



## Durham E-Theses

---

### *Strategizing in Practice in Islamic and Conventional Banks in Saudi Arabia*

ALSAGHEIR, ABDULLAH,IBRAHIM,M

#### How to cite:

---

ALSAGHEIR, ABDULLAH,IBRAHIM,M (2014) *Strategizing in Practice in Islamic and Conventional Banks in Saudi Arabia*, Durham theses, Durham University. Available at Durham E-Theses Online: <http://etheses.dur.ac.uk/10555/>

#### Use policy

---

The full-text may be used and/or reproduced, and given to third parties in any format or medium, without prior permission or charge, for personal research or study, educational, or not-for-profit purposes provided that:

- a full bibliographic reference is made to the original source
- a [link](#) is made to the metadata record in Durham E-Theses
- the full-text is not changed in any way

The full-text must not be sold in any format or medium without the formal permission of the copyright holders.

Please consult the [full Durham E-Theses policy](#) for further details.

---

Academic Support Office, Durham University, University Office, Old Elvet, Durham DH1 3HP  
e-mail: [e-theses.admin@dur.ac.uk](mailto:e-theses.admin@dur.ac.uk) Tel: +44 0191 334 6107  
<http://etheses.dur.ac.uk>

Strategizing in Practice in Islamic and Conventional Banks in Saudi Arabia

Abdullah I. Alsagheir

Thesis submitted in fulfilment of the requirements of the Degree of Doctor of Philosophy  
(PhD) in Business Studies at Durham University

Durham Business School

September 2013

## Abstract

This empirical research has explored strategizing in the banking sector in a non-Western context. Attention was drawn to strategy meaning, strategizing activities and strategy practitioners. A comparison of strategizing was made between Islamic banks governed by Shari'ah and non Islamic ones.

Strategy practices and strategy practitioners have received little research attention. Hence, this research is influenced by the strategy as practice perspective to describe the context for strategy actors and strategizing practices. The importance of this study is derived from its focus on the micro level of strategizing and strategists in a cross cultural context. Its focal point is strategy practitioners from different levels of the organisation.

A multiple case study approach was adopted. Data were obtained via 41 semi-structured interviews with purposively selected strategy actors, complemented by secondary data, from six of the 12 commercial banks in Saudi Arabia: two Islamic ones, two local conventional ones and two international banks.

Findings reveal that no single consensus definition was expressed by strategists, yet there were similarities in the various conceptualizations they offered. Thirteen practices employed by practitioners were identified and classified as recursive or adaptive. This research provides insights into who the strategists (internal and external) are by focusing on capabilities and engagement. Findings confirm that social norms could restrict certain actors' participation, such as the cultural barrier to women's participation. The engagement of strategy actors in different practices varied, which means different strategy practices could be practised by different strategy actors; moreover, they differed in their level of influence.

In terms of differences between conventional and Islamic banks, there was no distinction in the way strategy was perceived and practised. The only distinctive aspect was in terms of strategy actors, where in the Islamic banks, the Shari'ah Board and Shari'ah Group played key roles.

The research contributes to the emerging s-as-p perspective with micro level, cross-cultural data, identifying 13 practices and linking them to modes, timing and actors.

## Table of Contents

Abstract .....	2
Table of Contents .....	3
List of Figures .....	8
List of Tables.....	10
Acknowledgments .....	13
1 Chapter 1: Introduction .....	14
1.1 Background .....	14
1.1.1 Research aim and Objectives .....	18
1.1.2 Research questions .....	18
1.2 Research Context.....	19
1.2.1 Saudi Arabia .....	19
1.2.2 Banking Industry .....	23
1.3 Thesis Structure.....	26
1.4 Conclusion.....	28
2 Chapter Two: Literature Review.....	29
2.1 Introduction .....	29
2.2 Strategy Definitions.....	29
2.2.1 Design School .....	33
2.2.2 Planning School.....	33
2.2.3 Positioning School.....	34
2.2.4 Entrepreneurial School .....	34
2.2.5 Cognitive School .....	35
2.2.6 Learning School .....	35
2.2.7 Power School.....	37
2.2.8 Cultural School.....	37
2.2.9 Environmental School .....	38

2.2.10	Configuration School .....	39
2.3	Strategy as Practice .....	40
2.3.1	Traditional stream of strategy and Strategy as practice .....	44
2.3.2	Strategy Meaning in Practice .....	47
2.4	Strategizing Practices .....	52
2.4.1	Recursive vs. Adaptive .....	54
2.4.2	Activity Based View .....	56
2.4.3	Practices and Activities .....	57
2.5	Strategy Practitioners .....	61
2.5.1	Strategists' Capabilities .....	62
2.5.2	Strategy Actors .....	64
2.6	The Conceptual Framework .....	66
2.7	Conclusion .....	67
3	Chapter Three: Research Design .....	69
3.1	Introduction .....	69
3.2	Research Philosophy .....	70
3.3	Research Approaches .....	73
3.4	Research Strategy .....	74
3.5	Time Horizon .....	76
3.6	Data Collection Methods .....	77
3.6.1	Interviews .....	77
3.6.2	Secondary Data .....	85
3.7	Data Analysis .....	86
3.8	Trustworthiness .....	87
3.9	Translation .....	88
3.10	Limitations .....	89
3.11	Ethical Issues .....	91

3.12	Conclusion.....	92
4	Chapter Four: Case Studies.....	93
4.1	Introduction .....	93
4.2	Aljazira Bank Case.....	94
4.2.1	Overview of Aljazira Bank .....	94
4.2.2	Respondents .....	94
4.2.3	Strategy Approach.....	95
4.2.4	Data Findings .....	96
4.3	Alrajhi Bank Case .....	114
4.3.1	Overview of Alrajhi Bank .....	114
4.3.2	Respondents .....	115
4.3.3	Strategy Approach.....	116
4.3.4	Data Findings .....	117
4.4	Saudi Investment Bank Case.....	138
4.4.1	Overview of Saudi Investment Bank .....	138
4.4.2	Respondents .....	138
4.4.3	Strategy Approach.....	139
4.4.4	Data Findings .....	140
4.5	Saudi Arabian British Bank Case.....	161
4.5.1	Overview of Saudi Arabian British Bank .....	161
4.5.2	Respondents .....	163
4.5.3	Strategy Approach.....	164
4.5.4	Data Findings .....	164
4.6	Riyad Bank Case .....	188
4.6.1	Overview of Riyad Bank.....	188
4.6.2	Respondents .....	188
4.6.3	Strategy Approach.....	189

4.6.4	Data Findings .....	190
4.7	National Commercial Bank Case .....	212
4.7.1	Overview of National Commercial Bank:.....	212
4.7.2	Respondents .....	212
4.7.3	Strategy Approach.....	214
4.7.4	Data Findings .....	215
4.8	Conclusion.....	237
5	Chapter Five: Cross Case Analysis .....	238
5.1	Introduction .....	238
5.1.1	Strategy Definitions.....	238
5.2	Strategizing Practices .....	247
5.3	Strategists .....	266
5.3.1	Strategists' Capabilities.....	266
5.3.2	Strategy Actors .....	276
5.4	Conclusion.....	289
6	Chapter Six: Discussion.....	291
6.1	Introduction .....	291
6.2	How Far and in what Ways do Strategists Conceptualize Strategy? .....	292
6.2.1	Strategy Definitions.....	295
6.3	The Main Actions, Activities and Practices that Enact Strategy.....	299
6.3.1	Strategizing practices .....	299
6.3.2	Practice Modes .....	316
6.4	Who are the Strategy Actors?.....	320
6.4.1	Strategists' Capabilities.....	320
6.4.2	Strategists' Capabilities and Strategizing Practices .....	323
6.4.3	Strategy Actors .....	326
6.5	Strategizing Practices and Strategists in the Banking Sector .....	367



6.6	Is there any Difference between Islamic and non-Islamic Banks in the way Strategy is Conceived and Practised? .....	371
6.7	Conclusion.....	374
7	Chapter Seven: Conclusion.....	380
7.1	Introduction .....	380
7.2	Contribution to Knowledge .....	381
7.2.1	Theory .....	381
7.2.2	Practice .....	387
7.3	Limitations .....	388
7.4	Implications for Future Research .....	389
7.5	Conclusion.....	390
	References .....	391
	Appendices .....	402
	Appendix A: Interview Questions: .....	402
	Appendix B: Respondents' Information.....	404

## List of Figures

Figure 1.2: The Conceptual Framework for s-as-p (Source: Jarzabkowski et al., 2007)	42
Figure 2.2: Dimensions of Strategy and their Relevance to s-as-p .....	52
Figure 3.2: The Conceptual Framework .....	67
Figure 4.4: BAJ Respondents' Strategy Definitions.....	97
Figure 5.4: RAJ Respondents' Strategy Definitions.....	119
Figure 6.4: SAIB Respondets' Strategy Definitions.....	142
Figure 7.4: SABB Respondets' Strategy Definitions .....	166
Figure 8.4: RB Respondets' Straetgy Definitions.....	192
Figure 9.4: RB Board Strategic Planning Group Number of Meetings in Six Years.	208
Figure 10.4: NCB Strategy Definitions.....	216
Figure 11.5: Respondents That Defined Strategy as Plan by Categories.....	239
Figure 12.5: Respondents That Defined Strategy as Direction by Categories.....	240
Figure 13.5: Respondents That Defined Strategy as Objective by Categories .....	240
Figure 14.5: All Strategy Definitions by Categories.....	242
Figure 15.5: All Respondents' Strategy Definitions.....	243
Figure 16.5: Islamic Banks Respondents' Definitions .....	243
Figure 17.5: Local Banks Respondents' Definitions .....	244
Figure 18.5: International Banks Respondents' Definitions.....	245
Figure 19.5: Strategy Definitions by Functions .....	246
Figure 20.5: Strategizing Skills as Mentioned by Respondents.....	267
Figure 21.5: Technical Skills by Bank Categories .....	268
Figure 22.5: Technical Knowledge Mentioned by Respondents .....	269
Figure 23.5: Industry Knowledge.....	269
Figure 24.5: Required Knowledge as Perceived by Categories .....	271
Figure 25.5: Interaction Skills.....	272

Figure 26.5: Interaction Skills Mentioned by Respondents in Bank Categories.....	273
Figure 27.5: Meta-Level Skills.....	274
Figure 28.5: Metal-Level Skills Mentioned by Respondents by Bank Categories ....	274
Figure 29.5: Strategists' Skills as Perceived by Respondents.....	275
Figure 30.5: Skills as Suggested by Banks .....	276
Figure 31.5: Number of Board Members in Each Bank .....	278
Figure 32.6: 13 Classifications of Strategizing Practices.....	316
Figure 33.6: Strategizing Practices Period .....	317
Figure 34.6: Mapping Strategizing Practices' Classifications and Times .....	318
Figure 35.6: The Most Common Practices Performed by the Board of Directors.....	337
Figure 36.6: The Identified CEOs Practices.....	340
Figure 37.6: The Identified Middle Managers' Practices .....	346
Figure 38.6: The Identified Line Managers' Practices.....	352
Figure 39.6: Shari'ah Board's Involvement in Strategizing Practices .....	356
Figure 40.6: Shari'ah Group' Straetgizng Practices.....	358
Figure 41.6: Practices Exercised by Credit Rating Agencies.....	362
Figure 42.6: The Recognised Regulator's Strategizing Practices .....	363
Figure 43.6: Strategy Actors' Level of Involment and Influence .....	366
Figure 44.6: All the Strategizing Practices and the Strategy Actors Involved in Each Practice .....	369

## List of Tables

Table 1.1: Banks' Year of Establishment.....	25
Table 2.2: Summary of the Ten Strategy Schools (Source: Mintzberg et al., 2009) ...	39
Table 3.2: Summary of Paroutis and Heracleous' (2013) Dimensions of Strategy Discourse .....	52
Table 4.3: Summary of the Assumptions of this Research (Source: Creswell, 1998) .	72
Table 5.3: Sample Information.....	82
Table 6.3: Interviewees' Job Titles .....	83
Table 7.4: BAJ Respondents' Information.....	95
Table 8.4: RAJ Respondents Information .....	116
Table 9.4: SAIB Respondents' Information.....	139
Table 10.4: SABB Respondents' Information .....	163
Table 11.4: RB Respondents' Information .....	189
Table 12.4: NCB Respondets, Information .....	213
Table 13.5: Banks' Strategy Team Composition .....	284
Table 14.6: Practices Identified and their Definitions.....	301
Table 15.6: Capabilities Recognised by Respondents .....	322
Table 16.6: Capabilities Required in Strategizing Practices .....	324
Table 17.6: Board of Directors' Level of Involvement.....	338
Table 18.6: CEOs' Level of Involvement .....	341
Table 19.6: Business Middle Managers' Level of Involvement .....	347
Table 20.6: Support Middle Managers' Level of Involvement.....	348
Table 21.6: Frontline Managers' Level of Involvement .....	352
Table 22.6: Central Strategy Team's Level of Involvement .....	354
Table 23.6: Business Strategy Teams' Level of Involvement.....	355
Table 24.6: Shari'ah Board's Level of Involvement .....	357

Table 25.6: Shari’ah Group’s Strategizing Involvement .....	358
Table 26.6: Frontline Staff Level of Involvement.....	359
Table 27.6: Consultants’ Level of Involvement.....	361
Table 28.6: Credit Rating Agencies' Level of Involvement.....	362
Table 29.6: Regulators’ Level of Involvement .....	364
Table 30.6: The Identified Strategizing Practices and Strategy Actors .....	367
Table 31 Islamic Bank Respondents .....	404
Table 32 Local Bank Respondents .....	405
Table 33 International Bank Respondents .....	406

## STATEMENT OF COPYRIGHT

*The copyright of this thesis rests with the author. No quotation from it should be published without the author's prior written consent and information derived from it should be acknowledged.*

Abdullah I Alsagheir

## Acknowledgments

IN THE NAME OF GOD THE MERCIFUL

Glory and Praise be to Allah the Almighty for everything.

This once-in-a-lifetime journey was an experience of continuous learning, development and discovery. Completion of this journey would not have been possible without the support, encouragement and contribution of several people.

It was an honour, privilege and pleasure to be under the supervision of Professor Susan Miller. She was extremely supportive and inspirational; words cannot express the efforts she expended with me and her continuous guidance during this journey. I greatly appreciate her dedication, professionalism, capacity to motivate, respect for others, and skill in enlightening, shaping and influencing scholars' characters, values and personalities. Her formidable intellect helped me to focus my thoughts and greatly assisted in the completion of this thesis. I am most grateful to the executives, managers and employees whom I interviewed in the banks, for giving me the time and information needed to conduct this research.

Thanks are also due to my wife Lubna for her love, support and for sticking with me in the good days and the bad days; she made it simple for me. My thanks also extend to my lovely daughters, Rund and Fatimah.

Words cannot express my sincere gratitude and respect to my most beloved parents for their invaluable and continued encouragement, which allowed me to be as ambitious as I wanted. Also, special thanks go to my brothers and sisters for standing next to me and my friends for encouraging me.

Many thanks to the scholars whom I met in conferences and workshops, who exchanged ideas, information and feedback with me.

Last but not least, I would like to thank everyone who provided guidance, advice and support from start until submission.

# 1 Chapter 1: Introduction

This chapter introduces the purpose of the research, the importance of the research and research questions. It provides information on the research context, and gives an outline of the thesis structure.

## 1.1 Background

This thesis explores strategizing in the banking sector in a cross cultural context. It is an attempt to provide insights into strategy meaning, strategizing practices and strategy practitioners. Strategizing has received little attention in the literature; there are few studies focused on different strategy actors involved in strategizing and what strategists actually do during strategizing (Whittington, 2006; Johnson et al., 2007).

Traditional views typically see strategic management as “the process through which organisations analyse and learn from their internal and external environment, establish strategic direction, create strategies that are intended to help achieve established goals, and execute those strategies, all in an effort to satisfy key organisational stakeholders” (Harrison and John, 2009, 4). This definition presents a linear conceptualisation of strategy as comprising analysis, rational choice and implementation and tends toward reification of the organisation, underplaying the role of organisational members in creating strategy.

The traditional field of strategic management broadens our understanding of activities by distinguishing between concepts such as formulation and implementation, thinking and acting, process and content, micro and macro. Moreover, several models have been introduced related to strategy making within organisations. However, there has been a lack of focus on empirical work addressing what exactly strategists do during strategizing. Therefore, the emergent field of strategy as practice is calling for more research addressing strategizing, strategists and their activities (Johnson et al., 2003; Jarzabkowski, 2005).



The perspective that influences this research is that “strategy is more than just a property of organisations; it is something that people do, with stuff that comes from outside as well as within organisations, and with effects that permeate through whole societies” (Whittington, 2006, 627). Strategy as practice (s-as-p) focuses on the actions and interactions of managers in the whole process of strategizing. In contrast to the traditional view of strategy as rational and deliberate, s-as-p assumes that strategy emerges over time from the actions and interactions of strategy practitioners. These actions are dynamic in nature and constructed from the daily experiences of the strategy actors (Regnér, 2003; Whittington, 2007; Jarzabkowski and Kaplan, 2010). This new reconceptualization means a fundamental ontological shift. First, strategy is no longer viewed as stable and observed, but as in flux. Second, it is not considered to be positioned only on the institutional level, but broadened to include several levels, from individual actions to institutional level. Thirdly, the world of strategy is shaped and reshaped through the interactions of actors within and outside the firm. This has epistemological implications for both researchers and practitioners (Golsorkhi et al., 2010; Chia and MacKay, 2007).

From the s-as-p perspective strategizing appears be more about the continuous social activities, actions and practices of multiple actors conducted to develop, maintain, renew, transform and implement strategy (Jarzabkowski et al., 2007). This view does not differentiate between strategy making and implementation. The focus here is on the formal and informal micro activities by which strategy actors enact and construct strategies (Whittington, 1996). Strategizing is seen by strategy as practice scholars as the intersection of three elements: practitioners (workers), praxis (work) and practices (tools) (Whittington, 2006). Here, the focus of the strategy as practice arena is towards what strategists do during strategizing and what activities they conduct (Hendry, 2000; Whittington, 2002b; Johnson et al., 2003; Carter et al., 2008). Examples of practices and activities related to strategizing have

been introduced by several scholars, such as “the direction setting, resource allocation, and monitoring and control” (Jarzabkowski, 2003, 45). Scholars have called, however, for more studies on the “nitty-gritty” (Whittington, 1996) activities of strategizing and the routines and practices that constitute strategy (Chia and MacKay, 2007). Activities related to strategizing are the activities that are “consequential for the strategic outcomes, directions, survival and competitive advantage of the firm” (Jarzabkowski et al., 2007, 8). Strategizing is different in different contexts, such as differences in organisation size, industries and national society (Whittington and Caillaud, 2008).

Strategy actors and strategy practitioners refer to the actors involved in the strategy work. Strategizing is conducted by different actors occupying different roles; therefore the view adopted in this research is that strategy actors are not limited to upper echelons but also include the other actors, either internal or external and direct or indirect (Balogun and Johnson, 2005; Whittington, 2006; Johnson et al., 2007). Studying strategy actors is essential to enhance our understanding of strategy and strategizing.

The s-as-p area focuses on the strategizing perspective and investigated strategy actors’ work, habits, events, tools and artefacts. In other words, it adopts a micro perspective to uncover the social activities and the actors engaged in practice (Johnson et al., 2003). As Whittington pointed out, the focus of this emerging perspective is on ‘where and how is the work of strategizing and organizing actually done; who does this strategizing and organizing work; what are the skills required for this work and how are they acquired?’ (Whittington, 2002b, 119).

Furthermore, in order to enhance our understanding of strategizing, strategy meaning as conceived by strategy actors on the micro level needs to be investigated. This has been neglected in previous research (Tsoukas, 2010; Vaara and Whittington, 2012; Paroutis and Heracleous, 2013).

Consequently, the focus of this research is on the micro level of strategizing, strategy actors, specifically on who they are and what they do - as well as exploring the definition of strategy as perceived by strategy practitioners and the capabilities required for strategizing. The context of this empirical research was the banking sector in a cross cultural environment. In addition, a particular feature is the comparison between Islamic and non- Islamic banks, which are governed by different principles although operating in the same context, in the way strategy is conceived and practised.

In so doing, this research contributes to knowledge in addressing the curious absence of strategy actors and their actions and activities in the field of strategy (Jarzabkowski and Spee, 2009; Hendry et al., 2010). The who, how and what of strategizing are under-researched, particularly in non Western countries like Saudi Arabia. Therefore, this research will provide insight into a unique cultural environment, where Western theories and practices may be less applicable.

Previous empirical research has focused on the macro level of strategizing and engaged less with the details (Johnson et al., 2007; Regnér, 2008; Jarzabkowski and Spee, 2009; Whittington, 2007). Furthermore, non-Western contexts have been neglected, as the focus was more on North America and Europe (Carter et al., 2008). This could be explained by the fact that most researchers in this field are based in that part of the world. The key difference between the Western context and non Western contexts could be around two issues of religion and culture. For example, Islamic banking is derived from Shari'ah. Another example is the participation of women in strategizing, which is restricted due to cultural and social barriers. Such issues have thus far been little explored in the field. In addition, it is worth mentioning that contexts like Saudi Arabia are influenced by Western practices and models, for example, in the banking sector.

Study of such a context can contribute to the field of strategic management in general and the s-as-p field in particular by providing insights and exploring strategizing in a non-Western context. Also, it can contribute to practice, where relevant to strategy practitioners.

The research will be of interest to several stakeholders, including banks, strategy practitioners, academics and management consultancy firms. It will also be of interest to other similar service sectors such as insurance firms, which have recently been established in Saudi Arabia, who may be interested in understanding more about successful strategizing in that context.

### **1.1.1 Research aim and Objectives**

The aim of the research is to explore the doing of strategy in the banking sector in Saudi Arabia. The following objectives have been identified:

- 1- To examine the shape of Saudi Arabian strategic management practices.
- 2- To investigate the understanding of strategy and the process of strategizing.
- 3- To identify strategy actors involved in strategizing.
- 4- To compare the strategizing in Islamic and non Islamic banks.
- 5- To present findings that can contribute in developing the strategic management discipline.

### **1.1.2 Research questions**

This empirical study addresses the following research questions:

- 1- How far and in what ways do strategists conceptualize strategy in practice?
- 2- What are the main activities and practices by which individuals enact strategizing?
- 3- Who are the strategists (strategy actors) in Saudi Banks?
- 4- Is there any difference between Islamic and non-Islamic banks in the way strategy is conceived and practised?

This thesis will focus on strategy actors from different level of organisation and different functions in six different banks. A qualitative approach was adopted in which data were

obtained through interviews, complemented by secondary data from a variety of documents, including annual reports, sustainability reports, newsletters and websites. Although this thesis is influenced by the s-as-p perspective, the methodologies suggested by scholars (such as observation) in this field (Jarzabkowski et al., 2007) could not be adopted, as they were rejected by participants. This raises the issue how methodologies adopted in the West (developed countries) could be applied in a non-Western context (developing countries), where academic research is less familiar and people are conservative, especially on such a sensitive topic. This will be discussed further in chapter three ( the methodology chapter).

## **1.2 Research Context**

Before carrying out the empirical research it is important to understand and to have a clear overview of the context of the research. This could include the environment, industry, and economy, as an organisation cannot be isolated from the surrounding context (Capon and Disbury, 2000). Therefore, this section will discuss the country background, culture and banking industry of Saudi Arabia. Such explanations would help to understand issues or reasons surrounding strategizing in this research context.

### **1.2.1 Saudi Arabia**

The Kingdom of Saudi Arabia is the largest country in the Middle East and the 20th largest in the world, measuring approximately 2.2 million square km (CIA, 2013). In addition it has the largest gross domestic product (GDP) in the Middle East (SAMA, 2012).

Saudi Arabia is located in the South-west of Asia. It comprises almost four-fifths of the Arabian Peninsula. It is considered one of the most important countries in the Middle East, Arab world and Muslim world (Muna, 1980; Elamin and Omair, 2010). The Arabian Peninsula is known as the original homeland of Arabs and Muslims. In particular, Saudi Arabia contains the two holy mosques in Mecca and Madinah. The house of God in Mecca

was built by the prophet Ibrahim and his son Ishmael; from those days until now, people travel to Mecca to perform pilgrimage.

Therefore, Saudi Arabia's roots and history are linked with early civilization in Arabian Peninsula. In the 7<sup>th</sup> century Islam was introduced and unified all clans and tribes in the peninsula. The modern Saudi Arabia as a state was unified by King Abdulaziz Al-Saud in 1932.

Nowadays, the Saudi population is an estimated 30 million people, of whom around 10 million are expatriates. This could explain the large number of this research sample who were non Saudis.

#### *1.2.1.1 Culture*

This section will discuss the uniqueness of Saudi culture. Saudi Arabia is an Arabian country; therefore, it is part of the broader Arab culture. It is considered as the most traditional, conservative and strict country, compared with other Arab and Islamic countries. Language, history heritage and religion are the common issues in Arab culture (Atiyyah, 1997); however, there are variations between countries. For example, Islam still governs people's behaviour (Ali, 1996) but different traditions and culture create this variation (Syed, 2010). Therefore, different cultures had different interpretations of Islam. The most restricted interpretation of Islam emerged in the 19<sup>th</sup> century due to the political and economic changes; for example, new states were established (Ahmed, 1992).

Saudi Arabia strictly adheres to Shari'ah (Islamic Law) for various reasons, but the two important reasons for that are the religion's link with the political establishment and the deep rooted attachment to traditions (Muna, 1980). The mixture between traditions and religion make social norms very powerful in Saudi culture, as they are linked with beliefs (Bjerke and Al-Meer, 1993). Moreover, religious scholars encouraged the community to ensure that all

the social norms and practices were governed by a strict and conservative interpretation of Islam and all other interpretations were rejected (Nevo, 1998). The influence and power of this religious school of thought derived from their alliance with the political establishment (Al-Atawneh, 2009). Therefore, there is a strict code that dictates social interaction which results, for example, in gender segregation and a conservative female dress code (Souaiaia, 2008). A mixture of traditions and religion restrict women's participation in society (Metcalf, 2008).

Some norms and traditions were inherited from the era before Islam, which religion could not erase; for example, norms and traditions gave the male gender superiority. Moreover, these strongly rooted traditions and culture create a barrier between the majority of people and the senior and elderly males, as they are hesitant to confront them challenging social issue (Muna, 1980; Ali and Al-Shakis, 1985).

Religion and tribal norms create and support a hierarchical structure within family and society. Therefore, the family is powerful in Saudi social structure (Yamani, 2000). Family and tribal ties have a cultural influence on business, economy and society. Saudi culture reinforces kinship and traditional gender roles (Elamin and Omair, 2010). For instance, women depend heavily on men and have a limited role within society, embedded in the social and family structure (Doumato, 1992). Conservative norms and tradition result in women sometimes facing challenges and limit their rights; for example, women's choices of education or work are governed by these norms. It is essential to recognise that such norms are not related to religion (Taleb, 2010).

Strict interpretations of religion and culture force the segregation of genders, so that women and unrelated men need to be segregated. This conservative social interaction between genders limits women's participation in public (Doumato, 1992; Taleb, 2010). However,

nowadays the economic situation has forced changes, as a result of which women's participation has increased in both private and public sectors. Also, recently, women's participation at the decision making level has increased. For example, this year 30 women for the first time became members of the Saudi Shura council (parliament).

Saudi Arabia has faced a rapid change due to the oil boom in the past 40 years. However, people still stick to traditions, as they rely on them to face changes. In such a context, religion, traditions, social norms and relations play key roles in business, which obviously could conflict with modernization within organisations in Saudi Arabia (Metcalf, 2008). An example of one of the changes made to cope with globalization is the change in the country's weekend from Thursday and Friday, to Friday and Saturday.

As stated earlier, the economy is one of the key issues that differentiate Saudi Arabia.

Therefore, the following section will address this aspect.

#### ***1.2.1.2 Economy***

Saudi Arabia is the world's 20th largest economy and the largest economy in the Middle East. The importance of the Saudi economy derives from its role as one of the key oil producers in the world. It is estimated that Saudi Arabia has more than one-fifth of the world's proven oil reserves (CIA, 2013).

Since the 1970s when oil prices increased, the country has generated enormous revenues.

Saudi considered as one of the largest oil exporters in the global market. Oil revenues account for more than 80% of the total government revenue.

However, the country in the past few years has sought to diversify the economy beyond oil.

Therefore, the country has invested the huge budget surpluses in infrastructure development.

Hence, the Saudi economy includes a mix of manufacturing and service industries.



The economy has faced several changes in the past years, but one of the major shifts was accession to the WTO in 2005. This boosted the diversification strategy and forced economic reform. For example, the volume of foreign investment increased significantly. Also, the government began to aggressively encourage the growth of different private sectors.

In order to sustain economic growth, Saudi Arabia has sought to build a strong financial system to serve its growing economy. This financial system broadly consists of financial and banking institutions (both Islamic and non- Islamic) and the capital market (SAMA, 2010).

### **1.2.2 Banking Industry**

During the pre-oil period there were no banks in Saudi Arabia, there were only a number of money changers, serving of the large number of pilgrim visitors. The first bank was Dutch and opened in 1928. The first national bank was established in 1937 by some of the money changers. In 1952, a monetary agency was established to serve the government, regulate the banks and issue the new currency (the Saudi Riyal).

Banking in Saudi Arabia has experienced an exciting period of growth. From 1975 to 2011, total assets increased from US\$5.78 billion to \$411.849 billion; and the number of branches increased from 88 to 1,646 (SAMA, 2012).

Banks' net profits at the end of 2012 stood at \$ 9.36 bn (£ 14.16 bn). With the growth and increasing competition of the banking sector, the impacts of globalisation and deregulation, and the effects of the global financial crisis, Saudi banks have recognized the importance of developing their strategies. For example, several mergers have taken place in the past 15 years, banks entered new international markets, and several banks are converting from conventional banks to Islamic ones (Akhtar, 2010; Ravichandran and Alkhatlan, 2010; Essayyad and Madani, 2003).

Only 12 banks operate on the universal banking model and provide a broad range of products and services including retail and corporate banking, investment counselling, and brokerage facilities, along with credit cards, automated teller machines (ATMs) and point of sale transactions. In addition, the banks offer and manage a number of mutual funds. Eleven of these 12 banks are listed on Tadawul (the Saudi Stock Exchange).

These 12 banks can be classified into two categories:

1. Islamic banks: This group includes Al-Rajhi bank, Alinma bank, Aljazira bank, and Albilad bank.
2. Conventional banks: This category includes National Commercial Bank, Samba Bank, Riyadh Bank, Banque Saudi Fransi, Saudi British Bank (SABB), Arab National Bank, Saudi Hollandi Bank and Saudi Investment Bank.

Although all the banks in the second category have some Islamic products and Islamic banking departments, this does not offer Islamic legitimacy to the operation of the whole bank.

Basically, Islamic banking is a banking system governed by the principles of Shari'ah (Islamic Law). The main difference between this type of bank and the traditional or conventional banks is the prohibition of all types of interest.

Conventional banks means banks that adopt the Western traditional banking system. This type of bank could be classified into two groups, local and international. Local banks are those established locally and owned by local businessmen or local organisations.

International banks are joint ventures with the most well-known banks in the world such as JPMorgan Chase, Credit Agricole Corporate, HSBC and ABN AMRO.

All the banks operate in the same context, in that they are under supervision of the same central bank (SAMA), providing almost similar services. Also, all of the banks have been in business for more than 35 years (Table 1.1), so they face similar changes in regulation, market and consumer demand.

**Table 1.1: Banks' Year of Establishment**

Bank	AlJazira	Alrajhi	SABB	Saudi Investment	Riyad	National Commercial
Year	1975	1978	1978	1976	1957	1953

The first two local banks were established in 1953 and 1957 respectively. In the mid 70s, there were around ten international banks and two local banks, so SAMA introduced new laws and regulations to force international banks to incorporate locally and allow them to own a maximum of 40 per cent of the bank. As a result, most of the banks that continued in the country took the management contracts in the new affiliates.

### **1.2.2.1 Islamic Banking**

Islamic banks, like any other business, aim to make returns through services and products. All products and services, however, should be compatible and consistent with Shari'ah (Iqbal and Molyneux, 2005). The Shari'ah is a set of laws and rules, which oversee the economic, cultural, social, and political side of the community (Cerimagic, 2010). It aims to maintain work ethics, social and economic justice and wealth distribution (Visser, 2009; Kamla and Rammal, 2013).

Shari'ah prohibits compound interest (named in Islam as Riba) and instead it only recognises the principles of trade and profit and loss sharing. Under Shari'ah, money should not create money and should not be the source of wealth. Effort, work and productivity must be the

source of wealth and money, except for people who cannot work (Iqbal and Molyneux, 2005). In other words, Shari'ah emphasises the relationship between labour and capital, although it recognises certain forms of wealth gained without any effort, like inheritance, gifts and charity. However, any wealth is liable to Zakat. Zakat is a religious duty, it is an obligatory fixed percentage of wealth paid annually (annual tax) to charity (Anas and Mounira, 2009). Therefore, effort still has to be made to sustain wealth. Furthermore, a key principle in Islamic banking is that the risk of any financial transaction should be shared between the bank and customers (Iqbal and Molyneux, 2005).

The size of global Islamic banking is expected to reach around two trillion USD by the end of 2013 (EY, 2013). There are more than 300 Islamic banks in more than 75 countries (Ftiti et al., 2013). The growth of Islamic banking in the past four years was more than 75% (EY, 2013).

Saudi Arabia is a large player in Islamic banking (Iqbal and Molyneux, 2005), but only four banks operate as fully Shari'ah-compliant entities. However, the remaining Saudi banks have opened Islamic banking windows and started taking deposits according to Islamic principles and offering Shari'ah-compliant products and services. The market share of Islamic banking assets stood at around 25% of total Saudi banking assets in 2011 (SAMA, 2012).

### **1.3 Thesis Structure**

The thesis contains seven chapters, including this introduction.

The second chapter is a review of the literature. It is divided into four sections. In this chapter, different strategy definitions are presented, followed by discussion of the emergent domain of s-as-p and finally strategists' activities and strategy practitioners will be covered.

The third chapter reviews the methodology followed in this empirical study. Also, it describes and justifies the data collection process and data analysis method followed.

The fourth chapter contains the findings in relation to each of the following issues: strategists, strategizing and practices in six banks in Saudi Arabia. Each bank is presented as a separate case. For each case the first section is an overview of the bank. This is followed by information about the respondents. Next, the strategy approach is explained and finally the data findings are discussed.

The fifth chapter is a cross-case analysis of the six banks studied (two Islamic banks, two local conventional banks and two international conventional banks). The chapter starts with an examination of how strategy was conceptualized by the strategists and the qualities of strategists as perceived by respondents. Then, the identified strategizing practices are discussed, followed by analysis of the strategy actors. This chapter compares the findings of the three categories, Islamic, local and international.

The sixth chapter contains a discussion, beginning with strategy conceptualization as perceived by strategy actors in the Saudi banking sector. Then, the main practices and activities identified are represented. Next is a discussion about the strategy actors, which includes strategists' qualities and the identified strategy participants' involvement and influence. After identifying which strategists are involved in which practices, the chapter concludes with a comparison of strategy conceptualization and strategizing practices in Islamic and non-Islamic banks.

The seventh chapter highlights the contribution to knowledge of this empirical research, its limitations and the implications for future research.

## 1.4 Conclusion

This thesis will enhance our understanding about strategy and strategizing in the banking sector in a non-Western context. It will explore strategy conceptualization as perceived by practitioners and strategy actors' activities and practice thorough strategizing. Also, it will address the issue of strategy actors, who they are, their level of involvement and influence, and the capabilities required in strategizing, as perceived by practitioners.

Thus, this research will contribute to knowledge and provide new insights through exploring strategy and strategizing in a rarely explored, non-Western context. Also, it will provide a contribution to practice in terms of how strategy is enacted and perceived in the banking sector in the Saudi context, as well as providing insight into the strategy actors and the influence of religion and culture in strategizing.

In order to achieve the desired objectives, the first step is to review critically the literature on strategy and strategizing, to provide a string foundation for this research. The following chapter will address this issue.

## **2 Chapter Two: Literature Review**

### **2.1 Introduction**

There are few studies focusing on strategists and exactly what they do during strategizing. Therefore, the aim of this thesis is to explore strategists, their understanding of the meaning of strategy, strategists' capabilities and their actions and activities within the banking sector in Saudi Arabia. The relevant literature will be discussed in this chapter.

In this chapter a variety of perspectives will be presented, in order to enhance the understanding of strategy and strategizing, to trace the roots of the framework that will be applied in this research and to provide points of comparison in the light of which the research findings on Saudi banks can eventually be interpreted.

The chapter begins by considering different strategy definitions, followed by discussion of the emergent domain of s-as-p and finally strategists' activities and strategy practitioners will be reviewed.

### **2.2 Strategy Definitions**

One of the focuses of this research is the way strategy is conceptualized by strategy practitioners. Therefore, this section will discuss the different definitions of strategy. According to Hardy and Phillips (2004) within organisations, people could construct objects, concepts and subjects through their understandings, talk and behaviours. They pointed out that concepts were the means to interpret and make sense of the meaning of phenomena like strategy. Similarly with objects, discourses legitimize ideas and the nature of work such as the strategy work. For example, in the organisation vision and mission, top-down and bottom-up approaches became naturalized and part of the organisation life. Furthermore, discourses form social actors' subject position and structure, for instance actors' rights, expectations and

what they can or cannot do. In this regard, Mantere and Vaara concluded that “The concepts we use, the metaphors we employ, the jokes we tell, and the words we use in persuasion and convincing are not merely “rhetoric,” but are intimately linked to the ways in which strategy and strategy processes are socially constructed” (2008, 355). Thus, exploring strategy definition as perceived by practitioners could be meaningful to the way strategy actors strategize. For this reason, several scholars called for exploration of the meaning strategists give to strategy, as this could enhance our understanding of strategy (Barry and Elmes, 1997; Paroutis and Heracleous, 2013). There is, however, limited research that explores how strategists perceive and think of strategy. Therefore, this research will contribute to the enhancement of our understanding of strategy as perceived by practitioners.

The purpose of this section is to present various views on what strategy is from different angles and lenses. Decades of strategy research and literature have provided us with a plethora of definitions and concepts (Markides, 2000; Mintzberg et al., 2009). Despite all of this, the meaning of strategy is still fuzzy and there are various understandings of it (Hambrick, 2004; Fréry, 2006).

Scholars and practitioners have not yet provided consistent guidance on what constitute strategy and how to develop good strategy (Hambrick and Fredrickson, 2001; Markides, 2000; Grandy and Mills, 2004). Several researchers have attempted to reduce and identify a limited number of strategy concepts, but still there is a lack of knowledge of what strategy means to strategists (Hambrick and Fredrickson, 2001; Barry and Elmes, 1997).

Nowadays, practitioners use the term strategy in various contexts such as branding strategy, service strategy, acquisition strategy, joint venture strategy and many other strategies they think about at specific times. So, many things are called strategy, which could cause confusion.



The first writing on strategy was in about the sixth century B.C when Sun Tzu wrote *The Art of War*, dealing with military strategy (Grant, 2010). However, strategy has been a focus of academic literature since the 1960s (Whittington, 1996).

The term strategy originates from the Greek word *strategia*, which means generalship, and refers to the “ [planning of] the destruction of one’s enemies through effective use of resources” (Bracker, 1980, 219). By thinking about this term, we could view that the general, over time is responsible for all units, fronts and battles and his value added is in the comprehensiveness. The strategy has a variety of elements but they are linked to form a coherent whole (Hambrick and Fredrickson, 2001).

The most common definition of strategy is the one adopted by Chandler, which distinguishes strategy as “the determination of the basic long-term goals and objective of an enterprise and the adoption of courses of action and the allocation of resources necessary for carrying out these goals ” (Chandler, 1969, 13). This view of strategy is the orthodox view. It is inherited from the military context and it follows rational analysis. Another common definition is “top management’s plans to attain outcomes consistent with the organisation’s missions and goals” (Wright et al., 1992, 3).

Furthermore, Quinn adopts Chandler’s view of strategy and discusses it in a more process-based approach: “A well-formulated strategy helps to marshal and allocate an organisation’s resources into a unique and viable posture based on its relative internal competences and shortcomings, anticipated changes in the environment and contingent moves by intelligent opponents” (Quinn, 1980, 3) . Later in the same period, another definition of strategy was introduced as “a pattern in a stream of decision” (Mintzberg and Waters, 1985, 257). Porter defined strategy as “the creation of a unique and valuable position, involving a different set of activities” (Porter, 1996, 68).

Furthermore, a key scholar in strategic management identified contrasting ways of seeing strategy, known as the five Ps for strategy. They are: plan, pattern, position, perspective and ploy (Mintzberg et al., 2009). The planning definition, also called intended strategy, is the best known definition and it confirms the characteristics of strategy as something done in advance and purposefully, whereby firms create a plan for the future. The pattern definition, also called realised strategy, views strategy as “consistency in behaviour over time” (Mintzberg et al., 2009). It argues that defining strategy as a plan is not adequate, because the strategy may result from action. Thirdly, strategy is defined as a position, which means it is about positioning in a particular industry (Porter, 1996). This view has been a central focus in the traditional view of strategy. A further definition views strategy as a perspective; while the previous definition focuses on the environment, this one focuses inside the organisation. The fifth definition views strategy as a ploy, which is “a specific manoeuvre intended to outwit an opponent or competitor” (Mintzberg et al., 2009). This concept considers strategic purposes and practices, but not the actual behaviour of strategic actors.

The general view that emerges from these definitions is that strategy is usually deliberate and purposeful, and that it is directed towards achievement of a particular goal for the organisation (such as attaining a particular position within its industry) but they imply different views of the way in which strategy is conceived and realized.

Several key scholars have classified and categorised strategic management in different schools of thought, for instance, Mintzberg’s ten schools of strategy (Mintzberg et al., 2009). Mintzberg et al identify ten schools, which can be grouped into three categories. The first three schools (design school, planning school, and positioning school) focus on the formulation of strategy. The next six schools (entrepreneurial school, cognitive school, learning school, power school, cultural school and environmental school) are concerned with

describing certain aspects of the strategy formation process, while the last school (configuration school), also descriptive, tries to integrate the previous perspectives (Mintzberg et al., 2003; Kippenberger, 1998).

### **2.2.1 Design School**

The design school is the most influential framework in the field of strategy making. Its roots lie in Selznick's introduction of the distinctive competence concept in 1957 and Chandler's in 1962 (Mintzberg et al., 2009).

Basically, this school is concerned with the appraisal and matching of internal and external capabilities. This process will enable formulation of strategic alternatives, and their evaluation based on top management values and ultimately a single strategy will be chosen. Therefore, the grand strategy, which needs to be unique, simple and deliberate, in this school, comes about as a result of a deliberate conscious thought process of the CEO, who is the architect of the organisation's purpose and the controller of the whole process. Then, the strategy will be ready to implement (French, 2009).

The design school neglects the content of the strategy and the emergence of strategy. In addition, it assumes that the surrounding environment can be understood; also that one strategist can evaluate the entire situation, ignoring the role of other actors (Ansoff, 1991; Mintzberg et al., 2003).

### **2.2.2 Planning School**

The beginning of the planning school was parallel with the design school in the 1960s and it was influenced by Ansoff's book, *Corporate Strategy*; it continued to be the dominant view in the 1970s. The central messages from this school are around formality, analysis and integral strategy formation with planning, which is an extension of the design school concept (Hunt and Brews, 1999). Therefore, it became rational and supported by checklists and

various analytical techniques. Thus, strategy is the outcome of the planning process.

Although this formulation is controlled by the CEO, planners are the real players and the ones who carry out the strategy (Mintzberg and Lampel, 1999; Hax, 1990).

The criticisms of this school were around issues such as prediction and forecasting of the future, detachment of the operational managers from the strategic thinking and the production of strategy (French, 2009; Mintzberg, 2000).

### **2.2.3 Positioning School**

The positioning school is traced back to the military concept of having the right position when facing a certain situation. The idea of strategies in the positioning school is generic and strategy formulation is around selecting, through analytical calculation a specific position that could command higher profits than other competitors and can influence the industry (French, 2009; Mintzberg and Lampel, 1999; Campbell-Hunt, 2000) .

In the positioning school, analysts replace planners. Adherents have suggested several tools promoting the same approach, such as the Boston consulting group matrix, Porter's Generic Strategies , the Value Chain Analysis model and the Five Forces Model (Mintzberg et al., 2009).

### **2.2.4 Entrepreneurial School**

The entrepreneurial school assumes that strategy formulation is a visionary practice. It promotes “ a view of strategy as perspective, associated with image and sense of direction, namely vision” (Mintzberg et al., 2009). Strategy exists in the mind of the leader who has a long term vision for the organisation’s future. In this school strategy making is around searching for new opportunities and for growth; solving problems is less important (Kippenberger, 1998).

This school has never said much about the process of strategy formation; “this has remained largely a black box, buried in human cognition” (Mintzberg et al., 2009). Also, the leader can get enmeshed in operation details and lose the strategy focus. Furthermore, relying in one unusual individual to decide where to go and what to do is risky, as it could create a culture of dependency and adversely affect learning and innovation within the organisation.

### **2.2.5 Cognitive School**

The cognitive school points out that strategy formulation results from human brains, either individually or collectively. Therefore, it is essential to know how brains use the information to create the strategies. The assumption in this school is that most strategists are self-taught through their experience, which shapes what they know and what they do (Kippenberger, 1998).

The premises of the cognitive school are that the strategy formation process occurs in the mind of the strategy maker. Therefore, strategy comes out in the form of perspectives (concepts, maps, schemas and frames). The seen world can be represented as constructed or modelled. A disadvantage of this approach is that strategy once implemented, will be difficult to change and reformulate (Mintzberg et al., 2003).

### **2.2.6 Learning School**

Some of the previous schools took a simplistic view, promoting static formulation and ignoring the fact of business dynamics and difficulty of the world of strategy making. The learning school proposes a solution for learning and knowledge gaining over time and it presents strategy as an emergent process. This school argues that strategy is initiated from the lower level of management and then it will be labelled by middle or top management. Also, strategy can emerge from several sources such as the influence of individuals or group decisions (Hunt and Brews, 1999; Goold, 1992).

Here, strategy formulation is a learning process which evolves over time and cannot be separated from implementation (French, 2009). The learning school highlights key issues around strategies, for example, who is the designer of strategy? Where in the firm does it take place? How is it supposed to be formulated? (Mintzberg et al., 2009)

The danger in this school is from trial and error, which can be costly, inappropriate, time consuming and might lead to the unfocused use of resources. It seems to be more suited to complex and large organisations (Kippenberger, 1998).

One of the key theories that is classified under this school is the dynamic capability theory, which significantly contributes to the field of strategic management. However, it can be seen as hybrid of the design and learning schools (Mintzberg et al., 2009). The term dynamic emphasises the ability to renovate competencies as a response to the rapidly changing business environment, while capability emphasizes a key aspect of strategy in “appropriately adapting, integrating, and configuring internal and external organisational skills, resources, and functional competences to match the requirements of a changing environment” (Teece et al., 1997).

Basically, the idea here is around sustaining competitive advantage in the dynamic environment through mixing, allocating and rearranging resources, and in order to do this effectively, the organisation needs to depend on learning . This collective learning fits dynamic capabilities into the learning school (Volberda and Elfring, 2001).

This perspective was developed because of the limitations of strategic theory and its analysis of firm-level strategies. Strategic theory assists firms to sustain their competitive advantage, but not to understand why and how firms can sustain and build competitive advantage in such a rapidly changing environment (Mintzberg et al., 2009; Hunt and Brews, 1999).

### **2.2.7 Power School**

The power school recognises power and politics as a part of the strategy process. In strategy formation, using power and politics can influence the strategy through negotiating strategies to favour a particular interest or to be used as a means to an end. The term power means “the exercise of influence beyond the purely economic” (Mintzberg et al., 2009).

Within this school, there are two bodies of thought, internal (micro level) and external (macro level). Micro power is related to play of politics within the organisation and in this context is the process of strategy. The second branch (macro power) of this school of thought recognises politics as a part of strategy in terms of using politics to influence the external environment to achieve organisation aims (Kippenberger, 1998).

The premise that drives this school is that strategy formation is formed by power and politics. The strategy which results from this process is most likely an emergent strategy that (referring back to the ‘5 Ps’) takes more the shape of positions or ploys and less that of a perspective (Mintzberg, 1987; Mintzberg et al., 2009).

Obviously, the power school, like the previous schools, overemphasizes certain points; strategy formation is not only about power. On the one hand, the political aspect may have a positive position in organisations but on the other hand, it might produce serious disadvantages, such as distortion and wastage in firms (Mintzberg et al., 2003).

### **2.2.8 Cultural School**

The cultural school views strategy as “a process rooted in the social force of culture” (Mintzberg et al., 2009). The main premises of this school are that organisations share values, traditions, beliefs and stories which create organisation culture and expectations which will influence behaviour. So, basically the assumption here is that strategy formation is a process of social interaction of the organisation members and it depends on their

understanding and beliefs. Such a strategy is solid because it has strong roots. However, the stronger the culture, the more dangerous the potential impact, especially in terms of any changes in the future, which might be very difficult. In addition, it discourages strategic changes and it favours shifts in positions. Culture can be difficult to build and reconstruct but it is easy to destroy (Kippenberger, 1998; Mintzberg et al., 2003).

Also classified under this school is the resource based view, which can be seen as a hybrid of the learning and culture schools (Mintzberg et al., 2009). The emphasis of the resource based view (RBV) is on the capabilities and assets of the firm and the ability to isolate a mechanism towards capturing entrepreneurial rent. It considers that firms that have superior infrastructure and systems will be profitable, because they will succeed in having lower cost, or higher quality or product performance. The RBV takes for granted rational options and processes and places emphasis on firms' resources and structure (Kraaijenbrink et al., 2010; French, 2009).

Another perspective that cuts across these schools is s-as-p, which focuses on the way managers work (Golsorkhi et al., 2010). This perspective will be discussed in more detail in a later section, because of its particular relevance for this work.

### **2.2.9 Environmental School**

Unlike all the previous schools, the environment school emphasises the external forces which it claims dictate strategy. The roots of this school go back to the contingency theory. The argument here is that an organisation will be born then it will find an ecological niche and finally it will die. The environment dictates the organisation's strategic choices because the organisation needs to adapt to survive in the surrounding environment (Mintzberg et al., 2003).



A basic premise of the environmental school is that the environment presented to organisations, as a combination of general forces, is a vital actor in the strategy developing process. Organisations' early responses during the shaping stage influence their long term survival. The main critique of this school is that usually the dimensions of the environment are vague and abstract (Kippenberger, 1998).

### 2.2.10 Configuration School

The configuration school claims that strategy formation is determined by time, place and circumstances. Therefore, different strategy making processes can occur in the organisation's lifespan, depending on the timing and the organisation context. This approach accounts for any revolutionary stage.

Therefore, the process of strategy formulation could be consistent with any one of the previous schools. Accordingly, the strategy outcome can take the shape of any of the following: plan, pattern, position, perspective or ploy, depending on the time and situation. Therefore, the critique of this school is that firms are presented in many shades of grey, not only black or white (Mintzberg et al., 2009).

To sum up, Mintzberg et al. suggest various dimensions to strategic process.

**Table 2.2: Summary of the Ten Strategy Schools (Source: Mintzberg et al., 2009)**

<b>School</b>	<b>View of strategy formation</b>	<b>Key Premises</b>
<b>Design</b>	<b>Conceptual</b>	<b>Controlled, Unique, Informal</b>
<b>Planning</b>	<b>Formal</b>	<b>Analysis, Integration, Programming, Scenarios</b>
<b>Positioning</b>	<b>Analytical</b>	<b>Deliberate, Generic strategy, Competitive analysis</b>
<b>Entrepreneurial</b>	<b>Visionary</b>	<b>Centralized, Leadership, Vision insight</b>
<b>Cognitive</b>	<b>Mental</b>	<b>Cognitive psychology, Perspective, Interpretation</b>
<b>Learning</b>	<b>Emergent</b>	<b>World complex, learn, Incrementalism, Venturing</b>

<b>Power</b>	<b>Negotiation</b>	<b>Conflict, Political, Bargaining, Coalition, Alliance</b>
<b>Cultural</b>	<b>Collective</b>	<b>Value, Myths, Organisational Culture, Symbolism</b>
<b>Environmental</b>	<b>Reactive</b>	<b>External environment, Adaptation, Niche, Complexity</b>
<b>Configuration</b>	<b>Transformation</b>	<b>Integrative, Life cycle, Stage, Turnaround,</b>

These schools of thought suggest there are different ways of conceptualizing and enacting strategy; they suggest it can be enacted in different locations, by various actors and practices.

These different perspectives and conceptualizations give rise to the first two research questions, concerning who the strategists are and how far and in what ways they conceptualize strategy.

Also, from this review, a question is raised as to what is inside the black box of the process of strategizing, which was not described clearly in any of these 10 schools of thought. This motivates a focus on the micro level of strategizing through a s-as-p perspective, in order to fill this gap in knowledge.

### 2.3 Strategy as Practice

In recent years a new perspective to emerge due to the increasing complexity of organisations and business environments is s-as-p. Strategy from the s-as-p view is “a situated, socially accomplished activity, while strategizing comprises those actions, interactions and negotiations of multiple actors and the situated practices that they draw upon in accomplishing that activity” (Jarzabkowski et al., 2007, 7).

Traditionally, strategy research takes for granted that strategy is something an organisation has; for instance, Porter argues that “every firm competing in an industry has a strategy, whether implicit or explicit” (Porter, 1979). Therefore, for example, firms can have one of the following strategies: diversification, differentiation or joint venture. To have such a strategy,

firms will develop several processes relevant to the strategic decisions, strategic planning and strategic changes (Johnson et al., 2007). Thus, in this context strategy becomes a property of the organisation. s-as-p has a different view. It implies a new strategic thinking and emerging approach towards strategy, whereby strategy is viewed as an activity that people or actors do (Johnson et al., 2003; Whittington, 2007; Johnson et al., 2007; Vaara and Whittington, 2012). It focuses “on strategy as a social 'practice', on how the practitioners of strategy really act and interact” (Whittington, 1996, 731).

s-as-p is concerned with “what people do in relation to strategy and how this is influenced by and influences their organisational and institutional context” (Johnson et al., 2007, 7).

According to Whittington (2003) the focus in s-as-p moved beyond strategy towards strategizing, which is defined as the consequential micro activities and actions of strategists.

s-as-p focuses on the real work of strategizing , strategists and exactly what they do (Jarzabkowski, 2005). According to Johnson et al (2007, 3), the emphasis of this perspective is on two neglected questions: “What do the people engaged in strategizing actually do and how do they influence strategic outcomes?”.

Similar questions about human behaviour were asked in the early twentieth century by the pragmatist tradition. For example in the 1980s and early 1990s, this issue was raised in the social sciences by researchers such as Giddens and Bourdieu (Johnson et al., 2007).

Therefore, this concept is not completely original, but it aims to bring back the strategy field from the focus on the firm to the interest in what people and especially managers do in respect to strategy and strategizing (Golsorkhi et al., 2010).

According to Whittington, “The distinctive claim of this practice perspective is that it takes seriously strategy work, strategy’s workers and strategy’s tools” (2000, 1). Generally, this perspective focuses on three central points: praxis (work), strategists (workers) and practices (tools), but with a focus on the details of the relevant day to day activity (see Figure 1.2).

Whittington defined these three focal elements, saying that “practices are the ‘done thing’, in both the sense of accepted as legitimate and the sense of well-practised through repeated doing in the past. Praxis is what is actually done, here the work of strategizing. Practitioners, of course, are the doers of strategy, the strategists” (2002, 4). More recently, Whittington added a fourth element, which is profession; in this fourth theme he emphasised the “importance of strategy as a specialized institutional field” (2007, 1580).

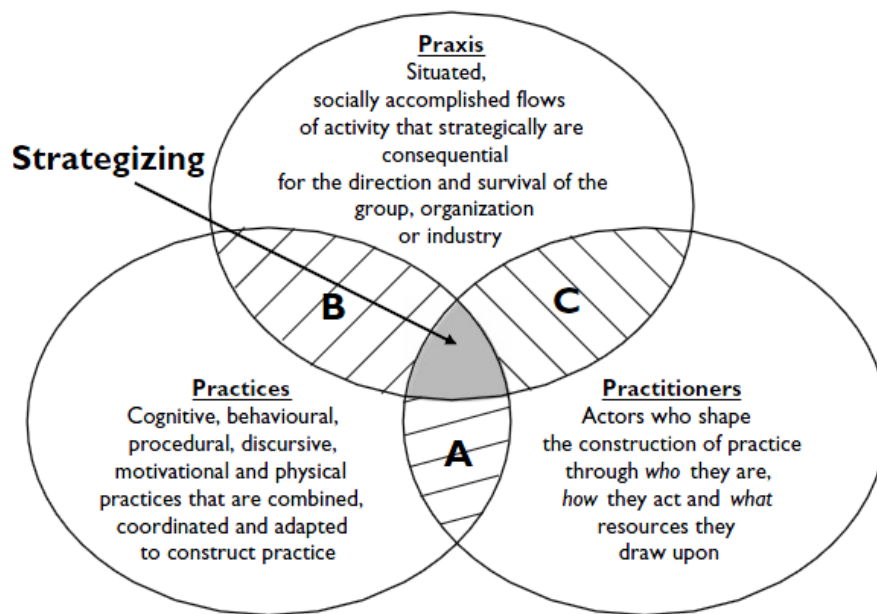


Figure 1.2: The Conceptual Framework for s-as-p (Source: Jarzabkowski et al., 2007)

Johnson et al. (2003) conclude that s-as-p focuses on micro activities, whereas the strategic management discipline has generally neglected such activity.

According to Whittington et al. (2004), the research of s-as-p has grown rapidly and taken various directions. For example several issues have been researched, including micro processes, tools, people and strategy as a profession. Thus, basically, this school is arguing for less focus on the black box of strategy making, and more on the actual work of strategists throughout the strategy process. This implies a different level of analysis from most strategy research, concentrating on micro-level analysis of activities, tools and conditions. Also, it disregards the dichotomy between strategy process and content, as well as between

formulation and implementation (Hendry et al., 2010; Golsorkhi et al., 2010; Jarzabkowski and Kaplan, 2010). It studies the actions of strategists that influence the process and content; what Whittington referred to as “the meeting, the talking, the form-filling and the number crunching by which strategy actually gets formulated and implemented” (Whittington, 1996, 732).

The benefit of adopting this perspective is that its focus on the micro level of the strategy process, through studying the strategy practitioners, will make it possible to fill the gap of knowledge around this issue and in particular to answer the third research question, What are the main actions, activities and practices by which individuals enact strategy? The detailed information gathered in relation to this question will in turn enable comparison between Islamic and non-Islamic banks, to answer the fourth question.

The s-as-p perspective is appropriate because this research seeks to understand strategy in a distinctive context where Western theories may have limited application, so it would be inappropriate to start with preconceived assumptions about who strategy practitioners are or the what, when and why of what they do (Balogun et al., 2003; Whittington, 2007). In the absence of an agreed definition of what strategizing is, the approach suggested by Johnson et al, who defined strategizing as “the detailed process and practices which constitute the day-to-day activities of organisational life and which relate to strategic outcomes” (Johnson et al., 2003), offers an approach which has ecological validity, as it examines the specifics of strategizing in its real-world context, without imposing any specific assumption or theory. In this way, s-as-p may help in generating a picture, and contribute to developing theory, that is appropriate to the distinctive context of this research.

As stated earlier and as presented in the figure (2.1), in order to study strategizing a framework was proposed which includes praxis, practices and practitioners (Johnson et al.,

2007). According to Jarzabkowski et al. (2007) for empirical research scholars should focus on two elements of the abovementioned framework in order to provide more robust and in depth empirical research. Therefore, in alignment with the objective of this research, the focus will be on the praxis and practitioners.

Moreover, Johnson et al. (2007) emphasised the level of analysis. s-as-p research is classified by level of analysis (Jarzabkowski and Spee, 2009). For instance, praxis could be researched on the micro level through practitioners' experience (Samra-Fredericks, 2003); also it could be studied on the organisation level through, for example, strategic actions (Balogun and Johnson, 2005), or it could be looked at from an institutional perspective (Vaara et al., 2004; Lounsbury and Crumley, 2007). Thus, this research takes the strategy practitioners as the unit of analysis.

Chia and MacKay (2007) criticised s-as-p for the ambiguity in differentiating processes and practices in the micro activities. Also they highlighted the neglect of engagement in social practices, due to the focus of attention on individuals' practices.

### **2.3.1 Traditional stream of strategy and Strategy as practice**

Although s-as-p could be viewed as an extension of the orthodox stream of strategy agenda and strategy as process field (Jarzabkowski and Wilson, 2002; Whittington and Cailluet, 2008; Paroutis and Pettigrew, 2007), others view the field as different, since s-as-p adopts different perspectives and goes beyond the traditional stream of strategy (Johnson et al., 2007). This section will highlight the difference between s-as-p and the orthodox stream of strategy.

The traditional stream of strategy was based on economic theories in order to help practitioners to cope with an uncertain environment (Faulkner and Campbell, 2006). Then, Porter's work on five forces (Porter, 1979) and competitive advantage (Porter, 1985) shifted the field towards internal analysis, the external environment and the concern to sustain

competitive advantage (Prahalad and Hamel, 1990; Teece et al., 1997; Faulkner and Campbell, 2006). This influenced the strategy field and since that time, this field has been defined as an independent academic area that concentrates on management strategy and decision making.

One of the drawbacks of the field is the unsuccessful efforts to link performance with strategy due to the complexity of strategizing (Johnson et al., 2007). For instance, Grant's (2002) research on corporate diversification and profitability failed to make this link; this was similar to the research conducted on corporate structure and performance (Whittington, 2002a). Moreover, there were shortcomings in the field in addressing strategists, as the emphasis was towards top management, while others were neglected (Mahoney and McGahan, 2007).

As a result of the above mentioned shortcomings, the field of strategy as process was developed. Before carry on discussing strategy as process, it is worth mentioning that the strategy field was classified into two approaches, 'Content' and 'Process'. The former focused on strategy types while the latter was concerned with strategy making and implementation (Bourgeois, 1980). The rational conclusion is that s-as-p is more related to process (Whittington, 2007).

Many strategy as process scholars contributed to this field and focused more on the strategy process, such as Mintzberg (1978); Pettigrew (1977; 1985); Mintzberg and Waters (1985); Johnson (1987). Strategy as process research "humanized" this field (Pettigrew et al., 2006, 12). Its proponents acknowledged a range of participants in strategy in different settings and their different managerial cognition (Hodgkinson and Sparrow, 2002). Thus, the focus in this field moved from organisation towards strategists' intent and thinking, which is similar to the emergent field of s-as-p (Johnson et al., 2007). However, the focus in the strategy process

field was predominantly towards the organisation and processes as units of analysis. The strategy as process field was less focused on the micro level. Also, there was a neglect of what constitutes and enacts these processes and less focus on the details of what strategists do (Papadakis et al., 1998; Johnson et al., 2007).

Despite all the efforts in the strategy as process field to overcome the limitations identified, there is an argument that this was insufficient, which enabled the growth of the field of s-as-p (Johnson et al., 2003). Although the strategy as process field studies the effects of politics and power on strategies (Pettigrew, 1985; Mintzberg, 1987), this field neglects to address different strategy actors and their activities (Golsorkhi et al., 2010).

To overcome the abovementioned gap associated with traditional strategy field, the stream of s-as-p proposes addressing these gaps, by moving the focus from strategy towards the complexity of strategists' activities, actions and social practices (Whittington, 2003; Johnson et al., 2003; Hendry, 2000; Jarzabkowski, 2005). Attention was moved from strategy and performance to investigating deeply what strategists actually do in strategizing on different levels (Golsorkhi et al., 2010).

According to Whittington (1996), s-as-p depends on the strategists' acting and interacting in the strategy-making cycle. Similarly Jarzabkowski pointed out that "to understand human agency in the construction and enactment of strategy it is necessary to refocus research on the actions and interactions of the strategy practitioners" (2007, 6). The s-as-p approach is to go beyond the abstract element of strategy towards the details of strategy (Johnson et al., 2007).

Also, s-as-p acknowledged that different sets of skills are required by different actors in order to succeed in strategizing. Moreover, Whittington (1996) promotes the idea of strategist performance rather than focusing only on organisation performance and the idea of strategists' observation to enhance the understanding of strategizing.



Four perspectives of strategy were identified by Whittington (1996), which includes the planning approach which emerged in the 1960s, the policy approach which developed in the 1970s, the process approach which developed in the 1980s and recently the practice approach, which is based on many insights of the process approach.

Chia and MacKay (2007) argued that s-as-p could be viewed as complementary and related to strategy as process rather than an independent area. According to Whittington (2007) in terms of praxis there is an overlap between s-as-p and strategy as process, while it is different when it comes to practitioners, practices and profession. Similarly, Johnson et al. (2007) indicates commonality between strategy as process and s-as-p, for instance the focus on tensions and politics. Scholars differentiate the field by viewing strategy as something people do rather than something owned by organisations, focusing more on the micro level and relying on different units of analysis (Whittington, 2004; Johnson et al., 2007; Jarzabkowski and Whittington, 2008b; Whittington, 2007).

### **2.3.2 Strategy Meaning in Practice**

In organisations, strategy practitioners became more ubiquitous (Whittington and Cailluet, 2008). In the main stream of strategic management literature, there is limited research on how strategists conceive and think of strategy in practice. In order to learn in practice how strategy is carried out, it became essential first to learn the meaning of strategy held by strategists in practice. Understanding the strategy practitioners' meaning of strategy has benefits; for instance, it could help with interpreting the relation between practitioners' cognition and practitioners' practices with the outcomes.

According to Paroutis and Heracleous "Despite advancement in strategy-as-practice, our understanding of the meaning of strategy as perceived by organisational actors 'in practice' is still fairly limited" (2013, 2). Investigating the understanding of the strategy concept by

strategy practitioner is valuable as their meaning of strategy constitutes elements of strategizing and their daily practice (Tsoukas, 2010).

In research by Paroutis and Heracleous (2013), a dimension of strategy discourse was identified named as “first- order strategy discourse”. Discourse was viewed as part of the organisational process that it could engage stakeholders; also through discourse a social reality could be legitimated and diffused (Jarzabkowski and Sillince, 2007). A variety of studies investigated the influence of discourses on several aspects of strategy, such as strategy implementation, strategy decisions and strategic changes (Heracleous and Barrett, 2001; Hendry, 2000; Hardy et al., 2000). However, there are limited studies on strategy meaning from strategists’ perspective.

Strategy discursive studies and s-as-p share similar features. The discursive studies investigate discourse and its relations to strategizing practices. s-as-p empirical studies progressively provide richer and deeper accounts of how strategists act (Maitlis and Lawrence, 2003; Paroutis et al., 2013). For instance, Jarzabkowski and Sillince (2007) concluded that managers through rhetorical discourse could form a context of staff commitment towards strategic goals. Furthermore, another example of an investigation adopted a discursive perspective to study strategy work conceptions and strategizing and claimed to identified discourses that could engage or impede participation in the strategy process (Mantere and Vaara, 2008). However, still there is a gap of knowledge regarding what strategy means to strategy actors in practice. This knowledge would uncover the basis of discourse for practitioners in shaping strategizing, especially in terms of praxis and practices.

In Paroutis and Heracleous’ (2013) research, they sought to address the abovementioned gap of knowledge through adapting a discursive lens. Strategy here was treated as a concept in

practice, rather than defined as something stable or fixed. They concluded that strategy is a contingent concept closely associated with the practitioners who “do” strategy and “are” strategists. Also, they concluded that attention to what strategists’ do needs to consider what they say and think at the micro level.

The abovementioned study tried to understand the first-order (individual) interpretation of the strategy concept and how strategy is enacted as a constructed social phenomenon. The first-order strategy discourse is described as a discourse of specific strategists at the micro level who are involved in strategizing. Discourse is defined as the group of written and oral texts which are located and have constructive and functional consequences in a social and organisational context (Heracleous, 2006). The discourse in the aforementioned research was the oral texts articulated by practitioners, which exposed their understanding of strategy.

Development of the first-order discourse framework was based on the cognitive lens perspective by Rajagopalan and Spreitzer (1997). Three aspects were adopted: managerial cognition, managerial practices and the links with strategy content. Basically, the claim here is that outcomes are developed, maintained and dissolved as a consequence of practice and cognition, which is a result of discourse. Furthermore, previous s-as-p research laid the foundation for such first-order exploration. For instance, Jarzabkowski and Sillince (2007) claimed that managers exercise rhetorical language consistently, which shapes the context of commitment to strategic goals by employees.

Paroutis and Heracleous (2013) study explored the meaning of strategy as perceived by strategy actors through interviewing 15 strategy directors from 11 firms (100 FTS 100 companies). Specifically, each actor was asked what strategy meant to him/her, resulting in four primary dimensions of strategy discourse: functional, contextual, identity and metaphorical.

In the functional dimension, strategists' related strategy to what was planned and intended to be achieved and what strategists do to recognize that strategy. Basically, strategy here revolves around strategic decisions and proceeds with implementation throughout preparing a detailed course of actions and plans that dictate actions and resources. The key terms highlighted in examples of extracts used in this research were: a set of implicit and explicit rules, developing competing alternatives, developing plans and implementation. Furthermore, this dimension was linked to the s-as-p conceptual framework, as it was linked to praxis (work). The meaning of strategy introduced here was linked with activities (making decisions, planning, implementation) that strategy actors experienced for which they had trained in the past in their professional career.

For the contextual dimensions, the meaning of strategy depends on where the strategy (strategic activity) is performed within the organisation. In addition, it is contingent on the norms of strategizing in the organisation, which could set the parameters of strategy development, such as the degree of centralization, leadership, strategists' role, and strategy development history. This is more applicable to organisations that have multiple business units that have, for example, different markets, cycle times and planning processes. Such differences could create complex conflicts of beliefs as to the meaning of strategy.

The example, this research refers to the central strategy team and the business (peripheral) strategy team. The central strategy teams view themselves as the ones who formulate strategy rules and ensure that businesses follow the process and structure in order to ensure effective execution of the strategic objectives. In contrast, the businesses strategy units view their role as developing and executing the decided strategic objectives. However, different strategy business units within the business could have different views on the priorities, issues and resources needed, which could result in conflicts and tensions. Such conflicts are resolved

differently in different organisations, depending on the leadership style adopted in each organisation.

The contextual dimension, in terms of s-as-p, was associated with the practices aspect, where the routines, traditions and behaviours related to strategizing. Routines and norms of practising strategy differ between units, depending on the location context within the organisation.

Regarding the identity dimension, it is concerned with the strategists' identity, as it considers that the meaning of to "be" a strategist is a key aspect of the strategy meaning. Strategy actors, when talked about strategy, referred to what constituted strategists, for example focusing on their capabilities, roles and abilities. Here, strategists were distinguished from non strategists through highlighting their strategizing capabilities, tasks, thinking and abilities. In terms of a s-as-p framework, this dimension is linked to the strategists aspect, as it tells us who are the strategy practitioners and how their identities are socially constructed.

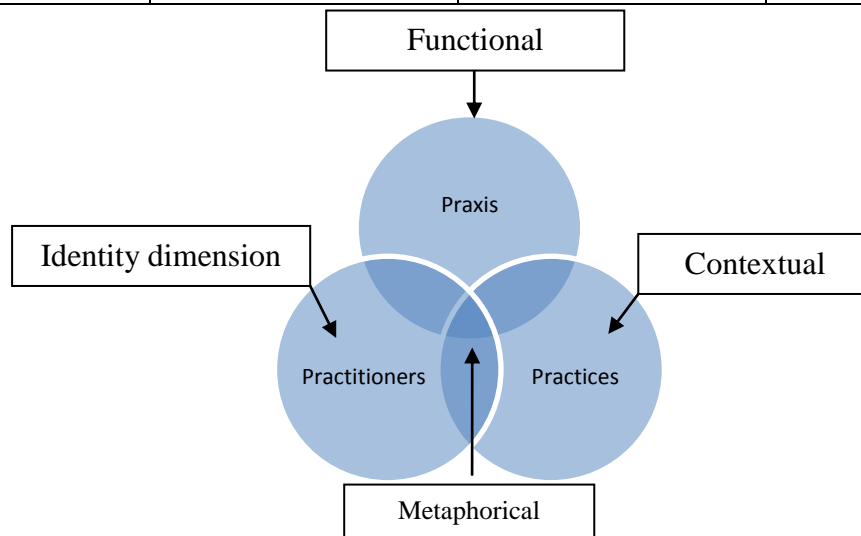
The fourth dimension introduced by Paroutis and Heracleous (2013) is the metaphorical dimension. Frequently, strategists when they discuss strategy express a normative aspect of aspirations through using mechanistic and directional metaphors, for example, directing an organisation to a certain route or direction. Such aspiration was central in defining strategy content internally and externally for an organisation. The metaphor here was that strategy is a journey. Another example of a metaphor used by strategists is that strategy is a tool; the strategists in this example had a perception of uncertainty and therefore for strategizing they needed a mental step where, for instance, the tool could facilitate choice of options.

In terms of s-as-p, this dimension was linked to all the aspects of the framework (praxis, practices and practitioners), as the discourse here presented cognitive and sense-making devices and toolkits for practitioners which constructed their routinized norms and

behaviours (practices) as they practised any strategic activities (praxis) such as strategy workshops. The table (3.2) summarises the description of all the dimensions, while the diagram (Figure 2.2) shows the relationship between the dimensions and s-as-p.

**Table 3.2: Summary of Paroutis and Heracleous' (2013) Dimensions of Strategy Discourse**

<b>Functional Dimension</b>	<b>Contextual Dimension</b>	<b>Identity Dimension</b>	<b>Metaphorical Dimension</b>
Strategy as a goal; revolves around strategic decisions and proceeding with implementation throughout preparing a detailed course of action and plans that dictate actions and resources	Strategy contingent on where the strategic activity is performed within the organisation and the norms of strategizing	Strategy as strategists' identity; what meaning of to "be" a strategist. What constitute strategists, for example focusing on their capabilities, roles and abilities.	Strategy as aspirational; through expressing mechanistic and directional metaphors.



**Figure 2.2: Dimensions of Strategy and their Relevance to s-as-p**

## 2.4 Strategizing Practices

As stated earlier, the s-as-p framework (praxis, practices and practitioners) is a means to understand and identify strategists' activities that take place in strategizing (Whittington, 2007). In this framework, praxis is identified as what strategists do in the social context.

According to Paroutis and Pettigrew, praxis is "the actual work of strategizing, all the

meeting, consulting, writing, presenting, communicating and so on that are required in order to make and execute strategy” (2007, 140).

Several scholars have called for more exploration of the micro activities and how strategists perform in strategizing (Balogun and Johnson, 2005; Johnson et al., 2007). In the traditional stream of strategy, managers in the upper echelons were at the centre of the strategy process where their actions were associated with strategizing. However, there is little knowledge available about the acting and activities of strategists from different levels of the organisation. The need to include different actors from different levels was recently recognized by research that adopted a s-as-p perspective (Whittington, 2003; Johnson et al., 2003; Jarzabkowski, 2005; Paroutis and Pettigrew, 2007). Therefore, this research will focus on strategy actors’ actions and activities through adopting a s-as-p perspective because it views strategizing as “situated activity arising from the actions and interactions of multiple level actors” (Jarzabkowski, 2005, 6). This will respond to the several calls to uncover what strategists do during strategizing (Whittington, 2006; Jarzabkowski and Whittington, 2008b; Jarzabkowski and Spee, 2009).

Several empirical studies in the s-as-p field provide us within insights on how strategists strategize (Samra-Fredericks, 2003; Salvato, 2003; Maitlis and Lawrence, 2003; Paroutis and Pettigrew, 2007). However, some of them focused on a specific group of strategists and neglected how other actors contribute in the identified strategizing activities. This could be clearly shown in large corporations such as banks, where strategizing cannot be the responsibility of a single group. Several researchers investigated strategists at multiple levels, such as Regnér (2003) who studied strategists’ actions at the periphery and centre in multinational organisations. Similarly, Paroutis and Pettigrew (2007) provided insights about strategizing at the corporate and peripheral levels. Previous research, however, did not

provide in-depth insights about strategizing activities performed by different actors. Also, there was a great distinction between strategy actors, which did not provide a clear picture of how different actors interact.

This thesis intends to explore strategists' activities and practices at multiple levels in the banking sector. In order to explore strategizing activities and practices, the praxis concept will be adopted. Moreover, this research will follow Orlikowski's (2002) and Paroutis and Pettigrew's (2007) approach in exploring the strategizing activities of strategy actors at multiple levels in large organisations. As a result, this study operationalizes strategists' praxis to include a wider scope of activities practised by strategists throughout strategizing.

According to Paroutis and Pettigrew, strategizing is "constituted by the ongoing activities and interactions of diverse and distributed groups of individuals. Interactions amongst multiple communities from different organisational levels are necessary in developing, maintaining and renewing strategy" (2007, 102). Scholars suggested that strategizing activities and practices are distributed at different levels of organisations due to the existence of diverse communities of strategists (Orlikowski, 2002; Paroutis and Pettigrew, 2007).

#### **2.4.1 Recursive vs. Adaptive**

When investigating strategizing activities and actions of strategists, the duality of adaptation and recursion that underpins strategists' practice needs to be considered (Jarzabkowski, 2004; Paroutis and Pettigrew, 2007). The claim here is that strategists may adopt one of two choices; the first is a routinized and recursive approach in strategizing while the second is a creative and adaptive approach in strategizing.

Recursive means habitual, routinized and recurrent actions and activities. Previous social order theories discussed routinized practice; for instance Giddens (1984) introduced the daily



routine interactions between agents and structure. Clark defined recursiveness as “ the socially accomplished reproduction of sequence of activity and action” (2002, 67).

Adaptation, in contrast, means creative, transformative and exploratory actions and activities that could change or initiate socially accomplished activity. As a result of adaptive activities, changes could be incremental or radical (Jarzabkowski, 2004; Paroutis and Pettigrew, 2007). Organisations require both continuity and transformation in order to practise as usual and to be able to adapt (Pettigrew, 1985; Jarzabkowski, 2003). Therefore, it could be argued that strategists engage in strategizing with adaptive and recursive activities.

Previous research suggested that centralized strategists are more inclined to adopt recursive and routine behaviours and activities, as they concentrate on the usual business. According to Burgelman (1983) managers at the corporate level provide stability as they set the structure and context in which to strategize, so they will be prone to recursive behaviour. On the other hand, peripheral strategists are more disposed to adaptive behaviour and activities.

Burgelman (1983) pointed out that adaptive behaviour evolved from managers in the peripheral operation level in the form of initiatives. Consistent with this argument, Regnér (2003) concluded that strategizing activities at the centre were more deductive, while those at the periphery were more inductive. However, a different argument was introduced by Balogun (2003), which presents strategists’ roles as more complicated than just concentrating on adaptive activities. For instance, middle managers need to sustain stability even during transformation.

Despite all the insights provided by previous research, the knowledge available about strategizing activities practised by multiple actors and the duality of recursive and adaptive practices remains limited (Paroutis and Pettigrew, 2007).

### 2.4.2 Activity Based View

The activity based view (ABV) is defined as an approach that “focuses on the detailed processes and practices which constitute the day-to-day activities of organisational life and which relate to strategic outcomes” (Johnson et al., 2003, 4). This approach is concerned with micro activities and the consequential details of strategists’ work in strategizing (Whittington, 2003). ABV encourages going within the black box to study the actual work done. This micro strategizing approach appreciates and acknowledges a wider scope of actors, not only managers but all those involved in the actual work of strategizing (Johnson et al., 2003).

There is increased emphasis in the field on focusing more on micro level analysis and explanation, but with less focus on the activities that constitute strategy. Other theories related to the field had a similar perspective. For instance, in the organisational and management cognition, the emphasis, for example, was towards practice to explain people’s behaviour, collective cognition embedded within activities and the relationship between strategy and cognition (Walsh, 1995; Weick and Roberts, 1993; Eden and Ackermann, 2013). Another example is from the organisation theory field, where Blackler et al. (2000) propose an activity approach. The argument here is that ABV work is parallel to other theories on strategy, but focusing on the micro level of people’s activities, specifically what they do and what activities they engage in that constitute strategy. In other words, the focus should be on what Johnson defined as “the lived world of organisational actors” (2003, 15).

Despite all of this, this perspective faces several challenges. The main challenge is knowledge creation and research design. The case study approach has a weakness for accumulating knowledge beyond the context of the case study. Another challenge is the scope of the study and the unit of analysis. ABV work encourages close engagement with practitioners and practice to investigate the actual activities, which could be a challenge for those who rely on reporting from the practitioners involved (Johnson et al., 2003).

### **2.4.3 Practices and Activities**

This research contributes to the calls in literature to conduct more empirical research to understand strategizing through exploring strategists' activities in practice (Whittington, 2003; Whittington, 2007; Jarzabkowski and Spee, 2009). In order to study activities and practices the lens of micro strategizing is adopted (Johnson et al., 2007) because this approach probes underneath the black box of strategizing and examines what strategists actually do. Also, it views strategizing as conducted by multiple actors through their actions, activities and interactions (Johnson et al., 2003; Whittington, 2006; Jarzabkowski and Balogun, 2009).

According to Whittington (2006) strategizing activities and actions at the praxis level are extensive, multiple and diverse. This research aims to provide insights into the main activities performed by strategists' at multi levels in the banking sector. Identifying such practices and activities will enable us to better understand strategizing.

It is important to note that strategizing is not limited to those activities highlighted in this thesis, as the following 13 practices were the only ones that could be captured from strategists' interviews and the secondary documents used.

Paroutis and Pettigrew (2007) identified seven practices that were practised by strategy teams, including executing, reflecting, initiating, coordinating, supporting, collaborating and shaping context. Moreover, other practices were identified by other scholars, such as communicating, negotiating (Andersen, 2004; Jarzabkowski and Balogun, 2009), translating (Rouleau, 2005), facilitating, integrating and reviewing (Thnarudee, 2012).

#### **2.4.3.1 Shaping Context**

Shaping context concerns the activities conducted by strategists to shape the conditions and context within which other actors operate. Two related activities were introduced: establishing the standards of the output and connecting the relationship and social network

between participants across the organisation (Paroutis and Pettigrew, 2007). Examples include deciding the type, framework and length of strategy documents and presentation, and connecting the participants to help with distributing the knowledge and alignment (Orlikowski, 2002).

#### ***2.4.3.2 Initiating***

Initiating is defined as the activities conducted by strategists related to developing new ideas related to strategizing and strategy. In other words it is the actions that result in employing new approaches of strategizing. Such activities take place in the beginning of shaping new strategic initiatives, where strategists provide expertise and knowledge to put forward ideas (Paroutis and Pettigrew, 2007). Such actions could be undertaken by strategists to create new strategy or to validate old strategy (Porter, 1991).

#### ***2.4.3.3 Coordinating***

Coordinating refers to the activities that conducted by strategists that influence others' behaviours in strategizing, such as using certain strategy tools and models or common language (Paroutis and Pettigrew, 2007). Moreover, such activities could influence strategists' roles (Marginson, 2002). These activities are conducted through the interactions between strategists and other actors. Such activities could be useful for consistency and commitment (Leonard-Barton, 1992).

#### ***2.4.3.4 Collaborating***

Collaborating occurs when strategists jointly develop ideas, reports and plans. The identified related activities here were to share strategic information and resources, and to work jointly with other actors across the organisation. Different actors co-operate and exchange resources to prepare strategy-related initiatives and presentations (Paroutis and Pettigrew, 2007). Such activities are related to strategy events (Maitlis & Lawrence, 2003). Collaboration has a

positive impact on the outcomes (Pinto and Pinto, 1990). Open contacts between strategists could lead to reducing the conflicts between participants and understanding the broad issues related to strategy (Paroutis and Pettigrew, 2007).

#### ***2.4.3.5 Supporting***

Supporting refers to when strategists provides and distribute resources and knowledge to other actors during strategizing, for instance, when one actor provides information to other actors, helps with employing a specific strategy toolkit, or conducts analysis for others that cannot be performed by them (Paroutis and Pettigrew, 2007). Supporting is different from collaborating in term of interactions, in that here, one actor supports others, whereas collaborating is a joint effort.

#### ***2.4.3.6 Facilitating***

Facilitating occurs when strategists arrange ways to involve others in strategizing, so that others could suggest ideas and develop strategies and plans (Thnarudee, 2012). For instance, strategists may arrange for strategy events to include different actors, to encourage development of initiatives (Floyd and Wooldridge, 1997).

#### ***2.4.3.7 Negotiating***

Negotiating refers to the discussion between strategists in regard to strategic ideas, plans or reports. Through debates and bargaining, strategists reach an agreement, as different actors have different interests (Balogun and Johnson, 2005; Mantere, 2008). Issues of perception, power and interests are resolved through negotiation between different actors (Floyd and Wooldridge, 1997). Particularly, in times of change, there is more negotiation, as actors either resist or comply with the new practices (Jarzabkowski and Balogun, 2009).

#### ***2.4.3.8 Integrating***

Integrating refers to the activities conducted by strategists to combine other actors' ideas and plans. Activities include collecting the ideas, initiatives and plans, and then combining all of this (Thnarudee, 2012).

#### ***2.4.3.9 Executing***

Executing refers to the routine activities that are conducted regularly, such as preparing and developing strategy presentations, reports, documents and anything related to strategy knowledge (Paroutis and Pettigrew, 2007). Whittington described these activities as “ nitty-gritty, often tiresome and repetitive routines of strategy” (Whittington, 1996, 732). This could be linked to the use of strategic tools, models and frameworks (Rigby, 2001; Paroutis and Pettigrew, 2007).

#### ***2.4.3.10 Translating***

Translating refers to the activities conducted by strategy actors to interpret strategies and plans provided by others. Here, strategists depend on their own understanding and their tacit knowledge (Rouleau, 2005). This occurs, for instance, when strategists take the strategies provided by others and interpret it to strategic plans or initiatives (Balogun, 2003).

#### ***2.4.3.11 Reflecting***

Reflecting is defined as when strategists learn from, reconsider and modify the ways strategy was conducted, or not conducted, in the past. Paroutis and Pettigrew (2007) introduced two related activities, which were personal development and fine-tuning the strategy model and process. Over time, people conduct activities such as inventing, changing, learning or adopting new ways of experiencing and interpreting the world (Orlikowski, 2002). Reflecting upon strategies, objectives, plans and processes, could be high when strategists are involved with greater details, expecting challenges and in planning time (West, 2000).

#### ***2.4.3.12 Communicating***

Communicating refers to strategists' conversation about strategic ideas, projects and plans, which could be conducted formally or informally. The following examples associated with such practice are when strategists employ an adaptive listening approach to learn how others realize strategy, discussing ideas and plans formally and informally with others, sharing information, passing ideas and plans through a top-down approach of communication and sharing feedback on strategy-related issues. Formal communication could be spoken or written, while informal communication it could in the form of private talks, chat and storytelling (Balogun and Johnson, 2005). Continuous communication could improve the efficiency of strategizing, for example the issue of consistency. Moreover, communicating is one of the approaches to overcome any resistance in strategizing (Quinn, 1980; Jarzabkowski and Balogun, 2009). It is worth mentioning that communicating with actors is not only confined to internal actors but could also take place externally.

#### ***2.4.3.13 Reviewing***

Reviewing occurs when strategists collect and review strategies and plans produced by others. Accordingly, strategists monitor and adjust these proposed strategies and plans regularly (Thnarudee, 2012). Activities related to this practice are regular meetings and discussion with other strategy actors, tracking performance and collecting others' plans and reports. This enhances the consistency among actors within the organisation (Floyd and Wooldridge, 1997).

### **2.5 Strategy Practitioners**

The argument of this study is that in order to know more about strategizing, the different actors involved needed to be researched. The focus here is on the capabilities required for strategizing and exploring the range of strategists involved (Whittington et al., 2011).

Practitioners are defined as “ the workers of strategizing, including managers, consultants and specialized internal change agents” (Paroutis and Pettigrew, 2007, 140). Scholars’ efforts have focused on exploring upper echelons’ strategizing activities (Balogun et al., 2003; Rouleau, 2005; Jarzabkowski and Wilson, 2002). The view adopted here, however, is that strategizing is not limited to those people. It includes other actors such as middle managers (Regnér, 2003; Balogun, 2003; Hoon, 2007; Mantere, 2008; Rouleau and Balogun, 2011), front line managers (Eisenhardt and Sull, 2001; Balogun and Johnson, 2005) and external actors (Whittington, 2003). Moreover, strategy actors are not confined to those directly involved but include indirectly involved actors such as policy makers and media (Whittington, 2006; Jarzabkowski et al., 2007).

The research will contribute to the calls for conducting research that acknowledges strategy actors outside senior management (Balogun and Johnson, 2005), as there is limited empirical research that explores strategizing dynamics and involvement of different strategy actors (Wooldridge et al., 2008).

Strategizing is conducted by different participants, occupying different roles. Therefore this research aims to capture and identify the different strategy actors. Also, these actors are involved in different strategizing practices and activities, which require different sets of capabilities; these too, are explored in this research.

### **2.5.1 Strategists’ Capabilities**

As stated earlier, there is limited empirical research on strategizing in practice. One of the issues related to strategizing is the strategy actors’ capabilities, which they use or need in practising strategizing. In this respect, this research focuses on two aspects, skills and knowledge required or needed in strategizing (Thomas, 2001). According to Whittington (1996, 734) “We do not know the different skills strategy consultants, planners and managers



actually use”. Exploring the capabilities required in strategizing could enhance our understanding of strategists and strategizing. It is through strategy actors’ capabilities that strategy practices are practised. Therefore, this might help with understanding better the nature of strategy practices.

**Skills** are defined as the physical and mental qualities mainly acquired through training (Le Deist and Winterton, 2005). Furthermore, the term “skills” could be interpreted as a reflection of the information accumulated through learning by doing and includes new approaches and output. Therefore, they can be considered as tacitly acquired. The definition adopted for “skills” in this research is the abilities required to pursue the work effectively. These abilities could be developed and noticed in the practitioner’s performance. So, the key point here is that skills have to be effective in practice in any context (Katz, 2009; Levitt and March, 1988).

Scholars have linked skills with strategy practice. For instance Whittington (1996) claimed that strategizing requires perspiration and inspiration. Inspiration refers to the conceptual skills which enable practitioners to be aware of what to do, such as developing ideas and identifying opportunities. Here, inspiration could relate to the outside context. Perspiration means the ability to shape skills, and is associated with the internal context. In other words it is related to knowing who and how. Also, it depends heavily on expertise acquired internally. Perspiration could be recognised, for instance, in annual planning and budgeting, in developing formal presentations and documents, and in corridor meetings (Whittington, 1996).

In terms of **knowledge**, it is a phenomenon discussed in various disciplines such as sociology, psychology, economics and management. In management, several scholars have discussed it, for instance, through the knowledge based view, situated approach and cognitive theories (Morgan, 1997; Spender, 1996; Grant, 1996; Orlikowski, 2002).

Knowledge is defined as “dynamic, since it is created in social interactions amongst individuals and organisation” (Nonaka et al., 2000, 7). Furthermore, knowledge is conceived as constituted and developed through social interaction and participation in practice. For this research, knowledge is recognised as the dynamic social interaction of knowing and knowledge which underpins strategizing. Through this interplay (knowledge-knowing) strategy actors’ capabilities to strategize are shaped (Wenger, 1999; Nonaka et al., 2000).

As stated above, capabilities are considered as an important aspect of strategizing, as strategist requires certain skills and knowledge in order to strategize (Rouleau, 2005).

### **2.5.2 Strategy Actors**

Strategy is produced and reproduced by particular strategy actors (Vaara et al., 2004).

Therefore, studying strategy actors is essential to enhance our understanding about strategy and strategizing. Strategy actors could be defined from the decision making perspective as any actor involved in strategizing activities (Miller et al., 2008).

Those actors are groups of individuals that strategize through sets of activities (Paroutis and Pettigrew, 2007). Strategy actors are a diverse group which includes internal actors from different levels of the organisation and could include external actors (Clark, 2004; Mantere, 2005; Floyd and Lane, 2000). According to Jarzabkowski et al. (2007, 21) “Wider definition of who is a strategist will extend our understanding beyond the predominance of upper-echelon approaches to incorporate those multiple actors who contribute to the social accomplishment of strategy”.

Internal actors are the actors within the boundary of the organisation, i.e. that these actors located within the hierarchal structure, each of which has a staff role. External actors do not have any role within the hierarchy and come from outside the organisation boundary, but they are part of strategizing (Jarzabkowski et al., 2007). The emphasis of scholars in the past

decades was towards top managers and recently the focus has shifted towards middle managers, but other actors such as consultants, regulators, shareholders, consumers and media have been neglected (Whittington, 2007; Jarzabkowski et al., 2007).

Strategy is conceived as a social accomplished activity that multiple actors do. However, there is limited knowledge about who those actors are (Jarzabkowski et al., 2007; Miller et al., 2008). Therefore, this research aims to answer the question of who are the strategy actors involved in strategizing in the banking sector in Saudi Arabia.

This study will follow the work of Miller et al. (2008), which studied the strategy participation of internal and external actors in strategic activities and acting from a decision making perspective. They defined involvement as practice in any strategizing activities, including sharing data and meeting attendance. Moreover, they explored another related issue, which was the influence of the actors. Their claim was that the involvement of an actor indicates that each actor has a voice in strategizing, but obviously there are different levels of voices and influence. Therefore, they introduced a range of possibilities on the level of involvement and influence, from an actor who could be highly involved and less influential, to an actor less involved and highly influential.

As stated earlier, various research studies have explored the involvement of strategy actors and there has been agreement that upper echelons' involvement is significant. Involvement of other actors such as middle managers was also recognised. The argument of this research is that strategizing is conducted by multiple actors and not limited to specific actors. Moreover, the involvement and influence of strategy actors in strategizing varies (Miller et al., 2008) because different practices enable different actors (Jarzabkowski and Balogun, 2009) and are due to the different roles of different actors (Mantere and Vaara, 2008). Involvement does not

mean just bringing different actors together. The factors of interest, experience, perspective and organisational role affect the level and degree of involvement.

Involvement of various actors in strategizing is valuable and has positive outcomes as it enhances the commitment of different groups of individuals towards a common goal, reduces ambiguity, enables shared meaning, reduce resistance to change and improves the integration among actors (Mintzberg, 2000; Lines, 2004; Ketokivi and Castañer, 2004; Jarzabkowski and Balogun, 2009).

Studying strategy actors is consistent with the s-as-p perspective as it calls for illuminating the strategizing activities accomplished through the interactions and actions of multiple actors (Johnson et al., 2003; Jarzabkowski, 2005; Whittington, 2006). Therefore, this research will link the identified practices with the related strategy actors. By doing this, it will help to trace the level of involvement of different actors in various stages of strategizing. Also, it will clarify when and where specific actors contribute to strategizing. This will be covered in Chapter Six.

## **2.6 The Conceptual Framework**

Drawing on the above literature, the following conceptual framework is proposed (Figure 3.2). This framework is based on the SAP framework (Figure 1.2). It aims to capture the meaning of strategy, its main practitioners, the actual work they do, and major practices in the strategising process in complex organisations that constantly create, review and amend their strategies in order to face the competition. Consistent with Jarzabkowski and Spee's (2009) advice to focus on two dimensions, this study focuses on praxis and practitioners.

The elements of the framework guided the data collection and analysis. As stated earlier the s-as-p perspective has emerged in order to address the significant gap in knowledge of who enact strategy, what they do, and how. Therefore, the research explored these elements.

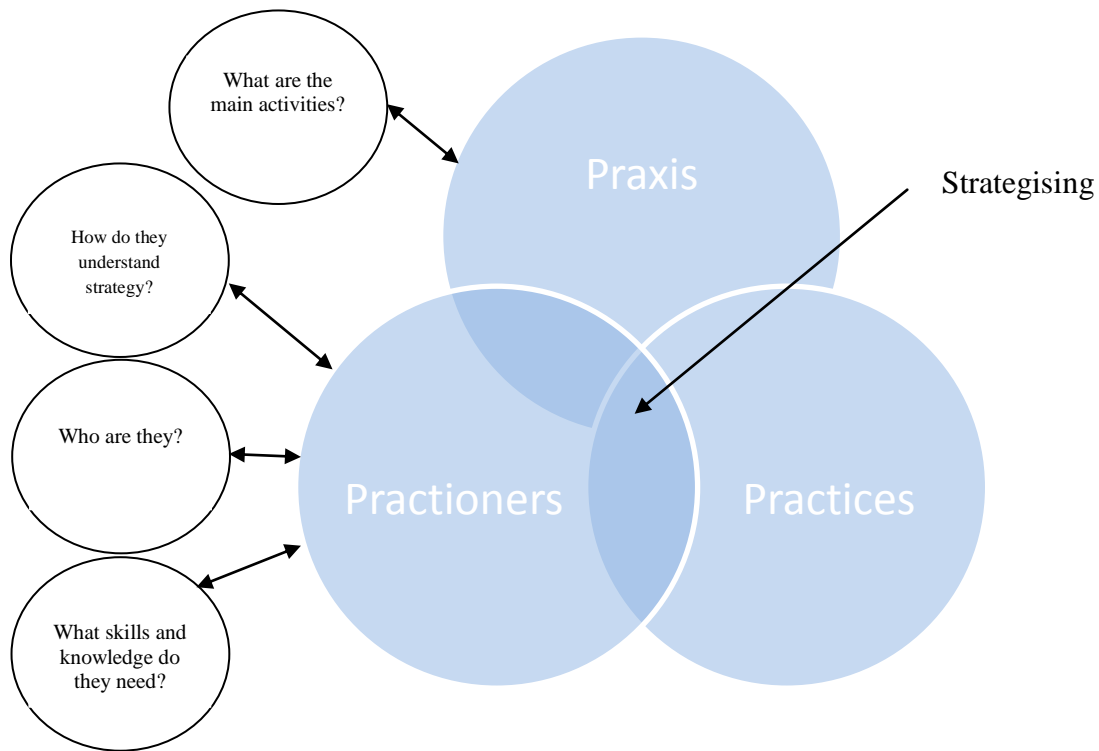


Figure 3.2: The Conceptual Framework

## 2.7 Conclusion

This chapter laid out the literature foundation of the focus of this research strategy, strategizing and strategy actors. Strategy meanings and definitions from the broad field of strategic management were introduced. Strategizing focused on practices and activities conducted by strategy practitioners. With regard to strategy actors, the focus was on the capabilities required in strategizing and exploring exactly who they are.

In order to conduct empirical research and explore the above discussed viewpoints, this research adopts a qualitative research design. The following chapter will present the details of this the research design, methodology and methods of this study, which enabled the researcher to address the identified research questions.

## 3 Chapter Three: Research Design

### 3.1 Introduction

The previous chapters outlined the broad research questions of this thesis; the focus of this research is on strategy, strategizing and strategists in the banking sector in Saudi Arabia. This qualitative research explores strategists and praxis (Whittington, 1996) by studying strategists' conceptualization of strategy, the activities conducted and the strategists involved. This chapter will present the research design, methodology and methods of this study.

Research design is the road map where the researcher explains and justifies the research methodology and the methods employed in the research. Methodology is presented as the theory behind the theoretical and philosophical assumptions of the undertaken study, while methods are the instruments utilized in gathering the empirical data (Saunders et al., 2009).

The chapter starts with the philosophical stance of this research, followed by the research approach and research strategy, then the data collection process and data analysis methods followed will be outlined. Also, trustworthiness, translation, limitations and ethical issues will be addressed.

This research was exploratory in nature, which is consistent with previous research such as Grant (2003) and Paroutis and Heracleous (2013). An exploratory approach was adopted for various reasons. Firstly, the purpose of the study was to provide insights how strategists perceive strategy and practise strategy, along with who are the strategy actors in a cross cultural context. Secondly, limited empirical research was available to uncover the meaning of strategy and strategizing as practised by practitioners.

This research employed a multiple case study design. This study was not based on hypotheses; rather, the aim was to provide insights and identify specific issues related to strategizing in the banking sector in a non western context.

The banking sector was chosen as it is a mature industry and classified as one of the strongest industries globally. Other considerations were the sector's size, increasing competition, nature of operation and advanced management practices comparing with other sectors; for instance all the chosen banks have strategy departments. Moreover, the banking sector is recognised as a competitive industry and a dynamic environment (Bourgeois and Eisenhardt, 1988; Wooldridge and Floyd, 1990). For instance, this sector has faced deregulation, mergers and new forms of banking (such as Islamic banking).

### **3.2 Research Philosophy**

Research philosophy means the assumptions that underpin the researcher's view of the world and the nature of knowledge (Johnson and Clark, 2006). Subsequently, the research philosophical paradigm could influence the way the researcher thinks and acts, which in turn is reflected in the research process. Generally, the term philosophy is associated with the term paradigm. A paradigm is defined as "the progress of scientific practice based on people's philosophies and assumptions about the world and the nature of knowledge; in this context, about how research should be conducted" (Hussey and Hussey, 1997, 47). Collis and Hussey suggest that "there are two main research paradigms or philosophies... the two paradigms can be labelled positivist and phenomenological" (2003, 47).

Several scholars have linked the positivist paradigm with quantitative research and the interpretive paradigm with qualitative research (Collis and Hussey, 2003; Denzin and Lincoln, 2005). These two paradigms can be differentiated through their underpinning of ontological epistemological, axiological and rhetorical assumptions (Creswell, 1994).



Ontology is concerned with the nature of reality. There are two basic ontological positions: objectivism and constructivism, Objectivism is defined as “an ontological position that asserts that social phenomena and their meanings have an existence that is independent of social actors” (Bryman, 2001, 17). On the other hand, constructivism “asserts that social phenomena and their meanings are continually being accomplished by social actors. It implies that social phenomena and categories are not only produced through social interaction but that they are in a constant state of revision” (Bryman, 2001, 18).

Epistemology as a term originated from the Greek words, episteme and logos, which mean knowledge and explanation respectively (Johnson and Duberley, 2000; Golsorkhi et al., 2010). Epistemology is known as a branch of philosophy that is concerned with the scope and nature of acceptable knowledge, particularly, issues related to the methods of obtaining knowledge, validation and the relation with the researcher. There are two basic epistemological positions, which are positivism and interpretivism. Basically, positivism advocates “the application of the natural sciences to the study of social reality and beyond” (Bryman and Bell, 2007, 16). On the other hand, interpretivism takes an alternative position. It is “predicated upon the view that a strategy is required that respects the differences between people and the objects of the natural sciences and therefore requires the social scientist to grasp the subjective meaning of social action” (Bryman and Bell, 2007, 19).

Positivists assume that they are independent from the research, following the natural scientists’ attitude towards observations, experiments, variables, measurements, facts and statistics. Positivism neglects subjective feelings and the researcher’s interaction with the research (Saunders et al., 2009; Collis and Hussey, 2003; Creswell, 2003).

In contrast, interpretivists assume that the interaction between the researcher and the researched is inevitable and must be considered. They emphasise the role and the influence of humans in social life and assume that knowledge is gained through interpreting social actions.

Axiology is related to the notions and judgements of values that influence the research.

Basically, the emphasis here is on the researcher's values, which influence the research in all stages, particularly the credibility of the research output. For positivists, research should be carried out free of biases and the research should not be affected, while for interpretivists, the research should consider values and these should be taken into account in interpretation of the findings.

This research adopted the phenomenological or interpretive paradigm. The reason behind this is that the research is humanistic and subjective, being concerned with what practitioners do, and how they think. The adopted s-as-p perspective defines strategy as "as a socially accomplished, situated activity arising from the actions and interactions of multiple level actors" (Jarzabkowski, 2005, 6).

The s-as-p perspective sees strategy as the outcome of the thoughts and actions of its actors; therefore, "reality" can be seen as subjective and multiple. This implies the appropriateness of a phenomenological approach. In this approach, it would not be possible to separate the feelings of the researcher from what exists in the social world. There should be close interaction between the researcher and the researched in order to reduce the gap. As a result, table (4.3) summarises the assumptions followed in this research.

**Table 4.3: Summary of the Assumptions of this Research (Source: Creswell, 1998)**

Assumption	Question	Phenomenological Paradigm
Ontological	What is the nature of reality?	Subjective; belief in multiple reality
Epistemological	What is the relationship of the researcher to that researched?	This study is humanistic in nature. Therefore the researcher will interact with those who are researched
Axiological	What is the role of values?	Research is value-laden; assumptions and values must

		be made explicit and reflected upon.
Rhetorical	What is the language of research?	Informal. Evolving decisions. Personal voice. Use of acceptable qualitative words.
Methodological	What is the process of research?	Inductive process. Mutual simultaneous shaping of factors.

### 3.3 Research Approaches

Fundamentally, there are two approaches to research, inductive and deductive. The deductive approach refers to the logical process of the research, when the researcher starts with a theory and formulates hypotheses, which are then tested in order to deduce causal relationships between certain variables. The inductive approach works the other way; the researcher collects data and constructs theory as a consequence of data analysis (Saunders et al., 2009). The former approach is known as the top-down approach while the latter is known as a bottom-up approach.

In other words, the deductive approach is for applying theory and the inductive approach is for generating theories. The positivist paradigm follows the deductive approach, while the phenomenological paradigm proceeds inductively (Collis and Hussey, 2003).

This research, being phenomenological, took a predominantly inductive approach. It was not concerned to test a theory or find relationships between variables, but to collect and interpret data, describing what strategists in Saudi banks actually do, from which theory may emerge. However, there was also an abductive element in the analysis; the researcher was trying not to taking any theoretical position in relation to strategy definition, strategy practices and strategy practitioners. Rather, findings were identified from the gathered data, and then compared with what has been identified in the literature. For instance, 18 activities were identified from participants' responses where these were compared with literature, 10

activities were found to have been introduced in one research, and were labelled and grouped into seven practices. It seemed reasonable to retain these labels to reflect similarities between the present and previous findings. The remaining activities had been mentioned by different scholars, but not in a consistent way. However, reference to the prior literature helped to shape the remaining activities under six different practices.

### **3.4 Research Strategy**

Research strategy refers to the plan of how the research will be carried out in addressing the research questions. There are various strategies that can be employed, for example: case studies, ethnography, action research, survey and experiments (Saunders et al., 2009).

This research employed a case study strategy, which according to Robson is “a strategy for doing research which involves an empirical investigation of a particular contemporary phenomenon within its real life context using multiple sources of evidence” (Robson, 2002, 178). For Yin, case study is “an empirical inquiry that investigates a contemporary phenomenon with its real life context, especially when the boundaries between phenomenon and context are not clearly evident” (Yin, 2003, 13). It can be a single case or multiple case studies. This research employed multiple case studies, as the evidence provided from multiple case studies compared to a single case study is regarded as more compelling and robust (Yin, 2003). Also, such a strategy suits the exploratory nature of the study.

Case study can provide in-depth understanding of an individual phenomenon in its own unique context. It enables researchers to cover different aspects and examine these aspects within the environment in which they occur (Gummesson, 2000). Case studies are used widely, especially in social science. Several scholars such as Yin and Stake are experienced with case studies, which allow them to develop well established procedures. Case studies can be exploratory, explanatory and/or descriptive (Yin, 2003). Explanatory case study is used in

social research for doing causal studies. Descriptive case study is related to the development of descriptive theory before proceeding with the research. Additionally, Stake (1995) introduced other three types of case studies which include: intrinsic, instrumental and collective. Intrinsic case study refers to when the researcher interests drive studying the case. Instrumental case study is when the researcher wants to understand more than the particular case. Collective case study means studying several cases, rather than just one.

Basically, case study is a useful way to generate details from the perspective of the participants- the focus of this research. Moreover, by using different sources of data, it provides an opportunity to maximize what can be learned within the time frame available for the research (Bryman and Bell, 2007). There is general agreement that case study is particularly applicable for researches that address questions like how, what and why (Yin, 2003), as is the case in this study.

Situations when case study research is said to be appropriate include when the researcher has the opportunity to study a phenomenon in a natural setting which will enable the research to learn and produce or develop theory; to enhance understanding of the nature of a complex phenomenon; and when previous research has engaged less with the phenomenon (Benbasat et al., 1987). All these rationales apply to the present study.

This research adopted exploratory case studies and was qualitative in nature. In each of the participating banks, information about strategy actors' perceptions and experience of strategizing were obtained via semi-structured interviews. At the same time, organization documents were obtained and opportunities were taken, within the limits of the access allowed, to observe activities and communications within the bank (see section 3.6 for further details).

There is no clear cut rule for selecting the number of cases. However, there is a suggestion that “a number between four and ten cases often works well. With fewer than four cases, it is often difficult to generate theory with much complexity, and its empirical grounding is likely to be unconvincing” (Eisenhardt, 1989, 545).

In this research the number of cases was six, drawn from different types of banks, in order to enable the researcher to focus in depth inside the strategizing processes and to gain a rich understanding of the context of the research. Each case study consisted of a complete study where data were gathered from several sources and accordingly, conclusions outlined. Multi cases provided multi perspectives. Therefore a cross case analysis was conducted to compare and contrast between the six cases.

Several scholars argue that selection of case studies should be based on purposive sampling (Denzin and Lincoln, 2005; Eisenhardt, 1989). Purposive sampling refers to selection of a sample that is most suitable for the study, a sample that can provide rich information and in-depth study which then can address the research question (Patton, 2002). This type of sampling is opposite to random sampling. It is non probability sampling , where the selection of the sample is based on the researcher’s judgement (Saunders et al., 2009).

In selecting cases for this research, the aim was to include different types of banks, local, multinational and Islamic ones, and different sizes of banks in terms of their capital, age, turnover, number of branches and number of employees. This enabled the generation of rich information on the current situation in the banking sector in Saudi Arabia.

### **3.5 Time Horizon**

A vital part in planning any research is related to the study time, whether it is going to be “snapshot” taken at a certain time or a series of snapshots over a period of time. The former is

called cross-sectional study, the latter longitudinal (Easterby-Smith et al., 2008). This research is cross-sectional, as it seeks to describe the current practices in Saudi banks. The constraints of time and resources at PhD preclude longitudinal research.

### **3.6 Data Collection Methods**

Basically, there is general agreement that data collection methods follow one of two methods: qualitative and quantitative, and combination of the two is possible. Simply, quantitative research “emphasizes quantification in the collection and data analysis” (Bryman and Bell, 2007, 28). Qualitative research usually “emphasizes words rather than quantification in the collection and analysis of data” (Bryman and Bell, 2007, 28).

According to Yin (2003) in case studies data can be gathered from several sources, including interviews, observations, documents, and archival records. The use of multiple resources of data in case studies is essential; it has been suggested in the literature that two or more sources of data should be used. Some scholars term this process of collecting data from multiple sources as triangulation (Patton, 2002).

This study employed several qualitative methods, including interviews and document analysis. These methods are well-matched with the interpretive paradigm and the inductive approach.

#### **3.6.1 Interviews**

As stated earlier, to address the research questions and the research approach, a qualitative data collection method was implemented, and one of the methods employed was interviews with the relevant actors. The interviewing technique was employed because it served the purpose of obtaining in-depth information about the reality of strategizing issues in the banks rather than broad information. Also, being close to respondents could help the researcher to understand their actions and provide thick description (Rouse and Daellenbach, 1999).

In addition, issues related to strategy may be very sensitive and to obtain accurate, detailed information, an interview approach was preferable, as it afforded an opportunity to build rapport and gain respondents' trust, which a questionnaire could not do. It also allowed the researcher to probe further, to explore why participants think and act as they do.

Furthermore, it was essential to prevent any possibility of misunderstanding of the questions posed, and this was facilitated as the interviewer could either repeat or explain such questions on the spot. An advantage of using interviewing is that the information gathered from the interviews may reflect new practices or behaviours, new forms of social organisation or social structure, and/or new ways of thinking or interpreting processes of socialization. It may involve complete redirection, or modification of, or additions to, existing ideas suggested by the research (Collis and Hussey, 2003).

It was not considered appropriate to employ other data gathering methods such as focus groups or surveys, due to the confidentiality of the information that would be provided by the banks through the interview process and the need to explore indepth and obtain rich descriptive data.

It must be noted that interviewing is "time-consuming and expensive to conduct" (Kumar, 1999, 115), especially when it involves the travelling of the researcher and the valuable time-off of managers to participate in the interview. For instance, this research required extensive of travelling within Saudi Arabia to visit different banks and meet different informants. Such travel was costly and demanding, as sometimes a journey necessary to conduct a single interview. One to one (face to face) interviews were essential for such research to gain the maximum input required. Also, visiting participants' offices, either in the headquarters or in the business functions, provided more insights. Another disadvantage of this technique comes from the fact that "quality of data obtained depends upon the quality of the interaction between interviewer and interviewees and the skills of the interviewer in conducting face-to-



face interview" (Kumar, 1999, 115).

More riskily, interviewing poses the risk of the researcher's "bias informing questions and the interpretation of responses" (Kumar, 1999, 115). Nevertheless, these disadvantages were minimized with careful planning. Misunderstandings due to cultural background and the uniqueness of banking business were reduced by the researcher being a member of Saudi culture and of the Saudi business environment.

Considering all the previous issues, therefore, this research employed semi structured interviews, which facilitated capturing from the participants their worldview and experience. Semi-structured interview gives the flexibility to amend and vary the questions in order to articulate any issues that might enrich the research. Also, it gives interviewees more freedom and openness in conveying their feelings, beliefs and knowledge.

Several scholars avoid prescribing the suitable number of interviews due to variations in the nature of study; each research has its own objectives, time and resources (Saunders et al., 2009; Patton, 2002). There is, however, common agreement that research should keep interviewing until there is no further new information obtained from the interviews (Patton, 2002; Denzin and Lincoln, 2005). Moreover, there is a suggestion that "a PhD thesis requires about 35 to 50 interviews" (Perry, 1998). Therefore, in this research, forty-one interviews were conducted in six banks. This means each case involved from five to eight interviews. Interviews were conducted to explore strategizing, strategists and strategy as conceived by strategy actors. In these interviews, questions were asked about strategy meaning, strategy activities and strategy actors. These questions were developed based on the research questions (chapter one), the conceptual framework (chapter two – figure 3) and the literature review (refer to interview questions, Appendix A page 400).

Interviews lasted between half hour and one and half hours. Thirty-eight interviews were recorded with the permission of the respondents. Only two were not recorded, as the

informants did not agree to it. Interestingly, those two were locals. All the interviews were transcribed in the language used in the interview. Two interviews were in Arabic while the remainder were in English. In terms of textual data, the total interview dataset around 404 pages (201,942 words). Also, notes were taken during these interviews.

To identify the strategy practitioners and who is involved in strategizing in each organisation, is not clear-cut and simple. Therefore, the technique of snowball sampling was adopted. The idea here was to start with a small number of participants, who would suggest others, then the sample would build up like a rolling snowball. As the sample grows, more data is gathered. The purpose of using this technique is the complexity of recognizing the respondents for each case (Bryman and Bell, 2007). Therefore, interviewing in each bank started from the strategy department, which was expected to have an overview of how strategy is enacted in the organisation and to be able to indicate who is involved in strategizing, then the remaining interviews were built upon these initial encounters. The remaining respondents were those identified as participating in strategizing. It was essential to interview informants from different levels and different functions as different actors had different perspectives that needed to be included, in order to obtain a holistic view about strategizing. So, the informants were a mixture of actors for whom strategy was their main responsibility, and those for whom strategy was not their main responsibility. Accordingly, interviews were conducted with respondents from top management and middle management.

Pilot interviews were conducted before carrying out the field work. The purpose of these interviews was to gain insight about the current practices, to get experience in conducting semi structured interviews and to check the interview questions. Also, it was an exercise in how to gain access in the banking industry. Piloting was conducted with strategy practitioners working for banks in the corporate strategy department. First, an interview was conducted in the UK where I interviewed a strategy manager in the Royal Bank of Scotland, in London.

This interview was arranged through personal contacts. The second stage was with senior strategy practitioners in two banks in Saudi, where I tried both English and Arabic versions of the interviews, as the first participant was a local who spoke Arabic and the second participant was an expatriate who spoke English. The former was the head of strategy of an Islamic bank and the latter was a strategy manager in a conventional bank. Neither bank was part of the sample. Both interviews were conducted after a formal communication through emails with the strategy department. All interviews was recorded (with permission) or recorded in note form, if recording was rejected.

As a result of the piloting, the banking environment and structure were clearer. Moreover, the interview were adjusted and developed as the comments received from the respondents were considered. Also, the sequence of the questions was rearranged. Finally, some questions were deleted and others added, to make the questions consistent with the scope of the research. The interview questions were classified into six main topics which include: participant background, current strategy, strategy meaning, strategizing activities, strategy actors' involvement and influence, and capabilities required for strategizing.

This study was conducted as follows:

1. The number of Saudi banks that operated on the universal banking model and provided a broad range of products and services including retail, investment, treasury and corporate banking was twelve. Out of these twelve only six banks (information provided in table (5.3)) allowed access, offering the chance to interview strategy actors within these banks.

**Table 5.3: Sample Information**

Banks	Classification	Revenue (Million SR)	Employees
Saudi British	International- Conventional	5,277	3,049
Saudi Investment	International- Conventional	1,868	1,071
National Commercial	Local – Conventional	13,603	9,631
Riyad	Local- Conventional	6,865	5,334
Alrajhi	Local – Islamic	14,328	10,054
Aljazira	Local – Islamic	1,600	2,621

2. I emailed each strategy department head in the chosen banks and the human resource departments in each bank. Also, for some banks I emailed the strategy business units (sector level). The email addresses were obtained from the bank website and the internet. In these emails, I introduced myself and explained the purpose of the research and requested interview with the relevant people. Only nine people responded via email and agreed to participate. Also, at the beginning when I did not find enough cooperation, I wrote a request to the governor of the central bank (Saudi Arabian Monetary Agency- SAMA), asking for help in conducting my research and explaining exactly what I needed. I was provided with a letter of recommendation from SAMA, addressed to all the banks, to help me to conduct my research and meet the relevant people; in practice, however, this made little difference in terms of gaining access to organisations. Nevertheless, I presented the letter along with one from the university to the respondents, just to assure them that everything was formal and data would be used only for academic purposes.
3. In four banks, the first interviewee was the head of the strategy department, at VP level. In one bank, first met the head of strategy planning in the strategy department, who reported to the strategy GM. In the last bank, the first participant I met was the

strategy planning manager in one of the business sectors. As a result of these meetings, information on the structure of the banks and the names of the people whom I needed to meet were obtained. I asked each of these initial participants if they could arrange meetings for me with other strategy actors in the banks. Three were very helpful and arranged further meetings. The remaining interviews were conducted through personal connections, through staff in the bank whom I knew personally, or were known to a member of my network; those people helped me to gain introductions to the chosen or relevant people. Table (6.3) is the list of all the interviewees' job titles.

**Table 6.3: Interviewees' Job Titles**

No	Rajhi Bank	Alahli bank	Saudi British Bank
1	DCEO	VP Strategy	Head of Strategic Planning
2	GM of Strategy	EVP Head of HR	strategic planning manager
3	Head of Strategic Planning	Head of Strategy & Performance	Senior Adviser
4	COO	VP Head of Strategy Consumer Finance Sector	Head of HR
5	GM Treasury	Strategy Planning Manager Consumer Finance Sector	Senior Manager Commercial
6	GM HR	SVP, Head of Strategy Individual Banking Sector	Risk Manager – Treasury
7	Head of PMO	SVP, Head of Retail (Individual)	<b>Business Development Mgr</b>
8	Head of Business Strategy Initiatives	Head Business Management Corporate Banking Sector	

No	Aljazira Bank	Riyad Bank	Saudi Investment Bank
1	Vice President	Board Member	CSO
2	Head of corporate banking	VP Strategic Planning	Group GM, Corporate
3	Head Of Private Banking	Corporate Assistant VP, Strategy	Group Head Treasury
4	Human Resources Manager	Retail Assistant VP, Strategy	Group GM IT

5	Head of Retail Group	Treasury VP	Group Head, Operations
6			Group Head, HR & Support
7			Group Head, Retail
8			Group Head, Marketing

As shown in table (6.3), the interviewees were strategy managers, strategy team members and top and middle managers who were part of the strategy process and strategy making in the banks. Those managers were from the businesses and support sectors. Businesses mean profit centre sectors, which includes retail, corporate and treasury. The support sectors (cost centre sectors) include operation, HR, marketing and IT.

This research adopts a broad definition of strategists, which is not confined to strategy departments, but includes all the actors involved in strategy making such as managers, consultants, board members and strategy planners (Whittington and Cailluet, 2008).

Conducting such empirical research to explore strategy, strategizing and strategists would not have been possible without the researcher's efforts and commitment in gaining access.

Gaining access was a major challenge for this study. Often, people did not respond to emails and telephone calls; visiting the banks and trying to meet people was not possible without appointment, strategy as a topic was sensitive for participants and therefore at the beginning several respondents were reluctant to talk about it until I assured them that this research was only for academic purposes. It was not easy to meet executives, as they were always busy so, for example, several appointments were cancelled at the last minute. I felt that people considered these interviews as time consuming as, instead of talking to me, they could do business. People in Saudi Arabia are not used to the culture of conducting academic research. A further problem is that it was not possible, for cultural reasons, to meet female practitioners. I think the banking environment is conservative and confidentiality is embedded within their culture. For example, when I visited the central bank to meet the

governor, I had a meeting with a senior member of staff, who closed the door when he was talking to me because there was audio surveillance everywhere. Moreover, one of the international banks for two months did not allow me to conduct any interview, as they were concerned that I might publish this work and it could be read by someone from their UK offices, who might perceive something wrong was being done in Saudi. In terms of lack of understanding of academic research culture, this was illustrated in one of the interviews where the respondent told me that he could not answer everything, as it could be published in the media and this could affect the bank's share price. Therefore, several times I had to explain to people about academic research and the ethical obligations involved. In conclusion, these forty-one interviews were conducted over a five month period time. It would not have been possible to conduct these interviews without continuous follow-up and personal connections.

### **3.6.2 Secondary Data**

Documents were an additional source of data. The aim of analysing such data is to discover the formal discourse, language, content, construction and presentation related to strategizing and strategy as formal evidence. This method can supplement the research as it can capture rich information related to the culture, values, beliefs, and perceptions of participants (Marshall and Rossman, 2010).

Data were obtained from annual reports, published reports, newsletters and websites. For example, in the newsletters, there were interviews with several sector heads addressing the business strategy. This secondary data provided information about strategy content, practices and processes. It was very useful in comparing, validating and clarifying data provided by respondents.

### 3.7 Data Analysis

Data analysis was conducted to analyse and interpret the collected data and so address the research questions. Interpretive analysis was adopted in the research to provide explanations and helps derive some inferences about strategy and strategizing in Saudi banks. This interpretive approach helped in providing insights on the variation between what is described or advised in the literature and the reality.

Instead of treating a strategy, strategists and strategizing with a predetermined view, the aim was to allow findings to emerge from data. Therefore, the qualitative technique adopted to analyse the interviews was inductive (Corbin and Strauss, 1990).

As stated earlier, all interviews were transcribed. Two transcripts were in Arabic, while the remainder was in English. Therefore the two Arabic transcripts were translated into English. Transcripts were coded through software named NVivo 9. Codes identified were grouped in themes.

The analysis was conducted through multiple repeated readings of the transcripts and identifying the main themes through coding. The attention was dedicated to what respondents highlighted, the meanings they expressed and their descriptions of strategy, strategy activities and strategists whether in response to the specific questions related to each point or at any other point in the interview.

In the beginning, the coding was very detailed and generated a large number of codes as each transcript was coded. Through continuous refinement, those codes were grouped into themes and key constructs. Much revisiting of the interview questions and respondents' answers as well as notes taken, helped to shape these codes and determine patterns and links. It is worth



mentioning that comparing this large volume of data with literature helped in examining the themes identified and changes were made accordingly.

### **3.8 Trustworthiness**

Validity and reliability are essential issues to be considered in any research for quality judgement (Yin, 2003). However, some writers associate these qualities more with quantitative research, and propose an alternative criterion for qualitative research, named trustworthiness (Lincoln and Guba, 1985). There are differences in terms of the criteria governing qualitative and quantitative research, because of the different ontological and epistemological stances that each relies on (Maykut and Morehouse, 2002).

In terms of trustworthiness, consideration needs to be given in qualitative research to the following: credibility, transferability, dependability and conformability (Bryman and Bell, 2007). Credibility is similar to internal validity in quantitative research; it deals with the congruence of the findings and whether they provide a credible explanation of the researched phenomenon. This was considered in the research by using multiple sources of data. In addition, several checks were carried out with respondents from the six banks for validation purposes. Transferability is similar to generalisability / external validity in quantitative research; it means how far the findings could be applied in other contexts. Dependability is similar to reliability; it is related to how the same results could be obtained if the same research were to be followed again. Therefore for such research, the whole research process needs to be documented in detail so it could be accessed by others. Conformability is related to objectivity in quantitative research. Here, the idea is related to the influence of research values and preferences in the research. In qualitative research it is difficult to control this issue, as it depends on the researcher's interpretation. As stated earlier, this research is

constructionist and interpretive; therefore the researcher's interpretation is essential in presenting the social realities of the phenomenon under investigation.

Furthermore, in qualitative case study research, triangulation is encouraged (Stake, 1995).

Triangulation refers to using multiple sources of data to confirm and clarify the interpretations. Therefore, in this study, interviews and secondary data were employed as sources of data along with examining multiple cases and conducting cross-case analysis; also, for each case multiple respondents were interviewed. In addition, results were compared with literature, to ensure that the contribution of this research is valid in the field. Such comparison is referred to by Remenyi et al. (1998) as conformability. Moreover, the validity of qualitative research is linked with the type of access available. The argument here is that access to higher levels could enhance the validity as such access could provide the research with a wide picture of the phenomenon and the participants have the authority to provide confidential data that others could not provide or aware of (Remenyi et al., 1998). This was the situation in this research, as the interviewees included key strategy actors from top and middle management.

Each case provides a detailed description and assertions, which cannot address the issue of generalisability (Yin, 2003). However, multiple cases could provide input to what Stake (1995) called the naturalistic generalisation. In addition this will enhance our understanding about strategy and strategizing in the banking sector (Jarzabkowski, 2003).

### **3.9 Translation**

Interview questions were translated into Arabic, a respondent who spoke Arabic preferred to be interviewed in Arabic. Two interviews were conducted and transcribed in Arabic, and so had to be translated into English, as the whole analysis was in English; in addition, the Nvivo software does not recognise the Arabic language. In other cases, some interviews with locals

were conducted in English but occasionally they inserted Arabic words within their English dialogue. In the interview questions and with the Arabic interviews after translation, a specialized translator was used to review the translation and some amendments were made.

### **3.10 Limitations**

This empirical research has limitations. First, data were collected primarily via interviews. The respondents were asked about several issues but the issue of discussing strategizing depends on informants' memory, and this is a weakness for those who have recall problems. Moreover, other weaknesses were related to some informants who provided normative answers rather than descriptive information, along with the different perspectives provided. Therefore, in order to minimize such weaknesses, for each case several informants who engaged in strategizing were interviewed (Hendry et al., 2010).

This research was influenced by the s-as-p lens, which views strategizing as a “chronic feature of organisational life” (Johnson et al., 2003, 5) which encourages researcher to get close to the actors. This has influenced the methodology followed by scholars who adopt this perspective (Balogun et al., 2003; Sillince and Mueller, 2007). Mainly, in this perspective, researchers follow an ethnographic methodology and related methodologies, more than any other tradition. Based on the experience of this research, such methodologies could be applied more in a Western context, as in the Saudi context there is a cultural barrier; for instance, permission to attend any of the strategy meetings was refused. Moreover, it was found that people were more familiar with quantitative research, so several times I was asked about my questionnaire, while in my communications with the relevant department it had been explained that this research was qualitative and required conducting interviews with practitioners. Had it been possible to use a more ethnographic approach, for example

observation, it might have helped to validate the informants' perceptions of reality and provided more understanding of strategizing.

In simple terms, adopting certain methods could be acceptable in a Western context while to use the same methods in some cultures could face barriers. For instance, video recording maybe unwelcome where the cultures of people are more conservative and they are not familiar with academic research. The main concern of people is about ethical issues, as they may fear that any data obtained will be used against them or their organization. In some cultures, such as Saudi Arabia, it may be considered unacceptable to make video recording of women at work, or in interview, because of the strict norms of privacy and modesty observed. When selecting certain methods it needs to be considered whether they are acceptable or more beneficial than others.

The point here is that cultural sensitivities, such as the Saudi cultural norms with regard to female respondents could render some methods inappropriate, or unlikely to provide full and accurate data.

As stated earlier in Saudi Arabia quantitative methods are more popular and familiar than the other methods, although this situation may change as gradually local researchers and universities start adopting those methods.

Moreover, gaining access to the banks was a challenge. For example, I was refused by four banks. However, I noticed that Western practitioners were more flexible, open and understanding in terms of agreeing to be interviewed and more familiar with academic research. Moreover, there was barrier in conducting interviews with women due to cultural factors.

### 3.11 Ethical Issues

Ethics is defined as “the norms or standards of behaviour that guide moral choices about our behaviour and our relationship with others” (Cooper and Schindler, 2008, 34). Thus, it is enormously vital in any research; ethics is involved in all steps in the research process, from the stage where the researcher identifies the research topic, through study design until the final phase of the analysis.

Studies that involve people need to be conducted in a way that protects participants’ rights, for several reasons. For instance, exposure of individual information or any other information might harm an individual’s career; therefore the risk associated with it needs to be pointed out to them. In the present research, where the topic of strategy is sensitive, ethical issues were considered very carefully (Lee, 1993), for example, the issue of conflicting data from competitors, or where controversy occurred within a bank between the informants. Therefore, explaining the research and presenting all the supporting documents from the university, my sponsor and the recommendation letter from the central bank helped to allay participants’ concerns.

In this study, the researcher was committed to ensuring that the research would not harm the participants; privacy and confidentiality were maintained, deception was avoided and findings are reported fairly and honestly. Also, the ethical procedures of the university were followed.

Ethical issues were considered in all stages of this research. In data collection, the research aims, objectives and nature were presented to all participants involved in the study in order to ensure they understood what was being asked and could consider the possible consequences. Informants were free to withdraw or participate in the interviews and their safety and anonymity were guaranteed and maintained (Richard and Morse, 2012; Creswell, 1998).

### 3.12 Conclusion

This chapter discussed and explained the research design and methodology employed in this qualitative study to explore strategy meaning, strategizing activities and strategy actors in the banking sector in a non western context. In terms of philosophical stance, the research is constructionist and interpretive. This cross-sectional study employed several qualitative methods, including interviews and secondary data, which are well-matched with the philosophical position and the inductive approach.

This empirical research employed multiple case studies, which suits the exploratory nature of the study. The number of cases was six, drawn from different types of banks, which enabled the researcher to gain a rich understanding of the context of the research. Each case study was of a complete study with data gathered from several sources and accordingly conclusions outlined. Multi cases provided multi perspectives. Therefore a cross-case analysis was conducted to compare and contrast between the six cases.

Semi-structured interviews were conducted with 41 informants from six banks. These informants were from different levels of management and from different functions. In terms of secondary data, information was obtained from annual reports, published reports, newsletters and websites. The following chapter will discuss the findings in the six cases.

## 4 Chapter Four: Case Studies

### 4.1 Introduction

This chapter presents findings in relation to each of the following issues: strategy, strategists, strategizing and practices in six banks in Saudi Arabia. Findings were extracted from interviews with 41 respondents in the banks, who were strategy participants and had a role in issues related to strategy in each bank. In addition, secondary data are used, including annual reports, sustainability reports, newsletters and websites.

Each bank is presented as a separate case. For each case the first section is an overview of the bank. This is followed by information about the respondents. Next, the strategy approach is explained and finally the data findings are discussed. The goal of each case is to explore each bank separately and to try to understand each context as a standalone case, which will enhance the interpretation of the data during the analysis.

Basically, the data findings cover three main themes. Firstly, they address strategy conceptualization, which concerns how strategy participants defined strategy. This theme addresses the first research question: How far and in what ways do strategists conceptualize strategy in practice?

The second theme discusses the strategizing practices employed by respondents. This addresses the second research question: What are the main activities and practices by which individuals enact strategizing? The practices covered are those employed during the period from the beginning of developing the last strategy by the participants and in the execution of strategy. Thirteen practices were identified, which are categorized into three types: recursive, adaptive or both.

Finally the identified strategists involved in strategizing are identified. This theme will address the third question: Who are the strategists (strategy actors) in Saudi Banks? This part uncovers the composition of the strategists and the nature of their participation, and highlights the influential and powerful actors. Four types of actors were identified, formal, informal, internal and external. Also, it will consider how informants perceived strategists' capabilities, that is; the skills and knowledge required in strategizing.

## **4.2 Aljazira Bank Case**

### **4.2.1 Overview of Aljazira Bank**

Bank AlJazira (BAJ) was established in 1975, and is listed on Tadawul (the Saudi Stock Exchange). BAJ decided to convert to a Shari'ah compliant bank in 1998 and became a fully converted Shari'ah-compliant institution in 2007 (Aljazira, 2012b).

BAJ's paid capital is SAR 3 bn (£ 500 Million) and it employs around 2621. In 2011 BAJ had 51 branches, including 17 branches dedicated for women. Total assets were worth SAR 38.898bn (£ 6.48 bn), and at the end of 2012 the net profit stood at SAR 501.00 Million (£ 83.5 Million) (Aljazira, 2012a).

BAJ provides a range of products and services to individuals and businesses through several sectors, including: Retail Banking, Corporate Banking and Treasury Services. BAJ has two subsidiaries; Al Jazira Capital which is the investment arm and Aljazira Takaful Ta'awuni, the insurance arm.

### **4.2.2 Respondents**

The number of interviews conducted in BAJ was five. Table (7.4) gives a profile of those respondents.



**Table 7.4: BAJ Respondents' Information**

No	Job Title	Nationality	No. Experience in banking	Previous Experience
1	Vice President	Jordan	12 Years	Consultancy
2	Head - Corporate Banking	USA	35 Years	Banking
3	Head - Private Banking	Saudi	24 Years	Banking
4	HR Manager	Saudi	12 Years	Media
5	Head - Retail Group	Saudi	15 Years	Banking

Each respondent has been given a code reference: VP= Vice President, HCB= Head of Corporate Banking, HPB= Head of Private Banking, HRM= Human Resources Manager, HRG= Head of Retail Group.

#### **4.2.3 Strategy Approach**

BAJ had a five-year strategy. It was developed in 2008 with the support of an international consultancy firm. The strategy was named as *Afaq* 2012. *Afaq* is an Arabic word which means outlook. It was formed after the new board of directors was formed, a new chairman was elected and a new CEO was appointed, after BAJ became a fully Shari'ah-compliant bank, in 2007. According to VP, "They (top management) hired a consultant to come and does the strategy part of the business for the Bank".

Although the bank had a five-year strategy, the bank yearly developed an annual plan; as stated by HCB, "We have a five year strategy, so we all have a five year plan that we have, but the execution, the details are only in the one year plan".

Furthermore, in 2010 a new CEO was appointed and the strategy was reviewed but there were no major changes. All respondents agreed that there were only minor changes. For instance, VP argued that "We have a new CEO who came onboard six months ago...I would

say it's aligned with the old strategy but has maybe different priority... There's a shift of priorities, not the strategy itself, because they are more kind of the same but there was a shift in priorities”.

#### **4.2.4 Data Findings**

##### **4.2.4.1 Strategy Definitions**

The respondents had several definitions for strategy. Some of the respondents had multiple definitions (see figure 4.4).

The first definition introduced is that strategy is a plan or the guidelines that the bank will follow. For instance, VP stated, “You have to have an action plan how to get there. That is the strategy for me”. Furthermore, HRM argued that “The strategy is to give you the high-level guidelines of where the bank should be, what do we want to focus on, what are the areas that we should not put on our priority list”. This definition was expressed by three respondents.

The second definition was that strategy is the direction or the path that will be followed. This was argued by three respondents. According to HRM, “Strategy actually is the path that we wake up every day, come in and see it: what did we reach from that path? It is a long way that we see the light at the end of the path, and it’s actually how we can exercise our actions to reach that light”.

The third definition identified was that strategy is the goal or the objective to be achieved. According to HCB, “A strategy means to me ...what you want to accomplish with the business”. Furthermore, VP claimed that “Strategy simply is where you want to be in five years”.

The following diagram shows respondents' definitions. Two respondents each had one definition, while the remainder had multiple definitions.

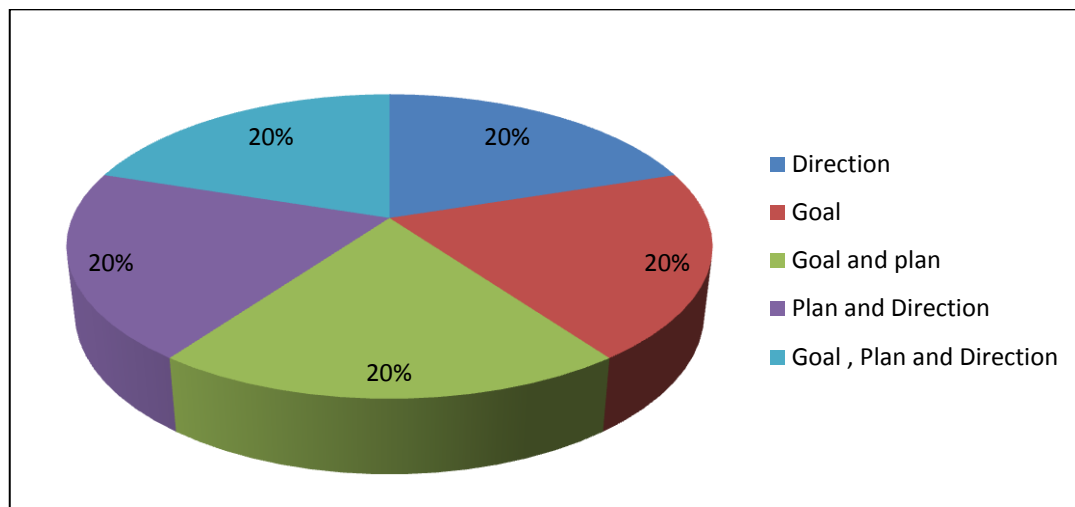


Figure 4.4: BAJ Respondents' Strategy Definitions

#### 4.2.4.2 Strategizing Practices

##### 4.2.4.2.1 Shaping the context

It was argued by respondents that each business was provided with a template and a guideline to follow when they were doing the planning and revisiting the current strategy after appointing the new CEO. According to HCB, “The strategy department that guides it, sends out the rules of the game, how you need to do it and the information you should provide and so on”.

The second activity was practised with the engagement of strategy participants. The CEO invited all the strategy participants and officially requested them to review the strategy and to start developing their new plans. HRM pointed out that “when they (top management) start doing this he (CEO) asks everybody: I would like you to start the exercise of reviewing the operational plan, strategy, targets, the high-level plans etc, and simply feel free to access me or discuss with me throughout, and this is the deadline for it”.

Also, it was stated that the head of strategy would meet each business head individually and discuss what each business needed to do. As stated by HCB, “They (strategy department) sit down, you know, with the business people and they say, “Okay this is the overall strategy. What are you going to do in your business to reach that overall strategy?” Now the particulars of each business strategy are handled by the business”. Similarly, at the sector level the head of the sector was engaging the participants in the sector level as stated by HRM.

Basically, the two activities that constitute this practice were providing guidelines and the engagement of the strategy participants. It was highlighted that the head of strategy and the strategy department were the key actors in this practice. Also, the CEO performed the second activity. In terms of this practice, it was not clear how it had been practised when consultants were driving the strategy in 2008. At the time of the research the bank conducted the review and developed the new plans without the support of any external actor. Such practice shaped the context by which participants could be influenced; therefore, it could be considered as an adaptive practice. Also, it was practised in the period of strategy developing.

#### 4.2.4.2.2 Initiating

The bank was introduced by consultants to a new way of strategizing process. So, the consultants with the strategy team were the driver of initiating strategic ideas, plans and projects. In the period of strategy execution, the new CEO initiated the process of validating the current strategy.

At the sector level, each business had its own strategic initiatives and projects. In the first stage consultants and strategy teams were part of establishing the new initiatives; actually they were driving all the initiatives and they formed all plans related to strategy projects. When the new CEO was appointed, each sector established its own new plans and initiatives

with the support of the strategy department. At the sector level, this was done by the head of sector and the staff reporting to him, like the department heads and senior managers handling the initiatives in the sector level.

Any new initiatives related to new products, services or processes had to be Shari'ah compliant; here, the Shari'ah group became involved. According to HCB, "The products are made to be Shari'ah compliant and you cannot compromise on that. They have to be Shari'ah compliant. That's why you have a Shari'ah committee and you can't go halfway. You can't say, yes they may be Shari'ah, they have to be fully Shari'ah compliant and if you're going to go the Shari'ah route you have to be fully Shari'ah compliant".

Moreover, it was highlighted that the central bank (the Saudi Arabian Monetary Agency) were influencing the initiating. According to VP the whole operation is governed by them and the bank has to follow their rules. The HRM gave an example of this influence by pointing out that the central bank had introduced a new risk assessment that had to be followed by the bank and it was considered in all of the new plans.

Furthermore the usage of credit rating agencies was highlighted in the reports; the bank considered seriously the recommendations and evaluation conducted by those agencies. This could be considered as an actor who has a role in initiating practice (Aljazira, 2012a).

Initiating was practised in different periods of strategizing, it was practised by different strategy participants and the influence of actors was different. For example, in the period of developing strategy with the consultancy firm, the consultants were the key drivers, while in the period when the new CEO was appointed, businesses were the key drivers in practising these activities. Also, it was clear that because the bank is a fully Shari'ah compliant bank, every initiative introducing new products or new service had to be developed with the Shari'ah group.

The aim of this practice is introducing new changes or modification; therefore it could be considered as an adaptive practice. Also, it was practised in the period of strategy developing and in the strategy execution period.

#### 4.2.4.2.3 Executing

Primarily the consultants were accustomed to prepare the five-year strategy document.

According to VP, “They (consultants) put a document that we called our *Afaq* strategy, which is kind of, you can say, what is our strategy for the next five years”. Mainly the strategy department participated at that time, but after that period they were preparing the strategy documents, reports and presentations.

Moreover, businesses heads were responsible for developing sector level strategy related presentations, documents and presentations. Similarly, the Shari’ah group were responsible for preparing reports, documents and presentations related to Islamic banking, such as the Shari’ah compliance report and the Shari’ah audit report which was presented to the Shar’ah board and published for the public later on.

This activity was a recursive activity, as it aimed to maintain the strategy and not to make any shifts or changes. This could be practised in any period of strategizing.

#### 4.2.4.2.4 Collaborating

At the corporate level, external consultants, the strategy team and businesses heads jointly discussed and exchanged strategy related information. Together, they developed ideas, plans, and presentations. For example, it was highlighted by respondents that they carried out brainstorming and conducted analysis together. According to HPB, “Each sector would have a representative. For example, in Retail, the head of Retail was the representative. In AFAQ 2012, I participated and I think we were around 15 people”.

The collaborating was practised collectively, with different participants from different sectors involved and it was done individually, with consultants working with each participant (at the sector level) and his team alone. For instance, VP gave an example of such collaborating, claiming that “they (consultants) sit down with senior management and ask them, what do you want to do, where do you want to be in the next five years?”. As identified by respondents, such collaboration helped participants to understand the current situation, it maintained the buy-in of the new strategy and it helped with the alignment between different businesses.

When the new CEO was appointed, the validation of strategy and revision of plans was collectively practised at the corporate level and in the sector level. Examples were given of several workshops conducted at this level, either collectively or individually between participants. According to HRM, “I saw them doing the workshops to prepare for this. The group heads, so the Head of Corporate, the Head of IT and Operations, where they start bringing their people to brainstorm and put it together in an action... before it gets presented to the CEO”. The Shari’ah group were part of the team at the corporate level and they participated in the strategy workshops and all corporate level activities as stated by HPB.

At the sector level, the head of the business and the senior management in the sector with the strategy team had jointly worked together in going through the sector level strategy. They jointly prepared the plans, ideas and presentations before submitting them to the top management. According to HRM, “I brought the senior team, and we sat there and they came to know from me the message from the CEO... We were six people, which are the heads of HR. I said there is a strategy that we have to present a piece of HR, and there is a message from the CEO, which is the normal cascading of the CEO post”.

Collaborating was practised in the early stage of developing strategy or in revisiting the strategy and developing the new plans. Through such collaboration, strategy participants developing jointly developed strategic ideas and plans. The aim of this collaboration was to enhance, modify or develop strategy; therefore it could be considered as an adaptive practice.

#### 4.2.4.2.5 Supporting

The central strategy team provided information and resources to different businesses and were frequently approached by businesses for advice, especially with problems and difficulties faced by businesses. According to VP, “If you have a really fundamental problem then you can call for strategy anytime because you have a problem that you have to take care of, and you call your strategy team to go ahead and do this and this can happen anytime. It could happen now, it could happen today or next week”.

Also, businesses utilized the support of a consultancy firm, whereby consultants conducted different type of analysis, evaluated the businesses, supported them by identifying opportunities and provided businesses with information about the competition and the market. This support was in the period when consultants were available and assigned to develop the strategy.

Moreover, Shari’ah board and Shari’ah group were supporting other actors through providing advice, information, training and distributed knowledge related to Islamic banking. As stated in the annual report, “The Shari’ah Group provided support services to all internal and external stakeholders of the Bank... A total of 163 replies, instructions and guidelines were issued to all related internal and external stakeholders” (Aljazira, 2012a, 25).

As stated earlier the credit rating agencies were used by the bank. Those organisations provided information about the bank and the industry. Therefore, it could be an actor that supports strategy actors with information, knowledge and technical analysis and evaluation.



Supporting activities were practised through different periods of strategizing. However, consultants performed this practice when they were available, but this was when they are developing the new strategy. The support for several strategy actors was a routine (recursive) activity and it aimed to sustain the strategy, while the support practised by consultants could more adaptive, as it could shift the strategy and the plans of those participants.

#### 4.2.4.2.6 Coordinating

The strategy team and consultants influenced businesses' strategizing through the framework and direction strategy participants were following and the areas that needed to be focused on by businesses. Also, there was a time frame that strategy participants had to meet. This was argued by the VP, HCB and HPB. The purpose of the coordinating practice is to ensure the alignment, consistency and influence strategy participants' activities. Therefore, it could be considered as a recursive practice as it does not aim to shift or change strategy. Moreover, it was practised in the period of developing strategy.

#### 4.2.4.2.7 Facilitating

Consultants and the strategy department facilitated various strategy events such as workshops and meetings that involved various stakeholders, in which strategic ideas and decisions were introduced. According to VP, "Strategy is formed after workshops, discussions, between the business and senior management, the business and support to come with an aligned strategy".

Similarly, it was practised by the strategy department when the strategy was revisited when the new CEO was appointed. As stated by VP, "You have workshops for stakeholders, discussion, many heated discussions, until you come to a conclusion that's everybody's; it's mainly workshop meetings, discussions". For example, HRG claimed that the most recent workshop had lasted for two days, and all business heads had participated.

This facilitating practice was conducted in the period of developing strategy or revisiting the strategy and plans. Facilitating strategy events aims to involve different participants which means it could be considered as more a recursive practice.

#### 4.2.4.2.8 Integrating

Consultants, with the strategy team, collected businesses ideas, thoughts and plans, in order to produce a combined strategy. Also, they ensured alignment between businesses' strategies and plans. Similarly, when strategy was validated the strategy department integrated the strategy and different plans. According to VP, "I collect all this and then start to see how the whole... how to blend all the strategies in one strategy for the Bank. So basically each area will present its own strategy ... It comes to me and I see if there's an alignment, for example, if Support are aware of the business model, what they want, and vice versa, if the business understand Support's capacity and resources to support the business".

It was argued by respondents that the aims of this practice were to ensure alignment and consistency, reduce conflicts and eliminate any duplication between different businesses. According to HCB, "You'll have the different businesses with different particular strategies, but within those particular strategies there's got to be a link". Similarly, VP claimed that "we (strategy department) become a custodian of all the strategies and come up with one for the Bank's strategy where everything's aligned".

Integrating was practised in the period of developing new strategy or new plans. Consultants and the strategy team were the ones who performed this activity. It aimed to sustain the bank's strategy; therefore it could argued that this practice is more recursive.

#### 4.2.4.2.9 Negotiating

When the strategy was validated the business heads discussed their strategies with the CEO, who challenged their ideas and plans. As stated by HCB, "You have to convince a CEO that

that's the right strategy". Also when consultants were hired negotiating was practised with businesses heads and strategy department. In addition, there was negotiating conducted in the board level with the consultants and top management of the bank.

Through negotiation and discussion, strategy participants understood more the strategy of the bank. This was practised in the period of strategy developing and in the period of developing new plans and revisiting the strategy.

The negotiating practice was conducted at the top management level. It could result in changes and shifts in the strategy; therefore it could be classified as an adaptive practice.

#### 4.2.4.2.10 Translating

Strategy was translated into plans and projects. When consultants were involved, they drove this practice. According to VP, "They (consultants) drill down to a level of how to achieve it by doing what kind of programmes, activity, projects to execute".

Similarly when the strategy was revisited, the strategy team practised these activities. For instance, HCB claimed that "They (strategy team) sit down, you know, with the business people and they say, 'Okay this is the overall strategy. What are you going to do in your business to reach that overall strategy?' Now the particulars of each business strategy are handled by the business". Here, businesses were involved in translating the strategy into action plans and new plans.

Translating strategy into plans and projects was for the purpose of maintaining the agreed strategy; therefore, it was largely a recursive practice. Also, it was stated that different businesses had annual plans; therefore this practice could be a routine activity for strategy participants. It was practised in the period of strategy development.

#### 4.2.4.2.11 Communicating

At the early stage of strategy development, consultants communicated their strategic ideas and thoughts to all business heads. Also, businesses communicated their plans and ideas with each other, to receive feedback.

After the final approval of strategy, the strategy department managed the communication of strategy to the entire bank. For instance, the strategy document was circulated to all the senior management. According to HRM, “The final strategy document will be circulated to everybody; I would say CEO minus two. CEO minus two: CEO or at a lower level, or a level later. It doesn’t go under this level. It contains a lot of confidential aspects, both financial and non-financial”. Those senior managers were responsible to cascade their part of the strategy to their people within the sector.

The strategy department arranged for an event at which the new strategy was launched. It was a big event attended by around 900 staff, the chairman of the bank and a number of board members. The CEO of the bank announced the new strategy in this event where he tried to explain and introduce the strategy details. According to the CEO, “The plan (AFAQ-2012) was launched during a major staff convention in November 2008” (Aljazira, 2009: 6).

Furthermore, according to VP, business heads were encouraged to speak continuously about the strategy with their staff at every chance. Also, an example was highlighted by the HRM that yearly there was a gathering outside the bank between staff, top management and board members, where the chairman would talk about several issues, such as the strategy of the bank.

Moreover, Shai’ah board and Shari’ah group were practising communication, for instance it was stated in the annual report “The Shari’ah Group continues to exert efforts to create mass

awareness about the Islamic Banking” (Aljazira, 2012a). Several open meetings conducted with customers and employees to explain Islamic banking concepts and products.

Communicating was a continuous practice where practitioners communicated their strategic ideas, plans and the final version of the strategy. In the period of developing strategy, informal and formal communication could influence and create changes in strategizing or strategy. After the approval of strategy the central strategy team encouraged top management and all senior managements to practise these activities. Here, the aim of this activity was to maintain strategy, as they wanted to make sure everybody knew and understood the strategy. Therefore, this practice could be considered as a recursive practice and an adaptive. Also, it could be practised at any time.

#### 4.2.4.2.12 Reviewing

When consultants were driving the strategy, they presented the strategy and plans to the CEO and business heads, who reviewed what was proposed. Accordingly, changes and modification of strategy were made. Then, it had to be presented again for approval.

Similarly, when the strategy was revisited because of the new CEO, the strategy department and the CEO reviewed businesses’ strategies, projects and plans. However, there was general agreement that the CEO was the key driver in this activity. For instance, HRM pointed out that “they (businesses) present their own plans and targets, operational plans etc, he (CEO) will give them his feedback, their changes, do this and don’t do that, and they will go and change it”.

In both situations, when consultants were available and when the new CEO was appointed, after the review of the CEO, he presented the strategy to the board members for their feedback and approval. This phase of discussion and feedback between the board members and CEO resulted in changes and final approval was obtained. As stated by HRM, “They

(businesses) present their own pieces for the CEO; they put their own targets and review for the CEO... And then the CEO will take it and present it to the Chairman and board, and over there they will have their own reviews or changes or adjustments to the strategy...Based on that he will come back with the approval”.

Moreover, for any new initiatives, products or services, they had to be reviewed and approved by the Shari’ah board before being included in the bank’s plans (Aljazira, 2012b).

In the period of strategy execution, strategy practitioners reviewed the strategy performance and progress. According to HPB, “There are reviews of strategy; once you build strategy you do not put it on the shelf. It should be in your office, every now and then you review your strategy to tell you what status you are in strategy”.

At the sector level, each strategic initiative/ project owner reported weekly to the head of sector and strategy office. For each sector, all the senior management met monthly to review the performance of the sector. According to HCB, “It’s really reviewed through the budget process, which is reviewed on a monthly basis. How are you doing? How are your results? How are you performing against what you said you were going to do? Why are you exceeding your goals? Why are you not complying with your goals? What is the problem?”.

At the corporate level, the CEO, head of strategy and businesses heads reviewed the strategy performance quarterly and annually. The annual exercise was part of the budgeting process. According to HRM, “What we do is by the end of each year you review what you reached, what are your achievements, and simply fix whatever needs to be fixed in your strategy, and put priorities for the next year”. The board of directors reviewed the bank strategy progress and performance every six months with the CEO. According to HPB, “CEO will review the strategy with the team once a quarter and with the board twice a year”.

For the strategy department, it was stated in the annual report that their mandate is to review and monitor the execution of strategy and the implementation of all the projects and initiatives. In addition, it was claimed that they monitor and review the changing economic environment (Aljazira, 2009).

For the Shari'ah group, it was highlighted in the annual report that the group consistently review the execution of all the products, services and the processes to ensure its compliance with Shari'ah (Aljazira, 2012a).

Credit rating agencies could be considered as an actor that was involved in reviewing practice. As the assessment and the evaluation conducted by international credit rating agencies those agencies were essential and recognized in the banking industry as stated in the annual report.

In the period of developing new strategy, plans and initiatives, strategy participants reviewed what others proposed. For instance when consultants were hired, the business heads and CEO reviewed all the proposed strategies and plans. Accordingly, feedback and approval were obtained. Then the proposal went to the board level and again it was reviewed, then approval was obtained. In this activity, strategy and plans could be shifted or changed; therefore it was an adaptive practice.

In the period of strategy execution, strategy participants routinely reviewed the strategy performance and progress. It was conducted on several levels. At the sector level it was practised more frequently, weekly and monthly by the sector head and the senior managers with the strategy departments. At the corporate level, it was practised quarterly and yearly by the CEO and all businesses heads. Finally it was practised by the board with the CEO every six months. The aim of these activities was to maintain the current strategy; therefore, it could be classified as a recursive practice.

### *4.2.4.3 Strategists*

#### *4.2.4.3.1 Strategists' Capabilities*

All respondents agreed on the importance of technical skills and knowledge. Technical skills include analysis skills and planning skills, while knowledge includes knowledge of the global and local markets, strategy, economics and banking.

Only two respondents, two business heads, argued that interpersonal skills are essential for strategists. These include communication and problem solving skills.

#### *4.2.4.3.2 Strategy Actors*

Basically, actors identified by respondents and the secondary data were grouped into two categories, internal actors and external actors.

All the strategy actors identified were men. Although women were working in the bank, none of them were in the middle or top management level. It is worth mentioning that the headquarters was a mixed environment where women were working with men, not segregated as in the other Islamic bank.

#### *4.2.4.3.3 Internal Actors*

The board members and CEO were the final decision makers. They were the ones who controlled the power of decision. However, the CEO was more involved and he presented only the final version of strategy or plans. In this bank, it was clear that the chairman influenced the CEO and the board, as he was mentioned several times by informants. As I understand from informal discussion with the bank employees during my visits, the current bank strategy launched in 2008 and named AFAQ 2012 was influenced by the chairman of the bank, who was appointed in 2007, and mainly done through a consultant. This argument could be affirmed through highlighting that since the appointment of the chairman the CEOs



had changed three times but the strategy of the bank remained the same. In fact, I noticed that the last CEO hired had experience in the area that matched the focus of the bank's strategy.

According to HPB, "What type of commitments (are undertaken) should be decided by the management. You (businesses) recommend something but the spreading of the resources and the focus should be decided at the top (Board and CEO)".

The board consists of nine board members, including the CEO. Also, the board formed a subcommittee to follow up strategy execution. This committee consists of five board members. As stated in the annual report: "It is the responsibility of the Executive Committee, in accordance with the delegated powers, to monitor the implementation of the strategy" (Aljazira, 2012a, 31).

At the middle management level, all the business heads and support heads were involved and contributed in strategizing. Also, the head of strategy and strategy department led all strategizing activities. However, the importance of business differs; therefore the influence of participants was different. It was clear that the business sectors (profit centres) were the key players, while the support sector were involved to ensure they were able to support those businesses. According to HPB, "Certain businesses will have priority more than other businesses. Where you make the profit". Similarly VP stated that, "You need all the stakeholders in this one is the business leaders of the organisation; the guys who are responsible for the revenue of the organisation. And also you need the support area leaders who should also be participating to support the business leaders in achieving the strategy".

The business heads include the head of Retail, head of Corporate and head of Treasury, while the support heads include the CFO, head of Operations, head of the Shari'ah group, head of HR, head of IT, head of Risk, head of Audit, head of Compliance and head of Legal.

The head of strategy and the strategy team played a key role in strategizing. As stated by HCB “It (strategy) was led by the strategy area of the bank”. Furthermore, HPB argued that the strategy department was responsible for “the bank strategy and they report directly to the CEO, they are responsible to follow up the strategy...(as a) facilitator to help the CEO to educate the people to have the buy in, to be familiar with it and explain to them the importance of strategy”. The department consisted of two teams: “The Strategy team, which is in charge of identifying and analysing business opportunities and recommending appropriate initiatives that will boost the Bank’s profitability. The Transformation team, which controls and monitors AFAQ-2012 projects through the Programme Management Office” (Aljazira, 2009, 16) . Furthermore, HRM claimed that this department performed various activities such as consolidating all businesses’ strategies and plans and preparing all strategy materials like presentations or documents, but they were not the strategy owners.

In this Islamic bank, the Shari’ah group participated in the strategy workshops and all senior management activities. They were considered as a support group. However, this Shari’ah group reported to the CEO and worked under the guidance of the Shari'ah Advisory Board (SAB). Basically, this group could be considered as the execution arm of the Shari’ah board, which ensured the Shari’ah compliance of the Bank’s transactions.

As stated in the annual report, “During 2011, five Shari’ah Board meetings were arranged and conducted, 15 issues were presented to the Shari’ah Board and 14 decisions made. The Shari’ah compliance reports are presented to the Shari’ah Board periodically. A consolidated 2011 Shari’ah audit report will be presented to the Board of Directors along with BAJ’s final 2011 annual financial statements”(Aljazira, 2012a, 25). This board met from four to six times per year to review the reports presented by the Shari’ah group and take decisions needed. For example decisions related to any new strategic initiatives were made in these meetings.

SAB was an independent board, its role was to screen, monitor and endorse the whole operation, activities and reports of the bank in terms of Shari'ah compliance. This board was formed in 1998 to oversee the conversion of the bank to Islamic banking and the same board was still in existence. SAB included six members. Two members were from the council of senior Islamic scholars, two were academics (one specialized in Shari'ah and the other in Islamic economics) one was an independent Shari'ah scholar who specialized in Islamic banking and the final one was the head of the Islamic group. All of them were PhD holders.

The Shari'ah board's role in strategizing was that no new initiatives, including services or products, could be implemented without the approval of the Shari'ah board. However, the board's influence or constraining effect seemed less than in the other Islamic banks. For example, women were allowed to work in the headquarters, in a mixed environment and open offices.

At the sector level, the head of sector, the senior management, departments' heads and business line managers participated. For example, in the Retail sector, the head of Retail, product managers and segment managers participated in developing the sector strategy and plans. However, their involvement was not the same. For instance, HRM reported that "we elected three people out of the whole six to concentrate on building the strategy. That doesn't let the other hands out of it; yet the three people will be in charge of it. And among the three of the team, along with the Head of HR". According to HPB, "Everyone participates and discusses but the main decisions are made by the head of the group". The head of the sector was the one who controlled decisions related to the strategy and plans at the sector level.

#### 4.2.4.3.4 External Actors

An international consultancy firm was hired. According to VP, "They (consultants) form a strategy based on their benchmark or best practices and how they see the Bank should

transition itself from A to B”. They built the process of preparing strategy and plans; in addition they drove the building of the bank’s new strategy and plans. All respondents agreed that the consultants guided all the strategy participants in developing the strategy and all the plans and related initiatives. The VP pointed out that consultants were used because the bank transformed itself to be an all purposes Shari’ah compliant bank. The CEO pointed out in the annual report that “an ambitious strategy called the ‘AFAQ-2012 Transformation Plan’ has been developed with the support of first-class consultants” (Aljazira, 2009, 6).

Moreover, only two respondents highlighted that the regulator, the Saudi Arabian Monetary Agency (SAMA), influenced their strategy, as they considered it in their strategizing. According to VP, “The one key thing to them (SAMA) is that you are doing business according to the rules they set”. HRM was arguing that the bank has to cope with SAMA regulation changes and amendments. For instance, he gave an example of the introduction of risk assessment, which had to be considered in their new plans. HRM pointed out that “you have to be in compliance with the bank regulations, with SAMA regulations”.

Finally, credit rating agencies were highlighted in the annual reports. Three rating agencies were named: Moody’s, Fitch and Capital Intelligence Rating. The review, information and recommendations were considered seriously in the banks’ strategy and plans.

## **4.3 Alrajhi Bank Case**

### **4.3.1 Overview of Alrajhi Bank**

Alrajhi (RAJ) is an Islamic bank and classified as one of the largest Islamic banks in the world with total assets of SAR 267.38 bn (£ 46 bn), paid capital of SAR 15 bn (£ 2.5 bn) and employing around 10,054 employees. Alrajhi has the largest branch network in Saudi Arabia with over 467 branches and over 100 branches dedicated for women. The bank recorded the

highest net profit in the banking sector in 2012, with net profit of SAR 7.88 bn (£ 1.35 bn) (TADAWUL, 2012).

Alrajhi is the first and largest Islamic bank in Saudi Arabia, which operates in full compliance with Islamic Shari'ah. The founder of the bank is the Alrajhi family. The bank was established in 1978 through the merger of a group of companies into Alrajhi Trading and Exchange Corporation. In 1987, the company obtained a banking licence and converted into a joint stock company (Alrajhi, 2012b). Currently the Alrajhi family owns more than 30% of the bank and they have six seats (out of 11) in the board of directors (Alrajhi, 2012a). The remaining shares belong to individuals, government agencies and private investors (Argaam, 2012).

Alrajhi is known as a retail bank and in the past few years it has expanded heavily in corporate banking and investment banking. It has three subsidiaries in financial services insurance and real estate. Also, it has entered new markets such as Malaysia, Kuwait and Jordan (Alrajhi, 2012a).

#### **4.3.2 Respondents**

The number of interviews conducted in Alrajhi bank was eight. The respondents were classified as key people within the bank and were involved in strategizing within the bank. They represented a variety of nationalities, backgrounds, experience and positions. This could add to the richness of the information obtained, which will benefit in answering the research questions and draw a real picture of the bank context. Table (8.4) gives a profile of those respondents.

**Table 8.4: RAJ Respondents Information**

No	Job Title	Nationality	No. Experience in banking	Previous Experience
1	DCEO	Saudi	20 Years	Banking
2	GM of Strategy	Greece	7 Years	Consultancy
3	Head of Strategic Planning	Greece	2 Years	Consultancy
4	COO	UK	22 Years	IT
5	GM Treasury	Australian	10 Years	Military
6	GM HR	Saudi	3 Years	Manufacturing
7	Head of PMO	Jordan	6 Years	Consultancy
8	Head of Business Strategy Initiatives	Jordan	5 Years	Consultancy

Each respondent has been given a code reference: DCEO = Deputy Chief Executive Officer, SGM = GM of Strategy, HSP = Head of Strategic Planning, COO = Chief Operations Officer, GMT = GM Treasury, HRGM= GM HR, HPMO= Head of PMO, HBSI= Head of Business Strategy Initiatives.

### 4.3.3 Strategy Approach

Strategy is centrally led in Alrajhi bank, conducted in a structured and top down manner, according to the majority of the respondents. For example the GM of strategy claimed, “We do have also a structured approach...it is a top down approach”.

This was justified on the basis that it is the norm of banks for strategy to be done top down; also it was stated that it is common in the Gulf countries for organisations to be centralised and controlled by top management, especially in a family business. As argued by the head of strategic planning, “Alrajhi is a family business. And it’s run, the CEO is Abdullah Sulaiman

Al Rajhi; the Board of Directors is the family and it is very centralised. So it is very, very much coming from there”. Although Alrajhi is a listed company, many of the interviewees classified it as a family business because more than 30% of the bank is owned by the Alrajhi family and the Chairman and the CEO are from the Alrajhi family. As argued by the head of the treasury, “If you’re looking at the overall bank strategy about where it goes, it’s very much driven from the top, which I think is reflective of the ownership structure of the bank”. Also, the COO made a similar comment: “We are a little bit different in that we have maybe a different Board structure. Most organisations have a Board that is made up of independent directors. We are still a family controlled business and as such we still have a Board that is dominated by the Alrajhi name, so it’s a little bit different”.

Basically, all the respondents confirmed that the bank has a three year strategy. It was noticed that the strategy was done yearly and that was explained by the head of strategy as an attempt to have a dynamic strategy which is responsive to changes in the market and the environment. One of the senior managers described it as resting the strategy yearly, while another manager described it as it kind of rolling strategy.

#### **4.3.4 Data Findings**

##### **4.3.4.1 Strategy Definitions**

Strategy definition was a key point in the interviews with the strategists of the bank. There was no common definition introduced by all respondents and several respondents had several definitions.

A direction or path was the most common definition of strategy as highlighted by four respondents. For instance, COO argued, “It means direction. It means this is the path that

we're choosing to follow or the path we're choosing to define". Similarly the head of strategy said that strategy is about defining "where should we compete next?".

The second definition introduced by three other respondents was that strategy is the objective or the aspirational goal. The DCEO defined strategy as follows: "It is really the objective you would like to achieve over a period of time". This was similar to the definition of the head of strategic planning, who expressed, "Strategy means setting targets and areas you want to achieve and areas that you do not want to achieve".

Furthermore, two further respondents defined strategy as a guideline. According to GMT, "It's that one or that small collection of statements from, you know, in our case from the board, which tells me where I should be focussing and emphasising where my efforts should be placed". Furthermore in the strategy department within this Islamic bank, the point of view of one of the key players was "Strategy in all respects for us is the bible".

The following chart (figure 5.4) illustrates respondents' definitions of strategy, equally respondents' defined strategy as a direction, as guideline and as an objective, while two respondents defined strategy as both direction and objectives.





Figure 5.4: RAJ Respondents' Strategy Definitions

#### 4.3.4.2 Strategizing Practices

##### 4.3.4.2.1 Shaping the context

The strategy team developed a template, which each strategy participant followed. This template dictated the output of businesses' strategies. This template dictated the information type and standards of presentation and strategy document.

The use of templates and the reason why the strategy department developed these templates was explained by the COO, who argued that this was practised because "some of the business groups are maybe not as mature, in terms of communication, maybe not as mature in terms of defining strategy". Furthermore, it was pointed out that such a template would focus the energy of the strategy participants and ensures consistency.

A further activity was the engagement of strategy participants, which was handled by the strategy department in the corporate level. According to GMT, "It'll be initiated by the strategy group. They'll probably kick off with some one on one meetings with the GM's of

the different areas. They'll discuss what they're thinking about in terms of strategy and what sort of things they'll focus on for the next couple of years”.

This practice was performed at the early stage of developing strategy. The central strategy department was the key actor. The templates and engaging the strategy participants could influence the way strategy was practised; therefore it could be classified as an adaptive practice.

#### 4.3.4.2.2 Initiating

Establishing new strategic ideas or new strategy content starts from the board level and CEO; every year either they validate the old strategy or modify and change the strategy content.

According to COO, every year in “August/September would be the time that the Board and the CEO would come together to define or redefine what the strategy is”. In terms of initiatives related to strategy process this mainly was practised by the strategy team.

In terms of establishing initiatives, projects and plans at sector level, each sector developed its initiatives, projects and sector level plans. This was practised by the sectors and department heads, with the support of the strategy team.

Two external actors were introduced as they had a role in initiating practice. First was the regulator (SAMA). For instance the head of strategy pointed out that SAMA were encouraging them to expand their business in small and medium enterprise market which they considered in the new strategy. Also, all the initiatives have to meet the mandates and rules of SAMA. The second actor was the credit rating agencies where recommendations provided by them were considered seriously in strategizing.

In the period of strategy execution, initiatives were introduced by the strategy departments on certain occasions. For example, the head of strategy claimed that if there were changes that

could affect the bank strategy in the external environment, such as with the market or the global economy or the local economy, they would develop initiatives to cope with the changes. HBSI claimed that developing new initiatives in the period of strategy execution was because “as we’re moving forward with the initiative we understand stuff more and have seen market changes, seen trends that were not expected, seen the impact”.

All initiatives related to the bank transactions, services or products have to be Shari’ah compliant. According to SGM, “Every transaction needs to have everything in a Shari’ah compliant way and as strategy we would also make sure when we do special little projects that as much as we can we will not allow something different to happen”. Therefore, the Shari’ah group were involved in this practice. As stated in the annual report, “They [Shari’ah group] were responsible for ensuring that the bank operated in harmony with the precepts of Islamic Shari’ah... In addition, work was conducted to find appropriate legal alternatives and innovative solutions for new products” (Alrajhi, 2012a, 20).

The activities here were practised in the period of strategy developing and strategy execution. They mainly aimed to change or modify strategy process or content. Therefore, initiating could be classified as an adaptive practice.

#### 4.3.4.2.3 Executing

In the period of strategic planning, strategy participants practised the activity of preparing strategy documents and presentations. For instance, each business head had to prepare presentations to be presented to top management; this was a frequent activity through this period. For example, the head of strategy commented that in one of the workshops, “We (strategy team) ask each of the guys attending, each of the departments attending, to do a presentation for their department”.

The corporate strategy documents were produced by the strategy team. According to DCEO, “At the end everything will be documented...the head of strategy documents all of these things”. Similarly, SGM explained “We will sit with the CEO and the deputy CEO and a lot of the strategy is already in their minds. I will put it on paper”.

At the sector level, all the detailed plans were prepared jointly by the strategy team and each businesses sector. According to HSP, “We (strategy team) give these initiative owners, project owners, a few weeks; let’s say a month, to prepare a very structured business plan for their project”. For each sector, any initiative has to be written in a business case and this was done by participants at the sector level.

In the period of strategy execution, the strategy team were continuously preparing materials and strategy reports before any management committee meeting. According to SGM, preparing reports and updates were routine activities he performed.

Furthermore, the Shari’ah group were practising executing. For instance, they were responsible for preparing all the reports to the Shari’ah Board.

The above activities were practised in different stages of strategizing. It was a routine activity and did not aim to shift or change strategy; therefore, it could be argued that this practice was a recursive practise.

#### 4.3.4.2.4 Collaborating

Jointly, strategy participants from across the bank developed strategy ideas and plans. They shared strategy thoughts and made decisions collectively. This was practised at two levels, the corporate level and the sector level.

For example, the head of strategy explained that he, with the CEO and DCEO, jointly developed the emphasis of the strategy. Through strategy events like workshops, sessions

and meetings, strategy participants from the top management level were able to develop ideas and plans, share information and form decisions. For instance, HSP highlighted that with the sector heads they conducted brainstorming sessions, defined priorities and chose projects.

People below the head of sector sometimes participated at the corporate level, as explained by the GM of strategy: “Sometimes we invite to some of these workshops the people below the heads of groups and we do that not only for generation of other ideas but also in terms of succession. We want to have the people there, we want them to learn”.

At the sector level, with the participation of the strategy team, strategic initiatives were developed and decisions on how to execute them were made. According to SGM, “There is a constant interaction between them (businesses heads) and us (strategy departments)”.

Basically, these activities were practised in the period of strategy developing. The aim of this practice was to develop new ideas, plans, decisions and strategies. Therefore, it could affect the strategy radically, which means this practice could be considered as an adaptive practice.

#### 4.3.4.2.5 Supporting

The strategy office supports strategy participants in different sectors by providing them with knowledge, conducting a complex analysis for them and training them in how to monitor the execution of strategy. In terms of knowledge, the head of the strategy office claimed that they continuously conducted specific research on various issues and performed different types of analysis which helped businesses and top management to take concrete decisions. For example, the head of strategy planning indicated that his team performed several types of analysis, which included analysing the markets, competition and performance.

According to the head of strategy, previously the bank used consultancy firms such as McKinsey, which enabled the strategy department to gain support from them if information or advice were required. Therefore, this external consultant was considered as an actor exercise support to strategy team.

Similarly, international credit rating agencies were highlighted by the head of strategy and in the annual report. Those agencies provided information, evaluations and recommendations for the bank, which considered them in strategizing.

In addition, it was highlighted in the annual report that the Shari'ah board were practising supporting to various actors through providing advices and explanations to issues related to Islamic banking (Alrajhi, 2012a).

Furthermore, it was highlighted by one informant that colleagues inside the bank who are trusted were used to provide support in term of feedback, advice and exchange information. Additionally strategy participants could use their friends and network outside the bank. For instance, one of the informants argued that “using that network is really important, for me. Having that independent loop, or feedback loop, is very informal and I don't necessarily tell people who I work for that I talk to Accenture because it's a confidential discussion I have with these people because I trust them and they trust me, and that's how I would do it. I have to send an email to four banks this week because I need a question answered and I can't answer the question here in Saudi Arabia, so that's me using my informal network of people I know”.

COO pointed out that external actor such as vendors were providing support to them. They were providing knowledge, information and advice which utilized in strategizing.

Furthermore, coaching, training and knowledge were provided at the beginning of the strategy execution. For example, it was stated that each strategic initiative owner would have training in how to manage, monitor and execute his initiatives. Also, they were provided with the framework and the tools to be used in the execution of strategy. As stated by HPMO, “We coach them, we support them, we put them in the frame of execution, proper project management, proper monitoring, proper reporting, proper presentation, proper... you know, we put the right tools, the right processes, the right people”.

Also, Shari’ah group were exercising supporting through training staff. For example, it was stated in the annual report that “Training sessions were conducted for 340 new employees with 15 courses held” (Alrajhi, 2012a, 20).

Supporting activities were practised by strategy actors to support other actors in strategy development and strategy execution. It was a routine activity that aimed to sustain strategy. This practice might be regarded as a recursive practice.

#### 4.3.4.2.6 Reflecting

The strategy manager claimed that he regularly attended conferences and training to be updated in the field, which accordingly could add value to the work and to his capabilities. According to SGM, “ I would still read, I would still go to conferences, very selectively to the right ones, other ones I wouldn’t go to so often, I would still do specific training so I can continue being state of the art, following the trends and adding value”.

Furthermore, one of the strategy practitioners claimed that reflection activity is a continuous activity as he was continuously thinking about and reconsidering the strategy content and ways to deliver the strategy. For instance, he pointed out that “Sometimes I just sit and I’ll look out the window and I think. I take some time to think about what am I going to do next

week that's going to help us be where we want to be in five years' time? And that's just taking time out to think... the most important thing is thinking, taking the time out to think”.

For strategy participants, reflecting was practised to modify, improve and change strategizing. Therefore, this is an adaptive practice. It was not limited to a specific actor or a specific time; however, it seems it was practised more in the period of strategy execution, when strategy actors are less engaged with developing new strategy.

#### 4.3.4.2.7 Coordinating

The central strategy team provided strategy participants with a framework that they needed to follow in strategizing. For instance, businesses were instructed to focus on certain areas and disregard other areas. As stated by TGM, “These are the things we want to focus on and at that sort of level say, overall forget that, that, that, that, let’s focus on these for your group. Let’s focus on these sorts of things”.

This framework was developed by the strategy team with the involvement of the top management. As stated by SGM, “We will sit with the CEO and the deputy CEO and a lot of the strategy is already in their minds. I will put it on paper, I will agree it with them and depending what are the hot areas of this year I will have a different data question”. Also, two informants (COO and HPMO) claimed that the board involved in this practice, this could be justified by knowing that this bank is managed by Alrajhi family where one of the family members is the chairman of the board and his son is the CEO.

Also, the strategy team developed a calendar of events and timeframe for strategy developing that had to be considered by strategy participants. According to COO, this was “a defined sequence of events that happen to still articulate and formulate the strategy”.



Coordinating activity was practised by the strategy team; mainly in the period of strategy development. Providing a framework, a direction and a timeframe aimed to maintain the chosen strategy. Therefore, this practice could be classified as a recursive practice.

#### 4.3.4.2.8 Facilitating

The strategy office facilitated events to include different strategy participants. For example, multiple workshops were held both within the bank and outside the bank. According to SGM, these events were conducted yearly, but could be done differently each time. For example, informants were talking about brainstorming sessions, planning workshop, projects workshop and talk show.

In the sector level, the head of the sector arrange for these events. For example the COO gave an example where he took his employees outside the bank to conduct a sector level strategy workshop.

This was a routine activity and no effects from practising this activity were identified.

Therefore, it could be classified as a recursive practice. Also, it was mainly practised in the period of developing strategy.

#### 4.3.4.2.9 Integrating

Each department was responsible for preparing the strategy and then the strategy department collected all the strategies, plans and ideas, which were consolidated into one document, according to the COO and the head of treasury. This was practised in the period of strategy developing and it aimed to maintain and sustain the strategy developed by businesses.

Therefore, it could be classified as a recursive practice.

#### 4.3.4.2.10 Negotiating

It was identified that in the strategy events, businesses presentations and documents were challenged by the CEO. Also, in the executives' meetings and workshops there will be debates and discussion. It will involve business and support heads as well the head of strategy.

This was practised in the period of developing strategy and specifically at the end of the period of developing strategy and before the approval of strategy. This could be considered as an adaptive practice, as changes in strategy could be adopted through this practice.

#### 4.3.4.2.11 Translating

According to SGM, strategy was translated to business plans and a strategic score card.

Once strategy was approved, the strategy team sat with each initiative owner and started to translate the strategy into projects and detailed plans. According to HBSI, this stage was "to detail the high level plan into a more detailed plan and we go in details as much as it makes sense. Then with the smaller tasks, the more detailed, the more we can have control and come up with realistic and actual progress".

Translating strategy was practised on the lower level by businesses with the support of the strategy team. COO pointed out, "When I stand up and present my strategy this year I will probably have architected the messaging, but the detail, in terms of specifically what, when, where and how, will come from the people who work for me because they have to execute it. So it is in every organisation, it will go down at least C level minus one". C level minus one means the head of the sector and the people one level below him, in other words, the people reporting to him directly (line managers).

The aim of the practice was sustain strategy; therefore it could be argued that this practice is a recursive practice. Also, it was clear that this was practised in the stage of developing strategy.

#### 4.3.4.2.12 Communicating

The activity of communication is a continuous activity between strategy practitioners. As highlighted by the GM of strategy, there was ongoing communication in the period of developing strategy and in the period of strategy implementation. The DCEO agreed on continuous conversation, as he claimed, “We have continuous dialogue and discussion around strategy constantly”.

In the period of strategy development, the strategy actors communicated formally and informally their strategic ideas and the focus of the banks for the following years. This stage was labelled by the SGM as “the strategy talk show”. According to the head of treasury, because this business is not so complicated and because all senior management were located in one place, which made access easy, a lot of informal communication took place.

Formal communication was conducted within meetings, offices and with strategy participants. Informal communications were conducted out of the offices and with people outside the organisation. This was practised by different strategy participants. For example, the COO highlighted the communication and engagements with the suppliers. Through this communication, ideas were exchanged. Also the bank strategy could be explained in order for contractors and suppliers to accommodate any strategic changes. Another point raised by strategy practitioners was that they communicated with their work colleagues outside of the offices; for example, if they met them at the weekend, they asked them for feedback and advice.

After the final approval of strategy, each business head was responsible to communicate his part of the strategy to his team. According to HPMO, communication at this level was limited and only at the level of GM and AGM of the business. He justified this by arguing that “Sometimes they treat it as confidential, because sometimes they don’t want to expose it,

which is one way, yes, it's true. But at the end of the day whatever is not confidential should be made known to everyone, [so they know] where we are heading next year".

The strategy team handled the communication of all the strategy initiatives in the beginning of the period of strategy execution, as they met each strategic initiative team. This was to ensure the understanding of the initiative team of the importance and the contribution of each initiative at the bank level. According to HBSI, "We take this initiative and go through workshops with the business leader and his team to better understand what the top management is expecting from them at the end of the year, how this initiative will contribute to the growth or expansion or whatever or going to new markets".

Communicating formally and informally was practised continuously by strategy participants. The strategy team played a key role, from communicating strategy focuses to the final strategy and initiatives. The idea of communicating in the early stage of strategy development was to communicate ideas and get feedback, while communicating at the end of strategy was to announce strategy. Therefore, at the early stage of strategy it could result in changes in strategy, while the latter was more a recursive activity.

#### 4.3.4.2.13 Reviewing

Strategy participants practised reviewing the strategy, plans and initiatives proposed before approval and reviewing strategy progress and performance.

The reviewing of strategy plans and initiatives was practised by a bottom top approach. It was started by the sector heads and the strategy head, then the DCEO and CEO and finally the board of directors, who had the final approval.

Any new initiative, has to be approved by the Shari'ah board, who had to approve the structure of every new product, service and transaction. Furthermore, DCEO stated that "at

the end of the day we will not be able to do that product without Shari'ah approval, let's say that we fail to do it so we have to stop it". According to HPMO, "Shari'ah involvement is heavy and it takes a lot of time to approve things from Shari'ah".

Reviewing the progress and results of strategy was a regular activity conducted at different levels. According to DCEO, "The routine thing related to strategy in the monitoring... You measure the projects' progress and the projects' results. It is very important to have monitoring, strong monitoring to really make sure that you have rigorous strategy".

According to HRGM, the purpose of reviewing was to facilitate achieving the ultimate result. Furthermore, HSBI argued that such an approach helped to identify immediately anything that went wrong with the strategy.

At the sector level, the business heads were the primary actors who reviewed the strategy progress and performance frequently. For instance, the COO claimed that he reviewed progress daily. The treasury GM in his explanation pointed out that "There is a regular review process... We have a monthly progress meetings on each of those sort of key milestones or projects that are delivering or contributing to the strategy".

Furthermore, the strategy head and initiatives owners collectively reviewed the performance of strategy initiatives and projects every two weeks.

For the strategy team, there was a monthly and a quarterly review of the deliverables of strategy. According to SGM, "We are the owners of the performance management system, for example, so how the budget is doing, how the projects are doing, how operational KPIs are doing".

At the corporate level, DCEO, businesses heads and SGM reviewed collectively the progress of strategy initiatives and performance on a monthly basis. The strategy head provided a progress review to the top management.

Furthermore, the credit rating agencies were providing assessment of the bank progress and situation which is recognised and essential in the banking sector. This external body was a reliable source for reviewing practice.

Furthermore, it was stated in the website that Shari'ah group reviewed the execution of all the Shari'ah board's decisions. Also, they reviewed the execution of all transactions and activities, to ensure compliance with Shari'ah (Alrajhi, 2012b). Shari'ah group were responsible "for exercising the necessary controls and reports directly to the Shari'ah Board...responsible for supervising the activities of the Bank in terms of verifying the implementation of the Shari'ah Board's decisions" (Alrajhi, 2012a, 20).

The review of strategy, plans and initiatives before approval was practised by different strategy participants at several levels and this might result in some changes and amendments in strategy, while the review of strategy initiatives' and plans' progress and performance was a routine activity that aimed to maintain the strategy. Hence, the former activity could be considered as an adaptive practice, while the latter is more a recursive activity.

### **4.3.4.3 Strategists**

#### **4.3.4.3.1 Strategists' Capabilities**

According to the participants, strategy practitioners should have certain skills and knowledge.

Interpersonal skills mentioned by respondents were the communication skills, leadership skills and problem solving skills. According to SGM, "I think it's the soft skills that will make the difference". All participants agreed on the importance of communications skills.

For example, the DCEO argued, “If you have a vision and cannot convince others or get others to believe in it and really go after it, it will not be successful”. Similarly the COO said, “You can have the best idea but if you can't communicate that idea your idea's not going to get accepted”.

The second skills was visioning skills or as highlighted by respondents, imagining and conceptualization skills. The COO explained imagining as “closing your eyes and imagining what it could be. There are people who can't do it, you say, "Climb that hill" and they'll climb that hill very well but they won't think about climbing that hill because they're not thinking beyond what they see. One of the exercises we used to do is like close your eyes and think about what you see in five years' time and tell me what you see. And some people go, "We can't see anything", so they haven't got the skill. Some people can articulate what they see in terms of the impact to our people, the impact to our staff, the impact to our brand, the impact to our image”.

Moreover, technical skills were emphasised by respondents, such as planning skills and analysis skills. Similarly, technical knowledge was mentioned. Technical knowledge includes knowledge of the market, industry, strategic tools, business planning and finance. For instance, according to the DCEO, “The person who sets strategy must understand the business very well, this is the first thing. It's very important to be grounded, he must really understand what it means, corporate, retail, treasury. I am talking about the business...[a good strategist] needs to be aware of the market and know the business lines in the market, what the competition is like, and know the competition”.

#### 4.3.4.3.2 Strategy Actors

Throughout the discussion with all interviewees and by reviewing the secondary data, the participants who were involved in strategizing were classified into two groups: internal actors and external actors.

In terms of gender, all the strategy actors identified were men. Although women were part of the workforce, none of them was at middle or top management level. Moreover, the women who worked in this bank were segregated in a separate building. In other words, this Islamic bank was different from all the other banks, which had a mixed environment.

##### 4.3.4.3.2.1 Internal Actors

The main drivers of strategy were the CEO, DCEO and the head of strategy, as argued by the head of the strategy department: “ In our bank it’s centrally led. So I would say the CEO, the deputy CEO, the strategy GM are the main drivers”.

The majority agreed that in strategizing, the CEO, DCEO, GM of strategy and the heads of each business would participate; in particular, the heads of retail, corporate and treasury were more involved. However, regarding the support functions, there was no agreement on exactly who participated, except the participation of the COO, CRO, CIO and CFO.

However, SGM argued that the support heads were less involved and they had less influence. Also, he emphasised that all the sector managers had less influence on strategy, as the CEO and DCEO were the ones who controlled this. For instance, he claimed that “In the strategy the discussion is open but I can tell you that we are not going to change direction. We are going to complement. We are going to put more or less emphasis through the discussion but it’s a centrally agreed strategy”.

The board of directors participated in strategizing and had influence but there were contradictory views on this. For example the DCEO claimed that “the board, most of them,



are the shareholders and they are interested in the bottom line all the time, more than what you really do and how you really do it". However, the COO pointed out that "the board and the CEO would come together to define or redefine what the strategy is". However, there was common agreement that all strategies and plans had to be approved by the board. The number of board members was eleven. These were mainly major shareholders of the bank (Alrajhi, 2012a). The CEO, who owned around 2% of the bank, was also a board member and his father was the chairman of the bank, who also owned around 20% of the bank. Furthermore, as stated earlier, seven board members were from the same family and in total they owned around 30% of the bank.

The strategy department consisted of the strategy GM, head of strategic planning, businesses analysts and the PMO office. The PMO office contained a full team dedicated to execution of projects and initiatives.

At the sector level, the line managers participated in the sector level strategizing. It was not clear who below this level took part in strategizing. HPOMO emphasised that the bank treated strategy confidentially, which might be the reason for having strategy exposed to fewer people.

Moreover, the Shari'ah board was a key actor with a unique power as no transaction, service, policy, process, procedures or product could be delivered without the approval of this board. Therefore, any new strategic initiative related to a new service or a new product had to be approved first by the Shari'ah board. However, none of the Shari'ah board participated in any strategy meeting, committee or workshops and they were not aware of the details of strategy, but they had a strong influence as they were very strict and all participants considered them in strategizing. It was highlighted by respondents that the Shari'ah board were very strict as many practices could not be done in the bank without their approval. For example, no female

client could open an account in one of the men's branches and vice versa. Other examples were related to new products, as a lot of products developed were rejected by the Shari'ah board for not being Shari'ah compliant. Another example noticed during interviews was that no women worked in the headquarters as in other banks and this again was due to the influence of the Shari'ah board, as this restriction was imposed by them.

The independent Shari'ah board consisted of five members; two members from the Council of Senior Islamic Scholars and three academics specialized in Islamic studies and Shari'ah. This board was formed and ratified by the Constituent General Assembly. It was stated in the annual report that the objective of forming this board was to ensure "that all Bank activities are subject to the approval of the Shari'ah Board"(Alrajhi, 2012a, 20). Under the Shari'ah board was the Shari'ah group, which was responsible for ensuring that the bank operated in harmony with the precepts of Islamic Shari'ah. Also, they were responsible for conducting the training and enhance the awareness of Islamic banking. This department contained full time employees.

Another actor identified was the colleagues in the bank who the strategy participants trust and have a close relationship. For instance, they meet outside of the office regularly, such as in the weekend, and asked them for feedback and advice.

#### *4.3.4.3.2.2 External Actors*

It was stated by SGM that he was in touch with consultancy firms for information. He referred to consultants like McKinsey, who used to be the bank's consultants several years previously. Also, he stated that he depends on credit rating agencies analysis and assessments, such as Fitch and Moody's.

Furthermore, the regulator, SAMA, had an influence and input in strategy, as argued by COO: "SAMA and the monitory authorities have, again, an input to what you can do". The HSP

agreed and gave an example where SAMA encouraged banks to consider and expand in the business of small and medium enterprises, which was considered in the new strategy. SGM also agreed and gave a further example, which was the consideration of SAMA mandates and new rules. However the DCEO had a different view. He claimed that “No one outside the bank has influence on the strategy, like SAMA or others. SAMA has a framework and all of our work should be under the umbrella of SAMA”.

It was argued by informants and in the annual reports the usage of credit rating agencies. Mainly Fitch and Moody’s were introduced. Such international agencies’ contribution in strategizing were considered seriously as they were a reliable source of information and guiding the bank in issues related to assessment, recommendations and industry trends.

Another informal actor was colleagues outside the bank. They could in the country or outside the country, work in similar sector or in a different sector. For instance the COO stated, “ I have friends who are in different countries or different organisations and sometimes I ring them up and I'll say, "Tell me what you're working on, tell me what you're doing?" I've a friend who's the global partner for Accenture for banking and I'll talk to him three or four times a year, I haven't seen him for five years. He lives in Australia, I live over here. I'll say, "Trevor, what are you doing? What's Barclays, I'm working at Barclays, what are you doing?" And he'll tell me. Equally I have a friend who works for Cisco, a very good technology guy: "Paul, come across for a week and review what I'm doing and tell me what I should be doing”.

## **4.4 Saudi Investment Bank Case**

### **4.4.1 Overview of Saudi Investment Bank**

The Saudi Investment Bank (SAIB) is a Saudi listed bank established in 1976. It is an affiliate of J.P. Morgan Chase. The shareholders include J. P. Morgan Chase, Saudi public and private institutions as well as Saudi individuals (SAIB, 2012c). Before the merger of JP Morgan and Chase Manhattan, SAIB used to be managed by Chase in the 70s and 80s (Tschoegl, 2002).

SAIB provides retail, treasury and commercial banking products and services. Nowadays, SAIB has both conventional as well as Shari'ah compliant products. SAIB's total paid capital is SR 5.5 billion (£ 916 million), with total asset of SR 59.66 billion (£ 10.20 billion), net profit for 2012 totalled SR 912.04 million (£ 157.06 million) and the total staff numbered 1164. It has 48 branches, 44 fully Shari'ah compliant and eleven exclusively for women (SAIB, 2013).

SAIB has several joint-ventures and subsidiaries in asset management, leasing, mortgages, insurance and credit cards. Such as Alistithmar Capital, SAIB BNP Paribas; Alistithmar for Financial Securities, SAIB BNP Paribas Asset Management Company and Saudi Investment Real Estate Company (SAIB, 2012c).

### **4.4.2 Respondents**

The number of interviews conducted in SAIB was eight. The respondents were a mixture of people from top and middle management who participated in strategizing.

SABB has a Chief Strategy Officer (CSO) who drives the overall strategy. Moreover, business sector heads like corporate, retail, treasury and operations were interviewed.

Furthermore, interviews were conducted with support functions heads like marketing, HR and IT. The table below represents their background.

**Table 9.4: SAIB Respondents' Information**

No.	Job Title	Nationality	No. Experience in banking	Previous Experience
1	CSO	American	35 Years	Banking
2	Group GM, Corporate	Saudi	20 Years	Banking
3	Group Head Treasury & Investments	American	26 Years	Banking
4	Group GM IT	UK	29 Years	Banking
5	Group Head, Operations	Indian	--	Banking
6	Group Head, HR & Support	Saudi	14 Years	Banking
7	Group Head, Retail	South Africa	27 Years	Banking
8	Group Head, Marketing	Saudi	21 Years	Banking

Each respondent has been given a code reference: CSO = chief strategy officer, GGMC = Group GM Corporate, GHTI = Group Head Treasury and Investments, GGMIT = Group GM IT, GHO = Group Head Operations, GHH = Group Head Human Resources and Support, GHR = Group Head Retail, GHM = Group Head Marketing.

#### **4.4.3 Strategy Approach**

In early 2010 SAIB appointed a new general manager and he decided to form a new five years strategy for the bank. The new strategy was launched in 2010. According to CSO, “So when he (GM) took over...He said he wants to put in a new strategy for the bank...He said I want to do a real review of the bank's current business and where should we go in his time as General Manager’. And part of his objective is to put in best practice across the whole bank”. An external consultancy firm was hired to develop the new strategy. GGMC justified using

consultants by arguing that “People, when they come from outside they are independent, they are totally coming from outside. When you do something like this internally people will start saying, ‘I don’t want to put this so I will head that guy in some annoying way or in a way he does not like.’ When we do it by third party outsource it’s very professionally done”.

There was common agreement that this new strategy was different from the previous ones, both in the approach it developed and in terms of content. The common agreement was that the new strategy was more focused, clear and more understandable. For example, according to GHR, “In the past we were disconnected. Now there’s one overall vision for the bank. For every business unit there is a clear strategy in alignment with the overall vision and strategy of the bank and within each area there are sub-strategies that support the overall strategy. So we’re all in alignment to drive the same objectives and results”. The CSO argued that previously, “We did a five year plan every five years but not really serious, more just to put on the table. And it was taking the current business really and just projecting out five years, but not really a serious strategy”.

Actually, some respondents argued that this was the first time a five-year strategy had been developed and the first time the bank had hired a consultant for such a purpose. GGMIT explained through pointing out that previously, “we were smaller. When I started here I think there were about 300 employees...we were on the very first S curve of growth, which is trying to find your feet and grow. So strategy was not really that important”.

#### **4.4.4 Data Findings**

##### **4.4.4.1 Strategy Definitions**

There was no single definition and several respondents had different definitions. Basically the definitions were around three themes.

Strategy was defined by five respondents as a plan and a road map. Examples of detailed explanations highlighted were as follows; what exactly you want to do and putting vision into action. Moreover, according to GGMIT, “It determines what we’re going to do and what we’re going to do it with... It tells which are the priorities, which are not the priorities”. Furthermore, one of the respondents related the plans to the analysis and to control the focus of the resources.

A second definition was that strategy is the objective, a collective goal or a position.

Examples drawn under this definition were the niche market, where the bank wants to be and specifying targets. This was introduced by four respondents.

Lastly strategy was defined as a direction. This was agreed by three respondents and they agreed that direction means where you are going. For instance, GHO pointed out that strategy means: “a clear direction on what the bank wants to do and what an organisation wants to do over a longer period of time not short term”.

Diagram (figure 6.4) illustrate respondents’ definitions. Strategy was defined as a plan and a plan and objective by two respondents each. The remaining definitions were given by one respondent each.

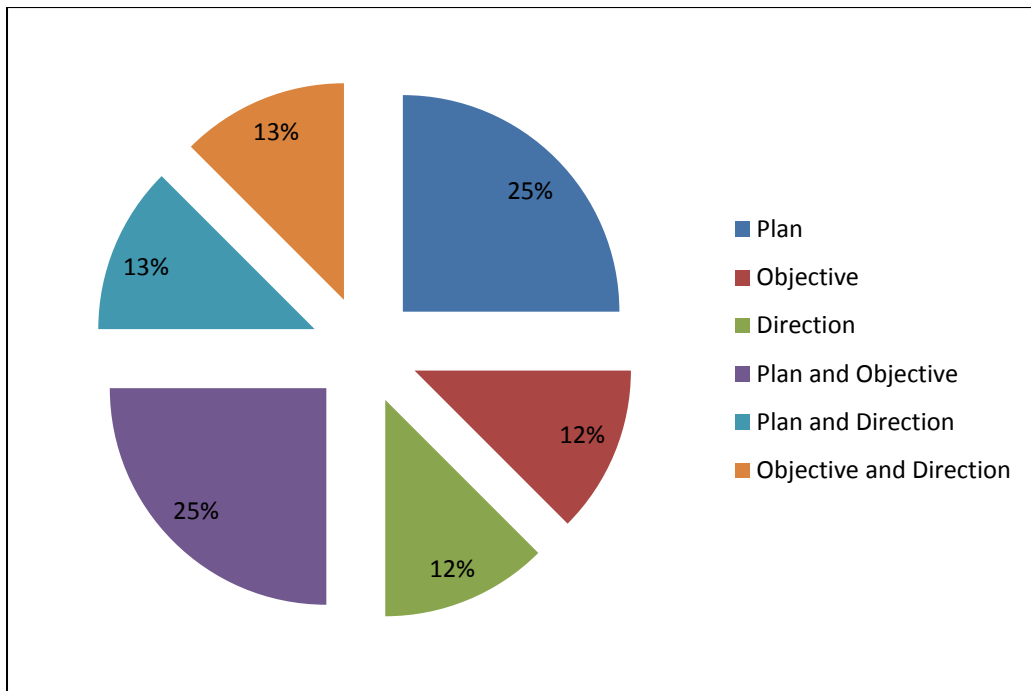


Figure 6.4: SAIB Respondents' Strategy Definitions

#### 4.4.4.2 Strategizing Practices

##### 4.4.4.2.1 Shaping context

At the early stage of developing strategy the head of strategy conducted the activity of engaging the strategy participants. The aim was to build the network between the strategy participants and the consultancy team as stated by CSO: “At the beginning of the project we brought all the managers in, all the consulting team, we had a big meeting, everybody introduced... give everybody the name, the organisation chart, the phone, we have email, telephone, mobile and then all the managers, they know they're going to get calls and they're told when these people call you give them anything they ask for”.

The second activity, that was related to the formats, guidelines, templates and the outline of the strategy standards that other strategy actors were required to follow was practiced and established by external consultants.



This practice considered as an adaptive strategizing practice as such activities could influence strategizing and strategy. It was practised in the early stage of strategy making.

#### 4.4.4.2.2 Initiating

The new process of doing strategy was initiated by the new general manager of the bank as he decided to hire a consultancy firm to form a new strategy for the bank. Also, he was the one who decided that the bank needed to have a new strategy. As stated by GHR, “When the new GM was appointed, he initiated the new revised strategic planning process”.

It was stated by GHTI that any initiatives has to be comply with regulators rules and guidance. Also, he pointed out that some of the initiatives were developed based on the mandates from regulators.

It was stated by the CSO and in the annual report that credit rating agencies were used in strategizing. For instance, the CSO claimed that “we gave the consultant our credit reports from S&P and Fitch and they say all these things negative about the bank. We give it to the consultant and said, ‘here we need to address this as part of the strategy’ ... if you want it serious you have to tell them the issues and the problems and what's good, you know, you have to be honest”. Therefore, credit rating agencies were considered as an actor was involved in initiating practice.

Basically after the development of the new strategy, businesses started establishing new plans and initiatives based on the new strategy introduced. However, these initiatives were developed with the support of the consultancy firm. Also, it was highlighted by the GGMIT that through the strategy implementation, if anything went wrong, businesses would propose new ideas and initiatives.

The aim of this practice is to introduce new strategic ideas, process, plans and initiatives; therefore it could be considered as an adaptive practice. Also, it was practised in the period of developing strategy and strategy execution.

#### 4.4.4.2.3 Executing

In the period of developing the new strategy, all the strategy documents, reports and presentations were handled by the consultancy firm, while in the strategy execution all the documents, reports and presentation were prepared by the central strategy office with the support of the sectors heads. However, at the sector level, in the period of executing strategy, each sector head was responsible to develop the strategy related reports, presentations and documents. This practice could be considered as a recursive activity as it did not aim to shift or change the strategy.

#### 4.4.4.2.4 Collaborating

The strategy team with different strategy participants worked as a team in having collective decisions. For example, in the stage of developing the bank's new strategy the team decided and short listed the consultants list. According to GHR, "All the stakeholders with the respective business units participated in the selection of...the short listing and selection of the consulting firm and that supported the buy-in to the whole process".

In the period of developing strategy, strategy participants were working together to develop ideas, decisions, strategy and plans. Also, through this collaboration participants shared knowledge, thoughts and information. According to GGMTI this period was "a period of dialogue between ourselves trying to find out what you want, think of what you're capable for, what is best practice, what is the market doing, and then they say based on this is what you should expect and this is what you should expect".

The consultancy firm was the driver for this activity. For instance, in the period of developing strategy, every two to four weeks meetings were held, which all the strategy participants attended and shared what had been achieved so far. This gave them a chance to interact and understand each other's strategy thinking. According to CSO, "We would have big management meeting maybe every two to three weeks...we would have big management meetings with the consultant about every two weeks, they would give an update what they were doing and where they were thinking and get feedback from everybody... we would take decisions from these meetings".

In terms of consultants, they worked with all functions within the bank; their interactions were on three levels: one to one with different strategy participants, collectively with the management team within the sectors or collectively with the top management team of the bank. Through these interactions, consultants were able to understand the business, collect data and form recommendations. Participants were able to agree, confirm and decide based on these interactions. For example, CSO stated that "They (consultants) will initially discuss everything with me. But then we would have meetings. First there would be meetings just with the business, each business manager and the consultant and with the strategy department, we'd discuss generally where we're going, we will do it unit by unit".

However, consultants interacted with a variety of actors, not only the previously highlighted actors. They interacted with the board members, subsidisers, lower level staff and customers. The CSO claimed that the consultants interviewed 700 customers. According to GGMC, "They (consultants) met with me, my deputy, they met with all the regional corporate heads. They went and met with the relationship managers at execution level... that was for them to understand exactly what we want and where the problems were".

This activity helped with ensuring the alignment and the buy-in of all the strategy participants. According to CSO “in senior management you cannot just order people it's not like the Army where you say, ‘Go this way’. You have to get everybody... people are hired to these jobs because of their brain and be creative so you have to get everybody want to go in the same direction and agree to go the same way”.

Through collaboration, consultants were able to form the new strategy, as stated by GGMC: “They (consultants) came up with a strategy that they think thought was the best strategy for the bank to take. We had many meetings with them at that time, until we agreed and formalised the strategy”.

CSO emphasised the involvement of all of the top and middle management in strategizing as he stated, “We have a senior management team, maybe 18 people on it, everybody was part of this and everybody signed off on it... it's all senior management. And it's in all the major business units and support units ... it's very senior in the bank and the General Manager is the most senior guy... Because otherwise there's no ownership. And people sometimes... if they don't feel they're involved then they try to obstruct or hide”.

This practice could be an adaptive practice as it aimed to create a new strategy. Participants from different levels of the organisation and external consultants were interacting and through these interactions, strategy was developed. It was practised in the period of developing strategy.

#### 4.4.4.2.5 Supporting

The strategy team provided resources and expertise to the top and the middle management of the bank. This was in the period of developing strategy and plans as well in the period of strategy execution. For instance, CSO argued that “people (businesses) also call him (the strategy manager) for advice when they're doing their planning, like he was very involved

with the profit plan, their budget for next year. Right now, Human Resources is trying to develop the balanced scorecard and key performance objectives for 2011, he's helping them to develop these for all the senior management because he knows what all the objectives are”.

Similarly, strategy participants in the sector level provided knowledge and resources to the local team. Mainly, this support was provided in strategy implementation. For instance, GHO pointed out that “people come to us and then they’ll tell us this is raising an issue and we’ll try and resolve it”.

Furthermore, in the period of strategy development, consultants supported strategy participants, through providing knowledge, expertise and information. As stated by CSO, “The strength of the consultant this area - information both on economy and knowledge of competitors they can give you a lot of information ... The consultants use everything from the textbook, which is good because we don't do it internally, we don't have the time or the staff”. Also, it was highlighted by respondents that consultants were supporting strategy participants with the analysis they did.

Furthermore, GHR stated that “there are people that are being consulted; they were people that provided information on which strategies are being developed and derived at”. Those people could be colleagues within the bank or externally. Externally could colleagues in the subsidiaries or within the banking industry, also it was stated that vendors were supporting strategy participants. Similarly, GGMIT pointed out that strategy actors were consulting their colleagues within the industry for validation and feedback purposes, as he stated that “The GM has a strategic direction he wants to go in. He will have validated... with some peers, he will have validated them if they can. And by peers I mean other GMs...GMs of other banks. He may not be open about his strategy with the other GMs but he will have used the other GMs casually, perhaps, to get some form of validation. Some feel for where they’re going”.

Moreover, it was claimed that the support sectors such as IT provided knowledge and expertise to businesses in the period of developing strategy and plans. As stated by GGMIT, “The service departments generally know in detail how a service, whatever it is, operates. So what they will do is that they will look at an idea, and say “that... we can’t do that or we can do that”. And then they give feedback in that way. And that will sometimes modify the ideas”.

In addition, credit rating agencies were highlighted in the annual reports. It was stated that these agencies provides information specially related to the banking industry and the international recognised standards (SAIB, 2012a).

Moreover, it was stated by the CSO that the regulators published reports which contains information was essential in strategizing. Therefore, the regulator was considered as an actor that supported strategy participants.

The support practice was done in two stages, in the period of strategy development and in the strategy execution phase. It was practised by several actors. In the period of strategy development, the support could radically change the strategy content and process, while in the strategy execution it was looking to sustain the current strategy.

#### 4.4.4.2.6 Facilitating

The strategy team and consultants facilitated strategy events such as meetings and workshops with various actors to involve them in developing the new strategy of the bank. All these events were guided by the external consultant. For instance, GGMC stated that “throughout the discussion they were very professional in taking the discussion. When there was a point of disagreement they gave enough time for everyone to spell out his argument or disagreement point”.

Similarly, heads of sectors facilitated events to involve staff in developing the sector strategy. For instance, GHR claimed, “I took my team...had an off-site meeting, we go to a hotel, okay? Book a room in a hotel, getting out of the environment that you’re in so that you can start thinking outside of the box because that was the whole thing, challenging people to think outside of the box”.

The aim of the practice was to involve various actors and to manage the strategy events. It did not aim to influence the strategy content or strategy process; therefore this practice could be called a recursive practice. It was practised in the strategy development period.

#### 4.4.4.2.7 Integrating

It was stated by one respondent that in the period of strategy execution, the strategy team collect the progress reports from all the sectors, which is consolidated and reported to the CEO. As stated by GHR, “We need to report into the central strategic department... [Strategy team] consolidate it to the GM that this is the status of the different initiatives”. This practice could be considered as a routine practice which does not aim to change strategizing or strategy; therefore, it could be classified as a recursive practice.

#### 4.4.4.2.8 Negotiating

The strategy team and consultants discussed the strategic ideas and plans with all senior management and the CEO to convince them and to have them agree on the new direction of the bank. According to the head of strategy there were long debates, discussion, negotiation and fine tuning, then they reached an agreement and strategy was formalized.

The consultants played a key role in this activity as argued by GGMC: “I think we all agreed on it which means that we are convinced that this is the best thing to do for now”.

This practice could be argued to be an adaptive practice, as negotiating with various strategy participants aimed to convince them of a new idea or strategy. It was practised more in the period of strategy development.

#### 4.4.4.2.9 Translating

Strategy was translated into detailed plans and actions steps. CSO gave an example of what these plans included. For each initiative and project it showed “who is responsible, who is the project sponsor, the participants, all those kind of things, then it’s got all the project initiatives and milestones, when is the expected date of completion”.

For each business, strategy was interpreted into detailed project plan. According to GHO, “We obviously had to expand that into much more detailed steps and then we go through step by step”. The head of HR stated that the strategy was very broad. Therefore it was interpreted to a detailed plan. Similarly, GHR stated, “So that (strategy) is very brief... is a broad guideline; there are not a lot of specific things in the strategy. We have to translate these broad outlines into things on the ground”.

It was stated by GHR that the interpretation of strategy with detailed plans helped in ensuring that all actions and activities delivered by businesses were aligned with strategy.

Furthermore, it was stated that strategy was translated in the balanced score card, whereby everyone in the bank has KPIs, as stated by GGMIT: “Everyone is measured against the KPIs, which means that naturally of course you will work towards the strategies, because you’re working towards your KPIs”.

The interpretation of strategy was conducted by the central strategy team and business heads with the support of the external consultant. The idea of this practice was to ensure the alignment and the consistency between actions and the strategy. Therefore this practice could



be considered as a recursive practice, as it aimed to maintain the current strategy. It was practised in the period of strategy developing.

#### 4.4.4.2.10 Communicating

Strategy and strategic ideas were communicated formally and informally. According to GGMIT, “The bank is a small organisation, which makes informal communications easier”. Furthermore, CSO claimed that “everybody would hear the decision, it's not making it in the closet, nobody sees... we want it to be... So far our plan is very successful because it's completely transparent, everybody knows everything”.

In the period of strategy developing, consultants communicated the new strategic ideas. For instance, GGMC pointed out that “What happened is they (consultants) started to put their data and started called for meetings with me at least, I remember, before doing any presentation, and telling me their findings from the corporate banking. And if I was surprised, they discussed with me any of the findings and then they did a presentation to us [ the executive team] trying to tell us exactly what the bank is doing and each and every department, what they're doing”. The purpose of communicating ideas was to gain feedback and explain the ideas to strategy participants.

After the approval of strategy the CEO of the bank in a big event for all the bank staff announced the new strategy in the presence of the board members (SAIB, 2012c).

Furthermore, the head of strategy highlighted the example of the posters that were in the corridors and offices. The head of strategy was handling all the communication outside the bank, and expressed the importance of getting the message of strategy in the market.

According to CSO, “We're getting the word out to the market, our customers are happy”.

Also, there was a book distributed to every department containing all the strategy initiatives, targets and plans. This was another mode of communication among all senior managers.

At the sector level, strategy departments, consultants and businesses heads communicated the new strategy in the sector level. However, the head of sector was responsible for carrying out the communication of the new strategy and ensuring the message was cascaded down to all the staff. Through communicating the strategy, managers could announce, explain and clarify the new strategy. As stated by GGMC, “Sometimes in strategy the statements are not clear. Like for example when you say you go for middle market companies, how will you define middle market?... what is the criteria, what is the definition? Why do we have to go for middle market, what is the exact reason for that? What will benefit from that? What will benefit is better return on assets, better... non-funded return in terms of fees or foreign exchange transactions”.

The business sectors asked the consultants to do the first presentation to each sector’s senior managers and department heads. Then it was handled by the sector head. For example, the head of Corporate claimed that he travelled to all the regions and met with all the staff and announced and explained to them the new strategy. According to GGMC, “I have some responsibilities for the strategy of corporate banking and the whole bank – I make sure that I pass down most of the targets in the strategy to them and they have to pass it down. So everybody is aware of strategy...”.

The heads of the sectors claimed that communicating strategy was a continuous activity as they kept repeating the strategy in meetings. The corporate head explained this as was because they wanted to keep the strategy in staff perception.

Communicating practice was conducted formally and informally in the period of strategy developing and in strategy execution. Consultants, strategy team and businesses heads communicated the strategy, ideas and plans. In the period of developing strategy the purpose of communication was to develop ideas and obtaining feedback; therefore it could be

considered as an adaptive practice. However, after the approval of strategy the communicating could be regarded as a recursive practice, as it aimed to maintain the current strategy.

#### 4.4.4.2.11 Reviewing

Top management and the board members reviewed the proposed strategy, initiatives and plans. The senior management level included the CEO, head of strategy and business heads. According to GGMC, “We did a lot of review for the strategy before we approved it... we reviewed all the paper, strategy was a big document, big paper, that we all went through... We took our time in reviewing the strategy”.

The review was done at several levels. It was started at the sector level, then it went to the corporate level and finally it went to the board level. According to GHR, “The top team is first gathered under the GM and the strategy presented so that everybody can see what everybody was up to, there is agreement, there are questions, answers, input from various parties is formalised. Once it is formalised, signed off, it goes up to the board”. The review and approval of all the senior management and the board was the last step in strategy making.

It was identified through the annual report and the website that the bank delivered Shari’ah compliance products and services which are “approved and supervised by an independent Shari’ah Board established by the Bank” (SAIB, 2012b, 8). Therefore, any initiatives related to Islamic banking had first to be approved by the Shari’ah board.

In the period of strategy execution, strategy participants reviewed strategy performance. It was done at different levels; the board level, top management level and sector level. Also, the strategy office did its own review.

According to the CSO, the board of directors reviewed the strategy performance twice a year. This review was done with the CEO. At the top management level, there was a yearly review of the strategy performance. According to GGMC, “We get together at the end of the year and each and every unit or department or group head, group general manager, started to highlight what are the strategic initiatives that he was given at the beginning of the year, what is his achievement, whatever was not achieved, why, what is the reason, when it will be achieved...there was a schedule for everyone to sit and do a presentation about the strategic initiatives of his group, and it was open for all the other group general managers to attend”.

The strategy team reviewed the performance of strategy every quarter, when the strategy manager updated the plan progress book. This book showed the progress of each initiative. In the strategy office, the strategy manager was dedicated to follow up the progress of the strategic initiatives daily. Also he met each unit in the bank at least monthly and discussed all the details of the strategy implementation. According to the head of Corporate, he followed up with the businesses and pushed them to follow the plan and questioned what was achieved and what was not achieved. CSO argued that “The manager [strategy manager] who is responsible for tracking progress of the strategic initiatives, he has daily assigned work. He's continuously meeting with each manager and checking progress... He tracks are we on target, when each initiative starts, what's the target end, what estimate percent are we complete? ”.

At the sector level, the progress of strategic initiatives was reviewed weekly and the performance reviewed monthly and quarterly. The review of performance involved comparing the results with the targets and what was stated in the plan. As stated by GHR, “Monthly we review what is the results that we achieve against those strategic initiatives and one of the initiatives we're driving is the financial performance of the organisation and that's our business”.

However, the head of Retail claimed that monitoring the strategic initiatives was a daily activity, as he stated that “ we’re monitoring the progress that we are making against that whether or not we are meeting our objectives as well. So it’s a constant day to day activity”.

Businesses had to update the strategy office monthly with what they had achieved in terms of strategy. As stated by GHO, “There is a monthly process, of at least updating in terms of where we are on the strategy”. Also, the management in the sector level met monthly to discuss the progress and all the updates. According to GHR, “We have these discussions on a monthly basis. We meet...as a management team on a monthly basis to take stock as to where are we in relation to the implementation of the plan”.

Furthermore, credit rating agencies who considered as an independent and reliable organization were used by the bank. Credit rating agencies conduct assessment and evaluating, which is essential in the banking sector and has a strategic impact. For example, it was stated in the annual report “During the year, the Bank continued its program of rating reviews with Standard & Poor’s Ratings Services (S&P) and Fitch Ratings” (SAIB, 2012a, 19).

The importance of this routine review was highlighted by several respondents; the common agreement was that the review enabled them to respond to any changes that took place and was helpful for alignment purposes. For instance, GHR said, “We’re all in alignment to drive the same objectives and results, and that’s enforced through a tracking mechanism”.

Furthermore, according to one of the sector heads; this review and the push of the strategy office was essential as businesses were busy, also in order to control implementation and finally to be updated with progress.

The review practice was exercised in two stages, first in the strategy development phase, when strategy participants reviewed the proposed initiatives, strategy and plans, and second

in the period of strategy execution, when strategy participants reviewed strategy performance. In the first stage it could be considered as an adaptive activity as it could result in strategy changes, while in the second phase it could be classified as a recursive activity.

#### **4.4.4.3 Strategists**

##### **4.4.4.3.1 Strategists' Capabilities**

In term of technical skills and knowledge, there was common agreement the importance of industry knowledge. This includes understanding the local business environment, technicality of the business such as market intelligence, products and the different components of the bank. For example, in term of understanding the local culture GGMC stated that “If you ask a question, why they answer that way; they could mean another thing and they answer that way”.

Furthermore, the need for planning and analysis skills was highlighted. Several examples were drawn that could be classified under this category. For example, several respondents claimed that strategists should have the skills of: time management, project management and market studies.

Lastly two respondents emphasised the need for management knowledge, especially strategy management. For instance, GHH said, “I think the basics of strategic management is important. Some people, surprisingly, have been in management for a long time but they don't know certainly what strategic management is”.

Communication skills and leadership skills were identified by three respondents. According to GHH, “I think it's important to engage people. Engaging people and empowerment doesn't mean that you raise your hand and say, ‘I have nothing to do with it’. No, it's a skill. How do you delegate but have... then you monitor and you direct and you coach”.

In terms of visioning two respondents agreed with strategists' need for visioning skills. One of the respondents explained that this, saying "Visioning, like try to foresee how things will evolve, how you're going to manage things if they don't go well and how to manage risk associated with these initiatives, rather than to live within the moment and under the constraints of the moment".

#### 4.4.4.3.2 Strategy Actors

All the strategy participants introduced by respondents and identified in the secondary data were classified into two groups, internal actors and external actors.

All participants were identified were men. Although women were working in the bank, none of them were in the middle and top management.

##### 4.4.4.3.2.1 Internal Actors

The board of directors, GM, business heads and CSO were the key players in strategizing, as they were the key decision makers. The board and GM had the final say in strategy. The board had their input at the beginning of developing strategy, when they informed the consultancy firm how they expected things to be, and the last step in strategy developing was the board's sign off.

Similarly, the GM held the power of approval before the board and there was an agreement among all the respondents about his influence. It was identified that the GM depended heavily on the head of strategy. This was clearly stated by the GM, whom I met briefly. Also there was agreement among the respondents. According to CSO, "I would sit and help make the decisions and the General Manager, the two of us would decide, "No we want to go in this direction". This could be because of his long experience in the banking sector, as he had worked for Chase Manhattan bank (USA) for 15 years and worked for SAIB in Saudi for more than 20 years.

The strategy office contained two people, the chief strategy officer and the strategy manager. The CSO in the period of strategy developing drove this exercise and the consultants reported to him. Moreover, they drove the strategy execution. The strategy manager was hired after the strategy was developed, for the purpose of following up the execution.

In terms of business heads, this only included the three sectors: Corporate, Retail and Treasury, as these sectors were the main source of income and the drivers of the bank. As stated by CSO, “We have three main line of business; Corporate Banking, Retail Banking and Treasury and they went through all three”. Furthermore, GHR argued, “The businesses decided what is going to be done, how it’s going to be done and what needs to be done”.

However, in terms of involvement, all those reporting to the GM were involved but they were less influential than the three business heads. According to GGMIT, “It’s the whole spectrum of the business. It’s the business. It’s not... the operations and the systems don’t set strategies. They’re participants. The business sets the business strategy. And after that, everything else flows... The businesses decide what the business should have... I think there’s a small group of people who distilled the broad strategy, and after that it was spread to the rest of the management”. There were around 13 managers reporting to GM, such as the HR manager, operations manager, risk manager, auditing manager, IT manager and finance manager. Also, some of the heads involved their deputies.

Those who participated, excluding the three business sectors, were classified as support sectors. The GHR explained their involvement by arguing that “support functions were involved in that in terms of from a human resource point of view, a technology point of view, IT, the risk, crediting risk, operational risk, the operations, the operations area in terms of impact, in terms of gearing for...to support that, your finance in terms of the impact on the financials, in terms of the balance sheet structure, in terms of the expected growth, the



revenue growth and all those kind of things”. Furthermore, according to GHH, “The input of HR as a team is very limited in the strategic input... they don’t really give a lot of attention to, let’s say, the support functions”.

One of the respondents argued that the influence of those senior managements varied. He claimed that the ones who were more eloquent were the ones who were more influential.

At the sector level, according to CSO, “You need everybody to participate otherwise it's like a car with three wheels it doesn't work... not just the senior management in the department but you get people all of the way down the line. Because again everybody needs to know. Transparency is the best”. It was claimed that several people in the sector were involved in coming up with sector level strategy and plans. These were the sector heads, deputies and the key departments’ heads. However, consultants interacted with many people within sectors, not only the senior management of the sector. According to GGMC, “Going down the involvement will vary, I don’t expect Customer Services of a branch will be involved in the strategy... Only to come up with a strategy I doubt that you can... you cannot involve everybody... At different meetings we were calling different people, to involve them”. It was clear that at the sector level, the head of the sector was the most influential as he was the key decision maker at the sector level and his involvement with the consultants, the strategy office and the top management team was greater than that of anybody else in the sector.

In terms of Islamic banking, all initiatives related had to be Shari’ah compliant and any new products or service had to be approved by the Shari’ah committee. According to GHR, “In terms of what you deliver at the end of the day, it needs to conform to the Shari’ah compliance or non-Shari’ah compliance. So you need to have that awareness and whatever you develop and deliver to the business needs to conform to that”. The Shari’ah committee

consisted of three members; one from the council of senior Islamic scholars, a judge who was also a scholar in comparative Islamic jurisprudence, and a scholar in Islamic economics.

#### *4.4.4.3.2 External Actors*

The external consultants participated in strategizing as the bank hired an external consultancy firm. As stated by GHR, “The bank involved a third party consultancy to facilitate and coordinate the strategic planning... They basically co-ordinated and developed the strategy in consultation with the businesses and delivered a comprehensive strategic plan”. Similarly CSO pointed out that “When we did the plan they [consultants] ran the project, they were in charge of it, but with input from me and from the other managers”.

The consultants had a significant role in the strategy as the bank depended on them. They led the decision making and the strategy process. According to GGMC, decisions were influenced by “mainly the general manager of the organisation, together with the consultant. But the consultant was very convincing in their strategy approach, that we did not... we had no major arguments”.

Basically, the consultancy team consisted of around nine people. They were international, mainly Western, as highlighted by respondents. The consultancy firm was an American company that operated in 25 countries. The nationalities of the team included French, Italian, British, Australian and American. According to GHR, “They [consultants] had specialists in specific areas. So people were assigned to corporate, to retail and there were people who came in for technology and so forth”.

There was a common agreement of respondents, that consultants were used as a moderator, information provider, best practice experts and as guider in strategizing. GGMIT justified using the consultancy firm, arguing that “consultants will have experience from other... other industries, other banks, so they will know what others have done... So they have experience

from other locations, other organisations, they know about what works, what doesn't work. And they might know what works for your scale, what can't work for your scale".

According to the retail sector head, various actors were involved in consulting, gathering information, sharing information informally with people externally. They could be colleagues from the subsidiaries, vendors or customers. In terms of customers, GHR argued that "We tested our customers, asked them as well. We did an ad hoc, informal customer satisfaction survey to get a bit of guidance as to what are their expectations from us as well".

Regulators and rating agencies were highlighted by respondents as external actors. In term of regulator, GGMIT emphasised the importance of regulator as he stated that "regulation can affect a strategy. For example, this week in Qatar, a regulation massively impacted the strategies of the banks that are not fully Islamic. For example HSBC, I think the share price fell 10% in HSBC". While for the credit rating agencies as stated by the CSO, they depends heavily on them as a key source of information and a reliable organization that evaluate the bank and as result they consider seriously their criticism and recommendations. Three agencies were identified where stated by the head of strategy and in the annual reports, this includes: Moody's, S&P and Fitch.

## **4.5 Saudi Arabian British Bank Case**

### **4.5.1 Overview of Saudi Arabian British Bank**

SABB is a Saudi Joint Stock Company with total paid capital is SR 7.5 billion (£ 1.25 billion) and total staff 3,389 (TADAWUL, 2012). SABB is an Associated Company of the HSBC Group, which is one of the largest banking groups in the world, operating in 84 countries and with more than 9,600 offices (HSBC, 2012). HSBC owned 40% of the bank while the remaining shares were owned by Saudi individuals and institutions (Argaam, 2012).

Originally the bank was named British Bank of the Middle East, established in 1950. In 1959 Hong Kong Shanghai Banking Corporation (HSBC) acquired the bank. In 1978 it was converted to an affiliate bank and named as Saudi British Bank (SABB), when the ownership changed; it became 60% Saudi shareholders and 40% HSBC. Thus, SABB became an associate of the HSBC, and there is an agreement on technical services between HSBC and the bank (Tschoegl, 2002). As part of this technical service agreement HSBC periodically appoints key executives in the bank to share their experience with the local team. For example 4 out of 10 board members, MD and COO are from HSBC. Also, through this agreement HSBC provides the expertise in areas such as management, risk control, strategic planning and product development, and enables it to offer a global service.

Nowadays SABB provides personal, private, treasury and corporate banking services. In addition to the conventional services they provide Islamic banking services. As stated in one of the bank's published reports, "SABB also provides Shari'ah approved products, which are approved and supervised by an independent Shari'ah Board established by SABB" (SABB, 2012b, 7). SABB is the fourth largest bank in Saudi Arabia in terms of assets with a total of SR 156.652 billion (£ 26.10 billion). The net profit for 2012 totalled SR 3.24 billion (£ 558 million). It has 105 branches, including 25 women's branches; 82 are Amanah (Shari'ah compliant) while the remainder are conventional.

SABB has an affiliate and subsidiary companies including HSBC Saudi Arabia which is the investment arm, SABB Takaful which is the insurance company, SABB Securities, SABB Insurance Agency and SABB Insurance Services. The Bank has no subsidiaries outside Saudi Arabia.

## 4.5.2 Respondents

The number of interviews conducted in SABB was seven. The respondents were a mixture of people from top and middle management who participated in strategizing.

SABB has a strategic planning department which drives the overall strategy. This department has two people: the head of strategic planning (from HSBC) and strategic planning manager, both were interviewed. Moreover, within each business sector like commercial, personal finance, treasury banking, interviews were conducted with people who participated in strategizing. Lastly, two senior executives from HSBC and worked for SABB were interviewed. The table below represents their background.

**Table 10.4: SABB Respondents' Information**

No.	Job Title	Nationality	No. Experience in banking	Previous Experience
1	Head of Strategic Planning	American	22 Years	HSBC
2	strategic planning manager	Saudi	10 Years	Financial services
3	Senior Adviser	Indian	20 Years	HSBC
4	Head of HR LTROD*	Indian	15 Years	HSBC
5	Senior Manager - Commercial	Indian		HSBC
6	Risk Manager – Treasury	Pakistani	10 Years	Banking
7	Business Development Mgr	Saudi	6 Years	N/A

\* LTROD = Learning, Talent, Resourcing and Organisational Development

Each respondent has been given a code reference: HSP = Head of Strategic Planning, SPM = strategic planning manager, SA = Senior Adviser, HHR = Head of HR, SMC = Senior Manager - Commercial, RMT = Risk Manager - Treasury, BDM = Business Development Mgr.

### **4.5.3 Strategy Approach**

According to HSP there was a strategic plan for the long time and what they called a Medium Term Outlook (MTO). SPM highlighted that MTO “is the three year strategy plan for SABB... they call it ‘outlook’, which means this is the direction unless some severe change happens. The strategic plan that we developed was covering 2011 to 2013, so it was a three-year plan”.

The strategy was practised at two levels, at the corporate level and at the sector level. There was common agreement that there had been changes in terms of process and content. Basically, changes were around more participation, more time, clearer communication, measurability and consistency. For instance, SA claimed that “For the first time we have said that we do not want to be everything to everybody and have focused on a few areas. We have not released a statement saying that we want to be the number one bank in Saudi Arabia. It is a more clear and simple strategy”.

HSP claimed that the new strategy had been developed because “the economic assumptions have changed completely. ..and plus there’s been a change of management. There’s been a new managing director... The other thing we’re also seeing is that the Saudi Arabian banking market is getting very competitive”.

### **4.5.4 Data Findings**

#### **4.5.4.1 Strategy Definitions**

There was no single definition, but there was common agreement on certain definitions.

There was common agreement that strategy is the direction or the path to follow; this was agreed by six respondents. For instance, HSP argued that “unless you have a clear idea of where you’re going... you can lose track of where you should go... It’s like being on a ship –

you're drifting very slowly. So you think you're on track but suddenly a year later you know you've moved there. With these big ships, to try and turn it around, it's not like a cycle, which you can turn round. It takes a long time". Furthermore, according to SPM, "It is basically the path you are going through to see something that is far away and coming closer...you basically draw for yourself and you try to walk in that direction in the long run".

The second identified definition was that strategy is a roadmap or a plan. The common description was how to achieve the objectives. It was argued by five respondents. According to SA, "Strategy is the plan that is put in place to achieve the vision and goals of the organisation".

A further definition was that strategy is an objective. The idea here is that strategy defines what you want to achieve. It was introduced by three respondents. SMC gave an example: "By 2013 you will need to hit x revenue number, y market share, this is where you want to see yourselves within the Saudi ranking of banks and so on".

The following chart (figure 7.4) represents respondents' definitions. The definitions of strategy as a direction and as a direction, plan and objective were given by two respondents each. The remainder were pointed out by one respondent each.

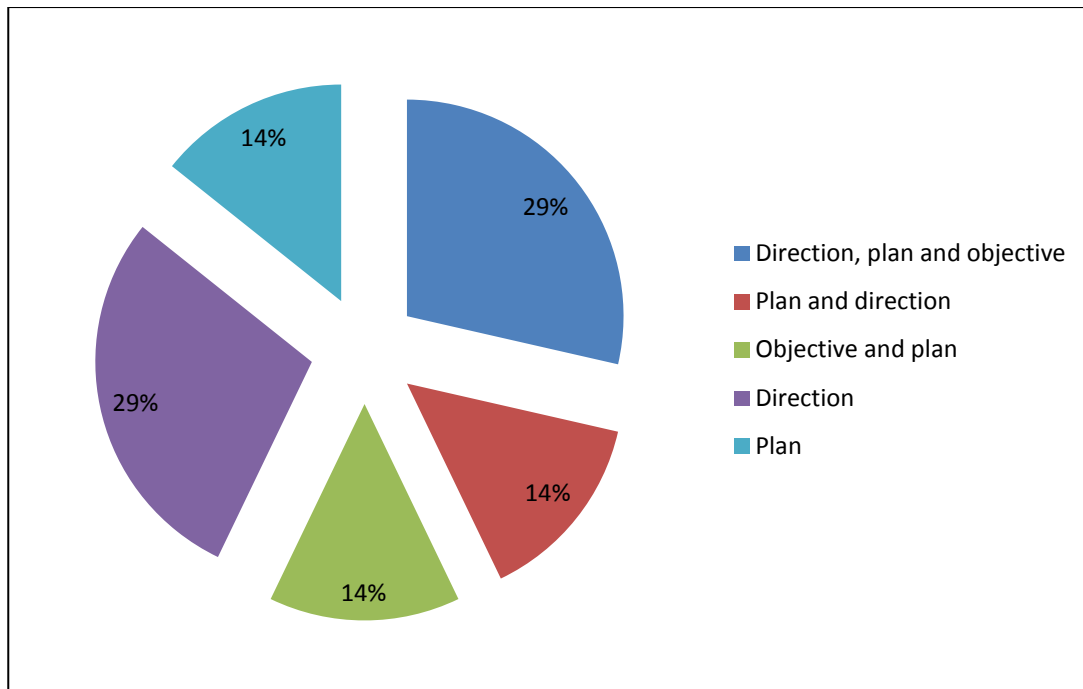


Figure 7.4: SABB Respondents' Strategy Definitions

#### 4.5.4.2 Strategizing practices

##### 4.5.4.2.1 Shaping context

The central strategy team provided businesses with templates and guidelines that other strategy respondents had to follow. This shaped businesses strategy output. According to SMC, “We had the outline from day one. The outline of what the end plan would look like, we had it from day one. And this is something that is inherited I could say, the input for it is provided by the HSBC group”. Furthermore, HSP pointed out, “I actually gave them templates saying, “This is what I’d like you to look at.” So you know, X, Y, Z plus this.” So what you need to do is to fill up the templates but in order to fill up the templates, they have to do a lot of work. So I gave them a blank template”.

As highlighted by several respondents, the template was a standard for HSBC; the strategy team got it and made some modifications; such as the issue of Amanah (Shari’ah compliance) in retail banking.



The second activity was the engagement of the strategy participants, where the central strategy team was responsible to establish this engagement through what respondents called as the kick off of the strategy preparation. According to SPM, “First of all Jayant (HSP) kicked off...to tell everybody about the MTO. I had face to face meetings with almost everybody who was involved”. Also, as mentioned by all respondents, similarly at the sector level, each sector head engaged the strategy participants who would develop the sector level strategy.

Both activities were practised in the period of strategy developing. Furthermore, this practice could be considered as adaptive since, through these activities, strategy process and content could radically be changed as the guidelines introduced and participants engaged in the beginning of the period of strategy development shaped strategizing context.

#### 4.5.4.2.2 Initiating

The new strategy process was initiated by the MD and HSP with the support of an external consultant. The external consultant was the HSBC strategy office in London.

The head of strategy claimed that the introduction of new initiatives and new strategic ideas was a continuous activity, mainly performed by businesses and external consultants. As stated by HSP, “There are always individual proposals that come up, consultants will always give you proposals”.

At the sector level, various initiatives were developed frequently by the business heads, senior managers, divisions’ heads and frontline managers. Here, initiatives were requested from all sectors (business and support). The initiatives introduced at this level followed the direction provided by top management and had to be developed within a specific framework. According to RMT, “We started working on the actual strategy initiative, to more detail; then it goes from bottom to the top. But it is all evolving”.

In term of initiatives related to Islamic banking, SABB has a dedicated team (Islamic Financial Solutions team) controlling and developing these initiatives to ensure ongoing compliance with Shari'ah. This was justified as "The unique structure of Islamic financial products (Shariah Compliant Products) is quite distinct and places increased requirements on the Bank to ensure that not only do they meet customer suitability standard but that the internal Shariah compliance process is robust. The impact of Shariah compliance failures would impact SABB's reputation" (SABB, 2012a, 109).

Moreover, according to HSP through initiating they were considering the regulator requirements as he stated that "You must... make sure that what we are proposing, SAMA is okay with it".

This activity aimed to introduce new initiatives and so could be classified as an adaptive practice as it might emphasise changes. It was clear from respondents' dialogue that this was mainly practised in the period of strategy developing. However, according to the head of strategy and as stated in the annual reports, this is a continuous practice not limited to the period of strategy developing but also takes place after that.

#### 4.5.4.2.3 Executing

The strategy team worked regularly on reports, documents and presentations related to strategy. This was a routine activity. In the period of strategy development they were responsible for the strategy documents, all the plans, reports and strategy presentations. The head of strategy and his assistant claimed that they were the ones who wrote the bank's strategy document. Furthermore, in the period of strategy developing, reports that included the raw materials were needed. These were prepared by the central strategy team.

In the implementation phase, regular update reports were developed. Moreover, all the strategy presentations had to be developed by the strategy team; for example, HSP claimed

that all the strategy presentations were prepared by him, especially what was presented to MD.

At the sector level, there were coordinators who were responsible for preparing sector level strategy documents, presentations and update reports with the support of the sector head. These routine activities were handled by the central strategy team and the strategy coordinators appointed in the business sectors. This practice for SABB was maintaining the developed strategy and aiming to be consistent; therefore, it could be classified as a recursive practice. Also, it was a continuous practice, which it was practised during different phases of strategizing.

#### 4.5.4.2.4 Collaborating

Strategy participants jointly developed the strategy, plans and initiatives of the bank.

At the corporate level, the MD, central strategy team and different business heads worked together on strategy development. For example, HHR pointed out that “Initially the top team were off site, and that is where they started laying the foundations in terms of the designing process”. External actors were involved in this level and mainly the experts from the mother group (HSBC) participated.

HSP claimed that the board were involved in the stage of developing strategy as he stated that “So we’ve been giving them [board] over the last three months, an update, ‘These are the issues we’re looking at on this...on the five key strategic options. These are our views. What do you think? Do you agree?’ ‘Yeah, endorsed. Carry on’ ”.

At the sector level, businesses had one or two of their staff appointed as strategy coordinator(s). Those people were the ones who worked with the head of sector, senior managers, and frontline managers within the sector to develop the sector strategy. As stated by SMC, “It’s a collaborative process; so as we work on MTO we engage with senior

management... because you don't want to be in a situation where you have many different strategies coming up. So, it's a collaborative process". Also, the head of strategy or the strategy manager collaborated with businesses. SMC argued, "You need to involve everyone, so discussions in Khobar, discussions in Jeddah; what does Western Province think? What's going on there? Otherwise people say it's head office, you know, 'We don't care. No one cares about us.' We make sure everyone is involved".

Furthermore, there was collaboration across the businesses, which worked with each other. For instance, RMT stated an example: "Like Treasury we do depend on the other departments... because the bank as a whole is one body, so all the departments are interlinked. So, whenever you come up with a strategy you discuss it with different departments: look, I'm planning to reach a point B, however I need support from your department also. So, this whole exercise you're doing your MTO you keep yourself joined up with all the departments, keep discussing: this is our MTO plan or something, but this is the XYZ support we need from your department". Such collaboration helped strategy participants to develop strategic ideas, plans and reports. So, there was collaboration with different functions across the bank and within the sector.

Moreover, HSP pointed out that they were talking to the regulator (SAMA) in order to be updated with what they are doing now and what are their future plans. He pointed out that such talk will enhance their relations with the regulator.

Furthermore, frontline staff was introduced by HSP as he claimed that "talking to the frontline staff: who's your biggest competition when you go out to sell credit cards? What are customers telling you? Are they saying Samba's being really aggressive? Samba's cutting rates or Saudi Holland is cutting rates?".

Collaboration practice was mainly conducted in the early stage of strategy. The aim was to develop ideas and new plans and strategies. Therefore, this practice could be classified as an adaptive practice.

#### 4.5.4.2.5 Supporting

The head of strategy claimed that supporting other strategy participants with all macro-level knowledge and analysis was the responsibility of the central strategy team. For example HSP gave an example of information they provided strategy participants with: “a lot of internal management information; financial information, by business line, by month, by quarter; which businesses are performing well... how many people are leaving the bank; why are they leaving the bank; what are the issues; what are staff saying”.

Consultants and experts outside the bank, which are mainly from HSBC, were supporting strategy participants. According to SA, “We also get one or two leading consultants to do a strengths, weaknesses, opportunities and threats (SWOT) analysis of the country, as well as the organisation, so we get good feedback. There is a strategic group in London that has a lot of insight, and we also have the view of a regional economist”.

Furthermore, strategy coordinators were responsible for doing analysis and supporting strategy participants with knowledge and information such as information on the economy and market. As stated by SMC, “I was doing all the analysis to see where we are now, what does it mean to grow market share, how much more do we need to generate, is that a realistic number, how much do we grow in share base. So, that was the kind of split: the numerical analysis and the financials, which was with me”.

Moreover, the Islamic Financial Solutions team were practising supporting through Shariah training to staff, they conducted training for 470 staff in 2011. Also, they developed E-learning, which was used by 2800 staff. Through these activities, they were able to distribute

knowledge and enhance staff awareness about Islamic banking (SABB, 2012a). This was practised continuously.

Also, the regulators supported the strategy departments as stated by CSO, as they depend on information and publications that contain a lot of information on the industry, economy and laws.

Moreover, credit rating agencies, investment banks and business intelligence agencies were used by the strategy department as argued by HSP: “We gather for an external research... There are a lot of people write a lot of reports... all the brokers, they’re publishing reports...So everybody forms an entity called the Economist Intelligence Unit... Then you have Standard and Poor's are doing their own thing. So then in the Middle East you have a site called Zawya”. These organisations provided information and knowledge, which was used heavily in strategizing.

This was practised in the period of strategy developing and strategy execution. Supporting other strategy participants with knowledge, information and resources could be not considered as a practice that emphasis change; therefore, it could be considered as a recursive practice.

#### 4.5.4.2.6 Reflecting

According to the HSP, thinking and reflecting on the strategy process and content was a routine activity. This practice was about reconsidering and learning from the past way of doing strategy and trying to identify any new ways to improve strategizing. This was only highlighted by the head of strategy. It was practised in the period of strategy execution; this was justified by the head of strategy as he pointed out that in period of developing a new strategy no time was available for reflecting.

Reflecting was practised in order to develop the strategy process or content, which could affect strategizing; therefore it could be classified as an adaptive practice.

#### 4.5.4.2.7 Coordinating

The central strategy department coordinated with strategy participants through various activities, starting with providing businesses with a framework that included the parameters and directions they needed to consider while they were developing the sectors' strategy. Also, businesses were provided with a time frame. According to RMT, "He (HSP) will say there is an MTO coming in so you need to start working on it; you have to think in this direction; this is what is required from the management, and the first submission is due on XYZ date".

Similarly, SA pointed out that "Each area, you got clear guidelines in terms of what to do and what the issues were, so that you had a consistent response and framework".

These coordinating activities aimed to maintain the decided direction. Therefore, this practice could be classified as a recursive practice. Also, it was practised in the period of strategy development.

#### 4.5.4.2.8 Facilitating

The central strategy team facilitated strategy events in order to involve strategy participants. Through these events, participants developed ideas, increased the accountability of subordinates, to ensure enough communication and dialogue were conducted. These events could be done at the corporate level or at the sector level, within the bank or outside the bank. They included meetings, workshops, seminars and road shows. For example SA stated that there was a main workshop for the top management, which "was off site, where they looked at the feedback that we got from the consultants, the benefits of SABB and competitive analysis. There was two days of brainstorming outside the head office". Moreover, after the approval of strategy the central strategy team arranged all the communications events, which

were called road shows. Facilitating was exercised more in the period of developing a new strategy or plan.

Within the sector, sectors heads and strategy coordinators (when available) facilitating and arranging the strategy meeting and workshops within the sector. This was a routine activity practised by the strategy teams in the period of strategy developing. It was identified as a recursive practice.

#### 4.5.4.2.9 Integrating

The central strategy team collected all the sectors' strategies and integrated them into one piece of strategy. As stated by HSP, "They (businesses) submit everything back to us. I'm doing my macro piece. Then, we put it altogether". Also, SMC confirmed this by stating that "Each of those (businesses) MTO's then roll up into the overall SABB MTO".

Similarly, this was practised at the sector level, where the strategy coordinators integrated all the department contribution to the sector level strategy. According to BDM, "Our MTO was participated by each segment. For example in our department we were three people and each wrote his part then everything was sent to the business planning guy in our sector who consolidated everything".

This was a recursive practice as it did not aim to change the strategy process or content. Also, it was practised in the period of strategy developing.

#### 4.5.4.2.10 Negotiating

There was continuous negotiation and debate among strategy participants, especially in the period of strategy developing. SPM stated that "it is human nature, you're required to increase by X, which is a stretch, and this applies to most of the areas, the MD says 'You must increase by X', you think X is extremely difficult to achieve so if I say, 'No, I'll try to



increase by Y', which is much lower than X. Here the debate was no, let's push it, let's make sure it is aggressive enough to increase the...".

At the corporate level, there was a steering committee where a lot of negotiation and discussion were practised. According to HSP, "There is a steering committee where all these discussions are had across businesses. So someone will challenge the head of our branches, "What do you mean? You know you can only grow by this per cent. Doesn't make sense." So people push each other, or in commercial banking, "Why aren't you doing SME business? We should be doing more SME business. Why aren't we lending this?" So healthy debate and sometimes it gets quite tough but it's meant to be tough, otherwise you can all be very happy with each other but you're not really pushing each other. So all of that is happening".

The central strategy team were debating and negotiating with each strategy participants on their plans and strategies in the period of developing strategies before finalizing or submitting their MTOs. They were also heavily involved in the strategy discussion in the sector level where they attended the strategy discussions and meetings. For example, HSP commented, "I am now working with the businesses, talking to them, pushing them. If the business head says, "Business is bad". Why is it bad? No, my research shows you should be doing this, or you should be doing that. Why aren't you thinking about it? What are some of the challenges?".

Negotiation was practised mainly in the period of strategy developing. It aimed to change and convince strategy participants with new ideas or decisions. Therefore, it could be classified as an adaptive practice.

#### 4.5.4.2.11 Translating

This activity was done at the lower level, at the sector level where the head of sector and the strategy participants within the sector interpreted the bank strategy, translated it into detailed actions and linked all the activities to the wider scope of strategy. Strategy coordinators and

strategy department were involved in this practice. As stated by HHR, “Our main goal is to link everything we do under human resources (HR) to the overall scope of the bank strategy”. According to SMC, “From those high-level objectives it starts breaking it down: so, to achieve that what does each business segment need to deliver...every one of them is absolutely translated into action”.

This was practised after at the later stage of strategy and plan development. It aimed to sustain and to be consistent with the bank’s high level strategy; therefore it is more a recursive practice.

#### 4.5.4.2.12 Communicating

Communication happened in several stages and at several levels. The head of strategy claimed that communication was about communicating ideas, plans, feedback and strategies from across different levels and businesses within the bank and outside the bank.

The first stage was in the period of developing the new strategy. In this stage, formal and informal communication among strategy participants was essential to develop ideas, understand the strategy, receive feedback and for decision making. According to HSP, in strategizing, a lot of messages were exchanged among strategy participants.

At the corporate level, according to the head of strategy, formal communication was conducted through committees. These committees were at three levels: top-middle management level, executive committee level and board level.

The beginning of the communication at this stage was when the bank direction was developed; it was communicated by the MD and the head of strategy to all businesses heads in order for them to develop their own strategies. Then, ongoing communication was held between businesses heads, MD and head of strategy where plans, initiatives and strategic

ideas were submitted and shared. In this ongoing communication, feedback and approval were obtained. RMT pointed out that “once your (business) MTO is finalised there is a final presentation or final meeting with all the business heads; so Giant (HSP), the MD will come and present this to everyone: this is how these departments are planning, this is how the bank is going to move forward. So, everyone knows what is going on”.

The final phase of communication in this stage was conducted at the higher level where after the agreement in the middle top management level, the strategy was forwarded to the board-top management level to obtain approval from the board. As stated by SPM “The final meeting, in my opinion, is what happens the moment they present the whole thing to the board”.

Through the period of developing strategies, there were ongoing informal communications. The head of strategy claimed that he had informal communication with the executive committee members, who were also board members, in order to keep them aligned with their work and to have informal feedback. According to HSP, “Informally we’ve already talked to the ex-com members... You don’t want to surprise them. And if they say, “rejected” you start from scratch... So we already know what they are thinking and a lot of the executive committee members are also on the board. So it’s like, if we know that three of the four members are very unhappy, obviously we will not present it”.

Furthermore, it was highlighted that the strategy department had informal communication with frontline staff. This action was done to obtain feedback from different stakeholders. According to HSP, this involved “talking to the businesses, “Hey, what are you doing?” Actually, not talking to the heads of the business... it is really being always abreast”.

The next level of communication was to communicate the new strategy. It was an ongoing key activity as argued by the HSP. He claimed that the strategy had to be communicated to

everyone so everybody understood and was familiar with what others were doing. According to HSP, “This has to be communicated to everybody... so that someone in Al Khobar also knows what’s happening and somebody in Jeddah knows what’s happening and in the branches, they know what’s happening.”

Once formulated, the new strategy, was communicated formally through a road show, which all the strategy participants from the leadership team such as the CEO, head of strategy, and all the heads of the businesses and services attended. Each presented his part of the new strategy. This road show was delivered in several cities and targeted all staff in the country. As stated by SMC, “It was by the CEO of the company and the leadership team. It was fairly recently, two or three weeks ago, he actually went on the road show in all the trailers and spoke with every employee of the company, talking about the strategy... all of that was delivered at that level by the CEO for the overall bank”.

The head of strategy stated that the communication of the new strategy was not limited to the internal stakeholders but also externally. Externally the communications conducted targeted investors, competitors and regulators. This activity was conducted by the head of strategy, who interacted with the outside environment. This communication kept the strategy team up-to-date on the external environment. The head of strategy argued that communicating the bank’s strategy to investors and explaining the strategy could encourage them to invest, for example, in bank bonds. As HSP stated, “Making sure everyone hears... Talking to investors, selling them the story. I do all the investor road shows. So I mean recently we just did a bond issue for 600 million, so we were in London talking to potential investors: [telling them] why they should invest in SABB. So you know, that piece is also very important.. If every investor says, ‘I’m not going to invest in SABB, your performance is terrible, why are you doing retail banking?’ Okay, it may make sense to me but if all my investors are leaving, something’s

wrong. So always being aware to make sure and get their feedback, say, “Hey, this is what SABB is looking to do. What do you think?” Because they’re talking to all the banks.”

Furthermore, communicating with competitors and regulators, as stated by HSP, was what he did after finalizing the strategy, as this would enable him to communicate the new strategy, gain feedback, identify opportunities and keep him up-to-date with the external environment. Moreover, Shari’ah board and Islamic Banking Solution team conducted seminars to customers to enhance customer-awareness of Islamic banking (SABB, 2012a).

At the sector level, similarly communications took place in two stages. The first was in the period of formulating strategy, while the second was after the approval and announcement of strategy. Each sector communicated internally to develop strategy based on the communication that had taken place earlier between the head of the bank, strategy department and business heads in regard to the general direction of the bank. The internal communication within businesses was about communicating strategic ideas, plans and decisions. According to SMC, “It was a lot of dialogue which would happen as we were preparing...we’re talking to people on the ground a little bit to get some input from there...to make a good strategy you do need to talk to people, because we are finally sitting in the head office. Some of us had experience of working on the ground etc; some of us may not”. These internal communications were both formal and informal.

The communications in this phase and at this level were formal and informal. For example, SMC stated “We (strategy coordinators) talk with James (sector head) every day. There is a lot of work in organisations that happens outside of formal meetings. You will find that 80% of key decisions, everything happens in hallway conversations and talking to people etc, not some formal approval coming in”. Similarly, BDM pointed out that in the period of MTO

development the division heads and strategy discussed related issues outside the office, for example in the smoking area.

After the approval and announcement of strategy, each sector communicated the sector strategy to all the sector staff. As stated by SA, “Each business head has to present to his own area. The head of PFS will go to his team and head of retail similarly. They will talk to their people about the strategy”.

The communication was mainly handled by the business heads with the support of the corporate head of strategy. After the road shows conducted by the MD and strategy department, which expressed the bank’s strategy, businesses conducted their own road shows.

Basically, communication was done at three levels; first the head of the business communicated the details of the sector strategy to the senior management in the sector. Then it was followed by communication to all staff as the head of each sector met with all the staff if they were in one place; otherwise the head of the sector would travel to them. Finally each division head was responsible to continue communicating his part to his team.

SMC described this stage of communication: “There is a lot of written communication that happens. But it’s not a mass distribution to all staff. We don’t have a document itself. It is finally the bank’s strategy, so you don’t want the document itself to be with thousands of employees; but communicate a lot of the key points. You communicate all targets, etc. Whatever comes out of it is documented... So, they know exactly what needs to be delivered...see how it fits into the overall picture; if there is a lot of pressure on one element they know why it’s happening because this is the bank’s strategy”.

Several respondents claimed that the communication of the new strategy at the lower management level within the sectors was a continuous activity, formally and informally.

Communicating practice was conducted at several levels, formally and informally, and during different stages of strategizing. It was practiced in the period of strategy development and strategy execution. Mainly it was practised for alignment purposes, for feedback, to gather updates, exchange information, enhance understanding and provide explanation. It could be classified as an adaptive practice in the stage of developing the new strategy. However, it could be considered as a recursive practice, after the approval of strategy and plans as it aimed to maintain the decided direction the strategists wanted to follow.

#### 4.5.4.2.13 Reviewing

In the period of developing strategy, the central strategy team, MD and board reviewed all businesses initiatives, plans and strategies. They provided those businesses with feedback so they could update their strategies accordingly. As stated by SPM, “ We had comments, we went back, talked to everybody about the MD’s comments. They updated it accordingly but at the end we went back again, refined it even further, set the direction. Every cycle, like any live document, first there are changes, modifications. We went through one or two cycles of those”. Similarly, it was confirmed by businesses coordinators that the central strategy teams reviewed their initiatives and strategies. RMT said, “It goes through the board members; finally it goes to the board”.

Furthermore, it was stated that “the Bank also provides non-interest bearing products, which are approved and supervised by an independent Shari’ah Board established by the Bank” (SABB, 2012a, 12). So, all the initiatives related to products and services across all the business lines had to be submitted to the Shraih board and approved by them.

At the sector level, the head of sector and strategy coordinators reviewed businesses division initiatives and plans before submitting them to the top management. According to RMT, “We started working on the actual strategy initiative, to more detail; then it goes from bottom to

the top. But it is all evolving. It goes back to senior management; if they don't like it they come back to us again; we review it again; and then it goes up. So, you can say it's a circle”.

Credit rating agencies were identified as an actor that was used in the reviewing practice. It was stated in the annual report that “External Credit Assessment Institutions risk assessments are used by SABB” (SABB, 2012a, 111).

In the period of strategy implementation, strategy participants reviewed the strategy performance regularly.

At the corporate level, there was a yearly strategy review at the top management level. External actors had participated in the last annual review, and these were consultants and experts from the mother bank (HSBC). According to HSP, “The top team spent two days outside the office reviewing where SABB was and what needed to be done”.

According to the head of the strategy department, the central strategy team reviewed strategy performance and progress monthly and quarterly. HSP claimed that this review was conducted in order to be sure that current strategy still made sense and find out the progress of the strategy’s execution.

At the sector level, there were daily, weekly, monthly and quarterly reviews of strategy progress and performance. This review was the responsibility of the head of the sector and strategy coordinators, as stated by HHR, who claimed that the majority of their time was spent “on strategic review and also monitoring how we are doing against our strategy. We convert all our HR deliverables into a dashboard, and on a monthly basis we do a review and assign green, amber or red. Red means we have issues, amber is a signal for us to be careful and green means that we are on the right path. The head of HR spends most of his time monitoring this”. More clarification was stated by SMC: “We know exactly what we need to



do in 2011... we review almost on a daily basis because those targets are clear, what we need to do in 2011 which is on all of our balanced score cards, which are our overall objectives... On a daily basis we look at certain key numbers. It is reviewed all the time”.

Furthermore, SA pointed out that each sector had to provide the top management with quarterly updates of the strategy performance and progress. Moreover, the Islamic Financial Solutions team were controlling and monitoring Islamic banking execution.

The review was a continuous activity; however it could be differentiated into two stages. The first stage was in the time of developing strategy. The second phase was in the period of strategy implementation, when strategy actors reviewed their performance and progress. The frequency of this varied daily, weekly, monthly and quarterly. It could be argued that this practise was more an adaptive practice in the period of developing strategy, while in the period of execution strategy it was more of a recursive practice, as it aimed to maintain the strategy decided by strategists.

#### ***4.5.4.3 Strategists***

##### ***4.5.4.3.1 Strategists' Capabilities***

There was common agreement on the need for technical, interpersonal and visioning skills. In terms of technical skills and knowledge, this was argued by five respondents. Examples drawn by respondents were such as research skills, planning skills, analysis skills, and finance knowledge. Visioning skills were mentioned by three respondents. Examples drawn in this category were the ability to identify opportunity and think strategically. The third type of skills pointed out was interpersonal skills; mainly the argument here was around having communication and presentation skills. However, one of the respondents added leadership skills. This was highlighted by two respondents. Finally, industry knowledge was emphasised by three respondents.

#### 4.5.4.3.2 Strategy Actors

The identified actors were classified into two groups: internal actors and external actors. Even though this is an international conventional bank no female actor was part of the strategizing. However, the bank had a mixed environment in which women were working with men in all functions. It was stated in the annual report that “At year end (2011), SABB’s staff complement totalled 3,122 of which 422 were ladies” (SABB, 2012a).

##### 4.5.4.3.2.1 Internal Actors

The board members, MD, strategy department, businesses and support heads were the key actors in terms of strategizing. All the issues related to strategy had to go through board, top management and middle management levels.

The board of directors consisted of ten members. Basically, six represented the Saudi shares and four represented HSBC, which owned 40% of the bank. Of the six Saudi members, four were representatives of the major Saudi shareholders and two were independent members. One of the four who represented HSBC was the MD. As stated earlier, HSBC was responsible for appointing the key executives in the bank as part of the technical service agreement. This was stated in the annual report: “The Board of Directors of The Saudi British Bank comprises of ten members, six of whom represent Saudi interests, who are elected and appointed by the General Meeting of the Bank for three years with the possibility of re-election, and four other members appointed by the foreign partner” (SABB, 2012a, 12).

At the corporate level the top management and middle management handled strategizing, according to HSP in strategizing: “you’ll have the managing director, the deputy managing director and all the business heads”. Business heads included the heads of the following sectors: retail banking, commercial banking, treasury, global transactional banking, finance, marketing, HR, operation, IT, risk, legal and compliance. Also, the HSP was part of the

committee. All the strategy related issues were discussed in this committee and decisions were made through this committee.

The head of the strategy department pointed out that, the influence of the strategy actors varied where there were some influential actors who influenced and lobbied other actors.

It was highlighted that the CIO held different power from the remaining actors. This, SA argued, was “because if the CIO is not able to get the best technology, leverage the best products or have the best processes, no system can work within retail banking. IT is key and we are all one team”.

The strategic planning department consisted of two people, the head of the department and the strategy manager. It was agreed by respondents that the strategy was driven by HSP. For instance, SMC stated that “he [HSP] is the one who is the architect of the MTO in the bank.”

At the sector level, the sector heads, department heads and strategy coordinators were the key actors involved in strategizing. For each department, there was a unit manager who participated at the department level. According to HSP, “I would say most people in the bank at senior mid-level have been very heavily involved... they’ll have one or two people (strategy coordinators) in their departments fully involved. So I would say anywhere from 10 to 15 people through the course of the three months, fully involved”.

The sector heads and strategy coordinators drove their strategies. The head of the sectors were the ones who approved the sector level strategy, according to SMC “It is driven by the Head of Corporate, so James Barber is the current head of corporate. He is primarily responsible; that is the core job that he has, to drive that strategy and make sure it happens”. Those strategy coordinators were appointed by the sector head, it was noticed that those chosen coordinators were the key division heads within the sector or key staff within a key

function. For example, in the Corporate sector one of the senior managers was appointed as a strategy coordinator; similarly the business development manager in Retail and the risk manager in the Treasury. An explanation of the role of the strategy coordinators was highlighted by RMT: “There is one Head and there is one support guy (strategy coordinator/s) with him who helps him with all the numbers and all the presentations and everything”.

Moreover, although none of the respondents highlighted anything related to the Shari’ah board or Islamic banking, it was clearly stated in the reports and on the website that there is an independent Shari’ah Board, which periodically oversees the Islamic products, services and transactions and transmit the awareness of the Islamic banking internally to all employees and externally to customers. This Shari’ah board consisted of three members: two from the council of senior Islamic scholars and one independent scholar who specialized in Islamic economics. Such a board played a clear strategic role in other banks, but in this bank it was not clear, although it was essential to highlight that the bank had a Shari’ah board. Moreover, similar to the other banks there is a dedicated division (Islamic Banking Solution team) to develop and monitor Islamic banking initiatives, products and services.

Several respondents highlighted that they considered the front staff involvement in strategizing as their opinions and information in strategizing, as they communicated with them informally. For instance SMC argued that “I would say it’s our teams on the ground. There were lots of times when we would do a small test: this is what we’re thinking, what do you think?”.

#### *4.5.4.3.2.2 External Actors*

As the bank was an associated company of the HSBC (external consultant), this gave them the opportunity of access to various experts such as the group’s regional economist and the strategy offices in London and New York. They were used to providing the strategy

participants with expertise and information to consider in strategizing. For example, they provided the top management team with the evaluation of the market and evaluation of the bank, suggested opportunities to consider in the new strategy and shared trends and forecasts. According to HHR, “Having HSBC with us in order to share best practice is a great benefit for us. As you know, HSBC operates in over 80 countries. We have a fund of information and knowledge coming from them as best practice. We do not necessarily do everything that the group does. We look at what is going on there, in the local market and the views and opinions of our own people... We also had experts from the HSBC group speak to us... We only share best practice with the HSBC group. They are a fund of knowledge. I want to see what it going on in the rest of the world, and try to adopt the best of what is being done”.

HSP argued that he informally communicated with consultancy firms that came to him and gave him information and their views on issues related to the bank’s strategy.

Furthermore, HSP pointed out that “We gather for an external research, we go out – we use whatever is out there in the market, whatever reports are there. There are a lot of people write a lot of reports. Economic indicators of Saudi Arabia. Political views. Social. What’s happening in the society. Financial forecasts”. He gave an examples of publishing reports like Standard and Poor's, Zawya (a Middle Eastern business intelligence provider), Economists and EFG Hermes (an investment bank in the Middle East). Moreover, in the annual report (SABB, 2012a) only S&P, Moody’s and Fitch were recognised as credit rating agencies.

Moreover, HSP pointed out the importance of regulators SAMA and the Capital Market Authority (CMA) as he considered everything they did. For example, he highlighted that he looked to see whether there were any new plans to open the capital market for foreign investors. Also, he added, a lot of information was provided by regulators, such as the trade

flows, payment flows, inflation, GDP, statistics and published information about the industry (Market share by loans, market share by advances, market share by deposits etc...).

## **4.6 Riyadh Bank Case**

### **4.6.1 Overview of Riyadh Bank**

Riyadh Bank (RB) is a Saudi based joint stock bank which was established in 1957 (RB, 2012b). The bank is wholly owned by Saudi shareholders with a majority of the shares around 52% owned by the government and the remainder owned by private individuals (TADAWUL, 2012).

Riyadh Bank is the second oldest bank in Saudi Arabia and the oldest listed bank, with a total paid capital of SR 15 billion (£ 2.5 billion) and total staff of 5256. It is the third largest bank in terms of assets with total asset of SR 190.18 billion (£ 32.76 billion). The net profit in 2012 totalled SR 3.46 billion (£ 576.6 million). Riyadh Bank provides personal, corporate, treasury and investment services in both Shari'aha compliant and conventional banking. It has 252 branches in Saudi Arabia and three international branches in London, Houston and Singapore (RB, 2012a).

### **4.6.2 Respondents**

The number of interviews conducted in Riyadh Bank (RB) was five. The respondents were a mixture of people from top and middle management who participated in strategizing.

RB has a Strategic Planning Group which is the main board committee that looks after the strategy of the bank; it has four members from the board and is headed by the chairman of the board. One of the board members who is a member of this committee was interviewed.

Also, RB has a strategic planning department the head of which was interviewed. Moreover, within each of the Corporate, Retail and Treasury banking sectors; there is a Vice president or

an assistant vice president who oversees the business strategy. Interviews were conducted with these three people who participated in strategizing. The table below represents their background.

**Table 11.4: RB Respondents' Information**

No.	Job Title	Nationality	No. Experience in banking	Previous Experience
1	Board Member	Saudi	25 Years	Business Man
2	VP Strategic Planning	Pakistani	22 Years	Banking
3	Corporate Assistant Vice President, Strategy Mgr	South Africa	29 Years	Banking
4	Retail Assistant Vice President, Strategy Mgr	Pakistani	-	Accounting
5	Treasury VP	Indian	17 Years	Banking

Each respondent has been given a code reference: BM = Board Member, VPSP = Vice President Strategic Planning, CAVP = Corporate Assistant Vice President, RAVP = Retail Assistant Vice President, TVP = Treasury Vice President.

### 4.6.3 Strategy Approach

Riyad Bank had a three-year rolling strategy as they had an annual planning exercise. According to VPSP, “You set up a three-year strategy... We divided it into three basic levels: the year one covered till 2011, year two will be 2012, year three 2013. Then basically each year we will now, going forward, have a three-year rolling strategy; because things are changing very quickly these days, so we agreed on a three-year strategy”. This view was supported by BM, who claimed that “the bank has a three year strategic plan. And this strategic plan, three years’ strategy, is updated and renovated on a yearly basis. So it pushes forward every year for the next three years. That’s the main set-up for the plan”.

According to RAVP, previously there were strategies but “My insider view is that the bank in the past was good at doing strategy but not as good as it should have been. In the last two years there has been a bigger move to have more focus on planning and having a focused strategic direction”.

VPSP claimed that strategy-making follows a bottom up approach “We don’t push it down; it is basically 30/70. The broad guidelines come from the top, say 30%; and the 70% is pushed up to make it 100%”. However, RAVP claimed that “It is a top down approach”. while CAVP argued that “It’s actually both. But I mean but predominantly top-bottom. For last year we already did a bottom up, top bottom”, TVP had a similar argument: “I think the mixed one where you get some direction from top and then you have a bottom up approach”.

#### **4.6.4 Data Findings**

##### **4.6.4.1 Strategy Definitions**

There were several definitions of strategy as proposed by respondents (see figure 8.4). However, RAVP argued that although strategy was something that he did every day, he did not have a specific definition for it. Interestingly, BM recognised that strategy is something that people do and it reflects the style of the people behind it; therefore it is different from one organisation to another.

The most agreed definition was that strategy is a direction. It was agreed by three respondents: BM, RAVP and TVP. They argued that strategy is the direction that they want to follow. TVP stated examples of that: “Strategy could be that we want to be a retail bank; or the strategy could be we want to be a wholesale bank”. Furthermore, BM gave a further explanation: “Strategy, really, is a way of shaping the future of the bank. How to shape the future of the bank with regard to the relationship to the marketplace, with regard to the



relationship to their competition and with regard to the relationship to the ownership”.

A second definition was that the strategy is a goal, objective or a position to be achieved.

This was stated by TVP and RAVP. According to RAVP, “Where do I want to be? How do I want to be perceived in the market in the next three to five years?”. Examples were drawn by both respondents as follows: TVP argued that “the strategy could be that we want to be earning an RoE of 15%”, while RAVP’s example was, “it could be to be the number one bank in three years in the retail market by market share”.

The third definition identified that strategy was perceived as a plan or guideline and this was perceived by RAVP, VPSP and CAVP. Plan was describe as the way strategists want to achieve the vision or the objective. According to CAVP, “Strategy is what I'm going to do and how I'm going to do it...It's great saying grow market share by 20% - in what specific transaction, in what specific, I would say, line? Do I grow market share in unprofitable business? So that's what I'm saying, what do I need to do and how do I need to do it and when do I need to do it, basically”.

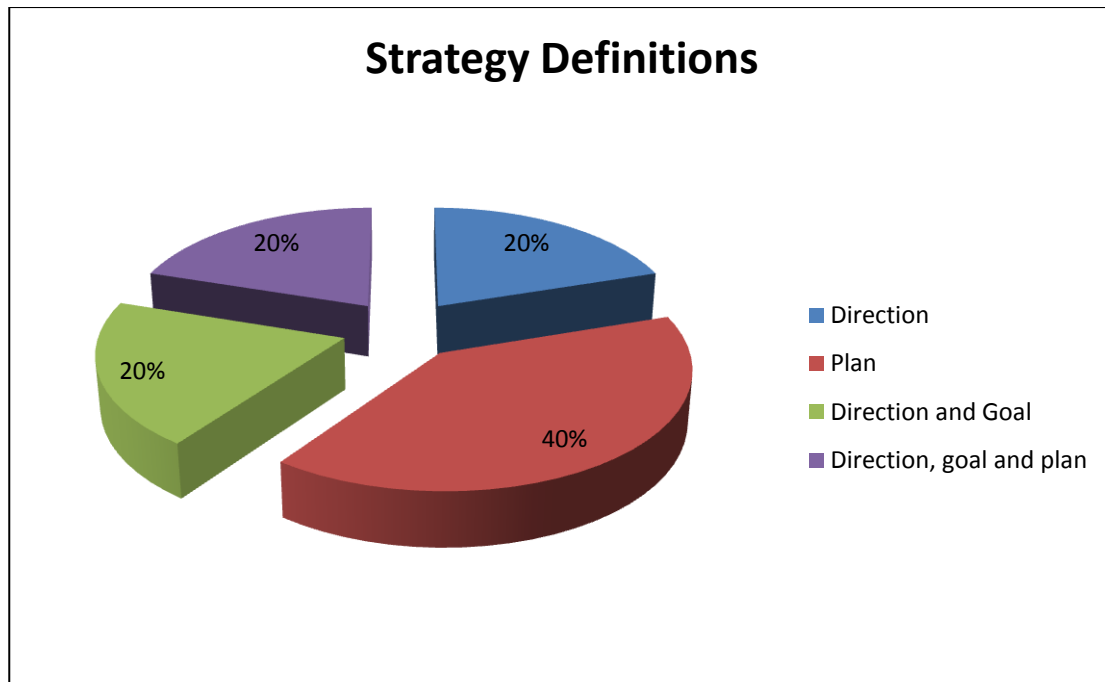


Figure 8.4: RB Respondets' Straetgy Definitions

It is clear from the above definitions that different strategy actors could have different definitions. Three actors each gave a single definition, while the remaining two gave multiple definitions. These two were in middle management. One of them viewed strategy as direction, objective and plan, while the second actor viewed it as a direction and objective.

#### 4.6.4.2 Strategizing Practices

##### 4.6.4.2.1 Shaping context

The central strategy office provided a template for all the strategy practitioners to follow when they were strategizing. Hence, this guideline and template influenced the output of strategizing. The corporate strategic planning office had conducted this activity for the first time. They developed the template in consultation with consultancy firm. It was used for consistency purposes. According to CAVP, “There's a basic format that they use for everybody in the Bank. We used it the first time this year. Previously we just did our own format but this year they had a standard format for all the divisions”.

Another activity related to shaping the context was networking among practitioners, whereby the top management discussed the strategy of the bank with all the sector heads. This would establish businesses' engagement with each other, encourage knowledge sharing and create synergy across the bank. As stated by RAVP, "This starts at the highest level with senior executives sitting down with the business heads to discuss the overall business and then we try to create synergies within the business segments". This activity was conducted by the corporate strategic planning and led by the CEO of the bank. Similarly, in the sector level it was conducted by the head of the sector with the business strategy manager.

Both activities were conducted in the early stage of strategy developing. This practice was an adaptive practice as it was done for the first time, which affected the strategizing. Also, it was practised for consistency and alignment purposes.

#### 4.6.4.2.2 Initiating

Based on the general direction provided businesses developed their initiatives. Mainly, the major initiatives are developed by businesses (profit centre based functions). According to VPSP, "We have three business areas, and each business area is an important component of the bank business. the corporate ... the retail ... and treasury...there will be between 15 to 25 major key initiatives that will be the focal point. They will be the major themes that the bank will pursue".

Within each business sector, the head of the sector, divisions' managers, front line managers and business strategy unit were the ones who were heavily involved in developing initiatives. Each business area developed its initiatives individually. However, these initiatives were influenced by the top management decision on the general direction of the bank. From outside the sector, the central strategic planning team was directly involved.

Moreover, in the initiatives related to Islamic banking, the Islamic banking department were involved to ensure Shari'ah compliance (RB, 2012a). Also, it was highlighted by one actor that regulators' new rules could sometimes be the driver for new initiatives. For instance he gave an example: "as part of the new CMA regulations, we had to spin off the investment business to our investment company. So, that area is not the focus for us now; there are other people who would look at the investment banking side". This example show how a complete business line was removed from the bank when the regulator forced them to focus on certain lines of business and limited their sources of income to those businesses.

This practice was followed annually in the early stage of planning. Therefore, it could be classified as a recursive practice.

#### 4.6.4.2.3 Executing

This was a routine activity done by the strategy teams. Strategy teams prepared presentations and reports, and conduct analysis. This activity was conducted both in the period of strategy planning and in the period of implementation of the strategy.

The central strategy team was responsible for preparing the bank level strategy document and conducting at the board and top management level. According to RAVP, "When you are looking at board level you need to write a story that tells you how you are going to deliver the profits for the bank".

The strategy team within the businesses were responsible for preparing the sector level strategy documents, reports and presentations. For example, as stated by CAVP, "There's a physical document, we actually write a business plan for each segment".

This practice was a recursive activity as it related to the current strategic thinking and process. It was practised continuously in the period of strategy developing and in the execution of strategy.

#### 4.6.4.2.4 Collaborating

This practice refers to working with other departments in other sectors on issues related to strategizing. At the board member level, the strategic committee/group were interacting with external consultants which provided knowledge and experience which helped them in strategizing. As stated by a board member, “We have used and we use and we will use (consultants) on a need basis, of course. We have used consultants to help the board and the management to focus and choose the pockets of excellence and the programmes”.. At the corporate planning level, the strategy team worked with different sectors and units within the bank to develop the plan, while at the sector level, the business unit were working with different actors from different sectors.

For the planning strategy office, the actions and interactions here were between the central strategy team and with other strategy participants within the sectors such as sector heads, businesses strategy units, and senior managers. For example as stated by VPSP, “We work with Retail, Treasury and Corporate to begin with to set up their strategy and annual plans. Then, based on that, we share it with our support heads, support divisional heads”. Another example was stated by VPSP: “We go to our chief economist who will then basically make our economic forecast: a three-year forecast and the next year’s forecast, based on where he thinks our interest rates are, things like that”. So, through this practice practitioners exchanged knowledge, shared information and developed plans.

Another level of collaboration was at the sector level, where strategy participants worked with other participants in other sectors in developing the strategy and plans as related to each other. For instance TVP claimed that “it’s an interactive process, like when we are making a strategic plan for next year of course we will speak to Corporate Banking, we’ll speak to Retail, and we will speak to other divisions in terms of support”. Furthermore, there were

interactions between actors within the sector, as argued by RAVP: “There is no specified formula or number of meetings. For example, if you are looking at consumer loans then we would have a meeting with the consumer loans manager and find out what has been happening in their business, what are the factors that are driving their business?... “What is your feeling on next year?... Everybody gets involved and then everybody will own that paper in the end”. Moreover, according to VPSP, “The Head of Corporate Banking could discuss the strategy within his own division, and could get feedback from x number of people”. These interactions between actors shaped the strategic initiatives and ideas adopted. Also, they enhanced the understanding between participants. Here actors identified were the head of the sectors, line managers and staff.

Furthermore, customers were highlighted by one respondent as he (RAVP) stated that “In the marketing department we do try to do some surveys and try to get input from our customers”.

It was identified that such an approach helped with the buy-in of the participants as they were part of the strategizing. These interactions perhaps could enable strategists to generate more ideas. This practice was conducted in the planning and strategy development stages. The result of such collaboration was developing plans, ideas and actions. Therefore, it could be classified as an adaptive practice.

#### 4.6.4.2.5 Supporting

At the corporate level, the corporate planning office shared knowledge or resources, contributed in problem solving, and provided expertise to different actors from any sector. For example VPSP argued that they were concerned with assessing “if there are any problems, if there are any bottlenecks how to address them; things like that...trying to help with the implementation of those initiatives”.

Furthermore, the businesses strategy team supported other units within the sector. As highlighted by respondents, businesses strategy units had all the information and the analysis of the current position of the sector and current performance, so they provided and distributed information and knowledge related to the external environment to all other departments within the sector. As mentioned by RAVP, “We have all the numbers on where we stand, we know where we get the money from, what went right and wrong, what is happening in the regulatory world, what do we want our customer base to be?”.

Moreover, Islamic banking department conducted training and workshop to staff related to Islamic banking to enhance their awareness (RB, 2012a). Also, they were providing solution and advice in developing and executing Islamic banking activities (RB, 2011).

Furthermore, CAVP pointed out that credit rating, intelligent agencies and media were playing a role in strategizing, he stated that “Obviously one would rely on...reports from economists and Moody's and those types of things. And so that will guide you”. In the annual report, frequently was referred to information and data were announced by credit rating agencies that related to the industry, country and the bank its self (RB, 2012a). Also, he pointed out that support departments such as the economy department was supporting strategists through the information provided by them.

Similarly, regulator was identified as an actor where strategists used them as a source of information about the economy and the industry. As stated by TVP that they were looking for all the data announced by SAMA such as oil prices, government budget, GDP and many other related information.

This could be classified as a routine activity. This practice did not emphasise changes; therefore, it could be classified as a recursive practice. This practice was conducted in the stage of strategy developing and in the period of strategy execution.

#### 4.6.4.2.6 Reflecting

It was argued by one respondent that reflection and reconsidering the way strategy was conducted and the results achieved was practised and as a consequence the bank learned and got better at strategizing. RAVP pointed out that “As each year passes we are getting better because that will become part of our culture, to formalise a strategy and see the consequences of it”. Here, this practice could be viewed as an adaptive practice as it enhanced the strategy process and content. It seems it practised after the period of strategy development.

#### 4.6.4.2.7 Coordinating

Basically the central strategy team controlled and influenced other strategy participants’ activities through the planning calendar distributed at the beginning of the strategy and planning. This calendar set the milestones and the deadlines all the participants had to meet.

Furthermore, the strategy group, CEO, DCEO and VP of strategic planning formed the broad headings that they needed all the participants to follow. VPSP stated that “there are certain guidelines; there are certain key points that you want to focus on”. As result of that, the central strategy office distributed the framework to all the strategy participants. As stated by TVP, “He (VPSP) lays down the broad framework and he provides the framework which we work with...it's consistent across divisions”.

The primary actor in this activity was the central strategy team; however, it seems that it could be influenced by the top management. The main reasons for this practice were for consistency, to control the participants’ activities and efforts. This practice could be categorized as a recursive practice as it did not aim to change the strategy. Also, it was practised in the period of strategy developing.



#### 4.6.4.2.8 Facilitating

Strategy teams facilitated events that contributed to strategizing through engaging different actors, such as the workshops, meeting and brain-storming sessions conducted in the period of developing the strategic plans. Within the sectors, events were facilitated by the strategy team within the sector with the support of the central strategy team. As stated by VPSP, “Customer strategy and tactics function will be working with us, they will be taking the lead within that particular division, and they will be sorting things out”.

Through these events, strategy teams developed strategies, ideas and plans collectively with the different strategy participants. Also, it was an approach to understand businesses’ and lower management participants’ points of view, to ensure enough discussion was held and for collective decision making. Mainly this was practised in the period of strategy planning; also it was mainly practised by the strategy teams. It could be argued that facilitating strategic events did not affect the strategy process or the content significantly; therefore this could be classified as a recursive activity.

#### 4.6.4.2.9 Integrating

The corporate planning office was responsible to combine and collect all the strategic ideas and plans from all the strategy participants. According to VPSP, “We [corporate planning office] consolidate the entire thing, the plan and the strategy, into the bank-wide strategy”. Also as stated by TVP, “He's [VP Strategic Planning] the person who takes care of... he gets the division level strategic plan, like he will get one from me, he will get one from Retail banking, and he will get one from Corporate banking. He will then combine them and make one document”.

In the same manner, at the sector level the strategy team within the businesses were the ones who collected and combined strategy ideas and plans within the sector. According to VPSP,

“Customer strategy and tactics function ... come up with common themes that are agreed by that entire division and the head of division”.

Furthermore, the strategy teams were responsible for the alignment between the sector strategy and the bank’s general direction. As stated by TVP, “We need to make sure these two align up with the oral direction”. This was justified by the fact that various actors were strategizing in isolation from others; therefore the strategy teams tried to establish the middle ground to maximize the output.

This was practised in the period of strategy developing and mainly practised by the central strategy team and the business strategy units. It could be classified as a recursive practice as it did not aim to change strategizing.

#### 4.6.4.2.10 Negotiating

It was identified that negotiation was practised by strategy actors to convince and challenge others. This was practised by the corporate strategy team. VPSP drew an example of that, stating “They [businesses] come back and the overall guideline from the bank or the board is that we need to grow the loan book, and Corporate tells us that we cannot increase our loan book, then we have a problem. We have to look at their justification of why they are saying this, and why suddenly we have been growing 30% over the last five years and why suddenly they are telling me that we cannot grow”. Here the negotiation was between the CEO, businesses heads and strategy department.

Similarly in the board level this was practised as illustrated by the board member. He justifies this as people always have different opinion. Also, in the business level the head of the sector and the business strategy unit were practising negotiation with other strategy participants. As stated by RAVP, “there is an exercise for a few months where people fight and try to come to a middle ground in terms of what is my culpability”.

This was practised in the period of strategy planning. It could be argued that this was practised only if there were changes in the strategy content or process. Therefore, it could be argued that this practice is an adaptive practise.

#### 4.6.4.2.11 Translating

For the central strategy team, in order for them to obtain approval for the strategy, it had to be translated to numbers to convince the board. As stated by VPSP, “Once we see, yes, the strategy is good, and it also translates into good bottom line numbers, then we basically submit it to the board”. In other words the strategy had to be translated into attractive profits (numbers). Moreover, strategy was translated into different initiatives, projects and plans; this was claimed by BM: “We translate our strategic plan in different programmes”. According to RAVP, after setting the strategy, “We follow it up with our annual planning exercises... Based on that plan then we do the budget: we put in the numbers, exact numbers, what revenues we’re going to get, how much revenue we’re going to make next year, what Retail banking is going to make x, Corporate y, Treasury z and so on. Expense budgets; the manpower plan: how many people we have: this year we have x, next year we will have x plus 100. So, all of this is part of the overall annual planning exercise, which is preceded by the strategy exercise”.

This was practised by the strategy team and businesses. This practice was conducted in the period of strategic planning. This practice aimed to maintain the strategy and was not expected to influence the strategy content or process. Therefore, it could be viewed as a recursive practice.

#### 4.6.4.2.12 Communicating

There was continuous communication formally and informally among the strategy participants in the bank. Strategic ideas and plans were communicated at different levels. The

communication activity was an important activity for strategizing; for example strategic decisions were formed through communication. According to BM, “Strategy decisions rely on the... a lot of things rely, for instance, on the reports of management... it relies on the feedback from the consultants”.

Another level of communication took place between the CEO, DCEO, VPSP, businesses and support heads. According to RAVP, “We report to our business head and then he will take it to the next level of communicating with the chairman and the rest of the hierarchy”.

The corporate strategy office formally and informally communicated with all sectors in relation to strategy developing and strategy implementation. The communication was mainly with the heads of the businesses and strategy business units within the sectors. According to CAVP, “Informal discussions, there's a lot of informal discussions. Let's talk and talk and talk about it (strategy)”.

At the sector level, the communication in strategizing was primarily conducted between the head of sector, senior managers, strategy team and front lines. For example, the bank directions and strategic goals were communicated through discussion between the business strategy teams and senior managers. According to TVP, “Well the way it works is it's not formal in terms of you don't get a document... But because there is so much interaction going on at a senior level, we know where we are heading into and what are the strategic goals”.

In terms of Islamic banking, Shari'ah Board were communicating Islamic banking principles and concepts to customers. Through such communication customers understand the strategic direction and initiatives introduced by the bank.

It was claimed that there was continuous communication in the period of strategy planning by strategy participants. It was argued that this activity helped in sharing ideas, information and

feedback and with the buy-in of the strategy. Through this communication, changes could be made to the strategy process or content; therefore, it could be regarded as more adaptive. Also, in the period of strategy execution there was a continuous communication with customers in issues related to Islamic banking. Through such communication strategy was explained and feedback was obtained. This was a routine activity; therefore, it could be considered as recursive.

#### 4.6.4.2.13 Reviewing

Review practice consists of the activities of reviewing the proposed strategy ideas and plans and the activities of reviewing the performance of strategy. The review of the strategy and plans was hierarchical as it started from the business strategy unit and continued until the final approval from the Board.

In the period of developing strategy, obtaining approval was an important part of the review, as each strategist needed to get approval from his superior. For instance, RAVP stated, “ At the end of the year you try to finalise your numbers and strategic planning document and get it signed off by senior executives”.

At the board level, the board practice the review. VPSP stated, “We submit it to the board, and the board then basically approves it or wants us to make some changes, which changes are made”.

At the corporate level, the CEO, DCEO and the head of the sector reviewed the strategy plans formulated at the sector level. For instance, RAVP explained that “the DCEO is the head of regional banking. He is also head of Corporate and Treasury as well, he is our ultimate boss. He is very much hands on within the business and has final sign off”. Another example was stated by CAVP: “I probably have about 15 drafts of the business plan. But because let's say my manager doesn't like this, ‘Let's change it this way’. And it comes to Abdulmajeed

(Executive Vice President Corporate Banking) ‘No, no, no I would like to add this’. And it comes to Mr. Sulimen (DCEO) and he says, ‘No, no, no let's add this and this and this’. And at the last minute Mr. Talal (CEO) might say, ‘No, no let's add on this’ sort of thing”.

It was identified in the annual report, that all the services and products related to Islamic bank had to be approved and supervised by the independent Shari’ah Board (RB, 2012a).

Therefore, any strategic initiatives related to Islamic banking had to be approved by Shari’ah board.

The second activity was reviewing the performance of strategy. This was conducted at several levels in different periods of time and by different strategy actors.

The strategy group (committee) around every two months reviewed the performance of the strategic initiatives and projects. As stated by BM, “The strategic committee, which is the main board committee that follows the bank in this aspect, follows up with the management on the programmes that are going on within the strategic plan”. This review was conducted at the board and top management level.

Moreover, a review practice was conducted at the corporate planning department level, where they reviewed, followed up and checked the performance of businesses monthly. According to VPSP, “This is basically maintaining a follow up, checking with them where we are”.

Similarly, the business strategy unit reviewed the performance of its sector monthly and quarterly. CAVP explained the review as “monitoring our results on a monthly basis. Target against actual, where are we, are we getting there or aren't we? So that's basically what we do.” Furthermore, TVP argued that “we keep reviewing the quarterly performance and how we are aligned towards our strategy and whether we need any change in our initiatives or our actions”.

There was a review of the performance at the sector level and this was conducted yearly. This review was done within the sector, where the head of the sector, strategy business units, senior managers and front line managers participated. According to TVP “Our review of the strategy is annual at the division level”.

However, businesses not only reviewed performance, but also tracked and reviewed the market and the economy. In terms of economy, information was provided by the economy department, which was at the corporate level. The importance of this review was claimed by CAVP, who argued that “if they [the Economics department] say, for instance, ‘Oh well rates are going to go through the roof in the next week or two or whatever, or next month’ then basically our strategy will stop, no more fixed rate loans, because if rates are going to go up, I don't want to be hooked at 2% if rates are going to be at 6%, for instance. So it's ongoing all the time”. The review of the market includes competitions and regulations. It was identified that such review was formally conducted monthly but informally it could be done daily or weekly.

In addition, the Islamic banking department reviewed and followed up the execution of the Islamic banking activities and initiatives. As stated in the web site, “Islamic Banking Management is a professional and responsible body for extending appropriate solutions and consultations for planning, following-up execution and developing Islamic banking activities” (RB, 2012b).

Furthermore, the credit rating agencies were identified as an actor that used in reviewing and evaluating the bank. For instance, it was stated in the annual report “The Bank uses Standard & Poor's, Fitch, Moody's, and Capital Intelligence as External Credit Assessment Institutions” (RB, 2012a, 141).

The review practice was conducted in two stages; the first stage was in the period of strategy planning, while the second stage, to review performance and market. For the former such review could shift or make changes, therefore, it could be considered as an adaptive activity. While for the latter it aimed to ensure consistency and alignment with the decided direction and strategy; therefore it could be argued that in this stage it was more a recursive practice.

#### **4.6.4.3 Strategists**

##### **4.6.4.3.1 Strategists' Capabilities**

There was agreement by three respondents on the need for technical skills such as number crunching, technical analysis, drawing graphs, writing skills and forecasting skills.

Furthermore, interpersonal and communication skills were mentioned by three respondents.

This was justified by one respondent who argued that strategists deal with different people from different levels of the organisation.

Moreover, visioning and forward thinking skills were highlighted by three respondents.

In terms of knowledge, all the respondents agreed on the importance of industry knowledge; this includes knowledge of the market, the technicalities of the operation and the economy.

For instance CAVP argued that “one needs to know the environment and you need to know banking. If you want to strategise and tell somebody what to do and how to do it you need to know what it's all about”.

One respondent argued that financial knowledge and management knowledge were important.

He argued that an MBA holder could be more suitable because he would “have a broader picture of how organisations and management styles work... have seen case studies in different scenarios and that prepares... for something bigger in life, rather than just one focus on marketing or sales”.



#### 4.6.4.3.2 Strategy Actors

This theme explores the strategy participants in the bank. Basically, it was identified that there are four types of actors: internal formal actors, internal informal actors, external formal actors and external informal actors.

Although this is a conventional bank and women constituted 20% of the staff, no female actor was involved in strategizing. A review of the organisation structure and the annual reports revealed that none held formal senior positions in the bank (RB, 2012a; RB, 2012b). During the interviews, it was noticed that women were working in the bank and the environment was mixed.

##### 4.6.4.3.2.1 *Internal Actors*

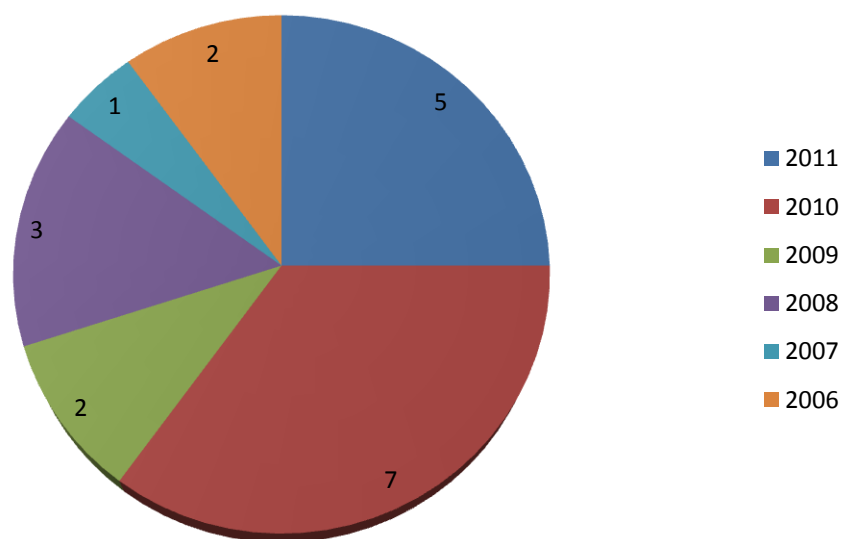
It was pointed out that the board of directors, CEO and business heads were the key actors. According to BM, “There are many players in this symphony... We have the board, the strategic group, which is a committee from the board; that’s one important part. And then you have the top management, from the CEO and directors to be involved. And of course at different points in time you have the key operators of the different programmes”.

For the board, there was the complete board which contained ten members. As stated by respondents and as stated in the annual report, the bank strategy had to be approved at the end by the board of directors. According to BM, “The board of Riyadh Bank decided that it wants to be involved, directly involved, in shaping the future of the bank. And it is continually, directly and continually involved in shaping the future of the bank, and improvement of different aspects of the bank workings”.

Furthermore, at board level there was a board sub-committee containing five of the board members and headed by the chairman of the bank. It was stated in the annual report that the primary role of this committee was to “oversee the Bank’s strategies, evaluate steps taken to

achieve the Bank’s objectives, supervise major projects initiated by the Bank, and review the Bank’s financial and operational performance vis-à-vis set strategic goals” (RB, 2011, 27). Before the formation of this committee as described by BM “it was setting targets... setting requirements, setting new metrics and leaving it totally to the management? Now we have built a channel between the strategic committee and the management, who have continuous communication with them, continues monitoring”.

This committee was formed by the chairman, and the current committee members were appointed in 2007. The number of meetings held by the group, as shown in figure 9.4, increased in 2011 and 2010 compared to the previous years.



**Figure 9.4: RB Board Strategic Planning Group Number of Meetings in Six Years**

At the corporate level there was agreement that the CEO, DCEO and the middle managers were involved in strategizing. Middle management included business and support heads and the head of the strategy office. Businesses included retail, corporate and treasury, while support included CFO, CIO, COO, CRO and chief economist. However, it was identified that the DCEO was influential as he was managing all the business sectors. Also, his subordinates,

the heads of the three business sectors, were more influential than others. According to RAVP, “the DCEO is the head of regional banking. He is also head of Corporate and Treasury as well, he is our ultimate boss. He is very much hands on within the business and has final sign off... Suliman (DCEO) is heavily involved in the strategy”.

At this level, the influence of strategy appeared as the directions of the strategy were decided in the beginning by these actors, with the approval of the board. According to CAVP, strategy influence was “probably from senior management. Because obviously the Bank probably has a bank-wide strategy for starters, where they want to go to and what they don't want to do and what they do want to do”. Mainly the business sectors' heads were the key players in strategizing.

Furthermore, the involvement of these actors was explained by the VPSP as he stated that “We can, the CEO, Deputy CEO and myself, we can sit and dream that we will double the bank's profitability – all three of us alone aren't going to do it; it's the business that is going to do it. So, we go back to the business even then and develop a strategy, again from bottom up basically. We look at what Corporate can do and what Retail can do and what Treasury can do”.

The support heads were involved as they were provided with the information they needed. For example, the chief economist was responsible to look at the economy and provide strategy participants with an economic forecast, while the finance people primarily dealt with the bank's finances and informed management of issues related to results.

Furthermore, the corporate planning office (central strategy team) and the businesses strategy units, called the customer strategy and tactics office, were key players in strategizing. Within each office there was a small team; for example in the corporate sector the strategy team were

according to CAVP “three strategy analysts that we have because they do the analysis, they do the number crunching”.

At the sectors level within businesses in terms of business level strategy, the heads of the sectors function heads and front line managers were involved. It was explained by all the strategy units heads that they were doing this for buy-in purposes. For instance, CAVP stated that “they (function heads and front line managers) must buy into the process. If I want you to sell this product and you don't believe in it, it's no use. So we have to get their buy-in by saying, "Look this is what we want to do, what do you think about that? Can you achieve this growth? What does your team say? What is the feedback?”. Similarly, RAVP stated that “We try to drive it but everybody is involved...everybody contributes to the strategy... then everybody will own that paper in the end”. As illustrated by respondents, the head of the sector and the business strategy team were driving the strategizing within the sector and they were trying to involve different actors for agreement and communication purposes.

Only one of the respondents highlighted the involvement of lower staff in strategy, such as the salespeople who, as he stated, could provide information and feedback from the ground.

It was highlighted that sector heads discussed their businesses' strategy informally with trusted subordinates, who could influence their decisions. Similarly, the head of the strategy unit in the Corporate sector argued that the input of specific people in specific areas was essential. Also, at board level, sometimes key people in lower management were asked for their input. According to BM, “At different points in time you have the key operators of the different programmes...we get people involved in our channels of communication, between the board and the top management. We get active involvement of some of the middle management”.

Although this bank is mainly conventional, Islamic banking is offered by the bank. So, in terms of strategic issues related to Islamic banking, the Shari'ah committee influenced strategy participants, as they had to meet the criteria of the Shari'ah committee. According to VPSP, "It is an unstated thing that you have to be Shari'ah compliant. They need to also make sure that any strategy, any products that they come up with are Shari'ah compliant". None of the respondents highlighted the involvement of the Shari'ah committee. However, the Shari'ah committee's influence was because "All Islamic banking products, procedures and related brochures were reviewed and updated, plus a number of public clients' meetings were held with members of the Shari'ah committee, and 300 employees were trained in Islamic banking" (RB, 2011, 37). The Shari'ah committee was an independent Committee that consisted of three members; two were from the council of senior Islamic scholars and one was an independent scholar specializing in Islamic economics.

Moreover, Islamic banking department were participating in strategizing through developing Islamic banking initiatives and providing information and knowledge. Also, they were responsible for following up the execution of Islamic banking activities (RB, 2011).

#### *4.6.4.3.2.2 External Actors*

External consultants were used at board level to provide expertise and opinions on different and specific issues, such as defining the priorities and evaluating the performance and the position of the bank. Continuously consultants were used by the board. Furthermore, the corporate strategy office used consultants to develop the strategy templates.

There was common agreement that heavy use was made of the reports produced by rating organisations, regulator (SAMA) and business intelligence such as economists, Moody's and Reuters. Furthermore, one of the strategy unit heads argued that they communicated with customers in strategizing, for feedback.

## 4.7 National Commercial Bank Case

### 4.7.1 Overview of National Commercial Bank:

National Commercial Bank (NCB) was the first local bank, established in 1953. It was originally owned by the Bin Mahfouz and Kaki family until 1999 when the government acquired the majority of the shares through the public investment fund (69.3%) and organisation for Social Insurance (10.0%). The remaining shares (20.7%) are owned by private investors (Argaam, 2012). The largest bank by assets in the Arab world, NCB has a 20.1% of the market share in terms of total assets (El Zayat and Al-Ghalib, 2012).

This bank is classified as a domestic conventional bank. Although it is a conventional bank, it offers Shari'ah compliant services and products. The bank's major business lines are Islamic retail banking, consumer finance, corporate banking, wealth management, and investments. The paid-up capital is SR 15 billion (£ 2.5 billion). Total assets at the end of 2012 totalled SR 345.32 billion (£ 59.54 billion). The net profit for 2012 totalled SR 6.61 billion (£ 1.10 bn). It has 512 branches in the Kingdom, exclusively offering Islamic banking services. The number of the bank's employees reached 6,631.

In 2008 the bank made its first major acquisition in Turkey, with the purchase of 60 % of an Islamic Bank named Turkiye Finans Katılım Bankas. In addition, the bank has a presence in six countries, including Bahrain, Lebanon, Singapore, and South Korea.

### 4.7.2 Respondents

The number of interviews conducted in NCB was eight. The respondents were a mixture of people from top and middle management who participated in strategizing. The table below represents their background.

Table 12.4: NCB Respondets, Information

No	Job Title	Nationality	Experience in banking	Previous Experience
1	VP Strategy	Switzerland	2 Years	Consultancy
2	EVP Head of HR	Saudi	18 Years	Banking
3	Head of Strategy & Performance	Saudi	9 Years	Consultancy
4	VP Head of Strategy Consumer Finance Sector	South Africa	11 Years	Banking
5	Strategy Planning Manager Consumer Finance Sector	South Africa	11 Years	Consultancy
6	SVP, Head of Strategy Individual Banking Sector	Saudi	10 Years	IT
7	SVP, Head of Retail Individual Banking Sector	Saudi	12 Years	Banking
8	Head Business Management Corporate Banking Sector	USA	29 Years	Banking

Each respondent has been given a code reference: VPS = Vice President Strategy, EVPHR = Executive Vice President Human Resources, HSP = Head of Strategy and Performance, CFSVP = Consumer Finance Strategy Vice President, CFSPM = Consumer Finance Strategy Planning Manager, IBSVP = Individual Banking Strategy Vice President, IBRVP = Individual Banking Retail Vice President, CBHBM = Corporate Banking Head Business Management.

Basically, the bank has a central strategy office that is responsible for the overall strategy and helping businesses with developing their strategy. The head of this department (VP strategy) and his assistant (Head of strategy and performance) were interviewed. Moreover, within each business sector like corporate, consumer finance, individual banking there was a strategy department and four from the three sectors were interviewed. Lastly, one senior

executive who participated in strategizing from the business (Head of Retail) and support (Head of HR) were interviewed.

### 4.7.3 Strategy Approach

The bank had a five year strategy. This was agreed by all the respondents. Furthermore, it was stated in one of the published reports by the bank “NCB’s planning process involves two cycles: a strategic planning cycle to develop and review the Banks’ long-term strategy, and an annual operating plan (AOP) cycle covering each financial year” (NCB, 2012c, 53). This was the approach since the ownership changed in the late 1990s, as pointed out by the head of strategy and performance (HSP): “The bank has started to revamp its strategy in the late 90s, 1998, 1999. The bank shifted from a family-owned business to a private bank and the shareholders changed and that kind of helped us to refocus our strategy to build a commercial bank”.

The strategy planning manager in the consumer finance sector (CFSPM) described the approach as a top down approach: “The bank looks at it obviously holistically...So what they will do is, there will be a top down project, because the strategy has to be owned obviously by the leadership”. Also, the VP of strategy (VPS), HSP and the corporate head of business management (CBHBM) confirmed that argument. However, the senior VP and Head of Strategy in Individual Banking Sector (IBSVP) had another argument: “It's both, it's a dialogue, it's a continuous dialogue”.

In 2011 the bank developed a new strategy as described by the HSP and SVP. It was confirmed in the sustainability report that the bank in 2011 launched a new five-year strategy (NCB, 2012c).



## 4.7.4 Data Findings

### 4.7.4.1 Strategy Definitions

There was no common definition agreed by all the respondents and many of them had several definitions.

The majority agreed that strategy is a road map, blueprint and plan. For example, HSP claimed, “I think strategy to me is probably the roadmap to achieving a goal”. One of the respondents explained the blueprint as knowing exactly what are you going to do, while another respondent argued that it is a plan which defines the targets, set the priorities and allocate the resources. Furthermore, VPS gave a description of strategy which was, “I think I learned there that strategy is really about having the right idea, analysing a lot, doing a lot of preparation work, then taking the decision”.

The second agreed definition was that strategy is a goal or a target. For instance, HSP defined strategy as “I think it’s really about agreeing on a goal, agreeing on the parameters of achieving these goals”. As another example, CBHBM argued that “you’re in an operating environment today relative to your peers, and you should have an idea of where you would like to be, for example, in ten years’ time, five years’ time, let’s say five years’ time. Do you want to be bigger, by how much? Do you want to be... what market share do you want to have?”. Similarly VPS pointed out, “For me strategy is really defining a target that is going to differentiate you from the competition, and then defining a way to reach this target”.

The last identified definition was that strategy is a direction, focus and pathway. According to IBSVP strategy is “a direction, where are you going, why are you going there and by the end of this trip what is going to be different?”. A further explanation by respondents was to choose where to go and to decide where to play. According to IBRVP, “Strategy to me is

focus. So you really understand what you need to do...So it really focuses you on the important things that you want to do. And in large organisations it is essential to have strategies, so you can focus your resources, your manpower; you're even monitoring your resources on the right things".

As shown in figure 10.4, three respondents argued that strategy is a direction, plan and the goal, while one respondent's definition was that strategy is a direction and a goal. The remaining respondents had one definition.

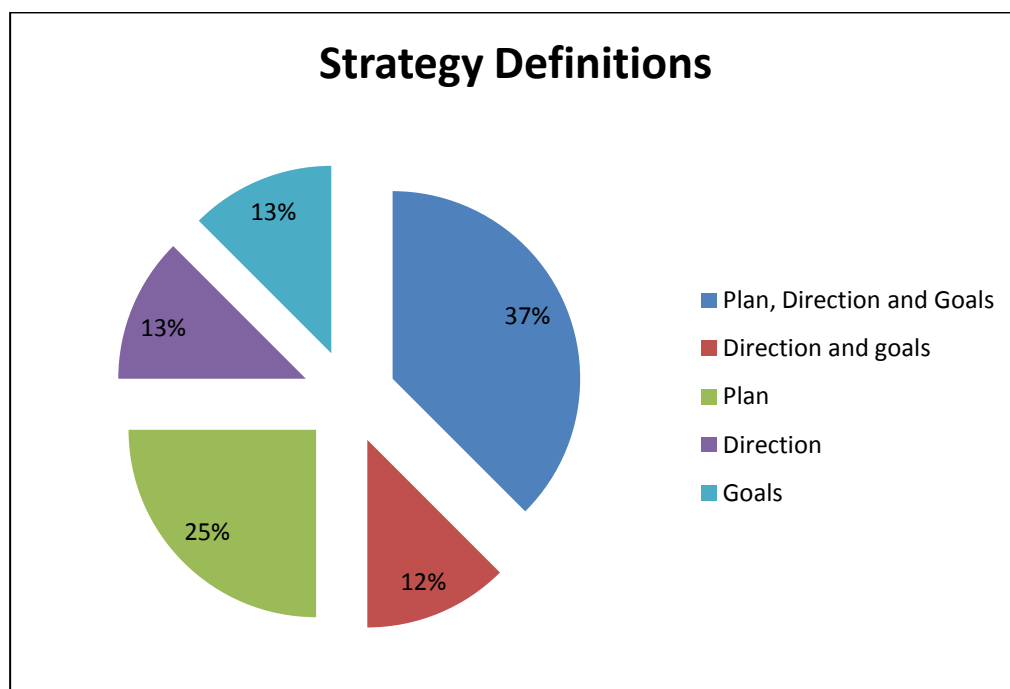


Figure 10.4: NCB Strategy Definitions

#### 4.7.4.2 Strategizing practices

##### 4.7.4.2.1 Shaping context

The corporate strategy team shaped the context and the output of other strategy participants strategizing through two activities. The first activity practised was providing all the strategy participants with the guidelines to follow. According to CFSPM, "There is a fixed procedure forms; it's like a guideline, a template guideline of how these things get done... In fact this is

highly structured”. For example, the strategy office developed an automated template to be followed by businesses. This was justified by HSP: “It’s a very rigorous process but because we want people to think about these things, you know, money is not free at the end of the day... and it’s really making them, helping them to focus on their top priorities only and not on everything”.

The second activity was engaging the strategy participants. At the beginning of developing the bank new strategy all the executive management were gathered to initiate the new strategy and the guideline was introduced. The CFO and the head of strategy led this activity and all the business heads attended this event.

Both activities were in the early stage of strategy developing. The guidelines introduced and the engagement of the strategy participants could change the strategy content and the process; therefore, this practice could be classified as an adaptive.

#### 4.7.4.2.2 Initiating

This practice concerns initiating and shaping new ideas and plans introduced by strategy participants. Mainly, initiatives were introduced by businesses either in the early stage of the strategy development or in the period of executing strategy. It was explained by the HPS that they were encouraging businesses to introduce new initiatives related to strategy because they did not want good ideas to be killed. The role of the strategy office was described by HSP: “Usually per year we have (received) maybe 200 initiatives going down to 30 or 40 because we want to focus them”.

According to CFSPM, the business strategy team would receive initiatives from different divisions within the sector. As stated by HSP, these initiatives could be classified into two types; one could change the strategy while the second category could be new initiatives complementing the current strategy. The process started with writing a business case for

every new initiative.

Furthermore, as stated by HSP, this bank was in the process of transforming to Islamic banking; therefore sectors were offering conventional and Islamic products and services. Therefore, the Islamic banking development group were involved in any Islamic banking related initiatives to ensure compliance with Shari'ah.

The initiation practice could be both recursive and adaptive. These initiations were routinely conducted by the strategy participants, and they could be consistent with the current strategy content and process or could radically change the content of strategy or the process of strategizing.

#### 4.7.4.2.3 Executing

It was identified that strategy office was responsible of preparing strategy presentations, plans, reports and documents in the corporate level. External consultants were used by them to help in writing the strategy document, as stated by HSP, "We write it (strategy document) ourselves with some external help, facilitation just generally to structure it. So maybe the facilitator will help us structure the key points but we do write it. Last time it was a joint effort. So they wrote pieces, we wrote pieces. This time we're going to be writing most of it. They're going to facilitate and help us. It's a checkpoint basically and they look at the structure, they look at how we write it".

At the sector level, the business strategy unit were responsible for preparing the strategy documents, presentations, reports and plans. Also, one of the strategy teams used consultants to help with writing the plans and documents, according to the head of the strategy unit using consultants helped in having depth and a high quality document. He highlighted that the document "was a bit different because they (consultants) could then use their resources because there was three of them just to go a little bit deeper, and they're also much better at

doing PowerPoint slides than we are. So the final package looked more professional and sexy and was tighter, was a little bit more in-depth than perhaps what we did in previous years”.

Moreover, the Islamic banking development group were responsible to prepare and write all the Islamic banking related reports, queries and plans. For instance, as stated in the sustainable report there is a regular report developed about the Islamic banking operation which includes all agreements, contracts, and transactions conducted and explain how they were compatible with the decisions and Fatwas issued by the Shari’ah Board (NCB, 2012c).

Producing documents, reports, plans and presentations were practised in the period of strategy developing and execution. This practice was more recursive as it did not affect or change the current strategy or strategizing.

#### 4.7.4.2.4 Collaborating

Strategy participants were collaborating and working jointly. Through this collaboration, ideas and plans were developed, information shared, decisions made and strategy constructed. This was practised at different levels.

At the corporate level, all the sector heads, CFO and VPS were jointly working together. In this level, the collaborating was done collectively and individually. Collectively it was done through the strategy events, while individually it occurred when the strategy team meet each sector head individually. For example, CBHBM argued that collectively the senior management “decide on the economic outlook, high level targets, KPI targets... And then what has to come and then prioritisation. They're going to determine which areas of the Bank have more priorities than other areas”.

For the central strategy team, collaborating practice was a core activity for the corporate strategy team. They interacted with different actors from top and middle management.

Through such collaboration, information was exchanged, recommendations and suggestions developed.

At the sector level, the local strategy team within the sector jointly worked with different business units. SVP claimed that the head of the sector, sector strategy head and the division heads through collaboration would come up with the sector strategy. IBRVP confirmed this by explaining that his sector strategy was developed by “about seven or eight people...They’re the division heads. The retail is divided into different divisions...Plus the boss is the head of the sector”.

However, some sectors used consultants to participate in the joint work of developing the strategy. CBHBM argued that in his sector, “the strategy co-ordinator will work with the consultant... they will then go and meet with each of the business heads”.

Furthermore, SAMA was identified as an actor that contributes to strategizing as stated by CFSPM “you would look at your regulators, what they are planning to do”. In same vein HSP pointed out “SAMA is the regulator, SAMA gives you rules and guidelines. So you cannot go outside of the rules and guidelines and the SAMA knows our strategy and we update SAMA with the strategy change of course”.

Strategy actors in NCB were collaborating to produce strategies and plans. The aim of this practice was to exchange information and knowledge and develop ideas and plans which could change strategy content or process; therefore, it could be classified as an adaptive practice. This was mainly practised in the period of strategy developing.

#### 4.7.4.2.5 Supporting

The central strategy team were supporting various strategy participants through different activities. The support was not only in the period of strategy development but also in

implementation. For example, HSP stated that they provided details of “what happened in the market over the last three years...what the competition is doing... the opportunities and threats in the market... how the international market is doing... what we're forecasting in terms of GDP, population growth, sectorial growth in the market over the next three years and then we say we think as strategy office, we think these are things we should focus on”.

One of the activities pointed out by respondents were supporting other strategy actors through advisory activities, as they provided knowledge, recommendations, expertise and resources.

An example, in terms of expertise and resources, SVP claimed that the strategy team were responsible for managing all businesses’ consulting engagements. Also, complex analysis was conducted by the central strategy team to support businesses. SVP stated that because the strategy team had the resources and capabilities to do the technical analysis and the research ability, they were information providers on issues related to numbers and trends.

Moreover, the central strategy team supported businesses with their initiatives mainly with writing the business cases. Similarly, this was practised by business strategy teams, who supported other strategy actors at the sector level.

Moreover, external actors were supporting strategy teams. The central strategy team used external actors like consultants, it was more informal. HSP pointed out that “there are a lot of informal discussions, advisory. We also have informal discussions with some of the consulting partners. So let’s say the CEO of McKenzie, BCG, Booz, they come in on a yearly basis to tell us about what’s happening in the markets’ world operators”. Also, HSP pointed out that media and business intelligence agencies such as Economist and Reuters were used as a major source of information. Additionally, it was stated in the annual report the usage of credit rating agencies as a reliable source of information in issues related to economy and industry (NCB, 2012a).

In addition, SAMA was recognised as an actor that supported strategists. For instance CFSPM pointed out, “When I say economics... we look at the SAMA website for information”. Similarly, IBRVP pointed out that through SAMA, information about the market and the industry was obtained.

Furthermore, the Shari’ah board and Islamic banking development group supported other actors through responding to their queries and providing guidance. Also, throughout the year they conducted awareness sessions to clarify and enhance the awareness of Islamic banking (NCB, 2012c).

Strategy participants continuously supported different strategy actors with knowledge, information, expertise and resources. This was a recursive activity as did not aim to change the strategy content or process. Also, it was practised in different periods of strategizing.

#### 4.7.4.2.6 Reflecting

The reflecting practice was performed in this bank through two activities: first the activity of reconsidering, thinking and looking for ways to improve strategizing; second, strategy participants’ training.

The head of the strategy team emphasised that reflecting and thinking about the strategy was a routine activity in which they tried to learn from the current or past situation and to improve the strategy and strategizing. Also, it could be done individually and collectively by the strategy team. As a result of reflecting, VPS stated they were currently proposing a new approach of strategizing.

However, it was stated that reflecting was not limited to the central strategy team but also other strategy actors reflected and this was done after strategy events, where each business head reflected on the output of these events with their teams. This reflecting would allow



them to reconsider the output and how it would affect the process or content of strategy. This was done in the stage of strategy planning. As argued by VPS and HSP, strategy participants were encouraged to do this reflecting with their teams between the strategy events.

Another activity highlighted by VPS was that the corporate strategy team were responsible for the strategy training of other strategy participants, which would enhance the skills and the capabilities of the strategy actors.

This activity could be classified as an adaptive activity, as it aimed to improve strategizing and the outcome of such activity could be a radical reorientation. Also, it was practised in different periods of strategizing.

#### 4.7.4.2.7 Coordinating

The corporate strategy team provided the strategy framework that the strategy actors would use in strategizing. This would influence the tools and the behaviour of strategy participants within the businesses. For instance, according to VPS, “Each business line receives the main parameters and guidelines and KPIs, and then each will define their strategy using the main themes and the main KPIs”. Moreover, IBSVP pointed out that each sector would follow the process of strategizing as it will be disseminated to them. IBRVP agreed with this, explaining that “We had a plan since the start. This is how we’re going to look at things and how we’re going to... how frequently we’re going to meet and what we need to deliver. So milestones from the beginning”. Furthermore, CBHBM claimed that they were “given some headline indications of which elements they see as being important to them going forward, and are also given some priorities to which areas of business they consider to be the most critical to stand behind in the next few years”.

These activities were practised by the central strategy team, who controlled and influenced the strategizing of other strategy participants. This practice aimed to maintain the strategy content and process. Therefore it was a more recursive practice.

#### 4.7.4.2.8 Facilitating

The strategy practitioners facilitated workshops, meetings and events to engage strategy participants. For example, the corporate strategy team conducted several top level workshops. This activity encouraged strategy practitioners to believe in strategy as it helped with the buy in, accountability and engagement with the strategy. The importance of involving different strategy participants was emphasised by HSP: “Buy in of the strategy is the most important thing... People have to believe in it, or agree at least, so that when they leave the room they don’t come and say, ‘Ah you know I don’t agree with the Corporate guys, what are they doing?’ They all have to support the strategy”.

However, in the corporate level workshops the central strategy team used consultants to assist them with facilitating. For example HSP gave an example of “to be in the room, to structure the discussions, because it’s easier usually to structure...and I go to the CEO and I tell him no, you know what I mean? Or to stop the CEO from saying something all right and external [consultant] can help structure it, because otherwise it might drag on and you want to finish it in time...So you really want it to be focused. So you probably need somebody external there to just help you do this kind of problem”.

At the sector level, the sector strategy office facilitated and hosted the business units’ workshops and events. For example, various offsite meetings were conducted. They ensured enough meetings; discussion and workshops were carried out by the business units, so they led these vents through involving the right people and encouraging them to be involved. CBHBM said “she (strategy coordinator)... is the person who makes sure that enough

meetings are held, discussions are held and also across sector because clearly we can't just do planning on our own and expect all the rest of the Bank to follow”.

This activity could be classified as a recursive activity as it aimed to involve participants in developing strategies and plans. It was mainly practised in the period of strategy developing.

#### 4.7.4.2.9 Integrating

The corporate strategy team collected the strategy ideas and plans from all businesses/sectors. All plans and strategies were consolidated in one strategy and one plan. As HSP pointed out, “We go to the business owners and we say, “Okay what are the things that you want to see happen?” and then we amalgamate this information”.

Similarly, the business strategy team collected divisions’ ideas and plans, according to IBSVP: “For each business you have consolidation, then it gets consolidated at the CFO office”. According to IBSVP, “In all sectors there is an area which helps the overall sector to amalgamate to get all the different pieces of the thinking process of getting businesses and ensure that there is a cohesive strategy for the sector”. Furthermore, IBRVP argued that the business strategy teams also integrated the strategy with the annual operating plans.

In one sector, the use of consultants in this activity was raised. CBHBM argued that consultants and the sector strategy officer would combine the input from all the businesses units. The use of an external actor was to assist the strategy team to do this activity.

This activity was conducted in the strategy planning period and mainly it was practised by the strategy teams. It was more a recursive activity as it aimed to maintain and integrate the strategy.

#### 4.7.4.2.10 Negotiating

The negotiation activities were conducted between strategy actors in both levels the corporate level and the sector level. The negotiation activity was conducted to reach an agreement on a strategic idea or report or plan. This was practised through all strategizing phases.

For instance, VPS pointed out that the past strategy had not succeeded for various reasons, which led several actors to lose faith in strategy. Therefore he had to negotiate with them: “ I was talking to the different senior executives of this Bank and I said we need to do strategy...the general consensus was no, no, no. Let's just define our priorities but we don't do strategy because it's useless, it's too much time and whatever...So it took me a couple of months to convince the people here. And to convince them to do strategy I had to first say how strategy would help us in a lot of the tasks we are doing”.

Furthermore, HSP stated that the strategy office negotiated the initiatives and strategies introduced by businesses as in order for them to be approved they had to be convincing. His argument was, “If the numbers make sense and the strategy makes sense we approve it. If it doesn't make sense we kill it”. When it comes to initiatives it could be proposed in any time, therefore the negotiation was practised in different periods of strategizing.

Business heads were practising negotiating with top management and corporate strategy office throughout strategy developing. For instance, CBHBM gave an example: “If we're the lowest priority we're going to have to fight very hard to get some resources”.

At the sector level, strategy participants practised negotiating and debating in order to agree and come up with a meaningful strategy and plans. Strategy had to be agreed by the heads of the businesses and the head of the sector.

Strategic ideas, plans and initiatives were negotiated and discussed by strategy actors. This activity was more adaptive as it was practised when changes could be made to the strategy process or content. Also, it was practised in different periods of strategizing.

#### 4.7.4.2.11 Translating

At the lower level of the organisation, strategy participants translated and interpreted the strategy to actionable level. For example they devised annual operating plans (AOP) after the strategy was developed. According to IBSVP, each year they developed a tactical version of the strategy.

VPS said that each business line would translate strategy through describing how to achieve strategy. EVPHR pointed out that AOP was “the blueprint of how to translate strategy into actions”.

This was a routine activity, practised by the business strategy teams, businesses heads and divisions managers. This practice aimed to maintain the current strategy; therefore it was a recursive activity. Also, it was practised in the period of strategy developing.

#### 4.7.4.2.12 Communicating

The communication activity is about communicating formally and informally the strategic plans, ideas, feedback, inputs and decisions. According to HSP, “There’s a lot of communication in any strategies that has to happen”.

Through communication, strategy practitioners ensured the understanding of the strategy and receive the feedback. It was conducted at multiple levels, the board level, corporate level and sector level. This is not only internally but also externally as strategy participants communicated with external actors to exchange information, gain feedback and ideas.

In the early stage of strategy, the communication was started by the corporate strategy team. They communicated the direction, ideas and information to all the business heads, in order for businesses to produce their strategies accordingly. As HSP pointed out, they were mainly doing alignment as they were communicating between the CEO, CFO and business heads. As stated by VPS, “You need one person to go and see each of the sector heads and say, look these are the main directions we're thinking about? And these are right now our research tells us this and that, what do you think about it? Before it (workshop). Because if you want the exercise to be successful when the people enter the room and they see the slide pack on their table, there should be no surprise. They all know what's in store, and now we just need to agree”.

Also, the corporate strategy team communicated informally with the board, to keep them updated and aligned with strategy, as stated by HSP, who argued that “they are aligned with what we do. They know that we're going through this exercise”. So, the board were aware and aligned with what strategy actors were doing before the presentation of the final strategy.

At the sector level, after the approval of strategy, the business heads and the strategy teams communicated the final strategy to all the business units. According to HSP, the head of the business would “present the strategy of the corporate and their strategy to their people because the beauty of strategy is that it has to be cascaded down to everybody”.

Similarly, IBRVP claimed that “I’m going on a communication plan trip because we want to take it to everybody...And not only by email, but by being available for questions and... all of us will be going everywhere. It’s not like, you know... it was done on a level and everybody did his to his people, then communication via email, now everybody goes to everybody...And we open the floor for questions and make sure it is clear to everyone”.

For the businesses, strategy communication was a continuous activity, to remind all the business units and to ensure understanding. Also, IBSVP stated that “We are trying all the time to remind people”.

The Shari’ah board and Islamic banking development group regularly communicated Islamic banking initiatives, products and services to customers. “In 2011, a number of meetings were held across the Kingdom between the Shari’ah Board, customers... resulting in the introduction of new or improved Islamic products and services” (NCB, 2012c, 10).

The activity of communication was conducted at different levels by strategy participants. In the early stage of strategy developing, it was mainly done for the purpose of alignment and this could be an adaptive practice as it could change the strategy content or strategy process. However, the communicating done after the approval of strategy and in the execution period was more a recursive practice as it aimed to confirm and maintain strategy.

#### 4.7.4.2.13 Reviewing

Strategy participants reviewed the businesses strategic plans and initiatives. For example, when sector strategy and plans were developed at the sector level, then they would be cascaded to upper levels for review, feedback, comments and approval. CFSPM claimed that “once these strategies are formulated and approved at the sector level, for example at the Retail bank level, it will go to the executive detail”. According to IBSVP, “If it's (the strategy) meaningful to the same group, the CEO and senior executives, they look at this together. And a decision is made by the leadership of the Bank”.

Then it would be cascaded from the CEO to the board members for review and approval.

EVPHR explained, “We have the CEO who's the Head of the organisation and then we have the Board of Directors and the Chairman. So it cascades from the business to the CEO and the CEO takes it to the Board for final approval”. This was the final review.

Throughout the year, initiatives were introduced by businesses and these initiatives were reviewed by an executive committee, which consisted of the CFO, SVP and some of the business heads such as the head of Retail, head of Corporate and head of Treasury.

Involvement of businesses was justified by HSP “because we want it to be a group thing. So the head of Corporate gets to understand how it is and gets to understand what the treasury business is doing”. Once an initiative passed this stage it would be reviewed by the CEO, then it would go to the board.

Furthermore, there was a regular review in the period of strategy execution. The corporate strategy team reviewed the financial performance of the strategy initiatives and its progress. This was a routine activity. According to HSP, “We have in the strategy team, I have an initiative measurement team and they measure all the activities and the finance team they measure the financial KPIs. So that's why we have this integration.. that's a daily thing”. According to SVP, the strategy department had three teams, one of which was dedicated to execution. Furthermore, he explained, “We check with the cost and with the budget where we are and we compare with the business plan, are we doing it right?”.

At the sector level, the strategy team reviewed regularly the performance of the sector strategy. Monthly and quarterly reviews were conducted by this team. For example, CFSPM stated that “there are certain things you need to make sure that happens throughout the year on an on-going basis. Some of the things like making sure there is a, a score-card in place. To make sure that the strategy is on track”.

Also, the review was not limited to the performance of the business but also the performance of the market and the economy. As stated by CFSPM, “We have dedicated people looking at it all the time... they look at what is happening in the market on a quarterly or monthly basis and then update the strategy where applicable, where we need to change things”. Similarly,



CBHBM claimed that it was necessary to “look at that on a more frequent basis because the economy and the results and the outcome of your plans over five years never go according to the plan”.

It was stated in the sustainability report that “The Bank’s strategy is tracked quarterly and reassessed every year by the Senior Management Team” (NCB, 2012c, 53). The senior management included CEO, CFO, business heads and support heads.

Furthermore, as stated earlier this bank is transforming to a Shari’ah-compliant bank; therefore, all the Islamic banking activities, services, initiatives and products have to be reviewed and approved an independent Shari’ah Board. As stated in the annual report “The Shariah Board examines every aspect of products and services offered by NCB. Regular meetings of the Board review and discuss new product development and existing product enhancements” (NCB, 2012c, 10).

Moreover, a division called the ‘Islamic Banking Development Group’ was established to “perform Shari’ah audits of approved products and services to ensure their ongoing implementation is in accordance with the Shari’ah Board’s resolutions” (NCB, 2012c, 12). In other words, this actor reviewed the execution of all the strategic initiatives and decisions related to Islamic banking that were approved by the Shari’ah board.

In addition, credit rating agencies were identified as an actor that contributed to strategizing through the assessment conducted. It was stated in the annual report that the bank heavily consider the evaluation “determined by reputable external credit rating agencies” (NCB, 2012a, 50).

The review practice was conducted in different stages of strategizing, in the period of strategy development and in the execution period. It was a continuous activity. In the first stage it was

more adaptive, while in the second stage it was more of a recursive practice as it aimed to maintain strategy.

### **4.7.4.3 Strategists**

#### **4.7.4.3.1 Strategists' Capabilities**

The common agreement was around three skills and knowledge required, technical, interpersonal and visioning.

Examples of interpersonal skills identified were relationship building, ability to work with people, ability to communicate ideas and convince people. According to HSP, “You have to be an exceptional communicator. People have to understand what you’re saying and an exceptional communicator is not about the perfect language, it’s about knowing who are you talking to and how to talk to them”. This is similar to CFSPM’s argument when he stated that “Strategy is about change, so you have to be a good change agent...if you can’t convey that change and show them where the benefit lies for them, you are never going to be able to work in strategy”.

A further skill mentioned was the visioning skill, which includes the ability to see insights, ability to view the big picture and ability to think outside the box.

The last part was technical knowledge and skills, which was mainly related to finance and economics. That was needed as the strategists had to deal with, for example, financial modelling, scenario analysis, economic factors, GDP growth and interest rates

In terms of knowledge, the need for knowledge of the industry and environment was pointed out. According to HSP, “You have to have a good background, probably some experience in different areas in the bank or in the banking industry. So for example if you’re only a retail guy and you worked in retail all of your life you can be a good strategist but your strategy is

probably going to be a retail strategy”. SVP justified this by arguing that if strategy practitioner does not have the knowledge of the industry this will make it difficult to understand how the business works.

#### 4.7.4.3.2 Strategy Actors

This part aims to identify the strategy participants as mentioned by respondents and referred to in the secondary data. Two types of actors were identified internal and external actors.

In terms of gender, only one woman participated in strategizing. She was a strategy coordinator in one of the business actors. Women constituted 10% of employees in the bank and none of them were in middle or top management (NCB, 2012c). During the interviews, it was noticed that women were working and the environment was mixed.

##### 4.7.4.3.2.1 Internal Actors

The board of directors had the last word in terms of strategy, as they were the ones who approved strategy. This was confirmed by all respondents and was stated in the sustainability report: “The Bank’s strategy and AOP are reviewed and approved by the Board of Directors... targets are reviewed, updated, and agreed with the Board... A consolidated AOP is then presented to the Board for approval” (NCB, 2012c, 53).

The bank CEO and CFO were the influential actors as nothing could be submitted to the board unless they approved it. According to HSP, “The CFO and CEO are the two key guys. CFO is the strategist basically at the bank and the CEO is the owner of the strategy obviously”. This was consistent with what was stated in the sustainability report: “The Chief Executive Officer, in conjunction with the Chief Financial Officer develops annual high-level targets for the Bank... An annual operating plan reflecting these targets ... is reviewed by the Chief Financial Officer, and finally presented to the Chief Executive Officer” (NCB, 2012c, 53).

The driver of the strategy was the CFO, as he managed the strategy office and the VPS reported to him. Furthermore, the business heads were the primary actors of the strategy as each was responsible for his sector's strategy. There were four business heads: the head of corporate banking, the head of consumer banking, the head of retail, and head of treasury. CFSPM confirmed this and explained that by arguing that businesses were the ones who generated business, while the support sectors were cost centres.

When it came to discussing and approving strategy, several actors participated but with less influence. These included the Chief Audit Officer, Chief Risk Officer, chief economist, head of HR and the head of Services. This group of people were classified as a support group. As highlighted by respondents, their participation was mainly to understand businesses' needs and to contribute especially in term of their ability to support businesses with their plans and strategies. Two respondents argued that the services and support sectors were influential. For example the CIO holds a unique power, as CFSPM explained, "Because if IT can't support your initiative, no matter how good it is, it can't be done... So the CFO and the CEO would have the ability to approve ...But guys like IT, they hold a different type of power".

Furthermore, VPS participated play a key role in the corporate level as he drove the bank's strategy with the CFO. VPS managed the corporate strategy office. HSP defined the role of the strategy office as "we are responsible for the corporate strategy, for the bank strategy... support and help the strategy for the CFO, CEO, the board, it's all done here". VPS stated that the strategy office contained "three teams: one about strategy; one about transformation; and one about execution", then he added one team called the skills building team, who were responsible for strategic skills training plus managing consulting engagements within the Bank. Also, he stated that the strategy office had "business analysts... One of them is really a financial analyst, another one is really economics, another one is more he's a data analyst".

Within sectors, each business sector had a strategy team. According to CFSPM, “ The strategy team own the end process”. The role of the strategy team, as argued by HSP, was to “help develop the business strategies for the business”. In one of the sectors, the strategy team numbered around ten.

Moreover, in addition to the sector heads and strategy team, the division heads and department heads participated in strategizing. For example, IBRVP stated that the heads of divisions and departments in his sector who participated in the strategy numbered eight people.

Furthermore, another actor identified was the Shari’ah board, as in terms of Islamic banking all initiatives had to consider compatibility with Shari’ah and in issues related to services and products, the board’s approval was mandatory. They examined every aspect of products and services offered by NCB. As stated by CFSPM, “Are your plans Shari’ah compliant? You know, is there an Islamic spin on it? Is it, you know, we have to make sure, we don’t want to do anything that contravenes with Shari’ah law”. This Board consisted of three members, one from the council of senior Islamic scholars and two scholars who specialized in Islamic banking, Shari’ah and Islamic economics. Monthly meetings of the Shari’ah Board were held to review and discuss all issues related to Islamic banking, such as the development of products.

It was stated in the bank website that the bank had established an Islamic banking development group under the supervision of the Shari’ah board. This group reported to the CEO and was responsible to provide consultancy services in terms of Shari’ah compliance to business sectors, support executive management in creating strategic plans for Islamic banking across departments and set up regulations and criteria for Shari’ah compliant

standards (NCB, 2012b). Also, this group managed relations between the Shari'ah board and all the business units.

#### *4.7.4.3.2.2 External Actors*

Consultants participated at the corporate strategy team level, as facilitators, moderators and advisors. As explained by VPS, “I will use consultants to challenge us, but not to define it. To define it we need to do it because it's our Bank. We know best what our Bank is capable of doing or not... Either they will challenge the strategies that have been made, and it's more in the meetings; or they will help transform the strategy into business plans”.

At the sector level, consultants were used by sectors but their participation was different in each sector. In one of the sectors, consultants were used more as a source of information, for example information on the market. In another sector, the participation was different as CFSPM pointed out that “we've used their input but they haven't been involved in the actual approval processes of that... it's to help in developing a strategy but, more often than not, to validate a course of action you've taken or chosen to take... because they don't have a vested interest in what is happening”. In a third sector, consultants participated with the strategy team in driving the whole process of strategy planning. In a newsletter which the bank issued quarterly, the sector head of individual banking stated, “We developed a strategic plan with an international company” (NCB, 2010, 14).

As stated earlier media and business intelligence agencies were identified as an actor where the corporate strategy team were used. Also, credit rating agencies were introduced as an actor as stated in the annual report “The Bank uses Standard & Poor's, Fitch, Moody's, and Capital Intelligence as External Credit Assessment Institutions” (NCB, 2012a, 141).

Furthermore, three respondents suggested regulators could be considered as a strategy actor. For instance, CFSPM pointed out that “you would look at your regulators, what they are

planning to do”. HSP explained that this was because they were not able to do anything outside SAMA rules and guidelines. Also he pointed out that the bank kept SAMA informed of its strategy and any changes in the strategy. IBRVP pointed out that SAMA reports were essential in term of data and numbers related to the economy and the local market.

## **4.8 Conclusion**

This chapter has presented the results of the six cases. Each case, started with some general information about the bank and respondents. Then the findings of the three themes were discussed.

The first part probed the strategy conceptualization, with an emphasis on strategy definition. After that, practices conducted by practitioners were analysed and presented. Thirteen practices were captured that banks’ strategists adopted in strategizing. They were classified into three types: recursive, adaptive and both. Finally strategists’ capabilities and strategists involved in strategizing were identified.

This chapter will be the foundation of the following two chapters. The next chapter will be a cross case analysis, which compares contrasts the results of all the cases.

## 5 Chapter Five: Cross Case Analysis

### 5.1 Introduction

This chapter is a cross-case analysis of the six banks studied (two Islamic banks, two local conventional banks and two international conventional banks). The chapter starts with an examination of how strategy was conceived by the strategists. Then the identified strategizing practices will be discussed, followed by analysis of the strategy actors' capabilities and participation. This chapter compares the findings of the three categories (Islamic, local and International).

#### 5.1.1 Strategy Definitions

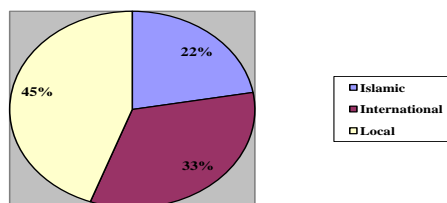
This section presents respondents' explanations of their understanding of strategy. There was no one definition agreed by all strategists in the banking sector. Findings show that strategists have different understandings of strategy and some of the strategists have more than one definition of strategy. This is consistent with assertions in the literature that there is no generic definition or one answer to what is strategy, due to the diversity of practitioners' insights and the fragmented and fragile academic literature (De Wit and Meyer, 2004; Mintzberg et al., 2009; Hofer and Schendel, 1978 ; Nag et al., 2007; Whittington, 2001; Markides, 2000). According to Kaplan and Norton, "no generally accepted framework exists for describing strategy" (2001,10).

It is worth mentioning that, clearly, from the language and argument used by respondents in this context, their conceptualization of strategy was influenced mainly by Western business schools' teaching and international consultancy firms (Heracleous, 2003). This is not surprising, given their qualifications and the fact that all banks had dealt with international consultancy firms either recently or in the past. Furthermore, the banking system and the first banks established in the country were Western. Also, in terms of manpower, Western people



had held the top and middle management positions in the banks since the beginning 50 years ago until now. They are fewer nowadays; however, the local people who are in leadership positions are influenced by the system, environment and the people they had worked with previously. For example, 36.5% of the respondents were Western and they held senior positions and took part in the decision making of the bank. Furthermore, 60% of the respondents' previous jobs were in international banks or international consultancy firms, all of which were Western. These Western influences can be demonstrated by the following example. A local practitioner in the strategy department in an Islamic bank stated that "Strategy in all respects for us is the bible". Using the bible as a metaphor would not occur readily to an Arab, and a Muslim, and it reflects exposure to Western culture where such a metaphor is used more often.

The most common definition by strategists in the banking sector is that strategy is a plan, guideline, roadmap or blueprint. It was argued by nine respondents from five banks (except one Islamic bank). This definition was more agreed by respondents from the local conventional banks (see Fig 11.5).

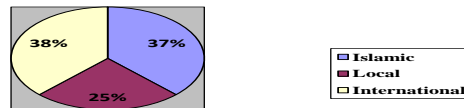


**Figure 11.5: Respondents That Defined Strategy as Plan by Categories**

A second definition was direction, a path and pathway. A similar definition given by strategists is that strategy is "where you're going". It was highlighted by respondents that

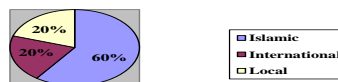
based on the direction (strategy) firms build their parameters and direct their resources, efforts and output towards the chosen direction.

Again, this definition was pointed out by respondents from all the three categories. However, as shown in the figure below (figure 12.5) it was more agreed by respondents in the international banks and Islamic banks.



**Figure 12.5: Respondents That Defined Strategy as Direction by Categories**

A third definition was that strategy is an objective, goal or target; what you want to accomplish, what you want to be and what you want to do. This definition was highlighted by respondents in all three categories (see Figure 13.5). A similar definition highlighted by participants was “where you want to be within a certain period of time”.



**Figure 13.5: Respondents That Defined Strategy as Objective by Categories**

As presented in figure 13.5, this definition was highlighted by respondents from all categories, but it was the most common definition in the Islamic banks category.

Furthermore, seven respondents considered strategy as all the above, plan, direction and objective. This was argued by respondents from the three categories (2 local banks, 1 international bank, 1 Islamic bank). It was more recognised in the local bank category, as four respondents' defined strategy like this.

Moreover, strategy was defined as a direction and objective. Also it was defined as an objective and plan. The former was defined by five respondents (2 local banks, 1 Islamic bank and 1 International bank) while the latter was defined by four respondents (2 local banks, 1 Islamic bank).

The last definition was that strategy is a direction and plan. This was the least agreed definition, cited by only three respondents from three banks (2 International, 1 Islamic). In terms of literature, one of the definitions of strategy was that strategy is the answer to two questions: where do you compete and how to do it? (Grant, 2002; McGee et al., 2005; Jarzabkowski and Balogun, 2009).

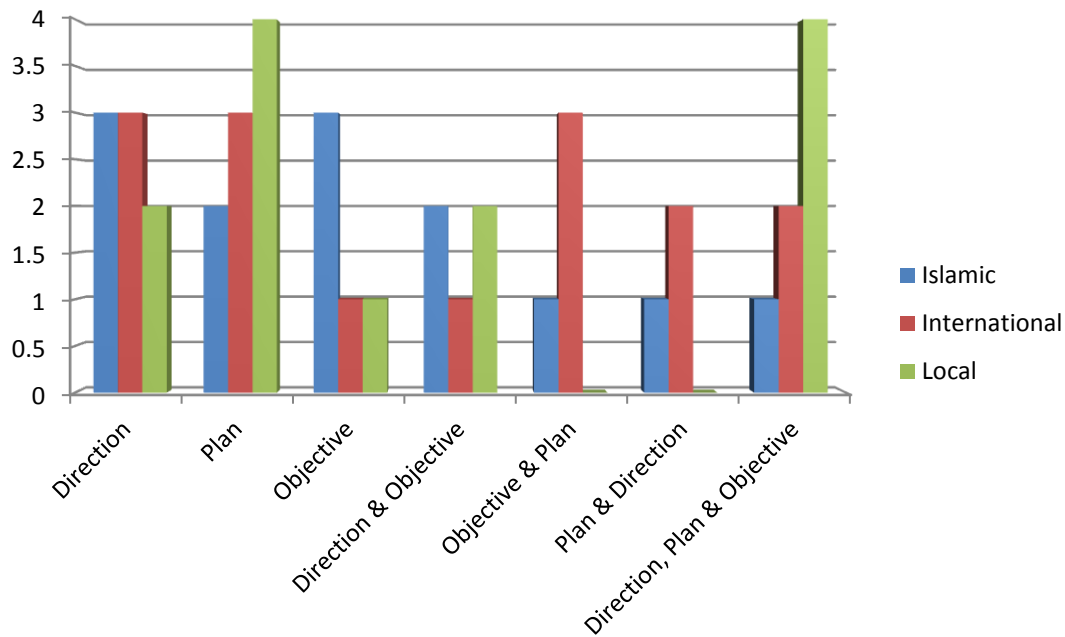
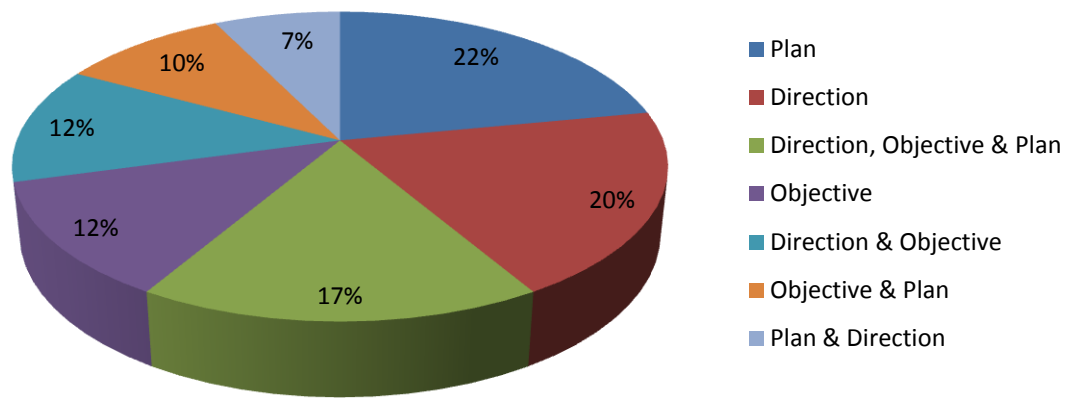


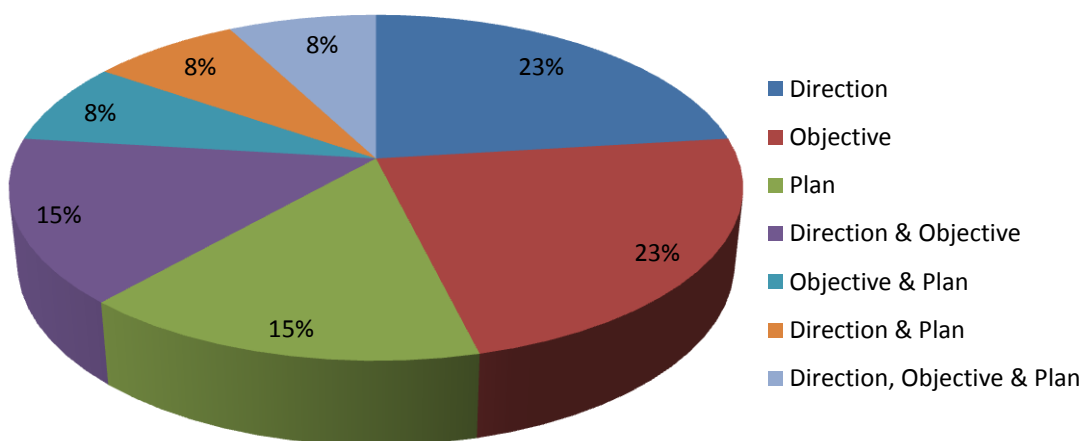
Figure 14.5: All Strategy Definitions by Categories

The above graph show all the definitions highlighted by respondents in the six banks. Clearly, strategy as a direction, strategy as plan and strategy as objective and plan were the definitions most recognised by international banks, while for the respondents from the Islamic banks, strategy as direction and strategy as objective were the most recognised definitions. For the residents from the local banks, strategy as plan and strategy as direction, objective and plan were the most recognised definitions. Only strategy as direction was agreed by two categories, the international and local. Two definitions strategy as objective and plan, and strategy as direction and plan were not recognised by of the respondents from the local banks.



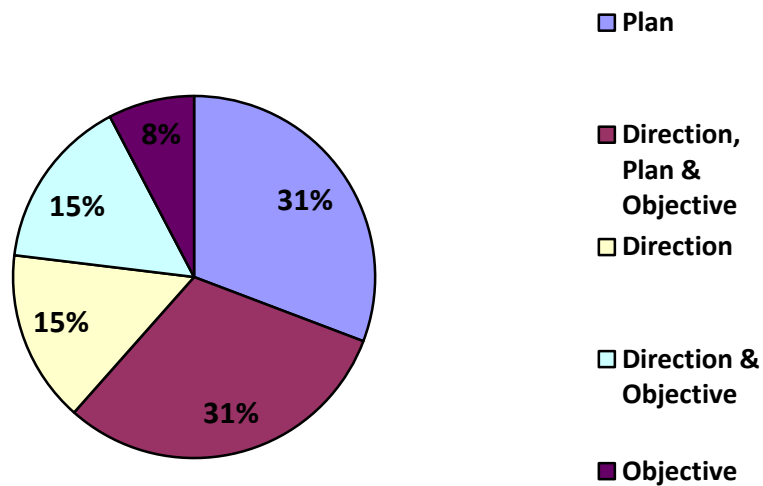
**Figure 15.5: All Respondents' Strategy Definitions**

In terms of conceptualization of strategy in Saudi banks, as shown in the above figure, in the six banks strategy as plan was recognised by 22% of respondents, followed by strategy as direction (20%). Furthermore, strategy as direction, objective and plan was recognised by 17%. Then strategy as an objective and strategy as a direction and objective were identified by 12% each. Lastly, strategy as objective and plan, and strategy as plan and direction accounted for 10% and 7% respectively.



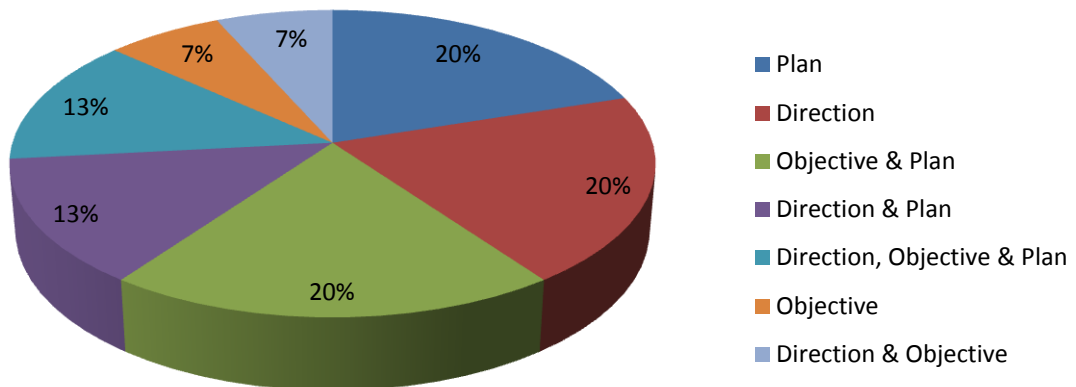
**Figure 16.5: Islamic Banks Respondents' Definitions**

In the Islamic banking category, respondents defined strategy as strategy as direction and strategy as objective with 23% each, followed by strategy as plan and strategy as direction and objective with 20% for each. In contrast, in local banks, strategy as plan and strategy as direction, objective and plan were the most cited definitions with 31% each. For the international banks, strategy as plan, strategy as direction and strategy as objective and plan were the most frequently cited definitions, with 20% of participants.



**Figure 17.5: Local Banks Respondents' Definitions**

As shown in the above figure, respondents from the local banks recognised strategy as objective the least, followed by strategy as direction and strategy as direction and objective.



**Figure 18.5: International Banks Respondents' Definitions**

Practitioners from international banks, as presented in the above graph, acknowledged strategy as plan, strategy as direction and strategy as objective and plan more than other definitions, followed by defining strategy as direction and plan and strategy as direction, objective and plan and finally fewer people recognised strategy as an objective and strategy as a direction and objective.

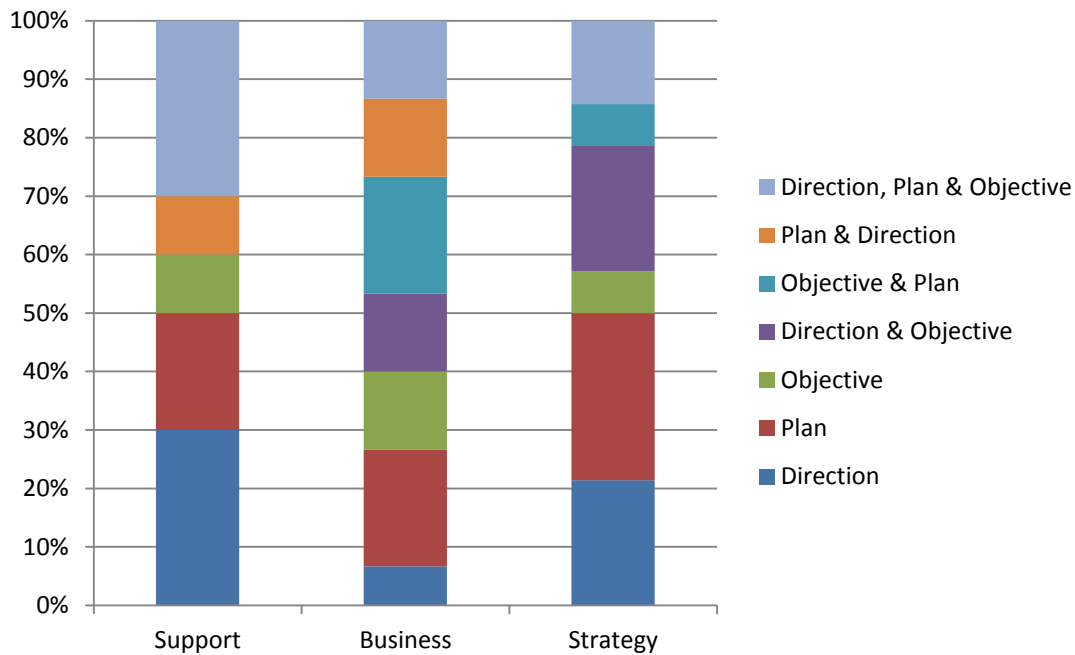


Figure 19.5: Strategy Definitions by Functions

Respondents in all six banks were classified into three groups: businesses, support and strategy. The business group includes people who work for the retail, corporate and treasury sectors. Support includes people who work for departments like operations, IT, HR, operation and marketing. The strategy category contains people who work for the strategy department or function.

The above graph (figure 19.5) shows that respondents from the business category viewed strategy as a plan and strategy as an objective and plan more than any other definition.

Support respondents defined strategy as direction and strategy as a direction, plan and objective more than any other definition. Among strategy people, strategy as a plan was the most common definition.

In conclusion, strategy practitioners ascribe different meanings to strategy. Although they may participate in strategizing for the same organisation, strategy conceptualizations are different for different people. In general there is an agreement that strategy is conceptualized



as deliberate, rational, intended and long term. However, there was disagreement as to whether strategy is an activity or a tangible thing.

## **5.2 Strategizing Practices**

This section addresses the practitioners' key strategizing practices as expressed by interviewees. This part addresses the third research question, which concerns the activities and practices engaged in by the strategy practitioners.

Thirteen practices were recognized. In the three bank categories, there was agreement on eleven practices, which include shaping the context, initiating, executing, collaborating, supporting, facilitating, integrating, negotiating, translating, reviewing and communicating. The remaining two practices, reflecting and coordinating were less agreed.

### **5.2.1.1 *Shaping Context***

Shaping the contextual conditions was stated by practitioners in all banks as performed in the period of developing strategy. Basically, there were two activities. The first one was related to the formats, guidelines, templates and the outline of the strategy standards that businesses were required to follow and submit at the end of the day. This activity was identified in five banks (2 local, 1 International, 2 Islamic); the remaining bank used did not perform this activity, as it was done by a consultancy firm. The second activity was the engagement of strategy-related participants; this was practised in all the banks.

Regarding the first activity, the central strategy department played a key role in defining the output expected of other teams. For example, templates were distributed to all strategy participants, which they had to follow in strategizing. These templates shaped the strategy output in terms of data type, structure, length and presentation or document styles. In two banks (1 local and 1 international) external actors were involved in shaping the strategy

format expected of businesses. The local bank used a consultancy firm while the international bank (international) used the mother bank's expertise.

Context-shaping was practised differently in each bank. For instance, in one local bank, the strategy office had created an automated and systematic template that businesses could follow.

For the second activity, in two banks (1 international, 1 Islamic) that used consultancy firms, all the consultants' team and all the top management were gathered at the early stage of strategy development. In the case of the international bank, the head of strategy introduced all the participants, explained the organisation structure and distributed the contact information of all team members to all the attendees. Also, he asked all the participants to give the consultants full access to all the information required; also he gave permission to all the consultants to meet anybody in the bank.

Similarly, for the remaining banks, at the beginning of the strategy exercise all the top management were gathered to create a formal connection and synergy between them. Also, in three banks (1 Islamic, 1 International and 1 local) it was identified that at the sector level, the sector head and the senior managers were gathered in the early stage of strategy development and this was the engagement of the strategy participants.

According to Paroutis and Pettigrew (2007), shaping context as practice aims to shape the contextual conditions in which strategy participants operate. In all three categories, these activities were done in the early stage of strategy development. For the first activity, the central strategy team were the primary actors and consultants were involved in the case of two banks. For the second activity, the head of the bank, the central strategy team and sector heads were the key actors. However, in one of the local banks the CFO was the key actor, as the strategy team was under his supervision.

There was common agreement that the main reasons for this practice were for alignment and consistency. However, one of the respondents in one Islamic bank argued that they were using this because some of the strategy participants were not mature in terms of defining strategy and they were practising this to focus their energy. Similarly, one of the respondents in one local bank argued that this practice helped with having strategy participants focused on the top priorities.

This practice could influence the way strategy participants strategize as, for example, in one of the activities all participants have to follow and perform according to output standards. For all the banks this practice was an adaptive practice.

#### **5.2.1.2 Initiating**

Strategy participants in all the banks were establishing and initiating new ideas, projects or plans related to strategy process or content. This was practised in all the banks. In five banks it was practised in different periods of strategizing, while in one bank it was referred to as practised in the period of strategy developing only.

In terms of initiating strategic ideas related to the strategizing process, it was highlighted in four banks (2 international, 2 Islamic), that this was mainly established by the CEOs and by the central strategy team but two of those four (1 international and 1 Islamic) hired consultancy firms to participate in this practice. One of the international banks depended heavily on the mother bank in shaping the new process.

In terms of initiating strategic initiatives, ideas and plans related to the strategy, in all of the banks this was conducted mainly at the business level by the business owners with the participation of the business strategy unit (if the sector had such a unit) or the central strategy department and the external consultants (in the case of three banks: two international and one Islamic). It is worth mentioning that the focus of respondents of five banks was more on the

businesses sector while only in one bank was the support sector identified as an actor that has an input in this practice. So, at the sector level it was identified in all the banks that the sector heads were involved in initiating. In five banks (the exception being one international bank) the divisions' heads were introduced as an actor in this practice.

In one of the banks (Islamic) the board was involved in this practice and this could be explained by the fact that this bank was a family business.

In the Islamic banks all initiatives related to products, services and transactions had to be Shari'ah compliant. Similarly, it was the case in three conventional banks. Therefore, in these five banks (two Islamic, one International, two locals) they had a department related to Islamic banking. In the Islamic banks it was named as the Shari'ah group, while in the remaining banks it was variously named financial solutions team, Islamic banking department and Islamic banking development group.

In five banks (except one local bank) regulators were identified as an actor that could contribute to this practice. In addition, credit rating agencies were recognised an actor that played a role in this practice; this was the case in three banks (2 Islamic and one international).

Respondents in five banks (two Islamic, one local, two international) argued that it could be practised at any time, either in the period of strategy development or execution. However, it was mainly in the early stage of developing strategies or plans. It could occur due to changes that could be faced internally or externally, or, if anything went wrong, or because as they moved forward strategy participants gained more understanding of the initiatives and their impact, which led them to establish new initiatives. In terms of changes, internally means there management changes, while externally means the influence of external circumstances

such as market changes. While in the sixth bank (local) it was only in strategy development period which was conducted annually.

This practice was classified as an adaptive practice in four banks (two Islamic and international) as it sought to change or amend the strategy process or content, while in one of the local banks, it was classified as a recursive practice as it was practised annually and followed the direction provided by top management. For the sixth bank (local) it was both adaptive and recursive, it was said to be a routinely conducted practice, as all strategy participants were encouraged to put forward initiatives at any time, and these could be consistent with the current strategy content and process or could radically change the content of strategy or the process of strategizing.

### ***5.2.1.3 Executing***

In the banking sector, executing practice includes activities such as preparing presentations, strategy documents, plans, business cases and reports. This was highlighted by respondents from all the banks.

The central strategy offices in the banks were heavily involved in these routine activities.

Three banks (1 local, 1 international, 1 Islamic) hired consultants to support them in conducting some activities such as writing the strategy documents, business plans and implementation plans. They used consultants for various reasons, but mainly due to the ability of these international consultants to help them in producing a high quality and in-depth documents and presentations.

In addition, it was pointed out that the strategy departments in two banks were responsible for preparing the raw materials needed in strategizing and conducted continuous research and analysis on strategy related issues.

On the sector level, the businesses heads in four banks (2 Islamic and 2 International) were involved in this practice. Again the focus was more in the businesses sector as in only one international bank the supports heads was recognised. In addition, in the local banks the strategy business units performed similar activities, but on the sector level. One international bank had staff, part of whose responsibilities was to be strategy coordinators and handle these activities on the sector level. In the remaining banks that did not have a business strategy unit/officer it depended either on the sector head or in the divisions managers. In two banks (one international, 1 Islamic) consultants played a role in this activity.

In the Islamic banks and in one local bank, the Shari'ah group and the Islamic banking department were practising this practice as all the related Islamic banking reports, plans and queries was prepared by them.

This was classified as a recursive practice as such routine activities were related to the current strategic thinking and process. Furthermore, in all the banks these activities were practised in the period of strategy planning and strategy execution.

#### ***5.2.1.4 Collaborating***

In all the banks, strategy participants worked jointly in teams to develop strategic plans and reports, develop strategic thought and ideas, define priorities, form collective decisions, and exchange information and knowledge.

These groups of activities, as stated by informants, helped strategy participants to cooperate with each other to understand each others' plans, to explain the rationale behind strategy related issues, to understand the needs of different functions, to achieve alignment between different business sectors and to help with the buy-in of the actors involved.

The conduct of this practice was done in a variety of ways. In all the banks there was continuous collaboration between the head of strategy, business heads, support heads and division managers, either one to one or collectively with the management team and either at the corporate level or at the sector level.

In five banks (except one Islamic) external consultants were part of these activities either in the corporate level or in the sector level. For example, in the international banks, expertise from the mother bank was involved in one of the workshops. Furthermore, in one local bank the strategy group at the board level used consultants on various occasions, for instance in prioritizing, while in the other local bank, one of the sector's consultancy firms was involved in all joint activities related to developing the sector level strategy.

Furthermore, in four banks (2 international, 1 Islamic and 1 local) the CEO of the bank participated in some activities; the interactions here were either between the head of strategy and the CEO or collectively with all the management team.

In two banks, board members were part of this practice but again, it was practised differently. For instance, in one international bank the consultant was interacting with them, while in one local bank, the board formed a strategic committee who played a key role in strategizing.

Within the sector, in three banks (1 local and 1 international), the business strategy unit or the coordinators (who acted like SBU) were driving this practice at the sector level. In two other banks (1 international and 1 Islamic) the external consultants were driving this practice. In the last bank (Islamic) the heads of the businesses were driving this practice with the support of the central strategy office.

In two banks (1 local and 1 international) the front line staffs were recognised as participants in these activities. Also, in two banks (1 International and 1 local) regulators were recognised

as an actor involved in this practice. In addition, customers were recognised as an actor that has a role in this practice, this was the case in two banks (1 international and 1 local).

Moreover, in one Islamic bank the head of the Shari'ah group were involved in this practice. Also, in one International bank the subsidiaries' heads were recognised as participants in this practice.

It was identified that collaboration among strategy participants was a continuous practice mainly in the period of developing strategy. This practice could be classified as an adaptive practice, as it aimed to develop ideas and plans, share knowledge and as a result, it could radically affect strategy.

#### ***5.2.1.5 Supporting***

It was agreed by respondents from all banks that the central strategy team supported all other businesses with various activities. The common activity in all the six banks was that the strategy team distributed knowledge and information. Also, they provided expertise, advice and resources. Issues related to expertise included complex analysis or problem solving.

However, other activities mentioned were more adopted in certain banks. In one Islamic bank the strategy team conducted training for other strategy participants from various businesses.

These activities were done in different periods of strategizing. For example, problem solving activities were performed more in the period of strategy execution. According to HSP (local), "The strategy activities are the transformational activities. So supporting the implementation of the strategy... me and my team, the strategy team... we helped devise it and we want to help implement it". Other activities, such as analysis, were performed more in the period of developing the strategy and plans.



In four banks (2 local and 2 international), on the sector level, the business strategy team/coordinators/ businesses heads played the same role of support as the central strategy team. They supported different divisions' managers and senior managers within the sector. Also, it was recognised that support heads in two banks (1 international and 1 local) and business heads in one international bank were practising the above mentioned activities.

As an external actor, in five banks (except 1 local bank) external consultants were supporting strategy participants. For instance, in one international bank the strategy group in the mother bank supported the MD, central strategy team and other strategy participants with knowledge, expertise, resources and advice. Other banks used consultancy firms. In addition, in all the banks, credit rating agencies were identified as external actors that were a valuable source of information, which supported the strategists throughout strategizing. Similarly, the business intelligence agencies and investment banks were considered as an actor that was involved in this practice. This was the case in three banks (2 local and 1 International).

Moreover, regulators were recognised in four banks (2 International and 2 locals) as an actor that contributed in this practice. Additionally, vendors were considered as an actor two banks (1 Islamic and 1 International) that were supporting strategist with their knowledge and sources. In a similar vein, strategists' friends and colleagues, either in the industry or outside the industry, were considered as an actor that practised supporting activities.

Furthermore, the Shari'ah or Islamic banking department in five banks practised supporting, as they provided expertise and resources to strategists throughout strategizing. In one Islamic bank the Shari'ah board also supported strategists.

In all the banks, it was identified that these activities were practised continuously in different periods of strategizing. This practice was mainly done by the central strategy team on the corporate level and at the sector level. This was explained by respondents as being because

the strategy team have resources, capabilities and access to all strategy information. Also, on the sector level, the business strategy team/coordinators and the businesses heads performed these activities. In terms of external actors, one international bank had the advantage of using the resources and expertise of actors in the mother bank and other regional offices around the globe.

Supporting was a recursive practice in four banks and a recursive and adaptive practice in two banks. In the latter cases, the support from external consultants made it adaptive while the support from strategy teams in the same banks was a recursive practice. For instance, the continuous support from the strategy teams and business heads was more to sustain current strategy, while the use of external actors resulted in radical change.

#### **5.2.1.6 Reflecting**

Reflecting was a practice identified by respondents from four banks (2 local, 1 international and 1 Islamic). The common activity in the four banks was to think about and reconsider the ways of improving strategy process, content and ways to deliver strategy. The second activity introduced by two strategy managers was the training and development of the strategy participants. As a result of both activities, strategy participants proposed new processes or tweaked the strategy content.

The first activity was highlighted by three corporate strategy heads, one business head and one business strategy unit head. In the case of the business head, there was no strategy unit at the sector level, so he was primarily handling the responsibility of his sector's strategy.

Regarding the second activity, several examples were given by respondents. For instance, one of the strategy heads argued that he needed to be updated with any new trends that could add value to the strategy. He claimed that he attended various strategy related conferences and training.

The common agreement was that the reflection practice was performed by strategy departments. On the sector level, the head of the sector or the business strategy manager could practise these activities, individually or collectively. In other words, these activities were mainly practised by people whose primary responsibilities were related to strategy. However, in one local bank the head of strategy claimed that different strategy participants were encouraged to practice reflection, especially in the period of strategy development where after the top management workshops businesses sector were encouraged to reflect on the output of these workshops with their teams.

In two banks it was determined that these activities were practised mainly in the strategy execution period. In one bank (local) it was practised in different periods of strategizing. While in the fourth bank it was recognised in strategy developing period. This practice could be classified as an adaptive practice which aimed to learn from the past and look for opportunities or ways to improve strategy and strategizing.

#### ***5.2.1.7 Coordinating***

Coordinating practice consists of a variety of activities; basically it was practised by the central strategy team. Such activities were performed to control and influence the activities of other strategy participants. This was argued by respondents from five banks (2 Islamics, 2 locals, 1 international). This practice was not identified in the remaining bank (1 international); this could be explained by their heavy dependence on consultants.

Although activities were practised differently in the five banks, the central strategy team provided all strategy participants with the framework they had to follow. The frameworks for all the five banks included the direction, broad headings, the focus of each business and guidelines. For two banks (1 international and 1 local), it was highlighted that the framework included the high level objectives, targets and parameters for each sector.

Several actors were identified as involved in this practice, such as the CEO, board and external consultants. For instance respondents indicated that the framework that includes the directions, focuses and priorities provided was influenced by the CEO of the bank or the board of the bank. This was the case in two banks (one Islamic, one local). In one bank (Islamic), consultants were involved in coordinating practice.

Another activity practised by the central strategy department was developing a calendar followed by businesses, which included all the activities, milestones and deadlines for each step they needed to follow. This was again practised in all the five banks. Coordinating practice, as explained by several informants, was essential for alignment and consistency purpose; also it helped practitioners to focus their efforts on certain strategy related issues. Therefore, this practice could be categorized as a recursive activity, as it aims to maintain strategizing. Furthermore, it was practised mainly in the period of strategy developing.

#### **5.2.1.8 Facilitating**

The strategy teams in the corporate and sector level facilitated events to include different strategy participants in strategy developing, including workshops, meetings and seminars. It was practised in all banks. There was common agreement that such practice would increase the accountability and buy-in of the strategy by different participants. Also, through these events, engagement of different actors would be greater as they would participate in the discussion and be part of the decision making process. Furthermore, it ensured that enough meetings and discussion were carried out. Finally, it helped with alignment between different businesses' functions.

In three banks (1 Islamic, 1 international and 1 local), external consultants played a role in facilitating these activities. The role of consultants was to structure, facilitate and manage these events, for example, to manage the discussions, ensuring that they remained focused.

Only in the local bank, some of the business strategy teams used consultants to help in facilitating these activities.

On the sector level, this practice was conducted in three banks only (1 Islamic and 2 international) where the head of the sector was handling this practice.

Mainly it could be argued that this practice of facilitating was handled by the strategy team on the corporate level and the sector strategy team on the sector level. Consultants and sectors heads were used to facilitate strategy events. Facilitating could be classified as a recursive activity, as it aimed to involve and engage different strategy participants and is more concerned with increase the accountability and buy in. Also, it was mainly performed in the period of strategy making.

#### **5.2.1.9 Integrating**

Integrating practice is concerned with collecting and amalgamating strategy actors' strategic ideas, thoughts, information, reports and plans. This was practised in six banks.

The strategy team in all the banks consolidated all participants' inputs into one combined plan or strategy. Also, it was argued that the central strategy team aligned all the inputs with the general direction of the bank. As stated by respondents, practising these activities could enable the strategy team to maximise the output of the strategy, to have middle ground and linkages between participants, to have cohesive plans, to eliminate any conflicts and duplications and finally to ensure consistency.

It was agreed in the all the banks that the central strategy team and business strategy teams primarily conducted the integrating practice. In two banks (one Islamic, one local), external consultants were used and played a key role in this practice. In the former case, the

consultants were involved heavily in the corporate level, while in the latter, consultants were used at the sector level.

In five banks this practice was mainly conducted in the period of strategy making while in one International bank this was practised in the strategy execution period. This practice could be a recursive practice as it was an activity which did not radically change the strategy process or content.

#### ***5.2.1.10 Negotiating***

Strategy participants practised debating, challenging and questioning of strategic ideas, initiatives, projects, targets, performance and plans while strategizing. Through strategizing participants were involved in a continuous discussion in order to reach agreement, validate ideas, or convince others.

This practice was identified by respondents in all the banks. In all the banks the strategy teams were continuously challenged other actors on their ideas, plans and performance and tried to convince them of directions, suggestions, decisions and ideas. For example, the strategy head of one of the local banks highlighted that he spent a lot of time in negotiation to convince the senior management in the bank to change the process of strategizing.

In five banks, the CEOs were practising negotiating with other strategy actors. For example, they were challenging the hired consultants on their proposed ideas, plans and strategies. Similarly, the board in two banks (one Islamic and one local) were recognised as an actor that practised the abovementioned activities.

In all the banks the business heads were practising negotiating. Likewise, support heads in four banks were involved in this practise. Mainly those heads were trying to convince the CEO, board and the top management team of their plans and strategies. In a similar vein, the

consultants were recognised an actor that was practising negotiating. This was the case in two banks (Islamic and international).

In addition, in one of the local banks the divisions' managers in the sector level were identified as an actor that was practising this practise. The example, was highlighted is that they were proposing new initiatives or plans needed to be negotiated with strategy team, the middle and top managers.

Negotiation activities were practised by various strategy actors. It could be classified as an adaptive practice, as it most probably was practised when there were changes in the process or the content of strategy. Furthermore, in five banks it was more practised in the period of strategy making. However, for one local bank, it was a continuous practice in different periods of strategizing, mainly because of the initiatives introduced throughout the year.

#### ***5.2.1.11 Translating***

Strategy participants translated and interpreted the strategy into detailed actions. This included translating the strategy into budgets, operation plans and detailed project and initiative plans. For one of the local banks the interpretation of strategy into numbers was mandatory to obtain approval for strategy from the board members. According to several participants from the banks, interpretation was necessary due to the breadth of strategies. This was agreed by respondents from all banks. The strategy teams and businesses heads were the key actors in this practice; this was the case in the banks.

However, it was practised differently; for instance in two banks (1 Islamic, 1 international) consultants played a key role in this interpretation. In three banks (1 Islamic, 2 International) support heads practised in these activities. In the four banks, (1 Islamic, 1 international and 2 locals), divisions heads were practising translating.

There was common agreement among respondents that the interpretation and translation of strategy into actions and plans was essential to execute strategy effectively. Also, it was stated that through this practice, businesses on the lower level could ensure consistency and linkage of businesses' activities with the wider strategy. In one of the Islamic banks, respondents claimed that the team responsible for conducting this practice with businesses had been established in order to exercise control and come up with realistic progress.

For this practice, strategy actors were interpreting the bank's strategy into plans and projects. Here, strategy participants used their understanding to influence all the plans and actions. This practice could be more recursive as it was intended to maintain and sustain strategy. It was practised mainly in the period of strategy developing.

#### ***5.2.1.12 Communicating***

Strategy participants communicated strategic ideas, inputs, suggestions, decisions and plans formally and informally, this was the case in all the banks.

In three banks (1 local, 1 international, 1 Islamic) the board were identified as an actor that practised communicating activities, for instance in the period of strategy developing the board provided the top management with the direction that they expected the strategy actors to follow.

The CEOs in four banks (2 Islamic, 1 local and 1 international), strategy departments (in all the banks), businesses (in all the banks) and support heads (in five banks except 1 local bank) were heavily involved in communicating practice.

In addition, external consultants hired either in the corporate level or in the sector level were practising communicating activities. For instance, in one international bank, the consultants



presented the bank's new strategy to every sector and distributed documents that contained all businesses' strategy and plans.

Formal and informal communication in the early stage of strategy developing was mainly for the purpose of obtaining feedback and alignment between actors.

After the approval of strategy in three banks the divisions managers were more involved in communicating practice as they were engaged in communicating, announcing, explaining and passing all the ratified strategy and plans to their subordinates.

In four banks, Shari'ah board and Shari'ah group or Islamic banking department in conventional banks practised communicating activities. For instance, they communicated Islamic banking ideas and plans to staff and customers.

It was explained that continuous communication was essential, because people had to be reminded; it helped to enhance the understanding of strategy and make sure everybody was aware of the new strategy. Furthermore, it would help in the strategy execution.

For all the banks, communication was a continuous practice; it was conducted in the period of developing the strategy and in the execution as well. In all the banks communication was practised as a recursive and adaptive practice. It was recursive when it mainly aimed to pass messages and it could be classified as adaptive when feedback could lead to strategy amendment.

#### ***5.2.1.13 Reviewing***

In the period of strategy making, the strategy participants reviewed the proposed strategic plans, ideas, decisions, projects, reports, documents and initiatives; this was done in all the banks and in various levels of management. In all the banks, various strategy actors participated in reviewing the strategy related issues submitted by businesses or consultants.

However, it was identified that in the period of strategy execution, strategy practitioners reviewed the performance and the progress of strategy execution. The review was done on three levels: sector level, corporate level and board level.

On the sector level, in all the banks the sectors heads and the strategy business units/coordinators reviewed the strategic plans/ initiatives proposed on the sector level.

On the corporate level, in four banks (2 international, 2 local) the executive/steering committee which included the CEO/GM/MD, head of strategy, businesses' heads and support heads reviewed collectively the proposed strategic ideas/ plans/ initiatives. In the remaining two banks (both Islamic) the CEO and the head of strategy reviewed businesses strategic plans and contributed in the adjustment of these plans.

In all the banks, as a final step, these reviews were submitted to the board for review and approval. In two banks (one local, one international), there was a sub committee under the board and one of its key responsibilities was to review and monitor the bank's strategies and plans. In the local bank, this committee contained five board members only, while in the international bank the committee included both board members and senior management.

Moreover, in all the banks, all the initiatives and projects related to Islamic banking had to be reviewed and approved by Shari'ah board.

In the period of strategy execution, strategy practitioners periodically reviewed the strategy performance and progress. This was practised in all the banks but it was practised differently. The review of the performance and progress was done on different occasions by different actors. For example there were daily, weekly, quarterly and annual reviews.

On the board and top management level, performance was reviewed quarterly and annually. However, in one of the local banks that had a subcommittee (strategy group), they reviewed

strategic plans and initiatives every two months. Moreover, in one of the Islamic banks the top management conducted a review every month.

For the central strategic departments and the strategy business unit department or for the business heads in cases where there was no strategy unit, there were daily, weekly, monthly and quarterly reviews of the strategy performance and progress. Only in one Islamic bank, did the strategy department conduct the review every two weeks.

In four banks in the three categories (2 local, 1 international and 1 Islamic), the central strategy team and the business strategy team (in 2 banks) additionally reviewed the market and the performance of the economy as it had huge impact on all the strategies the bank applied.

Lastly, in five banks (two Islamic, one international and two local) the Shari'ah group and Islamic banking department reviewed the execution of all Shari'ah board decisions related to initiatives, products, services, transactions and the processes, to ensure their compliance with Shari'ah.

In one of the international banks the external consultants were used for reviewing the performance, these external consultants were from the mother bank. Also, in term of external actors in all the banks the credit rating agencies were recognised an actor that used to evaluate the bank performance.

In summary, strategy participants reviewed the strategic decisions, plans, reports, initiatives and projects proposed in the period of strategy making, and they reviewed the performance of the strategy in the period of execution to ensure progress and alignment. Such a review could be both recursive and adaptive practice; in the period of strategy developing it could make

changes while in the period of strategy execution it was more for ensuring the consistency and alignment of plans and performance.

### **5.3 Strategists**

This section presents respondents' perceptions of the capabilities required for practitioners involved in strategizing, followed by identifying actors who were performing strategic activities and contributed to the strategizing practices, as described by respondents and identified in the secondary data.

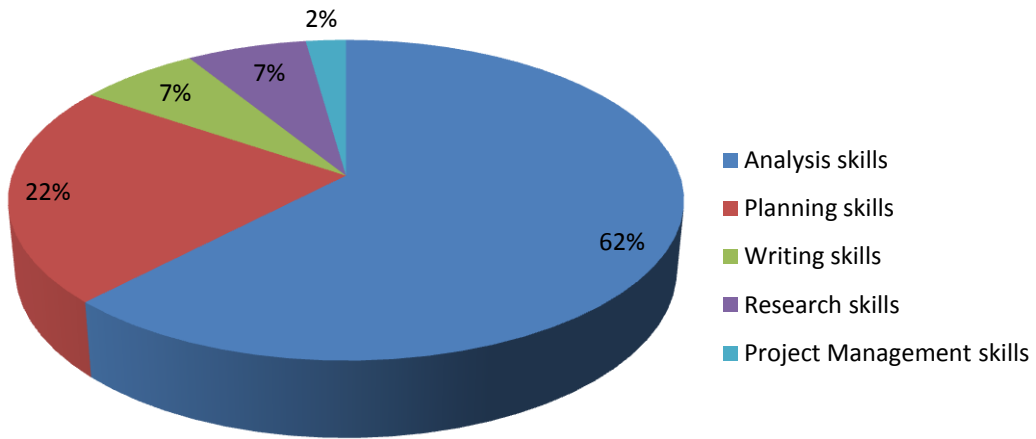
#### **5.3.1 Strategists' Capabilities**

Strategy practitioners conceptualized strategists' qualities by defining the skills and knowledge required for strategizing in the banking sector. There was no major difference identified between the practitioners' perceptions in term of the skills and knowledge required.

Here, the focus is on the strategy actors' skills and knowledge requirements. Three broad classifications introduced by Boyatzis (1982a) and Winterton and Winterton (1999) were utilized for the discussion. They are: technical capabilities, interaction capabilities and meta-level capabilities.

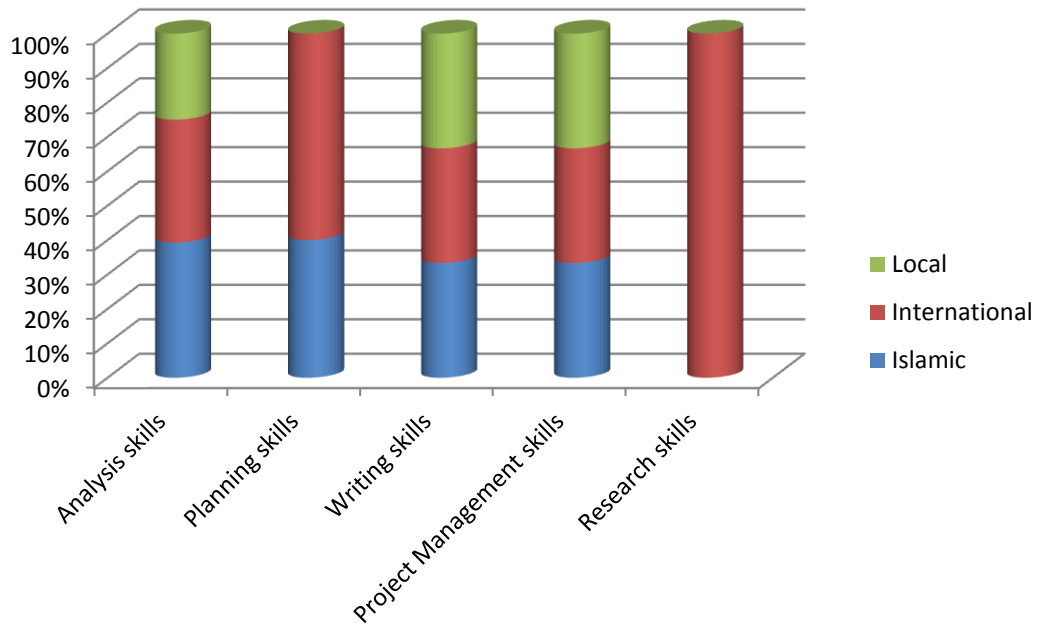
##### **5.3.1.1 Technical Skills**

This theme represents the first category of respondents' perception of the required skills for strategists. The first agreed group of skills were the analytical, planning, writing, research and project management skills. These skills were the ones most commonly cited by respondents in all the banks, as shown in figure (20.5).



**Figure 20.5: Strategizing Skills as Mentioned by Respondents**

As illustrated in graph (21.5), the analysis, writing and project management skills were highlighted in all three bank categories. Planning skills were emphasised by respondents from international and Islamic banks. Finally, research skills were pointed out only by respondents from the international banks category.



**Figure 21.5: Technical Skills by Bank Categories**

Furthermore, there was consistency in perception of the need for technical knowledge, which includes the knowledge of industry, strategy, management, finance and economics. This knowledge, as stated by respondents, is a combination of long experience and knowledge gained through training and education. As shown in the graph below, industry knowledge was the most commonly agreed knowledge required in strategizing, as perceived by respondents.

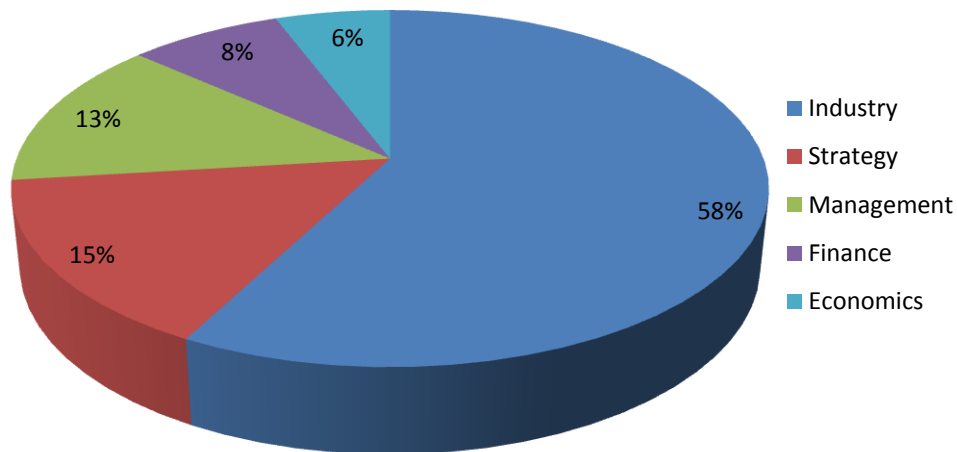


Figure 22.5: Technical Knowledge Mentioned by Respondents

As shown in figure (23.5), industry knowledge was recognised more by the international banks, by the Islamic banks.

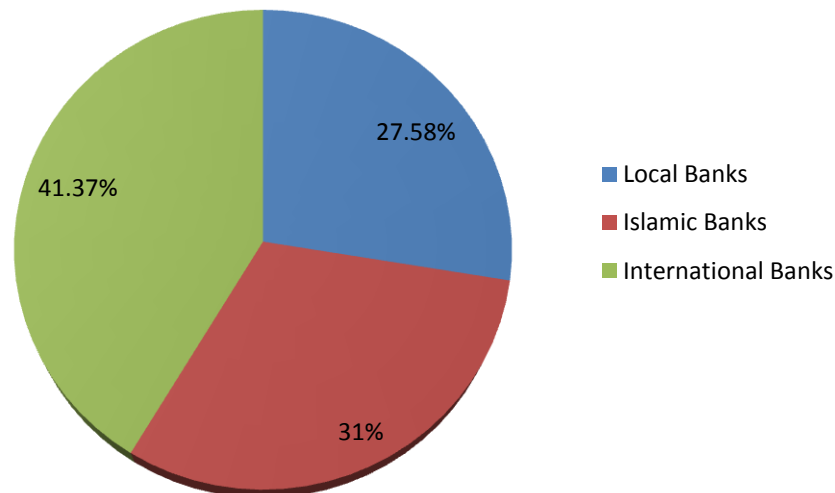


Figure 23.5: Industry Knowledge

The second point made about knowledge was the need for business and strategy management knowledge. This is a kind of technical knowledge that will enable the strategists to deal with the daily routine, such as the strategy discussion, analysis and in the usage of tools or models (Whittington, 1996). This was pointed out by respondents from all banks, and explained further by a COO (Islamic) who claimed, “I think you have to have a competency around

business management; so I have a great idea but unless I can articulate how much, for what benefit, it's a concept. So taking it from a concept to a definitive set of actions is a competency that is about business management and business planning". A justification was highlighted by GHR (International): "Good understanding of leadership, management, because if that is lacking then you can't put the strategy into practice". Examples of strategic management knowledge drawn from respondents were as follows: knowing how to form strategy, and about strategy tools and strategic planning. According to GHH, "I think the basics of strategic management are important. Some people, surprisingly, have been in management for a long time but they don't know exactly what strategic management is".

In terms of finance knowledge, this point was raised by respondents from four banks covering all three categories (two local, one Islamic and one International). The economy was mentioned by four banks, the Islamic and local ones. Change management knowledge was stated by only two respondents from one local bank.

The importance of financial knowledge was asserted by SPM (international), who explained that having this knowledge will enable strategists to read financial details and understand what they mean and what they should do to react to these numbers. In terms of economics, HSP (local) the importance of economics: "knowing the economic factors, GDP growth and interest rates".

The kind of knowledge most agreed by respondents to be important was business management knowledge. Business management, finance and economy were recognised by all categories. In contrast, strategy knowledge was suggested by respondents in two categories, Islamic and International, while change management knowledge was mentioned only in the local banks category.



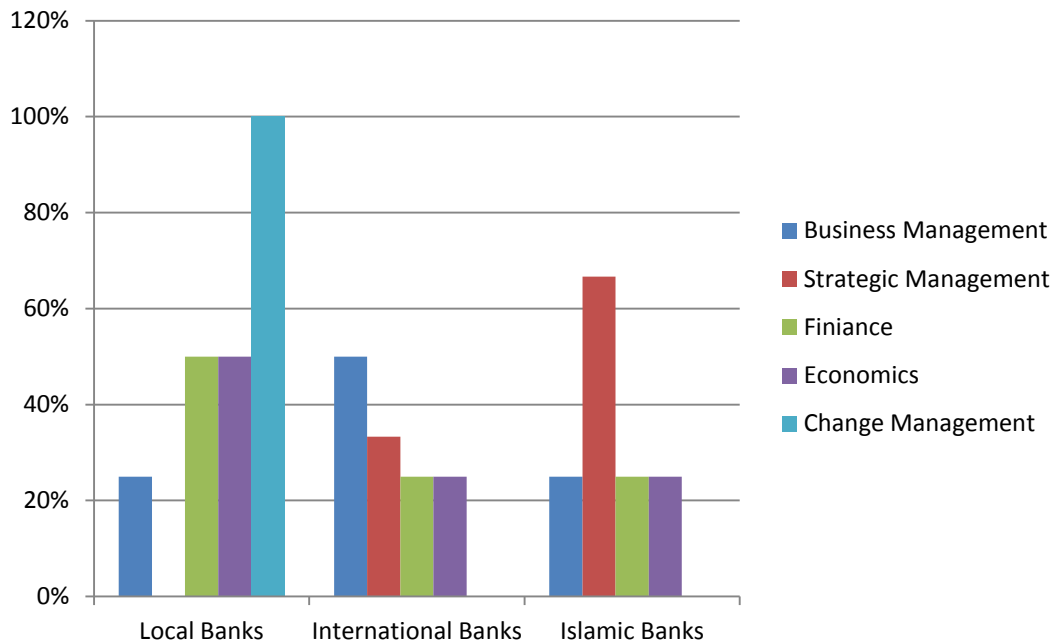
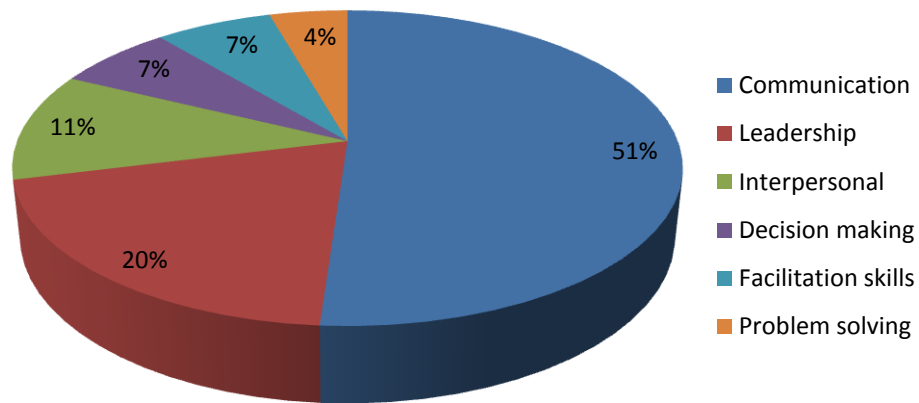


Figure 24.5: Required Knowledge as Perceived by Categories

### 5.3.1.2 Interaction Skills

The second recognised category of skills was the communication, leadership, interpersonal, decision making and problem solving skills. These are presented in the literature as the interaction ability, as strategists could use soft skills in strategizing effectively. Examples drawn by interviewees included the ability to communicate with different actors, negotiate, push, convey, coach or network with others.

The importance of communication skills, as mentioned by respondents, was to have others appreciate, accept and understand strategists' ideas and decisions.

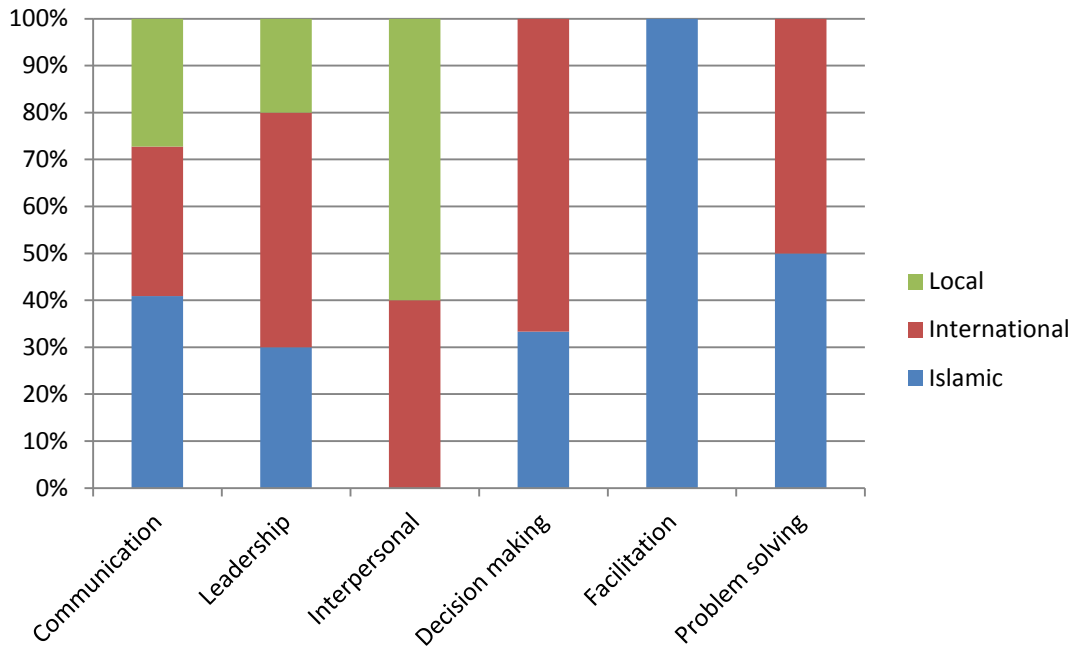


**Figure 25.5: Interaction Skills**

As shown in the above diagram, communication skills were the skills most recognised by strategists, followed by leadership skills. Problem solving was the least mentioned skill.

In terms of leadership skills, it was stated that it is essential to bring people together, to have the ability to make decisions, to trust and delegate others, direct and guide people.

The interpersonal skills are essential in strategizing to work with people. Respondents argued that working with people and building relations is an important skill as strategists sometimes need to push people, work with people, negotiate with people and ask tough questions.



**Figure 26.5: Interaction Skills Mentioned by Respondents in Bank Categories**

As shown in the above diagram, communication and leadership were recognised by respondents from all three bank categories. Decision making and problem solving were pointed out by respondents from international and Islamic banks, although both skills were more emphasised by respondents from international banks. For the interpersonal skills, practitioners from the local and international banks identified such skill, but it was more recognised by the former respondents. Finally, facilitation skills were only highlighted by respondents from Islamic banks.

### **5.3.1.3 Meta-level Skills**

The third group of skills agreed by all banks was visioning, creativity, forward thinking, and conceptualizing skills. As stated by respondents, these skills will enable the strategists to foresee, for example, the impact of the strategy, how things will evolve and risk associated with any strategy applied. Also, they will help in realising the bigger picture and thinking out of the box. For example, GHH (International) pointed out, “Another skill I think is like visioning... rather than to live within the moment and under the constraints of the moment”.

As illustrated in graph (27.5), the visioning skills were the most recognised skills in this category, followed by forward thinking and creativity skills respectively.

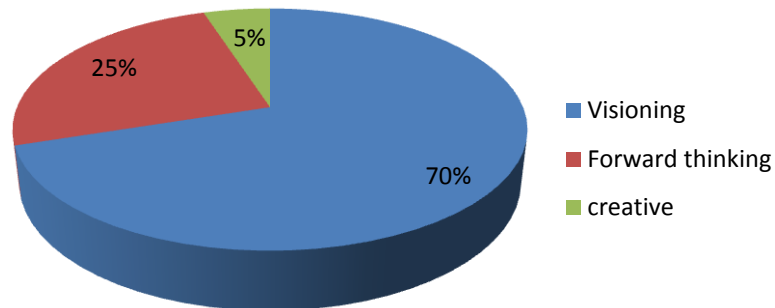


Figure 27.5: Meta-Level Skills

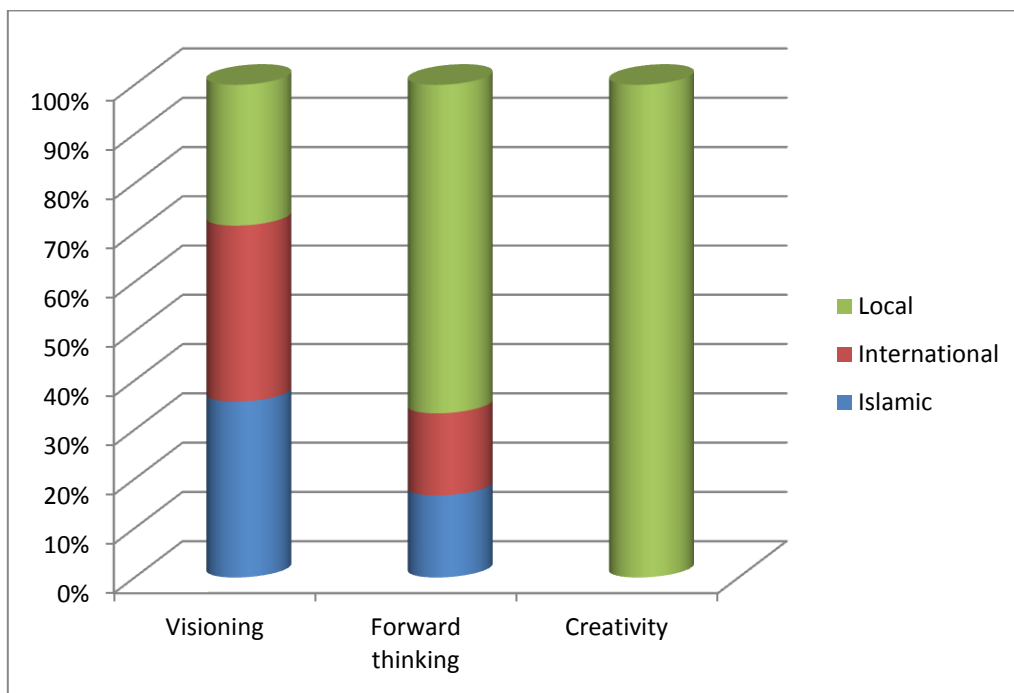
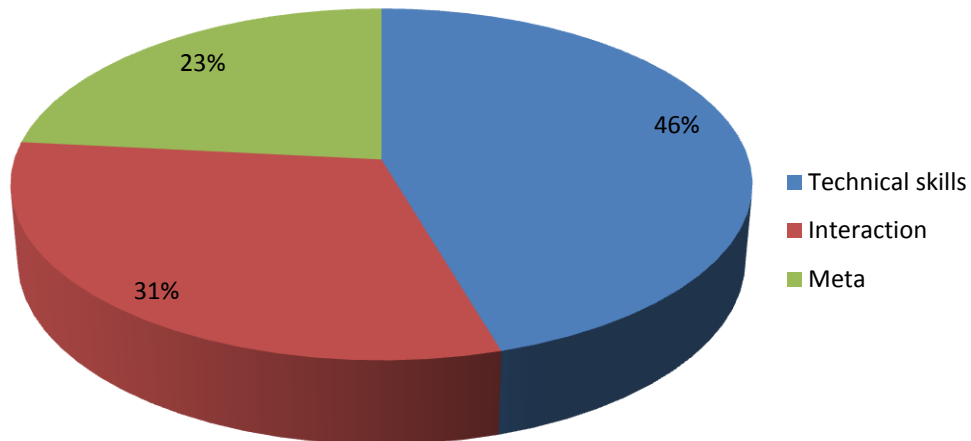


Figure 28.5: Metal-Level Skills Mentioned by Respondents by Bank Categories

As shown in graph (28.5), visioning and forward thinking skills were highlighted in all the three categories. The creativity skill was only highlighted in the local banks category.



**Figure 29.5: Strategists' Skills as Perceived by Respondents**

As shown in figure (29.5), in general the skills most recognised by respondents were the technical skills, followed by the interaction and meta-level skills respectively.

As shown in graph (30.5), technical skills and Interactions skills were the most frequently suggested by practitioners in the international and Islamic banks, while the meta-level skills were the most recognised in the local banks.

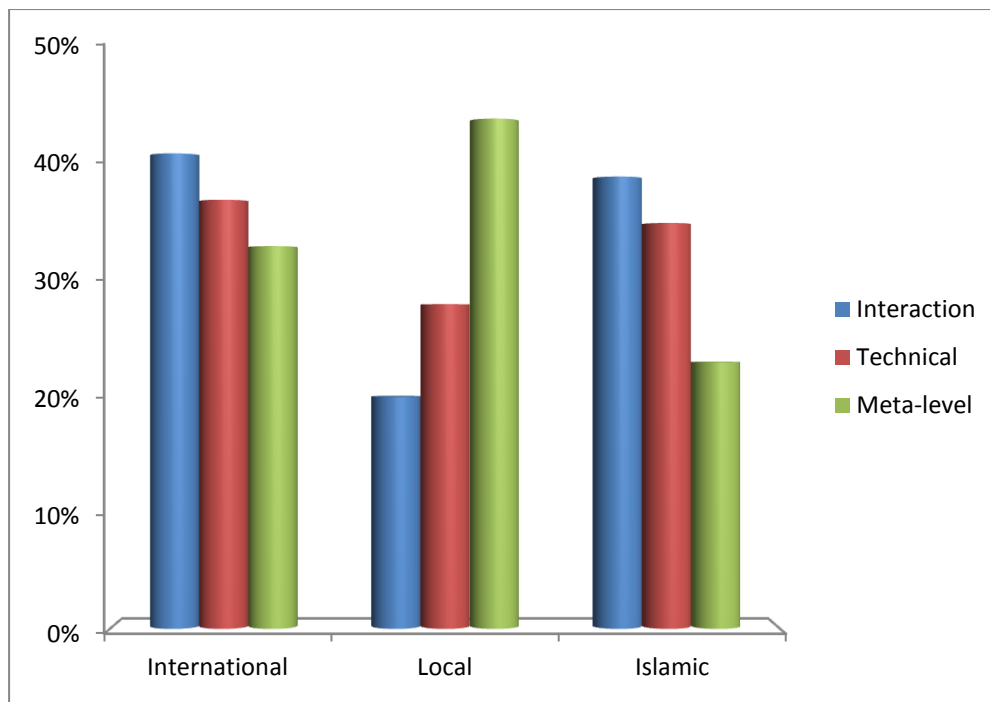


Figure 30.5: Skills as Suggested by Banks

### 5.3.2 Strategy Actors

Actors were classified into two categories, internal and external, each of which was further divided into formal and informal. ‘Strategy actors’ refers to all actors who performed strategic activities, for example, those who were part of the strategy cycle, attended workshops, were involved in decision making and contributed to the strategizing practices, as described by respondents and identified in the secondary data.

In terms of gender, all the strategy participants in all the banks at the corporate level were male, as none of the six banks had any women at a senior level. Only in one bank (local bank) at the sector level, was there a female strategy participant, and she was the strategy coordinator of that sector. However, all banks employed women, for example in three banks (one international and two local) women constituted between 10% to 20% of employees. Furthermore, there was a difference in the work environment, in that in some banks the work environments were mixed, while in others the work environments were segregated.

### **5.3.2.1 Internal Actors**

All banks agreed on seven actors as follows: Board members, CEO, CSO (chief strategy officer), CFO, business heads (retail, corporate and treasury), COO (operation) and CRO (risk).

#### **5.3.2.1.1 Board of Directors**

In all the banks the board of directors and the CEO of the bank held the power of the approval of all strategies, plans and strategic decisions. However, it was clear that the power or the influence of the board varied; for example in one of the Islamic banks there was common agreement that the board usually did not have much input, unlike the CEO, who was not only a board member, but also his family owned the highest share in the bank and his father was the chairman of the board. In contrast, in two banks (one local and one international) the board had formed a subcommittee that supervised all strategic activities and handled all the strategic decisions. For the former bank, the committee only included board members and was headed by the chairman, while in the second bank the committee was headed by the MD and contained four elected board members. Furthermore, it was identified in the second Islamic bank that the chairman was the most powerful when it came to the strategic approval and decisions. For example, the new strategy was formed after he was appointed. Since then, three different CEOs had been appointed within a four year period and no changes of the strategy had been made.

It is worth mentioning that the number of board members varied, it was between eight to eleven members. The graph below shows the exact number in each bank.

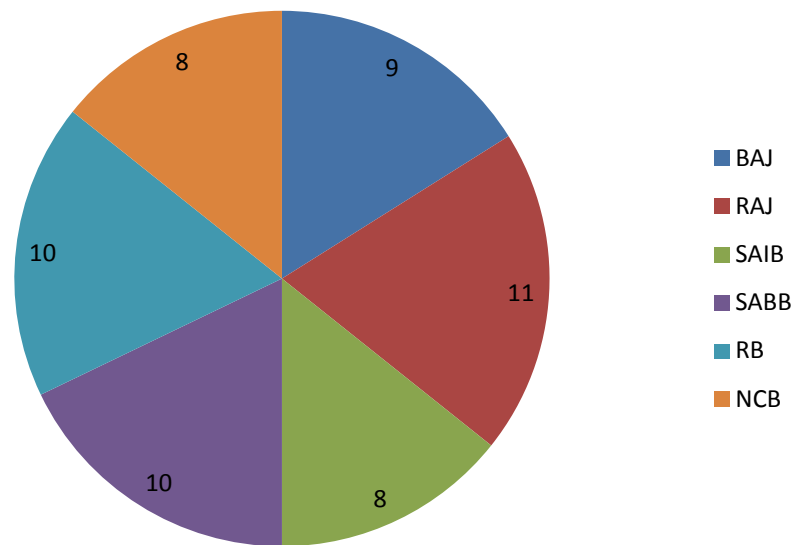


Figure 31.5: Number of Board Members in Each Bank

#### 5.3.2.1.2 CEOs and DCEOs

The CEO and DCEO in three banks (Islamic, international and local) were the most influential as all strategic activities, plans and decisions were formed at the corporate level. For instance nothing could be introduced to the board or the strategy committee unless they approved it. Again, their power and influence varied. For example, in the international bank the MD managed the strategic committee which was formed by the board. Also, it was noticed that three CEOs were board members and this was the case in two Islamic banks and international bank. As another example, in one of the local banks, the DCEO managed all the business sectors (Retail, Corporate and Treasury) and all the heads of the abovementioned sectors reported to him. Such a position gave him a powerful authority. As further example, in one of the local banks the corporate strategy office reported to CFO, so the CFO was a key strategic decision maker, while interaction with the CEO was less compared with all the other banks.



#### 5.3.2.1.3 Middle Managers

Basically the middle managers could be classified into two groups: the business heads and the support heads. Also, it includes their deputies. Businesses are profit centre sectors, while the support sectors are the sectors that support businesses, such as operations and finance. In all the banks it was clear that business heads were more influential than all the other senior managers in the bank. They were the ones who decided and approved the sector level strategy. Also, it was identified that the support heads varied in terms of influence and contribution. For example, there was a claim that the head of IT (CIO) held a unique power, which was labelled as expert (knowledgeable) power, as all the sectors depended heavily on technology and they had to have his opinion and contribution in all plans and decisions.

In terms of support there was common agreement that the participation of CFO, COO and CRO was essential, as each of them handling a key function so that usually, in terms of making strategic decisions, their participation was important. Other actors mentioned by some but not all respondents included HR, CIO, legal/compliance/audit and chief economic officer.

Participation of HR managers in strategizing was reported in five banks, while one local bank did not have HR involved in strategizing. Furthermore, the participation of head of IT (CIO) was highlighted by three banks (two local and one international). Also, participation of the legal/compliance/ audit was highlighted by three banks (one international, one local and one Islamic). They did not make a major contribution, but were involved just to keep them updated and to ensure legality and compliance with regulations.

Participation of the chief economist was highlighted by two local banks only. Their participation was as a source of information in terms of an overview of the local and global economy, economic forecasting and expectations. For example, one VP of strategy (local)

argued, “ For this bank in Saudi the main thing is where do we see the petrol prices, oil prices, and what are the expectations of the government itself. Because most activities are basically a result of the public sector spending by the government... The chief economist has his own econometric model that spells out the economic forecast, the leading indicators”.

Marketing participation was limited to the international banks, both of which agreed that part of their strategy was a marketing strategy. One of these banks highlighted that the information provided by the marketing function, like customer feedback, demand, needs and behaviour, was essential in developing the strategy. One of the respondents argued that the strength of the marketing team made their participation important.

#### 5.3.2.1.4 Shari’ah Board

In all the banks there was a Shari’ah board, which consisted of independent members who specialized in Shari’ah and Islamic banking. None of them attended any strategy workshops or were directly part of the strategic decision making but they had influence and their approval was essential before any decisions related to Islamic banking.

It was stated by one of the respondents that because Saudi Arabia is one of the largest Islamic banking market in the world and there is heavy demand for Shari’ah compliance products, so all the conventional banks had started offering Islamic banking products. However, the orientation of Islamic culture was weaker in those banks, so Islamic banking was a strategic direction chosen by banks, rather than an essential aspect of their identity.

As stated earlier, all the banks had a Shari’ah board; however its influence varied. In Islamic banks such boards were stronger since every activity, transaction, and product had to be Shari’ah compliant and approved by them. Also, the numbers of Shari’ah board members were more in the Islamic banks. There were between six and five in the Islamic banks, while

in the remaining banks there were three members. In both Islamic banks, the Shari'ah board reported directly to the Chairman of the Board.

Shari'ah board members were either members of the Council of Senior Islamic Scholars, academics from Shari'ah schools, judges or independent scholars specializing in Shari'ah and Islamic economics and banking. It is worth mentioning that several members served on several banks' Shari'ah boards. For example one of the members of the Council of Senior Islamic Scholars and one of the independent Islamic economics scholars participated in five different Shari'ah boards in five banks. Also, another member of the Council of Senior Islamic Scholars participated in three different Shari'ah boards. Only in one Islamic bank were none of the Shari'ah board members involved in other banks' Shari'ah boards. Furthermore, only in one Islamic bank did a Shari'ah board member were work full time in the bank.

Moreover, the Islamic orientation was more cultural in Islamic banks, in the sense that Islamic values were part of the organisation culture and respondents claimed that Islamic values governed the bank. An example of this embedded culture is that no women worked in the headquarters and women working in other places were separated from men. In contrast, in other categories of banks, women worked in headquarters and the office environment was mixed. Another example of the influence of Islamic orientation is the continuous training and conferences conducted by the Shari'ah board and the Shari'ah group, either for staff or clients.

#### 5.3.2.1.5 Shari'ah Group

In five banks, two Islamic banks, one international and two local banks there was a permanent department that was the link between the Shari'ah board and the businesses within the bank monitor and executed all the board decisions.

The Shari'ah group was defined as a strategy actor. In the Islamic banks the argument was that the role of the Shari'ah group was to ensure that the execution of all the Shari'ah board's decisions is in harmony with the precepts of Islamic Shari'ah. For the conventional banks, they were providing a variety of Islamic banking products and services, so anything related to Islamic banking had to be monitored by them to check that the execution was Shari'ah-compliant.

In two banks, the head of the Shari'ah (Islamic banking) group participated in strategizing at the corporate level as a member of the executive management team, reporting to the CEO. However, in the other banks none of the Shari'ah group were part of the strategy making or attended strategy workshops, but they contributed to strategizing. For instance, they monitored the execution of all initiatives to ensure that whole process was compliant with Shari'ah.

#### 5.3.2.1.6 Line-Managers

At the sector level, as stated earlier, the head of the sector held the power of approval and final say. In sector level strategizing, other actors participated; in all the banks, department heads who reported to the head of the sector were identified as participants.

#### 5.3.2.1.7 Strategy Teams

Any team labelled as a strategy group/department/committee/unit or whose main roles were related to different strategy activities was classified as a strategy team. The identified strategy teams were at different levels. The first level was in the board of directors' level, the second one was at the corporate level and finally the third one was at the business level.

As stated earlier, the strategy team at the board level was only mentioned in two banks (one international and one local). This strategy group was formed of board members. Their role was supervision of all the strategic activities. They had the final say in all the strategic

decisions, setting the strategic goals, supervising the bank strategy, evaluating and following up the strategy development, execution and performance.

At the corporate level, the strategy team was mentioned in all the banks. The head of strategy department in each case played a key role in strategizing at multiple levels, either at the corporate level or at the business level. The participation of members of the strategy department was pointed out in three banks (one local, one Islamic and one international).

Strategy Directors (CSOs) had either a banking or a consulting background. Teams were different in terms of size. In five banks the central strategy team reported to the CEO while in one bank it reported to the CFO. The number of staff in the strategy teams in five banks were relatively small, compared that to one of the local banks.

It was identified that the strategy business units or strategy coordinators were only in the business (profit centre) sectors. Basically, the strategy team consisted of the department director, managers and analysts. This actor (team/officer) was introduced in three banks (one international, two locals). In the International bank, it was not a unit as in the other two banks; it was a coordinator, part of whose responsibility was to handle strategic activities. For the local banks, each business sector had a strategy unit whose primary role was to handle strategic activities.

Strategy teams differed from bank to bank. In terms of demographics, it was clear in these six banks that most of the strategy directors had either a banking or consultancy background.

Table (13.5) presents the composition of the three levels of strategy teams in all the six banks.

**Table 13.5: Banks' Strategy Team Composition**

Bank	Staff No	Level	Titles	Background
SABB	2	Corporate	Head of strategic planning	Banking
		Corporate	Strategic Planning Manager	Financial Services
SAIB	2	Corporate	Chief Strategy Officer	Banking
		Corporate	Strategy Manager	Banking
NCB	36	Corporate	Vice President Strategy	Consultancy
		Corporate	Head of strategy	Consultancy
		Corporate	Strategy Office	--
		Business	Head of strategy-consumer	Banking
		Business	Strategy and planning team – consumer	
		Business	Head of strategy Individual	IT
		Business	Strategy and planning team – Individual	--
RB	14	Corporate	Strategic Planning Group	Board Members
		Corporate	VP Strategic Planning	Banking
		Corporate	Strategy Manager	Banking
		Business	Strategy Manager – Corporate	Banking
		Business	Strategy Analysts team- Retail	--
		Business	Strategy Manager – Retail	Consultancy
		Business	Strategy Analysts team- Retail	--
RAJ	8	Corporate	GM of Strategy	Consultancy
		Corporate	Head of Strategic Planning	Consultancy
		Corporate	Head of PMO	Consultancy
		Corporate	PMO Team	--

BAJ	4	Corporate	Strategy VP	Consultancy
		Corporate	Project Management Office team	--

In summary, Table 13.5 highlighted the composition of the strategy teams within the six banks. All the banks had a permanent corporate strategy department that dealt with bank and sector level strategies. It seems that strategy in the international banks and the Islamic ones was more centralized, while in the local banks, strategy might be more flexible and less centralized due to having various small strategy units within several businesses. It could be argued that there were more strategists in the larger banks; for example, the largest number of strategists was in the bank that had the largest assets, one of the three largest paid capitals, and the second largest profit. As another example, both local banks were larger than the international banks and one Islamic bank. Even in the Islamic banks category, the larger bank had a larger number in the strategy team. In contrast with other banks, it is worth mentioning that in two banks (one international and one Islamic) the strategy departments were relatively new, the former established in 2009 and the latter in 2008.

#### 5.3.2.1.8 Staff and Colleagues

In three banks (one local, one international and one Islamic) participation of staff and colleagues was highlighted.

The staff involved were the key operators in certain functions, staff from branches, staff from the sales team or subordinates who were knowledgeable in their areas. One of the respondents labelled this type of people as having expert power. Another respondent emphasised that the people under the line managers and middle managers are very influential as managers' opinions and decisions were driven by what those people told them.

Furthermore, it was identified that colleagues and friends within the bank that strategists trusted and with whom they shared information and thoughts could be considered as an actor. Their participation was a way of getting feedback.

### **5.3.2.2 External Actors**

External actors reported to participate in strategizing were external consultants, experts from the mother banks (for the international banks), people from subsidiary companies, regulators, credit rating agencies, business intelligence agencies, investment banks, friends, vendors and customers.

#### **5.3.2.2.1 Consultants**

Consultants were recognised as an actor in five banks (except one Islamic bank). In two banks (one Islamic and one international), consultancy firms were hired to develop the bank's strategy. Their participation and contribution was major in terms of strategizing. Both consultancy firms were international and they allocated a dedicated team for a certain period of time until the strategy was approved.

Consultants were hired to use their experience in strategizing, to highlight best practices, to conduct benchmarking, to provide access to information and new ideas. According to CSO (international), "Many times the board of directors like to see a report from somebody outside the bank; this is where the value is added. If management is open and honest and tells the people this is where we see the problems and this is where we see things going but what do you think? It's almost like an audit. Nobody likes audit but it's good to have independent persons say this is where you are compared to... because they see the... The one thing about consultants, the same as auditors, they know all the other banks. So you cannot say... they know the market, this is where the value is".



Moreover, consultants or experts were used partially in certain stages of strategizing or only used by a specific actor for a specific purpose. This was the case in three banks (one international and two local banks). In the international bank, it was experts from the mother bank who contributed to strategizing. Another example was a local bank where consultants were used to facilitate top management workshops and provide advice on strategy documents. Also, in this bank one of the sectors hired a consultant to develop the sector level strategy. In the second local bank, the board members used a consultancy firm periodically for advice and feedback on strategy issues.

In the case of the international banks, the mother banks, in this case HSBC and Chase Manhattan influenced the culture of their subsidiaries, as reflected in systems, procedures and policies. In terms of strategizing, one of the international banks followed the same strategizing process and templates as the parent bank; also the strategy department was in a continuous consultation with the global strategy office and the regional chief economist. Also, experts from the mother bank were involved in some strategic activities.

#### 5.3.2.2.2 Subsidiaries

The participation of subsidiaries' CEOs in strategizing was mentioned by one international bank. This was justified on the basis of keeping them aligned and updated with the bank's strategies.

#### 5.3.2.2.3 Regulators

Regulators were mentioned by all the banks. It was stated that talking and listening to regulators was valuable as sometimes regulators talked to banks to encourage them in certain markets or segments. Also, it was a way of finding out their plans and whether any new rules or changes were likely in the near future. An example was given by a respondent in an Islamic bank, who said the regulator encouraged them to finance small and medium size

businesses, and explained to them how important this segment was for the country's economy. Moreover, regulators' reports were used frequently by strategists; as such reports provided a reliable source of information about the economy and the market.

#### 5.3.2.2.4 Credit Rating Agencies

In all the banks the credit rating agencies were considered as an actor. For instance, one of the respondents pointed out that they were taken seriously their criticism, evaluation and reports. Also, they were considered as a reliable source of information. This was mentioned by respondents from five banks (the exception being one Islamic bank). However, in all the annual reports of the six banks, it was mentioned that they used credit rating agencies. For example, Fitch was highlighted in all the six banks, while Moody's and Standard and Poor's were mentioned in five banks.

#### 5.3.2.2.5 Media, Business intelligence agencies and Investment Houses

Another actor was the media, business intelligence agencies and investment houses, whose reports were essential in strategizing. They were more used in the conventional than the Islamic banks.

#### 5.3.2.2.6 Vendors

Vendors were identified as an actor involved in strategizing. This was the case in two banks (one international, one Islamic). In the international bank, the consultants talked to them to listen to their views and exchange ideas. Similarly, in the Islamic bank one of the support heads communicated with vendors to have them aligned with their new ideas and to have their feedback and information on any new products or solution that could be considered in their strategy or plans.

#### 5.3.2.2.7 Customers

Furthermore, customers participated, through their input and feedback. This was highlighted by two banks (one local and one international).

#### 5.3.2.2.8 Colleagues and Friends

Colleagues and friends from outside the bank, either working in the same industry or in a different industry, either inside or outside the country, were mentioned by respondents from two banks (one Islamic and one international). For example, one of the Western respondents highlighted how he was in touch with his friends overseas to share ideas and obtain feedback.

### 5.4 Conclusion

This chapter compares the findings between the six cases. Those cases were categorised as two Islamic banks, two local conventional banks and two international conventional banks. The analysis started with examining how strategy was conceived by the strategists. The findings show that there is no one definition of strategy and practitioners could have different understandings of strategy. Strategy as a plan was the most common definition, followed, successively by strategy as direction and strategy as objective. Several respondents combined two or three of these definitions together. In general there was an agreement in perceiving strategy as deliberate, rational, intended and long term. There was disagreement as to whether strategy is an activity or a tangible thing.

In terms of strategizing practices, there was an agreement on eleven practices which include shaping context, initiating, executing, collaborating, supporting, facilitating, negotiating, translating, reviewing, integrated and communicating. The remaining two practices, reflecting and coordinating were less agreed. Again, there is no distinction in the sense of different categories practising different strategizing activities. However, it was recognised that strategizing practices and activities could be practised differently and could be practised

by different people. For example, in one bank a particular practice could be a recursive practice while in another bank it was adaptive practice.

Lastly, the comparison related to strategists. The first part was focused on strategists' capabilities required in strategizing as perceived by respondents. There was common agreement in all the banks about the needs of technical capabilities, interaction capabilities and meta-level capabilities. The second part was concerned about the strategy actors who were involved in strategizing. In terms of gender, only one local conventional bank had a female practitioner involved, while in the remaining banks, strategy actors were exclusively males. Also, there was an agreement that they were internal and external actors involved in strategizing. There was common agreement about participation of top management, middle managers, line managers, strategy teams, Shari'ah board, consultants and credit rating agencies. The remaining actors were recognised in all the categories but less recognised in all the banks as follows: front line staff, Shari'ah group, regulators, customers, friends, colleagues and vendors. It was clear that different actors in the banks could play different roles and their influence varied. For instance it was obvious that the Shari'ah board and group in the Islamic banks were more influential. The following chapter will provide more insights about the above discussed issues, in order to discuss and provide holistic answers to the research questions.

## 6 Chapter Six: Discussion

### 6.1 Introduction

This empirical study has adopted the lens of the emerging s-as-p to explore strategizing through a micro perspective in the banking sector in Saudi Arabia through studying six cases and a cross case comparison. It aimed to explore the micro level practices and practitioners that constitute strategy and strategizing. The s-as-p perspective was of particular significance to this research as it views strategy as socially accomplished through the interactions and actions of various actors, which are context dependent (Hendry et al., 2010).

Although this research was conducted in a unique context, its main focus was on strategy as practice. It was not intended to analyse culture as a factor that interplays with strategy and strategizing. However, following the adopted methodology and according to the findings it seemed that neither religion nor culture has a strong influence on strategy conceptualization and strategizing; it could be argued that the influence of these factors may be more apparent at the operation level.

As stated in earlier chapters, Whittington (2006) introduced three central points in the practice perspective: praxis (work), practitioners (workers) and practices (tools). Mainly this research focuses on strategy meaning, practitioners and praxis in the banking industry and in the cultural context of Saudi Arabia. This context could well contribute to various aspects which have been less emphasized in the field (Jarzabkowski and Kaplan, 2010). This chapter aims to present the contribution to knowledge of this empirical study by addressing the identified research questions.

Previous research studied strategy practices that were enacted by strategy actors, focusing on top management (Jarzabkowski and Wilson, 2002), or managers at the central and peripheral level (Regnér, 2003), or strategy teams at the corporate level and the business level (Paroutis

and Pettigrew, 2007). This study made a distinct contribution through studying strategy actors at different levels in the banking sector and outside the banks in a multicultural context. It studies internal actors from different level of management such top managers, middle manageress, frontline managers, strategy teams and staff at both the corporate level and the business level and external actors such consultants, credit rating agencies and vendors. This responds to Whittington's (2006) call for research to fill the gap in our understanding of strategizing through studying strategy actors at different levels and especially in-house staff.

This research follows the argument that to know more about strategy and strategizing, we need to know more about strategists (McNulty and Pettigrew, 1999). Therefore, this research studied strategizing by conducting 41 interviews within six banks and analysing bank documents, including the annual report, sustainability report, newsletter and website.

This chapter is organized as follows. Firstly, it will discuss the findings of strategy conceptualization as perceived by strategy actors in Saudi banking sectors. Then, the main practices and activities identified will be represented. Next is a discussion about the strategy actors, which includes strategists' qualities and the identified strategy participants' involvement and influence. After, identifying which strategists are involved in which practices, the chapter concludes with a comparison of strategy conceptualization and strategizing practices in Islamic and non-Islamic banks.

## **6.2 How Far and in what Ways do Strategists Conceptualize Strategy?**

This section addresses the first research question; simply it will address how strategy was conceptualized by strategy participants in the banking sector.

A variety of views, concepts and schools of thought on strategy have been introduced in the past decades (Mintzberg et al., 2009; Markides, 2000), but the field still remains fragmented

and the meaning of strategy is still fuzzy (Hambrick, 2004; Fréry, 2006). Several scholars have called for exploration of strategists' own conceptualization of strategy, in order to understand better the meaning of strategy (Barry and Elmes, 1997; Paroutis and Heracleous, 2013). There is limited research on how strategists conceive and think of strategy. Therefore, this research aims to contribute to enlightening our understanding of strategy as perceived by actual practitioners. This section will discuss how strategy was conceived and what it meant to strategy participants in the banking sector in a non-Western context.

In this research, strategy was not treated as a singular and predetermined concept; rather, the approach adopted was to allow the meaning and concept of strategy to evolve and emerge from the data, consistent with calls of several scholars (Barry and Elmes, 1997; Jarzabkowski, 2005). This enabled the researcher to get closer to the strategists' meanings in practice. Each respondent was asked a direct question, "What does strategy mean to you?".

Findings revealed that there was no consensus on the definition of strategy expressed by strategists or in the way strategy was conceived. Furthermore, strategy actors who were practising strategy in the same organisation, in the same context and performing similar activities could have different understandings of strategy. Also, a strategist could have multiple definitions of strategy. This is consistent with assertions in the literature that there is no generic definition or single answer to what is strategy, due to the diversity of practitioners' insights and the fragmented and fragile academic literature (De Wit and Meyer, 2004; Mintzberg et al., 2009; Hofer and Schendel, 1978 ; Nag et al., 2007; Whittington, 2001; Markides, 2000). According to Kaplan and Norton, "No generally accepted framework exists for describing strategy" (2001,10).

It is worth mentioning that the conceptualization of strategy does not only rely on the organisation's definition of strategy. It is influenced by multiple actors such as strategy

consultants and experts, business schools and business literature (Whittington, 2006; Mantere and Vaara, 2008). It was noticed that western influence was very distinctive, which again was related to the western consultants commonly used by banks and Western educational background which is popular in the banking sector in Saudi Arabia.

Strategy definitions as perceived by strategists in the banking sector in Saudi Arabia can be grouped around three definitions: strategy as a plan, strategy as a direction and strategy as an objective. Several strategists conceived strategy in terms of two of the above definitions or held all three definitions. For instance, 12 % of the respondents defined strategy as a direction and objective, 10% of the respondents defined strategy as an objective and plan, and 20% of the respondents conceptualized strategy as a plan, direction and objective.

Viewing strategy as a plan could reflect the fact that characteristically it is portrayed as a group of actors' activity. For example, vision and high level objectives were incorporated with the plan, which will most probably be set and defined by top management, while courses of action and priorities will be developed by other widespread actors. Findings show that people who worked in the strategy office/department/unit were more inclined to this point of view. Strategy as direction and strategy as objective exposed the top management's exclusive role in shaping strategy, which other organisation members will follow (Mantere and Vaara, 2008). This was more recognised by those who worked in middle management and particularly in support functions such as operation, IT and risk. This perception legitimizes the role of the top management, as it regards them as actors with superior knowledge, who have strategy as their main responsibility.

On the other hand, businesses held both views, which could be interpreted as reflecting that certain activities and input will be proposed by top management and other input and activities exercised by other groups of strategy actors, such as the businesses themselves.



Strategy as objective reflects that strategy is incorporated with a detailed measurement and clear quantifications. This was more introduced in the business sectors, which are profit centres and are more concerned with meeting the targets assigned for them. This reflects the notion of a top-down strategizing approach.

### **6.2.1 Strategy Definitions**

The idea of “strategy as plan” was clearly highlighted by respondents and is recognised in the literature. The respondents’ definition was consistent with the view that strategy is the blueprint or plan that directs resources towards accomplishing specific goals (Hill and Jones, 1998; Friday and Friday, 2003). This definition was the most recognised definition, as 22% of the respondents adopted it; it was more recognised by respondents in the local banks and by respondents who worked in the strategy function. The words guideline, roadmap and blueprint were the words used by respondents to define strategy and these terms were grouped under strategy as a plan.

Basically, as expressed by respondents, the meaning of strategy as plan was around setting and explaining: 1. what exactly you want to do, which includes defining the priorities, the focus and the targets to be achieved; 2. how it is going to be done, for instance defining the resources needed; 3. when it is going to be done.

Strategy as a plan was linked with the vision and objectives. Also it was highlighted that it requires a lot of analysis, preparation and decision making. Moreover, it was presented as something tangible and documented.

Many writers on strategy conceive it as a plan and an intended, rational, futuristic course of action (Whittington, 2001). In other words, strategy (a plan) is the consequence of planning efforts (Mintzberg and Lampel, 1999; Hax, 1990). This classical view is very old and has long been influential in the field. Quinn, for example, defines strategy as “the pattern or plan

that integrates an organisation's major goals, policies and action sequences into a cohesive whole" (1980, 101). Furthermore, in Mintzberg's five Ps of strategy, strategy as plan was one of the five concepts (Mintzberg et al., 2009). Strategy as a plan is an intended course of action for the future, detailed in a formal document. This concept introduces strategy as something tangible. Usually, such a plan includes several key parts such as scope, goals, structure and systems, and detailed actions (Farjoun, 2002; Whittington et al., 2003).

A second definition of strategy by the research participants was as a direction, a path and pathway. It was expressed as: where are you going, where to compete next, where to play, what is going to be followed in the long run. An example given by one of the respondents was the decision whether to be a retail bank or a wholesale bank.

This definition was recognised by 20% of the respondents; particularly by respondents who worked in the support functions. The words direction, path, pathway and focus were the words used by respondents to define strategy as a direction.

This definition was consistent with Whittington et al's (2003) view of strategy as direction. Indeed, strategy is commonly viewed in the literature as a long term direction and path (Legge, 2003; Mintzberg et al., 2009). This view of strategy is classified as strategic intent (McGee et al., 2005). According to Johnson et al. (2008, 3) strategy is "the direction and scope of an organisation over the long term, which achieves advantage in a changing environment through its configuration of resources and competences with the aim of fulfilling stakeholder expectations".

Arguably, this definition could match one of Mintzberg's ten *schools of thought* about strategy, the entrepreneurial school. This school promotes "a view of strategy as perspective, associated with image and sense of direction, namely vision" (Mintzberg et al., 2009, 130).

Strategy as an objective, the third conceptualization that emerged in this study, was defined by respondents as: what you want to accomplish, what you want to be or how one wants to be perceived over a period of time. Also, it was expressed in terms of specifying, agreeing and setting specific targets. The words objective, aspirational goal, collective goal and target were the words used by respondents to define strategy as an objective. Examples drawn by respondents included: “by 2013 you will need to hit x revenue number, y market share”; “we want to be earning an ROE of 15%”; “to be the number one bank in three years in the retail market by market share”. This definition was recognised by 12% of the respondents; it was more recognised by respondents who worked in the business functions. Also it was recognised by respondents in Islamic banks.

In terms of literature, the most common definition is the one introduced by Chandler: “the determination of the basic long-term goals and objective of an enterprise and the adoption of courses of action and the allocation of resources necessary for carrying out these goals ” (Chandler, 1969, 13). This view of strategy is the orthodox view and it is inherited from the military context. This view proposes that strategy is more of an activity than a thing. The activity of identifying basic long-term goals means thinking and decision-making. Arguably, this definition could match one of Mintzberg’s ten *schools of thought* about strategy, the positioning school. This school promotes the selection through analytical calculation of a specific position that could command higher profits than other competitors and can influence the industry (Mintzberg et al., 2009).

Based on the above, it could be argued that the banking sector practitioners’ perception of strategy fell around three strategy schools of thought: the planning school, the entrepreneurial school and the positioning school. Those schools of thought view strategy respectively as the

outcome of the planning process; a visionary practice, concerned with searching for new opportunities, and selecting a specific position through analytical calculation.

Moving from the main stream of strategic management literature, Paroutis and Heracleous (2013) through their exploration of strategy's meaning proposed four dimensions of strategy discourses: functional, contextual, identity and metaphorical.

The functional dimension was referred to when strategy was viewed as what was planned and intended to be achieved. This dimension was linked to the s-as-p conceptual framework, as it was linked to praxis (work). This dimension could be linked to the definitions: strategy as plan and strategy as objective. In these definitions, strategy was intended and was seen to revolve around doing analysis, making alternative strategic decisions, setting targets and setting a detailed plan that dictates the resources used and the course of action taken.

The second related dimension was the metaphorical dimension. Paroutis and Heracleous (2013) defined this dimension as when strategy is introduced through using mechanistic and directional metaphors. This dimension was linked to all the elements of the s-as-p framework (praxis, practices and practitioners). The use of metaphors is a cognitive and sense making device and toolkit for practitioners. Metaphors construct their routinized norms and behaviours (practices) as they practise any strategic activities (praxis). This dimension could be related to the definition of strategy as direction.

With reference to the abovementioned dimensions, it could be concluded that 44% of the respondents, when they explained their view of strategy, were relating strategy to the work (praxis) of strategy that either they experienced or were trained for in the past. For the remaining respondents, strategy definitions were linked with praxis, practices and practitioners.

The definitions offered by participants were consistent with those reported in the literature and reflected a very western conceptualization, with no distinctive cultural or religious features. This can perhaps be explained by the western origin of the industry itself and by the influence of western actors or local actors' western education.

### **6.3 The Main Actions, Activities and Practices that Enact Strategy**

This section addresses the third research question: What are the main actions, activities and practices by which individuals enact strategy? As stated earlier, strategy actors in the six banks were used as a unit of analysis. This approach enabled identification and uncovering of the practices and activities at the micro level that were practised by different strategy actors (Whittington, 1996; Whittington, 2001).

Large organisations such as banks can be perceived as complex organisations, operating in a regulated environment and a competitive industry. With this increasing complexity, the industry tends to practise strategizing and tries to articulate it seriously. Banks in Saudi Arabia were formalizing their strategic thinking and acting. The nature of the industry creates a goal-seeking culture. Through different practices, strategy intentions and actions were shaped. Strategizing involves a myriad of activities. Mapping those activities challenging, and therefore this research attempts to identify 'glimpses' of these activities. This enables us to understand some of the complexity in strategizing. These activities described by respondents, which were associated with strategy making and execution, were grouped into different practices.

#### **6.3.1 Strategizing practices**

Thirteen different meaningful practices were identified, through which different strategy actors were able to interact, develop and execute strategy. Different actors were engaged in different practices.

Previous empirical research has tried to study the interactions and practices of strategists across different organisational levels in a complex setting during strategizing (Paroutis and Pettigrew, 2007; Pettigrew, 1992; Thnarudee, 2012; Andersen, 2004; Jarzabkowski and Balogun, 2009; Rouleau, 2005). Such studies reveal insights into strategizing, strategy actors and practices from the perspective of practice, which was important to this research.

The focus of this research was on exploring the activities practised by strategy participants across different levels of management in the banking sector through strategizing. It was not possible to infer these practices through other approaches like participating in any strategy events or being part of any strategy activity, due to strategy's confidentiality and sensitivity. This research, therefore, follows Paroutis and Pettigrew (2007) and Orlikowski (2002) who analysed practitioners' activities through interviews and documents. The assumption followed by them is that respondents are able to express their activities; also they are more knowledgeable and better at describing what they do compared to researchers (Giddens and Pierson, 1998; Orlikowski, 2002; Paroutis and Pettigrew, 2007).

As stated earlier regarding the qualitative approach followed in this research, interviews and secondary data were analysed to identify the practices and issues related to strategizing. The data were coded through NVivo 9. In the early stages of the analysis an enormous number of activities were introduced then, by comparing those findings with previous empirical research, those activities were grouped and classified.

As noted above, thirteen practices were recognized. Each practice was constituted of activity/activities practised by strategy actors as indicated by respondents. The strategy actors here were not limited to the strategy teams and managers, but the concept of strategy actors extended to include participants from different levels of management, and external actors.

Also, these activities were not limited to a specific period of strategizing, but they included both the period of strategy developing and strategy execution.

The following table summarizes the thirteen practices introduced. It is worth mentioning that those practices should not be considered exhaustive, but only what were identified by participants. Also, all of these practices were interlinked and overlapped with each other and were not practised independently; several practices could be performed together in the same period or in different periods of strategizing.

In the three bank categories, there was agreement on eleven practices, which included shaping the context, initiating, executing, collaborating, supporting, facilitating, integrating, negotiating, translating, reviewing and communicating. The remaining two practices, namely; reflecting and coordinating were less agreed.

**Table 14.6: Practices Identified and their Definitions**

<b>Practice</b>	<b>Definition</b>
<b>Shaping context</b>	Two activities: The first one was related to the formats, guidelines, templates and the outline of the strategy standards that businesses were required to follow and submit at the end of the day. The second activity was the engagement of strategy-related participants; this was practised in all the banks
<b>Initiating</b>	Establishing and initiating new ideas, projects or plans related to strategy process or content.
<b>Executing</b>	Includes activities such as preparing presentations, strategy documents, plans, business cases and reports
<b>Collaborating</b>	Strategy participants worked jointly in teams to develop strategic plans and reports, develop strategic thought and ideas, exchange information and knowledge
<b>Supporting</b>	Supporting other businesses with various activities: distribute knowledge and information, provide expertise, advice and resources such as complex

	analysis or problem solving.
<b>Reflecting</b>	To think and reconsider the ways of improving strategy process, content and ways to deliver strategy. The second activity was the training and development of the strategy participants
<b>Coordinating</b>	Providing all strategy participants with the framework they had to follow. The framework included the direction, high level objectives, broad headings and targets for each sector. developing a calendar followed by businesses, which included all the activities, to be followed, with milestones and deadlines for each step
<b>Facilitating</b>	Facilitating events to include different strategy participants in strategy developing, including workshops, meetings and seminars.
<b>Integrating</b>	Collecting and amalgamating strategy actors' strategic ideas, thoughts, information and plans.
<b>Negotiating</b>	Debating, challenging and questioning strategic ideas, initiatives, projects, targets, performance and plans while strategizing. Through strategizing participants were involved in a continuous discussion in order to reach to agreement, validate, or to convince others.
<b>Translating</b>	Translating and interpreting the strategy into detailed actions. This included translating the strategy into budgets, operation plans and detailed projects and initiatives.
<b>Communicating</b>	Communicating strategic ideas, inputs, suggestions, decisions and plans formally and informally.
<b>Reviewing</b>	Reviewing the proposed strategic plans, ideas, decisions, projects, reports, documents and initiatives. Also, reviewing the performance and the progress of strategy.

It is worth mentioning that those practices were not necessarily practised in the same way in all the banks, or by the same strategy actors. However, the findings show that the banks had more similarities than differences. For example, generally they had the same structure; they were operating under the same regulator and they were operating in the same environment.



Furthermore, through the period of my research I found some of the respondents I met moved to other banks and this opened my eyes to one important issue that it is common in the banking sector in Saudi bank, that staff move from one bank to another and this could result in similarity in how things were done.

The findings corroborate the argument in the literature that different strategy actors in one organisation or across organisations could differ in terms of the range of practices adopted, which reflects the characteristics of the surrounding context. For example, two banks had an annual strategy cycle. Another example is the Islamic banking and the related strategy actors (Wilson and Jarzabkowski, 2004; Jarzabkowski, 2004; Paroutis and Pettigrew, 2007).

#### *6.3.1.1 Shaping the context*

Two activities constituted this practice: the first one was related to the formats, guidelines, templates and the outline of the strategy standards that other strategy actors were required to follow and submit at the end of the day. The second activity was the engagement of strategy-related participants. Such connection or networking will ease the process of sharing knowledge and information across all the participants (Orlikowski, 2002).

Paroutis and Pettigrew (2007) pointed out that the strategy actors here shape the conditions and the context in which other strategy actors operate. Similarly, they referred to output standards and the establishment of network relationships.

Shaping context was practised for various reasons: to have the other strategy actors focus their efforts, to have consistency and alignment with all strategy actors, to help actors who were not mature in developing strategies and to establish synergy among participants.

### **6.3.1.2 Initiating**

Strategists established and initiated new ideas, projects or plans related to strategy process or content. Through these activities, strategy actors adopted new ways of strategizing. It could be practised in any period of strategizing; this was explained by the nature of the banking industry, due to the rapid changes of the markets and the industry.

However, in some banks, planning was conducted on an annual basis, where they had, for example, a three-year rolling strategy, so yearly they updated and renovated strategy and at this time strategy actors practised initiating activities. In other words, this practice was conducted yearly in such cases. This means that initiating in such a situation depended on the bank's strategy developing period.

Furthermore, it was noticed that certain organisations practised initiating more than others, as they had a culture whereby all the strategy actors or any other organisation members could introduce any initiative at any time because, as explained by one of the respondents, they did not want to kill any good idea. Those initiatives did not necessarily end with adopting new ways and approaches to strategy and strategizing, but could sustain the current the current strategy and the existing way of strategizing. This was consistent with Porter's (1991) argument regarding strategic initiatives, as he stressed that they are actions that aim to create new or validate old strategy. Also, as Paroutis and Pettigrew (2007, 111) claimed, initiation encompasses "actions of the team members that result in the adoption of new ways of strategizing either globally across the firm or in particular locations within the firm".

Furthermore, respondents emphasised that initiating could be a result of moving forward with the strategy when they understood the issues related to strategy more, such as the impact of strategy, which led them to initiation. Also, it could be a result of having done things wrongly, so they started to propose new ways, ideas and approaches.

### *6.3.1.3 Executing*

The following set of activities was routinely practised by strategy actors. Executing includes activities such as preparing presentations, strategy documents, plans, business cases and reports. Whittington describes these activities as “nitty-gritty, often tiresome and repetitive routines of strategy” (1996: 732). Strategy actors referred to these activities as the most demanding and consuming time practice.

Also, in the period of strategy development, consultants’ contribution to this practice was significant. There was a common agreement that consultants were very valuable in this practice, as documents and presentations developed by consultants were more quality oriented and more professional. This was explained by the fact that consultants have the resources, framework and tools which enable them to do this properly and quickly. For instance, CBHBM pointed out, “So we took on, in fact, Booz & Company to help us... I wouldn’t say that there was any big difference over the end result. Maybe some of the depth and the quality was a bit different because they could then use their resources because there were three of them just to go a little bit deeper, and they’re also much better at doing PowerPoint slides than we are. So the final package looked more professional and sexy and was tighter, was a little bit more in-depth than perhaps what we did in previous years”.

The usage of proper models, frameworks and tools influenced development of strategy documents, reports, plans and presentations (Rigby, 2001). Also, the technical capabilities of the strategy actors such as the consultants enabled them to deliver quality documents.

This routine activity was central to the strategy work conducted by the strategy departments. It was a continuous practice conducted in different periods of strategizing. It required a lot of preparation, information gathering and analysis. However, for those banks that had an annual planning exercise, this was only practised in the period of strategy developing.

#### **6.3.1.4 Collaborating**

One of the key practices mentioned by respondents was that strategy participants (internal and external) worked jointly in teams to develop strategic plans and reports, develop strategic thought and ideas, exchange information and knowledge. Through these collective activities, strategists were able to develop better understanding among participants of the related issues, to increase buy-in and decrease conflicts, to be aligned and consistent with each other, obtain feedback, have interlinked plans and finally to have all participants familiar and up-to-date with how strategy was developed. For example, the CSO in one of the international banks stated, “It’s a collaborative process; so as we work on MTO we engage with senior management, so we engage with them for feedback; because you don’t want to be in a situation where you have many different strategies coming up”.

Such collaboration is regarded as the foundation of collective decisions which could lead to a better outcome (Pinto and Pinto, 1990). Furthermore, the more joint efforts are made between different organisation functions, the more conflicts among participants are reduced. For example, the interaction here was not limited to that between the strategy departments and businesses; it also occurred between businesses.

Such activities were mainly practised in strategy events (Maitlis and Lawrence, 2003; Paroutis and Pettigrew, 2007), for example several workshops, strategy sessions and meetings were mentioned by informants. Also, several examples were given of how, through these strategy events, priorities were defined and brainstorming was conducted. However, collaborating could be practised informally; according to Pinto and Pinto (1990) the more collaboration takes place between strategy participants, the more likely it is to have this collaboration informally.

Through these social connections between different participants from different functions across the organisation, knowledge and resources were shared in order to develop strategy related plans, ideas, decisions, reports and documents (Orlikowski, 2002).

It was noticed that external consultants when used to drive the collaborating practices they are including more organisation members than others. For instance, the consultant who was hired by an international bank in the period of strategy development had a close interaction with various stakeholders from different management levels, from the board to the frontline staff, and with external actors like customers. This could be explained by their need to understand and gather as much information as they could to help with developing the strategy.

#### *6.3.1.5 Supporting*

Supporting was practised by one strategy actor (internal or external) to other strategy actors with various activities: distributing knowledge and information, providing expertise, advice and resources such as complex analysis or problem solving. As highlighted by one of the respondents, through such support different strategy actors are able to take concrete decisions. This was practised in different periods of strategizing.

In terms of literature, this was consistent with what Paroutis and Pettigrew (2007) identified. They pointed out that this practice was conducted by one team for other strategy participants or teams, with knowledge and resources that could not be provided by others. However, their focus was only on the strategy teams, while in this research, other actors were identified.

It is worth mentioning that Paroutis and Pettigrew (2007) differentiate this practice from other practices such as collaborating. They claimed that in this practice the support was from one actor to others in a very simple way; only information and resources were provided and there was no involvement in any debate, joint work or exchange of ideas, as there was in collaborating.

### *6.3.1.6 Reflecting*

Reflecting refers to when strategy actors think about and reconsider the ways of improving strategy process, content and ways to deliver strategy. This includes firstly, adjustment and changes in strategy or strategizing process and approach, and secondly, training and development (Paroutis and Pettigrew, 2007).

According to Orlikowski (2002) over time practitioners invent new practices or gain knowledge, experience and learn new approaches in understanding the world. This is consistent with the claim that reflecting and experimenting is associated with practising (Schön, 1983; Hart, 1993; Paroutis and Pettigrew, 2007).

This reflecting, as recognised by respondents, could be practised individually and collectively. Also, it was practised in cases where strategy actors were not using consultants. It was practised by the strategy actors who had the strategy as a part of their main responsibility such as the head of strategy, strategy teams and business heads.

Mainly it was practised more in the period of strategy execution since, as stated by one of the respondents, strategy actors do not have time to reflect in the period of developing strategy. However, in one of the banks the head of strategy claimed that in the period of developing strategy they practised reflecting. As an example, he reported that, after any strategy workshop, he asked all the participants to reflect on the output of that workshop with their teams before the following workshop. Also, in one of the banks it was practised in different period of strategizing.

Changes in strategizing were the result of reflecting by strategy actors. For instance, one of the strategy heads gave an example of an issue he faced when any business line made changed in its strategy and such changes were not aligned with the board of directors and the

other businesses. For this reason, he had set up a new strategy process to oversee all of these changes.

In relation to training and development, this was less recognised and it was limited to the central strategy department. Through development and training, strategy heads not only developed their own capabilities but also managed the strategy training and development of other strategy actors. This training and development would create the conditions for reconsidering and developing strategizing.

#### **6.3.1.7 Coordinating**

Coordinating means when one strategy actor drives other strategy participants' activities. The coordinating practice could influence the behaviour of strategy participants in strategizing, such as the tools, models, methods or the language adopted (Paroutis and Pettigrew, 2007). For instance, it was recognised that the strategy department provided a framework that strategy participants had to follow. The framework included the direction, high level objectives, broad headings and targets for each sector. Also the strategy department developed a calendar to be followed by businesses, which included all the activities and steps, milestones and deadlines.

For example, it was highlighted by the head of a business strategy unit that they had a problem with performance; therefore they had decided that they wanted to create a culture of performance. This meant they had to include in the annual planning exercise the KPIs of each business and each individual. RAVP's explanation of the influence of the framework developed was, "When you embed those KPIs in the performance culture and you make people accountable for them, that is when it hits you... at the end of each quarter they have to stand up in front of the rest of the executives and say, 'These are my KPIs. This is where I have delivered' In 'Q' one maybe you will be embarrassed but in 'Q' two you have got to be

very careful. That should automatically change the culture; because once you say in front of everybody that ‘This was my KPI and I did not deliver’ how long can you say that for? You have to realise either that ‘I am in the wrong job’ or ‘I have to tighten my belt here’”.

Through the frameworks, strategy models and the calendar provided, strategy teams were able to get all the strategy participants aligned and consistent. Also, they were able to control the strategy participants’ efforts and maintain the process and the content of strategy.

### ***6.3.1.8 Facilitating***

Facilitating refers to the activities that strategy actors accommodate to include different strategy participants in strategy developing, such as facilitating strategy events like strategy workshops, meetings and seminars.

According to Thnarudee (2012), this practice arranges ways to involve other strategy actors for the purpose of having ideas and plans developed collectively and having the participants and their subordinates accountable for developing strategies and plans.

From the findings it was clear that this was only practised by those actors who had strategy as their main role, like the head of strategy, strategy teams and business heads. Also, consultants, if hired, practised facilitating. The role of consultants in this practice could be clarified in the following example, which was highlighted by one of the strategy heads: when the top management attended any events, the structuring and the management of the dialogue was easier for external consultants, especially when the participants were senior and top management. Examples of problems addressed by facilitators included if the CEO said something that was incorrect or if one of the senior executives focused on a point that was not relevant or if the time spent on in a point took longer than it should have done, or if there were disagreements that needed to be managed.



Facilitating these events requires preparation. For example strategy actors need to consider the materials needed and the structure of these sessions, and about specific issues (Goldman, 2007).

As highlighted by respondents, by facilitating strategy events, the strategy team ensure that the strategy participants have enough dialogue, increase the buy-in and engagement of strategy participants and maintain the consistency and alignment between participants.

As stated in the literature, strategy events such as workshops, meetings, sessions, and away-days have become very common in organisations and are part of their life, especially in strategizing. Also, these events play a crucial role in strategizing as through these events strategy actors are introduced to the strategies that are developed and emerge (Hodgkinson et al., 2006; Jarzabkowski and Seidl, 2008; Goldman, 2007).

It is worth mentioning that there is some overlap between collaborating and facilitating practices. However, there are fundamental differences between those two practices. For example, collaborating could be done through strategy events facilitated. Facilitating was practised mainly to include different strategy participants, while collaborating was practised when different strategy participants worked jointly in teams.

#### **6.3.1.9 Integrating**

Integrating practice refers to when a strategy actor collects and amalgamates strategy participants' strategic ideas, thoughts, information and plans. This was consistent with Thnarudee (2012), who defined this practice as combining related strategic ideas and plans from other strategy participants.

As highlighted by respondents, this was practised by those who owned the end process. Through this practice, the strategy department/functions or the consultants were able to

connect the dots of the strategy thinking and strategy direction of different strategy participants.

Integrating strategic thoughts and plans helps with alignment and consistency in strategy participants' input, reduces conflicts and duplication, maintains the middle ground between different participants and maximizes the output.

#### ***6.3.1.10 Negotiating***

Strategy actors jointly practised negotiating throughout strategizing in order to reach agreement, validate, or convince others. It was practised through debating, challenging and questioning of strategic ideas, initiatives, projects, targets, performance and plans while strategizing. In fact participants were involved in a continuous discussion.

Strategy participants across different levels and from different organisation units discuss, debate and bargain strategic plans, reports, ideas and actions to reach agreement (Andersen, 2004; Jarzabkowski & Balogun, 2009; Thnarudee, 2012). Moreover, negotiating was also practised by external actors. For instance, the findings highlighted that consultants negotiated with different strategy actors to convince them that what they proposed was the right thing for the bank.

Through negotiating, participants could come up with a meaningful strategy. Furthermore, one of the respondents highlighted the point that because of human nature, people needed to negotiate. Because of the different interests of different strategy actors, negotiating was practised to attain mutual interest or mutual understanding (Jarzabkowski and Balogun, 2009).

Negotiating was mainly exercised in the strategy making period. However, in one case the negotiating was practised in different periods of strategizing as, for example, wherever initiatives were introduced there would be discussion about them among strategy actors.

#### *6.3.1.11 Translating*

Translating refers to when strategy actors translate and interpret the strategy and the higher level plans into detailed actions. This included translating the strategy into budgets, detailed plans, strategic score cards, detailed projects and initiatives. This was consistent with the findings of Balogun and Johnson (2004), Rouleau (2005) and Thnarudee (2012), which emphasised that strategy participants interpret the upper level strategy to develop lower level focus plans using their understanding to make the strategy meaningful for their subordinates. It was defined in the literature that translating is part of the planning where strategy actors translate the agreed objectives into a coherent course of action (Vilà and Canales, 2008).

In simple terms this was practised at the level below top management. This was similar to what was found in previous research, where there was common agreement that strategy departments' staff and line managers were active actors in developing courses of action (Grant, 2003; Vilà and Canales, 2008; Ocasio and Joseph, 2008).

Furthermore, consultants were used to interpret strategy into detailed plans that describe how strategy could be achieved, including the types of activities and projects that needed to be executed.

Translating practices helps strategy actors with controlling the execution and coming up with realistic and desired outcome and progress. There was common agreement that strategy does not contain details and through translating, alignment and consistency with strategy could be maintained. Finally such translating was used to convince the top management, such as the board, of the strategy and plans.

### *6.3.1.12 Communicating*

Communicating refers to the activities that were practised by strategy actors to share, pass, feed and communicate strategic ideas, initiatives, inputs, suggestions, comments, decisions and plans formally and informally. It was mainly practised in two phases, first through the development of the strategy and second after the approval of strategy.

Also, it was practised internally and externally. Internally means within the bank, while externally means outside the bank to external actors, for example, colleagues outside the bank or potential investors or vendors. It was practised by different strategy actors from different levels of management and across the bank. Also, external consultants practised communication similarly to the other actors.

This was consistent with several activities mentioned in the literature, such as conducting adaptive listening to capture other participants' understanding of strategic related ideas or plans; also, introducing ideas or plans to others and obtaining feedback (Grant, 2003; Andersen, 2004; Jarzabkowski and Balogun, 2009; Thnarudee, 2012).

It was noticed that the level of communicating varied between banks. For instance, respondents in one bank claimed that they were transparent and so practised a high level of communicating, while another bank was less active in terms of communicating and this was explained as due to the bank's being very cautious and conservative in terms of strategy and treating it in a very confidential manner.

Findings reveal that communicating was practised by strategy participants for the following purposes: to get feedback, to explain and clarify the issues related to strategy, to exchange ideas and messages, to announce new strategies and plans, to have all the strategy actors aligned, to update other organisation members and to improve staff buy-in, engagement and commitment (Jarzabkowski and Balogun, 2009; Andersen, 2004).

However, in the literature it was highlighted that such activity when used could be time consuming and costly for the organisation. Nevertheless, it was argued that effective use of such activity as an integrative mechanism could have positive qualitative and economic outcomes (Hart and Banbury, 1994; Andersen, 2004) .

Communication was more practised hierarchally, top-bottom, for example, when the top management communicate the direction and the priorities that they want other strategy participants to follow, or bottom-top for example when initiatives introduced by the lower level of management are forwarded to the top management level.

It was recognised that informal communication was practised more in terms of obtaining feedback, for instance, the feedback obtained from the board of directors.

#### ***6.3.1.13 Reviewing***

Reviewing practice was conducted by strategy actors to evaluate and monitor strategizing. Respondents and secondary reports claimed that strategy actors in the banking sector reviewed the proposed strategic plans, ideas, decisions, projects, reports, documents and initiatives. Also, they regularly reviewed strategy performance and the progress of strategy execution.

Similarly Thnarudee (2012) identified this practice. He acknowledged the following activities: gathering strategic plans from other strategy participants, meeting regularly with other actors to perform review of the plans and tracking performance. However, he argued that there is limited empirical research that has presented the micro-level of reviewing practices.

Reviewing in the period of strategy development was essential practice for strategy actors for the following reasons: to obtain feedback from the superior, for approval, to ensure the strategy is rigorous and achievable and for alignment purposes. Reviewing in the period of

strategy execution was explained by respondents as being practised to cope with changes, to be updated and to control implementation.

The findings show reviewing was practised at different levels of management across different business functions.

### 6.3.2 Practice Modes

This research tries to classify the identified practices into three types: recursive, adaptive or both. Recursive means routinized activities that maintain and support the current strategy and strategizing, while adaptive means transformative activities that could lead to changes in strategy and strategizing (Jarzabkowski, 2004).

All the identified practices are grouped into the above mentioned modes in the figure below (32). Only four practices were introduced as solely adaptive, five practices were solely recursive and four practices were recursive and adaptive.

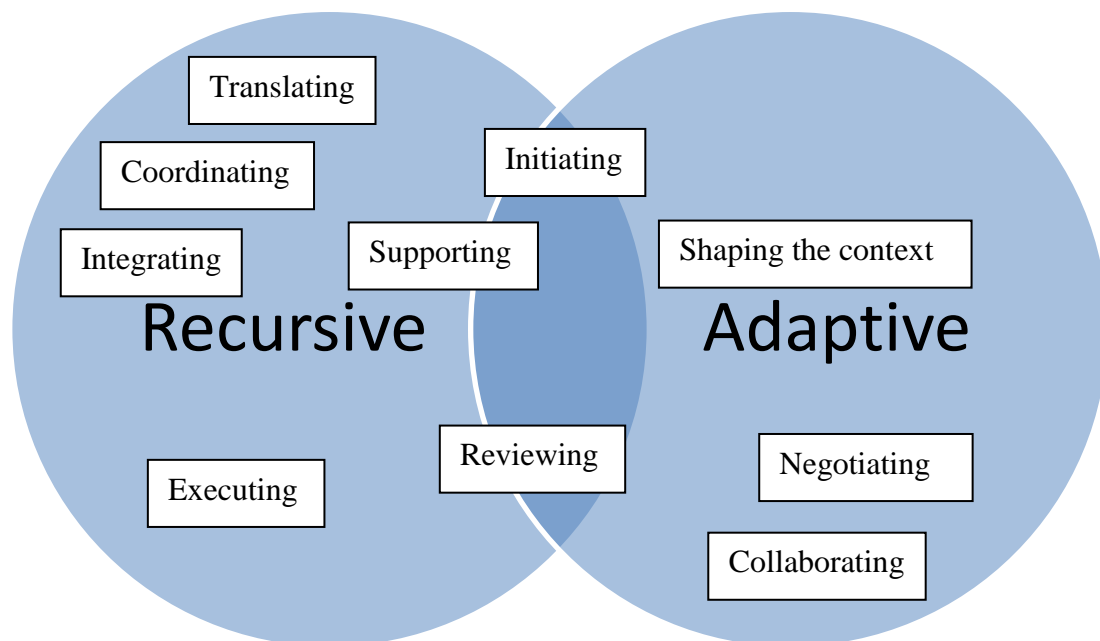


Figure 32.6: 13 Classifications of Strategizing Practices

Moreover, strategizing was classified to two periods of time, the strategy making period and the strategy execution period. Practices were grouped into two classifications: 1) practices conducted only in the strategy making period and 2) practices conducted in both the strategy making and strategy execution period.



Figure 33.6: Strategizing Practices Period

Basically five practices were conducted mainly in the strategy making period, while the remainder were carried out in both periods. Although the remaining practices were practised in different periods of strategizing, the majority were more practised in strategy making. Reflecting was more practiced in the execution period.

Using the findings illustrated in the above figures, the following matrix links both aspects. The horizontal axis refers to practice modes (recursive and adaptive) and the vertical axis refers to strategizing period (strategy making and strategy execution).

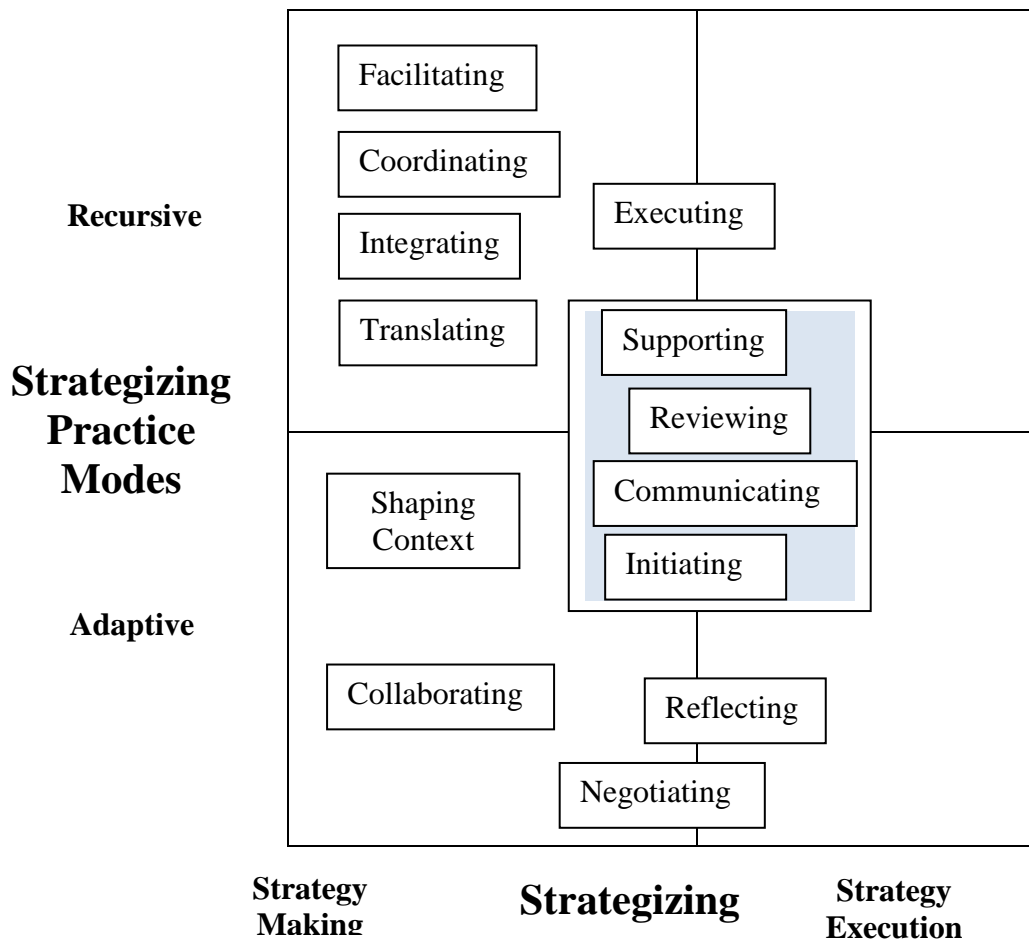


Figure 34.6: Mapping Strategizing Practices' Classifications and Times

The above matrix (figure 36.6) highlights that supporting, reviewing, communicating and initiating could be practised in any period of strategizing and could be either adaptive or recursive. Therefore, they are located in the centre of the matrix. Furthermore, reflecting and negotiating could be practised at any time and both were identified as adaptive practices. Similarly executing could be practised in any period of strategizing but it was considered as a recursive practice.

The practices: facilitating, coordinating, integrating, translating and executing were identified as practices that were recursive, which aim to maintain the current strategizing and strategy. Shaping the context, collaborating, negotiating and reflecting could be more considered as practices that aim to shift or change strategizing and strategy. Finally, supporting, reviewing,



communicating and initiating were identified as practices that could either sustain strategizing and strategy or introduce new ways of strategizing and strategy.

The above findings confirm the point that through strategizing strategy actors could adopt recursive activities and at the same time they could demonstrate adaptive practices (Balogun, 2003; Paroutis and Pettigrew, 2007). Also, findings show that maintaining or refining strategizing and strategy is achieved through recursive and adaptive activities practised by strategy actors (Jarzabkowski, 2003).

Comparing those practices and modes of practising with previous research, all the micro level activities were practices mentioned in the literature; however, the practice of review was expanded to include the review of performance and execution progress. However, there is limited research that identifies the strategy actors involved in such practices. This raises the question of who are the strategy actors involved in strategizing, which the following section will address.

The thirteen practices identified suggest that strategy was taken very seriously in the banks and they sought to formalize strategy thinking and acting. The practices identified neither contradicted nor added to those described in the literature, although differences of emphasis could be observed between one actor and another, and between organizations. For example, a more conservative bank might place more emphasis on review than others. Such differences, however, reflected individual priorities and preferences, and were not related to culture or religion.

Indeed, there were many commonalities between Islamic and non-Islamic banks. This can be seen as a reflection of the globalization of the banking industry, with considerable alignment of regulations, codes of practice and business models across contexts. Moreover, since the

banks all adopted a similar conceptualization of strategy, this would encourage the adoption of similar approaches to strategizing.

An interesting finding was that, whereas the literature classifies strategy practices into recursive and adaptive modes, in fact the same practice could be either recursive or adaptive, depending on the actor, the timing and context.

## **6.4 Who are the Strategy Actors?**

This section, which addresses the second research question, comprises two parts. The first sub section will address strategists' qualities as perceived by strategy practitioners while the second sub section will discuss the involvement and influence of strategy actors that participated in strategizing as indicated by respondents and bank documents.

This section is an attempt to address and extend the limited knowledge on the organisation members, whose practices and actions shape strategizing (Mantere and Vaara, 2008). Also, it responds to previous scholars' calls for the issue of organisational actors to be addressed (Johnson et al., 2003; Scott, 2007).

### **6.4.1 Strategists' Capabilities**

As stated earlier, there is limited empirical research on strategizing in practice. One of the key issues related to strategizing is the strategy actors' capabilities, which they use or need in strategizing. Strategists' capabilities to strategize were explored; their skills and knowledge as perceived by respondents were identified. This section will provide us with insights into who the strategists are by focusing on strategists' capabilities required in strategizing, as perceived by strategists in the banking sector in Saudi Arabia. This will contribute to improve the limited awareness of these matters and enhance the understanding of the practice of strategizing. Various researchers in the field of strategic management discussed organisations' capabilities and resources; for example various research studies have focused on the resource

based view (Winterton and Winterton, 1999; Teece et al., 1997). However, in this research the focus was on the capabilities required by strategists to strategize.

Basically, there were no major differences identified between the respondents' perceptions in terms of strategists' capabilities required in strategizing. The identified capabilities fell broadly into three categories: technical capabilities, interaction capabilities and meta-level capabilities (Boyatzis, 1982b; Winterton and Winterton, 1999). The abovementioned capabilities were recognised and discussed in the management competencies and human resource literature (Amabile, 1997; Drazin et al., 1999) but there was a lack of linking those capabilities with strategizing and strategists.

In general, the capability most recognised by respondents was the technical, followed by the interaction and meta-level capabilities respectively.

As stated earlier, technical abilities means the skills and knowledge needed to perform routine strategic activities such as writing documents and developing presentations (Whittington, 1996; Winterton and Winterton, 1999). Examples of technical skills included gap analysis, number crunching, business analysis and scenario analysis. These technical skills, as stated by respondents, were essential to help strategists to see and present insights from the data available.

**Table 15.6: Capabilities Recognised by Respondents**

Category	Definitions	Examples
Technical Capabilities	Capabilities that enables strategists to deal with daily strategic activities.	analytical, planning, writing, research and project management skills. knowledge of industry, strategy, management, finance and economics
Interaction Capabilities	Capabilities that enables strategists to work and interact with others	communication, leadership, interpersonal, decision making and problem solving
Meta- level Capabilities	Capabilities that enables strategists to use their abilities in a novel approach to produce critical insights	visioning, creativity, forward thinking, and conceptualizing skills

Furthermore, there was consistency in views on the need to have technical knowledge, which includes knowledge of the industry, strategy, management, finance and economics. This technical knowledge will enable the strategists to deal with the daily routine, such as strategy discussion, analysis and the usage of tools or models (Whittington, 1996). This knowledge, as stated by respondents, is a combination of long experience and knowledge gained through training and education. Furthermore, the experience aspect was confirmed by reviewing the respondents' demographics, as it was noticed that around 58% of them had previous experience in the banking sector. Also, 40% of the respondents had more than 20 years experience in the banking sector and more than 31% had more than 10 years experience in the banking sector. Respondents emphasised in this context the need for knowledge of industry, market and culture. Several respondents highlighted how the banking sector is a specialised and sophisticated kind of operation and it is vital to have knowledge of its products and operation.

The second recognised category of skills was the communication, leadership, interpersonal, decision making and problem solving skills. These are presented in the literature as the interaction ability, where strategists could use soft skills in strategizing to communicate with others effectively. Examples drawn by interviewees included the ability to communicate with different actors, negotiate, push, convey, coach or network with others.

The importance of communication skills, as mentioned by respondents, was to have others appreciate, accept and understand strategists' ideas and decisions. In terms of leadership skills, it was stated that it is essential to be able to bring people together, to have the ability to make decisions, to trust and delegate to others, to direct and guide people. With regard to the interpersonal skills, they are essential in strategizing, to work with people. Respondents argued that working with people and building relations is an important skill as strategists sometimes need to push people, work with people, negotiate with people and ask tough questions.

The third group of skills agreed by participants in all banks was visioning, creativity, forward thinking, and conceptualizing skills. As stated by respondents, these skills will enable the strategists to foresee, for example, the impact of the strategy, how things will evolve and risk associated with any strategy applied. Also, it will help in realising the bigger picture and thinking out of the box. This skill is consistent with the category of meta- level capability, which means strategists used their capabilities in a novel approach to produce critical and novel insights (Meldrum and Atkinson, 1998).

#### **6.4.2 Strategists' Capabilities and Strategizing Practices**

This section aims to link the identified practices with the identified strategists' qualities. Each of the three categories introduced previously: technical capabilities, interaction capabilities and meta-level capabilities is linked with the 13 practices identified: shaping the context,

supporting, reflecting, coordinating, initiating, translating, reviewing, collaborating, facilitating, negotiating and communicating. Table (16.6) shows what is suggested as required capabilities for each practice.

**Table 16.6: Capabilities Required in Strategizing Practices**

<b>Practices</b>	<b>Capabilities</b>
Initiating, Reflecting	Meta level
Executing, Translating, Reviewing	Technical
Facilitating, Negotiating, Communicating	Interaction
Shaping context, Supporting, Coordinating, Integrating	Technical and Interaction
Collaborating	Technical, Meta level and Interaction

The identified practices were mapped to five groups. The first group required mainly meta level capabilities, the second group required mainly technical capabilities, the third group mainly required interaction capabilities, the fourth group mainly required technical and interaction capabilities, while the fifth group required technical, metal level and interaction capabilities.

The first group of practices (initiating and reflecting) were linked with the meta-level capabilities. In these two practices strategists, for example, were establishing new strategic initiatives and thinking and reconsidering ways to improve strategizing. Such activities require creativity and forward thinking which are considered as metal-level capabilities.

The second group of activities (executing, translating, and reviewing) were linked with technical capabilities. For instance in the practices, strategy actors were preparing documents and presentations, interpreting strategies into detailed actions and reviewing the proposed

plans and performance. Such activities need writing, analysis, project management, and planning capabilities.

The third group of practices (facilitating, negotiating and communicating) were linked with interaction capabilities. In these practices, for example, strategy actors were including other strategy actors in developing strategies, decisions and plans; discussing strategic ideas and plans and communicating strategic ideas and plans to others. Such activities required interpersonal and communication skills, which are considered as interaction capabilities.

The fourth group of practices (shaping context, supporting, coordinating and integrating) were linked with both technical and interaction capabilities. In those three practices, strategists were developing frameworks, formats, guidelines and deadlines to be followed by strategists and supporting other strategy actors in complex analysis. Such activities required analytical and planning capabilities, which are considered as technical capabilities. Moreover, in those practices strategy actors were engaging strategy participants, providing knowledge to other strategy actors, providing other strategy participants with the direction and high level objectives to follow and collecting strategic ideas and plans from others. Such activities require communication, problem solving and interpersonal capabilities, which are considered as interaction capabilities.

The fifth group consisted of one practice (collaborating), which was linked with all the three identified group of capabilities: technical, meta-level and interaction. In this practice, strategy actors were working with other strategy participants to develop plans and ideas and share information and knowledge. Such activities require communication skills, technical skills, technical knowledge, visioning and forward thinking. Therefore, such practice required technical, meta-level and interaction capabilities.

### 6.4.3 Strategy Actors

This research recognised and defined strategy actors as any actor involved in any strategy activities throughout strategizing. This research follows Miller et al's (2008) view of strategy actors. Their research explored the strategy actors through the perspective of decision making. Strategy actors are the ones who are involved in activities related to strategizing.

Findings support the argument that strategy actors are a group of individuals that practise a set of activities through strategizing (Paroutis and Pettigrew, 2007). Strategy is (re)produced in specific context by particular actors (Vaara et al., 2004). Therefore, studying strategy actors is relevant to helping with enhance our understanding to how they act and interact in strategizing.

The findings acknowledge that strategy actors are not limited to senior managers but also include other strategy actors outside the senior management teams (Johnson et al., 2003; Balogun et al., 2003; Jarzabkowski, 2004; Balogun and Johnson, 2005; Wooldridge et al., 2008). Data revealed that some of the actors across the banks were involved, who did not necessarily have the strategizing as a main responsibility; it was part of their multiple responsibilities.

Furthermore, findings reveal that some practices have more participants while others had limited participation. Moreover, findings clearly confirmed that each practice was practised by different actors (internal or external) in different level of management and there could be overlap (Floyd and Lane, 2000).

Two types of actors were recognised: internal actors and external actors. The concern here was towards who are the actors taking part in each practice, particularly, their gender, their level of involvement in strategizing practices and their level of influence.



All the banks have a strategy office or department to coordinate strategy work; which some made extensive use of consultants, none completely outsourced their strategy activity. No clear differences between banks emerged, related to use of consultants. However, it should be noted that this study sought to identify strategy actors and practices, not to relate specific actors to outcomes’.

#### **6.4.3.1 Gender**

As stated earlier, only one female strategy actor was indentified and all the remaining actors were male. This woman was a strategy coordinator in the strategy business unit in one of the sectors in a conventional bank.

Basically, in the banking sector in Saudi Arabia, the middle management, senior management and top management were dominated by men. This is due to strict social, cultural and institutional influences (Martin, 2003). In other words, what differentiates Saudi society from other societies, for example Western societies, is that religion and traditions shaped the society.

However, even in one society there are differences. For example, this female strategy actor worked in a conventional bank, but comparing this with all the other four conventional banks, it was concluded that none of them had a female strategy actor.

The main reason that this particular local conventional bank had a female actor and had more women employees than the other banks ( 20%) was due to the culture of the western (Hijaz) region of Saudi, which differs from all other regions. The western region contains the two holy mosques, in Mecca and Madina. Mecca, since the time of the prophet Ibrahim (Abraham) was a place of pilgrimage until today. Also, Medina is the Prophet Mohammed’s city, so it has been recognised as holy by Muslims for more than 1400 years. Therefore, the culture of this region is unique, because over the centuries, it has been exposed and susceptible to other

cultures, which made it cosmopolitan. So, it is a more open and less strict society than the other parts of the country. Moreover, the only Islamic bank that had a mixed working environment was located in the western region.

The other parts of the country were more influenced by traditional customs, which in turn were influenced by local culture and religion. Saudi Arabia differs from all other Middle Eastern countries due to its strict adoption of Shari'ah (Islam) law and the nation's attachment to the deep rooted Arabian tribal traditional social norms. This makes the mixture of Shari'ah and traditions influence the local culture. This has resulted in gender segregation, late female education, strict constraints on women's public social interactions and a strict dress code for women.

Islam, as stated earlier, governs all aspects of Muslims' lives, one of which is people's interactions (Ali, 1996). What differentiates between different Muslims societies is different interpretations of Islam within these diverse cultures (Syed, 2010). Saudi Arabia is considered as a conservative country, due to the conservative interpretation of Islam, which as a result influences social relations between the sexes, male empowerment and women's traditional roles (Moghadam, 2003; Metcalfe, 2008). Socialization into those roles starts from family and home and extends to work, which means that women are seen by both men and women in terms of a traditional stereotype which positions women as less powerful to men. This reflects the social factors that shape relations between men and women in the Saudi context (Metcalfe, 2008; Syed, 2010). Therefore, women's participation in the workforce is low and relatively few women occupy managerial and leadership positions. In other words, working women have mainly subordinate roles (Al-Lamky, 2007).

Several scholars argued that the drawback to actualizing Islamic (Shari'ah) principles is due to social and political drivers; it cannot be directly linked to Islam (Williams and Zinkin,

2010). For example, Islam has recognized the equal rights for women and men since the prophet Mohammed's time. However, as stated earlier, in the Saudi context, businesses were shaped by religion, social relations and institutional structures. As result of these factors, culture and tradition bounded women's participation and roles in organisations and ensured the continuation of traditional gender relations (Metcalf, 2007).

However, the country in the past years has faced tremendous changes, including women's increased participation in public life. Again, the western region has adapted more readily to those changes.

Banking was one of the first sectors to take action politically by changing the approach of the traditional gender relations and encouraging the social equality (Maak and Pless, 2009). Such initiatives encouraged women to start confronting the social values and ethics that limited their participation in the non private sphere. For example, wearing veils enabled their participation in public, as this presentation preserves women's modesty in a mixed environment. Wearing the veil symbolises women's identity, in terms of Islam and respecting traditional norms.

Furthermore, the confrontation and negotiation of women's power have taken place though religious discourse, since religion is the prominent power in the country. Through discussing the basics of Shari'ah issues related to Saudi feminism issues such as culture, power and women's rights were questioned. This was different from the approach taken by other countries in the Middle East, where confrontation was based on secular principles (Elguindi, 1999). The dilemma in the Saudi process of confrontation and reforming was not to abandon the religious, traditional and historical aspects of the culture. Moving from a segregated context where women were operating separately from men and from male dominance to

mixed gender work and less male dominance will change the power of social forces (Ask and Tjomsland, 1998).

Basically, conventional banks are less strict than Islamic banks about having female employees and having a mixed environment. However, their steps towards women's participation, inclusion and involvement are still at an early stage. This is due to various reasons; for example, the national culture does not accept a mixed environment. For instance, despite the fact the banks' headquarters were mixed, all the women's branches in the banking sectors have only female employees. This could explain why banks could be conservative in terms of having women in leadership positions. Another factor could be the view that men are more experienced as they held managerial and leadership positions for a long time before women; in other words, leadership roles were predominantly masculine (McDowell, 2011). In addition, women's participation in the workforce generally in Saudi Arabia is very low; it is recorded by the General Organisation for Social Insurance that women in the private sector account for less than 4% of the workforce (GOSI, 2012). As a consequence, in Saudi Arabia, men occupy the majority of the managerial positions and women mainly occupy the subordinate positions (Mourad and Mustafa, 2008; Rawaf, 1990).

Moreover, in terms of the working environment, the labour laws emphasise the importance of respecting female modesty through a proper and moral environment, as a consequence of which a segregated work environment is encouraged (Metcalf, 2008). However, the conventional banks and one Islamic bank had a mixed workforce.

In terms of society in general, society is divided, with women having a private environment while men are actors in the public environment. As a result, the interaction between the two genders and the surrounding spheres was affected and influenced. For example, there are very limited spaces for women and men's interaction and engagement. Therefore, there is a

difference in the interactions between the genders in a mixed environment and a segregated environment, due to social, cultural and religious values. For instance, there is difference in the two types of environment in the way women dress, women-men communication and women's location in mixed environment work. Nevertheless, even in a mixed environment, culture dictates all of these aspects.

Another evidence confirms the above arguments. If we take the two international banks from the chosen sample, they adopted the mother bank's systems, policies, models and procedures, but instead of copying those practices in their original form, they recognised the local culture and tried to balance between their practices and the local traditions (Pieterse, 2009; Syed, 2010). Although they had a mixed work environment, still there was a lack of women's participation in leadership positions, decision making and strategizing.

The findings and the above discussed issues show clearly that there is a cultural barrier to having women participate in strategizing. This research concluded that in such a context, gender roles in society and workplace are still shaped by societal norms. Therefore, certain actors' participation in strategizing could be restricted.

#### ***6.4.3.2 Involvement, Influence and Practices***

The influence and the involvement of various actors in different strategy practices have been relatively less well explored by scholars (Miller et al., 2008). In this section these issues will be addressed.

Corporate strategy teams, businesses strategy teams (if available), external consultants (if used) and businesses heads respectively were the most involved in terms of time and engagement in strategizing, followed by supports heads, CEOs, line managers, board, Shari'ah group, Shari'ah board and staff. Furthermore, external actors were identified, such

as regulators, credit rating agencies, media and business intelligence agencies vendors, customers and friends.

The levels of involvement were mapped in two levels, beginning with the macro level, which means in the banking sector level. First, for each actor, each strategizing practice was categorized into two types, high and low, where high means that a given practice was common in all the banks. For instance, if five CEOs were involved in a certain practice, that means high involvement and if two CEOs were involved in another strategizing practice, it means low involvement. The second level of mapping (micro-level) was for each actor and the number of strategizing practice identified he was involved in. For example, if one actor was involved in seven practices, this means high involvement, while if another actor was involved in three strategizing practices, this means low involvement.

The level of influence, similarly, was mapped into two levels: high and low. The influence classification for each actor was based on the number of adaptive strategizing practices he was involved with and through interpretation from the findings. As stated earlier, from the identified strategizing practices, eight considered as adaptive practices. So, those who were involved in three and more adaptive practices were considered as having a high influence and those who were involved in less than three strategizing practices were considered as having a low influence.

However, the findings show that an actor who was involved in a large number of adaptive practices could be a low influence actor, due to the nature of their function and because another actor at the same level influenced their involvement.

Findings confirm involvement of several actors and this could be rationalized by knowing that hypercompetition makes more strategy actors involved in strategizing than ever before (Johnson et al., 2003). The involvements of several strategy actors confirm that strategizing

in large organisations such as banks is complex. Also, this could justify the exercising of several practices such as communicating, negotiating, supporting and reviewing.

#### 6.4.3.2.1 Internal Actors

##### 6.4.3.2.1.1 Board

Findings show that the board of directors was involved in strategizing in all the banks. This section will contribute to the call in the literature to address the fact that “there is little theoretical and empirical agreement regarding the question of how boards of directors contribute to strategy” (Pugliese et al., 2009, 292).

Board involvement is on the corporate level strategizing. Boards’ involvement is less than that of other strategy actors. This could be for various reasons as stated by respondents: that the board is only concerned with the numbers and the profits, as mainly the board members were shareholders. Moreover, strategic plans are associated with risk. Therefore, as stated by one of the respondents, it is necessary to have the board informed. In other words, the board emphasised the financials and resource allocation. This confirms the point of view that the board participates in strategizing to fulfil the legal, structural and procedural organisation requirements, which are to ratify top management strategy and plan proposals and evaluate the execution and performance through the analysis provided by the organisation management. This was labelled as a passive and procedural engagement (McNulty and Pettigrew, 1999; Pettigrew and McNulty, 1995; Rindova, 1999; Hendry et al., 2010; Jarzabkowski, 2005). The above argument was clearly recognised as the most common practice that was practised by all the board in all the banks under review.

Furthermore, in the literature it was claimed that one of the reasons why the board contributes less to strategizing is the increasing focus of the board on corporate governance and

compliance at the expense of strategizing (Carey and Patsalos-Fox, 2006; Hendry and Kiel, 2004; Kerr and Werther Jr., 2008; Scherrer, 2003).

On the other hand, findings highlighted that some boards were more active than others. Those boards contributed to strategizing in a partnership and interactive mode; in other words, there was continuing social exchange. So, they were actively involved with other strategy actors and influencing strategy making and strategy execution. This approach of strategizing gives credibility, helps in countering change resistance and reduces conflicts in interpretation. This could be the case in two banks, where the board formed an executive committee dedicated and committed to strategy. One of the committees was not limited to the board members; it also included other management executives such as the CEO and COO. This was an example of close and continuous working between the board and management in strategizing.

Furthermore, in terms of close working between the board and management, three boards had their CEOs as board members. This can be interpreted in two ways. First it could be argued that such a form will enhance collaboration, and this was claimed in two banks. The second stance was that the CEO could influence the board, as was recognised in one of the banks. This could be explained through the following factors: that the CEO's family were major shareholders and also, the CEO had long experience in the bank, as he had worked in the bank for more than 30 years.

It was stated in the literature that the lower the power of the board, the more limited its contribution and influence in strategizing. When the board is powerful, it participates more and has more influence. A clear example of a powerful board was in one of the banks where a new CEO was appointed and the board's strategic stance was to maintain the current strategy, especially knowing that the bank strategy was developed after the new board was formed. As another example, in the two banks who had strategy subcommittees, they used consultants to



assist them in strategizing. Such an approach shows their active involvement and this probably could put the board in a more influential position relative to strategy, strategizing and strategy actors.

The differences in practice could be explained by several factors, such as the organisational context, preferences and capabilities of the board (Mellahi, 2005). For example, in terms of capabilities, in one of the cases, the chairman of the bank had 55 years experience in the banking sector; he was the previous MD and had been chairman of the bank since 1999. This could explain why the corporate strategy team were keen to keep him informally updated and aligned in strategizing, because at the end of the day he had the final say in strategy. So, individual board members' capabilities varied and those capabilities could distinguish strategizing between organisations. This confirms Hendry et al.'s (2010) findings; they argued that limited understanding of strategic issues could limit the board's contribution to strategy, while when the board has a strong grasp of the business, organisation and industry, their contribution is more.

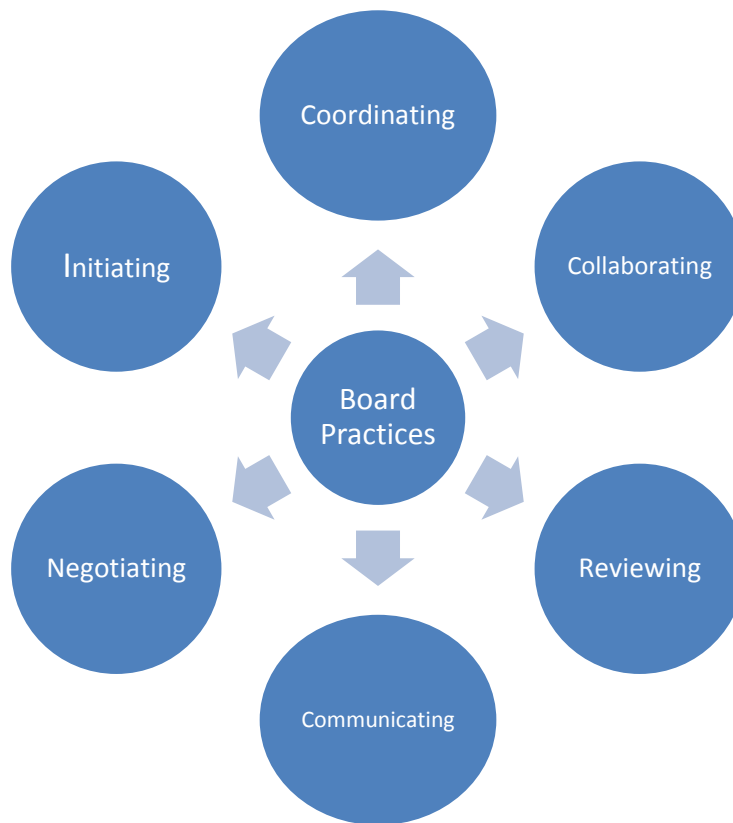
Furthermore, the previous argument led to the point that board members' contributions and involvement in strategizing varied. For instance, in two banks the board of directors formed a subcommittee who were more involved in strategizing, so the board members who participated in the subcommittee were the ones who were more involved than other board members. For example, in one case the board subcommittee practised the coordinating and communication practices, while the board practised the reviewing practices.

In one of the cases, certain board members were more influential than others, because one family owned around 30% of a listed bank, the chairman and his son owned around 22% while the remainder was held by the chairman's brothers and nephews. The power of the major shareholder was stated several times by the informants. For example, in reviewing the

proposed strategy and plans, their interest was in influencing the approval of the board which as depended as the DCEO said, on “how they (the family) are really willing to take this organisation”. There was common agreement that the bank strategy was very conservative and this was a reflection of the family’s direction. Furthermore, because the family were conservative, they were the ones who chose the conservative Shari’ah board members, who were not involved in any other Shari’ah board in any other banks.

It is worth mentioning that strategizing is a complex, evolving and non linear process, so, the board will not necessarily be there all the time. Therefore the board’s role is more on the influence and guidance in strategizing. This was identified in the findings, as the boards practised their influence through the following activities: informal and formal discourse between the board members and different strategy actors (communication practice), the development of the direction and the high level objectives which were followed by the other strategy actors (coordinating practice). This could explain the limited involvement of the board members in other activities and practices, such as initiating and shaping the context (Goold, 1996).

The following diagram (figure 35.6) presents the identified practices that were practised by the board members. It was identified that the board of directors exercised the following strategizing practices: initiating, collaborating, coordinating, negotiating, communicating and reviewing. These practices could be exercised simultaneously, but the involvement, emphasis and influence could vary. For example, in one of the banks, the board were more involved in coordinating and less involved in communication.



**Figure 35.6: The Most Common Practices Performed by the Board of Directors**

The findings are consistent with the argument that the involvement and influence of board members varies and depends on a range of factors such as the internal and external contexts, for example, ownership structure (international bank versus individual investors), board size, industry norms and regulation and board members' capabilities.

The findings show that, in spite of the difference between boards, through strategizing and in different practices, the board's roles, emphasis, level of involvement and level of influence could be changed. For example, in one case the number of meetings for the strategy group (subcommittee) in six years was varied; in 2007 they met once, in 2010 they met seven times and in 2011 they met five times. This argument challenges the view of those who oversimplify the role of the board. Various factors could explain the differences and changes in board participation, such as organisation performance and environmental changes, either externally or internally (Hendry and Kiel, 2004).

Moreover, it was identified that the board were more involved in the period of strategy development and less involved in strategy execution. Also, they were more involved in the adaptive mode of practices, for example in the practices of initiating, collaborating, negotiating and reviewing, where strategy could be shifted and changed.

Table (17.6) presents the strategizing practices of the board of directors in the six banks by level of involvement and the period in which it was exercised.

**Table 17.6: Board of Directors' Level of Involvement**

Rank	Strategizing Practices	Strategy Development	Strategy Execution	Involvement
1	Reviewing	X	X	High
2	Collaborating	X	-	High
3	Communicating	X	X	High
4	Negotiating	X	X	Low
5	Coordinating	X	-	Low
6	Initiating	X	X	Low

This research concluded that the board is an influencing actor more than being directly involved in strategizing practices. They could influence strategic thinking without being heavily involved in strategizing, for example, because they are recruiting executives (Golden and Zajac, 2001; Hendry et al., 2010). This could be proved in the examples of one board's recruitment of a new CEO that who was suitable for the new strategy developed, and in another case, the selection of conservative Shari'ah board members.

#### *6.4.3.2.1.2 CEOs/DCEOs*

Findings reveal that the CEOs were involved in strategizing in all the banks. They were more involved in strategizing practices than other actors such as the board. Also, the involvement

was not limited to the corporate level strategy but also included the businesses level strategy. However, the level of involvement was not the same. For instance, the number of practices that different CEOs were involved is varied.

Furthermore, it was identified that in two banks that DCEOs played the same role as CEO. For example, in one bank the DCEO played the role of acting CEO, as the CEO was not around most of the time. Similarly, in the second bank the DCEO were considered to be at the same level as the CEO, and all the core business functions (Corporate, Retail and Treasury) reported to him.

In terms of strategizing, they were part of the strategizing. The first DCEO represented the CEO in most of the identified activities, while there were other activities they both attended. The second DCEO was involved more in businesses strategies than the CEO and nothing could be introduced to the CEO unless it was approved by the DCEO. However, due to the difficulty in differentiating between the practices they both (CEO/DCEO) were involved in, they were considered in the same category.



**Figure 36.6: The Identified CEOs Practices**

The practices identified that the CEO could be involved in were as follows: Shaping Context, Initiating, Collaborating, Coordinating, Negotiating, Communicating and Reviewing. The identified practices (figure 36.6) were more adaptive practices and more practised in the period of strategy making (table 18.6), which means they were involved in practices that could result in shifting and changes in strategy and strategizing. Therefore, it could argued that the CEO was heavily involved and a strong influence.

However, CEOs were involved in fewer practices compared with other actors and this could be due to the complexity of the business. Top management in such a context cannot be expected to deal with details; therefore, they focus on setting the rules, outcomes and boundaries (coordinating and shaping context), delivering and communicating clarity of purpose, understanding and expected outcome (communicating and negotiating). They are

said to focus on encouraging the interaction between actors (collaborating) through participating (Eisenhardt and Sull, 2001; Balogun and Johnson, 2005).

As stated earlier, the level of involvement varied between different CEOs, for various reasons, such as depending heavily on other actors such as external consultants or the strategy office (internal capabilities) and the capabilities of the CEO. For example, in banks that used external consultants, CEOs were less involved in coordinating practices. Another example, related to the capabilities, was that the initiating practice was clearly more practised in one of the banks as the CEO of the bank had worked in the bank for 30 years, which enabled him to be involved more in this practice.

Table (18.6) presents the six banks' CEOs' level of involvement. In the first five practices their involvement was high; for example it was recognised that all the CEOs were involved in reviewing activities. The last two strategizing practices were less practised.

**Table 18.6: CEOs' Level of Involvement**

Rank	Strategizing Practices	Strategy Development	Strategy Execution	Involvement
1	Reviewing	X	X	High
2	Communicating	X	X	High
3	Negotiating	X	X	High
4	Collaborating	X	-	High
5	Initiating	X	X	High
6	Shaping Context	X	-	Low
7	Coordinating	X	-	Low

In addition, it could be argued that the influence of the CEOs in strategizing was strong. For example, in the reviewing practice, in all the banks, nothing could be presented to the board

unless they approved it. CEOs were powerful in terms of controlling all the inputs to the board of directors; only in two banks was it identified that the board had access to the middle management such as business heads or the strategy department. Furthermore, any strategic initiative had to be approved by the CEO, when resources had to be allocated.

The level of power differed among CEOs. For example, three CEOs were board members, which could give them more influence over the board and the management (Oliver, 2000; Hendry et al., 2010). Furthermore, one of the CEOs managed the subcommittee formed by the board to oversee strategizing. Moreover, ownership of the CEOs, as in the case of one CEO who owned around 2% of the bank, and the long experience of the CEOs, differentiated their influence. Two CEOs had worked in the same bank for 30 years; one had held the CEO position for 17 years, the other for 10 years. Such experience shows that CEOs could play a strong role in strategizing. For example, in one of the banks the high level objectives and direction were decided individually by the CEO.

CEOs also exercised influence through social interaction with other strategy actors, for example, through four practices (shaping context, collaborating, negotiating and communicating). Again, it was clear that different CEOs had different levels of involvement in the above-mentioned practices, and this could differentiate their influence. The exercise of these practices could be viewed from two perspectives. The first was that participating CEOs could exercise strong influence; for example, in one of the banks the head of strategy claimed that in workshops it is hard to intervene while the CEO is talking and to stop him, even if he is wrong. This is due to the culture, consistent with what is stated in the literature. Several researchers have studied work in Arab organisations, and recognised that in such a context, leaders do not easily transfer or share power with their subordinates. Conversely, subordinates were commonly not eager to look for power and responsibilities (Al-Yahya,



2009; Sagie and Aycan, 2003; Muna, 1980). The second point of view is because that the complexity of the business requires the CEOs to participate with other strategy actors and give a chance to others to decide, participate and contribute; in such cases the CEOs are less influential. Social interaction with others and giving the chance to others to participate could be derived from the norm of Shura (mutual consultation), an Islamic principle which has become an Arab tradition (Ali, 1998; Al-Yahya, 2009). However, as stated in the literature, this norm is practised only with a few trusted and selected people, or in committees. In our case, it was practised with the businesses and supports heads. In both situations, the leader will take the final decision. This is similar to reports by various previous researchers, who adopted Hofstede's framework (Hofstede, 2005) and concluded that high power distance is one of the characteristics in Saudi Arabian organisations (Idris, 2007; Mellahi, 2006; Weir, 2000; At-Twajiri and Al-Muhaiza, 1996; Bjerke and Al-Meer, 1993). This can be explained by knowing that in Saudi Arabia, people learn to respect and obey elderly people from childhood. Such values are transferred to the workplace where they respect their superiors and show social distance (Barakat, 1993). Also, it is common for subordinates to try to avoid any disagreement or conflicts with top management. Furthermore, decision making is viewed as the prerogative of top management (Bjerke and Al-Meer, 1993). In simple words, the Saudi culture and tradition respect hierarchical status.

From all the above points, it could be interpreted that the CEOs in the bank are highly involved and highly influential strategy actors. This would enable them to monitor, control and allocate resources. This power is culturally legitimized, as command, hierarchies and structures are embedded in strategizing.

#### *6.4.3.2.1.3 Middle managers*

This section will contribute to the call for focusing on researching different strategy actors at different level of the organisations hierarchy such as the difference roles and interest in strategizing between top management and middle management actors (Floyd and Lane, 2000; Mantere and Vaara, 2008; Wooldridge et al., 2008).

Findings reveal that middle managers contribute to strategizing not only in strategy implementation (Floyd and Lane, 2000) but also in strategy making (Sillince and Mueller, 2007). Data provided evidence and confirmed that argument that middle managers play a key role in strategizing (Balogun and Johnson, 2005; Huy, 2002; Floyd and Wooldridge, 1997). Middle managers in all the banks were heavily involved in strategizing. This could be due to the nature of the industry, where different sectors vary in complexity, the pace of competition is fast and the environment is blurred; therefore it requires more dynamism, flexibility and decentralization (Volberda, 1996; Whittington et al., 1999). This is consistent with the argument that in a complex of business the top management team cannot know and control all of what is happening (Eisenhardt and Sull, 2001; Balogun and Johnson, 2005; Wooldridge et al., 2008). As such, top management teams in the banking sector were engaged in fewer strategizing activities than those in middle management.

Middle managers include businesses heads and their deputies, such as the corporate sector head, retail sector head and treasury head, and the support heads such as the chief financial officer, chief operation officer, chief risk officer, chief economic officer, human resource manager and marketing manager. However, although various managers were involved, their role, importance and influence varied. They were heavily involved in the business level strategy and participants in the corporate level strategy. As in the case of all the previous strategy actors, the roles played by middle managers were different. For example, the

business heads owned their own business strategy, which distinguished them from any other actor at the same level of involvement and participation.

Business middle managers were involved in 11 practices, including: shaping context, initiating, executing, collaborating, supporting, reflecting, facilitating, negotiating, translating, communicating and reviewing. It is worth mentioning that the middle managers from the support function were mainly involved in ten particular practices: shaping context, initiating, executing, collaborating, supporting, facilitating, communicating, negotiating, translating and reviewing. In other words, those support heads were less involved in the remaining strategizing practices.

The identified strategizing practices confirms the argument that middle managers are playing a crucial role in strategizing where, for example, they are the link and mediator between top management and operation level actors in terms of strategy and daily activities. For instance, this was exercised through initiating, communicating, negotiating and translating (Floyd and Wooldridge, 1997; Balogun and Johnson, 2004; Huy, 2001; Huy, 2002; Wooldridge et al., 2008; Nonaka, 1994). Moreover, in collaborating, for instance, when they are with top management, they could sell strategic issues to top management (Dutton and Ashford, 1993). Their role is more than just recipients, interpreters and deployers of seniors' plans (Fenton-O'Creevy, 1998; Balogun and Johnson, 2005); they develop initiatives and plans, negotiating, controlling and reviewing.

Moreover, through adaptive strategizing practices such as shaping context, initiating, collaborating, negotiating and reflecting, the middle managers were more influential actors in term of recognising the necessity for divergence and introducing change (Burgelman, 1994; Floyd and Wooldridge, 1997). For example they are more exposed, than any other actor, to

the causal ambiguities related to capabilities and performance (King and Zeithaml, 2001; Wooldridge et al., 2008).



**Figure 37.6: The Identified Middle Managers' Practices**

Figure (37.6) presents the identified practices that were practised by the middle managers.

As with the previous actors, the level of involvement in each practice was different. The table below highlights those actors' levels of involvement in each practice in the period of strategy making and execution. In terms of business level strategy, the business heads were very influential, for example, shaping context, initiating, translating and reviewing were controlled by them. Ultimately, they had the final approval before the CEO and the board were involved. Also, their capabilities and knowledge differentiated their contributions to strategizing.

**Table 19.6: Business Middle Managers' Level of Involvement**

Rank	Strategizing Practices	Strategy Development	Strategy Execution	Involvement
1	Reviewing	X	X	High
2	Initiating	X	X	High
3	Collaborating	X	-	High
4	Communicating	X	X	High
5	Translating	X	-	High
6	Negotiating	X	X	High
7	Executing	X	X	High
8	Shaping Context	X	-	Low
9	Facilitating	X	-	Low
10	Reflecting	X	X	Low
11	Supporting	X	X	Low

In terms of the corporate level strategy, it was identified that all the business middle managers were involved and various support managers were involved. The level of influence of the middle managers varied, but it was clear that the business middle managers were more influential than the support heads because of the different practices that in which they were involved. For instance, the business heads were more involved in initiating, which could alter strategizing and strategy (Floyd and Wooldridge, 1997). This was similar to several research claims, where the argument was that middle managers in certain functions such as sales and R&D are expected to play a greater influence than others because of their boundary-spanning (At-Twajri and Montanari, 1987; Floyd and Wooldridge, 1997).

However, in one case the CFO (support middle manager) oversaw the strategizing of the bank, as the central strategy office reported to him, so his position and capabilities gave him a

unique power, compared with other CFOs in other banks. This could be due to the strategy actors' individual differences.

The power gained by the business middle managers could be due to the strategic role of their function, their performance and the implicit and explicit knowledge and information they possessed (Jarzabkowski and Wilson, 2002). Although it was not possible to identify the difference business middle managers' influence, it was recognised that the capabilities of strategy actors could differentiate their level of influence. For instance, it was pointed out that those who were more eloquent were more influential at the corporate level.

**Table 20.6: Support Middle Managers' Level of Involvement**

Rank	Strategizing Practices	Strategy Development	Strategy Execution	Involvement
1	Reviewing	X	X	High
2	Collaborating	X	-	High
3	Communicating	X	X	High
4	Negotiating	X	X	High
5	Shaping Context	X	-	Low
6	Translating	X	-	Low
7	Facilitating	X	-	Low
8	Supporting	X	X	Low
9	Initiating	X	X	Low
10	Executing	X	X	Low

As illustrated in table (20.6), in terms of the involvement and participation of the support middle managers in strategizing, not all the support managers were involved and their involvement varied. For instance, certain support middle managers were involved more than others, such as the chief economist and COO. Such actors' involvement was essential

because of their information, knowledge and experience. So this highlights that the influence of different support middle managers is different.

However, their involvement was less than that of the business middle managers. Although, they are considered as highly involved actors their influence is less than that of the business middle managers. Therefore, support middle managers are considered as low influence actors.

Furthermore, respondents emphasized the buy-in of all the stakeholders, so the involvement of the support middle managers was presented as a political involvement. This could be attributable to the situation that often strategy development introduces changes, which are not always benefit or do not satisfy all organisation members. Therefore politics could be implied and promoted within organisations, which was not necessarily deliberate (Eden and Ackermann, 2013). Also, it was recognized by respondents, that in order to succeed in strategizing, all the related organisation members, including the managers, have to be fully committed, believe and buy-in to the strategy and this could be achieved through involvement.

The findings showed how middle management are a crucial players in strategizing; they were very active actors (Jarzabkowski and Balogun, 2009). Their participation in the strategizing practices and influence varied (Floyd and Wooldridge, 1997). Therefore, it could be concluded that in the banking sector there are two types of middle managers: 1) high involvement and high influence and 2) high involvement and low influence. From the findings it could be concluded that the middle managers' involvement and influence depends on the sector they manage (if whether it is a profit centres or cost centre), managers' capabilities, and the strategizing practices they are involved with.

#### *6.4.3.2.1.4 Line-Managers*

Line-managers are those under the middle managers, such as the department and product heads. They were recognised by respondents in all the banks; however, their involvement was

more in the business level strategy. In all the business and support functions, it was not recognised which of those managers in particular were involved, which means their involvement varied.

Line managers' involvement could be interpreted from the perspective that in the banking sector, in order to maximize the output of strategy and minimize any conflicts, the upper echelon actors moved from the approach of directing and controlling more to one of involving the lower level actors which as result will enhance their sensemaking, alignment and interpretation (Balogun and Johnson, 2005; Eisenhardt and Sull, 2001; Floyd and Lane, 2000). Moreover, in a hypercompetitive context, in order to cope with innovation and speed, firms applied a decentralization approach, where line managers became more involved in strategizing, and part of the decision making as they are close to skills and customers (Zenger and Hesterly, 1997; Whittington et al., 1999; Johnson et al., 2003). Furthermore, for the purpose of strategic innovation their involvement is increasing (Johnson et al., 2003).

Their level of involvement was lower than that of the previous strategy actors. Furthermore, the line managers in the business sectors were more involved than those in the support sectors. This could be explained by the lower involvement of the support middle managers, as stated previously.

Findings reveal that the line managers' main involvement was in seven practices: initiating, executing, collaborating, negotiating, translating, communicating and reviewing (figure 41.6). Findings (Table 21.6) confirm that the lower level actors are more active in initiating (Balogun and Johnson, 2005). Moreover, due to the complexity of the business, such actors are left to interpret and translate the intended strategy in a manner suitable to the realities surrounded (Eisenhardt and Sull, 2001; Balogun and Johnson, 2005).



The level of influence was not clear; however, in the literature it was argued that line managers have lower influence than their managers as the middle managers are exposed to and familiar strategically with the overall business and top management intentions, while at this level, actors are most probably more exposed to their own particular function (Nonaka, 1994; Floyd and Wooldridge, 1997).

Moreover, it was recognised that some of the line managers, either in Support or in Business, were more influential than others. They were the ones who managed key functions such as IT; also the ones who were knowledgeable and had expertise in the technicalities of the business. In other words, the type of function and the capabilities of the line manager differentiated them from other actors at the same level. Their influence was exemplified by one of the strategy managers who pointed out that some of the middle managers' opinions and decisions were derived from the actors at this level.

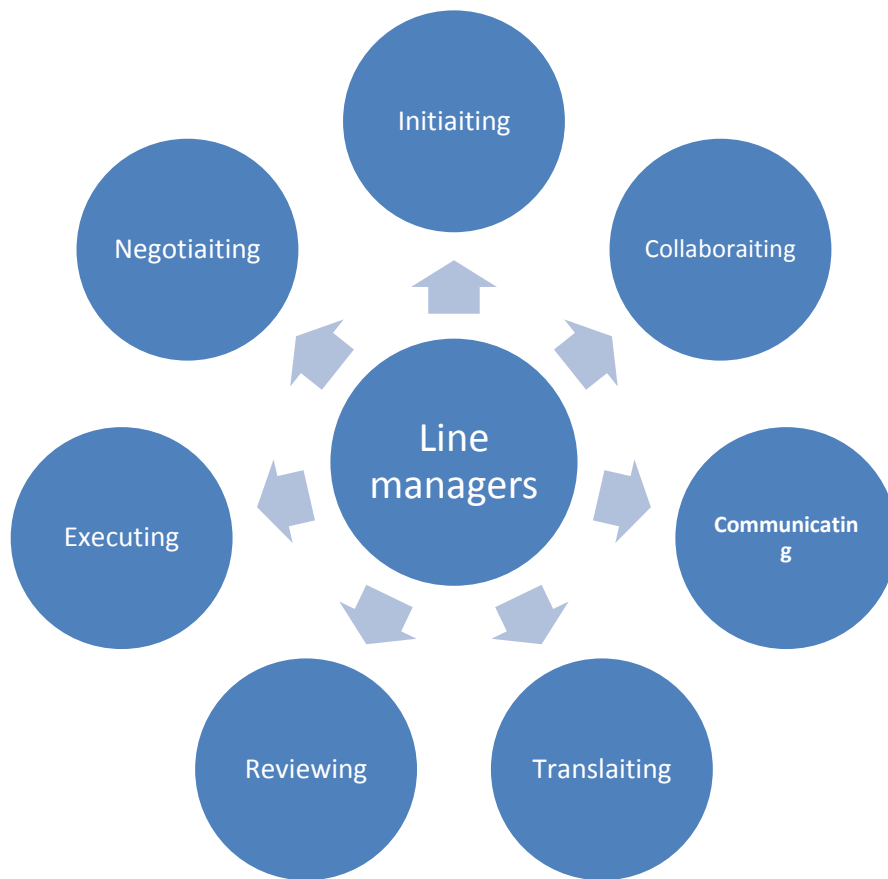


Figure 38.6: The Identified Line Managers' Practices

The level and nature of involvement varied between the line managers not only within the banks but also across all the banks. For example, across the banks, not all the line managers were involved in communicating practices.

Table 21.6: Frontline Managers' Level of Involvement

Rank	Strategizing Practices	Strategy Development	Strategy Execution	Involvement
1	Collaborating	X	-	High
2	Initiating	X	X	High
3	Translating	X	-	High
4	Reviewing	X	X	High
5	Communicating	X	X	Low
6	Executing	X	X	Low

7	Negotiating	X	X	Low
---	-------------	---	---	-----

It could be argued that the frontline managers were classified into two types: 1) low involvement and low influence. and 2) high involvement and low influence.

#### 6.4.3.2.1.5 *Strategy Teams*

In all the banks there was a strategy office/ strategy department which was heavily involved in strategizing at both corporate and business levels. Furthermore, in two banks there was a business strategy unit in the business sectors. Also, in one of the banks, chosen line managers were assigned as strategy coordinators, a role similar to that of the strategy business unit. The business strategy unit/strategy coordinators were involved at the business strategy level.

Here, instead of differentiation between the chief strategy officer and his team, they were aggregated and considered as one strategy actor, labelled as the central strategy team.

Similarly, at the business level, the strategy unit and the strategy coordinator were aggregated and considered as one actor, labelled as the business strategy team. This was due to the limited information to enable differentiation between each single strategy actor within the department/ unit.

The central strategy team were heavily involved in strategizing and they were very influential. Thirteen practices were identified that could be practised by the central strategy team, including: shaping context, initiating, executing, collaborating, supporting, reflecting, coordinating, facilitating, integrating, negotiating, translating, communicating and reviewing. Again, not all strategy practices were practised in all the strategy teams in all the banks, so the level of involvement varied. Six practices were adaptive, five recursive, and the remainder both recursive and adaptive. So, it could be argued that the strategy teams' practices were more adaptive, making them heavily involved and strongly influential.

The following table (22.6) represents the identified strategizing practices exercised by strategy teams in the banking sector.

**Table 22.6: Central Strategy Team's Level of Involvement**

Rank	Strategizing Practices	Strategy Development	Strategy Execution	Involvement
1	Shaping context	X	-	High
2	Collaborating	X	-	High
3	Communicating	X	X	High
4	Supporting	X	X	High
5	Facilitating	X	-	High
6	Reviewing	X	X	High
7	Executing	X	X	High
8	Integrating	X	X	High
9	Translating	X	-	High
10	Negotiating	X	X	High
11	Initiating	X	X	High
12	Coordinating	X	-	High
13	Reflecting	X	X	High

The level of involvement varied between banks, for various reasons, for example the use of external consultants and the resources available, such as department size. Their influence was strong where, for example, practices such as shaping context, communicating, supporting, and coordinating could influence strategizing. For instance, in communicating it was recognised the strategy team members engaged in lobbying to influence decision makes such as board members. Other examples could be the templates, frameworks, information and resources provided to all the other actors, on which other strategy actors depended throughout

strategizing. From all the above, it could be concluded that the central strategy team could be considered as a highly involved and a highly influential actor.

**Table 23.6: Business Strategy Teams' Level of Involvement**

Rank	Strategizing Practices	Strategy Development	Strategy Execution	Involvement
1	Translating	X	-	High
2	Communicating	X	X	High
3	Collaborating	X	-	High
4	Facilitating	X	-	High
5	Integrating	X	X	High
6	Executing	X	X	High
7	Initiating	X	X	High
8	Supporting	X	X	High
9	Reviewing	X	X	High
10	Negotiating	X	X	Low
11	Reflecting	X	X	Low

As stated earlier, business strategy units did not exist in all banks. Also, their involvement in strategizing and influence varied. It was identified that they could be involved in 11 practices, including: translating, communicating, initiating, collaborating, facilitating, integrating, executing, initiating, supporting, reviewing, negotiating and reflecting. The above table shows their level of involvement in each practice. It shows that this actor is more involved in strategy execution than all the other actors.

From the above identified strategizing practices, it could be argued that the business strategy teams could be considered as a highly involved and highly influential actor.

#### 6.4.3.2.1.6 Shari'ah Board and Shari'ah Group

Shari'ah governs all aspects of Muslims' behaviour, lives and decisions and this includes doing business (Idris, 2007). In Muslim communities, since pre modern Muslim civilization, there was a group of people who would oversee the community morals and social behaviour, including markets. They were concerned with economic welfare through supervising prices, measures and money exchange (Wittmann, 2006). Also, they prevented all types of fraud. This function was institutionalized in the form of the Shari'ah board.

In all the banks, there was an independent board. Their role was to ensure that all the Islamic banking products, operation, transactions and activities were Shari'ah-compliant. Their involvement in strategizing was very limited but they were very influential. Mainly they were involved in three strategizing practices, supporting, communicating and reviewing, as they provided advice and expertise, and distributed knowledge and information related to Islamic banking. Also any products, services, transaction and process had to be reviewed and finally they were communicated ideas, suggestions and the decisions approved.

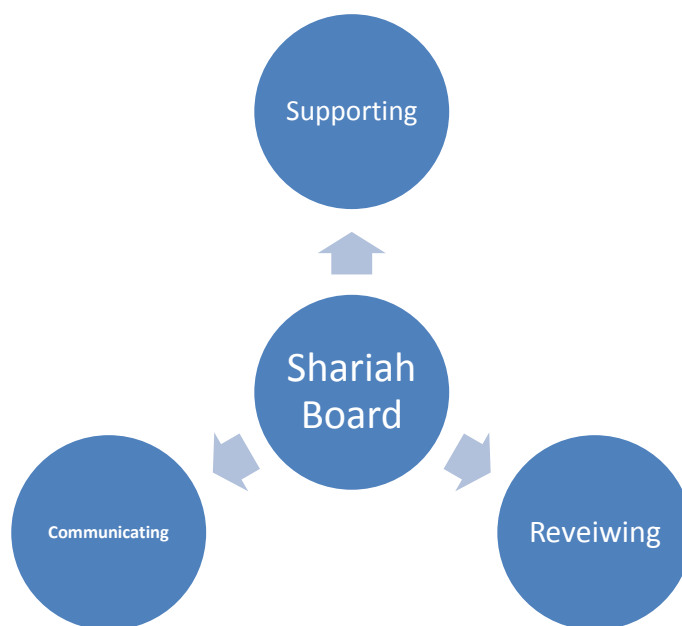


Figure 39.6: Shari'ah Board's Involvement in Strategizing Practices

The following table shows that the Shari’ah board mainly were more involved in reviewing practice, as they approved and monitored all Islamic banking initiatives, projects, products, services, procedures, transactions and policies. Also, it was clear that their involvement and influence was continuous throughout the strategizing period.

**Table 24.6: Shari’ah Board's Level of Involvement**

Rank	Strategizing Practices	Strategy Development	Strategy Execution	Involvement
1	Reviewing	X	X	High
2	Supporting	X	X	Low
3	Communicating	X	X	Low

The second actor which acted under supervision of the Shari’ah board was the Shari’ah group, which existed in five banks. Those banks were the ones that operated wholly in compliance with Shari’ah or part of the businesses were completely or partially operating in compliance with Shari’ah. They established a full time unit to be involved in initiating ideas, projects, products and services related to Islamic banking, and oversee the execution of all decisions, activities, operation policies, procedures and transactions approved by the Shari’ah board. They were involved in preparing the reports and documents related to Islamic banking, supported other strategy actors through providing advice and training and finally they communicated initiatives and plans to different stakeholders such as employees and customers. Their involvement in strategizing was limited to the following strategizing practices: reviewing, initiating, executing, supporting, collaborating and communicating.

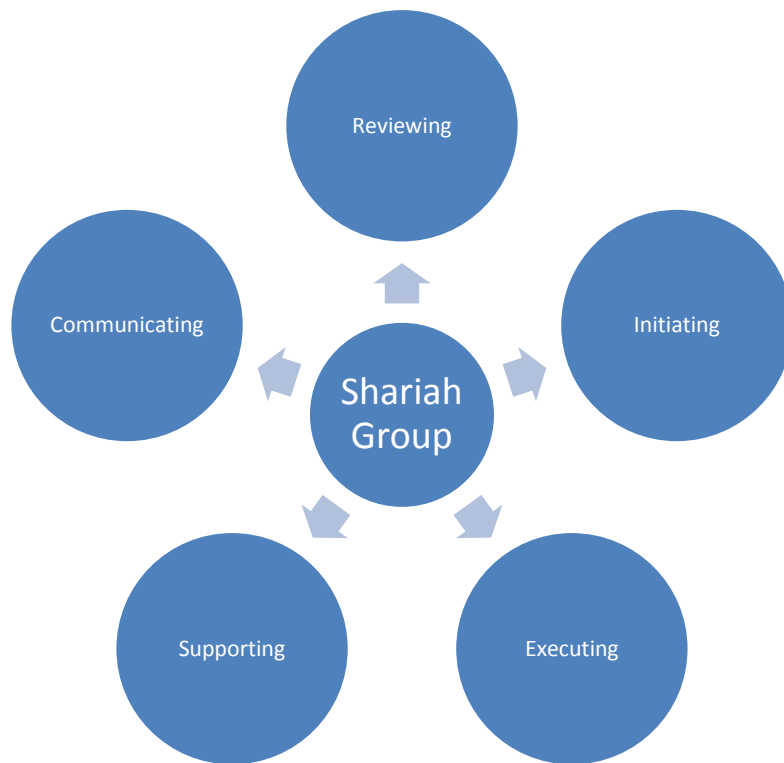


Figure 40.6: Shari’ah Group’ Straetgizng Practices

However, as shown in the table below, their level of involvement differed from one bank to another. Also, their involvement and influence could be practised at any period of strategizing.

Table 25.6: Shari’ah Group’s Strategizing Involvement

Rank	Strategizing Practices	Strategy Development	Strategy Execution	Involvement
1	Supporting	X	X	High
2	Reviewing	X	X	High
3	Initiating	X	X	High
4	Executing	X	X	Low
5	Communicating	X	X	Low
6	Collaborating	X	-	Low



The Shari’ah board is considered to have a low involvement but is a highly influential actor, while the Shari’ah group, under supervision of the Shari’ah board is considered as to be low involved and low influence actor.

**6.4.3.2.1.7 Front-line Staff**

Strategizing is not practised by a single person, it involves multiple actors. Findings reveal that strategizing is not limited to middle and top management; other lower employees could contribute to strategizing. Frontline staff highlighted were such as the branch staff and sales staff. What differentiates these actors is their function, expertise, knowledge and the information. The practices recognised included collaborating.

The involvements of the frontline staff were very low. It was recognised by a small number of respondents. From the findings, the interactions of those actors were mainly with the external consultants and strategy teams. It is worth mentioning that consultants interacted more than any other strategy actors with a large number of frontline staff. As stated earlier frontline staff involvement was mainly in collaborating practice which means their involvement was mainly in the period of strategy making.

**Table 26.6: Frontline Staff Level of Involvement**

Rank	Strategizing Practices	Strategy Development	Strategy Execution	Involvement
1	Collaborating	X	-	Low

In term of influence, it could not be recognised how influential they were, but as indicated earlier, they were involved in providing knowledge and information and could contribute to the development of ideas and thoughts. Therefore, frontline staff could be considered as low involved and low influence actors.

#### 6.4.3.2.2 External Actors

Several external actors contributed to strategizing, such as the consultants, credit rating agencies, the central bank (regulator), customers, friends and vendors. The literature defined them as strategy practitioners from outside the organisations whose interactions and actions impact strategizing and strategy (Whittington et al., 2003; Jarzabkowski et al., 2007; Jarzabkowski and Spee, 2009). Those actors were involved in different strategizing practices, practised different levels of involvement and had different levels of influence.

##### 6.4.3.2.2.1 Consultants

External consultants were used by banks. They could be consultancy firms or experts such as those used by the international banks. When used, they were heavily involved in strategizing, mainly in the strategy making period. Also, they were highly influential. They could be hired by the board, top management or at the business sector level. In other words, they could participate in the corporate level strategy or in the business level strategy.

Consultants could be involved in 12 practices, including: shaping context, initiating, executing, collaborating, supporting, coordinating, facilitating, integrating, negotiating, translating, communicating and reviewing. Their level of involvement varied and this could be due to the nature of their engagement. For instance, it was recognised that the use of consultancy in strategizing could be for a specific request, not necessarily for the whole process. The following table highlights the strategizing practices in which consultants could be involved.

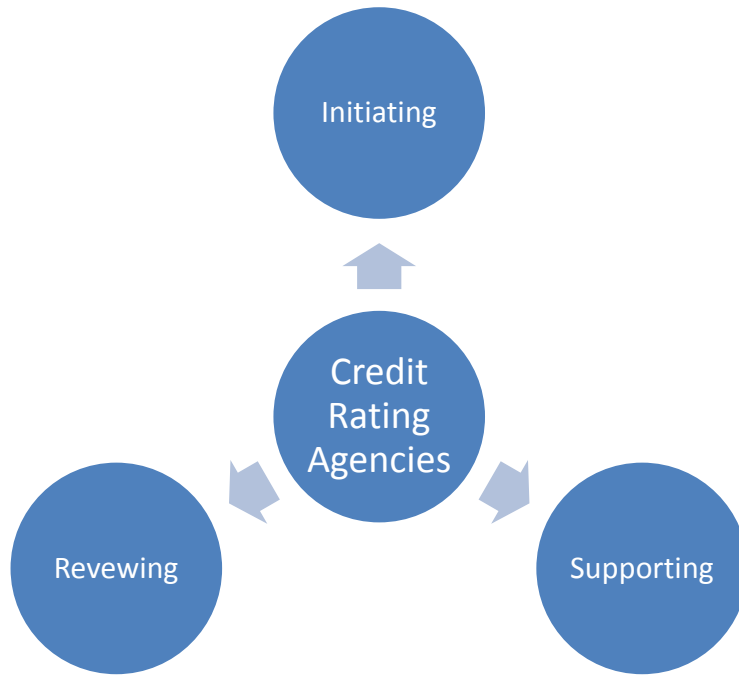
The findings reveal that external consultants could be considered into two types: 1) low involvement and high influence and 2) high involvement and high influence.

**Table 27.6: Consultants' Level of Involvement**

Rank	Strategizing Practices	Strategy Development	Strategy Execution	Involvement
1	Supporting	X	-	High
2	Collaborating	X	-	High
3	Facilitating	X	-	High
4	Initiating	X	-	Low
5	Executing	X	-	High
6	Communicating	X	-	Low
7	Shaping context	X	-	Low
8	Negotiating	X	X	Low
9	Integrating	X	X	Low
10	Translating	X	-	Low
11	Reviewing	X	X	Low
12	Coordinating	X	-	Low

#### 6.4.3.2.2.2 Credit rating agencies

Strategists in the banks widely used credit rating agencies. They were the most commonly used external actors, specifically Moody's, Standard and Poor's and Fitch. Those agencies conduct financial, economic and risk assessments for the country as whole, the industry and individual organisations. Such evaluations could influence investment decisions, organisation operations, revenues and reputation. For instance, they could affect the borrowing level, asset prices and loan interest rates. As a results, strategists in the banks relied heavily on these agencies' recommendations, ratings, information and reports.



**Figure 41.6: Practices Exercised by Credit Rating Agencies**

The credit rating agencies could be considered as less involved (Table 28), but they could be considered as a high influence actor since, as stated previously, their input had significant consequences.

**Table 28.6: Credit Rating Agencies' Level of Involvement**

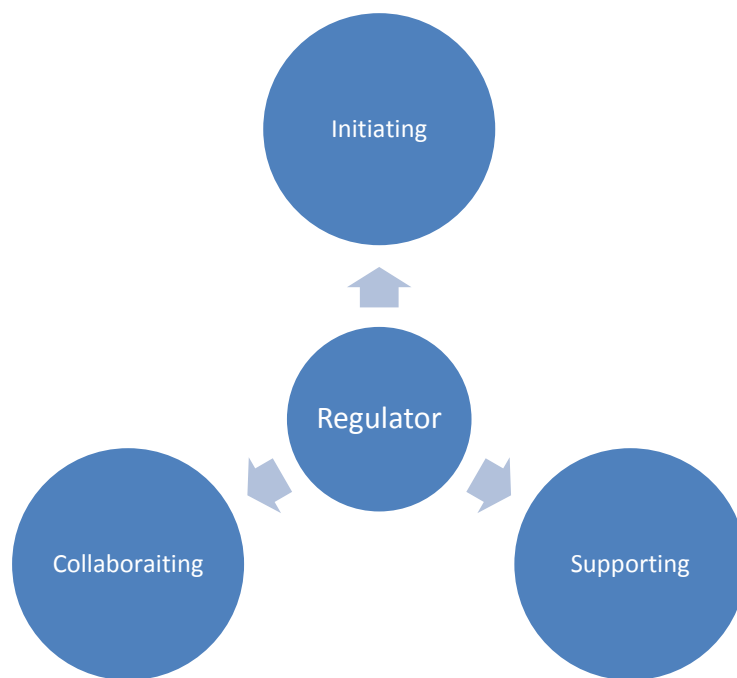
Rank	Strategizing Practices	Strategy Development	Strategy Execution	Involvement
1	Supporting	X	X	High
2	Reviewing	X	X	High
3	Initiating	X	X	Low

#### 6.4.3.2.2.3 Regulators

Regulators (Saudi Arabian Monetary Agency and Capital Market Authority) were involved in strategizing but their involvement was different from that of the previous actors. Their involvement could be direct or indirect. For instance, the laws and regulations enacted and any changes in them could influence strategy. In all the banks, compliance with the central

bank regulations and laws was taken seriously. Another example is the reports published by the central bank, either about the country in general or about businesses such as the banks.

On the other hand, direct involvement could be exemplified through the example of communication practised with the banks to encourage them to adopt certain standard, or systems, or to deliver certain products or to serve certain customers.



**Figure 42.6: The Recognised Regulator's Strategizing Practices**

Findings show that (figure 42.6) regulators could be involved in the following practices: initiating, collaborating and supporting. The following table display the level of involvement and the period of strategizing. It was clear that the involvement was more in the period of strategy making.

As stated earlier, regulators were recognised in all the banks but involved in fewer practices compared that with other actors. Therefore, they could be considered as low involved actors. However, their influence was significantly recognised; therefore they are considered as highly influential actors.

**Table 29.6: Regulators' Level of Involvement**

Rank	Strategizing Practices	Strategy Development	Strategy Execution	Involvement
1	Initiating	X	X	High
2	Supporting	X	-	High
3	Collaborating	X	-	Low

*6.4.3.2.2.4 Media, investment banks and business intelligence*

Media, investment banks and business intelligence recognised as a strategy actor. For instance, respondents gave an example of Economist, Thomson Reuters and Citi Research. Those actors provided information; evaluation and analysis that could be used by strategists. For example, they were providing reports and materials about the country economy, banking sector and each bank individually. Such actors were involved in supporting practice.

They could be considered as less involved since fewer strategists' used them also their influence could not be recognised, therefore they are considered as less influential actors.

Generally, they were more involved in strategy making period.

*6.4.3.2.2.5 Customers*

Customers were identified as an actor involved in strategizing. In one case, external consultants interviewed customers, while in other cases, customers' surveys were conducted by certain departments or customer feedback was obtained and recognised by the frontline staff. Therefore, customers could be considered as involved in one strategizing practice: collaborating.

Customers' involvement was low compared to other actors. Therefore, their influence could be considered as limited.

#### *6.4.3.2.2.6 Friends and Colleagues*

It was identified that friends and colleagues, whom strategists trusted, could be involved indirectly in strategizing. Those colleagues could be working in the same organisation or in the same industry locally or globally or in a different industry. Peers could share information, personal experience, rumours, stories, gossips and opinions, which as result could influence strategists' behaviours and actions (Balogun and Johnson, 2004).

However, their involvement was limited as it was recognized by a very limited number of strategists and this was more with the middle managers. Also, here the influence could not be recognised; therefore they will be considered as having low influence. The strategizing practice they could be involved with is the supporting practice.

#### *6.4.3.2.2.7 Vendors*

Vendors were introduced as actors that were involved in strategizing. Their involvement was very limited; also their influence could not be recognised, and therefore it was considered as limited. Their involvement was more in the business level strategy. The practice that could be exercised by them was the supporting practice.

To sum up, the following figure is an attempt to map the identified 14 strategy actors' involvement and influence in strategizing in the banking sectors.

	Low Involvement	High Involvement
Low Influence	Line managers, frontline staff, investment and business intelligence agencies, customers, friends, vendors, Shari'ah group	Middle managers, Line managers
High Influence	Board, Shari'ah board, Consultants, Credit Rating Agencies, Regulators	CEO, Middle managers, Strategy teams, Consultants

**Figure 43.6: Strategy Actors' Level of Involvement and Influence**

It is clearly that the CEOs, middle managers, strategy teams and consultants were the most involved and most influential actors in strategizing in the banking sector. Actors such as middle managers and line managers could have different levels of involvement and influence, depending on the nature of the position and actors' capabilities. Similarly, with consultants, it depended on the nature of their engagement; for example, they could be hired on the business level for facilitating purposes or they could be hired on the corporate level and manage the whole strategy exercise.

The findings provided insight into the capabilities required of strategy actors, whether technical, interaction or meta-level. The salience of these capabilities was made particularly clear when they were mapped to practices, showing the specific demands on actors made by particular practices.

While cultural context appeared to have little impact on what strategizing practices were performed, its influence was apparent on who participates in strategy making and who does not. In particular, such influence was manifested in the limited participation of women, both in number and in the level and range of their activities.



A cultural feature specific to the Islamic banks was the presence of a particular group of people who had power and influence derived from Shari’ah, whilst they had no clear role in strategy development, they were influential at the operational level and in relation to strategy outcomes.

## 6.5 Strategizing Practices and Strategists in the Banking Sector

The following table summarizes the identified strategizing activities and the strategy actors that were involved in each practice.

**Table 30.6: The Identified Strategizing Practices and Strategy Actors**

<b>Practice</b>	<b>Definition</b>	<b>Strategy actors</b>
<b>Shaping Context</b>	Developing the formats, guidelines, templates and the outline of the strategy standards that other strategy actors were required to follow and submit at the end of the day. The engagement of strategy-related participants.	CEO, Middle managers, Strategy teams, Consultants
<b>Initiating</b>	Establishing and initiating new ideas, projects or plans related to strategy process or content.	Board, CEO, Middle managers, Line managers, Strategy teams, Shari’ah group, Consultants, Credit rating agencies, Regulators.
<b>Executing</b>	Includes activities such as preparing presentations, strategy documents, plans, business cases and reports.	Middle managers, Strategy Teams, Shari’ah group, Consultants, Line Managers.
<b>Collaborating</b>	Strategy participants worked jointly in teams to develop strategic plans and reports, develop strategic thought and ideas, exchange information and knowledge.	Board, CEO, Middle Managers, Line Managers, Strategy Teams, Shari’ah Group, Staff, Consultants, Regulators, Customers.

<b>Supporting</b>	Supporting all other strategy actors with various activities, which includes distributing knowledge and information, providing expertise, advice and resources.	Middle managers, Strategy Teams, Shari'ah Board, Shari'ah Group, Consultants, Credit Rating Agencies, Investment Banks, Business Intelligence Agencies, Regulators, Friends, Vendors.
<b>Reflecting</b>	Thinking and reconsidering the ways of improving strategy process, content and ways to deliver strategy. Train and develop other strategy participants.	Middle Managers, Strategy Teams.
<b>Coordinating</b>	1) Providing all strategy participants with the framework they ad to follow. The framework included the direction, high level objectives, broad headings and targets. 2) Develop a calendar include all the activities, to be followed, with milestones and deadlines.	Board, CEO, Strategy Teams, Consultants.
<b>Facilitating</b>	Facilitating events to include different strategy participants in strategy developing, including workshops, meetings and seminars.	Middle Managers, Strategy Teams, Consultants.
<b>Integrating</b>	Collecting and amalgamating strategy actors' strategic ideas, thoughts, information and plans.	Strategy teams, Consultants
<b>Negotiating</b>	Debating, challenging and questioning strategic ideas, initiatives, projects, targets, performance and plans while strategizing. Through strategizing participants were involved in a continuous discussion in order to reach to agreement, validate, or to convince others.	Board, CEO, Middle Managers, Strategy Teams, Consultants, Regulators.
<b>Translating</b>	Translating and interpreting the strategy into detailed actions. This included translating the strategy into budgets, operation plans and detailed projects and initiatives.	Middle Managers, Line Managers, Strategy Teams, Consultants
<b>Communicating</b>	Communicating strategic ideas, inputs, suggestions, decisions and plans formally and informally	Board, CEO, Middle Managers, Line Managers, Strategy Teams, Shari'ah Board, Shari'ah Group, Consultants.
<b>Reviewing</b>	Reviewing the proposed strategic plans, ideas, decisions, projects, reports, documents and initiatives. reviewed the	Board, CEO, Middle Managers,

	performance of strategy	Strategy Teams, Shari’ah Board, Shari’ah Group, Consultants, Credit Rating Agencies, Line Managers.
--	-------------------------	---

Graph (44.6) represents all the strategizing practices and the strategy actors involved in each practice. It is clear that different actors were involved in different strategizing practices. The practice with most involvement was the collaborating activities, as different actors possess different types of knowledge, expertise, resources and information, which are essential for strategizing. Practices like reflecting and integrating were practised by fewer actors, as by nature of these practices were the responsibility of specific strategy actors such as the strategy teams.

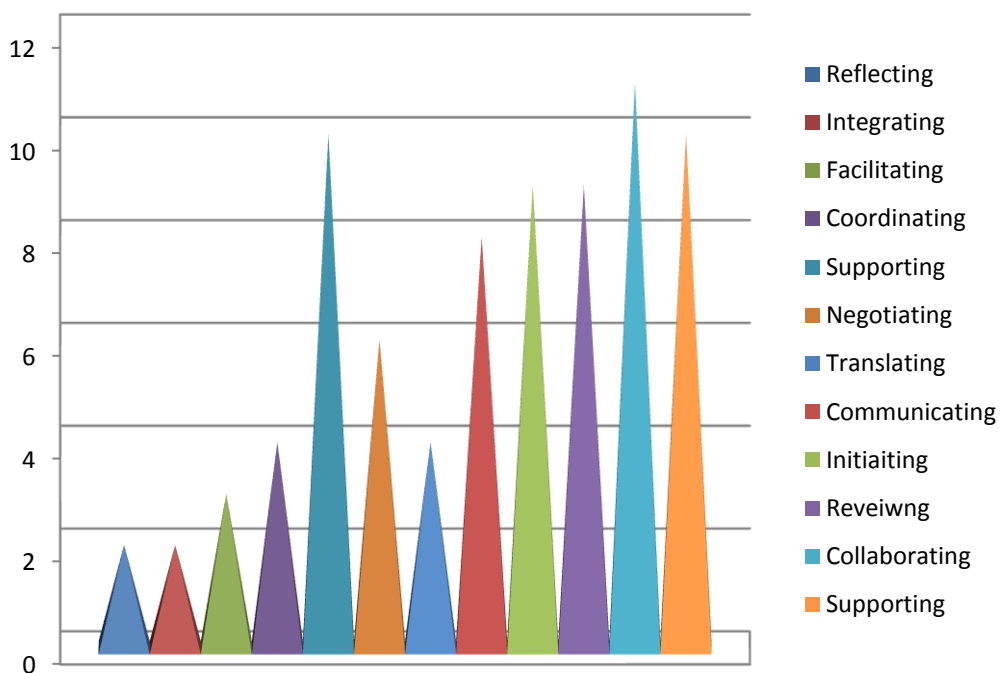


Figure 44.6: All the Strategizing Practices and the Strategy Actors Involved in Each Practice

Findings expressed the importance of interactions between different strategy actors from different levels of management in strategizing. These social interactions helped strategists in

their daily activities, as through these interactions they were able to enhance the interpretation, understanding and making sense of strategy related issues and activities, develop new initiatives and ideas, reduce conflict, and improve guidelines and frameworks (Balogun, 2003; Pye, 2005; Paroutis and Pettigrew, 2007).

The findings of this research reveal that strategizing activities in the banking sector were decentralized and involved different strategy actors, internal and external, also from different level of management and from different functions. In other words, strategy development and execution were not limited to specific strategy actors but included multiple strategy actors across the bank and outside the bank. This was consistent with Ocasio and Josepeh's (2008) research on GE, where they found that strategy planning activities involved both the strategy teams and the businesses front line managers across different organisation levels.

## **6.6 Is there any Difference between Islamic and non-Islamic Banks in the way Strategy is Conceived and Practised?**

The findings reveal that there was no distinction in the way strategy was conceived or in the strategizing activities in the conventional and Islamic banks. The only distinctive aspect that differentiates Islamic banking is the involvement and influence of the Shari'ah board and Shari'ah group.

The similarities of the strategy conceptualization and strategizing activities could be justified through the following points: both types of bank operate under the supervision of one regulatory body, they operate in the same market, perform a similar nature of business, and mobility of manpower in the banking sector results in staff moving from one bank to another. For instance, throughout the banking sector the language, practices and the technicality of the business were almost the same.

However, it could be argued that a similar strategy conceptualization could result in similar strategizing practices, or the current strategizing practices could result in a similar understanding of strategy. The findings could not confirm these arguments.

In terms of strategy understanding and conceptualization, in all the banks the influence of Western schools of thought was clear, as Saudi banking as an industry and as a system was built by Westerners. Also, Western practitioners since the 1950s were the key players in the banking sector in Saudi Arabia. For example the central bank (SAMA) was established in 1952 through the support provided by IMF and America. Its first governor was American. Before that, since 1926, a branch of Netherland Trading society had acted as a central bank. This bank was the first bank in Saudi Arabia, and then other international banks were present in Saudi Arabia (Tschoegl, 2002).

In other words, the root of the banking sector was western, as the banking system was built by Westerners and for a long period of time most of the banks were Western banks. Today, five of the twelve banks are managed and the major shares owned by international banks. The key positions in the banking sector until now are controlled by Westerners; 36.5% of my sample were Western and they held senior positions and took part in the decision making process. Furthermore, the management practices were influenced by consultancy firms, which were mainly western. Respondents mentioned using consultants such as McKinsey, Booz, BCG and Bain.

Moreover, the banking industry is very strongly regulated and has become a global business where many practices are almost the same globally, with the adoption of common standards, similar language and terminology. For example, in all the banks the main language of business is English and they use English systems. So the culture of the banking industry globally reflects that of the English-speaking world.

With regard to Islamic banking, the first Islamic bank was established 1987, which means that for around 60 years, the banking sectors consisted exclusively of conventional banks. The second Islamic bank was converted from a conventional bank to a Shari'ah compliant bank in 1998. Therefore, for all the various reasons mentioned above, the Islamic and non Islamic banks were similar in term of conceiving strategy and in the nature of the strategizing activities.

In term of strategy and strategizing both types of banks are very similar. This could be explained by the fact that Islamic banking itself is a developed version of the conventional banking. Shari'ah poses certain restrictions on the operational level, related to the specific products offered; in other words, its impact is on the details of strategy implementation rather than the setting of strategy itself.

In addition, the strategy concept and ideas related to strategy were developed in the West and this has influenced the strategizing in different organizations globally; and Saudi and Islamic banks are no exception. Moreover, evidence showed that nothing in strategy and strategizing conflicted with Shari'ah. For example, the Quran in Surat Al-Mulk, 29<sup>th</sup> chapter, verse No.22 says that: Who is better guided: he who goes grovelling on his face or he who walks upright on a straight path?

قال تعالى : "أَفَمَنْ يَمْشِي مُكِبًّا عَلَىٰ وَجْهِهِ أَهْدَىٰ أَمَّنْ يَمْشِي سَوِيًّا عَلَىٰ صِرَاطٍ مُسْتَقِيمٍ" (سورة الملك، آية 22)

This verse can be interpreted to endorse the process of looking ahead towards a goal and setting out a route to follow, which all the banks tried to do.

The only difference was in terms of the strategy actors. The Shari'ah boards and Shari'ah groups were identified as strategy actors in Islamic banking. These actors were not limited to Islamic banks but also existed in conventional banks that established Shari'ah compliant windows, branches, services and products.

When it comes to Islamic banking, an autonomous supervisory body (Shari'ah boards) needed to oversee all the Islamic banking activities, so, each bank had its own Shari'ah board and in most of the cases there was a dedicated department under the supervision of the board to ensure that the operations of the bank were Shari'ah compliant.

What differentiates those actors from all the other actors is that they are religious actors and their power is derived from the religion. Also, their power is derived from society, as different stakeholders such as customers, shareholders and employees will perceive the bank as a non Islamic bank if the bank is not supervised by those actors and does not comply with Shari'ah. As stated earlier, in Saudi Arabia Shari'ah is the dominant force that influences people's behaviour and therefore, when it comes to banking, they need assurance that the

bank is in harmony with Shari'ah from a permanent and independent Shari'ah Supervisory Board. As a result, with regard to Islamic banking, those actors influenced strategy and strategizing. Findings show how they were involved and their influence within the banks.

Moreover, in both types of banks, women's participation was less than in other contexts and this can be attributed to the influence of culture and tradition. As stated earlier, the local culture is influenced by Shari'ah and traditions and this resulted in gender segregation, late female education, strict constraints on women's public social interactions and a strict dress code for women. Given Saudi Arabia's relatively homogeneous culture, social norms regarding women's roles were observed to apply with only minor differences in degree, across all banks. For example, there is a cultural barrier to having women participate in strategizing, since this is an outward- looking, public practice, and one with connotations of leadership, and so considered to belong to the male sphere. Constraints on women's movements and ability to meet with men also pose practical difficulties in their involvement. These considerations apply in both types of banks.

Although some distinctive points about Islamic banking were identified it could be argued that adopting a different methodological approach might enable identification of more issues that are contextually influenced.

## **6.7 Conclusion**

This chapter discussed the research questions at the macro level (Industry level), by presenting bank strategy actors' understanding of strategy, the strategizing practices they are involved with and identifying the strategists.

Firstly, it addressed the conceptualization of strategy as perceived by strategy actors.

Findings revealed that no consensus definition of strategy was expressed by strategists, nor



was there a big disagreement in the way strategy was conceived. Furthermore, strategy actors who were practising strategy in the same industry, in the same organisation, in the same context and performing similar practices could have different meanings of strategy. Also, a strategist could have multiple definitions of strategy.

Strategy definitions as perceived by strategists in the banking sector in Saudi Arabia can be grouped around three definitions: strategy as a plan, strategy as a direction and strategy as an objective. Viewing strategy as a plan could reflect the fact that characteristically it is portrayed as the activity of a group of actors. Findings show that people who worked in the strategy office/department/unit were more inclined to this point of view. Strategy as direction and strategy as objective exposed the top management's exclusive role in shaping strategy, which other organisation members will follow (Mantere and Vaara, 2008). This was more recognised by those who worked in middle management and particularly in support functions such as operations, IT and risk. This perception legitimizes the role of the top management, as it regards them as actors with superior knowledge, who have strategy as their main responsibility. On the other hand, businesses held both views, which could be interpreted as reflecting that certain activities and input will be proposed by top management and other input and activities exercised by other groups of strategy actors, such as the businesses themselves.

Strategy as objective reflects that strategy is incorporated with a detailed measurement and clear quantifications. This view was expressed more in the business sectors, which are profit centres and they are more concerned with meeting the targets assigned for them. This reflects the notion of a top down strategizing approach.

Secondly, this chapter addressed the main strategizing practices and activities practised by strategy actors. This contributes to the understanding of the micro level strategizing activities

and practices of strategy actors in the banking sector in a cross cultural context. Thirteen strategizing practices, their modes, their nature and time of each practice were identified. Such empirical work provides insights towards the modes of strategizing (recursive and adaptive) (Jarzabkowski, 2004). Strategists could practise routine activities and at the same time could practise another strategizing activity that is adaptive, which could result in changes in strategy making and execution. Moreover, the same activity could be approached by one actor in a recursive approach while another actor could practise it in an adaptive way in a different time of strategizing. Therefore, maintaining or refining strategizing and strategy is achieved through recursive and adaptive activities practised by strategy actors (Jarzabkowski, 2003). The developed framework (figure 34, page 320) summarized the above issues; it is an attempt to link the identified strategizing practices with the modes of practices (recursive and adaptive) and the period of strategizing (strategy making, strategy execution). In detail, five strategizing practices (coordinating, facilitating, integrating, translating and executing) were identified as habitual strategizing practices which aim to maintain the current strategy and strategizing. Only executing was identified as it potentially practised in any period of strategizing, while the remainder were performed mainly in the strategy making period. On the other hand, four strategizing practices were classified as adaptive practices: shaping context, collaborating, negotiating and reflecting. Two of these practices (reflecting and negotiating) were identified as potentially practised in any period of strategizing (strategy making and strategy execution) while the remainder (shaping the context and collaborating) were practised in the strategy making period. Finally, regardless of these two distinctive modes of strategizing, four practices were identified as both recursive and adaptive, which means in some situations they could be practised to sustain the current strategy or strategizing, while in other situations they could be practised to seek changes in strategy or strategizing.

Moreover, they could be practised at any period of strategizing. Therefore, they are located in the middle of the framework.

Thirdly, this chapter addressed the issue of the strategy actors, providing insights into who the strategists are by focusing on strategists' capabilities required in strategizing and identifying the strategy actors that engaged in the identified strategizing practices. This contributes to the limited empirical research and enhances the understanding of strategizing in practice.

There was no major difference identified between the respondents' perceptions in terms of strategists' capabilities required in strategizing. The identified capabilities fell broadly into three categories: technical capabilities, interaction capabilities and meta-level capabilities. Each of these three categories was linked to the identified 13 practices; this resulted in mapping these practices into five groups. The first group of practices (initiating and reflecting) were linked with the meta-level capabilities. The second group of activities (executing, translating, and reviewing) were linked with technical capabilities. The third group of practices (facilitating, negotiating and communicating) were linked with interaction capabilities. The fourth group of practices (shaping context, supporting, coordinating and integrating) were linked with both technical and interaction capabilities. The fifth group consisted of one practice (collaborating), which was linked with all the three identified group of capabilities: technical, meta-level and interaction.

In terms of the strategy actors that were involved in the identified strategizing practices, the issues of: gender, involvement, influence and practices were addressed. The findings reveal that only one female strategy actors was identified in all the six cases. This woman was a strategy coordinator in the business strategy unit in one of the sectors in a conventional bank. It was confirmed that top and middle management and decision making were dominated by

men, due to social, cultural and institutional influences (Martin, 2003). There is a cultural barrier to having women participate in strategizing. Therefore, in such a context, gender participation and roles are still shaped by social norms and as result of that certain actor's participation could be restricted. Moreover, the findings confirm that strategizing involved different strategy actors. Different strategizing practices could have different actors and those actors' levels of involvement and influence could vary. Two types of strategy actors were discussed: internal actors (Board, CEO, middle managers, line-managers, strategy teams, Shari'ah board, Shari'ah group and front-line staff), external actors (Consultants, credit rating agencies, investment banks and business intelligence agencies, regulators and customers, friends and vendors). Of the 14 strategy actors identified and each actor's involvement and influence level were discussed. Their levels of involvement and influence were mapped on two levels high and low. CEOs, middle managers, strategy teams and consultants had the highest involvement and influence. Actors such as middle managers and line-managers could have different levels of involvement and influence, depending on the nature of their position and their capabilities. Similarly, with consultants, their level of involvement and influence varied, as it depended on their nature of their engagement.

Furthermore, the identified strategizing practices and strategy actors were linked and mapped in such a way that for each strategizing practice, the relevant strategy actors were indicated. The number of strategy actors involved in each practice was varied, which means different strategy practices could be practised by different strategy actors. For instance, the collaborating practice involved the greatest number of actors. This was justified on the basis that strategizing requires different types of knowledge, expertise, resources and information, which were possessed by different strategy actors.

Moreover, this chapter addressed the question whether there is any difference between Islamic and non-Islamic banks in terms of strategy conceptualization and practising. It was revealed that there was no distinction in the way strategy was conceived and practised in the two types of banks. The only distinctive aspect was in terms of strategy actors, as in Islamic banking the Shari'ah group and board were involved in and influenced strategizing. The similarities were explained by the fact that all the bank were operating under the same regulations, in the same market, performing the same nature of business and having similar manpower.

Finally, the study shows that despite Saudi's distinctive culture, the conceptualization of strategy in the banks, and the kinds of practices performed, were similar to those reported in the west, for the reasons discussed earlier (globalization of banking industry, western influence on management education, consultants, expatriate employees etc...). The impact of local culture was more at the operational level (the need for Shari'ah compliant products) and to some extent, exactly who was involved in strategizing (limited involvements of women). Even the latter point is not wholly unique to Saudi as worldwide fewer women than men are found in senior management roles. Analysing the impact of this or other cultural factors on the process of strategy was outside the scope of this study, but would be an interesting focus for future research.

## 7 Chapter Seven: Conclusion

### 7.1 Introduction

This empirical research explored strategizing in the banking sector in Saudi Arabia. This research reports findings from 42 interviews and supporting documents from six banks. Attention was drawn to strategy meaning, strategy practices and activities and strategy practitioners.

The study of strategizing and strategy activities was based on the literature on s-as-p, to describe the context for strategy actors and strategizing practices, while discussion of strategy conceptualization, capabilities, gender, influence, involvement and culture was drawn from much broader domains.

The banking sector was chosen because of its dynamic, high-velocity and competitive nature, for example, new regulations, several mergers, new forms of products and competition (Bourgeois and Eisenhardt, 1988) . Also, Saudi Arabia is considered as a developing country, which means not all sectors are well established. The banking industry is one of the oldest sectors in the country, and might be considered as a mature sector (Jasimuddin, 2001).

The importance of this study is derived from its focus on the micro level of strategizing and strategists. Its focal point is strategy practitioners from different levels of the organisation. It provides insight into a unique cultural environment that has not received a significant attention in the field of strategic management in general and particularly in the area of s-as-p (Jarzabkowski and Kaplan, 2010).

The purpose of this chapter is to present the contribution to knowledge of this empirical research, its limitations and the implications for future research.

## 7.2 Contribution to Knowledge

This research has explored strategizing in the banking sector in a non-Western context. In particular, it focused on strategy meaning, strategists and the key strategizing practices adopted by practitioners. In terms of strategizing, the focus was more toward the actions and activities exercised by multiple practitioners, either internal or external actors. Through qualitative data, this study addressed the following research questions:

1. How far and in what ways do strategists conceptualize and realise strategy in practice? (Strategy meaning)
2. What are the main actions, activities and practices by which individuals enact strategy? (Strategy praxis)
3. Who are the strategists (strategy actors) in Saudi banks? (Strategy practitioners)
4. Is there any difference between Islamic and non-Islamic banks in the way strategy is conceived and practised?

By answering these questions, this empirical research contributes to the emerging s-as-p perspective. Moreover, it contributes to the broader field of strategic management. It also contributes to strategizing studies in the banking industry.

### 7.2.1 Theory

This section highlights the theoretical contribution of this study. In the s-as-p field, one of the challenges introduced was to adopt a micro level view of strategic activities to explain the macro level institutionalised practice and link it with the strategy (Whittington et al., 2004). Therefore, this research provided a set of evidence in that regard.

This research explored strategy meaning, strategy praxis and strategy actors in the meso (bank level) and macro (banking industry) level in a cross cultural context (Jarzabkowski and Spee, 2009). Such a combination contributes to addressing the identified challenges of the s-

as-p perspective (Whittington et al., 2004; Johnson et al., 2007; Jarzabkowski and Spee, 2009).

As shown in the analysis, strategizing in large firms such as Saudi banks involves a large number of strategy actors, internal actors from different levels and external actors from various organisations. Through actions and interactions, strategy actors were involved in a range of strategy praxis. Such actions and interactions were distributed and performed collectively and dynamically by different actors. The detailed empirical findings and analysis in chapters 6,7 and 8 provide details about strategizing in the banking sector. Chapter 8 provided a summarized matrix of strategizing (figure 8.3, page 34), a simplified table presenting the required capabilities (table 8.3, page 98) and the involvement of strategy actors in strategizing (table 8.14, page 83).

Although Jarzabkowski (2005) and Paroutis and Pettigrew (2007) proposed frameworks for strategizing, this thesis contributes to the field of s-as-p by introducing 13 strategizing practices, recognizing the notion and modes of each practice, its timing, the required set of capabilities and the strategy actors involved. Such mapping of the above issues provided deeper insights into the way strategy was practised and how strategists interpret their ongoing strategizing praxis. The 13 practices identified, which were practised by external or internal strategy actors across different levels of management in the banking industry, included: shaping the context, initiating, executing, collaborating, supporting, reflecting, coordinating, facilitating, integrating, negotiating, translating, communicating and reviewing.

Several previous studies have focused on strategy activities and the related discourses and events (Hendry, 2000; Regner, 2003; Maitlis and Lawrence, 2003; Paroutis and Pettigrew, 2007). For instance, Regner (2003) studied strategists' actions focusing on strategy creation and development at the periphery and the centre in multinational firms; he introduced a



twofold classification of inductive and deductive strategy activities. Similarly, Paroutis and Pettigrew (2007) conducted a study focusing on the practices of strategy teams at the centre and periphery of a single multi-business company.

This research confirms previous findings related to strategy activities and extends some activities. However, it includes more strategy actors and a larger number of organisations. Importantly, this thesis offers a framework to link strategizing practices, the mode and nature of the different activities (recursive or adaptive), timing (strategy making or strategy implementation), strategy actors' involvement and influence, and the capabilities, perceived to be required by strategists to perform these activities.

Whereas the research cited above focused on differentiating the central and peripheral actors and activities, this research emphasised and confirmed that strategizing was practised at different levels, and both inside and outside the organisation, through the interactions of multiple actors. This research differed from the earlier studies as it focused on the actions and activities of strategy practitioners (internal and external) in the banking sector in a non western context. In so doing it responded to scholars' calls for exploring what practitioners do across various levels (Whittington, 2002b; Jarzabkowski, 2004).

The various practices (such as the 13 identified practices) through which strategists exercised strategizing, are dynamic, could evolve and could be practised differently at different times (Balogun, 2003). For instance, a practice could be changed from one mode to another, and it could involve different actors in different settings. Some practices could be habitual and maintain the current strategy and strategizing (recursive mode) while other practices could influence and change the current strategy and strategizing (adaptive mode). The matrix (figure 8.3, page 34) highlighted that supporting, reviewing, communicating and initiating could be practised in any period of strategizing and could be either adaptive or recursive.

Reflecting and negotiating could be practised at any time and both were identified as adaptive practices. Similarly executing could be practised in any period of strategizing but it was considered as a recursive practice. Facilitating, coordinating, integrating and translating and executing were identified as practices that were recursive mainly practised in the strategy making period. Shaping the context and collaborating were identified as recursive practices that were practised in the strategy implementation period.

Practices of strategy actors may change in order to accommodate any changes and any new conditions in the business and the surrounding environment. Therefore, mapping the changes or diffusion of different strategizing practices and the strategy actors could be useful in identifying the effect on strategizing in term of failure or success (Paroutis and Pettigrew, 2007; Jarzabkowski, 2004). For example, one of the main features of strategizing is the interaction of strategy actors (Grant, 2003), and unsuccessful interactions could result in failure of strategizing.

This research highlighted the complexity of strategizing, where practitioners handled several activities and interacted with multiple actors. For instance, the nature of the banking industry, which is surrounded by an unpredictable environment and focus changes locally and globally, drove strategists to practise continuous reviewing and to initiate strategise in order to cope with any changes. Furthermore, the interaction of strategy actors with multiple actors requires a huge amount of effort in communication, coordinating, supporting, facilitating, negotiating and collaborating. There were variations in the way these practices, were performed, which highlights the importance of strategists' capabilities.

Exploring the capabilities required for strategizing as perceived by strategy practitioners addressed the call of Whittington for identification of “what are the skills required for strategizing” (2003, 120). Several scholars have focused on organisational capabilities, such

as the resource based view (Teece et al., 1997); however uncovering strategists' capabilities in practice as perceived by practitioners has not been done previously. This research confirms the three types of capabilities identified earlier in the literature: technical knowledge and skills, interaction skills and meta level skills. Technical capabilities enable strategists to handle the technical and analytical strategic issues, the interaction capabilities enable strategists to handle to handle all the communication and the work with others on issues related to strategy and finally the meta level capabilities enable strategists to adopt critical and novel approach to strategizing.

Furthermore, this research tried to link the identified capabilities with the reported 13 practices, based on the argument that organisation actors, through their social construction, practise the micro activities which as a result constitute the macro context. This research extended this argument through a s-as-p lenses Table 16 (page 383) shows each practice and the identified related capabilities as perceived by strategists, which provides new insights into strategists' capabilities in the banking sector and where they could be used in strategizing.

Practices were grouped into five sets. The first group demanded mainly a technical capabilities, the second was linked with meta level capabilities, the third was linked with interaction capabilities, the fourth required both technical and interaction and the final group was linked with all three types of capabilities.

This research also contributes to knowledge by focusing on strategy actors as the unit of analysis. This has the advantage of enhancing our understanding of strategy actors' actions related to strategy and strategizing in large complex organisations like banks. In this regard, this research contributes to addressing the gap highlighted by Whittington (2002) with regard to the limited strategy research on what he called the 'less elevated level' practitioners.

Previous research on strategy practices concentrated on the top management teams (Wilson

and Jarzabkowski, 2004). For instance, Jarzabkowski (2003) studied the top management across three universities, which Balogun and Johnson (2004, 2005) examined middle managers. Other research focused on multiple actors like top and middle managers (Sminia, 2005; Hoon, 2007) or corporate and peripheral actors (Regnér, 2003; Paroutis and Pettigrew, 2007). This research was distinctive as it studied internal and external strategy actors, and in the case of internal actors, looked at the roles of those different levels of management. This emphasised the importance of interactions in strategizing between strategy actors at various levels, either internal or external. This study met the call of Regner (2003), who called for in-depth examination of the strategizing of strategy actors at different levels, by presenting the strategizing practices of different strategy actors, their level of involvement and influence and the strategy capabilities required.

The findings confirm that complex organisations such as banks cannot not be managed by a single or small group of actors; it requires an interactive and distributed style of management and leadership (Balogun and Johnson, 2004; Wooldridge et al., 2008).

This view is supplied by the evidence found in this research that strategizing activities in the banking sector were decentralized and involved different strategy actors, internal and external, from different levels of management and from different functions. In other words, strategy development and execution were not limited to a specific strategy actor, but it included multiple strategy actors across the bank and outside the bank.

Moreover, this research contributed to overcome the lack of empirical research addressing the people who do strategizing, particularly identifying the strategy actors who participated in strategizing and the activities they were involved in. This will help in enhancing our understanding of who performs the identified practices. This research follows the perspective that strategy participants are “those directly involved in making strategy – most prominently managers and consultants – and those with indirect influence – the policy-makers, the media,

the gurus and the business schools who shape legitimate praxis and practices” (Jarzabkowski and Whittington, 2008a, 101). The findings identified actors beyond the traditional known actors (Whittington, 2006; Johnson et al., 2007; Jarzabkowski and Spee, 2009), for instance, the Shari’ah board and Shari’ah group. Fourteen strategy actors were identified: internal formal actors (the Board, CEO, middle managers, line-managers, strategy teams, Shari’ah board, Shari’ah group and front-line staff), external formal actors (consultants, credit rating agencies, investment banks, business intelligence agencies, regulators and customers) and informal actors (friends, colleagues and vendors). Their levels of involvement and influence were addressed.

The factors of interest, experience, perspective, organisational role, affect the level of involvement. Also, this research confirms that culture, religion and gender could play role in hindering participation.

### **7.2.2 Practice**

This thesis contributes to practice, particularly for practitioners in strategy (Whittington, 2006). As stated by Johnson et al. (2003) such empirical work would aid practitioners to know more about strategists, particularly their activities and their effects.

The identified group of strategy activities, actors and capabilities were perceived as essential for strategizing. This finding could have important implications for practice; for instance it could guide strategy teaching, and also it could be useful for organisations to inform strategy practice (Whittington, 1996; Paroutis and Pettigrew, 2007). The identified 13 practices could assist strategists to realize how strategizing is practised in the banking industry. Through the framework provided in this thesis strategy actors could examine, discuss and reflect on their current strategizing practices. They could also review the involved actors, to ensure they have the appropriate capabilities and to develop lacking and missing capabilities.

### 7.3 Limitations

Inevitably, social science empirical research has various limitations, and this study is no exception. Firstly, the topic of strategy was considered as a sensitive issue to organisations and strategy practitioners. For this reason, considerable challenges were faced in gaining access to and meeting strategy practitioners. Also I was not allowed to attend any strategy activities (workshops or meetings) or to have access strategy materials (presentations or strategy documents). Attending strategy activities could have helped with providing more insights and details of the strategizing. Furthermore, limited time and resources (individually) was an issue, preventing involvement of a wider sample in terms of number of banks and number of interviewees. However, this research was based on the argument that informants are able to remember and express the activities they practised while strategizing. This argument was consistent with Giddens (1984) who claimed that people are able to describe and reflect their knowledge and what they do. Several scholars such as Orlikowski (2002) and Paroutis and Pettigrew (2007) employed interviews and documents to study strategizing at different levels and across different business units in large organisations. Also, several previous researchers employed a comparative approach through cross case analysis (Jarzabkowski, 2003; Regnér, 2003). This research explored strategizing in the banking sector through interviews and documents, for six cases. Several previous writers on s-as-p recommended multiple cases (Whittington et al., 2004). However, a larger number of cases, ranging from eight to ten, would provide a more in-depth view and allow for generalisation (Pettigrew, 1992).

Another limitation faced was the limited research conducted in the field of strategic management in the Saudi context and particularly in the banking sector, as well as the limited literature in the emerging field of s-as-p. However, an attempt was made to compensate for this by referring to other literature from different fields.

## 7.4 Implications for Future Research

This exploratory research should be complemented and followed by other future empirical studies. The present work could be a platform for research on strategizing in the banking sector and in a cross cultural context. For instance, future studies could adopt longitudinal approach to study in-depth the strategizing practices and find out which one is more critical in making and executing strategy, as well as how each practice emerged or was disregarded. Other points worth exploring further are related to the location and timing of practices. Furthermore, practices could be compared between different industries such as banking and telecommunication or banking and insurance, to find out how and why certain practices are practised more in a particular organisation/industry?

Moreover, future research could consider including a larger number of case studies, given for example Pettigrew's (1992) advice that a suitable number of cases for generalisation could be between eight to ten.

Studying particular activities and contexts that develop or hinder the adaptive or recursive practices would be significant for the s-as-p field (Jarzabkowski, 2004). Therefore, this could be an area for future empirical research, to investigate the conditions that shape these modes.

Future research could also search in greater depth the practices of actors at the lower level and external actors, particularly by investigating their roles, behaviours and power in each practice.

Linking the findings that evolve from using s-as-p lens with other perspectives in the wider strategic management field could be fruitful, for instance, linking strategy content, strategy process and practice (Johnson et al., 2003). Another example would be to study organisation performance and its relation to strategists' capabilities and the adopted strategy activities.

This study focused mainly on practitioners and praxis; therefore more research could include the practices (tools) elements practised across the industry and across the different level of management.

Also, this research addressed the conceptualization of strategy. Future research could study all the identified strategy participants' conceptualizations and compare them with the perceptions of non strategists.

## **7.5 Conclusion**

This empirical research explored the strategy conceptualization, strategizing practices and strategy actors in the banking sector in a non-western, previously under researched context. It contributes new insights to the emerging field of s-as-p and goes some way towards addressing the shortage of non-Western cultural contexts.



## References

- AHMED, L. 1992. *Women and Gender in Islam: Historical Roots of a Modern Debate*, London, Yale University Press.
- AKHTAR, M. H. 2010. Are Saudi banks productive and efficient? *International Journal of Islamic and Middle Eastern Finance and Management*, 3, 95-112.
- AL-ATAWNEH, M. 2009. Is Saudi Arabia a theocracy? Religion and governance in contemporary Saudi Arabia. *Middle Eastern Studies*, 45, 721-737.
- AL-LAMKY, A. 2007. Feminizing leadership in Arab societies: the perspectives of Omani female leaders. *Women in Management Review*, 22, 49-67.
- AL-YAHYA, K. O. 2009. Power-influence in decision making, competence utilization, and organizational culture in public organizations: The Arab world in comparative perspective. *Journal of Public Administration Research and Theory*, 19, 385-407.
- ALI, A. & AL-SHAKIS, M. 1985. Managerial value systems for working in Saudi Arabia: An empirical investigation. *Group & Organization Management*, 10, 135-151.
- ALI, A. J. 1996. Organizational development in the Arab world. *Journal of Management Development*, 15, 4-21.
- ALI, A. J. 1998. The typology of the Arab individual: implications for management and business organizations. *International Journal of Sociology and Social Policy*, 18, 1-20.
- ALJAZIRA 2009. Bank Aljazira Annual Report 2008.
- ALJAZIRA 2012a. Bank Aljazira Annual Report 2011.
- ALJAZIRA. 2012b. *Bank Aljazira Web Page* [Online]. Available: <http://www.baj.com.sa> [Accessed 31 December 2012].
- ALRAJHI 2012a. Alrajhi Bank Annual Report 2011.
- ALRAJHI. 2012b. *Alrajhi Bank Web Page* [Online]. Alrajhi Bank. Available: <http://www.alrajhibank.com.sa> [Accessed 26/12 2012].
- AMABILE, T. 1997. Motivating creativity in organizations: On doing what you love and loving what you do. *California Management Review*, 40, 39-58.
- ANAS, E. & MOUNIRA, B. A. 2009. Ethical investment and the social responsibilities of the Islamic banks. *International Business Research*, 2, 123.
- ANDERSEN, T. J. 2004. Integrating decentralized strategy making and strategic planning processes in dynamic environments. *Journal of Management Studies*, 41, 1271-1299.
- ANSOFF, H. I. 1991. Critique of Henry Mintzberg's 'The Design School: Reconsidering the Basic Premises of Strategic Management'. *Strategic Management Journal*, 12, 449-462.
- ARGAAM. 2012. *Argaam* [Online]. Argaam Business Info. Available: <http://www.argaam.com/company/companyprofile/marketid/3/companyid/880> [Accessed 18 Dec 2012].
- ASK, K. & TJOMSLAND, M. 1998. *Women and Islamization: Contemporary Dimensions of Discourse on Gender Relations*, Oxford, Berg.
- AT-TWAIJRI, M. I. & AL-MUHAIZA, I. A. 1996. Hofstede's cultural dimensions in the GCC countries: An empirical investigation. *International Journal of Value-Based Management*, 9, 121-131.
- AT-TWAIJRI, M. I. A. & MONTANARI, J. R. 1987. The impact of context and choice on the boundary-spanning process: an empirical extension. *Human Relations*, 40, 783-797.
- ATIYYAH, H. S. 1997. Culture, management and organisations in Arab countries: a review of research findings. *Cross Cultural Management: An International Journal*, 4, 13-20.
- BALOGUN, J. 2003. From blaming the middle to harnessing its potential: Creating change intermediaries. *British Journal of Management*, 14, 69-83.
- BALOGUN, J., HUFF, A. S. & JOHNSON, G. 2003. Three responses to the methodological challenges of studying strategizing. *Journal of Management Studies*, 40, 197-224.
- BALOGUN, J. & JOHNSON, G. 2004. Organizational restructuring and middle manager sensemaking. *Academy of Management Journal*, 47, 523-549.

- BALOGUN, J. & JOHNSON, G. 2005. From intended strategies to unintended outcomes: The impact of change recipient sensemaking. *Organization Studies*, 26, 1573-1601.
- BARAKAT, H. 1993. *The Arab world: Society, culture, and state*, Berkeley CA, Univ of California Press.
- BARRY, D. & ELMES, M. 1997. Strategy retold: Toward a narrative view of strategic discourse. *Academy of Management Review*, 22, 429-452.
- BENBASAT, I., GOLDSTEIN, D. K. & MEAD, M. 1987. The Case Research Strategy in Studies of Information Systems. *MIS Quarterly*, 11, 369-386.
- BJERKE, B. & AL-MEER, A. 1993. Culture's consequences: management in Saudi Arabia. *Leadership & Organization Development Journal*, 14, 30-35.
- BLACKLER, F., CRUMP, N. & MCDONALD, S. 2000. Organizing processes in complex activity networks. *Organization*, 7, 277-300.
- BOURGEOIS, L. J. 1980. Strategy and environment: A conceptual integration. *Academy of Management Review*, 5, 25-39.
- BOURGEOIS, L. J. & EISENHARDT, K. M. 1988. Strategic decision processes in high velocity environments: four cases in the microcomputer industry. *Management Science*, 34, 816-835.
- BOYATZIS, R. 1982a. *The competent manager: A model for effective performance*, New York, Wiley.
- BOYATZIS, R. E. 1982b. *The competent manager: a model for effective performance (Bound)*, New York, Wiley.
- BRACKER, J. 1980. The historical development of the strategic management concept. *Academy of Management Review*, 5, 219-224.
- BRYMAN, A. 2001. *Social Research Methods*, Oxford, Oxford University Press.
- BRYMAN, A. & BELL, E. 2007. *Business Research Methods*, Oxford, Oxford University Press.
- BURGELMAN, R. A. 1983. A process model of internal corporate venturing in the diversified major firm. *Administrative Science Quarterly*, 28, 223-244.
- BURGELMAN, R. A. 1994. Fading memories: A process theory of strategic business exit in dynamic environments. *Administrative Science Quarterly*, 39, 24-56.
- CAMPBELL-HUNT, C. 2000. What Have We Learned About Generic Competitive Strategy? A Meta Analysis. *Strategic Management Journal*, 21, 127-54.
- CAPON, C. & DISBURY, A. 2000. *Understanding Organisational Context*, London, Financial Times.
- CAREY, D. C. & PATSALOS-FOX, M. 2006. Shaping strategy from the boardroom. *Mckinsey Quarterly*, 3, 111-115.
- CARTER, C., CLEGG, S. & KORNBERGER, M. 2008. Strategy as practice. *Strategic Organization*, 6, 83-99.
- CERIMAGIC, S. 2010. The effects of Islamic law on business practices. *Education, business and society: Contemporary Middle Eastern issues*, 3, 40-47.
- CHANDLER, A. D. 1969. *Strategy and structure : chapters in the history of industrial enterprise*, Cambridge, MA, M.I.T. Press.
- CHIA, R. & MACKAY, B. 2007. Post-processual challenges for the emerging strategy-as-practice perspective: Discovering strategy in the logic of practice. *Human Relations*, 60, 217-242.
- CIA. 2013. *Central Intelligence Agency World Fact Book: Saudi Arabia* [Online]. Available: <https://www.cia.gov/library/publications/the-world-factbook/geos/sa.html> [Accessed 11 August 2013].
- CLARK, P. 2002. *Organizations in action: Competition between contexts*, London, Routledge.
- CLARK, T. 2004. Strategy viewed from a management fashion perspective. *European Management Review*, 1, 105-111.
- COLLIS, J. & HUSSEY, R. 2003. *Business Research*, Basingstoke, Palgrave.
- COOPER, D. R. & SCHINDLER, P. S. 2008. *Business Research Methods*, London, McGraw-Hill.
- CORBIN, J. M. & STRAUSS, A. 1990. Grounded theory research: Procedures, canons, and evaluative criteria. *Qualitative Sociology*, 13, 3-21.
- CRESWELL, J. W. 1994. *Research Design: Qualitative and Quantitative Approaches*, London, Sage.

- CRESWELL, J. W. 1998. *Qualitative Inquiry and Research Design, choosing among five traditions*, London, Sage
- CRESWELL, J. W. 2003. *Research Design: Qualitative, Quantitative, and Mixed Methods Approaches*, London, Sage.
- DE WIT, B. & MEYER, R. 2004. *Strategy Process, Content, Context*, London, Cengage Learning.
- DENZIN, N. K. & LINCOLN, Y. S. 2005. *Handbook of Qualitative Research* London, Sage.
- DOUMATO, E. A. 1992. Gender, monarchy, and national identity in Saudi Arabia. *British Journal of Middle Eastern Studies*, 19, 31-47.
- DRAZIN, R., GLYNN, M. A. & KAZANJIAN, R. K. 1999. Multilevel theorizing about creativity in organizations: A sensemaking perspective. *Academy of Management Review*, 24, 286-307.
- DUTTON, J. E. & ASHFORD, S. J. 1993. Selling issues to top management. *Academy of Management Review*, 18, 397-428.
- EASTERBY-SMITH, M., THORPE, R. & JACKSON, P. R. 2008. *Management Research*, London, Sage.
- EDEN, C. & ACKERMANN, F. 2013. *Making strategy: The journey of strategic management*, London, Sage.
- EISENHARDT, K. M. 1989. Building Theories From Case Study Research. *Academy of Management*, 14, 532-551.
- EISENHARDT, K. M. & SULL, D. N. 2001. Strategy as simple rules. *Harvard Business Review*, 79, 106-119.
- EL ZAYAT, T. & AL-GHALIB, M. 2012. Banking Sector Back on Double-digit Growth Trajectory. *Saudi Banking Sector Review*. Jeddah.
- ELAMIN, A. M. & OMAIR, K. 2010. Males' attitudes towards working females in Saudi Arabia. *Personnel Review*, 39, 746-766.
- ELGUINDI, F. 1999. *Veil: Modesty, Privacy, and Resistance*, Oxford, Berg.
- ESSAYYAD, M. & MADANI, H. 2003. Investigating Bank Structure of an Open Petroleum Economy: The Case of Saudi Arabia. *Managerial Finance*, 29, 73-93.
- EY 2013. The World Islamic Banking Competitiveness Report 2013. Ernst & Young.
- FARJOUN, M. 2002. Towards an organic perspective on strategy. *Strategic Management Journal*, 23, 561-594.
- FAULKNER, D. & CAMPBELL, A. 2006. *The Oxford handbook of strategy: a strategy overview and competitive strategy*, Oxford, Oxford University Press.
- FENTON-O'CREEVY, M. 1998. Employee involvement and the middle manager: evidence from a survey of organizations. *Journal of Organizational Behavior*, 19, 67-84.
- FLOYD, S. W. & LANE, P. J. 2000. Strategizing throughout the organization: Managing role conflict in strategic renewal. *Academy of Management Review*, 25, 154-177.
- FLOYD, S. W. & WOOLDRIDGE, B. 1997. Middle management's strategic influence and organizational performance. *Journal of Management Studies*, 34, 465-485.
- FRENCH, S. 2009. Re-thinking the foundations of the strategic business process. *Journal of Management Development*, 28, 51-76.
- FRÉRY, F. 2006. The fundamental dimensions of strategy. *MIT Sloan Management Review*, 48, 71-75.
- FRIDAY, E. & FRIDAY, S. S. 2003. Managing diversity using a strategic planned change approach. *Journal of Management Development*, 22, 863-880.
- FTITI, Z., NAFTAI, O. & SREIRI, S. 2013. Efficiency Of Islamic Banks During Subprime Crisis: Evidence Of GCC Countries. *Journal of Applied Business Research (JABR)*, 29, 285-304.
- GIDDENS, A. 1984. *The Constitution of Society*, Cambridge, Polity
- GIDDENS, A. & PIERSON, C. 1998. *Conversations with Anthony Giddens: Making sense of modernity*, Stanford, Stanford University Press.
- GOLDEN, B. R. & ZAJAC, E. J. 2001. When will boards influence strategy? Inclination× power= strategic change. *Strategic Management Journal*, 22, 1087-1111.
- GOLDMAN, E. F. 2007. Strategic thinking at the top. *MIT Sloan Management Review*, 48, 75-81.

- GOLSORKHI, D., ROULEAU, L., SEIDL, D. & VAARA, E. 2010. *Handbook of Strategy as Practice*, Cambridge, Cambridge University Press.
- GOOLD, M. 1992. Design, Learning and Planning: A Further Observation on the Design School Debate. *Strategic Management Journal*, 13, 169-170.
- GOOLD, M. 1996. The (limited) role of the board. *Long Range Planning*, 29, 572-575.
- GOSI 2012. 33rd Annual Statistical Report. Riyadh: General Organization for General Insurance
- GRANDY, G. & MILLS, A. J. 2004. Strategy as simulacra? A radical reflexive look at the discipline and practice of strategy\*. *Journal of Management Studies*, 41, 1153-1170.
- GRANT, R. 2002. Corporate Strategy: Managing Scope and Strategy Content. In: PETTIGREW, A., THOMAS, H. & WHITTINGTON, R. (eds.) *Handbook of Strategy & Management*. London: Sage.
- GRANT, R. M. 1996. Toward a knowledge-based theory of the firm. *Strategic Management Journal*, 17, 109-122.
- GRANT, R. M. 2003. Strategic planning in a turbulent environment: evidence from the oil majors. *Strategic Management Journal*, 24, 491-517.
- GRANT, R. M. 2010. *Contemporary Strategy Analysis*, Chichester, John Wiley & Sons.
- GUMMESSON, E. 2000. *Qualitative Methods in Management Research*, London, Sage.
- HAMBRICK, D. C. 2004. The disintegration of strategic management: it's time to consolidate our gains. *Strategic Organization*, 2, 91-98.
- HAMBRICK, D. C. & FREDRICKSON, J. W. 2001. Are you sure you have a strategy? *The Academy of Management Executive*, 15, 48-59.
- HARDY, C., PALMER, I. & PHILLIPS, N. 2000. Discourse as a strategic resource. *Human Relations*, 53, 1227-1248.
- HARDY, C. & PHILLIPS, N. 2004. Discourse and power. In: GRANT, D., HARDY, C., OSWICK, C. & PUTNAM, L. L. (eds.) *The Sage Handbook of Organizational Discourse*. London: Sage.
- HARRISON, J. S. & JOHN, C. H. 2009. *Foundations in Strategic Management*, Mason, South Western Cengage Learning.
- HART, A. W. 1993. Reflection: An instructional strategy in educational administration. *Educational Administration Quarterly*, 29, 339-363.
- HART, S. & BANBURY, C. 1994. How strategy making processes can make a difference. *Strategic Management Journal*, 15, 251-269.
- HAX, A. C. 1990. Redefining the Concept of Strategy and the Strategy Formation Process. *Planning Review*, 18, 34-41.
- HENDRY, J. 2000. Strategic Decision Mking, Discourse, And Strategy As Social Practice. *Journal of Management Studies*, 37, 955-978.
- HENDRY, K. P. & KIEL, G. C. 2004. The role of the board in firm strategy: integrating agency and organisational control perspectives. *Corporate Governance: An International Review*, 12, 500-520.
- HENDRY, K. P., KIEL, G. C. & NICHOLSON, G. 2010. How Boards Strategise: A Strategy as Practice View. *Long Range Planning*, 43, 33-56.
- HERACLEOUS, L. 2006. *Discourse, Interpretation, Organization*, Cambridge, Cambridge University Press.
- HERACLEOUS, L. & BARRETT, M. 2001. Organizational change as discourse: Communicative actions and deep structures in the context of information technology implementation. *Academy of Management Journal*, 44, 755-778.
- HERACLEOUS, L. T. 2003. *Strategy and organization: realizing strategic management*, Cambridge, Cambridge University Press.
- HILL, C. W. & JONES, G. R. 1998. *Strategic Management: An Integrated Approach*, Boston, Houghton Mifflin.
- HODGKINSON, G. P. & SPARROW, P. R. 2002. *The Competent Organization: A Psychological Analysis of the Strategic Management Process*, Milton Keynes, Open University Press.

- HODGKINSON, G. P., WHITTINGTON, R., JOHNSON, G. & SCHWARZ, M. 2006. The role of strategy workshops in strategy development processes: Formality, communication, co-ordination and inclusion. *Long Range Planning*, 39, 479-496.
- HOFER, C. & SCHENDEL, D. E. 1978 *Strategy Formulation: Analytical Concept.*, St Paul, West Publishing
- HOFSTEDE, G. 2005. *Culture and Organizations. Intercultural Cooperation and its Importance for Survival, Software of the Mind*, London, McGraw-Hill.
- HOON, C. 2007. Committees as strategic practice: The role of strategic conversation in a public administration. *Human Relations*, 60, 921-952.
- HSBC. 2012. *HSBC Web Page* [Online]. HSBC Group. Available: <http://www.hsbc.com> [Accessed 25 December 2012].
- HUNT, M. R. & BREWS, P. J. 1999. Learning to Plan and Planning to Learn: Resolving the Planning School/ Learning School Debate. *Strategic Management Journal*, 20, 889-913.
- HUSSEY, J. & HUSSEY, R. 1997. *Business Research Method*, Houndmills, McMillan.
- HUY, Q. N. 2001. In praise of middle managers. *Harvard Business Review*, 79, 72.
- HUY, Q. N. 2002. Emotional balancing of organizational continuity and radical change: The contribution of middle managers. *Administrative Science Quarterly*, 47, 31-69.
- IDRIS, A. M. 2007. Cultural barriers to improved organizational performance in Saudi Arabia. *SAM Advanced Management Journal*, 72, 36.
- IQBAL, M. & MOLYNEUX, P. 2005. *Thirty Years of Islamic Banking*, Basingstoke, Palgrave Macmillan.
- JARZABKOWSKI, P. 2003. Strategic practices: an activity theory perspective on continuity and change. *Journal of Management Studies*, 40, 23-55.
- JARZABKOWSKI, P. 2004. Strategy as practice: recursiveness, adaptation, and practices-in-use. *Organization Studies*, 25, 529-560.
- JARZABKOWSKI, P. 2005. *Strategy as Practice: an Activity-Based Approach*, London, Sage.
- JARZABKOWSKI, P. & BALOGUN, J. 2009. The Practice and Process of Delivering Integration through Strategic Planning. *Journal of Management Studies*, 46, 1256-1288.
- JARZABKOWSKI, P., BALOGUN, J. & SEIDL, D. 2007. Strategizing: the challenges of a practice perspective. *Human Relations*, 60, 5-27.
- JARZABKOWSKI, P. & KAPLAN, S. 2010. Taking "Strategy-as-Practice" Across the Atlantic. *Advances in Strategic Management*, 27, 51-71.
- JARZABKOWSKI, P. & SEIDL, D. 2008. The role of meetings in the social practice of strategy. *Organization Studies*, 29, 1391-1426.
- JARZABKOWSKI, P. & SILLINCE, J. 2007. A rhetoric-in-context approach to building commitment to multiple strategic goals. *Organization Studies*, 28, 1639-1665.
- JARZABKOWSKI, P. & SPEE, A. 2009. Strategy-as-practice: A review and future directions for the field. *International Journal of Management Reviews*, 11, 69-105.
- JARZABKOWSKI, P. & WHITTINGTON, R. 2008a. Hard to disagree, mostly. *Strategic Organization*, 6, 101-106.
- JARZABKOWSKI, P. & WHITTINGTON, R. 2008b. A strategy-as-practice approach to strategy research and education. *Journal of Management Inquiry*, 17, 282-286.
- JARZABKOWSKI, P. & WILSON, D. C. 2002. Top teams and strategy in a UK university. *Journal of Management Studies*, 39, 355-381.
- JASIMUDDIN, S. M. 2001. Analyzing the competitive advantages of Saudi Arabia with Porter's model. *Journal of Business & Industrial Marketing*, 16, 59-68.
- JOHNSON, G., LANGLEY, A., MELIN, L. & WHITTINGTON, R. 2007. *Strategy as Practice Research Directions and Resources*, Cambridge, Cambridge University Press.
- JOHNSON, G., MELIN, L. & WHITTINGTON, R. 2003. Micro Strategy and Strategizing: Towards an Activity-Based View. *Journal of Management Studies*, 40, 3-22.
- JOHNSON, G., SCHOLES, K. & WHITTINGTON, R. 2008. *Exploring Corporate Strategy*, Harlow, Pearson Education.

- JOHNSON, P. & CLARK, M. 2006. *Business and Management Research Methodologies*, London, Sage.
- JOHNSON, P. & DUBERLEY, J. 2000. *Understanding management research: an introduction to epistemology* London, Sage.
- KAMLA, R. & RAMMAL, H. G. 2013. Social Reporting by Islamic Banks: Does Social Justice Matter? *Accounting, Auditing & Accountability Journal*, 26, 22.
- KAPLAN, R. S. & NORTON, D. P. 2001. *The strategy-focused organization: How balanced scorecard companies thrive in the new business environment*, Harvard Business Press.
- KATZ, R. L. 2009. *Skills of an Effective Administrator*, Boston, Harvard Business Press.
- KERR, J. L. & WERTHER JR., W. B. 2008. The Next Frontier in Corporate Governance:: Engaging the Board in Strategy. *Organizational Dynamics*, 37, 112-124.
- KETOKIVI, M. & CASTAÑER, X. 2004. Strategic planning as an integrative device. *Administrative Science Quarterly*, 49, 337-365.
- KING, A. W. & ZEITHAML, C. P. 2001. Competencies and firm performance: examining the causal ambiguity paradox. *Strategic Management Journal*, 22, 75-99.
- KIPPENBERGER, T. 1998. How is strategy formed? Ten schools of thought. *The Antidote*, 3, 11-14.
- KRAAIJENBRINK, J., SPENDER, J. & GROEN, A. J. 2010. The Resources-Based View: A Review and Assessment of its Critiques *Journal of Management*, 36, 349-372.
- KUMAR, R. 1999. *Research Methodology*, London, Sage.
- LE DEIST, F. D. & WINTERTON, J. 2005. What is competence? *Human Resource Development International*, 8, 27-46.
- LEE, R. M. 1993. *Doing research on sensitive topics*, London, Sage.
- LEGGE, K. 2003. Strategy as Organizing'. In: CUMMINGS, S. & WILSON, D. (eds.) *Images of Strategy*. Oxford: Blackwell.
- LEONARD-BARTON, D. 1992. Core capabilities and core rigidities: A paradox in managing new product development. *Strategic Management Journal*, 13, 111-125.
- LEVITT, B. & MARCH, J. G. 1988. Organizational learning. *Annual Review of Sociology*, 14, 319-340.
- LINCOLN, Y. S. & GUBA, E. G. 1985. *Naturalistic Inquiry*, Beverly Hills, California, Sage Publication.
- LINES, R. 2004. Influence of participation in strategic change: resistance, organizational commitment and change goal achievement. *Journal of Change Management*, 4, 193-215.
- LOUNSBURY, M. & CRUMLEY, E. T. 2007. New practice creation: An institutional perspective on innovation. *Organization Studies*, 28, 993-1012.
- MAAK, T. & PLESS, N. M. 2009. Business leaders as global citizens: advancing humanism on a global scale. *Journal of Business Ethics*, 88, 537-550.
- MAHONEY, J. T. & MCGAHAN, A. M. 2007. The field of strategic management within the evolving science of strategic organization. *Strategic Organization*, 5, 79.
- MAITLIS, S. & LAWRENCE, T. B. 2003. Orchestral Manoeuvres in the Dark: Understanding Failure in Organizational Strategizing. *Journal of Management Studies*, 40, 109-139.
- MANTERE, S. 2005. Strategic practices as enablers and disablers of championing activity. *Strategic organization*, 3, 157-184.
- MANTERE, S. 2008. Role expectations and middle manager strategic agency. *Journal of Management Studies*, 45, 294-316.
- MANTERE, S. & VAARA, E. 2008. On the problem of participation in strategy: A critical discursive perspective. *Organization Science*, 19, 341-358.
- MARGINSON, D. E. W. 2002. Management control systems and their effects on strategy formation at middle - management levels: evidence from a UK organization. *Strategic Management Journal*, 23, 1019-1031.
- MARKIDES, C. M. 2000. *All the Right Moves: a Guide to Crafting Breakthrough Strategy*, Boston, Harvard Business School Press.
- MARSHALL, C. & ROSSMAN, G. B. 2010. *Designing Qualitative Research*, London, Sage.
- MARTIN, P. Y. 2003. "Said and Done" Versus "Saying and Doing" Gendering Practices, Practicing Gender at Work. *Gender & Society*, 17, 342-366.

- MAYKUT, P. & MOREHOUSE, R. 2002. *Beginning qualitative research: A philosophical and practical guide*, London, Routledge.
- MCDOWELL, L. 2011. *Capital Culture: Gender at work in the city*, Oxford, Wiley-Blackwell.
- MCGEE, J., THOMAS, H. & WILSON, D. 2005. *Strategy Analysis & Practice*, Maidenhead, McGraw-Hill.
- MCNULTY, T. & PETTIGREW, A. 1999. Strategists on the board. *Organization Studies*, 20, 47-74.
- MELDRUM, M. & ATKINSON, S. 1998. Meta-abilities and the implementation of strategy: knowing what to do is simply not enough. *Journal of Management Development*, 17, 564-575.
- MELLAHI, K. 2005. The dynamics of boards of directors in failing organizations. *Long Range Planning*, 38, 261-279.
- MELLAHI, K. 2006. Human resource management in Saudi Arabia. In: BUDHWAR, P. & MELLAHI, K. (eds.) *Managing Human Resources in the Middle East*. London: Routledge.
- METCALFE, B. D. 2007. Gender and HRM in the Middle East. *International Journal of Human Resource Management*, 18, 54-74.
- METCALFE, B. D. 2008. Women, management and globalization in the Middle East. *Journal of Business Ethics*, 83, 85-100.
- MILLER, S., HICKSON, D. & WILSON, D. 2008. From strategy to action: involvement and influence in top level decisions. *Long Range Planning*, 41, 606-628.
- MINTZBERG, H. 1987. The Strategy Concept I: Five Ps For Strategy. *California Management Review* 30, 11-24.
- MINTZBERG, H. 2000. *The Rise and Fall of Strategic Planning*, Harlow, Pearson.
- MINTZBERG, H., AHLSTRAND, B. & LAMPEL, J. 2009. *Strategy Safari: Your Complete Guide Through The Wilds of Strategic Management*, Harlow, Pearson Education.
- MINTZBERG, H. & LAMPEL, J. 1999. Reflecting on the Strategy Process. *Sloan Management Review*, 40, 21-31.
- MINTZBERG, H., LAMPEL, J., QUINN, J. B. & GHOSHAL, S. 2003. *The Strategy Process: Concepts, Context, Cases* Harlow, Pearson Education.
- MINTZBERG, H. & WATERS, J. A. 1985. Of Strategies, Deliberate and Emergent. *Strategic Management Journal*, 6, 257-272.
- MOGHADAM, V. M. 2003. *Modernizing women: Gender and social change in the Middle East*, London, Lynne Rienner
- MORGAN, G. 1997. *Images of organization*, London, SAGE.
- MOURAD, M. & MUSTAFA, A. 2008. Job Satisfaction of Saudi Female Employees: An Exploratory Study.
- MUNA, F. A. 1980. *The Arab Executive*. London: Macmillan Press.
- NAG, R., HAMBRICK, D. C. & CHEN, J. 2007. What is strategic management, really? Inductive derivation of a consensus definition in the field. *Strategic Management Journal*, 28, 935-955.
- NCB 2010. Interview with Sector Head of Individual Banking. *Horizons*. The National Commercial Bank.
- NCB 2012a. Annual Report 2011. Jeddah.
- NCB. 2012b. *NCB Web Page* [Online]. National Commercial Bank | . Available: <http://www.alahli.com> [Accessed 24 December 2012].
- NCB 2012c. Sustainability Report 2011. Jeddah.
- NEVO, J. 1998. Religion and national identity in Saudi Arabia. *Middle Eastern Studies*, 34, 34-53.
- NONAKA, I. 1994. A dynamic theory of organizational knowledge creation. *Organization Science*, 5, 14-37.
- NONAKA, I., TOYAMA, R. & KONNO, N. 2000. SECI, Ba and Leadership: a Unified Model of Dynamic Knowledge Creation. *Long Range Planning*, 33, 5-34.
- OCASIO, W. & JOSEPH, J. 2008. Rise and fall-or transformation?: The evolution of strategic planning at the General Electric Company, 1940–2006. *Long Range Planning*, 41, 248-272.
- OLIVER, R. W. 2000. Real Time Strategy: The Board's Role: Driver's Seat or Rubber Stamp? *Journal of Business Strategy*, 21, 7-9.

- ORLIKOWSKI, W. J. 2002. Knowing in practice: Enacting a collective capability in distributed organizing. *Organization Science*, 13, 249-273.
- PAPADAKIS, V. M., LIOUKAS, S. & CHAMBERS, D. 1998. Strategic decision-making processes: the role of management and context. *Strategic Management Journal*, 19, 115-147.
- PAROUTIS, S., ANGWIN, D. & HERACLEOUS, L. 2013. *Practicing Strategy*, London, Sage.
- PAROUTIS, S. & HERACLEOUS, L. 2013. Discourse revisited: Dimensions and employment of first order strategy discourse during institutional adoption. *Strategic Management Journal*, 34, 935-956.
- PAROUTIS, S. & PETTIGREW, A. 2007. Strategizing in the multi-business firm: Strategy teams at multiple levels and over time. *Human Relations*, 60, 99-135.
- PATTON, M. Q. 2002. *Qualitative Research and Evaluation Methods*, London, Sage.
- PERRY, C. 1998. Processes of a Case Study Methodology for Postgraduate Research in Marketing. *European Journal of Marketing*, 32, 785-802.
- PETTIGREW, A. & MCNULTY, T. 1995. Power and influence in and around the boardroom. *Human Relations*, 48, 845-873.
- PETTIGREW, A. M. 1985. *The Awakening Giant: Continuity and Change in Imperial Chemical Industries*, Oxford, Basil Blackwell. .
- PETTIGREW, A. M. 1992. The character and significance of strategy process research. *Strategic Management Journal*, 13, 5-16.
- PETTIGREW, A. M., THOMAS, H. & WHITTINGTON, R. 2006. *Handbook of Strategy and Management* London, Sage.
- PIETERSE, J. N. 2009. *Globalization and Culture: Global mélange*, Oxford, Rowman & Littlefield
- PINTO, M. B. & PINTO, J. K. 1990. Project team communication and cross-functional cooperation in new program development. *Journal of Product Innovation Management*, 7, 200-212.
- PORTER, M. E. 1979. How competitive forces shape strategy. *Harvard Business Review*, 57, 137-145.
- PORTER, M. E. 1985. *Competitive Advantage: Creating and Sustaining Superior Performance*, New York, Free Press.
- PORTER, M. E. 1991. Towards a Dynamic Theory of Strategy. *Strategic Management Journal*, 12, 23.
- PORTER, M. E. 1996. What Is Strategy? *Harvard Business Review*, 74, 61-78.
- PRAHALAD, C. K. & HAMEL, G. 1990. The core competence of the Corporation. *Harvard Business Review* May- June.
- PUGLIESE, A., BEZEMER, P. J., ZATTONI, A., HUSE, M., VAN DEN BOSCH, F. A. J. & VOLBERDA, H. W. 2009. Boards of directors' contribution to strategy: A literature review and research agenda. *Corporate Governance: An International Review*, 17, 292-306.
- PYE, A. 2005. Leadership and organizing: Sensemaking in action. *Leadership*, 1, 31-49.
- QUINN, J. B. 1980. *Strategies for change: Logical Incrementalism*, Homewood, Illinois, Irwin.
- RAJAGOPALAN, N. & SPREITZER, G. M. 1997. Toward a theory of strategic change: A multi-lens perspective and integrative framework. *Academy of Management Review*, 22, 48-79.
- RAVICHANDRAN, K. & ALKHATHLAN, K. A. 2010. Market Based Mergers- Study on Indian & Saudi Arabian Banks. *International Journal of Economics and Finance*, 2, 147-153.
- RAWAF, M. 1990. The changing status of women in management in the public administration of Saudi Arabia. *Public Administration and Development*, 10, 209-219.
- RB 2011. 2010 Annual Report Riyadh: Riyad Bank.
- RB 2012a. 2011 Annual Report Riyad Bank.
- RB. 2012b. *Riyad Bank* [Online]. Available: <http://www.riyadbank.com> [Accessed 05/12 2012].
- REGNÉR, P. 2003. Strategy Creation in the Periphery: Inductive Versus Deductive Strategy Making. *Journal of Management Studies* 40, 57-82.
- REGNÉR, P. 2008. Strategy-as-practice and dynamic capabilities: Steps towards a dynamic view of strategy. *Human Relations*, 61, 565-590.
- REMENYI, D., WILLIAM, B., MONEY, A. & SWARTZ, E. 1998. *Doing Research in Business and Management: An Introduction to Process and Method*, London, Sage.



- RICHARD, L. & MORSE, J. 2012. *Readme first for a user's guide to qualitative methods*, London, Sage.
- RIGBY, D. K. 2001. Putting tools to the test: senior executives rate 25 top management tools. *Strategy & Leadership*, 29, 4-12.
- RINDOVA, V. P. 1999. What corporate boards have to do with strategy: A cognitive perspective. *Journal of Management Studies*, 36, 953-975.
- ROBSON, C. 2002. *Real World Research*, Oxford, Blackwell.
- ROULEAU, L. 2005. Micro-Practices of Strategic Sensemaking and Sensegiving: How Middle Managers Interpret and Sell Change Every Day. *Journal of Management Studies*, 42, 1413-1441.
- ROULEAU, L. & BALOGUN, J. 2011. Middle managers, strategic sensemaking, and discursive competence. *Journal of Management Studies*, 48, 953-983.
- ROUSE, M. J. & DAELLENBACH, U. S. 1999. Rethinking research methods for the resource-based perspective: isolating sources of sustainable competitive advantage. *Strategic Management Journal*, 20, 487-494.
- SABB 2012a. Directors' Report 2011.
- SABB 2012b. The Saudi British Bank Consolidated Financial Statements.
- SAGIE, A. & AYCAN, Z. 2003. A cross-cultural analysis of participative decision-making in organizations. *Human Relations*, 56, 453-473.
- SAIB 2012a. Board Directors' Report 2011. Riyadh.
- SAIB 2012b. Consolidated Financial Statements and Auditors' Report. December 31, 2012 and 2011. Riyadh.
- SAIB. 2012c. *The Saudi Investment Bank Web Page* [Online]. Available: <http://www.saib.com.sa> [Accessed 30 December 2012].
- SAIB 2013. Board Directors' Report 2012. Riyadh.
- SALVATO, C. 2003. The Role of Micro-Strategies in the Engineering of Firm Evolution. *Journal of Management Studies*, 40, 83-108.
- SAMA 2010. Forty Sixth Annual Report The Latest Economic Developments 1431H (2010G). Riyadh.
- SAMA 2012. Forty Eight Annual Report The Latest Economic Developments 1433H (2012G). Riyadh.
- SAMRA-FREDERICKS, D. 2003. Strategizing as Lived Experience and Strategists' Everyday Efforts to Shape Strategic Direction. *Journal of Management Studies*, 40, 141-174.
- SAUNDERS, M., LEWIS, P. & THORNHILL, A. 2009. *Research Methods for Business Students*, Harlow, Pearson.
- SCHERRER, P. S. 2003. Directors' responsibilities and participation in the strategic decision making process. *Corporate Governance*, 3, 86-90.
- SCHÖN, D. A. 1983. *The reflective practitioner: How professionals think in action*, New York, Basic books.
- SCOTT, W. R. 2007. *Institutions and organizations: Ideas and interests*, London, SAGE.
- SILLINCE, J. & MUELLER, F. 2007. Switching strategic perspective: the reframing of accounts of responsibility. *Organization Studies*, 28, 155-176.
- SMINIA, H. 2005. Strategy formation as layered discussion. *Scandinavian Journal of Management*, 21, 267-291.
- SOUAIAIA, A. E. 2008. *Contesting Justice: Women, Islam, Law, and Society*, Albany, SUNY Press.
- SPENDER, J. C. 1996. Making knowledge the basis of a dynamic theory of the firm. *Strategic Management Journal*, 17, 45-62.
- STAKE, R. E. 1995. *The Art of Case Study Research*, London, Sage.
- SYED, J. 2010. An historical perspective on Islamic modesty and its implications for female employment. *Equality, Diversity and Inclusion*, 29, 150-166.
- TADAWUL. 2012. *Saudi Stock Exchange Company* [Online]. Available: <http://www.tadawul.com.sa> [Accessed 05/12 2012].
- TALEB, H. M. 2010. Gender and leadership styles in single-sex academic institutions. *International Journal of Educational Management*, 24, 287-302.

- TEECE, D. J., PISANO, G. & SHUEN, A. 1997. Dynamic Capabilities and Strategic Management. *Strategic Management Journal*, 18, 509-534.
- THNARUDEE, C. 2012. *Interaction dynamics of strategic planning within m-form based firms*.
- THOMAS, H. 2001. The State of art of the dynamic capability school-Commentary. In: VOLBERDA, H. W. & ELFRING, T. (eds.) *Rethinking strategy*, London. London: Sage.
- TSCHOEGL, A. E. 2002. Foreign banks in Saudi Arabia: a brief history. *Transnational Corporations*, 11, 123-154.
- TSOUKAS, H. 2010. Practice, strategy making and intentionality: a Heideggerian onto-epistemology for strategy as practice. In: GOLSORKHI, D., ROULEAU, L., SEIDLE, D. & VAARA, E. (eds.) *Cambridge Handbook of Strategy as Practice*. Cambridge: Cambridge University Press.
- VAARA, E., KLEYMANN, B. & SERISTÖ, H. 2004. Strategies as discursive constructions: The case of airline alliances. *Journal of Management Studies*, 41, 1-35.
- VAARA, E. & WHITTINGTON, R. 2012. Strategy-as-practice: taking social practices seriously. *The Academy of Management Annals*, 6, 285-336.
- VILÀ, J. & CANALES, J. I. 2008. Can strategic planning make strategy more relevant and build commitment over time? The case of RACC. *Long Range Planning*, 41, 273-290.
- VISSER, H. 2009. *Islamic finance: Principles and practice*, Cheltenham, Edward Elgar.
- VOLBERDA, H. W. 1996. Toward the flexible form: How to remain vital in hypercompetitive environments. *Organization science*, 7, 359-374.
- VOLBERDA, H. W. & ELFRING, T. 2001. *Rethinking Strategy*, London, Sage.
- WALSH, J. P. 1995. Managerial and organizational cognition: notes from a trip down memory lane. *Organization Science*, 6, 280-321.
- WEICK, K. E. & ROBERTS, K. H. 1993. Collective mind in organizations: Heedful interrelating on flight decks. *Administrative science quarterly*, 38, 357-381.
- WEIR, D. 2000. Management in the Arab world. In: WARNER, M. (ed.) *Management in the Emerging Countries*. London: Business Press-Thomson Learning.
- WENGER, E. 1999. *Communities of practice: Learning, meaning, and identity*, Cambridge, Cambridge university press.
- WEST, M. A. 2000. Reflexivity, revolution, and innovation in work teams. In: BEYERLEIN, M. M., JOHNSON, D. A. & BEYERLEIN, S. T. (eds.) *Advances in interdisciplinary studies of work teams: Product development teams*. Stamford, CT: JAI Press.
- WHITTINGTON, R. 1996. Strategy as Practice. *Long Range Planning*, 29, 731-736.
- WHITTINGTON, R. 2001. *What is Strategy and does it matter?*, London, Thomson Learning.
- WHITTINGTON, R. 2002a. Corporate structure: from policy to practice. In: PETTIGREW, A. M., THOMAS, H. & WHITTINGTON, R. (eds.) *Handbook of Strategy and Management*. London: Sage.
- WHITTINGTON, R. Practice Perspectives on Strategy: Unifying and Developing a Field. In: PROCEEDINGS, B. P., ed. Academy of Management, 2002b Denver.
- WHITTINGTON, R. 2003. The work of strategizing and organizing: for a practice perspective. *Strategic Organization*, 1, 117-125.
- WHITTINGTON, R. 2004. Strategy after modernism: recovering practice. *European Management Review*, 1, 62-68.
- WHITTINGTON, R. 2006. Completing the Practice Turn in Strategy Research. *Organization Studies*, 27, 613-634.
- WHITTINGTON, R. 2007. Strategy practice and strategy process: family differences and the sociological eye. *Organization Studies*, 28, 1575-1586.
- WHITTINGTON, R. & CAILLUET, L. 2008. The crafts of strategy: Special issue introduction by the guest editors. *Long Range Planning*, 41, 241-247.
- WHITTINGTON, R., CAILLUET, L. & BASAK-YAKIS, D. 2011. Opening strategy: Evolution of a precarious profession. *British Journal of Management*, 22, 531-544.

- WHITTINGTON, R., JARZABKOWSKI, P., MAYER, M., MOUNOUD, E. É., NAHAPIET, J. & ROULEAU, L. 2003. Taking strategy seriously. *Journal of Management Inquiry*, 12, 396-409.
- WHITTINGTON, R., JOHNSON, G. & MELIN, L. 2004. The Emerging Field of Strategy Practice: Some Links, A Trap, A Choice and a Confusion. *EGOS*. Slovenia.
- WHITTINGTON, R., PETTIGREW, A., PECK, S., FENTON, E. & CONYON, M. 1999. Change and complementarities in the new competitive landscape: a European panel study, 1992–1996. *Organization Science*, 10, 583-600.
- WILLIAMS, G. & ZINKIN, J. 2010. Islam and CSR: A study of the compatibility between the tenets of Islam and the UN global compact. *Journal of Business Ethics*, 91, 519-533.
- WILSON, D. C. & JARZABKOWSKI, P. 2004. Thinking and acting strategically: New challenges for interrogating strategy. *European Management Review*, 1, 14-20.
- WINTERTON, J. & WINTERTON, R. 1999. *Developing Managerial Competence*, London, Routledge.
- WITTMANN, R. 2006. The Muhtasib in Seljuq Times: Insight from Four Chancery Manuals. *Harvard Middle Eastern and Islamic Review*, 7, 108-128.
- WOOLDRIDGE, B. & FLOYD, S. W. 1990. The strategy process, middle management involvement, and organizational performance. *Strategic Management Journal*, 11, 231-241.
- WOOLDRIDGE, B., SCHMID, T. & FLOYD, S. W. 2008. The middle management perspective on strategy process: contributions, synthesis, and future research. *Journal of Management*, 34, 1190-1221.
- WRIGHT, P., PRINGLE, C. & KROLL, M. 1992. *Strategic Management Text and Cases*, Boston, Allyn & Bacon.
- YAMANI, M. 2000. *Changed Identities: The challenge of the new generation in Saudi Arabia*, London, Royal Institute of International Affairs
- YIN, R. 2003. *Case Study Research: Design and methods*, London, Sage.
- ZENGER, T. R. & HESTERLY, W. S. 1997. The disaggregation of corporations: Selective intervention, high-powered incentives, and molecular units. *Organization Science*, 8, 209-222.

## Appendices

### Appendix A: Interview Questions:

- About my research.
- Discuss the interviewee experience in the industry and strategizing (Roles, qualifications, number of years).

#### **Background on Strategy**

- To what extent does the bank have specific strategies that guide its actions? (Does the bank have a strategy?).
- Can you tell me about the bank's approach to strategy?
- Have you noticed any changes in the bank's strategy?

#### **Practitioners**

- What does strategy mean to you? What do you think about the bank's strategy?
- Who are the practitioners involved in strategising? (Internal, external, level of management, the relative influence/ degree of involvement)
- In what way are they involved?
- What degree of influence does each have on the strategy (e.g power)?
- For external practitioners: what do they do? Who do they report to?
- Are there any actors who contribute informally?
- What skills and knowledge are required in this work?

#### **Praxis**

- When do the strategising activities start? Is there any specific time or situation?
- How does strategy evolve? (from initiation, to review and implementation).

- How exactly is the strategy work performed? (what activities are involved in producing strategy?).
- What are the activities and actions that happen in order to make the strategy? (what strategists do, sequences and involvement).
- Are there any informal activities that contribute to the work of strategy? What are they?
- Is the same activity followed when you form any strategy? Is this how it's normally done?
- How do actors communicate in this work?
- What are the daily activities you do related to strategy work?
- Are there any factors that influence this work? (For example: norms or resources)
- Are there any procedures that need to be followed in this work?
- Where does this work take place?
- Can you suggest anything that would enhance the strategising process?

## Appendix B: Respondents' Information

Table 31 Islamic Bank Respondents

No	Job Title	Nationality	No. Experience in banking	Previous Experience	Code
1	DCEO	Saudi	20 Years	Banking	DCEO
2	GM of Strategy	Greece	7 Years	Consultancy	SGM
3	Head of Strategic Planning	Greece	2 Years	Consultancy	HSP
4	COO	UK	22 Years	IT	COO
5	GM Treasury	Australian	10 Years	Military	GMT
6	GM HR	Saudi	3 Years	Manufacturing	HRGM
7	Head of PMO	Jordan	6 Years	Consultancy	HPMO
8	Head of Business Strategy Initiatives	Jordan	5 Years	Consultancy	HBSI
No	Job Title	Nationality	No. Experience in banking	Previous Experience	Code
1	Vice President	Jordan	12 Years	Consultancy	SVP
2	Head of corporate banking	USA	35 Years	Banking	HCB
3	Head Of Private Banking	Saudi	24 Years	Banking	HPB

4	Human Resources Manager	Saudi	12 Years	Media	HRM
5	Head of Retail Group	Saudi	15 Years	Banking	HRG

**Table 32 Local Bank Respondents**

No	Job Title	Nationality	No. Exp. in banking	Previous Experience	Code
1	VP Strategy	Switzerland	2 Years	Consultancy	VPS
2	EVP Head of HR	Saudi	18 Years	Banking	EVPHR
3	Head of Strategy & Performance	Saudi	9 Years	Consultancy	HSP
4	VP Head of Strategy Consumer Finance Sector	South Africa	9 Years	Banking	CFSVP
5	Strategy Planning Manager Consumer Finance Sector	South Africa	11 Years	Consultancy	CFSPM
6	SVP, Head of Strategy Individual Banking Sector	Saudi	10 Years	IT	ISSVP
7	SVP, Head of Retail (Individual)	Saudi	12 Years	Banking	IRSVP
8	Head Business Management Corporate Banking Sector	USA	29 Years	Banking	CBHBM
No	Job Title	Nationality	No. Exp. in banking	Previous Experience	Code
1	Board Member	Saudi	25 Years	Business Man	BM
2	VP Strategic Planning	Pakistani	22 Years	Banking	VPSP

3	Corporate Assistant VP, Strategy	South Africa	29 Years	Banking	CAVP
4	Retail Assistant VP, Strategy	Pakistani	--	Accounting	RAVP
5	Treasury VP	Indian	17 Years	Banking	TVP

**Table 33 International Bank Respondents**

No.	Job Title	Nationality	No. Experience in banking	Previous Experience	Code
1	Head of Strategic Planning	American	22 Years	Banking	HSP
2	strategic planning manager	Saudi	10 Years	Financial services	SPM
3	Senior Adviser	Indian	20 Years	Banking	SA
4	Head of HR	Indian	15 Years	Banking	HHR
5	Senior Manager Commercial	Indian	--	Banking	SMC
6	Risk Manager - Treasury	Pakistani	10 Years	Banking	RMT
7	Business Development Mgr	Saudi	6 Years	N/A	BDMP
No.	Job Title	Nationality	No. Experience in banking	Previous Experience	Code
1	CSO	American	35 Years	Banking	CSO
2	Group GM, Corporate	Saudi	20 Years	Banking	GGMC
3	Group Head Treasury	American	26 Years	Banking	GHTI



4	Group GM IT	UK	29 Years	Banking	GGMIT
5	Group Head, Operations	Indian	--	Banking	GHO
6	Group Head, HR & Support	Saudi	14 Years	Banking	GHH
7	Group Head, Retail	South Africa	27 Years	Banking	GHR
8	Group Head, Marketing	Saudi	21 Years	Banking	GHM