	Transactional	Transactional	Transactional	Transactional
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CONCLUSION AND RECOMMENDATIONS

This study has two objectives, to investigate the influence of *ulū al-albāb* approach in the practices of strategic planning in small and medium enterprises. These two research objectives are meant to answer two main research questions, namely (a) What are *ulū al-albāb* approach in strategic planning of small and medium enterprises?, and (b) In what ways *ulū al-albāb* approach provides efficiency and effectiveness sense in strategic planning of small and medium enterprises? The study found the level of *ulū al-albāb* in strategic planning and business models to align with economic and legal requirements. However, *ulū al-albāb* approach is confined to procedure, survival and routine with some elements of community of practice in sharing knowledge through routines and guided by conventional management wisdom.

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