

# THE THEORETICAL BACKGROUND ABOUT THE IMPACT OF STRATEGIC PLANNING ON THE EFFECTIVENESS OF CRISIS MANAGEMENT

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## ABSTRACT

Strategic planning is characterized by its preparedness to face the variables which may happen in the future, and that it is a social activity for achieving the specific objectives carefully. It has, also, the ability, through its mechanisms to create conducive circumstances to accommodate the change and its management, leading to results of positive outcomes that support the realization of the organization's mission and maintain its existence. Modern mining companies are complex organisations as per their organisational, management and operational structure. They also operate in a complex business and operational environment facing significant uncertainties related to natural, technical, technological, market, organisational, economic, financial, political, etc., influential factors affecting their business, management, and operations. Traditional approaches in strategic planning, asset management and decision-making in the mining industry have been unable to adequately grasp and address this complexity. This search proposes a new approach in the strategic planning and asset management for mining enterprises by analysing them as complex systems. The methods of the complexity science may help to better comprehend the complex environment of mining organisations providing more realistic understandings upon it. Thus, we consider that they may be useful in designing an enhanced strategic asset management decision-making framework.

**Keywords:** Crisis Management, Strategic Planning, Prevention, Crisis Resolution

**Jel classification:** H12

## INTRODUCTION

Strategic planning is the process through which an organization defines its approach, or goal, and decides how to allocate capital to accomplish that goal. It might also include countermeasures for directing the strategy's execution. During the 1960s, strategic planning gained popularity in organizations, and it is still an essential part of strategic management today.

It is conducted planned by strategic managers or analysts, who analyse the company and its interactions with the environment with which it operates using a variety of stakeholders and previous research. This is done by strategic managers or analysts, who analyse the company and the roles it plays using a variety of parties and research. Setting strategic goals, deciding on actions to achieve the goals, and mobilizing resources to carry out the actions are all part of the strategy process. A strategy lays forth how the techniques will be utilized to achieve the objectives. The senior leadership of a company is in charge of creating strategy (Chakraborty, D., & Biswas, W. 2019). Strategy can be planned or observed as a pattern of behaviour as the firm adapts to its environment or competes. The design and implementation of strategies are inextricably linked, and strategy formulation aids in the coordination of both. One of the outputs of strategic planning is the strategic plan, which can also be characterized as the execution of initiatives that define the innovative mission and how it may be carried out. The strategy may contain a comparative scenario diagnosis, a guiding philosophy for achieving the organization's goals, and particular management techniques to be implemented. Strategic planning, on the other hand, is relevant to the research, and it demands cohesiveness via strategic planning. As a result, the development process occurs alongside the creation of a strategy. The organization's strategy, which comprises a business and industry position analysis, a regulatory policy for how the company intends to achieve significant activities or initiatives, is the ultimate product. Crisis response, on the other hand, is a situation-based management process that includes both organizational duties and responsibilities as well as procedure organizational demands (Benzekri, A., Laborde, R., Oglaza, A., Sodanil, M., & Ketnechairat, H.2020) The reaction will include measures in the following categories: crisis prevention, crisis assessment, crisis management, and crisis resolution. The objective of crisis management is to be ready for a crisis and to respond quickly and effectively. Due to the absence of strategic planning, the mining industries in Sudan have difficulties in crisis management. This study will investigate, identify, and recommend a level of strategic planning and implementation for crisis management.

### **Rationale of Study**

The rationale of the study is to determine the influence of strategic planning in the gold industry, both locally and internationally businesses operating in Sudan to leadership effectiveness their problems by investigating the impact of the strategic plans on crisis management among the mining companies operating in Sudan.

### **General Objective**

The general objective is to determine the degrees to which top management in the organization practice strategic planning in the response to crises by measuring the extent to which it is obvious as a strategy and recognizing strategic planning and its significance in decreasing the organization's crises.

### **Research Question Guiding the study**

To carry out the study, the following research questions listed below were formulated to guide the study data collection and analysis to be able to provide answers to the research hypothesis. What is the key approach for resolving the different problems that Sudanese gold mining companies are facing?

### **LITERATURE REVIEW**

This part of the study describes the relationship of this current study with the existing empirical studies in the area of strategic planning and crisis management and reveal the gap that exists in the literature. This study adopted Crossan, Fry and Killng (2002) model of strategic planning which assists in determining an organization's long-term direction and purpose by aligning its resources to its changing environment, particularly its markets, consumers, and clients, to satisfy stakeholder expectations and Efendioglu, A. M., & Karabulut, A. T. (2010) The results of their research project add to our knowledge on implementation of strategic planning in Turkish businesses, as well as the potential for associations with their work and achievements, thus, supported by Abdalkrim, G. M. (2013) The findings show that in Sudanese private enterprises, all four factors of strategic planning are significantly associated with organisational effectiveness.

### **Conceptual theoretical Framework**

The strategic planning framework diagram below indicates three levels starting from the intended impact and change theory as evidence of strategic thinking for what to do or require need or want. Identifying the context towards capability and resources and organisation design and management change as seen in the figure below strategic planning framework.



Figure 1: Strategic Planning Framework

**Research Variable**

The study variables comprise an independent variable, which is strategic planning as it contains aspects, as well as a dependent variable. It measures the efficacy of crisis management systems and incorporates variables other than statistics.

**Strategic Planning in Crisis Management**

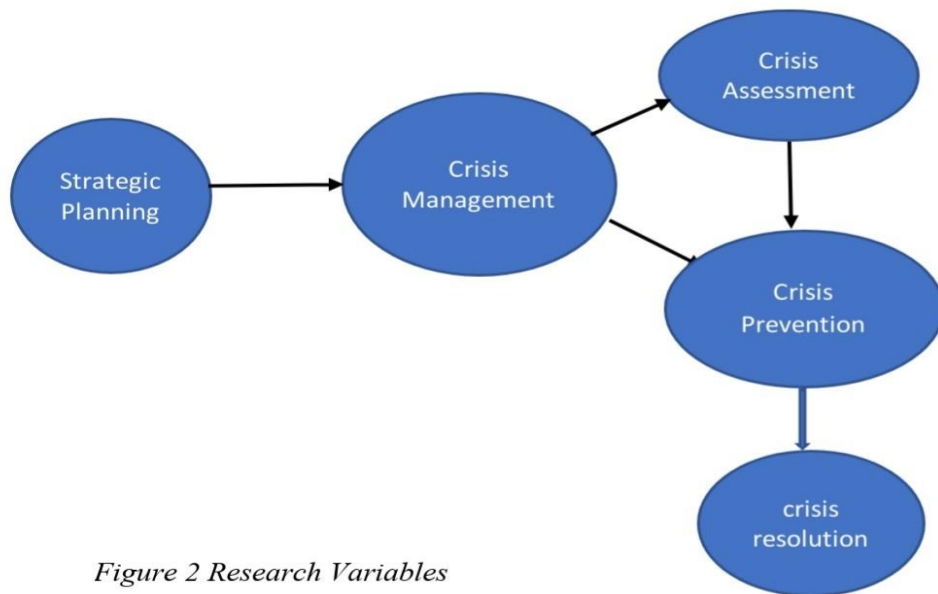


Figure 2 Research Variables

Strategic planning is described as a "purposeful, systematic activity to make proper decisions and actions that shape and control firm purposes and objectives, what it does, and why" (Bryson 2011, 7–9), according to Bryson et al (2018). Organizations throughout the world are constantly utilizing strategic planning that meets this requirement, according to the report. It can also be used on entire firms or sections of them, indicating that if this technique is implemented in gold mining in Sudan, the firms may be able to meet their goals and objectives. Strategic planning is a subset of strategic management, which integrates planning and execution Albrechts, L., Balducci, A., & Hillier, J. (2016). while J. L. Kaufman and H. M. Jacobs (1987) believe that many of the ideas embodied in this technique, they claim, have indeed been part of planning curricula for years, but most managers see it as "old wine in new bottles." However, they feel that the overwhelming adoption of project planning and implementation should be viewed as an opportunity to revive engagement throughout the field. Akinyele, S. T., & Fasogbon, O. I. (2010). The study's findings suggest that strategic planning leads to higher firms' performance, which also influences the company's long existence, and that strategic planning intensity is influenced by managerial, ecological, and organizational factors. The diagram below in figure display four steps in the process of strategic planning



**Figure 3: Four steps in the process of strategic planning**

### **Crisis management**

Crisis management is a scenario leadership process that integrates firm roles and duties as well as a methodology for organizational needs. Measures in the following categories will be taken as part of the response: crisis prevention, crisis assessment, crisis management, and crisis resolution. The mission of crisis management is to be equipped for a crisis, to guarantee a quick and efficient reaction to a crisis, to establish clear lines of management and decision-making in the case of a crisis, and to decide on crisis termination procedures. John-Eke, E. C., & Eke, J. K. (2020) Thus according to their study, proactive crisis management, it is extremely difficult for businesses to dodge crises of all sorts and magnitudes owing to a dynamic and constantly changing global business environment. The researchers wanted to see if there were any links between people's perceptions of crisis awareness, crisis preparation, and organizations' actual crisis management measures in the face of significant industrial disasters. Also, to see if other factors influence people's perceptions of crisis-awareness and crisis-readiness. Mitroff, I. I., Shrivastava, P., & Udwadia, F. E. (1987) the stakeholders, managers and executive directors of firms have been so focused on the profit but paid less attention to the effectiveness of crisis management. This must be taken into account, since it may have an impact on the results of crisis-management efforts and measures in different industries.

### **Crisis assessment and prevention**

According to Lockwood, N. R., & SPHR, G. (2005) The formation of an incident response team is the first stage in strategic crisis management. This suggests that to evaluate the size of the crisis, the manager must assemble a team of experts to study the problem to determine and locate the problem's causes. They further stated seven individuals expected to be part of the crisis management team, they are as list stated below.

1. Team Leader—a senior manager with the decision-making authority on behalf of the company.
2. Security Director—serves as the chief information officer and is in charge of enabling plan creation, professional development, and the establishment of a crisis centre.
3. Finance Director—evaluates the economic repercussions of each type of accident identified in the plan, decides for needed money to be accessible in an emergency, supervises budget distribution, and keeps track of the firm's crisis costs.

4. Legal Attorney general the team on the legal ramifications of suggested measures.
5. Media Spokesperson—provides crucial information without revealing classified information, jeopardizing employee privacy, or obstructing investigations.
6. Human Resources Director—has access to personnel records, assists information officers in reaching out to impacted persons and their families, and tries to resolve the crisis' human consequences.
7. Security Specialist—a specialist on different risk assessment problems, generally from outside the corporation, who create awareness to the staff regarding alternatives for managing various sorts of crises, supports the staff during the crisis, and assists with the post-crisis assessment.

This group is in charge of doing a crisis evaluation and preparing a document that will be utilized to develop a plan for future crisis detection and intervention as the study by Bowers, M. R., Hall, J. R., & Srinivasan, M. M. (2017) emphasizes on the crucial role of the leadership on crisis assessment and prevention. It would be a recommendation for the Sudanese gold mining sector to build up or implement the same method to avoid future crises.

### **Crisis resolution**

According to an article by Urkidi, L., and Walter, M. (2011) that examines two Latin American gold mining disputes, one in the city of Esquel (Patagonia, Argentina) and the other in Pascua–Lama, the settlement of the crisis might be short or long term (Chilean border with Argentina). In the anti-mining movements of these two examples, they identify the emergence of three components of environmental fairness (distribution, acknowledgement, and participation). Their findings showed that some aspects of fairness emerge earlier (participation and recognition), whereas distribution emerges later as movements ascend through the scales including national and international organizations that provide services that offer a systemic assessment of the crisis, their findings further stated that distributive concerns arose during the development of the crisis and decision-making procedures also rises among the scale processes fostered this change. An example is a framework for crisis engagement and resolution, see (Dijkman, M.2010) and (Hellwig, M. F. 2009) consider issues of systemic linkage and openness.

### Methodology

A 5-step easy systematic literature review was used in the study. The research topic had to be developed first. The second phase involved finding and extracting 54 papers; the third phase involved analysing and selecting the articles, with 33 articles being removed; and the fourth phase involved 21 articles being examined for the study, with the results being reported in the study's fifth phase.

### Data Collection Procedure

Database / Search Engine / Top-Level Source: Google Scholar (including Business and Management Journals, Africa Spectrum, Journal of Strategic Management

Date Range of Coverage from source: 2012 - 2021

Date Searched: October 20, 2021

Search typed in: Crisis Management, Crisis Prevention

Limits / Refinements / Filters / Options used? date range limited to last 10 years, results

Number of Results: 21

### Findings

Research Question	Findings
1. What is the key approach for resolving the different problems that Sudanese gold mining companies are facing?	The review's conclusions suggested that a strategic planning framework could be a better approach to managing the Sudanese gold mining dilemma and providing long-term solutions to a variety of difficulties. Strategic planning is a collaborative process that determines how your firm will achieve its objectives. Strategic planning, when used appropriately, emphasizes issues, aids in the development of solutions, and keeps track of progress.

### Conclusion

According to Ille, E. (2018), in the early years of the new millennium, the Sudanese crises, primarily in Darfur, triggered government and non-governmental organizations in the United States to put increased pressure on businesses to disengage from Sudan or demonstrate that their operations there do not contribute to the crises.

These studies concentrated on La Mancha, a company involved in a gold mining bilateral relationship in Sudan, from 2006 to 2010. This current study literature review finding suggests that strategic planning approach is a strategy or direction, and making decisions on allocating its resources to pursue a solution towards crisis assessment and prevention which could bring about a crisis resolution which could be short term or long term solution, this argument is supported several empirical research studies (Sophia, O. M., & Owuor, D. 2015; Gates, L. P. 2010; Wheelwright, S. C. 1984). The result of the review recommends that they adopt the seven individuals crisis management team as this approach could provide a long-lasting solution to the current crisis in the gold mining industry in Sudan.

### **Recommendation**

This report advises Sudanese gold mining businesses to form a team of experts to investigate the situation and establish and locate the source of the problem. A team Leader is a senior manager who can make decisions on behalf of the firm. Security Director—as the chief information officer, he is responsible for enabling plan formulation, professional development, and the installation of a crisis centre. Finance Director—evaluates the financial consequences of each sort of disaster mentioned in the plan, determines whether needed funds will be available in an emergency, oversees budget allocation, and maintains track of the firm's crisis costs. Attorney General the team on the legal repercussions of proposed actions. Media Spokesperson—provides important information to the media without revealing classified information, endangering employee privacy, or impeding investigations. Human Resources Director—has access to personnel records, supports information officers in reaching out to impacted individuals and their families, and attempts to resolve the crises' human resources issues. Security Specialist—an expert on various risk assessment issues, usually from outside the firm, who raises awareness among employees about numerous options for dealing with various types of crises, supports employees during the crisis, and aids with the post-crisis assessment.

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