

A competitive strategy for an automotive firm in preparation for Saudi Vision 2030

AA Ahmadani

 **orcid.org/0000-0002-4551-4748**

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Promoter: Prof SL Middelberg
Co-promoter: Prof M Oberholzer

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ABSTRACT

In recent years, many governments have announced transformation and reform plans, including the United Arab Emirates (UAE). Saudi Arabia announced its reform plan – Saudi Vision 2030 – during 2016. The strategic objective is to achieve a thriving economy. The plan is fundamentally focused on diversifying the economy, which would result in an increase in employment.

The aim of this thesis was to develop a competitive strategy for a selected automotive distribution company in preparation for Saudi Vision 2030 to evaluate the readiness and willingness of a private sector company to deal with such transformation. Furthermore, ANT is applied to better understand the translation of actor and network relations in the company when transforming ALJ's competitive strategy in preparation for Saudi Vision 2030. The study included a case study with the selection of a company from the automotive sector in Jeddah in the Kingdom of Saudi Arabia, namely Abdul Latif Jameel Company Ltd. (ALJ). ALJ has a huge footprint in the Saudi Arabian automotive sector and can be representative of the sector in the region of Gulf Cooperation Council (GCC) or Middle East.

The research followed a sequential mixed method design comprising a literature review (qualitative phase) and empirical case study (quantitative phase). The qualitative data were collected by conducting face-to-face semi-structured interviews with 32 senior actors in ALJ, while an electronic questionnaire was designed based on the results of the interviews to collect quantitative data from 205 ALJ employees. A combination of three strategic models, a SWOT (strengths, weaknesses, opportunities and threats) analysis, a PESTEL (political, economic, social, technical, environmental and legal) analysis, and a balanced scorecard (BSC) was applied and investigated. Concepts such as competitive environment and competitive intelligence were considered. These models and concepts were applied through the lens of the actor–network theory.

The triangulated results of the qualitative and quantitative empirical phases, combined with insights gained from the literature review, facilitated the formulation of the new actor intelligence theory (AIT). It is recommended that ALJ utilise the conceptual model of AIT as its competitive strategy in preparation for Saudi Vision 2030.

The focal point and assertion of AIT is that the human being is a fundamental actor and he/she should be empowered with three kinds of knowledge: (1) behavioural (interpersonal), (2) intellectual, and (3) practical (techniques). This would enable an individual to perform his or

her role at a level that exceeds expectations. An actor can elevate his or her network so that it becomes a competitive environment. This applies successively to the rest of the networks of a particular firm or environment. The relationship in this sense is bi-directional from the top down as well as from the bottom up. Each direction strengthens or weakens the other. An actor therefore has either a positive or negative effect on his or her network. Whatever effect an actor has, it will necessarily extend to other actors. In order to prevail over the bad or negative influence, senior actors must evaluate (communicate and engage) his or her actors closely to be proactive for mitigation and remedy.

The case study and the resulting theory contribute to the field in two ways, theoretically and practically. Theoretically, the conceptual framework of AIT creates a field and platform for further academic research. Practically, AIT can be presented and applied as a business model or a competitive strategy that centres on upskilling actor knowledge and upgrading his or her performance. Accordingly, the actor will become a key success factor to achieve a superior sustainable competitive environment. The AIT suggests that only human actors can make and steer the change and attain the sustained competitiveness by reinforcing and improvising actor knowledge and cognitive ability.

Key terms: Saudi Vision 2030, competitive strategy, actor–network theory, competitive environment, competitive intelligence, SWOT analysis, PESTEL analysis, balanced scorecard, automotive firms

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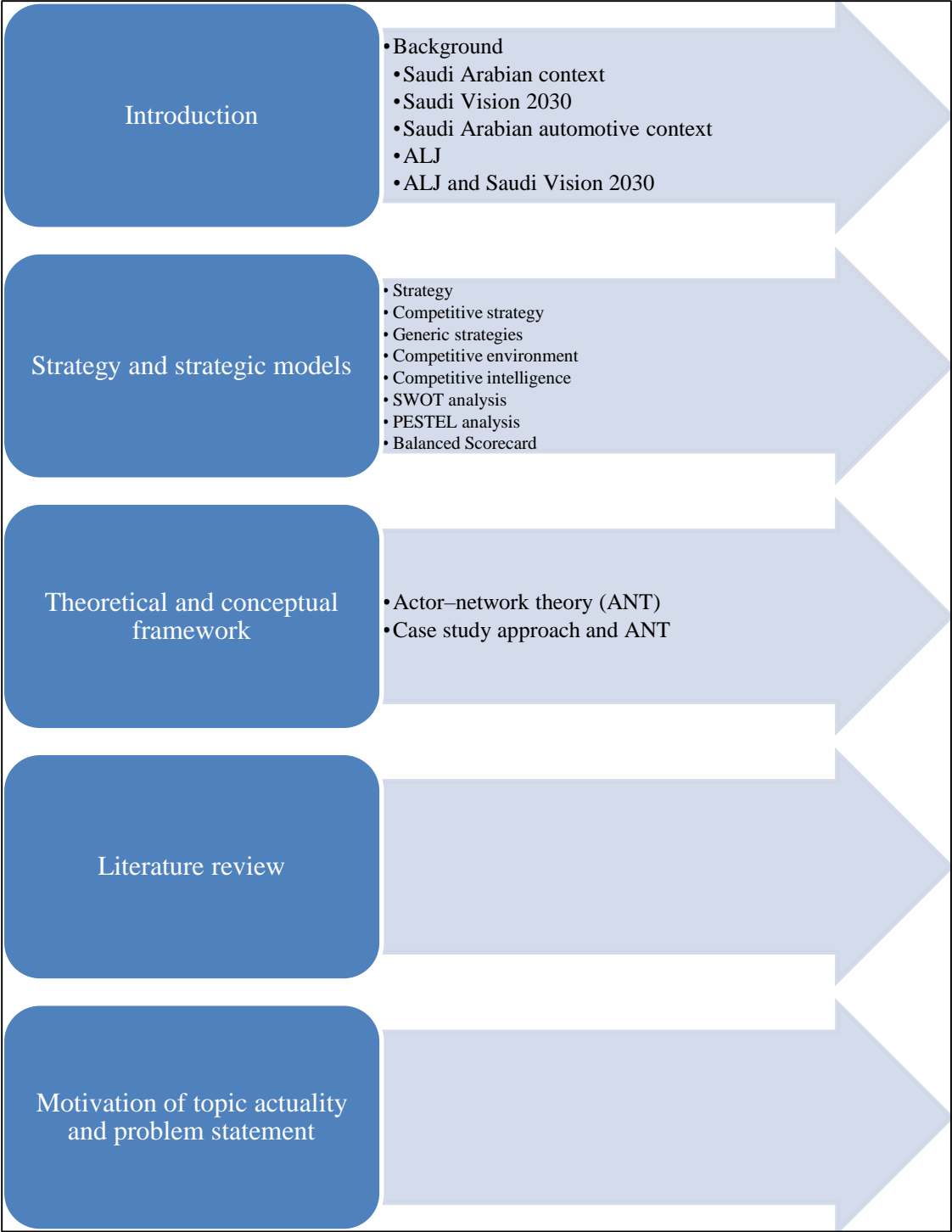
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CHAPTER 1 – INTRODUCTION

1.1 INTRODUCTION

This chapter provides an introduction to the study. Figure 1.1 below presents a diagram of the layout of the chapter.



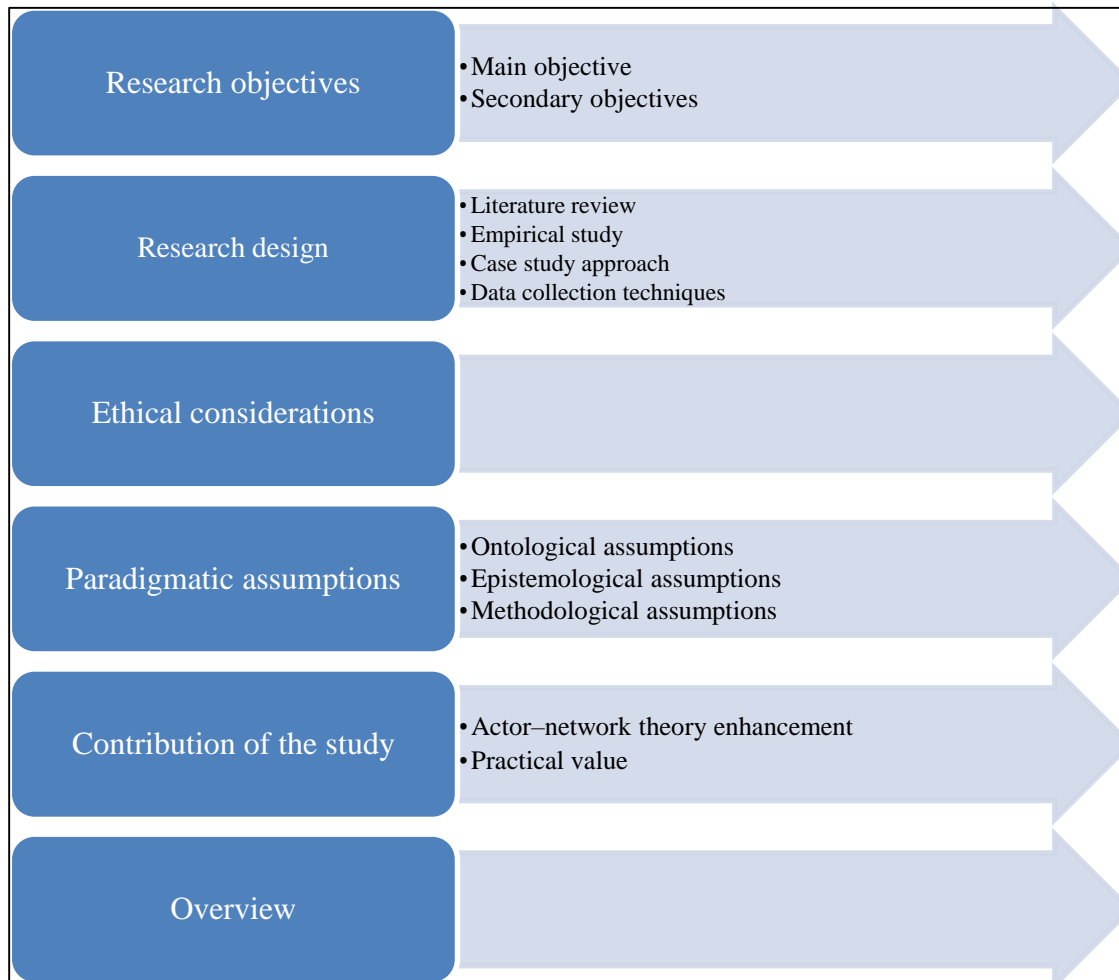


Figure 1-1: Layout of chapter 1

The introduction provides background on the Saudi Arabian context, Saudi Vision 2030, and Saudi Arabian automotive firms. This is followed by an exploration of Abdul-Latif Jameel Company Ltd. (ALJ), the company selected for the case study, and lastly ALJ in relation to Saudi Vision 2030.

The next section defines key concepts of this study namely strategy and its relevant strategic models. The following section presents the study’s theoretical foundation and conceptual framework. A brief literature review on Saudi Vision 2030 is provided, followed by the motivation of topic actuality and the problem statement. The chapter continues by describing the research objectives and chosen research design. The ethical considerations are discussed and the paradigmatic assumptions are stated. The chapter concludes by presenting the contribution of the study and finally the overview of the rest of the study.

1.2 BACKGROUND

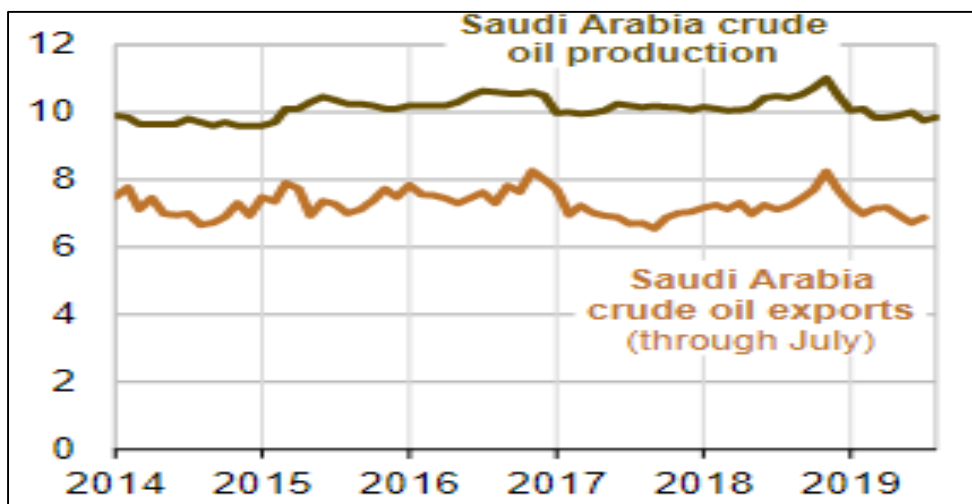
The background section contextualises Saudi Arabia, Saudi Vision 2030, the Saudi Arabian automotive sector, the case study company – Abdul-Latif Jameel (ALJ), and ALJ and Saudi Vision 2030.

1.2.1 Saudi Arabian context

There are about 32 million residents in Saudi Arabia, with around 20 million of these residents being nationals (Faudot, 2019:96). The population increased significantly between 1960 and 2015 with an estimated growth of 600% – from 4.09 million to almost 32 million (Nurunnabi, 2017:540). In turn, the population profile has changed dramatically during this period, as the female population reduced from almost 50% to 43%. On the other hand, 15 to 64 year olds represented less than 60% of the total population, while in 2015 this age group represents 68.56% of the population (Nurunnabi, 2017:541). The median age of nationals is estimated at 26 years (Murad, 2013).

On 25 May 1981 the Gulf Cooperation Council (GCC) was established in Abu Dhabi, including Saudi Arabia, the UAE, Kuwait, Qatar, Oman and Bahrain (Faudot, 2019), with a Secretary General and headquartered in Riyadh. The supreme council of the GCC in Riyadh is the highest authority and is composed of members of GCC states. The GCC has, since 1981, advanced into a powerful economic block with strong negotiating powers with other economic blocks such as the European Union (EU). All of the GCC states, except Bahrain, have large oil reserves. Together they account for around 45% of the world’s oil reserves, with Saudi oil reserves being the largest (Ramady, 2010:13). Saudi Arabia is considered the world’s most “oil-rich” country (Nurunnabi, 2017:238).

Saudi Arabia is the largest exporter of petroleum and owns about 16% of the proven global petroleum reserves (Nurunnabi, 2017). Figure 1-2 shows Saudi Arabia’s oil production and exports between January 2014 and August 2019.



Source: Hamilton, Barron & Barnett (2019)

Figure 1-2: Saudi Arabia's crude oil production and exports between January 2014 and August 2019

It is evident from figure 1-2 that the Saudi Arabian oil production has remained fairly steady, while the crude oil exports were lower than the production. This is one of the reasons for a lower oil price. Low crude oil prices between 2014 and 2017 has negatively affected Saudi Arabia's economy (Rostan & Rostan, 2020). This creates a major risk for a country heavily dependent on income from oil sales (Jawadi & Ftiti, 2019). Various authors have averred that Saudi Arabia should realise the potential of a non-oil economy to prevent economic difficulties (Al-Kibsi, Woetzel, Isherwood, Khan, Mischke & Noura, 2015:1; Thompson, 2017:206; Faudot, 2019; Jawadi & Ftiti, 2019). A productivity-led transformation, if successfully implemented, could introduce a new cycle of non-oil economy. There are three pillars to transform Saudi Arabia: (1) a more productive workforce (Thompson, 2017:216; Faudot, 2019:100), (2) economic reform (Faudot, 2019:94), and (3) sustainable fiscal and management activities (Faudot, 2019:100). In order to bring the kingdom in line with other modern economies, it has to shift to a more market-based model from its government-led economic and social approach (Al-Kibsi *et al.*, 2015:1; Faudot, 2019:94).

The GCC state countries have come a long way since 1981. During these years, they all had to deal with radical political, economic and social transformation. They are facing similar issues of creating employment for their nationals, introducing local reforms and meeting the challenges of globalisation (Thompson, 2017; Faudot, 2019; Kemppainen, 2019). This requires even more

coordination, especially for labour mobility among Gulf countries and in managing their expatriate workforce. The Saudi economic and foreign policies will in the future be more focused on forging new global strategic alliances, similar to those formed with Asian countries (Ramady, 2010:67). According to Alnaeem (2016:19), Saudi firms have to accelerate their improvements and work hard to raise the levels of production and the development of products.

Although Saudi Arabia has one of the largest producers and exporter of oil in the world, it is also one of the least understood (Alnaeem, 2016:262). There is therefore a lack in research in this area requiring further study. Hence the decision to conduct research in this area.

1.2.2 Saudi Vision 2030

On 25 April 2016, the Kingdom of Saudi Arabia approved Saudi Arabia's Vision 2030 (henceforth referred to as Saudi Vision 2030). This transformation programme was announced by Deputy Crown Prince Mohammed bin Salman Al Saud (Thompson, 2017). Saudi Vision 2030 has been adopted as a methodology and roadmap for economic and developmental activities in the kingdom. The strategy seeks to identify the general directions, policies, goals and objectives of the kingdom (Saudi Vision, 2018:55). Saudi Vision 2030 is about transforming the country and helping it enter a new phase, away from an oil-dependent economy. According to Saudi Vision (2018:7), many strategic goals have been set to reach the objectives of the initiative. Yet, although objectives have been set, a number of them "remain under construction" (Faudot, 2019:98). Saudi Vision 2030, and its objectives, is therefore not certain yet.

It appears as if Saudi Vision 2030 is viewed as an encouraging step, especially by the youth, to reduce the oil-dependency of the Kingdom (Thompson, 2017:206). On the other hand, there has also been scepticism and questions around whether these "ambitious plans" can be implemented by 2030 (Thompson, 2017:208).

1.2.3 Saudi Arabian automotive context

The Saudi Arabian automotive marketplace is vibrant (Tausif & Haque, 2018:246). In essence, new automotive ownership is relatively small, although the average income of the population is increasing. These are the socio-economic features that make Saudi Arabia so attractive to international automotive manufacturers and dealers, in addition to its central geographic position that makes it a regional hub (Al Fayad, 2014:42; Randheer, Trabulsi, Al Ajmi & Al Jasser, 2017:2).

Furthermore, in June 2018, the kingdom finally ended its legal ban on women driving, opening the way for millions of women drivers navigating across a country three times bigger than Texas (Krane & Majid, 2018:1; Faudot, 2019:94; Kemppainen, 2019:167). Since the introduction of female drivers, an increase in demand for automotive vehicles is expected (Randheer *et al.*, 2017:2; Tausif & Haque, 2018:247).

The GCC region observed a 7.0% growth in automotive sales rising from 9.8 million in 2010 to 13.7 million in 2015. Almost three-fourths of the region's vehicle fleet consists of passenger cars. Saudi Arabia has the largest share in the regional automotive market (Mahroogi & Narayan, 2019:3584).

Alnaeem (2016:19) aimed to understand and improve the manufacturing changeover process of Saudi Arabian manufacturing firms with the introduction of investment incentives by the Saudi Arabian government to attract multinationals to the country. This research was conducted before the announcement of Saudi Vision 2030. A multiple case study approach was followed by selecting Saudi Arabian businesses. According to Alnaeem (2016:19), there is a need to develop local industries to become more competitive, especially considering fierce competition amongst firms. One such Saudi Arabian company facing increased competition is Abdul-Latif Jameel (ALJ).

1.2.4 Abdul-Latif Jameel Company Ltd.

ALJ is a unique brand name in Saudi Arabia (Randheet *et al.*, 2017:4). It comprises multiple international brands, such as Toyota and Lexus in the automotive sector, Komatsu in the heavy-duty equipment sector, Toshiba in the electronics sector, FedEx as courier agency, and many more. In 1945, the founder of ALJ, Abdul Latif Jameel, began by expanding and addressing the need for consumer choice in personal transportation (Randheet *et al.*, 2017:4). He opened his first automotive outlet in Jeddah, Saudi Arabia. In 1955, Toyota appointed the firm as a distributor with an initial order for four vehicles. Sixty years later, the relationship with Toyota Motor Corporation has enabled ALJ to transform from a modest Saudi-based firm into a global automotive firm, delivering end-to-end services to retail customers and commercial clients in eight countries. ALJ advanced into one of the leading independent Toyota distributors in the world, in turn helping Toyota and six other leading automotive brands reach success. ALJ comprises a business that has diversified. It has deep roots in the Middle East, North Africa and Turkey (MENAT region). In 70 years ALJ has developed from a small trading business until it had established an extensive operations infrastructure and has built the largest vehicle distribution network in Saudi Arabia. It

has a network of more than 270 branches and more than 17 500 people worldwide, representing over 40 nationalities (ALJ, 2017 a).

1.2.5 Abdul Latif Jameel Company Ltd. and Saudi Vision 2030

ALJ, similar to other Saudi Arabian companies, will face a total transformation with the implementation of Saudi Vision 2030. This includes, amongst others: increasing the female labour force (Kemppainen, 2019), generating jobs in non-government sectors (Nurunnabi, 2017), catering for female drivers (Faudot, 2019), increased entrance of multinational firms (Alnaeem, 2016:19). Presently, ALJ has a vision, mission and values, all displayed as the ALJ Corporate Brand Model in Figure 1-3 below.



Source: ALJ, 2017b (adapted)

Figure 1-3: Abdul Latif Jameel Company Ltd. corporate brand model

In line with the total transformation of Saudi Arabia due to Saudi Vision 2030, ALJ will have to change its competitive strategy (refer to Section 1.3 below) – including ALJ’s corporate brand reflected in Figure 1-3 – to survive. However, the extent to which it will change, and whether the company is prepared for this change, is not yet known.

Multiple strategic models were applied to firstly measure the level of maturity and competitive stance of ALJ. The SWOT analysis was used to measure both the internal and external features, while the PESTEL analysis – which includes political, economic, social, technical, environmental and legal aspects – was used to measure the external environment. The balanced scorecard (BSC) (financial, customer, internal process and learning and growth) was applied as a performance measurement tool to perform an internal analysis of ALJ.

Before the theoretical and conceptual framework can be described, key concepts relevant to this study are defined below.

1.3 STRATEGY AND STRATEGIC MODELS

Management accounting is concerned with generating and using both financial and non-financial information for managerial decision making (Groot & Selto, 2013:3). According to Pitcher (2015:5), such decision-making could range from operational to strategic. Strategic decision-making, including developing a competitive strategy, is therefore part of the management accountancy discipline.

The discussion below offers a definition of the concept of strategy and of the different strategic models.

1.3.1 Strategy

The definition of strategy varies from one author to another, but the most common definition is that a strategy is a long-term plan and approach towards an intended vision and objectives. It is a general framework that specifies the firm's plans, policies and approaches to meet its objectives, goals and results (Mahdi, Abbas, Mazar & George, 2015:167). Strategic management, business policy, or strategy – whatever term is used – is typically considered a “capstone” course at most business schools. The main aim is to inspect a business firm as a whole and then to integrate the various functional disciplines (Wheelen & Hunger, 2015:1). As mentioned above, making strategic decisions are part of the management accountancy discipline.

Strategy addresses the most crucial issue for the future of any firm. It is important to explore the various strategic options by carefully examining each one before making a choice. A strategy is a route towards achieving the goals of individuals, groups and firms. Also, it leads to the best use of a firm's available resources and it guides the firm so that it navigates the business environment

successfully and with continuous improvements of its processes in order to remain competitive (Mahdi *et al.*, 2015:167).

1.3.2 Competitive strategy

Competitive strategy is concerned with how a company can create a competitive advantage in each of the business areas in which a company competes (Porter, 1989:1). Competitive strategy is about being different, and it means deliberately selecting a distinct set of activities to deliver a unique combination of values (Porter, 2008:6). According to Porter (1980:30), a firm's competitive strategy is heavily dependent on how well it relates to the environment of the industry or industries in which it operates. Recent work in strategic management examined which characteristics of firms lead to sustainable performance and create competitive advantage. Firms with sustainable performance would be those that are less prone to external shocks that affect the creation of value within the firm (Banker, Mashruwala & Tripathy, 2014:872–873).

The state of competition depends on five basic competitive forces – termed Porter's five forces. An industry's profit potential – measured as return on invested capital – is established by the collective strength of these forces. The five forces are (1) Customers, (2) Suppliers, (3) Substitutes, (4) Competitors, and (5) Industry. The essence of competitive strategy for a firm is to find a position in its industry where it can best cope with these competitive forces or can influence them in its favour (Porter, 1980:31). Many firms have excellent strategies but have failed because of poor implementation. Implementation is the process of turning the strategy into a vision. This can only be done by monitoring results, evaluating the effectiveness and efficiency of the process, controlling the deviations and making adjustments (Ombaka, Muindi & Machuki, 2015:1944).

A firm's goal with its competitive strategy is to identify an industry position where these competitive forces will be optimised. A firm may take a defensive stance, positioning itself against the existing display of competitive forces. Alternatively, it can take an offensive approach by designing strategies that influence the balance of existing forces or exploiting a shift in the competitive balance before rivals recognise it (Porter, 1980:30).

Performance measurement plays a significant role in developing, implementing and monitoring a strategic plan. It assists managers to monitor the firm's performance to ensure it is on its way to achieving its strategy. Competitive strategy can therefore help a firm to realise its overall

competitive advantage (Teeratansirikool, Siengthai, Badir & Charoenngam, 2013:168). In order to determine a competitive strategy, a firm can incorporate one or more of the generic strategies.

1.3.3 Generic strategy

Generic strategies imply different control procedures and firm arrangements, and as a result, continuous commitment to one of the strategies (refer to Table 1-1 below). A primary focus is usually necessary to achieve success (Helms, Dibrell & Wright, 1997: 689). According to Miller (1986:238), there are common “dimensions” that reflect the competitive strategies of cost leadership, differentiation and focus. These dimensions can be used to compare a firm’s competitive advantage within and across industries. Table 1-1 shows these strategies and dimensions.

Table 1-1: Porter's generic strategies

Strategy	Dimensions
Cost leadership	<ul style="list-style-type: none">• Relative directive costs/unit• Newness of plant and equipment• Product pricing• Capacity utilisation• Backward vertical integration• Process R&D
Differentiation	<ul style="list-style-type: none">• Innovation:<ul style="list-style-type: none">- Percentage of sales from products introduced over last 2 or 3 years- R&D as a percentage of sales- Average age of products- Frequency of major product changes• Marketing:<ul style="list-style-type: none">- Product quality- Product image- Marketing expenses- Advertising and promotion- Sales force- Services quality
Focus	<ul style="list-style-type: none">• Product line breadth• Breadth of customer types• Geographic coverage

Source: Miller, 1986:238

As mentioned in section 1.3.3, a firm can utilise generic strategies to establish its competitive advantage. In order to establish the latter, a firm has to create an optimal competitive environment.

1.3.4 Competitive environment (CE)

As traditional competition has expanded to a global competitive environment (CE), national improvement and competitiveness have become vital. Nations should support businesses with international competitiveness (Kabak, Ülengin, Önsel, Özaydin & Aktaş, 2014:1). As the

environment is volatile and complex, long-term competitiveness requires firms to continuously be open to current and future circumstances of the environment. To apply this knowledge, firms have to change their own behaviour and position in its markets (Huse, Neubaum & Gabrielsson, 2005: 317). However, global competition has increased significantly for all countries since the globalisation of the world economy (Kabak *et al.*, 2014:1). Contemporary environmentalism becomes an integral part of a firm's strategy. Such a proactive, advantage-driven approach involves a change at every level, affecting decisions on product development, future process technology and total quality programmes (Dechant & Altman, 1994:7).

Empirical studies have found that corporate innovation activities are influenced by the characteristics of the CE. The combination of rapid technological development and global emerging markets expects firms to develop and use its resources and capabilities innovatively (Huse *et al.*, 2005:1).

Competition, culture and nation-states have become closely linked (Kedia & Mukherji, 1999:239). Digital media greatly focuses on combining knowledge and practice, serving as an organic integration of these two aspects (Dong & Willey, 2017:263). However, four mindsets have been associated with a firm's strategy and may range from the least global to the most global mindset in terms of knowledge and skills. These four mindsets are: (1) Defender, (2) Explorer, (3) Controller, and (4) Integrator (Kedia & Mukherji, 1999:242–245).

The firm's CE refers to factors such as dynamism, hostility and heterogeneity, where (1) Dynamism is likely to enhance innovation by stimulating the firm to increase its CI activities and furthermore taking advantage of new opportunities; (2) Hostility indicates the number of unfavourable external forces for a firm's business that threatens its mission or outputs, and (3) Heterogeneity is the extent of diversity, multiplicity and complexity in the firm's CE (Huse *et al.*, 2005:318–322).

The Longman Business Dictionary (2001:88) defines *competitive* as “used to describe situations and behaviour in which businesses are trying very hard to be more successful than others...”. In line with this definition, a competitive environment – for purposes of this study – is defined as a corporate environment that is conducive to, and encourages, competitive behaviour.

1.3.5 Competitive intelligence (CI)

There is no single universal definition for CI. However, the most common definition, as provided by the Society of Competitive Intelligence Professionals (SCIP), is that CI is the process of monitoring the CE. CI enables managers in firms of all sizes to make decisions about everything: research and development, marketing, investments and long-term business strategies, and the legal and ethical collection of information. CI is a continuous process that includes the legal and ethical collection of information (Gračanin, Kalac & Jovanović, 2015:27). It is a process, firmly built on the idea that a better understanding of competitors' strengths and weaknesses improves strategy formulation (Bernhardt, 1994:6).

CI tracks the activities of competitors in a range of fields, including: (1) general business activity, (2) business development, (3) strategy and tactics in different sectors or new activities, sometimes designed to confuse and mislead, (4) market penetration, (5) patent registration, and (6) research activity (Rouach & Santi, 2001:552). One of the strategic tools a firm can utilise to gain intelligence, both internal and external to the firm, is the SWOT analysis.

The goal of CI – a subarea of management knowledge – is to gather information from the external environment to enhance its decision-making process. A number of well-known companies, such as Ernst & Young and General Motors, have well-organised and established CI units supporting them in decision making about critical business matters such as strategic planning and product development. Traditionally, CI relied on published firm reports and other kinds of printed information (Chen, Chau & Zeng, 2002:1). Businesses increasingly consider CI a necessary, if not a crucial, tool. It can boost a business's profit, but the key is developing and using it in the right manner based on the particular business firm's needs and competition (McGonagle & Vella, 2004:64).

CI is the art of collecting, processing and storing information so that it could be made available to people at all levels of a firm in order to shape a firm's future and protect it against competitive threats. It should be legal and respect the codes of ethics, and it involves a transfer of knowledge from the environment to the firm within established rules and manners (Rouach & Santi, 2001:553). CI plays an important role in the preparation of a firm's management decisions as they aim to create new conditions to guarantee their future success in the keenly competitive business environment. It is considered as one of the most powerful and prospective arms of a firm's management (Bartes, 2014:53).

The CI process remains a major competitive asset for Japanese firms and its significance should not be over-looked. It involves identifying relevant information quickly, which helps with making more successful technological choices (Rouach & Santi, 2001:558). The majority of business organisations today have some sort of CI activities in place, whether performed formally or not. It can be described as both a process and a product. (Ching & Zabid, 2017:125).

- Process: CI is a process that increases the chances of patent approval and includes auditing a firm's scientific and technical assets and comparing them with its competitors. The process also involves detecting market threats and opportunities and identifying winning strategies in unknown areas (Rouach & Santi, 2001:558).
- Product: as a product, CI is actionable information about the present and future behaviour of competitors, suppliers, customers, technologies, government (Ching & Zabid, 2017:125).

1.3.6 SWOT analysis

A SWOT analysis aims to set achievable goals and effective objectives for a firm. Every SWOT analysis focuses on: (1) Strengths: characteristics that provide an advantage over others; (2) Weaknesses: characteristics that positions a firm at a disadvantage relative to others; (3) Opportunities: elements that could be exploited to the firm's advantage, and finally (4) Threats: elements in the environment that lead to trouble for the firm (Alvarez, Carballo-Penela, Mateo-Mantecón & Rubio, 2016:5).

The SWOT analysis has internal and external factors that create a strategic matrix. The internal factors are within the firm's control, such as marketing, operations, finance, and other areas, whereas the external factors are outside of the firm's control, such as economic and political factors, technology, competition and other areas (Lee & Ko, 2000:69). The SWOT analysis enables the firm to ameliorate the weaknesses and threats and to enhance the strengths and opportunities (Alvarez *et al.*, 2016:13). Another strategic model – other than the SWOT analysis – used to gain intelligence about the external environment, is the PESTEL analysis.

1.3.7 PESTEL analysis

PESTEL is an abbreviation for political, economic, socio-cultural, technological, environmental and legal (Aithal, 2017:81). A PESTEL analysis examines the macro-environmental conditions

and situation of a firm (Yüksel, 2012:52). A PESTEL analysis identifies the external factors that would have an impact on the organisational environment (Andrei & Prisecaru, 2014:249).

A PESTEL analysis has two basic functions for a firm (Yüksel, 2012:53):

- a. Firstly it identifies the environment within which the firm operates, and
- b. secondly data and information enabling the firm to predict circumstances that it might encounter in the future is provided.

Table 1-2: PESTEL analysis

Category	Key drivers of change
Political	Taxation policy, trade regulations, subsidies.
Economic	Economic situation, unemployment, labour force mobility, Gross Domestic Product (GDP), inflation, interest rates, currency swings, monetary policy
Social	Attitudes and values, political atmosphere, education level, demographic trends, social trends
Technological	Production technology, speed of technological transfer, research and development
Environmental	Environment protection regulations, environment protection trends, noise reduction, pollution, waste, energy consumption
Legal	Legislative changes and developments, competition regulations, labour laws, health and safety, product safety regulations

Source: Vuori, 2011:27

Table 1-2 above shows the PESTEL analysis categories and its key drivers of analysis. It is evident from the table that legislative changes and developments – similar to Saudi Vision 2030 – influences the environment in which a firm operates. Similarly, changes in each of the other categories affect an organisation such as ALJ.

The balanced scorecard, as opposed to the PESTEL analysis, focuses on internal performance measurement. It is a key strategic tool used by firms.

1.3.8 Balanced scorecard

Recently firms solely utilised financial indicators to measure performance. This has however evolved to increasingly integrate financial and non-financial performance measures that link also to strategy (Ibrahim & Murtala, 2015:71). The BSC has been utilised by many executives and

senior managers. Many firms globally have introduced it as a successful performance measurement tool and mechanism to implement strategy as it is a strategic performance measurement system and model (Coe & Letza, 2014:63). The BSC is one such tool as it measures the performance of firms from four different perspectives: (1) financial perspectives, (2) customer perspectives, (3) internal process perspectives, and (4) learning and growth perspectives (Ibrahim & Murtala, 2015:71).

1.4 THEORETICAL AND CONCEPTUAL FRAMEWORK

This study examines and applies the actor–network theory (ANT) as the suggested theoretical framework. However, before providing an explanation of ANT, the aptness of it for this study has to be explored. Bryson, Crosby and Bryson (2009:172) argue that ANT “provides a particularly apposite method for understanding whether and how strategic planning works in particular circumstances”.

The history of ANT and its relevance to this study will be presented next.

1.4.1 Actor–network theory

The actor–network theory (ANT) first emerged in the 1980s in the field of the sociology of science to explain scientific knowledge with reference to social variables. Law (2009:141) – one of the developers of ANT – concedes that ANT is not a theory, especially as theories aim to explain and clarify why something happens. ANT, however, “is descriptive rather than foundational in explanatory terms” (Law, 2009:141). He continues by suggesting that ANT is useful as a toolkit for telling interesting stories about relations with other entities (Law, 2009:142; Hui, 2012:98; O’Connell, Ciccotosto & De Lange, 2014).

Latour (2005), another co-developer, also punts ANT as a tool to describe something, including organisational processes (Hui, 2012:97). Actor–network theory examines the creation and preservation of coextensive networks of human and non-human elements. The core concept of the actor–network theory approach is concerned with how actors and firms mobilise and hold together the individual pieces of which they are composed. How they manage those pieces from following their own preferences, and how they preserve the time and process of a firm to turn a network of actors from a heterogeneous to a homogeneous mode (Law, 1992:5). The process of investigating what draws actors together in a network and furthermore encourages them to participate in

organisational activities, are referred to as *translation* (Latour, 1996:375). Callon (1986:224) describes translation as “the mechanism by which the social and natural worlds progressively take form”. Networks are generally stabilised and mobilised by actors, which can be human or non-human (Hui, 2012:102).

ALJ, the company selected for this study, is facing a period of transformation due to the implementation of Saudi Vision 2030. Consequently, the relations between human and non-human elements, i.e. the actors, will also go through a period of *translation*. ALJ will have to change its competitive strategy in line with the changes proposed by Saudi Vision 2030. The company’s vision, mission and strategic plans—regarded as nonhuman elements (Bryson *et al.*, 2009:181)—will progressively change. ANT, specifically the concept of translation, will be used in this study to better understand the translation of actor and network relations in transforming ALJ’s competitive strategy in preparation for Saudi Vision 2030. Ultimately, to ensure stability in ALJ in the face of this transformation, it is advisable that ALJ’s actors have to move from a heterogeneous to a homogeneous mode (Law, 1992:2). Hui (2012:101) argues that the success of a network relies heavily on the process of translation.

ANT can be useful for studies and situations where interactions of the social, technological and political factors are regarded as particularly important (Tatnall, 2005:963), as is the case in this study, where Saudi Vision 2030 brings up a massive change in many aspects (refer to Table 1-2 PESTEL key drivers of change). Furthermore, Bryson *et al.* (2009:177) argue that ANT is an appropriate method to study strategic planning in practice. Similarly, this study drew on ANT to reveal the associations of actors in the competitive strategy process of ALJ, especially considering the introduction of Saudi Vision 2030. Latour (2005) argues that ANT accounts for new associations (Bryson *et al.*, 2009:177).

ANT, as theoretical framework, will be further elaborated on in chapter 4.

1.4.2 The conceptual framework of the study

Based on the above motivation, ANT – especially the concept of translation – was used as the study’s theoretical framework. The conceptual framework of this study is presented in Figure 1-4 below.

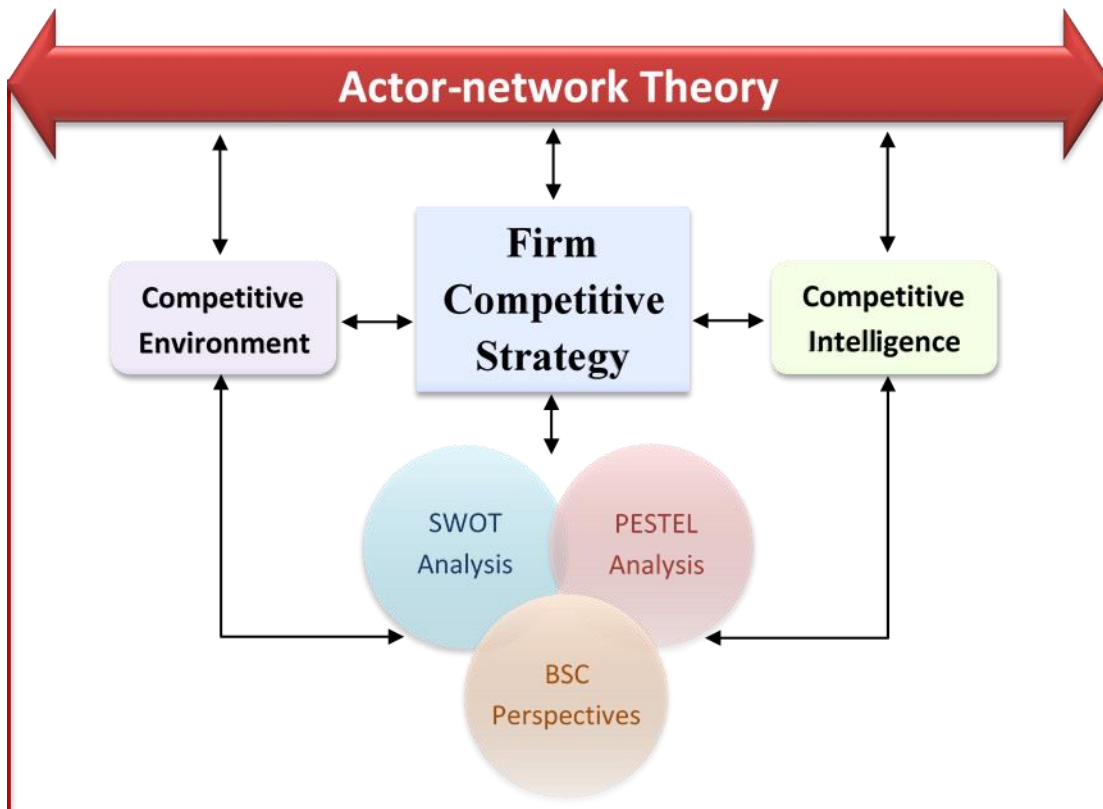


Figure 1-4: *The conceptual framework of this study*

Saudi Vision 2030 has the aim of transforming Saudi Arabia away from an oil-dependent economy. However, this requires not only public sector departments and organisations to change, but heavily influences private sector organisations, such as ALJ. An overhaul of corporate strategies are required to ensure, *inter alia*, regulatory compliance to Saudi Vision 2030, compete in a more demanding competitive environment, and keep up with technological advances.

The objective was to develop a competitive strategy for ALJ in preparation for Saudi Vision 2030. ANT was applied to better understand the translation of actor- and network relations in the company when transforming ALJ’s competitive strategy in preparation for this new government initiative. The study also wanted to determine if ALJ is a CE or not, based on the definition of CE provided in section 1.2.4 above. The classification of a particular network as a CE depends on the degree of homogeneity between the actors in that network(s). This study identified and communicated knowledge as a framework that can be used as a tool to attain competitiveness maturity and to create a CE in difficult circumstances – such as the implementation of Saudi Vision 2030.

Firstly, both the internal competitive environment of ALJ and the external competitive environment of the automotive industry, were established by using three strategic models namely; SWOT analysis, PESTEL analysis and the BSC (Table 3-1). The roles of actants, actors and networks were investigated. The results of these strategic models formed the competitive environment of ALJ. Additionally, the available competitive intelligence around automotive firms in Saudi Arabia was established, including the role of CI in ALJ. ANT was used as a tool to better understand the translation of actor and network relations in transforming ALJ's competitive strategy in preparation for Saudi Vision 2030.

1.4.3 Case study approach and ANT

Cooper and Morgan (2008:161) aver that generating knowledge and testing through case study approaches contribute to accounting research. Gibbert, Ruigrok and Wicki (2008:1465) concur by positing that case studies have been utilised as tools for generating and testing theory and are generally conducted in close interaction with practitioners. Despite this, concerns have been raised regarding case study research' lack of methodological rigour, including its inability to generalise its findings (Gibbert *et al.*, 2008:1465; Teegavarapu & Summers, 2008:6). To address these concerns, the researcher followed clear tactics to enhance the soundness of the case study method (Gibbert *et al.*, 2008:1465; Teegavarapu & Summers, 2008:6; Yin, 2013:326–327) Notwithstanding, Merriam (2009) highlights that case study research's strengths outweigh its limitations as it offer insights to practical problems, and further advances the research field's knowledge base.

In line with this present study, Harritz (2016) utilised a case-based approach to demonstrate the role of management devices in enacting strategy. He furthermore drew on actor–network theory to assist in describing strategic processes and events. Naar and Clegg (2018:26) also followed a case study approach drawing on actor–network theory to describe the role of models as “strategic actants”.

From the above it is argued that case study research has its limitations around methodological rigour but tactics were applied to address these concerns. Furthermore, similar to this research study, previous research has been conducted combining the case study approach with actor–network theory (Harritz, 2016; Naar & Clegg, 2018).

1.5 LITERATURE REVIEW

According to Nurunnabi (2017:538) research on Saudi Vision 2030 is limited. A number of recent studies on Saudi Vision 2030 has been conducted. Faudot (2019) conducted a critical assessment of Saudi Vision 2030. The paper does not include empirical data collection. Kemppainen (2019) completed a study on the theoretical underpinnings of female entrepreneurs as innovators, especially since Saudi Vision 2030 encourages the participation of females in the Saudi work force. This study however also utilised secondary data. Jawadi and Ftiti (2019) employed a time-series analysis to investigate the effect of an oil price collapse on Saudi Arabia's economic growth. The study included an empirical test of whether the equity-energy investment initiative – as part of Saudi Vision 2030 – could boost economic growth. Macroeconomic and financial series data from the Federal Bank in St. Louis was utilised. Alhawassi, Abuelizz, Almetwazi, Alghamdi, Alruthia, BinDhim, Alburikan, Asiri and Pitts (2018:71) paper reported on a conference hosted to specifically address issues around low-quality medicine in the Saudi Arabian health sector in order to develop policy recommendations for Saudi Vision 2030. Nurunnabi (2017) based his research on documentary analysis – utilising secondary sources – by investigating the transformation of Saudi Arabia's economy from oil-based to knowledge-based considering Saudi Vision 2030.

On the other hand, Al-Ruithe and Benkhelifa (2017:3) collected empirical data through 292 questionnaires completed by public sector representatives. They argue that data governance plays a critical role in the success of Saudi Vision 2030. Thompson (2017) investigated the perceptions of young, male Saudis on whether Saudi Vision 2030 is an adequate response to their aspirations. His study included the collection of primary data through 35 focus group discussions across Saudi Arabia.

1.6 MOTIVATION OF TOPIC ACTUALITY

Based on the above discussion, it can be gathered that there is a lack of empirical data not only on obtaining a clearer understanding within the Saudi Arabian context, but also what changes Saudi Vision 2030 would require of firms to become and/or remain competitive.

One such firm is ALJ—an automotive firm in Saudi Arabia. A comprehensive case study on ALJ automotive firms, using a combination of strategic models of SWOT, PESTEL and BSC, underpinned by the ANT, seems to be a first attempt to position a firm for the implementation of Saudi Vision 2030. Especially considering that there is not a clear understanding of the Saudi

Arabian economy (Alnaeem, 2016:29). The results could offer: 1) an improved understanding of the strategic development process of a Saudi Arabian firm, 2) provide a description and possible explanation of the actor–network associations from a Saudi Arabian context, and 3) a tool to develop and implement a competitive strategy within a CI framework. These results offer a contribution both theoretically and practically. The contribution of the study (both theoretically and practically) is elaborated on later in the chapter in section 1.12.

1.7 PROBLEM STATEMENT

The Saudi Vision 2030 initiative is relatively new and still “under construction”. Moreover, it is such a massive change that will significantly affect Saudi Arabia’s culture and economy. It requires firms operating in Saudi Arabia to radically change their competitive strategy in line with the objectives of Saudi Vision 2030. This has to be done taking cognisance of the relations between actors and networks, as ultimately the success of the network is reliant upon the process of translation.

1.8 RESEARCH OBJECTIVES

In order to answer the research question, the following main and secondary objectives were set.

1.8.1 Main research objective

The main research objective is to develop a competitive strategy for an automotive firm in preparation for Saudi Vision 2030. Furthermore, ANT is applied to better understand the translation of actor and network relations in the company when transforming ALJ’s competitive strategy in preparation for Saudi Vision 2030.

1.8.2 Secondary research objectives

The above main research objective gives rise to the following secondary objectives:

- a. Presenting an appropriate research design and methodology in order to achieve the above-stated objective (Chapter 2);
- b. Conceptualising from literature the concept of strategy and strategic models (Chapter 3);
- c. Theorising from literature the conceptual framework in terms of the actor–network theory and its aptness for this study (Chapter 4);

- d. Presenting the collection and analysis of qualitative data in order to develop further research questions in the collection of quantitative data (Chapter 5);
- e. Presenting the collection and analysis of quantitative data by answering all research questions (Chapter 6);
- f. Presenting a theory within the ambits of the conceptual framework that culminates in a triangulation design underpinned by the actor–network theory (Chapter 7);
- g. Developing a competitive strategy for an automotive firm in preparation for Saudi Vision 2030 by combining the results of both the qualitative and quantitative data analysis. Furthermore, to draw conclusions about ALJ’s competitive environment based on the actor–network relations (Chapter 7); and
- h. Concluding the study by presenting the developed competitive strategy for an automotive firm (Chapter 8).

The next section will present the research design followed in this study.

1.9 RESEARCH DESIGN

This section presents the research design in the form of a literature review and an empirical study.

1.9.1 Literature review

This study reviews the available body of literature on this topic as found in relevant scientific journals, articles, government publications, books and other research documents. The actor–network theory was reviewed to form the primary conceptual framework, combined with the concepts of competitive strategy, CE and CI, along with the strategic models of SWOT analysis, PESTEL analysis and BSC. The context of Saudi Vision 2030 and the Saudi Arabian automotive industry received special consideration.

The primary objective of a literature review is to highlight the available research on the specific topic and to identify the gaps that the study should fill. The literature review also demonstrates the assumptions of the study.

1.9.2 Empirical study

The empirical part of this study took the form of a single in-depth case study. The case study followed a sequential mixed method approach starting with a qualitative followed by a quantitative

method. Data were collected through interviews (qualitative) and a questionnaire (quantitative) with representatives of ALJ automotive firms in Saudi Arabia (refer to Section 1.9.4). With the combined knowledge of the literature, the qualitative data and quantitative data, the final framework was constructed using triangulation.

The empirical data were collected from the Toyota and Lexus sector in ALJ automotive firms, which comprise about four thousand employees. The data analysis and findings determined ALJ's level of competitiveness and indicated the current competitive strategic position and what it is supposed to be.

The empirical study measured and highlighted the perceptions of various ALJ employees – senior, middle and operational level staff – of the various strategic perspectives of the company. Ultimately a competitive strategy was developed for ALJ in preparation of Saudi Vision 2030. The section below offers further details of the empirical study.

1.9.3 Case study approach

This study conducted exploratory research at ALJ by following the case study approach. The exploratory research approach was followed since it is a valuable means of finding out about the current state of ALJ and to develop a competitive strategy considering the implementation of Saudi Vision 2030. The conceptual framework presented in Figure 1-4 above firstly establishes the competitive environment by utilising PESTEL, SWOT and the BSC and then linking the competitive environment with competitive intelligence. This research draws on the ANT, especially the concept of translation, to better understand the relations between actors and networks in the face of the envisaged transformation. Since this is the first study of this kind, the exploratory case study research method was utilised. New strategic insight into competitiveness within the context of the still-developing Saudi Vision 2030 was sought. An in-depth case study approach therefore seemed to be the most appropriate approach. The use of both the quantitative and qualitative methodologies is essential to gain in-depth knowledge of the case.

1.9.4 Data collection techniques

The study followed a sequential mixed method approach.

1. **Qualitative method:** The researcher conducted face-to-face semi-structured interviews to identify the most current strategy, the CE and CI context using the strategic models of SWOT analysis, PESTEL analysis and BSC within ALJ.
 - a. **Target population:** The target population of this study was employees of ALJ, which houses Toyota and Lexus in Saudi Arabia. Top management representatives from different hierarchical levels and sectors from eight departments were targeted (Accounting/Finance, IT, HR, Sales, Strategic, Marketing, Risk management and Shared services departments).
 - b. **Sample method:** The researcher used cluster-based sampling and interviewed two representatives from each targeted group of top management.
 - c. **Sample size:** The researcher conducted interviews with at least 30 representatives of top management over all targeted departments.
 - d. **Data analysis:** The qualitative data in this study were analysed using a general inductive approach. The researcher used a coding system that provides a number for each participant and then followed a thematic technique to analyse the qualitative data.

The results of the qualitative analysis determined the position of ALJ's competitiveness and the state of the strengths, weaknesses, opportunities and threats of ALJ firms in general, and particularly against the backdrop of Saudi Vision 2030, as well as the current strategy that is being employed. The results aided the development of a questionnaire for the collection of the quantitative data.

2. **Quantitative method:** a questionnaire was designed based on the literature review and the qualitative research findings. At least 205 representatives (employees) from different sectors and staff levels of ALJ firms received and completed the questionnaire. The researcher analysed the quantitative data from the questionnaires using statistical analyses such as descriptive analysis and an analysis of variance (ANOVA) along with Levene test.
 - a. **Target population:** The target population of this study was the staff of ALJ automotive firms, namely Toyota and Lexus in Saudi Arabia. Employees from different levels of the hierarchy and from eight departments were targeted

(Accounting/Finance, IT, HR, Sales, Strategic, Marketing, Risk management and Shared services departments).

- b. **Sample size:** The researcher received back at least 205 questionnaires.
- c. **Sample method:** The researcher used cluster-based sampling with about 25 representatives from each targeted group of departments.
- d. **Data analysis:** The questionnaires were analysed using descriptive analysis (including frequency, distribution, means, and standard deviations), and an ANOVA along with the Levene test.

The empirical results of the questionnaires answered all the research questions. Accordingly, this study employed both inductive and deductive reasoning. The qualitative data collection followed a methodological process of inductive reasoning by identifying initial issues and conducting in-depth interviews. A conceptual framework founded in the actor–network theory was then constructed. The conceptual framework was then used to further investigate the identified issues respective to the developed framework using questionnaires (quantitative study). The latter process followed deductive reasoning.

1.9.5 Methodological rigour

Case study research has been criticised for lacking methodological rigour (Teegavarapu & Summers, 2008:6). The reliability and validity of the data were therefore strengthened by following the proposed case study criteria of validity and reliability as suggested by Yin (2017).

1.10 ETHICAL CONSIDERATIONS

The researcher obtained official permission from ALJ automotive firm headquarters to conduct this research study on their premises in Saudi Arabia (Annexure 1 – ALJ approval). Furthermore, the North-West University’s Ethics in Commerce Research Committee approved the study with ethics number NWU-00333-18-A4.

1.11 PARADIGMATIC ASSUMPTIONS AND PERSPECTIVES

This study is nested in a pragmatic paradigm. This research followed the mixed method approach presented in the form of a comprehensive case study which reflected the ontological and epistemological assumptions presented below.

1.11.1 Ontological assumptions

The researcher's view of the world is subjective and can be understood from a realist position – i.e. external point of view (De Villiers & Fouché, 2015; Maree, 2020:36). A competitive strategy for ALJ was developed through collecting data based on the view of participants – also referred to as actors.

1.11.2 Epistemological assumptions

The epistemological position of the researcher is that knowledge can be viewed as subjective (De Villiers & Fouché, 2015:139). Furthermore, knowledge can be interpreted, leading to a more participatory role to the research (Maree, 2020:36).

This research revolved around the homogeneity of the actors. As mentioned in section 1.3.2, the study focused on sets of networks in a specific network or firm, in this case ALJ and the extent of the homogeneity among the actors. The classification of a particular network as a CE depends on the degree of homogeneity between the actors in that network(s). A new framework that can be used as a tool to attain competitiveness maturity and to create a CE in difficult circumstances, was designed.

1.11.3 Methodological assumptions

All research methods are founded on a variety of epistemological assumptions regarding the nature of knowledge and the ways in which knowledge can be obtained (Lee, 1992:88). The research design, is a “blueprint” for the research project. It should address the: (1) set research questions, (2) developed propositions, (3) the logic linking the data to the propositions developed in (2), and (3) the criteria for interpreting the findings. The logic behind linking the data to the propositions should also mean that the researcher can collect the correct type and amount of relevant information. Any theories explaining the findings should be included during the data collection stage (Baskarada, 2014:5).

1.12 CONTRIBUTION OF THE STUDY

According to Sein, Henfridsson, Purao, Rossi and Lindgren (2011:40), research should be practice-inspired and theory-ingrained. This study meets both these criteria. It is a problem inspired by practice, i.e. the announcement of Saudi Vision 2030 will radically transform the way business is conducted in Saudi Arabia. This research is theory ingrained and furthermore contributes to literature by the development of a new theory.

1.12.1 Actor–network theory enhancement

A new theory, namely actor intelligence theory (AIT), was developed from this study. This new theory can be considered as a contribution to literature. AIT was formed by combining the concepts and components of ANT and CI practices. It can be presented as a conceptual framework, a model, theory or even philosophy. This new theory can be tested and applied in other industries by fellow researchers. This contribution is expanded on in chapter 8.

Additionally, various strategic techniques were reviewed and discussed theoretically and applied empirically in a unique combination of SWOT, PESTEL and BSC. This research is unique and an innovative experimental methodology as it followed the mixed method approach and formed a hybrid framework of multiple strategic models of SWOT, PESTEL, BSC combined with the CI framework in the conceptualisation lens of ANT. This unique combination has not been applied in research before. The research makes a contribution by addressing and simplifying the concepts of ANT, CE, competitive strategy, and CI. This combination can be applied by fellow academics in other industries.

1.12.2 Practical value

Faudot (2019) argues that policymakers should understand Saudi Arabia's industrial weakness, especially in the light of Saudi Vision 2030. This research aims to provide improved understanding of the competitive environment of the automotive industry by analysing a Saudi Arabian automotive firm. Over and above providing insight into one of the least understood economies (Alnaeem, 2016:262), practical value will also be added to the automotive sector in light of Saudi Vision 2030. ALJ is a strong brand name in Saudi Arabia, holding two international brands as unique dealerships, with around four thousand employees. Saudi Vision 2030 promises to be a tremendous transformation, and as such it has to be explored and understood. Due to inadequate

insight into this vision, as it is currently in an emerging stage, this study addresses several aspects of that vision. This includes expectations and perceptions, impact and implications, threats and opportunities. The study aims to align insights with respect to Saudi Vision 2030 with the real-life context and to identify the significance of a CI strategy for ALJ to counter this transformation vision. The practical value of this study lies in the creation of competitive strategy that can guide ALJ in creating a CE by implementing a new CI strategy or theory.

1.13 OVERVIEW

Chapter 1: Introduction

The first chapter introduced the research topic by presenting the background and key concepts of this study. This was followed by a literature review on the research, followed by the problem statement and research objectives. Lastly, the research design and contribution of the study were explained.

Chapter 2: Research design and methodology

This chapter discusses the research design and methodology. The chapter explains the rationale behind the case study format and the significance of the mixed method approach.

Chapter 3: Strategy, strategic models and the Saudi Arabian context

In this chapter, a comprehensive literature review aids the conceptualisation of strategy and strategic models such as SWOT analysis, PESTEL analysis and BSC in terms of definitions, scope, framework, concept, importance, perspectives and implementation. The chapter also discusses the literature on the CE and CI. The chapter concludes with a presentation of the Saudi Arabian context.

Chapter 4: The theoretical framework

In this chapter, the researcher develops the theoretical framework based on the actor–network theory, more specifically the concept of translation.

Chapter 5: Empirical case study – Qualitative

This chapter outlines the collection and analysis of empirical data collected in ALJ by means of semi-structured interviews. The conceptual framework used to gather data are presented in this chapter.

Chapter 6: Empirical case study – Quantitative

This chapter discusses the collection and analysis of the quantitative data gathered by means of the questionnaires.

Chapter 7: Research findings

This chapter presents the emerging theory as a conceptual framework. It also answers the research questions by referring to the outcome of the data analyses. Finally, the chapter describes the development of a competitive strategy for ALJ in preparation for Saudi Vision 2030.

Chapter 8: Conclusions and recommendations

The last chapter offers a discussion of the empirical results, analysis and findings, with consideration of the conceptual framework and research questions. The study concludes with the main findings, the limitations of the study, and some aspects for future research. Figure 1.5 below offers an outline of the study.

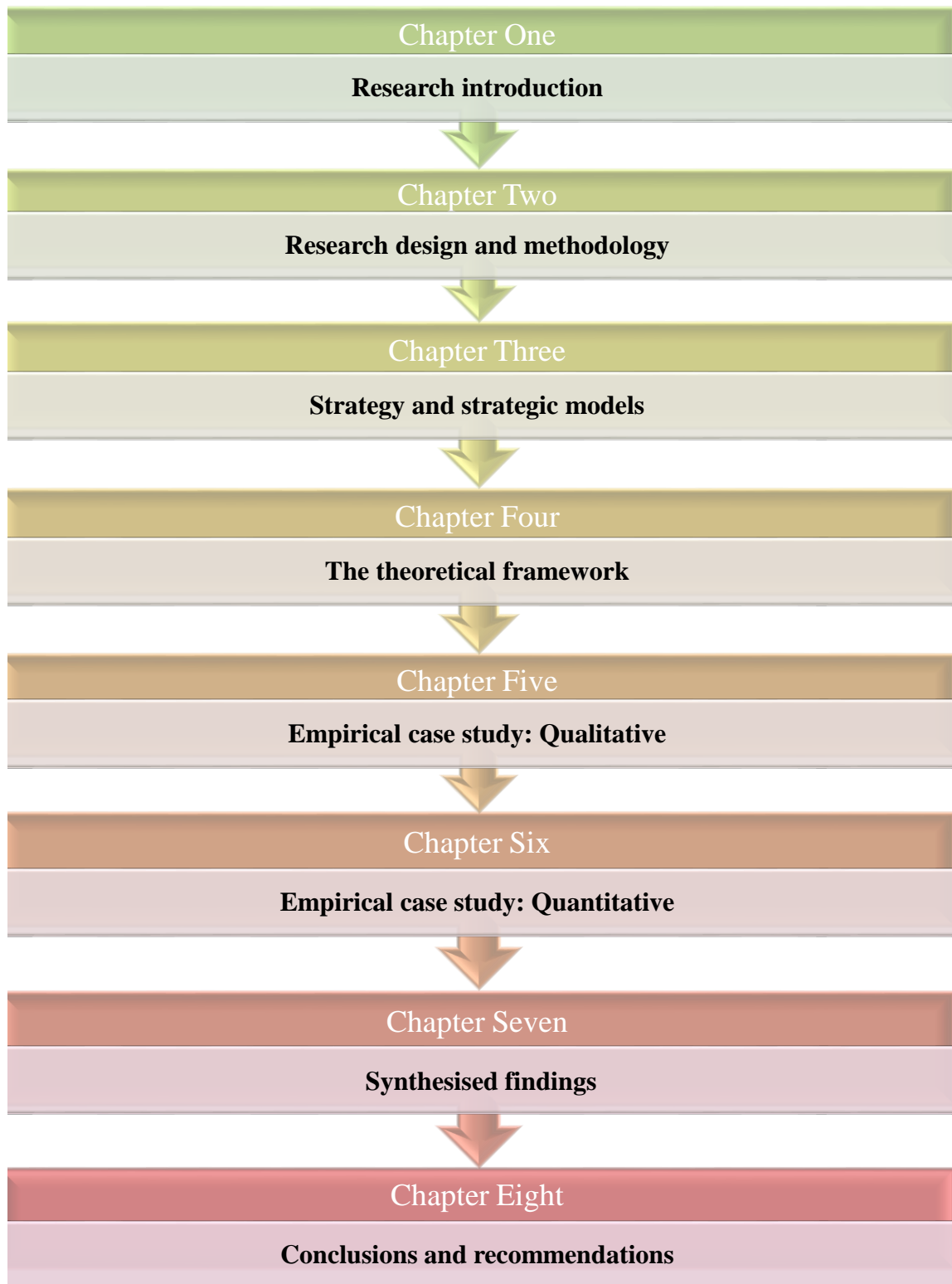


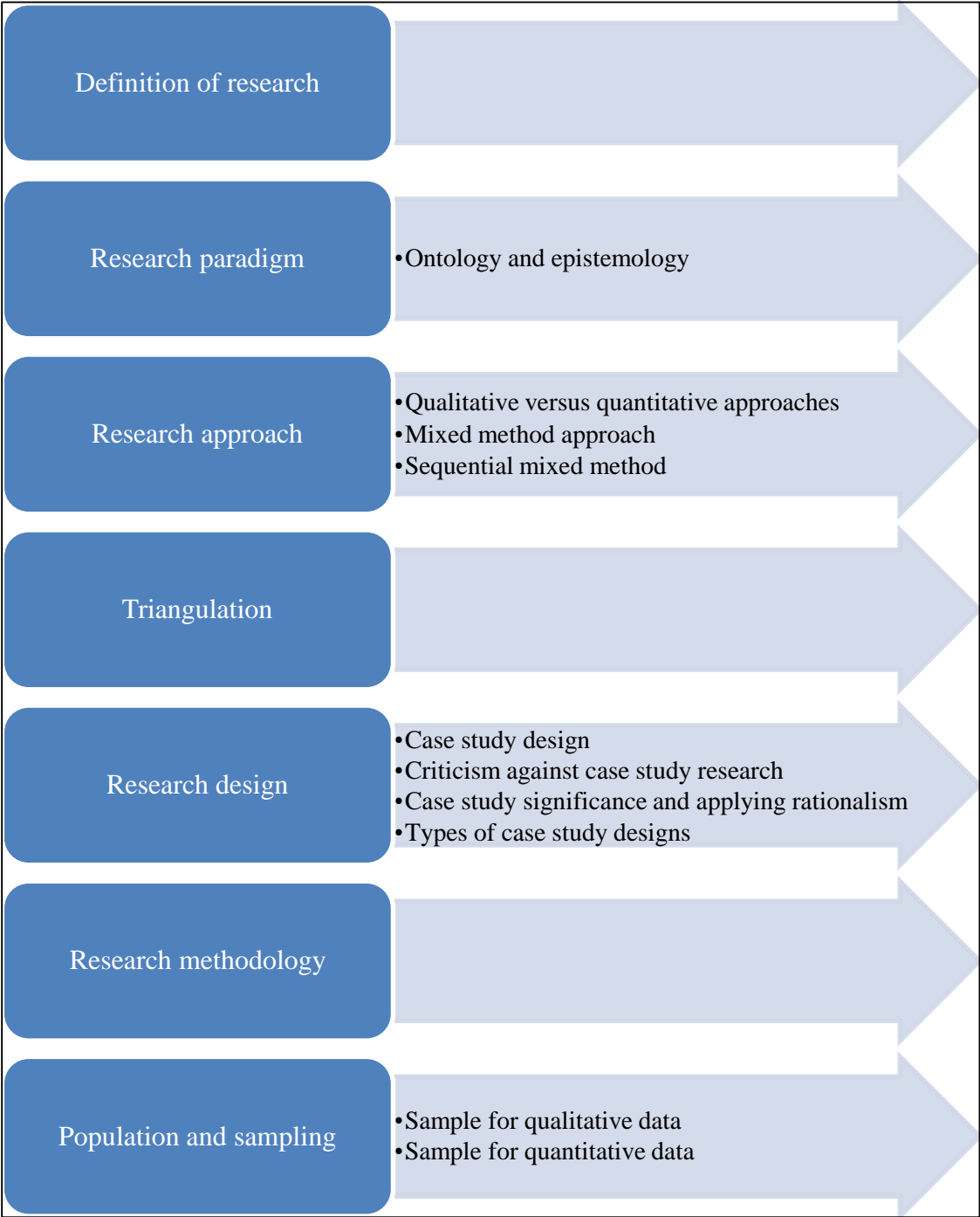
Figure 1-5: Chapter overview

Chapter 2 presents the research design and methodology of this study.

CHAPTER 2 – RESEARCH DESIGN AND METHODOLOGY

2.1 INTRODUCTION

This chapter addresses the first secondary research objective as stated in Chapter 1, which is to present an appropriate conceptual research design and methodological framework for the study. The layout of the chapter is presented in Figure 2.1 below.



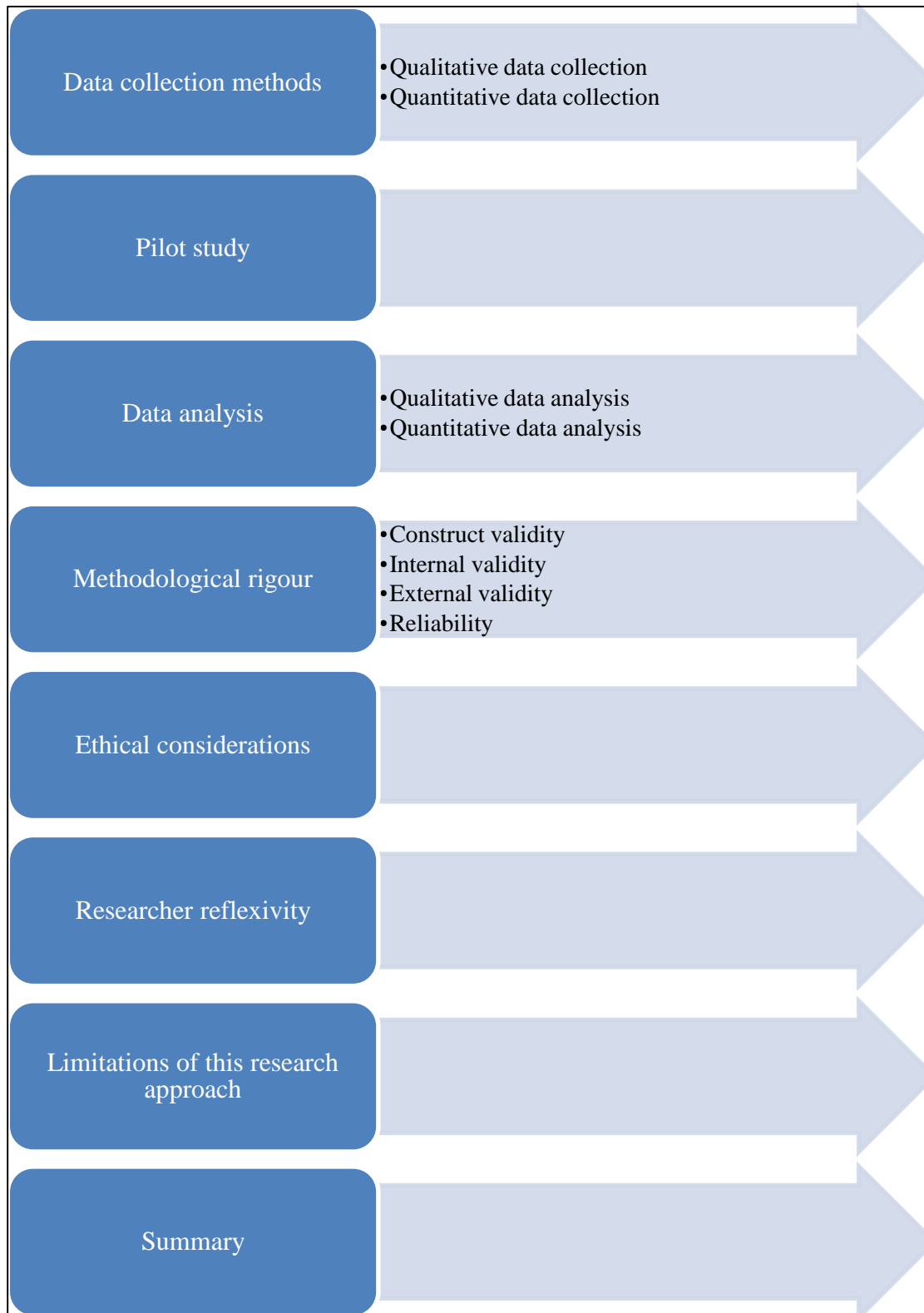


Figure 2-1: *Layout of chapter 2*

The chapter starts with a brief introduction to the concept of research, followed by a presentation of the research paradigm and the ontological and epistemological assumptions. Next the research approach, research design and research methodology are described, followed by a discussion of methodological rigour. The chapter then turns to a consideration of ethics in research, after which it concludes with the researcher's reflections.

2.2 DEFINITION OF RESEARCH

The Oxford dictionary defines research as “careful inquiry” or “critical investigation” by means of scientific study. The word “research” can therefore be used interchangeably with the word inquiry, study or investigation (Naoum, 2012:2). Research is a systematic and rigorous process of enquiry with the goal of describing phenomena and developing and then testing critical concepts to increase knowledge (Bowling, 2014:1; Bacon-Shone, 2013:12; Kothari, 2004:10–12; Saunders, 2011:18; Walliman, 2017:7). Willig (2013:2) describes research as involving a process of choosing from the right ingredients such as a representative sample, a standardised measurement instrument and the appropriate statistical test and administering these in the correct order, called “procedure”. Research aims to put a theory to the test by either rejecting or retaining it.

The objective of academic research is to evaluate phenomena from a dispassionate, political, theological, and non-ideological viewpoint (Bacon-Shone, 2013:13). According to Saunders (2011:5) theoretical research is more than reading peer-reviewed articles, engaging with a few people or asking questions. If the collection and analysis of data is not undertaken systematically with a clear purpose, it would not be considered as research. Research identifies specific causes, relations or assert phenomena and or a theoretical stance (Hancock & Algozzine, 2016:8–16).

The rest of the chapter will be presented as follows. Firstly, the research paradigm in which this study is nested will be discussed, followed by the research approach. Section 2.5 will describe and apply the concept of triangulation, followed by a discussion of the research design (section 2.6) and the research methodology (section 2.7). Section 2.8 will present the population and sampling, while the next section (section 2.9) will discuss the data collection methods. A description of the pilot study was done in section 2.10, followed by the qualitative and quantitative data analysis (section 2.11). The final sections of the chapter include the methodological rigour and ethical considerations, with the chapter concluding with the researcher's reflection.

In conclusion, regardless of the research plan, research is a systematic inquiry or investigation in search of answers by making relevant assumptions to assert or develop new knowledge. The main objective of this research was to systematically develop a competitive strategy for ALJ. ANT is applied to better understand the translation of actor and network relations in the company when transforming ALJ's competitive strategy in preparation for Saudi Vision 2030.

The next section discusses the research paradigm.

2.3 RESEARCH PARADIGM

McGregor and Murnane (2010:419) describe a paradigm as a set of assumptions, practices, concepts and values that constitutes a way of viewing reality. Guba and Lincoln (1994:107) define a paradigm as a set of fundamental beliefs that deals with principles, in other words the researcher's worldview. The term "paradigm" in a generic sense has philosophical ties to the positivist, interpretivist or pragmatic tradition. The conventional term "paradigm" offers a new range of opportunities to research (Dieronitou, 2014:3). According to Lane, Best, MacFarlane, Forsyth, Bayley and Hollenkamp (2010:69), research paradigms are fundamental beliefs that affect the way in which a researcher conducts social research, including the choice of a particular research methodology.

Two overarching worldviews or traditions shape research: positivism and interpretivism (De Villiers & Fouché, 2015:127). Muijs (2010:4) claims that positivism is the most extreme form of this worldview. As per positivism, the world operates in line with set laws of cause and effect. Interpretivists, on the other hand, accept that researchers cannot observe the world and agree that the natural sciences fail to provide the tools for all social research. However, interpretivists are not concerned with objective reality, but rather with investigating and uncovering specific subjective realities (De Villiers & Fouché, 2015:128). While researchers will never be able to fully uncover reality through research, interpretivists believe that researchers should try and approximate reality (subjectivity shapes the fact). Rather than aiming to find the truth, they should try and represent reality as best they can (Muijs, 2010:5). McGregor and Murnane (2010:419) claim that natural sciences tend to use the positivistic paradigm, while in contrast, the human and social sciences tend to use the interpretivist paradigm. Positivism dominated the epistemological paradigm in social sciences from the 1930s through to the 1960s. Positivists argue that the social world exists independently from the researcher and that its properties can therefore be measured directly by means of empirical inquiry (Gray, 2013:21).

Guba and Lincoln (1994:107) define paradigms as primary belief systems based on ontological, epistemological, and methodological assumptions. Scotland (2012:9) in turn illustrates that each paradigm's ontology, epistemology, methodology and methods aim to explore assumptions of the interrelationship between each paradigm.

The main objective of this study was twofold: 1) to develop a competitive strategy for ALJ in preparation of Saudi Vision 2030, and 2) to apply ANT to better understand the translation of actor and network relations in the company when transforming ALJ's competitive strategy in preparation for this new initiative. The appropriate ontological and epistemological assumptions translated into the appropriate research paradigm to address this objective.

2.3.1 Ontology and epistemology

The concepts of ontology and epistemology will first be defined. Ontology is concerned with “the nature of the world”, while epistemology asks: “How can we know?” The formulation of research questions presupposes assumptions about the world (*ontology*) and what can be known about it (*epistemology*) (Willig, 2013:13).

The fundamental beliefs that underlie paradigms can be summarised as three questions (Ponterotto, 2005:130; Guba & Lincoln, 1994:108): (1) the *ontological* question: What is the nature of reality?, i.e. What is there that can be known?; (2) the *epistemological* question: What is the relationship between what can be known? The answer to this is constrained by the answer already given to the ontological question in 1); and (3) the *methodological question*: How can the researcher reach the findings? Krauss (2005:758–759) highlights that epistemology is clearly linked to ontology and methodology. *Ontology* comprises the philosophy of reality, *epistemology* on the other hand refers to “how we come to know that reality”, while *methodology* identifies the “particular practices used to obtain knowledge of reality”. Quantitative and qualitative research methods are based on different ontological and epistemological assumptions that shape the aim of a research inquiry (Lee, 1992:88). The outcome of the ontological and epistemological questions determine the research paradigm (De Villiers & Fouché, 2015:127).

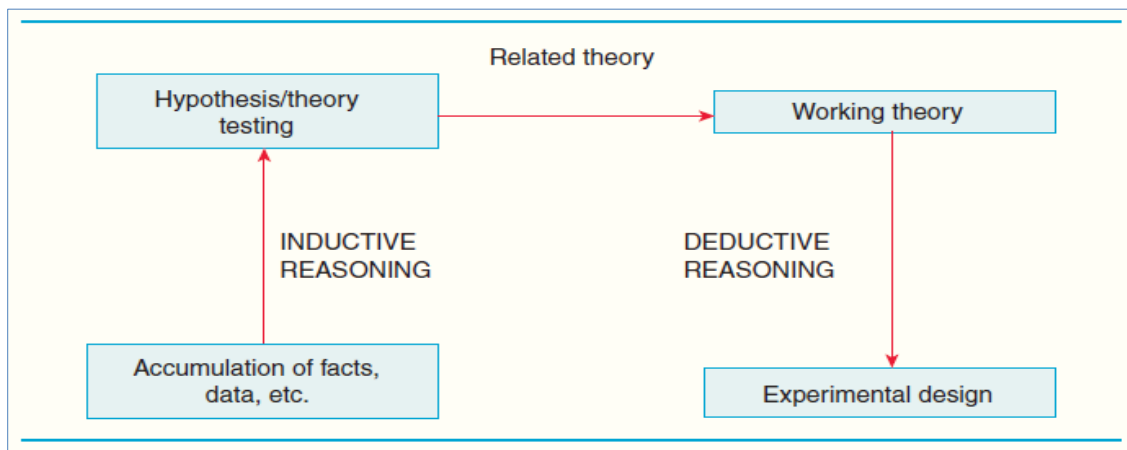
In this study, the researcher could not be detached from the subject being studied, and therefore could not remain subjective. The aim was to develop a competitive strategy for ALJ, of which the researcher is a full-time employee. The nature of reality – ontology – is therefore viewed through the eyes of the participants and interpreted by the researcher (De Villiers & Fouché, 2015:128).

As mentioned in section 1.11.2, the epistemological stance of the researcher is as an interpretivist. The researcher interpreted the information provided by ALJ employees in order to develop a competitive strategy. Furthermore, the interaction between the various actors and actants were interpreted by the researcher.

2.4 RESEARCH APPROACH

A research approach refers to whether the research is approached deductively or inductively. As mentioned before, interpretive studies seek to explore people’s experiences, their individual views or perspectives. Interpretive studies are typically *inductive* in nature and mostly associated with qualitative approaches to data collection and analysis (Gray, 2013:37).

Walliman (2017:17) highlights that *inductive* reasoning starts from specific experiences and then develops a general conclusion. *Deductive* reasoning, on the other hand, begins with premises and, through logical argument, comes to a specific conclusion. Figure 2-2 illustrates how inductive and deductive reasoning can be combined.



Source: Gray, 2013:18

Figure 2-2: *Combination of inductive and deductive reasoning*

As mentioned in section 1.8.4, this study utilised both inductive and deductive reasoning. The first stage of the data collection comprised interviews with representatives of ALJ. Inductive reasoning followed from this specific experience and led to the development of hypotheses. These hypotheses were tested using a questionnaire. Through deductive reasoning a new theory – actor–intelligence theory – was developed.

Williams (2011:65) defines three common research approaches: qualitative, quantitative, and a mixed method, along with the various research designs commonly used when researching within the framework of each approach. Quantitative and qualitative research methods are utilised to examine various claims of knowledge. Both these methods address a specific, but different, type of research question. However, research approaches differ when it comes to data collection (Williams, 2011:70). As mentioned previously, the epistemological, theoretical and methodological frameworks of these two research designs are therefore different (Yilmaz, 2013:312).

Using a combination of both these methods, i.e. a mixed methods approach, could therefore be useful to better understand a research problem. According to Gobo (2015:330) “mixed methods constitute one of the most important contemporary trends in social and applied research”. He continues by arguing that mixing both kinds of data – qualitative and quantitative – within a single study is due to the insufficiency of the individual methods to “fully capture the phenomenon”. For this reason, it was decided to follow a mixed methods approach in this study, instead of using either qualitative or quantitative techniques on its own. Such a mixed method applies a practical approach, integrating different perspectives that help to collect and interpret mixed method data (Saunders, Lewis & Thornhill, 2009:598). Furthermore, Bazeley (2016:2) avers that most case studies inherently follow a mixed method approach. This study also selected and followed the case study approach by developing a competitive strategy for ALJ. Bazeley (2016:190) continues by arguing that using a combination of the qualitative and quantitative collection methods, the data analysis can draw from the strengths of each method.

The next section illustrates the qualitative, quantitative and mixed method approaches.

2.4.1 Qualitative versus quantitative approaches

The quantitative and qualitative approaches are the two most common research approaches used in the study of the social sciences (Mackey & Gass, 2013:2; Yilmaz, 2013:316). As mentioned above, these two approaches differ in terms of their epistemological assumptions, theoretical frameworks, methodological procedures and research methods (Gray, 2013:19–34). The *quantitative* approach follows the view that social phenomena have a realistic objective (Williams, 2011:66). It follows that researchers should examine reality objectively by putting a distance between themselves and what is being investigated (Yilmaz, 2013:318). *Qualitative* researchers are subjectivists. In their view phenomena cannot be measured objectively and they therefore point

to the role of human subjectivity in the research process. Qualitative research comprises a broad range of methods, including case studies, ethnography and discourse analysis (Muijs, 2010:5–31). According to Elliott, Fischer and Rennie (1999:216) a qualitative researcher engages in real-life situations with a goal of understanding, and in turn representing, the experiences and actions of people. This case study drew on the strength of each of these methods, by combining the qualitative with the quantitative. The researcher first collected qualitative data, and then enhanced the results with quantitative data – both within ALJ. Figure 2-3 compares these two methods.

Assumptions	Quantitative	Qualitative
Methodological (theory orientation)	Deductive, testing of theory	Inductive, generation of theory
Epistemological (researcher and subject relationships)	Positivism, natural science model	Interpretivism (postpositivism)
Ontological (nature of reality)	Objectivism (objectivity)	Constructivism (subjective)

Source: Bryman, 2008:20 (adapted)

Figure 2-3: Fundamental differences between quantitative and qualitative research

Williams (2011:65) describes the criteria that point to each research approach, and can be applied to this study as follows:

- a. The qualitative approach is selected for research objectives requiring textual data. The aim of the collection of qualitative data and the subsequent analysis was to determine the position of ALJ’s competitiveness and the state of the strengths, weaknesses, opportunities and threats of ALJ firms in general, and particularly against the backdrop of Saudi Vision 2030, as well as the strategy that is being employed (refer to Section 1.9.4).
- b. The quantitative approach, on the other hand, was followed to respond to research questions requiring numerical data. A questionnaire was utilised to, *inter alia*, establish the association between actors and networks within ALJ.

2.4.2 Mixed method approach

A combination of quantitative and qualitative approaches in the research design and data collection should be conducted whenever possible (Abowitz & Toole, 2009:1). Mixed methods lead to a better understanding of study respondents through the use multiple research methods (Krauss, 2005:758).

According to Abowitz and Toole (2009:1), following a mixed method approach can be more expensive than following a single method approach in terms of money, energy and time. However, it improves the validity and reliability of data. Moreover, it strengthens causal inferences from observing data convergence or divergence. Using multiple methods to study the same problem can assist a researcher to identify consistent or recurring patterns among variables or results that otherwise would not be discovered as the patterns are independent of one particular data source or measurement type (Abowitz & Toole, 2009:16).

The mixed method approach provides pragmatic advantages to exploring complex questions during research. Qualitative data provides an in-depth understanding, whereas quantitative statistical analysis can provide a detailed assessment. Ultimately, a mixed method design seems like a most appropriate approach for research that requires extensive and in-depth analysis (Driscoll, Appiah-Yeboah, Salib & Rupert, 2007:26), as is the instance in this research of developing a competitive strategy for ALJ in preparation for Saudi Vision 2030.

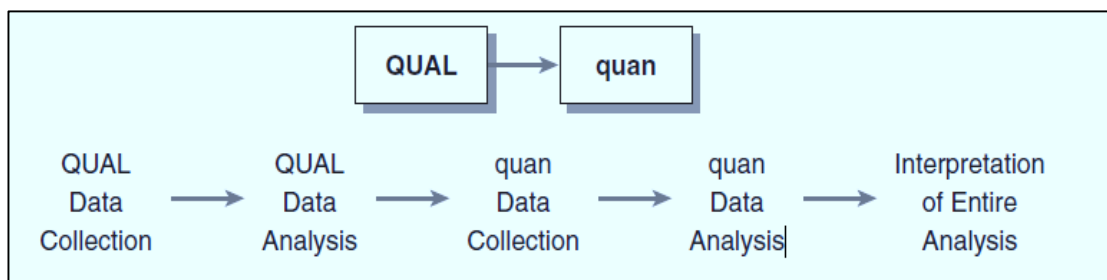
The objective of mixed method research is not as a substitute for either of these approaches. The aim is rather to build on the strengths and minimise the weaknesses of both in a single research study (Johnson & Onwuegbuzie, 2004:14–15). It is a flexible approach determined by what the researcher wants to find out rather than by any predetermined epistemological position (Muijs, 2010:9). In a mixed method approach, the findings of qualitative data collection affect the structuring of quantitative instruments or vice versa (Frechtling, 2002:28). Creswell, Plano Clark, Gutmann and Hanson (2003:162) and Bacon-Shone (2013:40) agree that mixed method combines the quantitative and qualitative approach in one study in which the data are collected concurrently or sequentially. According to Muijs (2010:9), if a researcher wants to look at both breadth and depth, or at both causality and meaning, a *mixed method* design in which the researcher can use both quantitative (for example surveys) and qualitative (for example interviews) methods is preferable. Data is collected either sequentially or simultaneously to gain an understanding of the research problems (Creswell & Creswell, 2017:206–214).

The qualitative data was collected through interviews conducted with 30 representatives from senior staff within ALJ. From this data, hypotheses were developed and tested through a questionnaire answered by 205 respondents (employees from ALJ). Triangulation was used to combine the results of the mixed method to ultimately develop a competitive strategy for ALJ in preparation for Saudi Vision 2030.

2.4.3 Sequential mixed method

The researcher needs to consider the qualitative and quantitative data collection *timing*, whether it will be in phases (sequentially) or gathered at the same time (concurrently) (Creswell & Creswell, 2017:206). In mixed method research, either the qualitative or quantitative component can dominate, or they can both have equal status (Muijs, 2010:9).

A sequential mixed method is often applied by collecting qualitative data first (identifying the issues) and then gathering quantitative data (measuring responses to the problems identified) (Bacon-Shone, 2013:40). A researcher may start with a quantitative survey to answer a theory-driven research question and move to asking a qualitative question (Creswell & Tashakkori, 2007:306). Whether the quantitative or qualitative phase comes first depends on the initial intent of the researcher (Creswell & Creswell, 2017:206). Taking that into consideration, this research followed the sequential approach as illustrated in Figure 2-4.



Source: Creswell *et al.*, 2003:180 (adapted)

Figure 2-4: *Sequential exploratory design*

In this study, the sequential exploratory design included two phases, first collecting qualitative data, followed by the quantitative data collection – as reflected in Figure 2-4 above. The findings of these two phases were then integrated during the interpretation phase (Creswell *et al.*, 2003:162) as presented in Chapter 7.

Another rationale for applying a mixed method approach is triangulation, which is discussed below.

2.5 TRIANGULATION

Triangulation is a term for using multiple research methods or measures to test the same finding. It is a valuable strategy in any research process, but more so when employing a mixed method where the different methods have different but complementary strengths and weaknesses (Abowitz & Toole, 2009:16). The reason for using triangulation in mixed method designs is that the researcher is applying two or more independent sources of data or data collection methods to corroborate the research findings (Saunders, 2011:154). Triangulation is made possible by multiple data collection methods providing stronger substantiation of constructs (Eisenhardt, 1989:538). That being said, a researcher should always think carefully about integrating different research methods and about whether they have to combine quantitative with qualitative methods or qualitative with quantitative (Mason, 2017:4). According to Daymon and Holloway (2010:99), researchers use between-method triangulation to confirm the findings generated using one method by the data generated by another. This is called a sequential exploratory model. This mixed model of data analysis and findings is an essential example of the power of the mixed method and its produced knowledge (Hesse-Biber, 2010:464).

Triangulation is the process during which a number of approaches are followed in the study of a single phenomenon (Daymon & Holloway, 2010:99). However, sometimes, triangulation provides inconsistent results that can then lead to a “goldmine of new findings that are subsequently explored” and leads to the discovery of new knowledge (Hesse-Biber, 2010:466). Daymon and Holloway (2010:98–100) argue that triangulation can improve validity and furthermore overcome the biases inherent in one perspective, which is one reason why researchers often favour mixed method research.

The sequential exploratory model – as used in this case study – requires a substantial length of time to complete as there are two data collection phases (Creswell & Creswell, 2017:212). The two data collection phases in this study done in sequence of qualitative phase first (refer to Chapter 5) followed by quantitative phase (refer to Chapter 6).

The qualitative approach (in triangulation) begins a dialogue across a range of theoretical approaches and practices. The aim is to provide a more complex view and understanding of the

real setting (Hesse-Biber, 2010:467). The quantitative approach takes into consideration the following: (1) validity (internal and external), (2) reliability, and (3) objectivity to ensure the trustworthiness of the findings (Anney, 2014:273). By using a quantitative study to test the validity of qualitative findings, the researcher is interested in determining whether the qualitative findings are generalisable to a larger population (Hesse-Biber, 2010:466).

Triangulation is a way of thinking founded on the assumption that there are multiple valid approaches to scientific inquiry which is inevitably partial (Greene, 2008:20). The triangulation goal is to find convergence by using the mixed method as a way to validate the research findings. This is done by comparing the results found utilising one method with the results found using another method (Hesse-Biber, 2010:466). Additionally, it cross-examines the truthfulness of participants' responses and reduces the researcher's bias (Anney, 2014:277).

In the end, triangulation determines: (1) the reliability of responses by establishing the extent to which similar questions yield similar responses, and (2) the validity by establishing the extent to which responses appear to identify the same underlying issues (Hesse-Biber, 2010:466). The function of triangulation is complementarity, corroborating findings, or enhancing and/or elaborating on findings (Yin, 2006:13). Therefore, triangulation provides an opportunity to grapple with issues of reliability and with the validity of research findings (Hesse-Biber, 2010:466).

Accordingly, this research applied a mixed method with a triangulation approach as suggested by Saunders (2011:146). First, the qualitative data was collected through interviews with senior representatives from ALJ, followed by a collection of quantitative data through questionnaires. The results from the qualitative data analysis were then compared to the quantitative data analysis results. This was performed to check whether the conclusions from the qualitative sources were supported by the quantitative perspective, as advised by Maree (2020:36).

2.6 RESEARCH DESIGN

The research design is an action plan for getting from here to there, where "here" may be defined as an initial set of questions to be answered, while "there" is a set of answers (conclusions) (Yin, 2017:19). In recent years, renewed interest in research orientation has offered broad benefits in its field (Richey & Klein, 2014:15). Yin (2017:18) elaborates by saying that research design is the logic that links data to the conclusions. Trochim and Donnelly (2001:18) and Yin (2017:18–19) argue that research design refers to the structure of the research. It shows how all the significant

parts of the research project working together logically to address the central research questions by connecting empirical data to the study questions, and ultimately to its conclusions.

Yin (2017:19) highlights that some literature describes research design as a “plan that guides an investigator in the process of collecting, analysing and interpreting observations”. Walliman (2017:13) posits that research design provides a framework for data collection and analysis. Researchers can combine different types of research in design, mainly when the subject combines human behaviours with things such as economics, technology, legislation or organisations. Richey and Klein (2014:6) assert that the research design not only enhances the knowledge base, but also provides an empirical basis for the construction of comprehensive theory development.

There are numerous types of research designs available. The appropriate design depends largely on the nature of the problem (Walliman, 2017:9). The initial research design should be used actively (rather than followed passively) as part of the ongoing process because it will assist in tracking the research from the start through its subsequent contextual transformations (Mason, 2017:25).

The research design includes gathering knowledge about and planning of all aspects of the research process. Full consideration should be given to the difficult questions raised about the research. The research design requires both creative and critical thinking, rather than a recipe that can be displayed and copied (Mason, 2017:46). The research design is required to connect the chosen methodology with an appropriate set of research methods to address research questions that examine social phenomena (Lane *et al.*, 2010:72).

Naoum (2012:5) lists four activities involved in research design: (1) design the type of data required to be collected (quantitative or qualitative) – refer to Section 2.4.1, (2) design the method of data collection (survey or a case study), (3) design techniques of data collection (interviews or questionnaire), and (4) specify the sample. Yin (2017:20) suggests five components of research design: (1) research questions, (2) propositions, (3) units of analysis, (4) the logical linking of data to the research question, and (5) the criteria for interpreting the findings.

Hancock and Algozzine (2016:11), classified –in his book *Doing Case Study Research*– the case studies as one of research methods beside quantitative and qualitative. Whereas this study applied both quantitative and qualitative (mixed method) as methodology and case study as design.

According to Creswell (2013:97), the case study explores a real-life contemporary bounded system over time. The next section highlights more aspects of the case study design.

2.6.1 Case study design

A case study is an empirical inquiry investigating a real-life problem (Yin, 2017:13). The case study has three characteristics: (1) it often addresses a phenomenon (particular event, situation, programme, or activity), (2) the phenomenon being investigated is in its natural context, and (3) it is richly descriptive (Hancock & Algozzine, 2016:15–16). The case study is a strategy used when a researcher wants to focus on understanding a phenomenon within its natural environment. In a case study, the attention goes to contextual conditions and it is regarded as highly relevant to the need to investigate phenomena (Iacono, Brown & Holtham., 2009:40).

Case study research was developed in the social sciences. This research method is therefore deemed to be a more appropriate design to study social phenomena than the quantitative methods used in physical sciences (Iacono *et al.*, 2009:39). Case study research, designs or approaches have their own function, characteristics, or disciplinary perspective (Hancock & Algozzine, 2016:31).

Yin (2017:38) lists four types of case study designs:

- a. single-case holistic,
- b. single-case embedded,
- c. multiple-case holistic, and
- d. multiple-case embedded.

Baxter and Jack (2008:547) argue that a research study's overall purpose guides the selection of a specific case study design. A case study's aim is to describe and explore cases or the comparison of cases.

The motivation for selecting a case study approach for this research study is that it: (1) leads to conducting a better test and better explanations of findings, (2) leads to exploring new situations, (3) leads to testing the implications of findings (investigation of phenomenon), and (4) is inspiring to apply the investigations in different areas, or a novel methodology (Jordan & Zanna, 1999:6). Case studies provide an appropriate method to develop theory with in-depth insight into empirical phenomena and their contexts (Dubois & Gadde, 2002:555).

Case study research is more than merely conducting individual research on the situation. A case study should enable the researcher to answer “how” and “why” type questions while taking into consideration how phenomena are influenced by their context (Baxter & Jack, 2008:556). The next section highlights criticism against case study research.

2.6.2 Criticism against case study research

In spite of the support for case study research, criticism has been levelled at the approach. Gummesson (2007:228) claims that case study research has been criticised by quantitative researchers for being: (1) conceptual, (2) useful at an exploratory stage but not for proving anything, (3) lacking in rigour, and (4) offering journalism and “anecdotal evidence” with non-generalisable outcomes.

Willig (2013:8–9) argues that the case study itself is not a research method. Instead, it represents an approach to study single entities that may involve using a wide range of diverse data collection and -analysis methods.

Yin (2017:1) cautions case study researchers to exercise great care in designing and conducting case study research to overcome the traditional criticisms of the method. There are therefore three significant factors to bear in mind when considering case studies: (1) focus on a single case or involve a comparative study of two or more cases, (2) confine the study to description or engage with theory, and (3) intended primarily to support the research field (Tight, 2017:16).

2.6.3 Case study significance and applying rationalism

Despite the criticism levelled at case study research, the significance of case study research lies in the empirical data for analyses and conclusions. The researcher has to go further, initiate action and achieve results to understand the phenomenon in depth (Gummesson, 2007:230). Case study research has the potential to market research relevant to practice, for example it may help to answer questions in management accounting and financial accounting (Cooper & Morgan, 2008:159–160). As such, this research method could result in the researcher spending more time in the case study environment than would be required from other types of research. Nevertheless, case studies create additional opportunities to explore questions through investigating a topic in detail (Hancock & Algozzine, 2016:16). Tight (2017:16) promotes the use of case studies for exploring and exemplifying particular conditions, legal precedents or business problems. Cooper and

Morgan (2008:4) concur by highlighting that sensitivity to the context of case studies encourages researchers to address questions that may not be considered in other research approaches.

In light of the above, the theory developed from case study research is likely to have the characteristics of novelty and empirical validity, arising from the close link with the empirical evidence (Eisenhardt, 1989:548). Gummesson (2007:238) however argues that case study research is not a theory, but rather a narrative description that matures into analysis and conceptualisation. Cooper and Morgan (2008:160–161) claim that extreme case studies can be compelling in communicating an idea or examining the boundary conditions of a theory.

The case study approach does not propose what theories should inform the study or which method should be used – a variety of methods may be used based on the problem and research questions being addressed. However, case studies emphasise a particular firm or phenomena, and examine not only the activities and experiences of those involved, but also contextualises it (Cooper & Morgan, 2008:160–161).

2.6.4 Types of case study designs

Case study research comes in various forms (Cooper & Morgan, 2008:161). Once the researcher has chosen a case study design, the researcher must then consider what type of case study should be conducted. The overall study purpose will guide the selection of a specific type of case study design.

Yin (2017:1) categorises case studies in three types as explanatory, exploratory, or descriptive. Likewise, Hancock and Algozzine (2016:33) propose three types of case study designs and also defined each of them as: (1) *exploratory* – seeking to define research questions of a subsequent study or to determine the feasibility of research procedures, (2) *explanatory* – aiming to establish cause-and-effect relationships, and (3) *descriptive* – attempting to present a complete description of the phenomenon within its context. While Baxter and Jack (2008:547) came up with seven types of case studies as reflected in Figure 2-5.

Case study type	Definition
Explanatory	This type of case study seeks to answer a question that sought to explain the causal links between real-life interventions too complicated for the survey or experimental strategies.
Exploratory	This type of case study is used to explore situations in which an intervention is being evaluated and have no clear or single set of outcomes.
Descriptive	This type of case study is used to describe an intervention or phenomenon and the real-life context in which it occurred.
Multiple-case studies	A multiple-case study enables the researcher to explore differences within and between cases. The goal is to replicate findings across cases. The researcher can predict similar results across cases or predict different results.
Intrinsic	Researchers have a genuine interest in the case study. The intent is to understand the case. The primary purpose is not to build a theory (although that is an option).
Instrumental	This kind of case study is used to accomplish something other than understanding a particular situation. It provides insight into an issue or helps to refine a theory.
Collective	Collective case studies are similar in nature and description to multiple-case studies.

Source: Baxter and Jack, 2008:547 (adapted)

Figure 2-5: Different types of case studies

Lane *et al.* (2010:73) advocate using an exploratory case study design by following the sequential mixed method approach and further argue that case study research is ideally performed in two stages: using both qualitative and quantitative data collection from multiple sources in a sequential design, often by following a qualitative analysis approach.

This study followed an exploratory and descriptive case study approach as proposed by Lane *et al.* (2010:73–77) and Hancock and Algozzine (2016:33). It is *exploratory*, as limited research has

been conducted on Saudi Vision 2030, especially gathering empirical data around the development of strategy in preparation for it. Additionally, this case study can be described as *descriptive* – i.e. to present an explanation of the development of a competitive strategy in preparation for Saudi Vision 2030 within the Saudi Arabian context.

2.7 RESEARCH METHODOLOGY

The word methodology comprises two nouns: *method* and *ology*, which means “a branch of knowledge”. Methodology is a “branch of knowledge” dealing with the general principles or axioms of new knowledge generation (McGregor & Murnane, 2010:420). While the method is an accessible, user-friendly introduction to the different aspects of research theory and its practices. Hence the method steers the nature of knowledge and the reasons for research (Walliman, 2017:1). Each research method is designed to explore specific research questions (Williams, 2011:65). McGregor and Murnane (2010:419–420) recognise that methods are often characterised as either qualitative or quantitative with quantitative methods being paired with positivism and qualitative methods being paired with interpretivism.

Mason (2017:33–34) lists six reasons to integrate and combine multiple research methods in research:

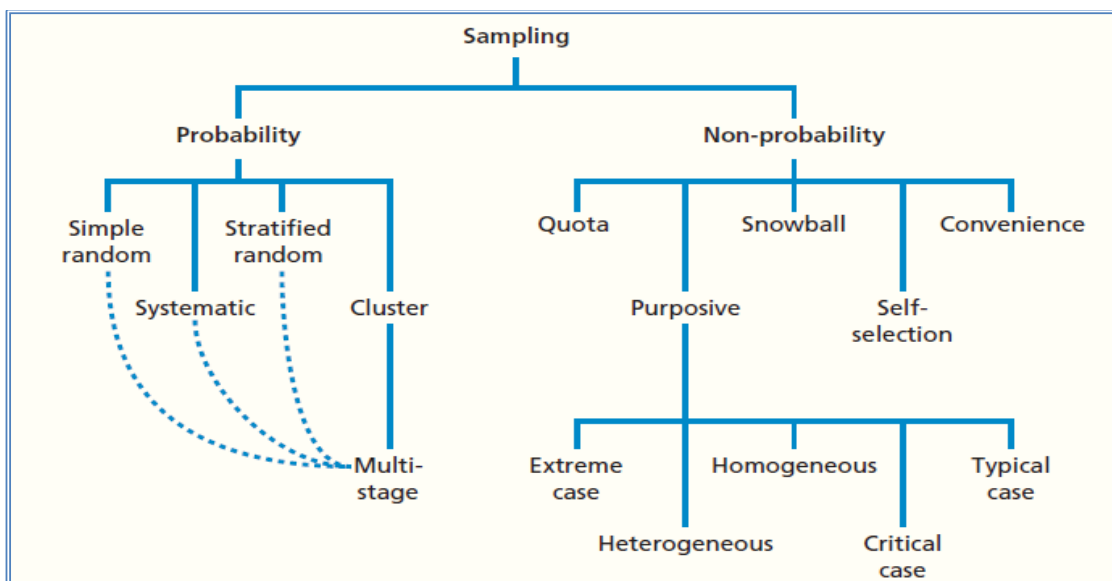
- a. The researcher can explore different parts of a process or phenomenon.
- b. The researcher can answer different research questions with different methods and sources (ontologically).
- c. The researcher can answer the same research questions but in different ways and from different angles.
- d. The researcher can analyse something in greater or lesser depth or breadth.
- e. The method allows the researcher to corroborate the source and method with another.
- f. Testing through triangulation offers different analyses, explanations or theories.

McGregor and Murnane (2010:420) describe methodology by referring to the elements of sampling, data collection, data analysis, results, theories, conceptual frameworks, taxonomies and models.

2.8 POPULATION AND SAMPLING

According to Saunders (2011:212), the data from which a sample is taken is called the population. All researchers have to select a sample. This is equally important whether the researcher aims to use questionnaires, interviews, surveys or some other data collection technique. Sampling are crucial strategic elements of qualitative research as it has a direct impact for whether and how generalisation is possible. A sampling strategy can help the researcher to develop theoretically and empirically grounded arguments and therefore focus on research questions (Mason, 2017:123).

Walliman (2017:96) and Saunders (2011:213) agree that sampling techniques can be divided into two fundamental types as illustrated in Figure 2-6: (1) *probability* or representative sampling (population is known and usually equal for all cases), and (2) *non-probability* or judgemental sampling (population is not known and this requires statistical inferences about population characteristics).



Source: Saunders, 2011:213 (adapted)

Figure 2-6: *Sampling structure*

Cluster sampling is a form of probability sampling based on “clusters”, i.e. any naturally occurring grouping (Saunders, 2011:230). A convenient method in which to take a cluster sample is by dividing the area into smaller non-overlapping areas and then randomly choosing a number of these smaller areas. The ultimate sample will then consist of all units of the sample in small areas or clusters (Kothari, 2004:16), for example grouping your data by type of manufacturing firm. The

sampling frame is therefore the complete list of clusters – smaller areas – rather than a list of individual cases in the population. A few clusters are then selected, usually using simple random sampling, and the data is then collected for every case within the selected clusters (Saunders, 2011:230). Cluster sampling is a useful technique if the total population is vast (Muijs, 2010:40).

This research applied two phases for both the qualitative and the quantitative data selection. The first phase made use of probability cluster sampling, while the second phase in each of the data selection methods utilised other sampling methods. An explanation of how cluster sampling and the other methods were applied is presented in section 2.8.1 (qualitative) and 2.8.2 (quantitative) below.

2.8.1 Sample for qualitative data

The population from which the first sample was drawn is the top management of ALJ automotive firms, namely Toyota and Lexus in Saudi Arabia. The different hierarchical levels in eight different departments represented the clusters. In the second phase, purposeful sampling was applied – to the various clusters – based on relevant experience was then used to select the participants. Yilmaz (2013:313) argues that purposeful sampling in qualitative research aims to select a small number of participants to gain an in-depth understanding. The eight departments (clusters) are:

- a. Finance (Accounting);
- b. Information technology (IT);
- c. Human capital management (HCM);
- d. Sales;
- e. Strategic;
- f. Marketing;
- g. Risk management; and
- h. Shared service departments (Procurement, Compliance, Legal and Internal audit).

The representatives of the top management of these departments are more experienced in the strategic development and decision making within the firm. The researcher conducted interviews with 30 representatives of top management within the targeted departments, so three (more or less) representatives were interviewed from each department. Walliman (2017:95) proposes that “the size of the sample also should be in direct relationship to the number of variables to be studied”.

Further detail on the qualitative data sampling is provided in Chapter 5 (Qualitative empirical case study).

2.8.2 Sample for quantitative data

The same population and clusters of hierarchy and eight departments were utilised to determine the sample for the quantitative data collection. The second phase applied random sampling to the clusters by selecting the respondents and was deemed the appropriate method for this purpose (Frechtling, 2002:25). The details around how the random sampling were executed, is further discussed in section 6.3.1 in chapter 6. According to Landsheer and Boeije (2010:533–534) sampling methods for the quantitative approach used in mixed method designs are based on the probability concept and are generally well established.

The representatives (employees) of these departments are more engaged in *implementing* strategy and responsible for daily core activities. Accordingly, the researcher aims to reach up to (at least) 205 respondents as a sample from the overall targeted population, so three (more or less) representatives from each department were selected. This is because it is generally accepted that conclusions reached from a larger sample are more representative and therefore more convincing than from a smaller sample (Walliman, 2017:95). The quantitative data are discussed in Chapter 6 (Quantitative empirical case study).

2.9 DATA COLLECTION METHODS

According to Walliman (2017:97), asking questions – through interviews or surveys – are a valid method of collecting both qualitative and quantitative information from people. Eisenhardt (1989:534) asserts that case studies usually combine data collection methods such as interviews, questionnaires, and observations. The data gathered is then qualitative (e.g., words), quantitative (e.g., numbers), or both. Abowitz and Toole (2009:19) posit that a standard practice is to perform statistical analysis on the quantitative data collected and then supplement the results with interviews. Whereas the Creswell and Creswell (2017:220) assert to conduct the qualitative phase first, since the qualitative findings will help to elaborate and extend the quantitative results.

This research therefore followed a sequential mixed method approach by first collecting qualitative data then supplemented it with quantitative data collections. Each one of these data collection methods for the qualitative and quantitative approach are now discussed.

2.9.1 Qualitative data collection

Qualitative research comprises in-depth study of people's lives or experiences in their natural settings without resorting to standardised, predetermined categories of analysis (Yilmaz, 2013:313). Data can be collected in the form of primary and/or secondary data. Primary data is "newly" collected data by means of for instance semi-structured interviews with the experts about the observed topic or surveys, while secondary data generally comprises data from secondary sources. It has already been collected but is accessed and re-used by another researcher (Lane *et al.*, 2010:73).

Qualitative data collection techniques include in-depth interviews, focus groups and observation (Yilmaz, 2013:315). In qualitative research, it is argued that interviews are more appropriate for questions that require probing to obtain sufficient information. The use of interviews are therefore a flexible tool with a wide range of applications to collect qualitative data (Walliman, 2017:97).

Walliman (2017:99) lists three basic types of interviews:

- a. *structured interview* – standardised questions read out by the interviewer according to an interview schedule (answers may be closed format),
- b. *unstructured interview* – a flexible format, usually based on a question guide, but where the format remains the choice of the interviewer (no closed format questions), and
- c. *semi-structured interview* – one that contains structured and unstructured sections with standardised- and open-ended type questions.

Due to the time-consuming and employee-intensive nature of collecting and analysing qualitative data, this research method tends to work with relatively smaller numbers of participants as compared to quantitative research. Qualitative studies therefore do not work with representative samples (Willig, 2013:9–13). *Face-to-face interviews* allow the interviewer to reach sample size targets and quotas and can be adaptive. As a result, face-to-face interviews involves much time and input (Muijs, 2010:42). However, face-to-face interviews are flexible and can be conducted either at work, using an online platform or even outdoors. It can be used to interview people either individually or in groups as it is most recognised method for qualitative data collection (Walliman, 2017:100).

This research conducted semi-structured face-to-face interviews with the targeted sample as it is the most effective technique to acquire comprehensive, in-depth answers. Muthanna (2019:61) claimed that adopting face-to-face approach should be the first goal to ensure the effectiveness of interviews in research. However, other aspects of semi-structured interviews (data collection) are discussed and presented in Chapter 5 (Qualitative empirical case study).

2.9.2 Quantitative data collection

The researcher cannot know what people are thinking, feeling or experiencing. Researchers therefore have to develop an instrument that measures these concepts indirectly by for example using a questionnaire (Muijs, 2010:65). In quantitative research, the questions are frequently rated using the Likert-style rating scale. Likert-style is a rating scale that allows the respondent to indicate how strongly she or he agrees or disagrees with a statement (Saunders, 2011:378). Likert scales consist of a number of statements that expresses and rates the respondent's responses. Each response is given a numerical score and the overall score represents the respondent's position on the continuum. In a Likert scale, the respondent is asked to react to each statement by selecting a value that represents the degree of agreement, usually a five-point scale (other scales may also be used) (Kothari, 2004:84).

Quantitative data using questionnaires can be collected through either (1) face-to-face pencil-and-paper questionnaires, or (2) online methods such as web-based questionnaires. However, the first method is time-consuming as it requires follow-up and manual data entry, whereas the second method is currently viewed as more robust due to the development in online and e-mail questionnaires. The advantages of online and e-mail questionnaires are that answers can be stored in a database directly or even directly analysed, saving data input time, errors and costs (Muijs, 2010:34– 42).

A common practice in quantitative data collection is to distribute questionnaires to large samples via the postal service, e-mail or a website (Abowitz & Toole, 2009:19). However, large-scale and complex questionnaires usually require skill to design and to manage data collection and analysis (Frechtling, 2002:45). Therefore, a questionnaire must be prepared and designed prudently so that it may prove to be useful in collecting the relevant information (Kothari, 2004:17).

Muijs (2010:43) proposes that some questionnaire criteria fetch “statistical power” and maximises response rates. These criteria include: (1) keeping the questionnaire sufficiently short (30 minutes

maximum) and attractive; (2) follow-up phone calls and visits to respondents (this helps improve response rates considerably); (3) allowing respondents to complete the questionnaire either through the web or by e-mail; (4) the credibility of the person or organisation conducting the study (institutions of higher education tend to have higher credibility among respondents); and (5) having an established relationship with respondents. According to Kothari (2004:17), e-mailing questionnaires to respondents with a request to return on completion is currently the most extensively used method in various economic and business surveys.

Accordingly, this researcher designed an electronic questionnaire based on the literature review and the qualitative research findings. This questionnaire was e-mailed to the targeted sample and followed up by individually contacting or visiting respondents to increase the response rate. More details around the questionnaire development (section 6.3.4), pilot study (section 6.3.5), and questionnaire dissemination (section 6.3.6) can be found in chapter 6.

2.10 PILOT STUDY

A pilot study was conducted before the questionnaire was distributed. More details around the conducted pilot study were presented in chapter 6 (refer to Section 6.3.5). It is a tool of questionnaire testing, and it reveals the questionnaire's weaknesses, if any (Kothari, 2004:17). A pilot study is common practice and refer to the pre-test of the questionnaire on a small number of people before it is applied (Walliman, 2017:98).

2.11 DATA ANALYSIS

Analysing the data is the “heart of building theory” (Eisenhardt, 1989:539). Data analysis requires activities such as the establishment of codes for raw data, tabulation and then drawing statistical inferences. The data should be condensed into a few manageable groups and tables for further analysis (Kothari, 2004:18).

The next sections discuss both the qualitative and quantitative data analysis in more detail.

2.11.1 Qualitative data analysis

While many researchers have aimed to make qualitative data analysis as systematic and as “scientific” as possible, there is still an element of “art” in dealing with qualitative data. However, to convince others of the research conclusions, there must be valid arguments to support the

conclusions. A good argument however requires sufficient evidence (Walliman, 2017:131). Qualitative research aims to produce a clear understanding of the research problem based on rich and detailed data. There is more emphasis on explanation of the phenomenon rather than on statistical trends and correlations. Qualitative research often does support findings through some quantification, but statistical analyses are not central to the argument (Mason, 2017:4). The case study method utilises predominantly qualitative analysis and includes a careful interpretation of a single unit. The study method focuses on depth rather than breadth (Kothari, 2004:113). Walliman (2017:131) argues that it is challenging to apply statistical levels of probability to the qualitative data, which comprise words describing individual human feelings, attitudes and judgements. Therefore, as a first step data are reduced and simplified through coding, clustering and summarising. This is followed by presenting the data as diagrams and tables to display the data in a way that enables the researcher to interpret the results in an effortless manner.

The researcher should classify the raw qualitative data into some purposeful and usable categories. Kothari (2004:122–124) proposes the following three stages of quantitative data analysis: (1) *editing* – the procedure that improves the quality of the data for coding, (2) *coding* – transforming categories of data into symbols that may be tabulated and counted, and (3) *classification* or *tabulation* – the technical procedure during which the categorised data is placed in the form of tables. Accordingly, the manual coding applied in this study considered the process mentioned above.

The coding devices depend on the type of research and the nature of the study. Codes developed and used in similar previous studies can be adopted or adapted. Codes can be used to differentiate between types of activities, settings and/or relationships (Walliman, 2017:133). The codes that were developed and used during the qualitative data analysis is discussed in Chapter 5 – section 5.2.4 (Qualitative empirical case study).

2.11.2 Quantitative data analysis

The term *analysis* refers to the calculation of specific measures by searching for patterns or relationships that exist among data groups (Kothari, 2004:122). Quantitative researchers use statistics or other econometric models to analyse the data and report the findings by using numbers (Yilmaz, 2013:315). Walliman (2017:116) proposes two classes of parametric statistical tests: (1) *descriptive* tests will reveal the “shape” of the data in the sense of how the values of a variable

are distributed, and (2) *inferential* tests will suggest inferring the results from the sample in relation to the population.

Muijs (2010:65) argues that creating the correct measurement instrument that is appropriate to address the research problem is crucial importance and not necessarily easy to achieve. As mentioned previously, quantitative analysis deals with data in the form of numbers. It aims to investigate the levels of measurement used in data collection (i.e. nominal, ordinal, interval and ratio) and are an important factor when choosing the type of analysis to be used (Walliman, 2017:73).

The primary purpose of quantitative analysis is to: (1) measure, (2) make comparisons, (3) examine relationships, (4) make forecasts, (5) construct concepts and theories, (6) explore, (7) control, and (8) explain (Walliman, 2017:113). Only after the data has been analysed the investigator is in a position to answer the set of research question (Kothari, 2004:122). A detailed description of the quantitative data analysis, was provided in chapter 6 – section 6.4.

In this research, quantitative data were analysed using the SPSS (version 23.0) software program.

2.12 METHODOLOGICAL RIGOUR

Methodological rigour in qualitative research refers to the trustworthiness, transferability, credibility and confirmability of the data, while quantitative methodological rigour refers to reliability and validity in data analysis. Muijs (2010:64) defines the three critical concepts in rigour in quantitative methods as validity, reliability and generalisability. Golafshani (2003:602) aver that the terms of reliability and validity refer to the quality and rigour that is meant to differentiate “good” from “bad” research.

Although this research study collected both qualitative and quantitative data, a case study research approach was followed. Yin (2017:18) highlights four aspects to maximise the quality of any case study design as: (1) construct validity, (2) internal validity, (3) external validity, and (4) reliability. These four criteria of validity and reliability will be considered as this study followed a case study research design.

Validity is the most critical criterion and indicates the extent to which the instrument measures what it is supposed to measure. It includes the extent to which differences are found in a measuring instrument and should reflect actual differences among tested elements (Kothari, 2004:73).

Even though case studies are widely used as research method, it has often been criticised for lacking methodological rigour (Teegavarapu & Summers, 2008:6). According to Baxter and Jack (2008:556), there are several ways to enhance and ensure the *validity* of case study research:

- a. The research question and propositions are clearly written,
- b. The design is appropriate for the research question,
- c. Purposeful sampling strategies appropriate for the case study have been applied,
- d. Data are collected and managed systematically, and
- e. The data are analysed correctly.

As mentioned above, the validity in case study research comprises three types of validity namely construct validity, internal validity and external validity, while reliability is another measure for methodological rigour (Yin, 2017:18).

2.12.1 Construct validity

Construct validity refers to the “quality of the conceptualisation or operationalisation of the relevant concept” and should be considered during the data collection phase (Gibbert *et al.*, 2008:1466; Muijs, 2010:67–68). Making use of multiple sources of data to establish a chain of evidence strengthens construct validity (Teegavarapu & Summers, 2008:6). This study collected both qualitative and quantitative data in order to strengthen construct validity.

2.12.2 Internal validity

Internal validity refers to the extent of cause and effect, i.e. does the researcher provide causal and logical arguments to substantiate the findings? The first question concerning internal validity arises when deciding the focus of the study, selecting the context and participants, and the approach to gathering data (Graneheim & Lundman, 2004:109). Internal validity can be strengthened through prolonged engagement in the field, persistent observation and triangulation of results. In addition, researchers must design transparent processes for coding and drawing conclusions from the raw data (Zhang & Wildemuth, 2016:6). Internal validity is also established through member checking and peer debriefing. This should happen during (1) the pilot stage, (2) when discussing the interview questions with participants at the beginning of each interview, (3) as the interviewer feeds ideas back to participants to refine or rephrase, and (4) in an informal post-interview session where each participant is given the chance to discuss the findings (Zhang & Wildemuth, 2016:10).

The internal validity of research findings also lies with how well categories and themes cover data, that is, no relevant data have been inadvertently or systematically excluded or irrelevant data included (Graneheim & Lundman, 2004:110). The internal validity of qualitative research, therefore, depends on the ability and effort of the researcher (Golafshani, 2003:600). The amount of data necessary to answer a research question in a credible way varies depending on the complexity of the phenomena under study and the data quality (Graneheim & Lundman, 2004:110). However, gathering massive amounts of data enhances internal validity (Saldaña, 2015:174). A process of triangulation was followed to enhance internal validity in this case study.

2.12.3 External validity

External validity can also be referred to as generalisability. *Generalisability* refers to whether findings are generalisable and equally applicable to other research settings, such as other organisations (Saunders, 2011:158). Researchers often have to take a sample of the population rather than to measure the population itself. Thus, the researcher has to generalise the findings to the population. However, generalising to the population cannot be achieved automatically (Muijs, 2010:75). Gibbert *et al.* (2008:1468) argue that although case studies do not allow for statistical generalisation – such as making inferences about a population – it does not mean that case studies are “devoid of generalisation”. External validity is enhanced through the process of presenting the data sets and descriptions in rich enough detail so that other researchers can make judgements about the generalisation of the findings to different settings or contexts (Zhang & Wildemuth, 2016:6). This is why the researcher must aim to describe the analysing process in as much detail as possible when reporting the results (Elo & Kyngäs, 2008:112).

According to Yin (2013:325), analytic generalisation can serve as a way to generalise the empirical findings from a case study. Analytic generalisation means that the researcher extracts ideas from the case study that can pertain to situations other than the original case study (Yin, 2013:325). This is not an easy task. Yin (2013:326) suggests using related literature to carefully link the analytic generalisation to gaps or overlaps in the literature. This method of generalisation is similar to the way that generalisations are made in experiments (Yin, 2013:326). Gibbert *et al.* (2008:1468) propose to that external validity can be enhanced by providing detailed context of the case study. Graneheim and Lundman (2004:110) concur by arguing that to facilitate external validity, it is valuable to give a clear and distinct description of the culture and context, selection and characteristics of participants, data collection, and the process of analysis. On the other hand,

Teegavarapu and Summers (2008:6) highlight that external validity/generalisation can be addressed by formulating theories. Daymon and Holloway (2010:93) agrees that external validity is close to the idea of theory-based generalisability. This study formulated a new theory, namely actor–intelligence theory, to strengthen external validity and enhance the ability to generalise the findings from the case study.

Yin (2013:323) argues that *validity* can be strengthened through triangulation (section 2.5, page 41). Walliman (2017:73) concurs and continues by arguing that the reliability and trustworthiness of qualitative data can be enhanced by combining a variety of data sources relating to the same event – referred to as triangulation. The validity of qualitative research is commonly determined by two main features: (1) respondent validation (the key informants), and (2) triangulation (the use of different research methods) (Woods, 2005:4).

This study did make use of triangulation to strengthen validity.

2.12.4 Reliability

Reliability determines the quality of the measurement instruments in terms of replication and transparency (Gibbert *et al.*, 2008:1468). Are the same results obtained if measured repeatedly? (Muijs, 2010:71; Bacon-Shone, 2013:53; Kothari, 2004:33). Reliability can be enhanced by carefully documenting and clarifying research procedures, including organising case study notes and transcriptions (Gibbert *et al.*, 2008:1468). In this study, the researcher clearly documented the research process and transcribed all the interviews.

The process followed to enhance methodological rigour of this case study is explained in Chapters 6 (section **Error! Reference source not found.**) and 7 (section 7.8) respectively.

2.13 ETHICAL CONSIDERATIONS

The subject of research ethics refers to the implications of data collection and the negotiation of access to people and organisations (Saunders, 2011:160). Walliman (2017:43) highlights two aspects of ethics in research: (1) the individual values of the researcher relating to honesty, assertiveness and personal integrity, and (2) the researcher’s treatment of other people involved in the research, relating to informed consent, confidentiality, anonymity and courtesy.

The same considerations apply to the treatment of participants in qualitative and respondents in quantitative research. Researchers should protect their respondents from any harm or loss, and they should aim to preserve their psychological well-being and dignity at all times (Walliman, 2017:48). The researcher should collect the data from the consented sample with their full awareness about the research topic and what is expected of them (Saunders, 2011:160).

Some ethics requirements that should be followed while conducting field research include (Lane *et al.*, 2010:72– 74):

- a. Ethics clearance: the researcher's organisation must first give approval to conduct research.
- b. Ethics letter: a letter in a presentable format should be given to respondents explaining the research, the researcher's role in the study and what is expected of the respondent,
- c. Protection of data: consideration should be given to anonymity and confidentiality of the participants and the data.

Taking the above into consideration, this research adhered to the ethics requirements as follows:

- a. *Ethical clearance*: a research ethics application was submitted to the North-West University's Economic and Management Sciences Research Ethics Committee (EMS-REC) and subsequently approved on 23 April 2018 with the following reference number: NWU-00333-18-A4 (see Annexure 2 – NWU-Ethical approval).
- b. *Ethics letter*: A letter printed on the North-West University's letterhead and signed and dated by the promoter on 11 September 2017, was presented to ALJ to request permission and approval to conduct the research at their firms in Saudi Arabia. In response ALJ granted an approval letter on 12 September 2017 (see Annexure 1 – ALJ approval), and
- c. Anonymity and confidentiality was maintained as the respondents were not be coerced into participating in the research and their participation was voluntarily. All participants were treated fairly. The confidentiality of critical data and other results are of paramount importance.

In addition to the above, the researcher is committed to the plagiarism principles and the acknowledgement of other researchers. This study maintained research integrity by avoiding omission and misinterpretation.

2.14 RESEARCHER REFLEXIVITY

Reflexivity is utilised by the researcher to explore the relationship between the object of the research and the researcher himself. According to Saunders (2011:8), however, many times researchers are already members of the firm that is investigated and so have primary access to data. The researcher has been a full-time employee of ALJ automotive firm's headquarters since 2012. As such he has primary access to the employees of the organisation and have formed relationships with employees. Although the researcher is part of ALJ, care has been taken to remove bias by using triangulation. Both qualitative and quantitative data was used as sources of evidence. According to Teegavarapu and Summers (2008:6), when making use of triangulation in case study research, it removes bias induced by the researcher's subjectivity.

In addition, qualitative research recognises that the researcher influences and shapes the research process, both as a person (*personal reflexivity*) and as a theorist (*epistemological reflexivity*). Reflection is therefore an essential part of the research process, especially in qualitative research as it encourages transparency by reflecting on the research and its findings (Saunders, 2011:538; Willig, 2013; Mason, 2017:25). The researcher influenced and shaped the research process personally as a full-time employee of ALJ, but also theoretically by contributing to literature (refer to Section 1.12 for a discussion on the contribution of the study).

2.15 LIMITATIONS OF THIS RESEARCH APPROACH

There is no single research approach without its limitations. This study took the form of a single in-depth case study, namely ALJ automotive firms. There are limitations to following case study research including lack of methodological rigour and the inability to generalise its findings (Gummesson, 2007:228; Teegavarapu & Summers, 2008:6). In order to address the concerns around these limitations, the researcher aimed to strengthen the validity and reliability of the data and the resultant findings as discussed in section 2.12 above.

In addition, the aim of this research included gaining a better understanding of the competitive environment, not only in ALJ, but also the wider Saudi Arabia. Especially considering that this is one of the least understood economies (Alnaeem, 2016:262). The opportunities and threats identified as part of the SWOT analysis is based on the external environment. Moreover, the PESTEL analysis also draws from the external environment. This new knowledge can be regarded

as analytic generalisation – it can be used by all businesses in Saudi Arabia (refer to Section 2.12). It aims to fill a gap in the literature.

On the other hand, the data was collected only within ALJ and as such the competitive strategy is specific to ALJ. Nevertheless, the process followed to develop a competitive strategy, especially taking cognisance of the actors and networks within the company, can be replicated and used as an analytic generalisation (refer to Section 2.12).

Further limitations specific to this research study, were presented in chapter 8 (refer to Section 8.6).

2.16 SUMMARY

This chapter addressed the first and secondary research objectives by discussing the research design and methodology. The chapter started with a brief definition of research and why it is essential, followed by a discussion of the chosen research paradigm of pragmatism. The mixed method research approach was selected to answer the set of research questions as it is such an approach that improves the validity and reliability of data results.

The research, in general, could be defined as a systematic process of enquiry or investigation that should lead to scientific knowledge. It should, however, answer one or more questions. The research paradigm refers to a set of assumptions, practices, concepts and fundamental beliefs rooted in inductive or deductive reasoning. Research that applies a mixed method approach is considered more robust. It has become a recognised approach as it provides an in-depth understanding from its comprehensive findings.

In terms of research design, numerous authors elaborate on a case study design. It provides a systematic framework for data collection and analysis. It is an appropriate method to investigate and explore an issue(s), case(s) or phenomenon in its real-life context, or within its natural setting. It has the potential to answer questions in detail by exploring and exemplifying particular conditions, situation or problems.

The research design sections explained the case study concepts and types, highlighting that an exploratory sequential mixed methods approach was followed. The research methodology was described with discussions on the relevant population and sampling. The research population was defined as ALJ's employees (approximately four thousand) in Saudi Arabia in the divisions for

the two main products of Toyota and Lexus. The sampling technique was cluster sampling. Furthermore, the procedures of data collecting, analysing and interpreting for both the qualitative and quantitative phases were described and underlined, as well as pilot study and methodological rigour.

This study was designed as a comprehensive single-case study with an exploratory design. However, the descriptive form could be incorporated since a sequential mixed method was used. Triangulation was used as it enriched and complemented the study by strengthening the validity of the overall research. The chapter also discussed the pilot study (refer to Section 6.3.5), the ethics of the study and researcher reflexivity.

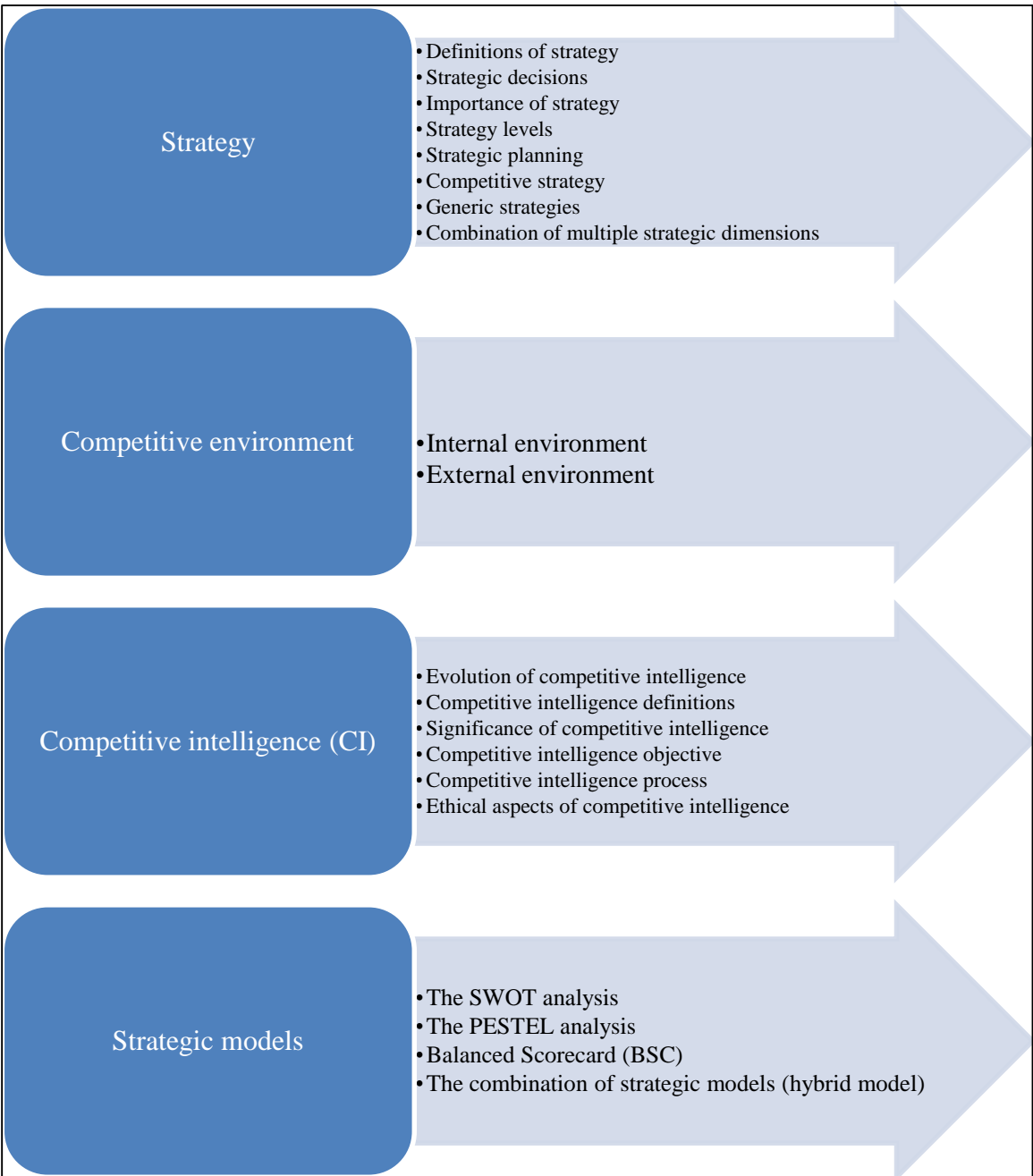
The next chapter discusses the concept of strategy and strategic models.

CHAPTER 3 – STRATEGY, STRATEGIC MODELS AND THE SAUDI ARABIAN CONTEXT

3.1 INTRODUCTION

This chapter addresses the second secondary objective as stated in Chapter 1 (Section 1.8.2) of conceptualising the concepts of strategy and strategic models from literature.

The layout of the chapter is presented in Figure 3.1 below.



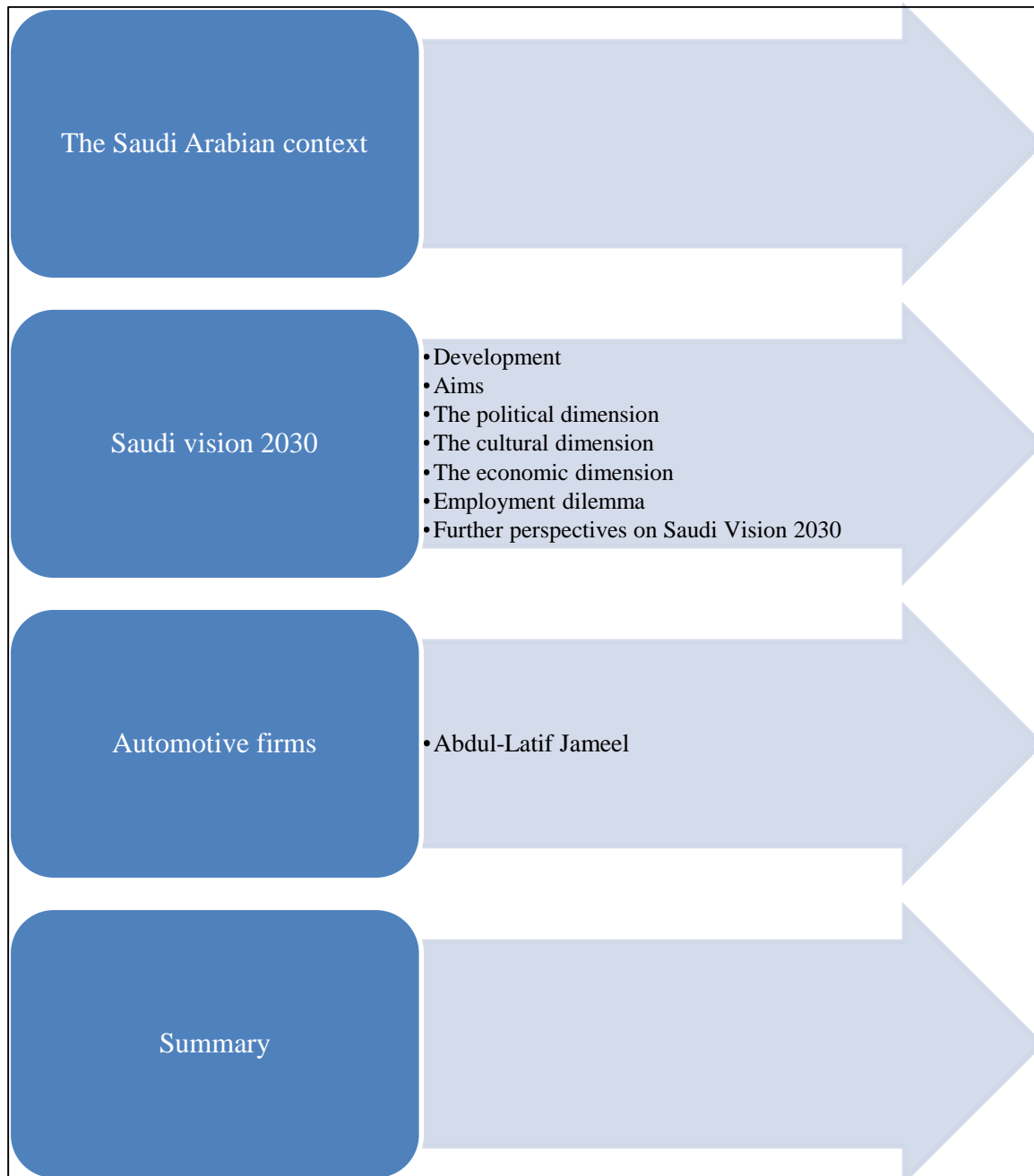


Figure 3-1: *Layout of chapter 3*

The chapter starts by introducing strategy, followed by strategic definitions, decisions, significance, levels and strategic planning. Next, the competitive strategy is discussed in detail. Generic strategies are considered, followed by a definition of Porter’s cost leadership, differentiation and focus dimensions along with a combination of multiple dimensions. CE and CI are discussed comprehensively referring to several concepts: evaluation, definitions, significance, objectives, processes and ethical aspects. The chapter also highlights strategic models such as

SWOT analysis, PESTEL analysis and BSC perspectives, along with a hybrid of strategic models. Finally, the Saudi Arabian context is presented, including Saudi Vision 2030, automotive firms and ALJ. The chapter concludes with a summary as an overview of Chapter 3.

3.2 STRATEGY

Strategy, strategic management and business policy, irrespective of the term used, primarily involves examining a business firm as a whole and integrating the various functional disciplines (Wheelen, Hunger, Hoffman & Bamford, 2017:1). To design a strategy is a matter of discipline and requires a combined focus on profitability, growth and ability to offer a unique value proposition (Porter, 2001:11). The strategy is therefore not something that firms have, but something its members do (Jarzabkowski, Balogun & Seidl, 2007:2). By having a strategy a firm shows a willingness to make tough trade-offs, even during times of upheaval, all the while improving its distinctive strategic position (Porter, 2001:11). Strategy can therefore be described as the direction the firm wishes to take over the long term. The aim is to fulfil stakeholder expectations through optimisation of its resources and competences in a constantly changing environment (Johnson, Scholes & Whittington, 2008:3). For an automotive industry the strategy is a such critical aspect that impose many challenges because of the rising need to new innovation. Such challenges required renewed knowledge, yet the purposive knowledge flows are limited (Wilhelm & Dolfsma, 2018:1).

3.2.1 Definitions of strategy

A strategy is an approach and manner to achieve an intention (Nurcan, Etien, Kaabi, Zoukar & Rolland, 2005:4). Strategy refers to the design of an innovative and valuable position by involving a variety of resources. Nevertheless, according to Porter (2008) there is not only one ultimate position, otherwise there would be no need for strategy (Porter, 2008:10). Another term used in the context of strategy is *strategising*, and it refers to the doing of strategy, the construction flow of activity through the actions and interactions of multiple actors and the decisions they make (Jarzabkowski *et al.*, 2007:2). Michael Porter's 2001 article distinguishes between the "strategy", which involves choices and trade-offs between alternatives, and the "operational effectiveness", which focuses on the ideas of benchmarking, best practice, and cost minimisation (Stonehouse & Snowdon, 2007:259). Figure 3-2 represents essential terminologies used in the field of strategy and strategic planning.

Term	Definition
Mission	The overriding purpose aligned with the values or expectations of stakeholders
Vision	Desired future state: the aspirations of the organisation
Goal	General statement of aim or purpose
Objective	Quantification (if possible) or more precise statement of the goal
Strategic capability	Resources, activities and processes
Strategies	Some will be unique and provide a competitive advantage
Business model	How products, services and information ‘flow’ between participating parties in the long run
Control	The monitoring of action steps to: <ul style="list-style-type: none"> ○ Assess the effectiveness of strategies and actions ○ Modify as necessary strategies and actions

Sourced: Johnson *et al.*, 2008:9

Figure 3-2: Strategic concepts

The fundamental distinction between the concepts of *strategy* and *goal* is what to achieve is the goal and the manner to achieve that is a strategy (Nurcan *et al.*, 2005:1). Hence, the concept of strategy is not only the search for best practice, but it involves the design of innovative activities to produce and deliver either a product or service enabling the firm to attain unique value (Porter, 2001:12). No single author within the field of strategic management provides a complete or definitive definition and explanation of strategy and strategising. For this reason, the concepts of strategy and strategising are by their very nature eclectic and therefore draw on a range of viewpoints and disciplines (Stonehouse & Snowden, 2007:260). Nevertheless, strategy is a set of activities that determine the future direction of a firm. The operational procedure lies in the short term while the overall vision, mission, and objectives of the firm reflect on the long-term plan. If strategy is designed correctly, it should add value by building a unique position for a firm over time, becoming a tool for sustainable growth.

3.2.2 Strategic decisions

The concepts of “strategy” and “strategic decisions” are typically associated with the long-term direction of the firm (Johnson *et al.*, 2008:3). Strategic decisions should focus on the outcome, time remaining and the current value (Hitt, Ireland & Hoskisson, 2012:4). Strategic decisions

create a firm's positioning and attempts to achieve a sustainable competitive advantage by preserving the distinctiveness of different activities from rivals or performing similar activities in different ways (Porter, 2008:3). Therefore, an understanding of the concept of value-add should be considered when strategic decisions are made (Hitt *et al.*, 2012:4).

Johnson *et al.* (2008:3–6) summarise four implications associated with strategic decisions: (1) *complexity* (a defining feature of strategy and strategic decisions), (2) *uncertainty* (inherent in the strategy as no firm can be sure about the future), (3) *integration* (of operational decisions to networks outside the firm), and (4) *change* (typically a crucial component of strategic decisions).

In conclusion, the strategic decision boosts a firm's scope and activities and gives it an advantage over competitors. Strategic decisions must, therefore, create a strategic fit with the business environment and a firm's competencies (Johnson *et al.*, 2008:6).

3.2.3 Importance of strategy

As alluded above, strategy implies trying to create a fit of the firm's activities. The success of a strategy depends on doing many synchronised things. If there is no fit between activities, there is no distinctive strategy, and the result is limited sustainability (Porter, 2008:17). Accordingly, a firm's strategy is a particular type of activity that connects many activities and practices (Jarzabkowski *et al.*, 2007:4).

The essence of strategy is “to perform activities differently or to perform different activities than rivals” (Porter, 2008:7). Otherwise, according to Porter (2008:7), a strategy is reduced to a marketing slogan that will fail to withstand competition. Many firms recognise the significance of strategy and therefore the concept of strategy-as-practice has emerged. This concept is concerned with implementing and performing strategy intensively (Jarzabkowski & Paul, 2009:22). However, strategic significance refers to creating a positioning that can achieve a sustainable competitive advantage for the firm (Porter, 2008:15). The term strategic management underlines the importance of strategy in relation to firm's managers. The development and implementation of strategies involves people – especially the managers (Johnson *et al.*, 2008:11). Therefore, operational efficiency on its own is not a strategy; operational effectiveness is necessary but not sufficient. Operational effectiveness and strategy are both essential to achieve superior performance (Porter, 2008:4).

Strategy means designing a broad view of the future including specifying action plans. In this sense, according to Kornberger and Clegg (2011:138) “strategy turns the arrow of time – the future becomes the condition of the present action”. By ignoring strategy and strategic planning, many organisations have reduced their chance to gain a competitive advantage by hastening competitive convergence (Porter, 2001:12).

In conclusion, having a strategy is a significant feature of a firm. If a firm follows a strategy both as experience and practice, it will begin acting differently, emphasising its influence on business and competitors (Johnson, Scholes & Whittington, 2005:226).

3.2.4 Strategy levels

Strategy has three levels that are typically considered by business firms: (1) *the corporate strategy* – the firm’s overall direction regarding its general attitude and growth, (2) *the business strategy* – usually occurs at the business unit or product level, and (3) *the functional strategy* – this is the approach taken by a functional area to achieve corporate and business strategies by maximising resource productivity as an objective (Wheelen & Hunger, 2011; Hitt *et al.*, 2012:52).

The top level of strategy is the corporate level strategy, concerned with the overall scope of the firm and how value will be added (Johnson *et al.*, 2008:7). However, corporate strategies typically fit into three main categories of stability, growth and retrenchment (Wheelen & Hunger 2011:52). The second level is the business level strategy, where various business units should integrate and compete in their particular scope (Johnson *et al.*, 2008:7). Business strategies should emphasise the improvement of the firm’s competitive position in terms of products and services (Wheelen & Hunger 2011:52). Both levels, corporate and business strategies, necessarily embrace continuous strategic change and the seamless integration of strategy formulation and implementation (Hitt *et al.*, 2012:5). The third level of strategy, operational level strategy, is concerned with how the different parts of the firm deliver the corporate and business level strategies effectively with respect to resources, processes and people (Johnson *et al.*, 2008:7).

Some scholars refer to the three levels of strategy as the strategy hierarchy. However, in the broadest sense, these levels relate to all business units of the firm and it provides the direction of a firm’s values, culture and goals (Hitt *et al.*, 2012:4). Figure 3-3 illustrates these levels and each domain accordingly.



Sourced: Wheelen and Hunger, 2011:53 (adapted)

Figure 3-3: Strategic levels

The strategic levels can function as either a collaborative process with employees, or a bottom-up or top-down approach. Some firms experiment with collaborative strategic planning techniques that recognise the emergence of contemporary strategic management, while in the bottom-up approach, employees submit proposals to their managers. The top-down approach is the most common as top management, with the assistance of a strategic planning team, decides on the overall direction of the firm (Hitt *et al.*, 2012:4).

Nevertheless, strategic activities at each level have consequences for the direction and survival at multiple layers of the firm (Jarzabkowski *et al.*, 2007:4). Therefore, the strategic management role at each level is different from other aspects of management. The operational level of a firm is most often required to address problems of operational control, goods production and customer services (Johnson *et al.*, 2008:11).

The third level of strategy, the functional strategies, also includes (Hitt *et al.*, 2012:4):

- a. marketing strategies,
- b. new product development strategies,
- c. human resource strategies,
- d. financial strategies,
- e. legal strategies,

- f. supply chain strategies, and
- g. IT strategies.

The functional strategy level is concerned with short- and medium-term planning and is limited to each department's functional responsibility. Each department aims to meet overall corporate objectives, as their strategies are – to some extent – derived from broader corporate strategies (Hitt *et al.*, 2012:5).

Finally, the principles and goals of each level are essential and should be explained to every member of staff in the firm so they can give input and achieve the same set of objectives (Kiptoo & Mwirigi, 2014:191). Therefore, the firm's managers must clearly distinguish between operational effectiveness and strategy. The strategic agenda should involve continual improvement throughout the firm as failure to maintain all three levels creates massive vulnerability for the firm (Porter, 2008:20).

3.2.5 Strategic planning

Strategic planning is about positioning the business in the marketplace as effectively as possible with the aim of reducing the threat of competitors (Kiptoo & Mwirigi, 2014:194). Strategic management planning is utilised to align management and employees' values, goals and objectives. This should lead to enhanced teamwork, engagement and performance (Chienwittayakun & Mankin, 2015:74). Strategic planning, however, requires continual discipline and clear communication (Porter, 2008:20). Strategic planning furthermore represents a firm's fundamental choice and intentions, and therefore a firm's practices should reflect its strategies (Chadwick & Cappelli, 1999:7). The leadership in the firm are the cornerstone of a strategy's successes.

Strategic planning is the process of: (1) defining a vision and initiatives to achieve the set strategic objectives, (2) monitoring the results of strategic initiatives, and (3) defining adaptive measures whenever current objectives are not attained (Wagner, 2004:107). The principal objective of strategic planning is, therefore, to assign goals and responsibilities with budgets and deadlines. Monitoring the progress of the strategic plan and its review is an ongoing process. However, monitoring is the critical success factor of strategic planning in any firm (Kiptoo & Mwirigi, 2014:194).

Strategic planning activities are associated with the firm's mission and high-level objectives. Consequently, strategic choices are made where objectives are mapped against opportunities, threats, internal capabilities and firm values (Wagner, 2004:110). Strategic planning is generally driven by a semi-autonomous unit that is usually responsible for its budgeting, new product decisions, hiring decisions, IT and price setting (Hitt *et al.*, 2012:5).

It can therefore be said that the overall framing of strategic planning should align with a firm's mission, vision and overall objectives (Hitt *et al.*, 2012:1), with the consideration that mission describes what the firm is now, and vision describes what the firm would like to become. It could be preferable to combine these ideas into a single mission statement (Wheelen & Hunger, 2011:50).

Organisational culture has a profound influence on the strategic planning in the firm. If employees and management do not have a positive mindset with respect to what the firm has to achieve, then a firm's strategy may not lead to success (Kiptoo & Mwirigi, 2014:193). Therefore, the strategic planning should be cascaded down to all business and functional strategies, as well as to the operational level (Figure 3-3). In this regard, the measurement and control system will monitor adherence to plans and goal achievement. However, the real planning process can still be considerably more complicated (Wagner, 2004:111). Strategic planning can, therefore, involve making both organisational and cultural changes to the way that the business operates. The three primary keys to successful strategic planning and implementation are commitment, credibility and communication (Kiptoo & Mwirigi, 2014:194). Strategic planning at multidivisional firms can be even more complicated and time-consuming (Wheelen & Hunger, 2011:40).

Vital communication is crucial in strategic planning and implementation, because if firm employees participate in strategic planning, they will feel that the firm considers them as assets. Strategy implementation will then be more effective and successful (Kiptoo & Mwirigi, 2014:194).

In conclusion, strategic planning must lead to continuous improvement in a firm's operational effectiveness while actively trying to maintain the productivity and growth (Porter, 2008:3). As businesses are becoming increasingly extensive and complex, strategic planning becomes more sophisticated. This requires leadership to maintain and improve strategy going forward (Kiptoo & Mwirigi, 2014:194).

3.2.6 Competitive strategy

Business strategies fit into two categories: competitive strategies and cooperative strategies (Wheelen & Hunger, 2011:52). The latter is not relevant to this study and is therefore not discussed. *Competitive strategy* is the basis on which a firm or business can achieve competitive advantage over its competitors (Johnson *et al.*, 2008:224). It is a set of approaches that grants a firm's strategic stance and competitiveness (Wheelen & Hunger, 2011:52). Competitive strategy is about being different, i.e. deliberately selecting and designing innovative activities to deliver a unique mix of value (Porter, 2008:6). It is planning that creates a business position in the marketplace so that competitors can be made irrelevant (Kiptoo & Mwirigi, 2014:194).

The competitive strategy defines the competitive position of a firm (Wheelen & Hunger, 2011:46). Therefore, the competitive strategy should involve collecting and analysing an extensive range of information about the business and how it operates both internally and externally, as well as how it is developing in the current and potential markets (Kiptoo & Mwirigi, 2014:194). Competitive strategy at the *functional level* (Figure 3-3) is concerned with providing competitive advantage for the firm by designing innovative activities (Wheelen & Hunger, 2011:52). The competitive strategy, therefore, should be considered and defined in a firm's strategic business units (Johnson *et al.*, 2008:247).

The competitive strategy is a comprehensive approach that states how the firm will achieve its mission and objectives. This competitive strategy should maximise competitive advantage and minimise competitive disadvantage (Wheelen & Hunger, 2011:51). A useful competitive strategy, therefore, requires shifting the focus from the day-to-day concerns to broader longer-term options that will lead the business to greater heights (Kiptoo & Mwirigi, 2014:194).

Since the turn of the millennium, firms have reverted to a competitive strategic structure that is driven by advances in IT and knowledge management systems. These should be used to share information and create shared goals in the firm as a competitive strategy (Hitt *et al.*, 2012:5). However, some firms rather deploy research and development (R&D) that can lead to pioneering innovation and attaining a competitive strategy (Wheelen & Hunger, 2011:52).

The fundamental characteristics of competitive strategy are: (1) proposed competitive advantage that creates something different from the competitors, (2) adds value in the eyes of potential customers, and (3) adds value over time (Hitt *et al.*, 2012:14). Accordingly, firms have to create

an integrated system by which the strategy becomes a benchmark for the progress and productivity in which all the firm's actors are involved (Kiptoo & Mwirigi, 2014:159).

The competitive strategy is about defining the competitive advantages of the firm. This requires the careful examination of the external environment to determine the perfect customer for the business today. This can lead to advantages on product development, marketing and brand building (Wheelen & Hunger, 2011:138; Johnson *et al.*, 2008:26).

The process of competitive strategic planning is setting goals for the business in line with the direction the firm wants to move. The purpose of the strategic planning however is to provide the detailed roadmap that will take the desired direction (Kiptoo & Mwirigi, 2014:194).

The seven practices defined to underpin competitive strategy are: (1) innovation (simultaneous continuous improvement in cost, product, quality and service), (2) breaking down organisational barriers between departments, (3) eliminating layers of management that creates flatter organisational hierarchies, (4) closer relationships with customers and suppliers, (5) intelligent use of new technology, (6) global focus, and (7) improving human resource skills (Hitt *et al.*, 2012:12). Nazir and Shavarebi (2019:172) reviewed the competitive strategies employed by automotive industries globally. They identified 54 articles published between 2017 and 2018 and found 133 competitive strategies. New product development was a key strategy employed by automotive manufacturers, followed by integrating suppliers and manufacturers in the development of products. A key focus of this study is to identify the current competitive strategy of ALJ and developing a new competitive strategy in preparation for Saudi Vision 2030.

Organisational knowledge, required as part of a competitive strategy, can be split into two types of knowledge: *explicit* knowledge (objective knowledge transmitted in formal systematic ways), and *tacit* knowledge (achieved through practical experience). Both types of knowledge are required to achieve competitive strategy goals (Johnson *et al.*, 2008:109). In the same sense, organisational *learning activities* can be linked to the competitive strategy. These include: (1) systematic problem solving, (2) experimenting with new approaches, (3) learning from history as well as from the experiences of others, and (4) transferring knowledge quickly and efficiently throughout the firm (Wheelen *et al.*, 2017:9).

There is a temptation to view the knowledge, learning approach and core competence as a competitive strategy. In fact, there are clear linkages in terms of value-adding activities and core

competencies. Any strategy is built on the configuration of the firm's value-adding activities and resource inputs to these activities, whereas core competencies provide the skills and knowledge required to carry out a particular strategy (Stonehouse & Snowdon, 2007:260). The competitive strategy in the firm is primarily driven by top-down strategic management and can, therefore, be achieved by down-top competencies (Wheelen *et al.*, 2017:9).

Finally, the competitive strategy plays a critical role in a firm's survival, since it assures stakeholders that a firm is prepared for today, tomorrow and the future challenges. Competitive strategy is guided by the vision, mission and goals of the firm to achieve the set of objectives (Kiptoo & Mwirigi, 2014:195). Competitive strategy is a comprehensive approach and roadmap that leads a firm to distinctive value of competitive advantage over the competitors. It is a set of tactics that maximises competitiveness and become a benchmark over the long term.

The next section discusses the concept of generic strategies of cost leadership, differentiation, and focus

3.2.7 Generic strategies

The fundamental understanding of competitive strategy can be traced back to Porter's (1985) seminal low-cost-differentiation-focus framework. Michael Porter (1980, 1985) identified and defined three generic strategies, namely cost leadership, differentiation, and focus (Wright, 1987:93). Porter asserts that a firm must in its business strategy incorporate either cost leadership, differentiation or focus to achieve a sustainable competitive advantage with long-term success (Hitt *et al.*, 2012:4).

The success of a generic strategy is in delivering a competitive advantage that ensuring the firm's value chain successfully (Stonehouse & Snowdon, 2007:258). Generic strategies are called "generic" because they can be pursued by any type or size of firm, even by non-profit firms (Wheelen & Hunger, 2011:203).

Porter's generic strategies include the interaction between cost leadership-, product differentiation, and focus strategies (Hitt *et al.*, 2012:11). Since the objective of any firm is profitability and sustainability, the majority of firms follow a strategy to identify all possible opportunities within low-cost, product differentiation, or high-tech products and services (Aithal, 2017:79). Consequently, the firm can develop a generic competitive strategy of differentiation or cost

leadership through superior performance and an appropriate configuration, along with coordination of its value chain activities (Porter, 1985:11). However, generic competitive strategies are considered a critical source of superior financial performance in both industrialised markets and emerging economies (Li & Li, 2008:3).

Generic strategies' fundamental approach to business success is to create a sustainable competitive advantage. Each strategy, therefore, involves different resources, strengths and organisational arrangements (Porter, 1985:11). The success of delivering competitive advantage depends on the firms ensuring its value and adding more significant value to its products and services than competitors (Stonehouse & Snowdon, 2007:258).

In conclusion, generic strategies can develop a competitive advantage and create a secure position for any firm. By pursuing these generic strategies, firms can attain a significant and enduring competitive advantage over their rivals (Porter, 1985:25). The next section discusses each dimension of Porter's generic strategies in more detail.

a. Cost leadership

Cost leadership refers to the ability of the firm to design, manufacture, and market a comparable product or service more efficiently than rivals (Wheelen & Hunger, 2011:203). The cost leadership strategy provides customers with products or services at lower prices than offered by competitors (Porter, 1985:12). A cost leadership strategy therefore aims to increase market share based on creating a low-cost position relative to its peers. However, firms can adopt different resources to achieve a cost leadership such as large-scale facilities, process improvements, cost minimisation, benchmarking, and overhead cost control (Banker *et al.*, 2014:873).

Cost leadership emphasises the production of a standardised product at low cost per unit for buyers who are price-sensitive (Porter, 1980:3, 1985:13). However, the setting of a low price has an objective and subjective component. From an *objective* standpoint, potential buyers recognise a product or service's similar price level, although real price differences may exist in certain situations. On the other hand, *subjectively*, a price difference of two products or services can be viewed as insignificant by two different buyers depending on: (1) income levels, (2) level of involvement with the product or service, (3) previous experience, or (4) even psychological factors (Parnell, 2006:1143).

Larger firms mostly use cost leadership strategies with the primary emphasis on low cost per unit outputs (Wright, 1987:94). In other words, cost leadership is a strategy that strives to create goods or services more cheaply than competitors. It stresses efficient scale facilities (Miller, 1986:239). Consequently, a cost leadership strategy assumes effective relationships between a firm's functions such as R&D, marketing, sales, and production (White, 1986:95). The market value control dimension is the most critical dimension of a competitive strategy and is associated with a firm's products and services (Parnell, 2006:1144). Nevertheless, a low-cost strategy comprises giving consumers comparable value to that offered by rivals (Spanos, Zaralis & Lioukas, 2004:141). However, the fundamental focus of cost leadership is maintaining a low-cost position. This rests on the comparison to the competitive market price (Parnell, 2006:1147). For instance, a cost leadership strategy emphasising low costs may increase market share by reducing prices and gain an advantage at the expense of competitors. However, that may be myopic. On the other hand, aggressive price discounting as a strategy may lead to temporary sales increases until rivals match prices to regain lost revenues, so the expense of rivals may be counterproductive (Helms *et al.*, 1997:701).

Cost leadership activities associated with a firm's cost strategy mostly focus on the internal operations of the business and the productive capital of human resources. Cost strategy, therefore, requires particular attention to operational details (White, 1986:221). Therefore, competing at low cost without attempting to be differentiated has its limitations. Firms once obsessed with primarily cutting costs and growth in profitability may ignore the differentiation requirement of improving products and providing better services (Helms *et al.*, 1997:701).

In conclusion, the cost leadership strategy requires a firm to be first in the market, capturing high market share by making the price lower than its competitors and extending the superior functionality of products into multiple market segments (Kaplan & Norton, 2004:7). However, the choice of generic strategies is limited by the size of the firm and its access to resources (Wright, 1987:93).

b. Differentiation

Differentiation strategy refers to the ability of the firm to provide a unique and higher value product, unique features, or after-sale service (Wheelen & Hunger, 2011:203). A differentiation strategy, therefore, distinguishes the firm from its rivals by creating customer value through

product innovation, quality, contemporary technology, brand image, excellent service, and so forth (Porter, 1980:38).

A study conducted by Banker *et al.* (2014:891) found that over a period of ten years, larger firms confirmed that adopting a differentiation strategy enabled the firm to sustain superior performance to a larger extent than a cost leadership strategy. A high differentiation position often requires the perceptions of exclusivity, which is incompatible with a high market share (Porter, 1985:14). Therefore, the differentiation strategy encompasses more complex dimensions than the cost leadership- and focus strategies (Wright, 1987:97). The differentiation strategy aims to create a product that consumers perceive as unique, and in turn allows the firm to command a premium price that exceeds the accumulation of extra costs (Miller, 1986:238).

Stonehouse and Snowdon (2007:258) agree that the firm can charge a premium price for its products or services based on the differentiation strategy. The latter involves creating a perception with the customer that the product or service is superior based on innovation, quality or brand. However, being differentiated and innovative without concern for efficiency may be short-sighted. The presence of efficiency dimensions is still crucial to obtain the competitive advantage. Moreover, an emphasis on efficiencies in the absence of differentiation efforts may not be sufficient for higher performance (Helms *et al.*, 1997:701).

Even though both differentiation- and cost leadership strategies are associated with better performance, the differentiation strategy allows the firm to sustain performance to a greater extent than a cost leadership strategy (Banker *et al.*, 2014:891). Differentiation could, therefore, be achieved through uniqueness in products and services rendered to customers, and that should allow firms to sustain superior performance over time (Porter, 2001:12). A differentiation strategy may, however, involve high risk and volatility in terms of performance (Banker *et al.*, 2014:891). A firm may reach a point that requires a sacrifice in differentiation by further cost reduction (Porter, 1985:14).

The differentiation purely refers to the firm's outputs, which should be considered as unique and should be addressed to many buyers who are relatively price-insensitive (Porter, 1980:40; White, 1986:93). Accordingly, a differentiation strategy incorporates variables dealing principally with the business's environment. The product and services must be planned to meet unique customer needs. Also, the distribution and delivery systems must be aligned with the changing requirements

of the customers (White, 1986:94). Consequently, pursuing a differentiation strategy enables firms to sustain performance more than pursuing a cost leadership strategy (Banker *et al.*, 2014:872).

Conversely, an effective differentiation strategy attempts to enlarge profits by charging a premium price based on customer perceptions of value. However, the cost of producing this differentiation product or service is higher, but if successful the incremental costs will be lower than the incremental contribution (White, 1986:221).

Finally, this section will consider the focus strategy.

c. Focus strategy

A *focus* strategy refers to the ability of a firm to provide a unique and superior value to a particular buyer group in a market segment or geographic market (Wheelen & Hunger, 2011:203). Porter (1980:32, 1985:15) defined the focus strategy in 1980 to designate a niche strategy that concentrates the firm's attention on a particular type of customer, product or geographic location (Miller, 1986:239). Focus strategy, therefore, belongs to products that fulfil the needs of a few particular buyers, whereas, the cost leadership- and differentiation strategies attempt to address a whole market. The focus strategy, on the other hand, addresses specific and smaller clusters of buyers within the marketplace (Porter, 1980:38, 1985:15). Therefore, the focus strategy addresses different dimensions than the cost leadership- and differentiation strategies (Wright, 1987:97).

The focus dimension can refer to the corporate-level or business-level strategy (Miller, 1986:239). With a focus strategy, the firm would expect a relatively elastic market demand. Profitability is an essential aspect of the focus strategy as it refers to the attainment of a combination of low-level initial investment and low-level operating costs to offer lower prices (Wright, 1987:99).

As mentioned before, the choice of generic strategies is limited to the size of the firm. The smaller firms can therefore only viably compete with a focus strategy (Wright, 1987:93). The focus strategy requires delivering consistent quality, reduced product acquisition time, and a somewhat limited selection. The focus strategy therefore depends on operational management processes (Kaplan & Norton, 2004:8).

In brief, the focus strategy itself can be used successfully in the long run only by smaller firms. The focus strategy may be adopted by a mid-size and larger firm, but in conjunction with their generic differentiation strategy (Wright, 1987:96). The primary emphasis is on low cost per unit

outputs for a smaller number of buyers in the marketplace by establishing a low initial investment and low operating costs. The next section discusses the combination of multiple dimensions based on Porter's generic strategies.

3.2.8 Combination of multiple strategic dimensions

A business can select a combination of multiple value propositions as a successful competitive strategy (Parnell, 2006:1141). Managers should, however, use caution when considering dual strategies as opposed to following just one strategy (Li & Li, 2008:17).

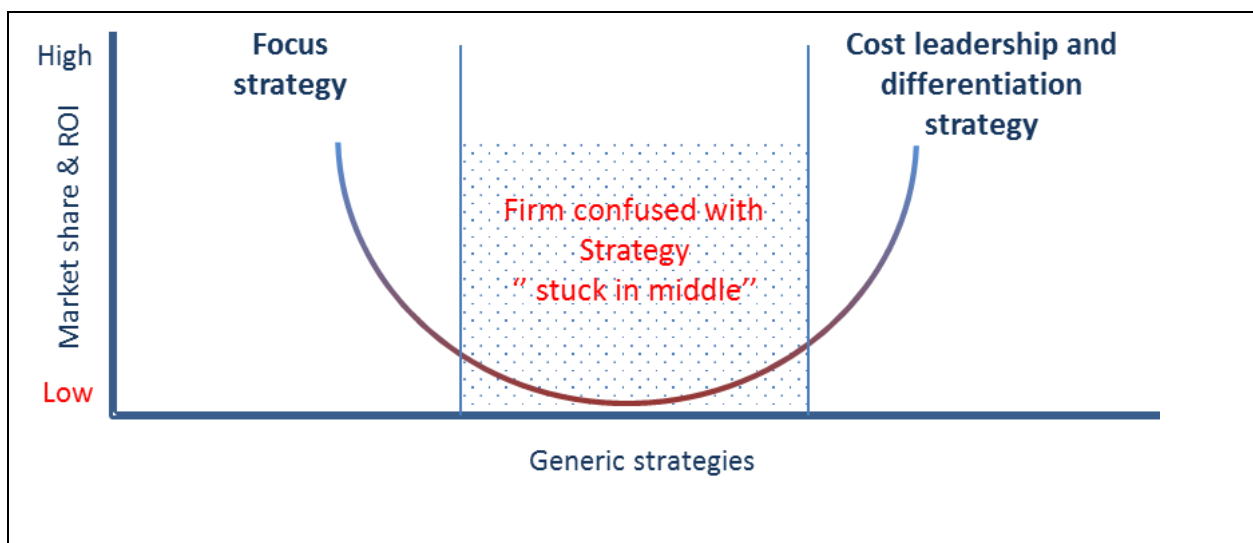
Larger firms can choose between the cost leadership strategy and the differentiation strategy. The most profitable option is the most likely option. Yet, both cost leadership- and differentiation strategies assume higher profitability with larger market shares. However, a larger firm may assume a more complex profile by assuming a low-cost position only, or simultaneously competing with both differentiation- and focus strategies (Wright, 1987:3–8). Porter (1985:17), however, argues that the cost leadership- and differentiation strategies are the only two main choices available to the firm, while a focus strategy has a limited scope as it is only suitable and successful in a smaller firm. Therefore, the larger firms can compete with the combination of the differentiation- and the focus- or cost leadership strategy, while smaller firms only have one option of successful competing, this being the focus strategy (Wright, 1987:93).

The more generic strategy dimensions are included in the strategy mix for larger firms, especially for firms that intend to become very profitable, because single generic strategies generally appear to produce below average results. However, pursuing a simple differentiation strategy may be less profitable even when compared with firms that have no clear strategy (Spanos *et al.*, 2004:159).

Although varying strategies, both cost leadership and differentiation may yield a high return on investment for the larger firm, while focus and differentiation focus may yield a high return on investment with a smaller market share (Wright, 1987:98–99). Hill (1988:401–402) therefore posits that establishing a sustained advantage requires the firm to follow both a low cost- and differentiation strategy. Mid-size and larger firms may use a combination of the differentiation- and focus strategies and this could lead to a gain in competitive advantage (Wright, 1987:96). The three generic strategies do interact to produce active strategic patterns (Miller, 1986:240).

In research conducted by Stonehouse and Snowdon (2007:265), the generic strategy concept underpinned the performance of Japanese companies who successfully combined the differentiation- and low-cost strategies. Nonetheless, simultaneously employing differentiation- and low-cost strategies is more complex and challenging for a firm to manage (Wright, 1987:97). Spanos *et al.* (2004:140) found that a combination of the three generic strategies is better than a combination of two strategies. The choice of generic strategy composition would, of course, be influenced by the firm’s competitive analysis, as well as the preferences of the top management (Wright, 1987:95).

As noted earlier, Porter (1980:38, 1985:26) suggested that a firm’s performance and competitive advantage can only be achieved by adopting simple generic strategies based on either differentiation or cost leadership. If not, firms will pursue “stuck-in-the-middle” strategies, leading to no competitive advantage at all. However, the combination of Porter’s generic strategies may lead to higher performance.



Source: Wright, 1987:98

Figure 3-4: Dimensions of the generic strategies

Porter proposes his five forces concept to align various dimensions of a generic strategy. The five forces framework as defined by “Porter” constitutes the threat of new entrants; the bargaining power of buyers; the bargaining power of suppliers; the threat of substitute products or services; and rivalry (Johnson, 2014:2).

Applying the five competitive forces, on the other hand, will create a sustainable competitive advantage and thereby higher returns. Porter’s five forces framework allows the firm to assess both the attractiveness of potential profitability and its competitive position (Stonehouse & Snowdon, 2007:257).

However, Porter’s five forces framework is regarded as being too static in circumstances where industry conditions are changing rapidly. The framework can be regarded as somewhat standing at a time factor, whereas the business environment is increasingly dynamic (Stonehouse & Snowdon, 2007:259). Figure 3-5 combines Porter’s generic strategies with the five forces framework.

Porter’s five forces	Generic Strategies		
	<i>Cost Leadership</i>	<i>Differentiation</i>	<i>Focus</i>
Entry Barriers	Ability to cut the price in retaliation deters potential entrants.	Customer loyalty can discourage potential entrants.	Focusing develops core competencies that can act as an entry barrier.
Buyer Power	Ability to offer a lower price to dominant buyers.	Large buyers have less power to negotiate because of few close alternatives.	Large buyers have less power to negotiate because of few alternatives.
Supplier Power	Better insulated from powerful suppliers.	Better able to pass on supplier price increases to customers.	The differentiation-focused firm is better able to pass on supplier price increases.
Threat of Substitutes	Can use low price to defend against substitutes.	The customer becomes attached to differentiating attributes, reducing the threat of substitutes.	Specialised products & core competency protect against substitutes.
Rivalry	Better able to compete on price.	Brand loyalty to keep customers from rivals.	Rivals cannot meet differentiation-focused customer needs.

Source: Indiatsy *et al.*, 2014:79 (adapted)

Figure 3-5: Combining Porter’s generic strategies and five forces framework

Porter’s generic strategies were utilised in this study to figure out and define the applied strategy in ALJ. The participants were asked to identify which of the generic strategies ALJ followed. Although Porter’s five forces were reflected in Figure 3-5, it was not utilised as it is regarded as

too static (Stonehouse & Snowdon, 2007:259) in a dynamic environment such as ALJ's. As mentioned in section 1.2.3, the generic strategies can be applied by a firm to enhance its competitive advantage and, in turn, create a competitive environment.

3.3 COMPETITIVE ENVIRONMENT (CE)

The competitive landscape is continually changing and adapting with influences such as globalisation, innovation in technologies, regulatory changes, demographic shifts, and environmental pressures (Issa, Chang & Issa, 2010:1). Business leaders have to become more aware and know more about the CE (Colibasanu, 2008:2). The global business environment has become much more pronounced over the past two decades. As a result, swift response time to competitors and customers has become more valuable and competitive (Parnell, 2006:1140).

According to Cepel, Stasiukynas, Kotaskova and Dvorsky (2018:24), the competitive environment (of business) comprises the following factors:

- a- Economic factors (changes in material, energy and investment),
- b- Financial factors (spending patterns, inflation rate- and interest rate tendencies),
- c- Technological factors (changing information systems),
- d- Social factors (cultural orientation within the firm) and
- e- Political factors (stability and the political orientation of the country).

3.3.1 Internal environment

The internal environment can be defined as: (1) management and organisation, (2) operations, (3) finance, and (4) other any essential factors for a particular firm (Weihrich, 1982:57). The primary challenge of the CE is not restricted to the changes in the global CE – the external environment – but rather considering ways of improving organisational performance and increasing awareness, communication and technology. This could lead to considerably reducing potential barriers, especially since there is considerable evidence that large-scale changes are taking place in the global arena (Kedia & Mukherji, 1999:230–231).

Business success and survival in a CE depends primarily on creating a defensible competitive position (White, 1986:220). Competitive position refers to the basis of matching the organisational strengths and resources with changes in the environment (Johnson *et al.*, 2008:30).

Accordingly, to establish and maintain a distinctive strategic position, a firm should consider six fundamental principles: (1) start with the right goal and long-term plan, (2) the strategy must deliver a value proposition and set of benefits, (3) it should reflect a distinctive value chain that is different from what competitors offer, (4) robust strategies involve trade-offs, (5) the strategy must define how all the elements fit together, and (6) the strategy should involve continuity of direction (Porter, 2001:12). The strategic position leads the firm to appropriate positioning in the environment (Johnson *et al.*, 2008:3). On the other hand, Wheelen and Hunger (2011:38–39) propose four approaches to maintain effectiveness in an increasingly volatile environment that may enhance sustainable competitiveness: (1) financial planning, (2) forecast-based planning (long-term planning, such as annual budgets), (3) externally oriented (strategic) planning (political responsiveness plans for five years), and (4) strategic management (strategic plans are worthless without the input and commitments of employees at all levels). The firm's top management therefore has to choose a strategy that is most appropriate to remain relevant and competitive in a turbulent environment (Kiptoo & Mwirigi, 2014:193). Strategic planning becomes even more significant as the environment becomes increasingly unstable (Wheelen & Hunger, 2011:40).

Strategic management depicts the CE as critical variables of input, while the critical output factors are a firm's mission, objectives, strategy, and policies (Wheelen *et al.*, 2017:11). The strategic choice is therefore influenced by the business environment in which the business operates. Firms should be able to scan the critical factors of both internal and external environments to avoid any challenges that may arise. However, the firm's performance may vary depending on the measurement tools that are used to scan the environment (Kiptoo & Mwirigi, 2014:193). A critical aspect of the CE is a mastery of the technology and the ability to use technology, information systems, and communications effectively (Kedia & Mukherji, 1999:237).

The CE relies on the firm's management's interest in being innovative when it comes to developing new products, improvements or modifications of existing products and in investing heavily in technology-related R&D (Huse *et al.*, 2005:330). A survey of 50 firms in a variety of countries found that the three most highly rated benefits of strategic management are: (1) a clearer sense of strategic vision, (2) sharper focus on the strategically significant, and (3) an improved understanding of a rapidly changing environment (Wheelen & Hunger, 2011:40). If a firm can find an appropriate match or fit with the environment, its strategy can lead to positive effects on its performance (Wheelen *et al.*, 2017:9).

The fundamental role of strategic management is to have a growing mindset. In such a mindset environmentalism is viewed primarily as compliance with regulations. This affects a firm's decisions on product development, technology and total quality programmes (Dechant & Altman, 1994:7). However, the internal environment defines a firm's position in the external CE (Johnson *et al.*, 2008:22).

3.3.2 External environment

The firm's external environment can be delineated by asking questions such as who are the most direct competitors and customers and what threats might affect the business's primary competitive advantages? The answers to these questions can reveal business strengths and lead to an understanding of its weaknesses and its opportunities within the external CE (Wheelen & Hunger, 2011:51). The cornerstone and essential prerequisite of strategic management lies in external environment decision making mostly relevant to the: (1) economic environment, (2) political environment, (3) socio-cultural environment, (4) technological environment, and (5) legal environment (Aithal, 2017:80). This is similar to the PESTEL analysis model.

Understanding a firm's strategic position involves identifying the impact of strategy on its external environment (Johnson *et al.*, 2008:22). Many diverse factors have to be considered including problems such as government actions, inflation, energy, and technological change (Wehrich, 1982:56). The critical position of the firm is also affected by its "understanding of historical and environmental effects, as well as expected potential changes in environmental variables" (Johnson *et al.*, 2008:13).

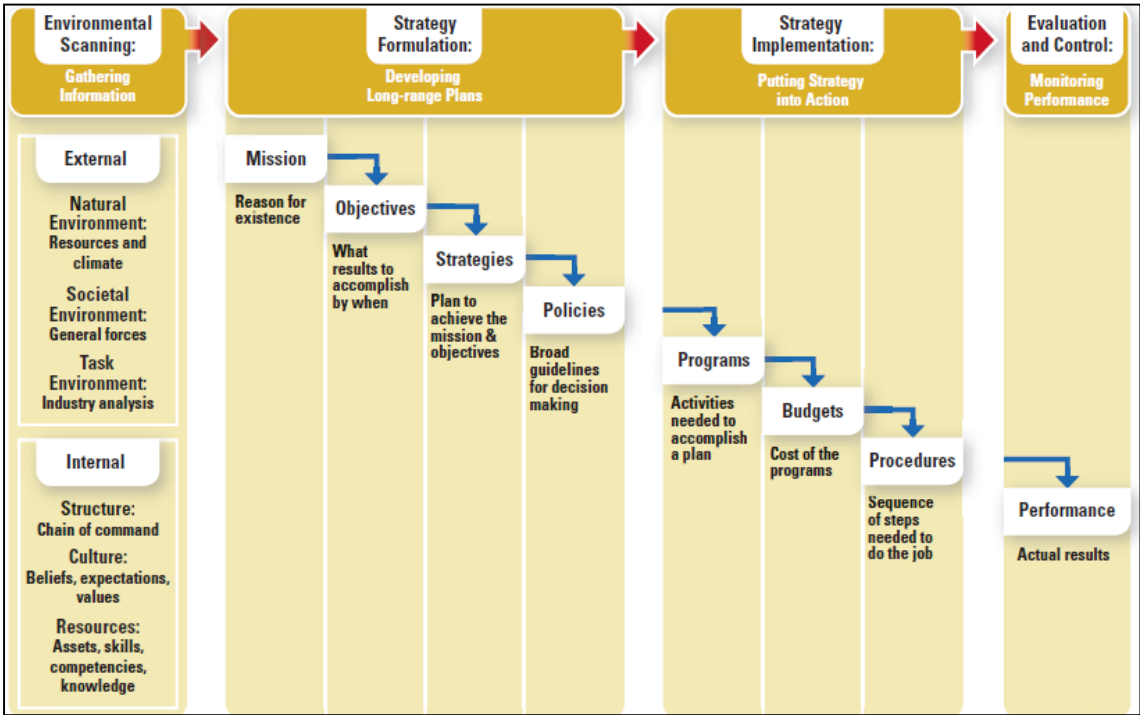
The typical challenges in today's CE are: (1) *globalisation* (integrated internationalisation of markets and corporations), (2) *innovation* (creation of new products, service, and approaches to achieve extraordinary returns), and (3) *sustainability* (maintaining the higher performance of business practices in the long run). However, innovation has become the most critical measure of the CE (Wheelen & Hunger, 2011:42–44). Innovation and the CE are intricately linked with the firm (Huse *et al.*, 2005:317).

The robust global competition tests a firm's competencies and knowledge. A firm has to have the ability to make a difference by understanding and assessing the heightened global competition (Kedia & Mukherji, 1999:237–242). A global mindset realises a firm's interdependence on the global economy, even when the firm's activities are seemingly confined to the domestic

environment. However, appropriate knowledge and skills are primary sources to sustain and develop a global mindset (Kedia & Mukherji, 1999:234–235). If a firm’s competencies are concerned with the CE, it will force innovations and new business ideas that will lead to the establishment of new business opportunities (Huse *et al.*, 2005:330).

Culture is another challenge for a firm in their CE and firms should understand it and be aware of it (Kedia & Mukherji, 1999:232). Firms should scan the external environment. The most highly rated benefits of scanning the CE is a clearer sense of a firm’s vision and an improved understanding of the rapidly changing external environment (Wheelen *et al.*, 2017:9).

In conclusion, the CE should not be viewed merely as a pool of new customers, or new markets and production facilities. Instead, it should be viewed as a potential source of innovation as global activities are positively associated with more product, process and innovations (Huse *et al.*, 2005:328). Therefore, a firm’s management should implement environmental scanning (both external and internal) as this could result in improved long-term performance (Wheelen & Hunger, 2011:38).



Source: Wheelen and Hunger, 2011:48 (adapted)

Figure 3-6: Environmental scanning

As shown in Figure 3-6, environmental scanning can be split into gathering both external and internal information. External information about the natural, societal and task environments, while internal information about the structure, culture and resources of the firm's environment. According to Johnson *et al.* (2008:505), environmental scanning spotting the opportunities to gaining advantage and the potential threats to current business. Although environmental scanning is a valuable tool to use by firms, the focus in this study was on using other strategic tools including the SWOT analysis, PESTEL analysis, and BSC to gain CI about the automotive industry in Saudi Arabia.

3.4 COMPETITIVE INTELLIGENCE (CI)

The word “intelligence” refers to “the ability to acquire and apply knowledge and skills”. The term “competitive” is associated with the “strong desire to be more successful than others” (Colibasanu, 2008:2). Intelligence therefore includes the process of identifying the correct decisions (Prescott, 1995:38).

However, among the constituents of CI, strategic intelligence has the highest impact on CI (Ghazinour, Allameh, Ansari, Kianpour & Nazari, 2014:34). Figure 3-7 illustrates the various terminologies of intelligence as presented by Sjöblom (2015:15).

Term	Characteristics
Business Intelligence	Internal source, business analysing sizeable historical data that is relevant to the process of decision making.
Competitive Intelligence	An external source, historical and recent data, future production, analysing opportunities and challenges, evaluating competitive landscape.
Competitor Intelligence	External source – historical data of one year or less, prediction 1–2 years into the future, attempts to understand competitor potential, posing, intentions and plans.
Market Intelligence	External sources, usually retrospective data of 3 to 6 months, focus on learning from previous success or failure related to financial aspects.
Strategic Intelligence	External sources, long-term planning (3–5 years), capital investment, political risks, joint venture, focus on the competitors, customer, products and services.
Technical Intelligence	External sources, long-term horizon of 1–5 years, overlapping with the above intelligence, focus on terms of technology (competitors, suppliers and customers).

Source: Sjöblom, 2015:15 (adapted)

Figure 3-7: Different terminologies of intelligence

3.4.1 Evolution of competitive intelligence

Michael Porter's books *Competitive strategy, competitive advantage, Porter on competition, The competitive advantage of nations* and *Porter's five forces model* were used extensively during the 1980s as successful tools of strategic management. Benchmarking came to be used as a complementary marketing technique, laying the foundation for what would become CI (Colibasanu, 2008:2). Porter (1980) in his book *Competitive strategy, competitive advantage* claims that for a firm to be effective, it should establish a mechanism and sort of system to ensure that the process of compiling and analysing competitor data is efficient. Porter, however, fails to describe how this can be achieved, or the scope of such an organised mechanism (Bernhardt, 1994:13).

CI development had evolved through three stages: (1) transpired during the 1960s and 1970s and was mostly concerned with data gathering, and informal and tactical strategies. (2) occurred

predominantly during the 1980s when competitor- and industry analysis became favourite functions of marketing or planning departments. (3) that began in the 1990s introduced the contribution and development of CI to strategic decision making (Prescott, 1995:38; Colibasanu, 2008:11). The typical evolution of the CI capability involves three key stages, namely: (1) the early stage – providing only facts and awareness in the organisation, (2) mid-level capability – identifying trends and its implications from collected data as part of an emerging partnership with CI users, and (3) world-class capability – regarded as a crucial component of a firm’s strategy (Heppes & Toit, 2009:53).

The rapid evolution in the last three decades elevated CI from a systematic, administrative process gathering data for tactical decision making, to a dynamic, adaptive process forming a pivotal component of strategic decision making (Heppes & Toit, 2009:54). However, the term CI has also been used to describe the attempts of firms to acquire information about other organisations that may pose business threats (Wisnowski, Adsurgo, Castillo, Karl & Rushing, 2015:1). Therefore, CI is not a recent discovery in either business or academic. The growth of CI awareness of the last decade was motivated by recognising that useful information has a direct impact on the firm’s bottom line. CI also evolved as part of the broader movement towards strategic management of organisations (Fleisher, 2001:14).

In conclusion, CI has evolved over the years and is currently a pivotal component of strategic decision making. Going forward, CI will continue expanding its strategic reach (Heppes & Toit, 2009:54). The next section highlights a number of key CI definitions.

3.4.2 Competitive intelligence definitions

The Strategic and competitive intelligence professionals (SCIP) defines CI as a systematic and ethical programme for gathering, analysing, and managing external information that can affect a firm’s plans, decisions and operations (Fleisher, 2001:22). According to Sjöblom (2015:1), CI is a term that refers to gathering, analysing and applying competitive information that is publicly, ethically and legally available to a decision maker in order to gain a significant competitive advantage.

CI is a process of developing actionable foresight regarding competitive dynamics and non-market factors that can be used to enhance the overall competitive advantage (Prescott, 1995:42). According to Colibasanu (2008:2), CI is a process through which firms acquire and apply

knowledge to become more successful than others. CI should, therefore, give insights on what will happen in the future, improving skills and knowledge and making the firm better prepared than its competitors.

CI is a systemic technique of assessing and measuring CE information. It is an analytical tool underpinning the process of collecting and analysing information correctly and usefully. The output of CI should help the firm to structure their strategy or formulate the right decisions. CI can lead to higher performance at business- and functional level by means of effective strategic planning and efficient decision making. The modern art of CI should be recognised as a set of activities and procedures or as an independent department. CI is therefore a function that moves the firm to a higher level of maturity by tracking information about competitors, customers and suppliers (Heppes & Toit, 2009:52). CI activities are aimed at considering both tactical and strategic decision-making aspects that generally receive moderate attention from top management but often makes a valuable contribution to strategic decision making (Prescott, 1995:38). A CI function is often used to support various levels of decision makers and plays a crucial role in strategic management to sustain competitive advantages (Heppes & Toit, 2009:48). CI is therefore concerned with developing intelligence that has actionable implications. It offers the opportunity to create a competitive advantage and indeed deliver value (Prescott, 1995:43).

CI entails the collection and interpretation of information about products, customers and competitors to gain perspective on a changing market (Wood, Dunagan, Clark, Bohl & Gonzalez, 2016:9). Therefore, CI is a strategic tool that allows firms to gather information systematically. It is a legal and ethical process in which actionable intelligence is produced and published (Seyyed-Amiri, Shirkavand, Chalak & Rezaeei, 2017:174).

CI is a dynamic concept concerned with the movement and countermovement of competitors, suppliers, customers, partners' alliance and potential competitors, along with other non-market factors such as government regulation, tariffs and the culture (Prescott, 1995:42–43). The information analysis is, therefore, one of the most critical and challenging stages of the intelligence process, which is highly dependent on high skills competencies (Seyyed-Amiri *et al.*, 2017:190).

Accordingly, it is crucial that all employees understand issues such as why information is needed (for what purpose), how it is acquired (process), what kind of information is used, and where such information should be located (Nasri & Zarai, 2013:242).

3.4.3 Significance of competitive intelligence

CI plays a significant role in business management and -practices. Management has relied on CI information to support decisions and stay up to date with changes in the business environment (Bulley, Baku & Allan, 2014:82). Managers should recognise the importance of CI, as CI can be used to gather information about products, customers and competitors to enhance the firm's tactical and strategic position. CI has been proven to be an essential tool in strategy development (Nasri & Zarai, 2013:242).

A successful CI effort is not done haphazardly nor unfocused. Furthermore, CI is neither a database of endless information nor mere expensive IT. Instead, it is a value-adding process and a series of regular organisational activities that are driven by specific intelligence with the objective of achieving a competitive advantage (Prescott, 1995:43). It is a possible tool for long-term survival and prosperity (Bernhardt, 1994:15). Going forward, CI will continue expanding its strategic reach through the application of its early warning systems of risk management (Heppes & Toit, 2009:54).

Moreover, there is a need to leverage all strategic processes, decisions and operations with intelligence information. Therefore, business success or failure depends on whether management is well informed about the customers, suppliers and the environment within which they operate (Bulley *et al.*, 2014:83). There is substantial evidence that the extent of CI activities leads directly to more positive relationships among the internal functional areas of the firm. CI, in other words, drives business performance by increasing market knowledge, internal relationships and the quality of strategic planning (Bernhardt, 1994:16).

The growing use of technology as a fundamental tool for knowledge management has obliged the business world to adopt CI as a modern management tool to ensure positive results on both short and long-term plans. Therefore, CI is considered as a vital tool for the decision-making process. According to Colibasanu (2008:2), management – on average – takes decisions based on 30 to 40% of the available information in combination with intuition.

CI information allows firms faster and more accurate external analysis and offers the results required to make decisions. CI changes data into information and knowledge, which accelerates and improves the effectiveness of decision making (Hashemi, 2016:44). This equips firms with a clear understanding of pricing tactics, marketing operations and benchmarking against its key

competitors, and illuminates the strengths and unknown weaknesses (McGonagle & Vella, 2004:68).

Additionally, CI explores new opportunities and threat warnings as a monitor system that enables the firms to swiftly identify its environment. Smart firms have a better and faster grasp of its competitors' strategies and in turn become more conscious when strategic decisions should be adopted (Hashemi, 2016:44). CI offers firms a higher performance in areas such as: (1) acquisition of a new business, (2) retention of an existing business, (3) improvements in performance and morale, (4) identification of new business opportunities, (5) sharing ideas, and (6) improving managers' analytical thinking skills (Nasri & Zarai, 2013:240). Accordingly, CI enhances a firm's competitive advantage through a better understanding of the external (competitive) environment. This leads to improved strategic management and resultant competitive advantage. Ultimately, CI improves a firm's level of maturity (Heppes & Toit, 2009:65). The payoff of CI can be translated into the ability of the firm to protect existing critical customers from the competition, as well as to learn new, unsuspected vulnerabilities in the existing sales and marketing strategies (McGonagle & Vella, 2004:68).

Embedding CI, however, necessitates considerable training throughout the firm. Many firms motivate their employees to contribute by merely feeding back information through newsletters, e-mails or competitor information bulletin boards. For example, the Xerox copier group implemented continuous "broadcasts" of competitor information using bulletin boards and displays. Other firms give awards to employees who contribute important market and competitor information. Firms can raise employees' awareness of CI in many ways (Nasri & Zarai, 2013:243).

CI contributes to revenue for the firm by: (1) providing early warnings of competitors' new product introductions and marketing initiatives, (2) identifying key competitors' emerging strategies that will directly impact the firm's sales and marketing tactics, and (3) serving as a source of insight and giving notice of critical changes in the businesses about key clients and providing news of significant legal changes impacting the firm's own business (McGonagle & Vella, 2004:65).

In conclusion, CI can assist in providing a promising future for firms and can be regarded as a survival tactic in a challenging environment as the CI information enhances success by overcoming the uncertainty of the competitive landscape (Hashemi, 2016:43). CI is increasingly viewed as a crucial part of every business' overall strategy and operations. If designed and used correctly, CI can boost a business' bottom line. However, the significance of CI depends on

developing and using it in the right way based on a particular business' needs, organisation, and competition (McGonagle & Vella, 2004:64).

3.4.4 Competitive intelligence objective

The primary purposes of CI are to underpin and enhance business unit strategic decision making, as this is the level at which competition occurs (Bernhardt, 1994:7). Information is assembled from the external environment to understand and respond to the knowledge gathered. The process of assembling information, filtering it and putting it into a format that management can use to their advantage is a key step to which most firms do not pay much attention. Most firms collect information as part of a continuous process to assist in planning and decision making regarding their operations and functions (Bulley *et al.*, 2014:82). Therefore, the objective of CI is focused on the external forces of competitors, products and customers to accurately assess which strategies should be implemented (Wisnowski *et al.*, 2015:1).

The primary objective of CI is to monitor market trends to identify possible problems and opportunities. CI provides a firm with the necessary information to manoeuvre in advance of market changes (Burns, 2003:2). Therefore, technology can help the CI professional with managing various CI aspects, especially with collecting and filtering information, continuous monitoring of database sources, and rapid distribution of CI results. However, the CI process is very much a human-driven process (Evans, 2000:29).

CI tracks competitors' direct and indirect activities in a range of fields including general business activities, business development, strategy and tactics, new activities, market penetration, patent registration and research activities (Rouach & Santi, 2001:552). Therefore, the need for proactive CI initiatives becomes important to remain up to date in the market. This is confirmed by Sjöblom (2015:32), who argues that robust CI information develops meaningful insights in the firm.

On the other hand, R&D can form part of a CI initiative as the core of data collection and market analysis. As an example, the R&D business unit in Nestlé acts as a separate unit for CI research (Rouach & Santi, 2001:557). CI activities represent a source of sustainable competitive advantage in three ways: (1) making useful, timely, and relevant information available for strategic decision making; (2) providing specific and accumulated knowledge to decision makers; and (3) creating increased market barriers to competition (Gračanin *et al.*, 2015:29–30).

CI aims to monitor a firm's external environment for information relevant to its decision-making process (Chen *et al.*, 2002:1). CI programmes must, therefore, create products and services with value and with specific qualities. *Creativity* is a useful guide for developing CI products (Prescott, 1995:47). CI drives strategic decision making and market leadership. Moreover, CI emphasises the following: (1) *human intelligence* as the most valuable factor; (2) *information* (gathering and analysis) as a more direct and quick approach to learn about competitors; (3) *externally driven* analysis for risk management; and (4) *internal drive* as firms have to be protected from intelligence leaks (Evans, 2000:2).

The objective of CI, however, can be widened to include information on strategic and social intelligence, regulation, financial and tax matters, economic and political issues, as well as social and human resource matters (Rouach & Santi, 2001:554). CI is considered a mechanism of survival and growth that always pays attention to the competitors and avoids any possible threats. It has the most influence on innovation as it is a way to cope with a rapid changing environment (Ghazinour *et al.*, 2014:28). The primary users of CI outputs in a firm are marketing, R&D, sales, finance/accounting, and manufacturing departments (Gračanin *et al.*, 2015:38).

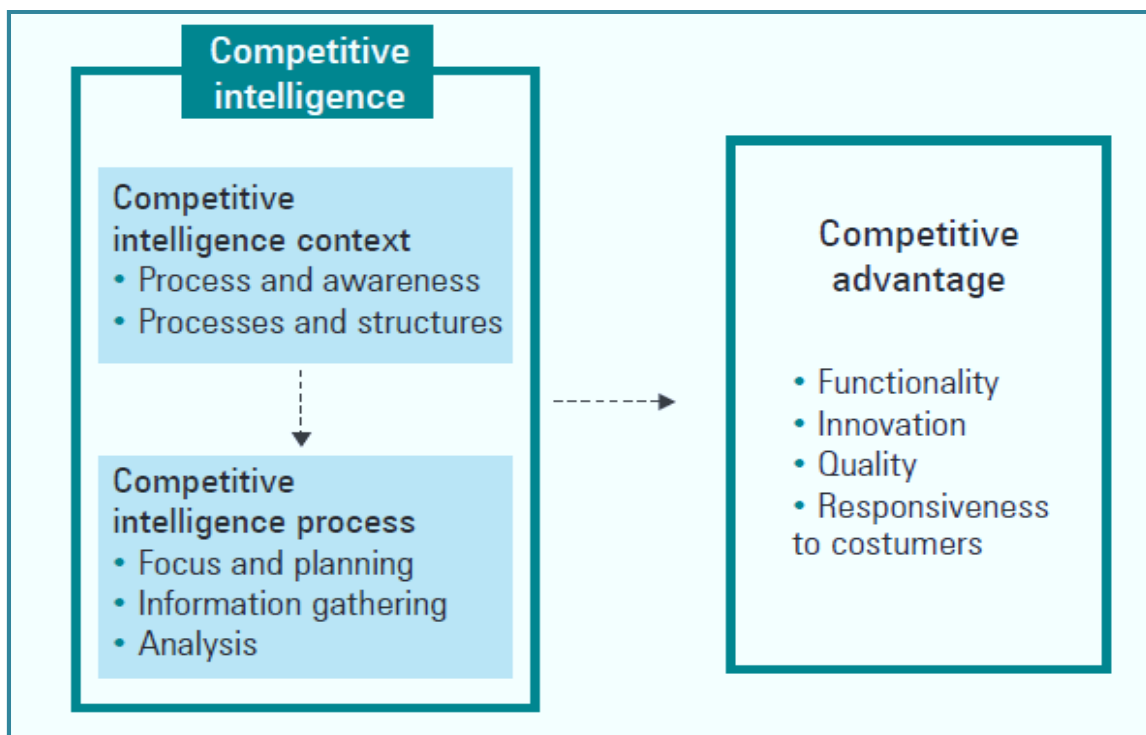
CI provides foreknowledge that can place firms in a better position (Bulley *et al.*, 2014:85). CI recommends: (1) paying attention to the competitors' activities and possible threats arising from this; (2) appropriate pricing to improve the quality of products and services; and (3) directing the firm's strategies (Ghazinour *et al.*, 2014:34). Therefore, a firm's management should put more effort into the intelligence process and structure for data flow and dissemination. The CI strategy should focus on particular objectives related to crucial information needs that would aid management decision making (Bulley *et al.*, 2014:88). In the modern business environment, knowledge is an essential resource. Valid market positioning and development of corporate strategies are incomplete and unthinkable without consideration of CI. However, the extraordinary complexity and volatility of the modern business environment nowadays require much broader information about the current and potential competition (Gračanin *et al.*, 2015:27).

Decisions are commonly taken based on certain assumptions. Over time, however, assumptions change. CI analysis is a critical system of strategy formulation that considers the best forecasts. Therefore, CI identifies areas of improvement, risks and opportunities as "best practices", allowing the firm to create and formulate its knowledge and experience, instead of raw generic benchmarking data (Colibasanu, 2008:3).

A CI information system supports the decision-making process, and this can be a source of competitive advantage, but it is not an easy task in the modern competitive struggle to provide critical information and support both tactical and strategic decision making (Gračanin *et al.*, 2015:27). As technological innovation sped up, businesses worldwide became increasingly integrated. CI was born from the need to better understand the business environment while making strategic decisions (Colibasanu, 2008:2).

CI assists business executives in making better decisions than their competitors by external information about the: (1) changing market structure (entry into new businesses, new alliances or partnerships); (2) competitive activities (expansion capacity); (3) competitive benchmarks (both external and internal customer/ supplier activities); (4) emerging technological initiatives; and (5) global economic conditions (major fiscal and monetary initiatives) (Fleisher, 2001:11).

External CI information not only refers to the competitor’s market share or benchmarks, but also to “the level and structure of their expenses, products and services, quality-price relations, sales volume, scope of activities, cash flows, liquidity, solvency and profitability” (Gračanin *et al.*, 2015:27). Such information is critical for tactical and strategic decision making. Figure 3-8 demonstrates the CI context and framework.



Source: Seyyed-Amiri *et al.* (2017:180) (adapted)

Figure 3-8: Competitive intelligence framework

Figure 3-7 highlights that CI occurs within a specific context and follows a process. This process ultimately should lead to a firm making better decisions and gaining competitive advantage (Colibasnu, 2008:2; Bulley *et al.*, 2014:88). According to Gračanin *et al.* (2015:30), the need for CI has been growing and has become widely accepted in the last decade. Firms worldwide are becoming more aware of its value and usefulness. CI is an investment in modern management concepts that could lead to a sustainable competitive advantage.

The next section discusses the CI process as highlighted in Figure 3-9. The process overlaps with the CI context and therefore only the process will be discussed.

3.4.5 Competitive intelligence process

There is a need to clearly define the types of data required and the process of filtering and analysing and turning that data into information. The method's intensity, the importance of such data and the use of that knowledge in the firm depends on the quality and extent of the data or the length of time the technique takes. The concept of intelligent information knowledge and its implications for decision making is the concern of management (Fleisher, 2001:1015). In this regard, CI has the following characteristics: it is an art of collecting, processing and storing information to be made available at all levels in the firm. CI information can shape a firm's future and protect it against the current competitive threats (Rouach & Santi, 2001:553).

Initially, information was provided to the sales and marketing functions through existing market research channels. However, over time, in some firms a CI unit was established to deal directly with the sales function to determine systematically better CI needs (McGonagle & Vella, 2004:65).

According to Nasri (2011:64–65), the CI process usually refers to six stages:

- a. *Planning and focus* (necessary to define the problem or the aim),
- b. *Collection* (available ways and methods to collect the information from all possible and available sources),
- c. *Analysing* (the collected information can determine the course of further tactical and strategic decisions),
- d. *Communication* (disseminate information to relevant parties),
- e. *Process/structure* (particular decisions have to be made, and particular procedures have to be started), and

- f. *Organisation awareness/culture* (creation of appropriate CI atmosphere and culture within the firm).

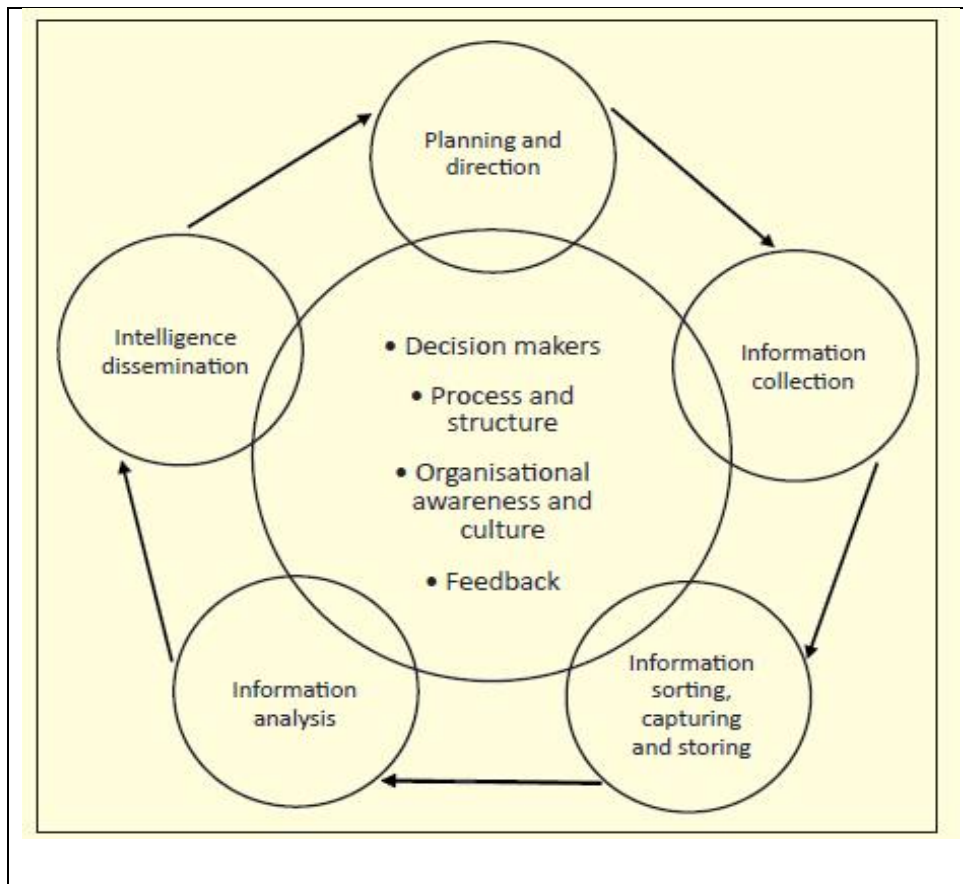
However, the CI process within a multinational firm is institutionalised on a worldwide basis of intelligence and integrated directly into strategic decisions, often through sophisticated information systems. Top management uses CI to shape the future of the firm and considers CI as an integral part of organisational “learning and knowledge” (Prescott, 1995:49).

The roles and responsibilities of CI stakeholders are to: (1) support (to help institutionalise CI activities and support the CI function), (2) manage (to coordinate the CI process and to focus on interpretation of analysis and the deliberation with management on the potential implications of findings), and (3) analyse (collate and analyse information) (Heppes & Toit, 2009:64).

The critical questions of CI include: (1) What activities are currently being conducted in the firm?, (2) What types of intelligence do my employees need to do better jobs?, (3) How will a CI effort assist the firm?, and (4) What are the current facilitators and barriers to developing an action-oriented intelligence effort? (Prescott, 1995:46).

During the CI process, human intelligence plays the most significant role. It is the determining factor in the process’s capabilities. However, to get “renewed” information, a firm should focus on developing its human intelligence capabilities. The firm’s “oral history” is also a useful source of information and knowledge. Therefore, knowledge and experience constitute a premier source that offers answers to operational problems (Colibasanu, 2008:5–6).

Setting up a CI unit in the firm will develop and create a CI culture. The CI process can be implemented using many different models (Fleisher, 2001:22). One such model is shown in Figure 3-9.



Source: Pellissier and Nenzhelele, 2013:6 (adapted)

Figure 3-9: *Competitive intelligence process*

The *planning* phase of the CI process firstly identifies the need for intelligence, then determines the focus area within the firm of that “need” and then plans activities accordingly (Fleisher, 2001:20; Rouach & Santi, 2001:554). The CI process provides actionable intelligence, which provides a competitive edge in the firms. Without a proper process, it is challenging to develop actionable intelligence. However, there is disagreement about how the CI process should be structured. For CI professionals to focus on producing actionable intelligence and to do so with simplicity, they need a common CI process model (Pellissier & Nenzhelele, 2013:1).

The benefits of a CI process model is that it can help a firm understand competitors actions and activities by: (1) understanding the current strategic strengths and weaknesses of the competitors; (2) gaining insight into future competitive strategy, which allows the prediction of emerging threats and opportunities; (3) a decision about strategic alternatives that might easily hinge on the ability to forecast likely reaction of key competitors; and (4) competitor analysis may result in the

identification of some strategic questions that will be worth monitoring over time (Bernhardt, 1994:16).

In today's business, most firms perform CI at some fundamental level, whether they acknowledge it or not. CI has existed commercially since the first salesperson got wind of a competitor's price reduction and decided to communicate this information to his/her superior. In reality, most senior executives practice CI as part of their daily activities as they attempt to understand how to better position their firm's products or services in the marketplace (Fleisher, 2001:6). The CI process, therefore, requires a continuous monitoring process to know what the competition is doing and how the business environment changes (Colibasanu, 2008:3).

Nasri (2012:29) claims that the CI process produces intelligence of quality and value. The following attributes can be used to measure that intelligence:

- a. Accuracy – has the information been proven to be accurate?
- b. Clarity – is the information understandable or comprehensible?
- c. Usability – is the information in a comprehensible form?
- d. Depth – is the information sufficiently detailed?
- e. Relevance – does information cover topics relevant to the day-to-day management or business?
- f. Responsiveness – when special requests are made, does the system respond within an acceptable timeframe?
- g. Timing – has the information been received with sufficient lead-time for a firm to make effective plans?
- h. Comprehensive – how frequently do events occur that have not been flagged in advance by the CI system or how frequently is the firm taken by surprise?

This shows that CI practices are well integrated into the strategic decision-making process and strategic planning. In this sense, CI is a foundation that provides valuable information and knowledge to all levels of the firm. CI enables senior actors to set strategies and make decisions, while at the same time upskilling actors in the middle and operational level so that they know how they should perform in their context.

Badr, Wright and Pickton (2004:8) promote investing in CI and justify this by positing the following:

- a. CI contributes to firm performance and sustainable success as its results are tangible.
- b. CI collects analyses information and transforms it into meaningful intelligence.
- c. CI can predict and anticipate (externally) the timeliness, market share, market trends, competitor orientations, shifts in customer needs and market volatility.
- d. CI (internally) supports actors' performance, network consistency and recovery plans.

The CI process is used to transform valuable information into intelligence knowledge. It is concerned with information that can be accessed both legally and ethically (Nasri, 2012:26). The growing competition in the world market increases the need for information, which explains the subsequent increase in the use of CI (Du Plessis & Gulwa, 2016:4). In a global survey of 109 firms, it was found that the link between technology strategy and business strategy was a significant determinant of CI performance (Lawson & Samson, 2001:395). In terms of CI analysis techniques, the SWOT or PESTEL strategic models can be used to sort and classify the gathered information. These techniques, together with the BSC, were identified as central strategic models for use in this research.

In conclusion, the CI process has a fundamental influence on the firm's overall competitiveness based on knowledge and information from engineering, finance, human resources, manufacturing, marketing, R&D, and sales. It is a vital function that harnesses the power of value-adding and a sustainable competitive advantage (Bernhardt, 1994:12). Technological progress and increasing profit are not the only reasons for adopting CI. What makes the CI process essential is the rapid exchange of vital information (Colibasanu, 2008:5). Over time, knowledge has become the most important asset ever (Colibasanu, 2008:12).

3.4.6 Ethical aspects of competitive intelligence

Ethics is one of the most critical topics with respect to CI. The majority of ethics problems have centred on the methods of information collection (Prescott, 1995:48). CI involves gathering information, yet it should not be confused with corporate espionage (Colibasanu, 2008:9–10). In this sense, the ethics of CI distinguishes between three types of data: (1) *white information* – open-source information that can be found publicly in databases, newspapers, electronic databases, and the Internet, (2) *grey information* – information from the private domain such as trade shows or publications that are ignored by competitors, and information that is collected from competitors' representatives while visiting firms, and (3) *black information* – illegally obtained data such as information gained by means of computer piracy (Rouach & Santi, 2001:555). Corporate

espionage involves unethical business practices with the aim of gaining and maintaining an advantage over the competition, including the theft of trade secrets, blackmail and bribery. Unlike CI, corporate espionage is considered not only unethical, but also a threat to any business functioning in the knowledge society (Colibasanu, 2008:6).

It can therefore be said that the four most valuable primary sources of competitor information are: (1) the competitor organisation itself; (2) customers; (3) agents; and (4) suppliers (Bernhardt, 1994:12). However, CI information should be collected legally and collection practices should respect corporate codes of ethics. It involves a transfer of knowledge from the environment to the organisation within the limits of established rules (Rouach & Santi, 2001:553). Gaining and maintaining an advantage over rivals is the common goal of both espionage and CI. However, through analysis methods, ethically obtained CI information can create a stable environment for the decision-making process (Colibasanu, 2008:11).

CI is not an espionage, rather it is legal gathering and analysis of information regarding the capabilities, weaknesses, and intentions of business competitors (Fleisher, 2001:5). It is therefore differentiated from corporate espionage by ethics. While the business world widely condemns corporate espionage, CI practices are drawing more attention from decision makers every day. This is demonstrated in practice as firms are establishing their own CI departments and business intelligence agencies are developing to offer this new service (Colibasanu, 2008:11).

Ethically obtained CI information helps to answer fundamental questions as it focuses on explaining things that seem to be inexplicable. In contrast, corporate espionage entails an unethical and continuous search for any details that can be used either to get a bigger picture of a competitor or for blackmailing purposes (Colibasanu, 2008:11). The SCIP has devoted a considerable amount of resources to address the topic of ethics from which CI professionals can benefit (Figure 3-10) (Prescott, 1995:49).

Codes of ethics and core principles of competitive intelligence		
Principle	Description	Examples
Misrepresentation	To purposely mislead or falsely represent oneself or an organisation	Posing as a vendor or academic when collecting information Conducting phoney job interviews
Improper influence	To induce others to divulge information that they must keep confidential	Promises of jobs, promotions, gifts, bribery
Covert collection	Applying collection techniques in such a manner that the observed person or organisation does not know that intelligence is being collected	Electronic espionage Planting a mole in a competitor's firm Examining a rival's trash
Unsolicited information	The receipt of information that was not requested	The strategic plan of a competitor found at a conference

Source: Prescott, 1995:49 (adapted)

Figure 3-10: *Ethical principles of competitive intelligence*

The internet has vastly simplified the task of discovering information about competitors sourced from: (1) newspapers, business magazines, and other printed media; (2) websites; (3) analysts' reports and expert opinions; (4) published books; (5) published commentary and observations; (6) legal briefs and filings; (7) general blogs; and (8) employee blogs (Nasri & Zarai, 2013:241). The internet is, however, most reliable source of information for CI; it is a major competitive asset for Japanese companies. Management therefore has to move towards self-directed learning, analysing social media and using new documentation sources (Rouach & Santi, 2001:558).

The first place to investigate ethically obtained information is the websites of firms and relevant stakeholders. This approach provides access to the competitor's necessary information, for example to their business, products, key people, organisational structure and possibly business models. In addition to financial statements, annual reports and timely news can be acquired from these sources (Sjöblom, 2015:44–45). CI can identify relevant information swiftly and helps to make more successful decisions. CI information can detect market threats and opportunities and it can help a firm identify winning strategies in unknown areas (Rouach & Santi, 2001:558). However, the most credible information for use as CI is corporate websites, annual reports, press releases, financial data, scientific journals, conferences and governmental data. Complementary

information that is less credible comprises general news, magazines, social networks, blogs, forums and publicly reported leaks (Sjöblom, 2015:43–45).

Finally, most firms engage in some intelligence efforts, even if it is on an ad hoc basis. However, when evaluating the CI information used as part of a firm's intelligence activities, an initial assessment can be made of the usefulness and intelligence yield associated with these activities (Prescott, 1995:46), the next section will be a discussion of the strategic models.

3.5 STRATEGIC MODELS

Almost every successful manager understands the importance of offering distinctive goods and services to gain a competitive advantage. In the end, gaining an advantage is important to remaining successful (Lee & Sai On Ko, 2000:68). Various strategic models, therefore, make use of business analysis frameworks to evaluate business effectiveness (Aithal, 2017:80). Any organisation that wants to remain productive, whether it is military, product-oriented, service-oriented or even governmental, must use a rational approach to anticipating, responding and altering the future environment (Wehrich, 1982:54). For this purpose, strategic models are used and applied with the following intentions: (1) to have insight into major environmental factors that affect business decisions; (2) to study the firm's operational environment, and (3) to analyse various variables and implications related to new investments or expansion (Aithal, 2017:80).

This study aims to discuss and apply three strategic models, namely the SWOT analysis, the PESTEL analysis, and the BSC. These are discussed individually below.

3.5.1 The SWOT analysis

The model that is expressed in practice as the SWOT analysis was designed in 1960 by Albert Humphrey at the Stanford Research Institute. It focuses on dimensions of strengths (S), weaknesses (W), opportunities (O), and threats (T) (Aithal, 2017:81). An appropriate measure of the SWOT analysis generally includes an industry- and competitive strategy analysis (Wheelen *et al.*, 2017:1). The SWOT analysis is a symmetrical tool based on a comprehensive analysis of all crucial internal (capacities) and external (market) conditions for final strategic decision making. In the broader sense, this model is considered a vital tool for strategic planning (Anton, 2015:22–23).

Since firms operate with increased complexity and change, making the right decisions are crucial. Furthermore, every firm has a unique set of strengths, weaknesses, opportunities and threats. It is crucial that the firm should determine them conclusively (Lee & Sai On Ko, 2000:68). The SWOT analysis is also a strategic management tool that can be utilised to collect and analyse information objectively in order to make recommendations for achieving a specific purpose (Alvarez *et al.*, 2016:6). SWOT analyses are applied widely as a strategic model. The vital prerequisite, however, is to map the strategic landscape, comprising the external market structure, with all the internal (tangible and intangible) potential capacities of a particular firm (Anton, 2015:23). The specific objective is to identify internal and external factors (Alvarez *et al.*, 2016:5). In other words, a SWOT analysis identifies the external and internal factors by matching them with the firm's capabilities (Wehrich, 1982:54). It can be used to identify and evaluate both external and internal factors either favourably or unfavourably. This analysis gives useful information that matches a firm's internal resources and capabilities so that the firm would be able to compete in the external environment (Aithal, 2017:83).

a. Internal analysis

The internal side of the SWOT analysis identify the strengths and weaknesses of a firm (Alvarez *et al.*, 2016:1). The internal strengths and weaknesses can include: (1) management and organisation; (2) operations; (3) finances; and (4) any other factors key to success of a firm (Wehrich, 1982:57).

Conceptually, the strategic planning is a direct analysis of the current and expected future situation. The model determines the direction of a firm and develops a means for achieving its mission. It can be a complicated process that demands a systematic approach (Wehrich, 1982:54). A SWOT analysis furthermore allows achievable goals and useful objectives (Alvarez *et al.*, 2016:5).

b. External analysis

The external side of the SWOT analysis identifies the opportunities and threats that are favourable and unfavourable for achieving a specific objective (Wisnowski *et al.*, 2015:3; Alvarez *et al.*, 2016:5). The external factors of the SWOT environment include the problems of inflation, energy, technological change, and government actions. These diverse factors can be grouped into such categories as economic matters, social and political issues, products and technology, demographics, markets and competition (Wehrich, 1982:56). A SWOT analysis, therefore, is one

of the most widespread strategic analytical models. It is useful when a firm has to understand its competitive advantages within the business environment (Evans, 2000:7). It has proven to be a popular platform for environmental analysis (Ip & Koo, 2004:534).

c. The significance of a SWOT analysis

Evans (2000:7–8) lists advantages of using a SWOT analysis as the following: (1) it is easily understood by all participants; (2) it can be compiled relatively quickly when compared to other analytical models; (3) it focuses on a firm’s needs; (4) it can be applied to many situations and intelligence issues; and (5) it can uncover essential issues not previously addressed.

Figure 3-11 illustrates the framework of a SWOT analysis in detail.

SWOT model	Analysis	Examples
Strengths	Identify the firm’s strengths in terms of resources and capabilities that can be used as a basis for developing a competitive advantage or monopoly strategies as a core competency.	Arranging finances for expansion, patents-based monopoly, leading and self-motivated human resources, strong brand names, good reputation (sometimes an underutilised strength may become a weakness).
Weaknesses	The absence of specific strengths may be viewed as a weakness.	The inability to arrange finance for expansion, lack of patent protection, a weak brand name, poor reputation, high-cost structure, unskilled and unmotivated human resources, un-optimised use of technology.
Opportunities	Opportunities mainly deal with the external environment and reveal specific new opportunities for profit and growth.	Unfulfilled customer needs, the arrival of new technologies, removal of trade barriers, low investment cost, low competition or monopoly, availability of competitive human resources.
Threats (challenges)	Changes in the external environment may present challenges to the firm.	Shifts in consumer taste away from the firm’s products, the emergence of substitute products, new regulations, and increased trade barriers.

Source: Aithal, 2017:85–86 (adapted).

Figure 3-11: SWOT analysis model

A SWOT analysis is also an indicator that focuses on crucial questions by comparing strengths with weaknesses and opportunities with threats, making more direct recommendations to cope with identified threats and weaknesses (Alvarez *et al.*, 2016:5).

d. The four questions of a SWOT analysis

The *first* question raised during a SWOT analysis deals with the strengths, i.e. what the core competencies of the firm are. A strength is a foundation from which a firm can compete and grow (Evans, 2000:7–8). Strengths, therefore, refer to the characteristics that give a firm an advantage over others (Alvarez *et al.*, 2016:5).

The *second* question focuses on the weaknesses: is the firm doing poorly? (Evans, 2000:7). Weaknesses, from a firm's point of view, and more importantly from customers' perspective, include questions such as: (1) Are there any operations or procedures that can be streamlined?, (2) How and why does the competition operate better than the firm?, (3) Are there any actions that should be avoided?, and (4) Does competition dominate a particular market segment? (Wehrich, 1982:56). Weaknesses, therefore, refer to the characteristics that place the firm at a disadvantage relative to others (Alvarez *et al.*, 2016:5).

The *third* question a SWOT analysis addresses deals with the opportunities, i.e. what things a firm should be doing (Evans, 2000:7). Opportunities typically include questions such as: (1) Where and what are the attractive opportunities?, and (2) Are there any new emerging trends in the market? (Wehrich, 1982:59). Opportunities, therefore, refer to elements that could exploit advantages over time (Alvarez *et al.*, 2016:5). In addition, opportunities are a significant factor in determining sustainable growth. After all, opportunities are everywhere, such as changes in technology, government policy, and/or social patterns (Wehrich, 1982:61).

The *final* (fourth) question raised deals with the threats facing a firm, i.e. what events or things could destroy the business (Evans, 2000:7). The most critical questions underpinning the threats are: (1) What type of competition suppresses firm development?, (2) Are there any changes in consumer demand?, and (3) Does change such as technology shifting, hurt a firm's position in the market? (Wehrich, 1982:64). Threats, therefore, refer to the factors in the environment that could cause anxiety or deficiency (Alvarez *et al.*, 2016:5). However, a firm has to face threats, even though they are out of the firm's control. It is vital for a firm to be prepared and face those threats in chaotic situations (Wehrich, 1982:61).

e. The SWOT matrix

The SWOT matrix consists of strategies of: (1) internal assessment (strengths and weaknesses) that underpin a firm’s human resources, capital structure, assets, market share, core competencies, product lines, manufacturing capability, as well as other internal factors; and (2) the external assessment (opportunities and threats), which looks at direct forces, such as competitors, suppliers, customers, and indirect forces, such as economic, political, and social factors (Evans, 2000:8).

A SWOT matrix reviews general considerations during strategic planning by matching the environmental threats and opportunities with the firm’s weaknesses and strengths (Weihrich, 1982:54). It can therefore help a firm overcome its weaknesses by identifying the challenges and preparing a firm to face them (Aithal, 2017:85). Weihrich (1982:61) and Aithal (2017:85) propose a SWOT matrix.

Figure 3-12 reflects this matrix. It comprises the following elements:

- a. S/O (strengths/opportunities) strategy: Any firm would like to be in a position where it can maximise both strengths and opportunities.
- b. S/T (strengths/threats) strategy: This is based on the strengths of the firm that can deal with threats in the environment.
- c. W/O (weaknesses/opportunities) strategy: This strategy attempts to minimise the weaknesses and to maximise the opportunities.
- d. W/T (weaknesses/threats) strategy: This strategy aims to minimise both weaknesses and threats.

SWOT matrix		Internal Analysis	
		Strengths	Weaknesses
External Analysis	Opportunities	S-O Factors	W-O Factors
	Threats	S-T Factors	W-T Factors

Source: Lee and Sai On Ko, 2000:69 (adapted)

Figure 3-12: SWOT matrix

In conclusion, the SWOT analysis aims to contribute to strategic planning by taking a consistent approach of footprint analysis and providing solid recommendations for policy makers, decision makers, and practitioners (Alvarez *et al.*, 2016:1). Next, the second strategic model, the PESTEL analysis, is discussed.

3.5.2 The PESTEL analysis

Various frameworks are used to analyse individual characteristics or organisational effectiveness in a given environment. Such frameworks have necessary parameters to determine the specific characteristics under investigation (Aithal, 2017:93). Two techniques that are used to examine the business environment in which a firm operates (Cadle, Paul & Turner, 2010:2) are the PESTEL analysis and Porter's five forces analysis (see Section 3.2.7). The PESTEL analysis dates back to 1967 as developed by Francis Aguilar at Harvard Business School. It focuses on the environmental dimensions that are external to the firm, namely the political, economic, socio-cultural, technological, environmental-ecological, and legal dimensions (Aithal, 2017:81; Cadle *et al.*, 2010:3).

Globalisation and technological advancements have increased the potential for applying the PESTEL model (Yüksel, 2012:52). PESTEL parameters allow a firm to study a given model/system in depth to identify various frames (Aithal, 2017:81). PESTEL parameters, therefore, are an essential tool for environmental analysis and for developing a sustainable competitive advantage by identifying opportunities and threats (Yüksel, 2012:53).

The fundamental aim of a PESTEL analysis is to assist with strategic planning. It is impossible to consider economic conditions in isolation from political settings in a particular environment (Mkude & Wimmer, 2015:2). A PESTEL model is a consistent method to analyse a firm's structure, behaviour and business (Aithal, 2017:81).

In the broadest sense, the changing environment affects a firm's structure, decision making, and business methods. Today it is not possible for a firm to survive in the long run without considering the dynamic changes in the environment. In order to meet such needs, a firm's decision makers could adopt the PESTEL model to identify macro-environmental events, occurrences and operations (Yüksel, 2012:52). Issa *et al.* (2010:3) argue that a PESTEL analysis is generally used to allow a firm to understand the broad picture of the business environment and to realise the strengths and opportunities, as well as to minimise the potential threats and weaknesses.

It is a process through which the decision makers can monitor the economic, governmental, legal, market, competition, supplier, technological, geographic, and social settings (Aithal, 2017:83). Coping with competition and retaining or increasing market share requires accurate, competitive information gained from the PESTEL analysis (Indiatsy, Mwangi, Mandere, Bichanga & George, 2014:75). A PESTEL framework, therefore, analyse the macro-environment and leads to greater business performance by accessing external opportunities (Cadle et al., 2010:3; Aithal, 2017:86).

Although the PESTEL analysis is usually applied to the external environment, it may also be used to analyse the internal operating influences. This situation arises where issues or ideas concerning a particular function or department under examination and external factors seem to affect that department or function (Cadle *et al.*, 2010:6).

A PESTEL analysis can be used to discover and study opportunities and challenges (Aithal, 2017:86). It is therefore used to determine the extent of macro-environmental conditions and its appropriateness to realise the firm's goals and objectives (Yüksel, 2012:52).

The PESTEL analysis is usually used in a meeting or workshop where several ideas and opinions can be sought. For example, legal representatives would be able to provide information about changes in laws and regulations. It is a good idea for the firm's representatives to raise any aspects that may affect the business before carrying out a PESTEL analysis (Cadle *et al.*, 2010:5).

Figure 3-13 highlights the framework for a PESTEL analysis in detail.

PESTEL	Factors/Parameters
Political	The potential change of government with the corresponding changes in policies and priorities, or the introduction of a new government initiative, which increases the possibility of political issues arising that may affect the organisation and how it operates.
Economic	Level of growth within an economy, or market confidence in the economies within which the organisation operates.
Socio-cultural	Arising from potential customers – changes can be subtle and difficult to predict or identify until there is a significant impact. Examples could be demographic issues such as consumer behaviour patterns or the rise of disposable fashion.
Technological	Factors arising from the development of technology. There are two types of technological change: developments in IT and developments in technology specific to an industry or market.
Environmental (or Ecological)	Concerns regarding the natural environment – the ‘green’ issues include increasing concerns about packaging and the increase in pollution.
Legal	Changes to laws – the last decade has seen a significant rise in the breadth and depth of the legal regulations within which organisations have to operate.

Source: Cadle *et al.*, 2010:3–4; Aithal, 2017:86–89 (adapted)

Figure 3-13: *The framework of a PESTEL analysis*

The PESTEL analysis has two primary functions: (1) identification of the environment in which a firm operates, and (2) providing data and information for predicting situations and circumstances that it might encounter in the future (Yüksel, 2012:53). The PESTEL model is among the most critical and popular concepts taught in business schools around the world. A typical PESTEL analysis comprises all of the relevant political, economic, social, technological, environmental and legal factors (Anton, 2015:21). It is an easy technique to use. Typically, each factor should be considered and documented in turn with potential issues. Listed factors are evaluated to identify the ones most likely to affect a firm. The result should set the firm into action, either to gain an opportunity that appears or to remove any threats (Cadle *et al.*, 2010:5). The PESTEL model is therefore identified as a suitable method for a systematic categorisation of external environmental challenges (Mkude & Wimmer, 2015:5).

The conceptual structure of a PESTEL analysis requires an integrated approach to adequately analyse all factors. It essentially provides a general idea of the macro-environmental conditions and situations (Yüksel, 2012:53). A PESTEL analysis also highlights critical activities in strategic planning, such as assessment, decision-making and a firm's capabilities (Mkude & Wimmer, 2015:2).

In conclusion, a PESTEL model conceptually underpins an analysis of the external environment. It is essentially a strategic model that enhances a firm's strategic planning by examining diverse aspects such as political stability, financial fluctuations and any environmental challenges (Mkude & Wimmer, 2015:2).

The third strategic model of the balanced scorecard is subsequently discussed.

3.5.3 Balanced Scorecard (BSC)

The BSC was designed by Schneiderman in 1987, while its framework was developed and popularised by Robert Kaplan and David Norton in the early 1990s (Aithal, 2017:81; Lee & Sai On Ko, 2000:70). The BSC focuses on several dimensions relevant to management (Aithal, 2017:81). It was initially conceived as an organisational performance measurement tool that included financial and non-financial measures. The BSC measures objectives derived from a firm's vision and its resulting strategy (Kaplan & Norton, 2001:2).

Most firms have different methods of communication and alignment. The BSC is an effective way for both profit- and non-profit firms to measure their set strategies. The BSC includes four perspectives, namely (1) financial performance; (2) a customer value proposition; (3) internal processes; and (4) learning and growth (Kaplan & Norton, 2004:2). The BSC evaluates a firm's ability to make effective decisions from both the internal and external perspective (Aithal, 2017:81). Strategy-focused firms have transformed the BSC framework from a performance management tool into a strategic instrument. Each of the BSC perspectives are discussed below.

a. The financial perspective

The financial perspective refers to the strategy of growth, profitability and risk as viewed from a firm's perspective (Kaplan & Norton, 2001:2). Most firms consider their corporate performance by reviewing the financial aspects only. However, financial measures alone do not offer a balanced view of the critical success of any firm (Kaplan & Norton, 1996:1).

b. The customer perspective

The customer perspective refers to the strategy of creating value and differentiation from the customer (Kaplan & Norton, 2001:2). The aim is profitable relationships with customers, which refers to four elements: (1) selecting customers by identifying attractive segments to brand image; (2) acquiring customers by communicating a firm's value proposition in the market; (3) retaining customers by ensuring quality, creating value-added partnerships, and transforming customers into highly satisfied fans; and (4) developing strong relationships with customers by knowing them intimately (Kaplan & Norton, 2004:4).

c. The internal process perspective

The internal process perspective refers to the strategic priorities of various business processes (Kaplan & Norton, 2001:2–3). By paying close attention to this perspective, a firm can improve internal processes such as operations, customer relationships, innovation and culture. A firm, therefore, will make optimal investments in intangible assets of human capital and information capital (Kaplan & Norton, 2004:1). The internal process perspective could be taken by developing a scorecard shared service unit that will provide links between the functional operations of a firm, including human resources, IT, finance, marketing, and R&D. The scorecard unit enables executives of functional units to build an internal management process that motivates a firm to remain competitive (Kaplan & Norton, 2001:5).

Innovation is, therefore, a significant part of the internal processes perspective and includes four critical processes: (1) identifying opportunities for new products and services; (2) managing the R&D portfolio, which includes a mix of new science and technologies; (3) designing and developing new products and services; and (4) bringing new products and services to the market (Kaplan & Norton, 2004:4).

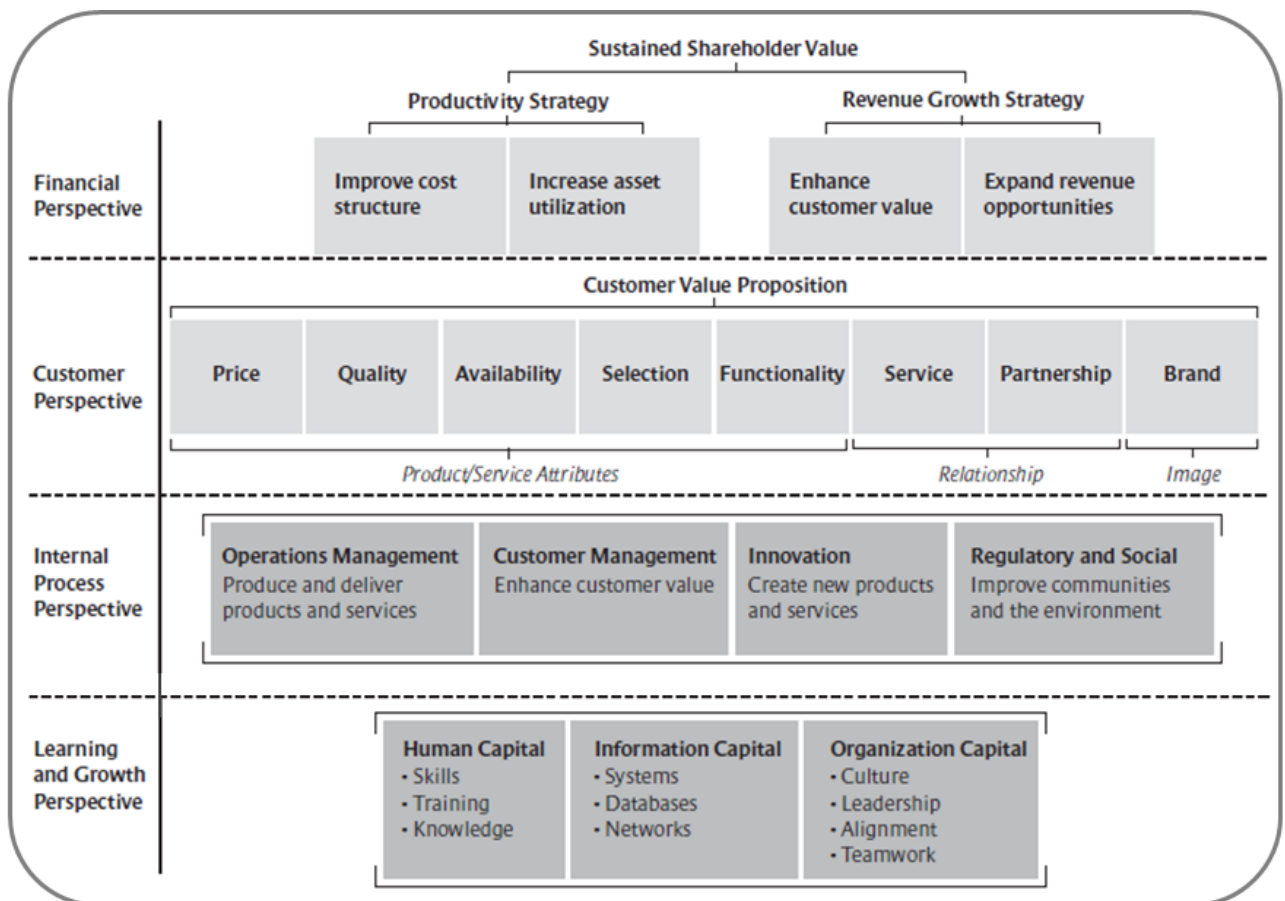
d. The learning and growth perspective

The learning and growth perspective refers to the priorities of creating a climate that supports innovation, growth and organisational change (Kaplan & Norton, 2001:3). According to Kaplan and Norton (2004:7), the learning and growth perspective includes investment in the organisational capital, which is typically structured by four components:

- a. *Culture* – the predominant attitude and behaviour of a firm's functioning strategy;

- b. *Leadership* – leadership competency is a core requirement for the transformational change and process development;
- c. *Alignment* – all employees should be empowered and rewarded; and
- d. *Teamwork and knowledge sharing* – firms must develop knowledge and distribute it through a “push system” or by providing easy access.

Figure 3-14 demonstrates the aligned framework of the four perspectives of the BSC.



Source: Kaplan and Norton, 1996:23 (adapted)

Figure 3-14: BSC perspectives framework

According to Kaplan and Norton (2001:8), the implementation of the BSC might fail. This is usually caused by poor organisational processes. The imperfect BSC process can be defined as: (1) a lack of senior management commitment; (2) limited resources involved in implementation; (3) an over-long development process; (4) treating BSC as a project; (5) hiring inexperienced consultants; and (6) introducing BSC for compensation only.

In conclusion, these three BSC characteristics make it unique as: (1) a top-down reflection of the firm's mission and strategy, (2) a forward-looking tool, addressing current and future success, and (3) a technique that helps firms to focus on critical success measurement (Kaplan & Norton, 1996:3). Hence, it is a strategic model and performance measurement system that allows quantifying critical intangible assets, such as people, information and culture (Kaplan & Norton, 2004:1). This performance system has been assisting top executives since 1992 to set a corporate-level strategy (Kaplan & Norton, 2000:1).

3.5.4 The combination of strategic models (hybrid model)

The main difference between a SWOT and BSC analysis is that by implementing a SWOT analysis, a firm will develop a set of strategies that will serve as a steppingstone towards the external and internal assessment. The BSC, on the other hand, is widely applied in internal corporate performance management, which can be extended to the strategic planning of any firm (Lee & Sai On Ko, 2000:70–71).

A SWOT matrix identifies the critical success factors that can be used as identification when taking the different perspectives of the BSC. Therefore, it is a more structural approach in setting up the foundation and identifying the “key performance indicators” (KPIs). Combining a SWOT analysis with the BSC perspectives offers a systematic and holistic strategic management system (Lee & Sai On Ko, 2000:68). This is confirmed by Ip and Koo (2004:533), who affirm that combining the BSC and SWOT analyses creates a pragmatic approach for managerial and consultant practitioners to translate a firm's strategy into action. By linking a SWOT analysis with the BSC perspectives, a firm can balance its strengths with its weaknesses, and optimise its opportunities in the market (Lee & Sai On Ko, 2000:68).

The PESTEL analysis provides foundational knowledge for macro-environment analysis, but it has some limitations regarding its measurement and evaluation (Yüksel, 2012:53). However, combining the SWOT and PESTEL analyses offers an essential technique that assesses and evaluates both external and internal factors in a more comprehensive manner. These external factors are viewed as opportunities and threats in a SWOT analysis, and by combining this with a PESTEL analysis, the focus becomes broader by identifying the external factors in depth (Cadle *et al.*, 2010:5–6).

Table 3-1 summarises the main strategic models that were applied in this study.

Table 3-1: Overview of strategic models

Strategic model	Factors/perspectives	Analysis scope	Framework	Author
SWOT	a. Strength b. Weaknesses c. Opportunities d. Threats	Internal & external	Asymmetrical strategic tool for final decision making	Wehrich (1982) Anton (2015)
PESTEL	a. Political b. Economic c. Socio-cultural d. Technological e. Environmental f. Legal	External	Environmental assessment and scanning tool for strategic planning and decision making	Mkude and Wimmer (2015) Yüksel (2012)
BSC	a. Financial (Profitability) b. Customer (Market share) c. Internal processes (Productivity) d. Learning and growth e. (Personnel development)	Internal	Performance measurement system	Kaplan and Norton (2000) Kaplan and Norton (2004) Lee and Sai On Ko (2000)

3.6 THE SAUDI ARABIAN CONTEXT

The Arabic Gulf Cooperation Council (GCC) refers to a diverse region in both experience and policies (Kinnimont, 2015:1). The Kingdom of Saudi Arabia was founded in 1932 by Britain as a monarchy and it still remains an absolute monarchy (Fadaak & Roberts, 2018:21). The country boasts a number of flourishing and important cities. Riyadh is the capital city of Saudi Arabia. The city of Jeddah is a Red Sea port and major commercial hub for local industry. Dhahran in the eastern region is the headquarter city of the Saudi Arabian Oil Company (Saudi Aramco). Mecca and Madinah are the holiest sites in Islam for pilgrims. Around 80% of Saudis currently live in these major cities. The rest of the inhabitants live in villages, with less than 1% still living as desert Bedouins (Fadaak & Roberts, 2018:20–21). Figure 3-15 shows the geographical map of Saudi Arabia.



Source: geology.com, 2018

Figure 3-15: Map of Saudi Arabia

Saudi Arabia has a population of 32 million. This vast population leads to enormous pressure on the government and economy that is likely to intensify in the next five to ten years (Kinninmont, 2015:2; Faudot, 2019). The population has urbanised from villages and the desert to cities where they have access to modern education and health services (Fadaak & Roberts, 2018:21). What is more, there is a youth bulge in Saudi Arabia with approximately half of the population being under 25 years old, and two-thirds under 30 years old. These demographics can create instability, and the unemployed youth face a squeeze in living standards as a result of rising inflation. This will increasingly occur as the youth population (15–29) is set to grow at close to 50% over the next 15 years (Kinninmont, 2015:32).

Saudi citizens tend to have a lax attitude towards rules and regulations, especially if they are not in some way linked to the Islamic religion (Haniffa & Hudaib, 2007:187). The political environment includes the ruling family and principal tribes, along with leading religious clerics

(Kinninmont, 2015:17). In other words, citizens' allegiance has established a social contract where the ruling party guarantees the citizens' material comfort, while, in turn, the citizens accept the ruler's right to rule (Stenslie, 2018:66).

Oil was discovered in Saudi Arabia in 1938, leading to the first oil boom. The second oil boom following the formation of OPEC quadrupled the world price of oil in the early 1970s and led to the creation of vast wealth and a modern Saudi Arabia (Fadaak & Roberts, 2018:21). The income of Saudi Arabia is derived foremost from oil sales and profits from overseas investments (Stenslie, 2018:66). The increasing wealth and stability of the kingdom attracted the interest of foreign policy players and investors (Kinninmont, 2015:1). As of today, Saudi Arabia has almost one fifth of the world's proven oil reserves and is the world's second largest producer and the largest exporter of oil (Stenslie, 2018:66).

Saudi Arabia became a member of the World Trade Organization (WTO) on 11 December 2005. The WTO deals with the rules of global trade between nations (Alnaeem, 2016:19). From an economic and cultural globalisation perspective, Saudi Arabia was formerly the most closed market, but in 2005 the country proved its growing openness to trade and globalisation to the WTO. The openness was gained by reducing the number of sectors that are closed to foreign investment and by proposing to open up its stock market to foreign investors (Kinninmont, 2015:63). The Saudi private sector has possibly reached the highest level of economic maturity in all of the Middle East. Although Saudi business players are still tied up in cronyist networks, the policy demands have become more complex as the structures are much more advanced compared to 20 or 30 years ago (Hertog, 2006:74). The private sector in Saudi Arabia has a particular interest in wealthy customers (Albahussin, 2015:17).

The Saudi monarchy has been undergoing dramatic changes with the last decade seeing a rapid growth in population, the economy, and the education system, coupled with far-reaching changes in the flow of information (Kinninmont, 2015:1). Even though a large portion of the private sector in Saudi Arabia requires robust legal and infrastructural services, some are increasingly fed up with day-to-day bureaucratic obstructionism (Hertog, 2006:74).

Saudi Arabia's basic law was established in 1992. It has a strong focus on rights, stating that ownership of capital and labour are fundamental personal rights with a social function that accords with Islamic law. No taxes should be levied "except in need and on a just basis" (Kinninmont, 2015:17). Saudi Arabia, however, has a few political entrepreneurs who would organise larger

groups into formal channels. Politics are, to a large extent, conducted by royal family members. This is even true for comparatively well-organised charities that have a longer organisational tradition in the kingdom. They are usually under the patronage of specific royals (Hertog, 2006:70). The various groups in Saudi Arabia that seek different types of political and social change, therefore, do not constitute an organised opposition with even a basic level of shared demands. Street protests are illegal, and yet some opposition activity is evident through intellectual and virtual mobilisation (Kinninmont, 2015:48). One can therefore say that Saudi Arabia has embarked upon a process of partial authoritarian modernisation. The regime appears to be re-engineering its ruling coalition, with more, although circumscribed, space for the private sector. The regime has tried to channel social interests by offering tokens of participation (Hertog, 2006:76).

Economic growth has provided bargaining power to the current government and has helped them to strengthen their international alliances at a time of austerity in most countries, especially given the structure of the kingdom's economy where a small proportion of the population controls both the political power and the primary economic resources (Kinninmont, 2015:51). The Saudi economy, however, seems to be partially and gradually opening. The regime is slowly reacting by shifting resources for a balance of state and bureaucracy. However, the state still wants more from the private sector and delivers less. The critical factors here is the administrative rules, capital and information terms (Hertog, 2006:73).

Lastly, instability in the Saudi Arabian regime would have grim repercussions and consequences locally, regionally, and globally. The kingdom has a responsibility as a beacon of Islam, as a country with vast oil reserves, vast stores of modern weapon systems, and well-functioning governing institutions besides the loyal tribal-based population (Stenslie, 2018:77).

The country is attempting to fulfil this responsibility, among other things, with Saudi Vision 2030. The next section discusses Saudi Vision 2030.

3.7 SAUDI VISION 2030

This section discusses Saudi Vision 2030 from various perspectives, such as its emergence and aims, its political, cultural, and economic dimensions, and the employment dilemma.

3.7.1 Development

As highlighted in Chapter 1 (refer to Section 1.2.2), during April 2016 Saudi Arabia announced a project of national long-term reform called “Saudi Vision 2030” as an official response to the political-economic of Saudi society and economic transformation (Violi, 2017:94). The custodian of the project, the crown prince of Saudi Arabia and son of the current King, accented to power in 2015. The prince oversaw the formulation of the Saudi Vision 2030 development plan and the detailed implementation catalogue of 543 specific reform initiatives outlined in the National Transformation Programme 2020 (NTP) (Hvidt, 2018:1). The NTP was announced in early June 2016 as the implementation roadmap to target the employment of workers in various economic sectors (Yamada, 2016:6). As outlined in the NTP, more jobs have to be created, and the private sector has to play a more significant role in this effort. The programme’s initiatives seek to create more than 450 000 jobs in the non-governmental sector by the year 2020 (Hvidt, 2018:2).

When Saudi Vision 2030 was launched in the spring of 2016, many young Saudis reacted positively. However, by the end of the year, public optimism began to fade (Thompson, 2018:304). The term “vision” is an indicator of a political programme of Saudi Arabia and other counters of the MENA region (Violi, 2017:60). Saudi Vision 2030 is a blueprint that expresses the kingdom’s long-term goals and expectations and reflects the country’s strengths and capabilities (Saudi Vision 2030, 2018:6).

3.7.2 Aims

The first pillar of Saudi Vision 2030 is to establish Saudi Arabia as the heart of the Arab and Islamic worlds (Saudi Vision 2030, 2018:6). Islamic “Shari’a” law, that – as per extremist – requires rule to be based on consensus and for the citizenry to pledge their loyalty and absolute obedience (Thompson, 2018:250).

The second pillar of Saudi Vision 2030 is the determination to become a global investment powerhouse. The kingdom’s nation holds investment capabilities that can be harnessed to stimulate the economy and diversify revenues (Saudi Vision 2030, 2018:6). However, Saudi Vision’s long-term economic diversification plans should be supplemented by strict long-term plans to manage the impact of economic shifting. Stronger and more transparent institutional mechanisms should be developed to manage the competing interests that naturally arise in any

society (Kinninmont, 2015:8). Overall, Saudi Vision 2030 aims to reduce the kingdom's dependence on oil for its economy by applying a diversification approach (Saudi Vision 2030, 2018:6). Saudi Vision 2030 comes after several decades of uninterrupted population growth. The country has to deal with a primarily young demographic age structure (so-called youth bulge), that places a heavy burden on the Saudi labour market and on public policies aimed at maintaining internal political stability (Violi, 2017:19).

The third pillar of Saudi Vision 2030 is to transform the country into a global hub that connects the three continents of Asia, Europe and Africa by way of its unique strategic location. The country's geographic location between critical global waterways makes the Kingdom of Saudi Arabia an epicentre of trade and the gateway to the world (Saudi Vision 2030, 2018:6). The third pillar's significance rises as international business seeks a long-term presence in the kingdom and has to find ways to access the local economy (Kinninmont, 2015:9).

However, the three pillars of Saudi Vision 2030 seem to be an intent rather than a plan. The strategic objective of reaching non-oil revenue benchmarks has not yet succeeded due to the economic model (Violi, 2017:80). The ambition of reducing dependence on oil and emphasising economic diversity by making the private sector the engine of growth, seems the fundamental aim of Saudi Vision 2030 (Stenslie, 2018:73). This is in addition to transforming the Saudi society (youth bulge) and economy from the level of oil dependence to the level of a post-oil economy (Hvidt, 2018:).

Saudi Vision 2030, additionally, aims to boost security, eliminate corruption, improve housing, enhance education, and create employment. Although ambitious, there are still high chances of achieving these goals (Saudi Vision 2030, 2018:7). Another aim of Saudi Vision 2030 is to empower the education system by placing at least five national universities among the world's top two hundred in education indicators (Khashan, 2017:3).

Saudi Vision 2030 in particular aims to reduce national unemployment by economic diversification and the development of a dynamic private sector (Violi, 2017:26). It therefore has long-term plans envisaging a transition to a post-oil icon that is developing a mixture of energy-intensive and knowledge-based industries and that employs more nationals in the private sector (Kinninmont, 2015:7). The plan includes long-term national development policies and aims to transform the economic environment and societies. However, some feel that the term "vision" covers the political programme with a mandatory divine mantle (Violi, 2017:79).

3.7.3 The political dimension

Saudi Arabia seems to be going through a period of radical economic and societal transformation. For the first time since the modern kingdom was founded in 1932, Saudi Arabia is suffering under a set of pressures that could justify such transformation (Violi, 2017:19). The kingdom is in a politically turbulent region, and “many see authoritarianism as a means to ensure security and prosperity” (Kinninmont, 2015:8). Saudi Arabia is the most heavily burdened country in the MENA region as it is characterised by a young and educated population that is challenging the ideological terms of reference within society. For this reason, Saudi Arabia, similar to other countries that have undergone such a demographic process, is particularly prone to political instability and violent unrest (Violi, 2017:44).

Saudi Vision 2030 seeks to shift the government’s role of providing services to one where the government focuses on monitoring and regulating only (Saudi Vision 2030, 2018:45). The political structure of Saudi Arabia, however, affects any business function and limits its ability in many areas currently bounded by regulation. The power of Saudi regime is unlimited, extending to all spheres of life (Haniffa & Hudaib, 2007:185). Today, Saudi Arabia’s some groups are seeking different forms of political and social change, even though they do not constitute an organised opposition (Kinninmont, 2015:45). Saudi Vision 2030, therefore, intends to improve the business environment and will coordinate with legislative authorities to review current regulations. It will strictly apply international legal and commercial regulations and create a business environment conducive to long-term investment (Saudi Vision 2030, 2018:50). Nonetheless, transparency and openness in government should be a greater priority to align with the expectations of the Saudi’s younger generation. Sustainable reforms, furthermore, require changes to formal laws and institutions, informal institutions and ways of thinking (Kinninmont, 2015:67). By applying the blueprint of Saudi Vision 2030, Saudi Arabia “hopes to consolidate its position as the leader of the Islamic and Arab worlds by enhancing its political and economic networks in the region, as well as in the rest of the world” (Saudi Vision 2030, 2018:50).

The societal issues in Saudi Arabia are central to future policymaking. Understanding the societal issues is no longer optional, but necessary (Thompson, 2018:291). The political climate in Saudi Arabia is indeed a crucial point of departure when attempting to change the socio-economic situation (Violi, 2017:79).

The political reality is related to the oil price and is necessitating changes in Saudi government policy. The kingdom's youthful and frequently aspirational population expects concrete policies from the government, practical policies that can improve the socio-economic situation through better resource management (Thompson, 2018:303). Although the oil price has experienced ups and downs following geopolitical shifts and international energy market disruptions, Saudi Arabia has never before faced a period of uncertainty in which intertwined demographic and economic aspects run the risk of undermining the political base of the kingdom (Violi, 2017:25).

Ordinary citizens in Saudi Arabia are feeling the effects of the low oil price. The resource governance and the kingdom's distributive system is likely to be more widely discussed in Saudi society (Thompson, 2018:304). The system of loyalty in return for welfare has added to state instability. As oil prices remain low and the population booms, the government's resources are increasingly running out (Stenslie, 2018:73).

The Saudi foreign policy is another political dimension of Saudi Vision 2030. With the implementation of Saudi Vision 2030, the kingdom will forego its traditional role as an oil producer by instead opting for a significant role in the global energy industry that requires the transformation of Aramco, its oil conglomerate, into "a fully-fledged international oil company" (Khashan, 2017:5). The critical issue is whether the Saudi government is willing to open the national decision-making processes further to merge traditional regime monopoly with decision making (Thompson, 2018:304).

Saudi Vision 2030 also aims to address the use of social media among Saudis so that they can raise their voice and opinions. Many people believe that social media plays a significant role in many of the internal changes that have been witnessed. The general level of political awareness among young Saudis is far above that of any previous generation (Thompson, 2018:301). Besides boosting the economy, Saudi Vision 2030 promises to increase social freedom (Stenslie, 2018:74).

The most difficult challenge for the kingdom will be to demonstrate the value of the programme to the population. The lack of a coherent political and long-term cultural strategy is the biggest problem confronting Saudi Arabia today (Violi, 2017:100). Saudi civil society is not a homogeneous entity, so 'local context' does not necessarily reflect the Kingdom as a whole, but rather specific areas or constituencies, and this is likely to become critical in the future (Thompson, 2018:300). The current demographic transition is therefore characterised by an increasing degree of ideological instability and social restlessness (Violi, 2017:90).

Saudis have recently gained a degree of influence over the leadership's decision-making processes by highlighting issues in social media, including the need for economic reforms, regardless whether this has any real political impact (Thompson, 2018:301). This has implications for the relationship between practitioners and policymakers in Saudi Arabia (Haniffa & Hudaib, 2007:180). Saudi Vision 2030, therefore, will give everyone the opportunity to have their say so that the government can serve them better and meet their expectations (Saudi Vision 2030, 2018:37).

It is expected that the transformation envisioned through Saudi Vision 2030 will affect and influence Saudi's political, economic, and socio-cultural environment (Thompson, 2018:304). Thus far, the role players behind Saudi Vision 2030 have considered the official response to these multidimensional challenges from its society with its changing demographic structure. Together, all these interrelated factors have had negative consequences for Saudi finances (Violi, 2017:89). Young Saudis are concerned more with the lack of employment, the cost of living, education and housing than with anything else. If Saudi Vision 2030 can address these issues head-on, it might boost its popularity among the younger segments of the population and reflect on its success (Hvidt, 2018:4).

3.7.4 The cultural dimension

Saudi Arabian society is considered one of the world's strictest and most traditional societies (Clarke, 2007:30). In 1999 Saudi Arabia was one of the last countries in the world to make internet access available to the public. Initially, conservative Saudis were wary of the internet, just as they worried about the impact of the camera phone. However, today Saudi Arabia has one of the highest rates of internet access (Kinninmont, 2015:34). Social media has become popular and is used extensively. Saudi Arabians watch YouTube videos more than anyone else in the world. The country also ranks first in the world regarding Twitter user penetration online per capita (Kinninmont, 2015:35). According to Saudi Vision 2030 (2018:36), the kingdom's productive families are now enjoying vast opportunities on social media and digital platforms. Saudi Vision 2030 promises to deepen communication channels between government agencies and citizens by facilitating interactive online and smart engagement methods to listen to citizens and meet their needs accordingly (Saudi Vision 2030, 2018:28).

Every year Saudis spend an estimated \$30 billion on entertainment and tourism in the Middle East, especially in neighbouring Dubai (Hvidt, 2018:5). Saudi Vision 2030 therefore considers

entertainment to address the quality of life. The current cultural and entertainment opportunities do not reflect the citizens' and residents' rising aspirations, nor are they in harmony with a prosperous kingdom economy (Saudi Vision 2030, 2018:22).

Changes in information- and education availability have played a prominent role. A more connected and vocal society is likely to create new expectations for transparency and greater participation in the governmental public sphere (Kinninmont, 2015:7). Saudis have matured and will no longer follow government directives if they do not see willingness from the government to commit in return. A government should lead by example or show commitment and transparency through legislation (Thompson, 2018:298). From an educational perspective, the thousands of students who study abroad are broader forces of change as more than 130 000 Saudis – 20% of whom are women – go overseas to study each year, and they return with exposure to push for more liberalisation (Kinninmont, 2015:41).

One part of the kingdom considers the spread of free mass media as a cultural invasion that challenges and threatens the kingdom's identity and culture (Kinninmont, 2015:41). Yet, Saudi Arabia has growing public awareness of the need for government accountability, transparency and best practices. Civil society still does not have any influence on government policy itself. This transparency so far is evident in the area traditional media, such as television and newspapers, and in the new media. The new digital technologies, however, can often be manipulated as it is dense, compressible and interactive (Thompson, 2018:297).

Saudi Vision 2030 also seeks to offer various entertainment possibilities that suit the tastes and preferences of the citizens, such as arts venues, libraries, and museums. These projects will also contribute to the economy and will result in the creation of many job opportunities (Saudi Vision 2030, 2018:22). The cultural dimension of Saudi Arabia is complicated and the government has to be more vigilant and responsive to changes in demand. Developing a broad understanding of Saudi culture is critical (Attas & Kang, 2015:6).

Saudi Arabia has experienced a period of transition. The demographics, economy, and society are undergoing sweeping changes that are gradually moving the country away from its comfortable position of a welfare state (Violi, 2017:98). Saudi Vision 2030 will review many regulations to simplify the establishment and registration of amateur, social and cultural clubs to encourage the exchange of knowledge and international experiences and to promote better cultural awareness in a wide range of hobbies and leisure activities (Saudi Vision 2030, 2018:27).

Lastly, bringing women into the job market is the most visible cultural change included in Saudi Vision 2030 so far. The most fundamental cultural change came through the decree issued in September 2017 (this decree is discussed further in the next section) that reinstated the right of women to drive. It became effective on 24 June 2018 (Hvidt, 2018:3). The Saudi public has bought into Saudi Vision 2030, even though it took them by surprise. The truth remains that the ruling elite has “embarked on the path of unprecedented transformation”. The vital characteristic of this significant effort, however, focuses on the country’s youth involvement and contribution (Khashan, 2017:7). The current socio-economic circumstances of the country cannot lead to economic development and change will not be successful without a parallel programme of political openness (Violi, 2017:19).

3.7.5 The economic dimension

Saudi Vision 2030 offers opportunities for the entrepreneur by structuring an education system aligned with market needs. The aim of Saudi Vision 2030 is to improve the quality of life by privatising some government services (Saudi Vision 2030, 2018:13). Initially, many Saudis saw Saudi Vision 2030 as an attempt to respond to high unemployment among the kingdom’s predominantly young population (Thompson, 2018:294).

The Saudi socio-economic environment is facing serious issues related to the population growth, high unemployment rates, the youth bulge and rapid urbanisation (Violi, 2017:9). As part of the change, a small and mid-sized enterprise (SME) authority has been established. The SME authority is among the most important agents of economic growth as it can create jobs by supporting innovation and boosting exports (Saudi Vision 2030, 2018:36). For the same reason, Saudi Arabia’s general investment authority set up “economic cities” to bring private investment into different regions of the country (Kinninmont, 2015:28). As part of a multi-decade effort to strengthen the private sector, the country now has the most active stock market in the region. The barriers to foreign direct investment have been significantly lowered, but the state still refuses to grant visas on more favourable terms (Clarke, 2007:30).

Privatisations, public-private partnerships and foreign direct investment are keywords of Saudi Vision 2030. The new economic focus is on reforming the Saudi labour market and increase its productivity (Violi, 2017:84). The ongoing privatisation of state-owned assets, including leading companies, property and other assets, will bring new and more diverse revenue streams for the Saudi government. In addition, it will enhance the kingdom’s financial resources and economic

stability in the long run (Saudi Vision 2030, 2018:42). Privatisation will, however, increase dependence on skilled foreign labour. This is despite the unattractiveness of the Saudi work environment and is due to Saudis lacking the necessary skills and motivation to do manual or strenuous work (Khashan, 2017:3).

Although the kingdom believes firmly in the critical role of the private sector, it currently contributes less than 40% to the GDP. In an effort to increase the long-term contribution, Saudi Vision 2030 will open up new investment opportunities, facilitate investment, encourage innovation and competition and aim to remove obstacles currently preventing the private sector from playing a more significant role in development (Saudi Vision 2030, 2018:45). Increasing the private sector contribution to GDP and having a more diversified economy is an incentive to social development and a remedy for unemployment (Violi, 2017:73). Throughout the history of modern Saudi Arabia, welfare arrangements have been presented as gifts rather than rights, and in return, subjects are expected to obey the benefactor. Saudi Arabia is the welfare state par excellence (Stenslie, 2018:66).

Local enterprises are not yet significant contributors to the kingdom's GDP (Saudi Vision 2030, 2018:36). The vision is therefore aimed at diversifying the economic sources of national income and reducing the Saudi economy's dependence on oil. In fact, oil still represents more than 90% of export earnings and 42% of GDP (Violi, 2017:72).

Saudi Vision 2030 includes the development of investment vehicles, mainly through the privatisation of 5% of Aramco (the national oil company) and many other state-owned assets. The aim is to create a public investment fund consisting of more than \$2 trillion that will become the largest sovereign wealth fund in the world (Violi, 2017:96). This will contribute towards developing entirely new economic sectors and establishing durable national corporations (Saudi Vision 2030, 2018:42). In other words, the Saudi government is intent on cutting government spending and increasing its revenues by increasing foreign investment and selling 5% in the giant national oil company. The sale of 5% would raise an estimated \$100 billion (Stenslie, 2018:74).

These steps seem unrealistic for two reasons. Firstly, external consultants can be insensitive to local cultures. Prudent analysts seriously doubt the Saudi claim to end the country's economic dependence on oil by 2020 (Khashan, 2017:8). Secondly, Saudi Arabia has a history of nearly eight decades of oil production and has become accustomed to high oil prices in the last decade (Kinninmont, 2015:6). The only way for the Saudi economy to free itself from the hegemony of

oil is to relinquish its role as a provider for society and to boost the foreign direct investment in proper economic diversification (Khashan, 2017:8). Saudi Arabia and the UAE, so far, have achieved oil export revenues on a scale other countries only dream of (Thompson, 2018:1). However, Saudi Arabia needs oil prices at \$97/barrel to balance its budget. They have faced particular unrest since 2011, partly because there is more pressure on the limited oil resources (Kinninmont, 2015:2).

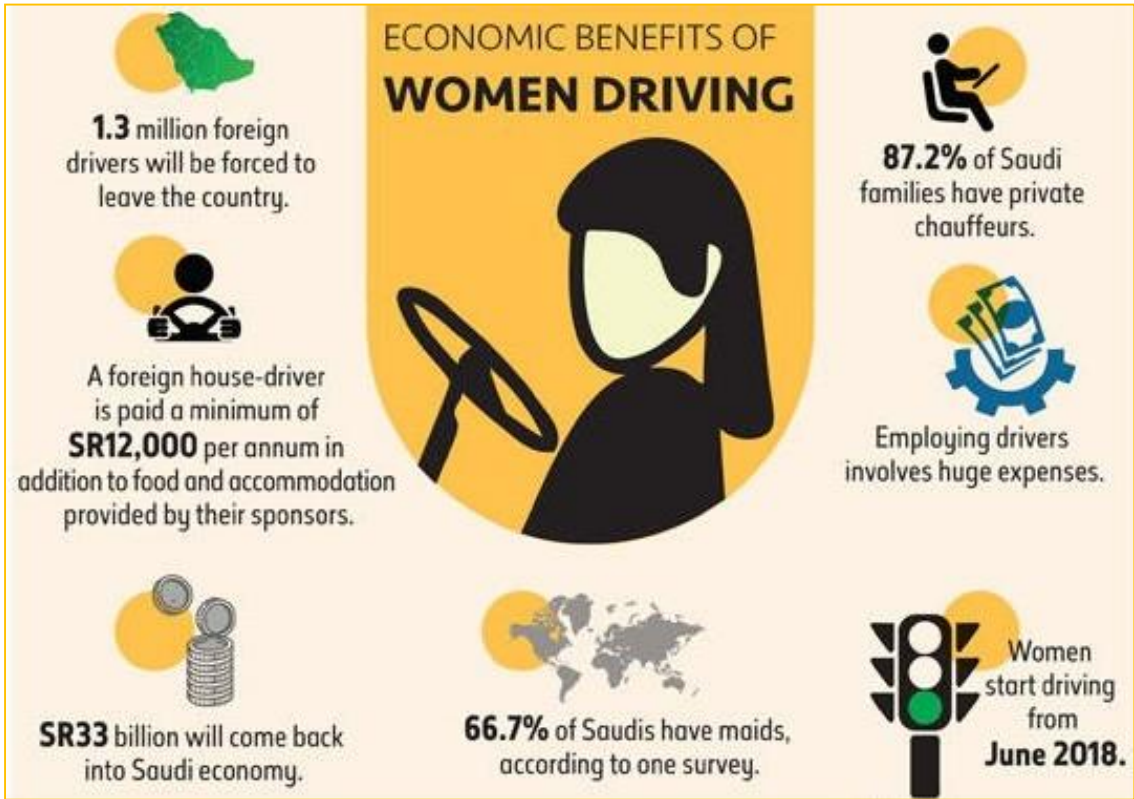
Saudi Vision 2030 will thriving country in which all citizens can fulfil their dreams, hopes and ambitions (Saudi Vision 2030, 2018:71), through unlocking “hard” infrastructure with systems that can drive higher performance, including more rigorous governance, leaner processes, a more efficient customs system and improve existing laws and regulations (Saudi Vision 2030, 2018:58). According to Khashan (2017:7), the Saudi government says it wants to eliminate income tax for Saudi citizens by 2019. Income tax would, however, be levied on the expatriate workforce. If that is applied, expatriates will consider moving abroad.

On the other hand, to reduce spending, the government introduced cuts to the subsidisation of basic goods such as petrol, water, electricity, and food. As a result, there has been a marked rise in consumer prices. During October 2017, the government decided to cut subsidies more gradually, subsequently taking longer to balance the budget. The decision came suddenly without prior communication and consultation and created dissatisfaction among state employees (Stenslie, 2018:74). In addition, on 1 January 2018, the government applied 5% value-added tax (VAT) on most goods and services in addition to privatising electricity and water supplies to cut public spending (Khashan, 2017:7). This is the first time that VAT has been applied with the aim to open up the economy. Additionally, the government has introduced a 100% excise tax on tobacco products and energy drinks. Citizens’ income and Saudi companies’ profits will remain untaxed, for now (Stenslie, 2018:74). The slowdown in the economy and the rise in the unemployment rates, especially among the youth, are the main economic issues in Saudi Arabia today (Violi, 2017:19). Saudi Vision 2030 proposes economic expansion. This necessitates building the infrastructure for the new economy and for investment so that the kingdom can generate sustainable revenues (Khashan, 2017:3).

The success of the reform programme depends heavily on the Saudi kingdom’s readiness for foreign investment acceptance and deployment (Violi, 2017:91). For example, the most promising Saudi economic sector after oil remains religious tourism, which has grown considerably in recent

years as Saudi Arabia houses two of the holiest sites in Islam: The Great Mosque in Mecca and the Prophet’s Mosque in Medina. However, the main hurdle slowing the growth of religious tourism is the complex procedure of issuing pilgrim’s visas (Khashan, 2017:7).

Another economic decision as part of Saudi Vision 2030 is the historical decision to allow women to drive. This was announced in a royal decree read live on state television. Saudi women have explicitly thanked the king for this reform change, which took effect in June 2018. Saudi leaders are optimistic that the new policy will help the economy by increasing women’s participation in the workplace (Fatima, 2018: Saudi Gazette, June 1, 2018). The General Department of Traffic (GDT) and commanders of road security forces have prepared everything needed to enable women to start driving in the kingdom. The minimum age for obtaining a driver’s license is 18 years. The GDT promised that there will be no discrimination between male and female drivers, and that women will be allowed to drive trucks and ride motorcycles as long as they meet the stated requirements (Arab News, 2017). Figure 3-16 is an infographic showing the impact of women driving on the Saudi economy.



Source: Arab News, 2017 (adapted)

Figure 3-16: *Infographic of economic benefits of women driving in Saudi Arabia*

The decision to relax the religious controls and enhance the role of women in the public sphere has become important to transform the Saudi society into a post-oil era. In addition, on 18 March 2018, the intended reform was extended when government commented that “Women would decide what type of clothing she should wear as long as it is decent and respectful” (Hvidt, 2018:5).

Saudi Vision 2030 brings another socio-economic change in the kingdom. The first cinema in 35 years was opened in April 2018. About 40 cinemas will open in 15 cities over the next five years, with another estimated 350 hosting 2 500 screens, will be opened up until 2030. Saudi Arabia, with a population of 32 million, mostly under the age of 30, is expected to be the region’s largest market for movie theatres (Arab News, 2017). This could attract new talent and global investment. Such investment will create more job opportunities (Saudi Vision 2030, 2018:13).

Despite these economic reforms, the proponents of the Saudi Vision 2030 reform plan should consider that Saudi Arabia is experiencing a steep population increase that will create an employment dilemma and that the reality of steering the economy away from oil is more difficult than it seems the plan considers. The income from oil is being restrained by a global overproduction and the challenge of low-cost solar power (Hvidt, 2018:2). Interestingly, Yamada (2016:2) argues that Saudi Arabia, will be a net oil-importing country in late 2030 if domestic oil consumption continues to increase at its current pace.

Lastly, Saudi Vision 2030, however, focuses on creating a modern and productivity-led economy, which can only be attained by creating more jobs for Saudis (Khashan, 2017:3). The employment issue therefore remains an economic matter. The study addresses this issue separately in the next section since it is addressed in depth by Saudi Vision 2030 and it seems to be a focal point of the development plan.

3.7.6 Employment dilemma

The most significant asset of Saudi Arabia is the youth, as more than half of the Saudi population is below 25 years old. Saudi Vision 2030 takes advantage of this demographic dividend by harnessing the youth’s energy and expanding entrepreneurship and enterprise opportunities (Saudi Vision 2030, 2018:37). Thompson (2017:302) researched whether Saudi Vision 2030 was perceived by young (19 to 25 year olds), educated Saudi males as a viable response to not only their concerns but also aspirations. The results indicate that although the majority of participants

hope that it will succeed, there are key societal needs that should be addressed. These include: employment, reduced dependency on oil, economic diversification, and improved housing and healthcare (Yamada 2016:3; Khashan, 2017:1; Saudi Vision 2030, 2018:45; Hvidt, 2018:4; Thompson, 2017:302).

Although employment is a key issue, a performance gap may arise due to factors such as recruitment processes and the political and legal structure in Saudi Arabia (Haniffa & Hudaib, 2007:182). That is to be expected in a country with an overwhelmingly youthful population (Kinninmont, 2015:36).

Saudi Arabia has a total population of approximately 32 million people, with migrants representing 11 million (Faudot, 2019:96). Approximately only 11 million out of the total population are employed (5 million Saudis and about 6 million migrants) (Hvidt, 2018:3). Employed Saudi women represent less than 1 million. Overall, Saudi nationals' employment is 40% men and 10% women and the remaining 50% are migrants. By international standards, the employment numbers are extremely low (Hvidt, 2018:3). The employment dilemma can be ascribed to three issues (as discussed in the next section): (1) foreigner workforce, (2) women employment, and (3) business contribution. According to the official release by the Saudi Arabia general authority for statistics (GASTAT), in June 2019 the unemployment rate in Saudi Arabia fell to 12.5% in the first quarter of 2019.

a. Foreign workforce

Since the structural basis of the Saudi labour market is dominated by more than 11 million foreign workers (Violi, 2017:34), the government is obliged to address this as part of Saudi Vision 2030 (Violi, 2017:28). According to the World Bank's projections, the total population of Saudi Arabia will reach 46 million by the year 2050 (Violi, 2017:29). The primary challenge, indeed, will be the increase in citizens' participation in the Saudi labour force. Almost 10 million young Saudis, including a rising female labour force, will be at a working age by 2030 and, therefore, will put pressure on the labour market (Al-Kibsi *et al.*, 2015:77). Saudi Vision 2030 seems to be oriented towards a radical solution. As a last resort, the government wants to expel 11 million foreign workers presently employed in the private sector. This option may be fraught with humanitarian and political consequences (Violi, 2017:34). Judging by the expansion of the Saudi development infrastructure over the past five decades, the need for expatriate personnel will increase exponentially, including highly paid executives and skilled specialists (Khashan, 2017:3).

Although Saudi Vision 2030 does not openly address the issue of so-called ‘Saudisation’, the term points towards the policy of replacing foreign workers in the private sector with Saudi nationals (Faudot, 2019). Reducing the number of expatriates has always been a priority for the kingdom (Violi, 2017:86; Faudot, 2019).

Saudi Vision 2030 aims to attract the necessary skills and capabilities from within the country and overseas (Saudi Vision 2030, 2018:13). It seeks to improve living and working conditions for non-Saudis, by extending their ability to own real estate in specific areas and adopting a useful and straightforward system for issuing visas and residence permits (Saudi Vision 2030, 2018:37). Yet the country is worried about the mass of 11 million foreign workers that the Saudi economy cannot dispense with (Violi, 2017:25).

The Saudi ministry of labour claims that a million illegal foreign workers have been deported, leading to 250 000 Saudis taking up new jobs as a result. If this is correct, it leaves 750 000 jobs unfilled (Kinninmont, 2015:30). The Saudi economy depends on the presence of foreign labour (Clarke, 2007:30). Presently more than 6 million jobs are occupied by foreign workers while more than 700 000 Saudi nationals are looking for a job. An estimated 200 000 Saudis are entering the job market annually, and therefore, it makes perfect economic sense for the local population to increasingly take over jobs now occupied by imported labour (Hvidt, 2018:4).

Saudi Vision 2030 will continue modernising the social welfare system to make it more efficient, empowering and fair (Saudi Vision 2030, 2018:29). The government will offer preparation and training to those unable to find employment so they can join the workforce as soon as possible. These efforts are coordinated by the recently established Job Creation and Anti-Unemployment Commission (Saudi Vision 2030, 2018:37). The commission is aware that the Saudisation programme is the best way to create new job opportunities for the Saudi population. Stimulating the private sector to meet Saudisation policies through Saudi Vision 2030 means a shift of the economic model from a path of low skills to a path of high skills and high productivity (Violi, 2017:87). However, Saudi Vision 2030 cannot realistically compete in the private sector, as low wages do not appeal to Saudis accustomed to high-paying public sector jobs (Khashan, 2017:3).

b. Women employment

Saudi Vision 2030 is making a concerted effort to increase the percentage of women in the workforce ((Kinninmont, 2015:4; Hvidt, 2018:3). Traditionally, modern Saudi Arabia did not

require Saudi women to be employed outside their homes in line with tribal traditions. It was seen as something that would be made possible only “when necessary”. The interaction between genders was prohibited forcibly due to the fear that traditional family and community controls would loosen in urban areas based on the Western influences (Fadaak & Roberts, 2018:21). However, today one-third of the Saudi public sector workforce is female. There will be continued backlash from conservatives because women present serious competition in the job market, especially in public sector jobs that are likely to become scarcer (Kinninmont, 2015:30). The government has asked various entities in the public and private sectors to post jobs targeted at women to increase the number of women in the work force. In response to this, the General Directorate of Passports during January 2018 advertised 140 jobs for women to work at airports. In turn, 107 000 women applied and the website where the advertisement was posted was visited more than 600 000 times (Hvidt, 2018:3). Saudi Vision 2030 does promise to provide opportunities for everyone – men and women, young and old – so that they may contribute to the best of their abilities with the emphasis on lifelong training (Saudi Vision 2030, 2018:37). The government is now eagerly pursuing initiatives aimed at including the women in the new Saudi Arabia (Hvidt, 2018:1).

In Saudi Arabia, 64% of bachelor graduates in the last ten years have been female and the government now spends more on women’s education than on men’s, especially since top-performing male students frequently get scholarships to study overseas (Kinninmont, 2015:33). Analysts, however, are pessimistic. They argue that the relaxation of religious controls in the public sphere, which implies relaxing control over women, is aimed mainly at attracting more foreign investment and facilitating diversification into tourism and entertainment (Hvidt, 2018:5).

Women’s education has grown in leaps and bounds. The first state school for girls opened only in 1964, and primary and secondary education was not made compulsory until 2001. Today the official position is that education is a fundamental requirement for both genders (Kinninmont, 2015:33). Bringing more women into the workforce may have significant economic potential. As everywhere in the world, stimulating women's entry into the market adds a greater mass of talent. The women in Saudi Arabia are now well educated (Hvidt, 2018:3). However, women’s educational achievement is at odds with the job opportunities, especially in the more conservative public sector where the sexes are disproportionally employed. The socially acceptable jobs for women remain teaching and medicine (Kinninmont, 2015:34). However, in the progress of this study, by 2020 the automotive sector and ALJ, in particular, has witnessed a tremendous change

by massive employments of women in frontline showrooms and the back offices especially HR division.

c. The business contribution

According to Saudi Vision 2030 (2018), a flourishing retail sector – over the past decade – achieved an annual growth rate of more than 10%. It currently employs 1.5 million workers, of which only 0.3 million are Saudis. Traditional retail still has 50% of the market share in the kingdom. Currently, retail is suffering from limited penetration of modern trade and e-commerce. The aim, therefore, is to increase the contribution of modern trade and e-commerce to 80% of the retail sector by 2020 (Saudi Vision 2030, 2018:57). Based on a McKinsey report, the Saudi Vision 2030 identified eight sectors that, if properly utilised, would generate at least 60% of Saudi economic growth (Al-Kibsi *et al.*, 2015:7). Sectors include “mining and metals, petrochemicals, manufacturing, retail and wholesale trade, tourism and hospitality, healthcare, finance, and construction” (Khashan, 2017:3). Meanwhile, Saudi Arabia has to create an estimated 4 million jobs over the next five years to absorb new labour market entrants (Kinninmont, 2015:26). Saudi Vision 2030, therefore, aims to provide job opportunities for an additional one million Saudis by 2020 in a growing retail sector that is attracting modern, local, regional, and international brands in all regions of the country. Practically, the job creation will be achieved by attracting both regional and international retail investors and by easing restrictions on ownership and foreign investment (Saudi Vision 2030, 2018:57). The kingdom has a reduced capacity to create new job opportunities in the overloaded public sector. The ongoing public policies aimed at reducing energy subsidies and the planned privatisations of many parts of the public sector, are clear signals of new economic needs in the country (Violi, 2017:25).

The Saudi economy is heavily skewed towards the public sector, which employs about 70% of the indigenous workforce. The private sector is dominated by 80% of expatriates. However, diversification or privatisation of the public sector does not necessarily lead to the generation of jobs. Saudi citizens for many years have taken for granted the availability of comfortable, high-paying jobs in the public sector (Khashan, 2017:8).

3.7.7 Further perspectives on Saudi Vision 2030

There was public anger that international consultancy companies such as McKinsey and Boston Consulting Group “drafted” the reform programme. In a rare statement (in Arabic) McKinsey

denied that it had produced the Saudi Vision 2030 document (Thompson, 2018:294). Whatever the case may be, the Saudi Arabian regime will have to deal with complex challenges such as differing cultures that will be a source of stress for the kingdom. The regime should analyse the response they get and the margin of error open to a monarchy in the middle of a transition (Violi, 2017:26).

According to Khashan (2017:5), the Saudi Arabian society is “closed, status-oriented, and tribally structured, and not law-abiding citizens”. They tend to treat expatriates – especially labourers from developing countries – as unworthy of human dignity. It is the norm rather than the exception to abuse foreign workers. Indeed, the kingdom’s cultural values may not support the objectives of Saudi Vision 2030. Urgent action is needed to rehabilitate the social environment before the envisioned development can be pursued (Khashan, 2017:5). The likelihood of Saudi Vision 2030 offering a solution to these problems is questionable. The high cost of the plan together with its vagueness is hindering the implementation (Violi, 2017:26). The proponents of Saudi Vision 2030 should be keenly aware that in order for the plan to succeed, Saudi society must adopt the “values of moderation, tolerance, discipline, equity, and transparency” (Khashan, 2017:6). Indeed, the reality today is that Saudi Arabia is being pulled in different directions (Clarke, 2007:30). However, that seems so difficult in a society where family, status, and tribal ties are stronger than the noble conception of the vision (Khashan, 2017:6).

Subtle doubts about Saudi Vision 2030 are also based on the 14-year time frame and the bold, far-reaching sets of transformation targets, such as reducing its dependence on oil, economic diversification and increasing the role of the private sector (Khashan, 2017:1). In other words, Saudi Vision 2030 in many ways seems to represent the regime’s hopes and aspirations, rather than constituting a practical plan (Thompson, 2016:302). The monarchy intends to reform almost every aspect of the cultural and economic structure. Saudi Vision 2030 remains a general and long-term reform blueprint and does not say much about the detailed implementation policies to achieve the programme’s targets. It has numerical targets and goals, but no practical plans to get there (Violi, 2017:85).

Dubai has a strong, well-established entrepreneurial spirit. Its population follows considerably more modern manners. The government facilitates and lauds the achievements of its vibrant private sector (Khashan, 2017:6). Perhaps the kingdom is looking to Dubai as an economic and administrative model. However, the comparison does not work due to the enormous differences

between a small city-state and a vast, diverse kingdom (Thompson, 2018:304). Indeed, energetic and *avant garde* Dubai presents a particular challenge to Riyadh's Saudi Vision 2030. The two neighbours belong to two different worlds and temperaments when it comes to business and culture. The Saudi regime drives the economy as a consequence of its control of society. For Riyadh, the innovative edge of Dubai's capitalism is too tall an order to emulate (Khashan, 2017:6).

Saudi Vision 2030 may be bound to fail for four possible reasons: (1) it is an overblown mega-project; (2) it focuses on economics and discards political development; (3) it only superficially challenges cultural values, and (4) it states the generation of non-oil revenues as its ultimate goal (Khashan, 2017:2). Saudi Vision 2030 faces the challenge of turning a population spoiled by 60 years of high oil income into a more ordinary type of society where societal wealth is based on the skills, talent and hard work of the population, along with redressing the role of women in society. Altogether this represents critical challenges in achieving this goal (Hvidt, 2018:5).

3.8 AUTOMOTIVE FIRMS

Automotive firms are characterised by a highly competitive environment and as such have become increasingly sophisticated in a global market. Globalisation and innovation have significant influences on their products and services (Townsend & Calantone, 2014:6). Automotive firms affect the economy of most developed and developing countries as it has close relationships with other sectors, such as iron and steel, petrochemical sectors, tire and technological development. Automotive firms, therefore, are an integral component of the global economy. Every element of the value chain is included – from automotive parts to design and development, manufacturing, sales and service, and even disposal. These value-creating areas are all undergoing innovative change due to environmental pressure and competitive forces (Townsend & Calantone, 2014:1). Any change in this sector profoundly affects the economy as a whole (Kabak *et al.*, 2014:2).

The automotive industry is characterised by a constant change in competitive dynamics and consumer preferences. The automotive industry is currently moving away from manufacturing efficiency to product development and innovation as firms try to develop new products ahead of the competition (Talay, Calantone & Voorhees, 2014:61). Given this direction of growth over the next few years, developing a better relationship with customers would seem to be a critical strategic consideration for automotive firms in the market (Al Fayad, 2014:42).

Although the competitive landscape appears to be somewhat subdued in individual and mature markets, emerging markets are much more volatile and have different needs. Innovation is taking a superior lead in the integration of communications and safety technology (Townsend & Calantone, 2014:6), while the relationship between innovation and the automotive firm is interlinked (Talay *et al.*, 2014:62). Process-based innovations are evident in automotive products and services and have far-reaching implications for consumers, business and society. Consumers' expectations are converging globally for these highly visible, image-driven consumer goods (Townsend & Calantone, 2014:4).

In recent decades, in addition to innovation, automotive firms have experienced significant transitions in outsourcing, a globalised supply network, and technology development (Kato, Nunes & Dey, 2016:2). The automotive market is characterised by unpredictable and slightly irregular changes in technology and consumer preferences (Talay *et al.*, 2014:67). There is an increasing demand for sophisticated technologies and exceptional design (Townsend & Calantone, 2014:4).

Automotive firms must therefore improve its strategic focus on competitive dynamics and innovations. Advancing the knowledge in this area requires a comprehensive, longitudinal design demonstrating the long-term effects of competitiveness within the automotive market (Talay *et al.*, 2014:62). This is because the automotive marketplace is unique as it involves many components of the value chain in an elaborate network of suppliers on one side, and the extensive distribution on the other (Townsend & Calantone, 2014:4).

Automotive consumer preference has shifted from more power to more efficient engines due to: (1) the increase in petrol prices; (2) the economic recession; and (3) social trends such as the rise in environmentalism and the emphasis on energy conservation, which stimulates the demand for zero-emission vehicles (Talay *et al.*, 2014:61). In the global automotive market, the Asian automotive firms adopted strategic alignment that pulls the consumers towards the greater product value-added attributes of needs and wants (Hamzaee, & Parker, 2013:1151). Understanding the importance of a hyper-competitive marketplace with a myriad of competitors is a critical success factor for an automotive firm to operate and survive (Townsend & Calantone, 2014:6).

International vehicle manufacturers have expressed interest in selling and even manufacturing their products in Saudi Arabia. The demand on the automotive sector is strong and Saudi Arabia can likely rely on this industry for long-term benefits (Tausif & Haque, 2018:246). The production of new vehicles in Saudi Arabia would be aimed at supplying to the Saudi market and the entire

region of GCC (Al Fayad, 2014:42). In the late 1970s and 1980s, the American automotive had the highest market share in the Middle East and North Africa. In 1994, the American automotive market share in Saudi Arabia was 38.1%. It continued to decline to 29.5% in 2006. Today, to increase the market share, American automotive firms will have to capture customer lifetime value and customer equity (Hamzaee & Parker, 2013:1151). Automotive firms must continuously strive to counteract and surpass aggressive moves that result from incremental competitive dynamics and sharp changes in the automotive marketplace (Talay *et al.*, 2014:62). However, automotive dealerships tend to adopt a short-term outlook on their new vehicle consumers. For many of these dealerships, this means that the sales-cycle ends when the customer leaves the dealership with the keys to their new car (Al Fayad, 2014:44).

In 2012, the Japanese automotive share in the Saudi Arabia market was 48.1%, of which 40.2% was Toyota and 7.9% other Japanese automotive brands (Hamzaee & Parker, 2013:1152). This impressive performance figure of Toyota recurs in many global markets (Al Fayad, 2014:43). Toyota introduced many vehicles that are fit for the Arabian Peninsula. It has added value by studying the consumer's retention behaviour and avoiding getting stuck in the marketing myopia. Toyota tailored its vehicles to be a good fit with the extreme heat (Hamzaee, & Parker, 2013:1151).

In Saudi Arabia, Toyota has gained a good market position based on price and quality. Consumers distinguish Toyota by perceiving it as the most economical brand, six times more than the next highest brands of Hyundai and Honda (Alzahrani, 2016:35). Regarding actual performance in the Saudi Arabian automotive market, Toyota remains the highest with about 40% market share for new vehicle sales. Toyota has established a reputation for quality and service (Al Fayad, 2014:43).

Since Saudi Arabia is the largest country in the Middle East, it has the largest vehicle market (Hamzaee & Parker, 2013:1149). The automotive industry offers anything from entry-level passenger vehicles to luxury- and sports cars (Al Fayad, 2014:42). The Saudi society seems to have a cultural connotation with a vehicle's country of origin. Luxury is generally associated with German vehicles, while durability and quality is associated with Japanese vehicles, and comfort is associated with American vehicles. These connotations change over the time. Korean vehicles, for example, are perceived as lower quality vehicles, but are now threatening the market share of Toyota in Saudi due to their prices, claiming the second place in the market share in just a few years (Alzahrani, 2016:34).

Saudi Arabia is a growing market for new cars. The country can be regarded as both a local and regional hub for new car sales. In addition to long-established brands, such as Mercedes Benz, other emerging vehicle brands such as Tata Motors in India are now investing in the Saudi market. This is done through newly acquired brands such as the Jaguar Land Rover subsidiary (Al Fayad, 2014:46).

A social media-driven customer loyalty programme can provide immediate feedback on the product and new vehicle service (Al Fayad, 2014:47). However, the automotive market is increasingly facing competitive pressure from current players and newcomers. They are continually striving to improve the ability to manage supply chains, and product development processes is a core stone for automotive firms (Talay *et al.*, 2014:61). Post-sale service, maintenance and warranty are another segment that builds customer loyalty. However, social media as a vibrant communication platform can drive and maintain a customer loyalty programme. Social media cannot be ignored by automotive firms in Saudi Arabia any longer (Al Fayad, 2014:47).

In brief, automotive firms are taking alternative routes to manage competition in the complex and multifarious environment. Innovation with respect to goods and services is a fundamental factor that determines success and survival in the long run (Townsend & Calantone, 2014:6). Having discussed the automotive industry in general, the discussion now turns to ALJ specifically.

3.8.1 Abdul-Latif Jameel

ALJ was founded in 1945 by Mr Abdul Latif Jameel. In the mid-1950s, ALJ became the sole distributor of Toyota in Saudi Arabia (Ezzat, 2014:27). The ALJ group is a family-owned business, and it is one of the top ten privately owned Saudi firms. The primary activities of the ALJ group centre on automotive vehicles, consumer goods, financial services, healthcare, and real estate services (Al Sabban, Al Sabban & Rahatullah, 2014:56).

Although ALJ is a diversified firm, most of its activities are derived from the automotive segment. ALJ mostly sells Toyota brand vehicles through showrooms and local dealerships. The group also provides automotive parts and maintenance. Overall, ALJ controls around 40% of the car market in Saudi Arabia. ALJ also maintains fleet sales systems for government offices and large corporations. The group's network expands to other areas in the Middle East, Africa and Europe and employs approximately 10 000 employees (Ezzat, 2014:27–28).

The ALJ group is the world's largest independent distributor of Toyota vehicles (Nelson & Jenkins, 2006:17). ALJ is primary agents and dealers of Toyota and Lexus automotive passenger cars, auto parts and accessories, and repair and maintenance services. The ALJ group is spread across the Middle East, Europe, Asia and Africa (Japan, England, Germany, China, Egypt, Monaco, Morocco, Algeria, Sudan, Saudi Arabia, Syria, Turkey, and China) (Al Sabban *et al.*, 2014:56).

ALJ is currently using its website to communicate a wide range of products and services to the customers. They also communicate to their consumers using online media such as YouTube, Facebook and Twitter. Online advertising strategies have helped to create greater brand awareness among its target customers (Ezzat, 2014:32).

ALJ is also involved in corporate social investment programmes and employee volunteering programmes. They support institutional innovation to improve the effectiveness and efficiency of their public image (Nelson & Jenkins, 2006:16).

ALJ decided to follow the same strategic approach in identifying social enterprises by building on the longstanding business relationship of over 50 years with the Toyota Corporation. (Nelson & Jenkins, 2006:18). Therefore, in 2007, Bab Rizq was established as part of the Community Initiatives Centre targeted at supporting entrepreneurship. The company supports entrepreneurship in many different ways, including providing a taxi or truck for an unemployed person and interest-free loans to women who had ideas for useful household products (Al Sabban *et al.*, 2014:53).

Despite the positive things described above, the current negative economic environment in Saudi Arabia has had an impact on ALJ (ALJ January Magazine, 2017b). However, over 50 years ago, ALJ's founder instilled a strong commitment to community engagement in the firm's overall approach to operating business. This legacy has built services that is helping them to develop an increasingly strategic, solution-driven approach to corporate citizenship with the goal of aligning the firm's values and competencies with the needs and societal challenges of the communities where it operates (Nelson & Jenkins, 2006:17).

According to ALJ's January Magazine (2017b), Mr Hassan Jameel, ALJ automotive deputy president, said that ALJ has an opportunity to re-invent business, rethink strategies, and re-engineer the processes to achieve better results efficiently. With collective determination and sincerity ALJ can overcome any challenges by focusing on the following:

- a. enhancing the guest's (customer's) experience;
- b. seeking new and innovative ways to increase the guest's (customer's) outreach, using technology effectively – especially e-commerce platforms;
- c. eradicating waste and unproductive elements from business processes;
- d. maintaining, if not improving, market standing;
- e. encouraging and rewarding teams that achieve their goals; and
- f. complying with all regulatory requirements.

According to Nelson and Jenkins (2006:17), ALJ identified two significant focus areas: (1) creating employment opportunities for the youth, and (2) increasing economic opportunities for women. This is because over 60% of the population in the Middle East is under the age of 25. Furthermore, these young people leave school without the desired skills or motivation to do the essential jobs required in the region to ensure long-term economic development and stability (Nelson & Jenkins, 2006:18; Abbott & Stivachtis, 2019:103).

The ongoing economic turmoil has had a significant impact on trade and commerce. This equally affected the public as well as the private sector and compelled the government to devise a new long-term strategy for the country. Therefore, ALJ stands behind and fully supports the government's Saudi Vision 2030 initiatives, as well as the National Transformation Programme 2020. It a new, bold approach nationwide that promises to pull the country out of the economic turmoil (ALJ January Magazine, 2017b).

3.9 SUMMARY

This chapter addressed the second secondary objective of defining strategy concepts and explaining strategic models based on the available literature. The first sections (3.2 to 3.4) discussed strategy in terms of overview, definitions, decisions, significance, levels and planning. Various strategic concepts were introduced and discussed, including competitive strategy, generic strategies, CE, and CI. Competitive strategy was discussed in terms of basis, process, planning and characteristics. Porter's cost leadership, differentiation, and focus generic strategies were deliberated with a combination of multiple strategic dimensions, including Porter's five forces framework. Both the internal and external CEs were described and illustrated. The terminology around competitive intelligence were introduced, along with the evolution of CI, definitions, significant objectives, framework, process, and ethical aspects, followed by codes of ethics and core principles.

The next part (3.5 to 3.8) presented the relevant strategic models and the Saudi Arabian context. The strategic models of SWOT, PESTEL and BSC were described. The SWOT analysis illustrates firm's environment, both internal and external. The significance of SWOT analysis framework was addressed in detail, followed by the four questions underpinning it. The PESTEL analysis and its framework of political, economic, social, technical, environmental and legal aspects were highlighted. Furthermore, Kaplan and Norton's BSC four perspectives were illustrated as a framework. The discussion of the three strategic models was followed by a suggested combination as a hybrid model. The hybrid model advocated the combination of the SWOT and BSC models as well as a SWOT matrix and PESTEL model.

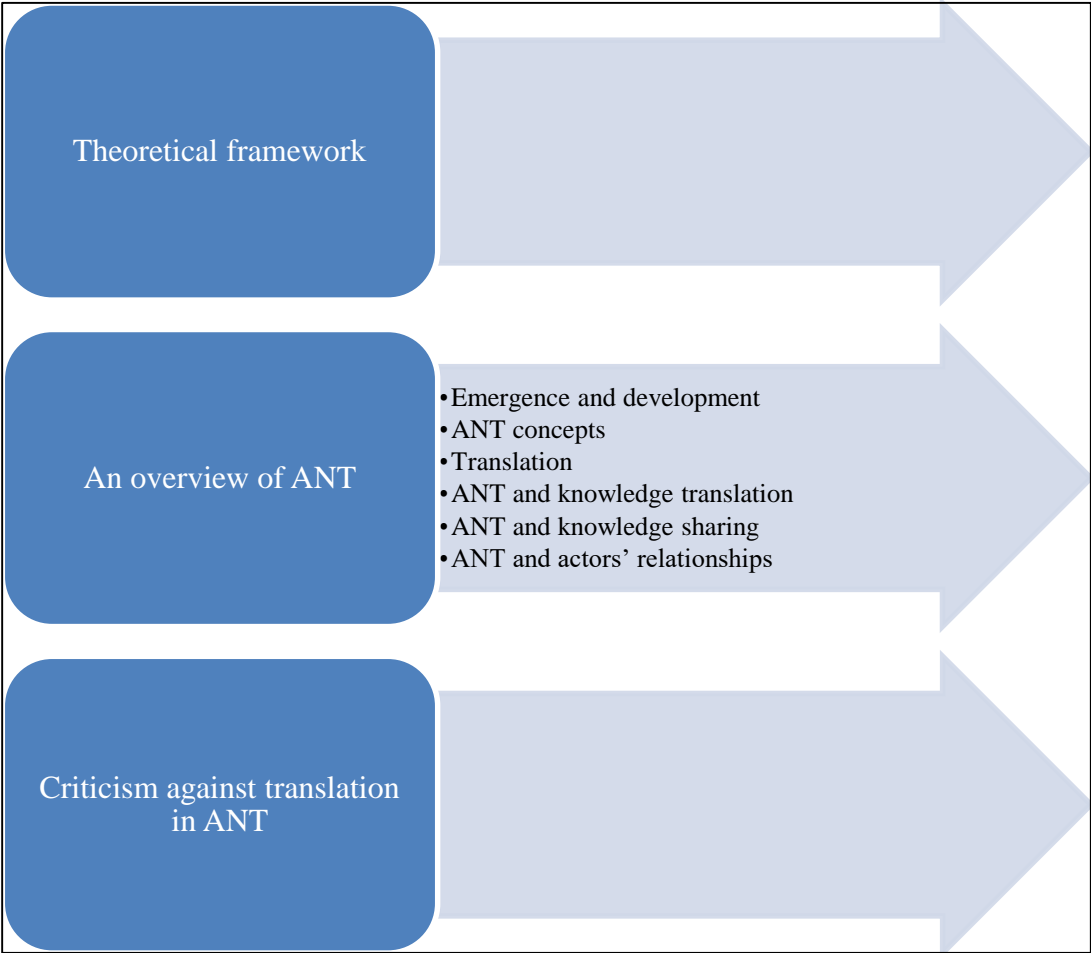
Finally, the Saudi Arabian context was addressed by discussing Saudi Vision 2030, automotive firms, and ALJ. The discussion on the context of Saudi Arabia illustrated the most crucial information about the kingdom. Saudi Vision 2030 was discussed in depth as it forms part of the primary objective of the study. Various factors related to Saudi Vision 2030 were highlighted, such as its emergence, aims, the political dimension, cultural dimension, economic dimension, and the employment dilemma, followed by a conclusion. The employment dilemma was discussed with reference to three main issues, namely the foreign workforces, women employment, and business contribution. The environment of automotive firms, the latter's characteristics, and the competitive landscape were elaborated on, followed by an introduction to ALJ as it is the case study of this research.

The next chapter defines and discusses the theoretical framework, namely the actor–network theory (ANT).

CHAPTER 4 – THE THEORETICAL FRAMEWORK

4.1 INTRODUCTION

This chapter aims to address the third secondary research objective as set out in Chapter 1 of designing a theoretical framework for the study. This study applies actor–network theory (ANT), more specifically the concept of translation, to the case study of ALJ. The main objective of this study is to firstly develop a competitive strategy for ALJ in preparation for Saudi Vision 2030, and secondly by applying ANT to better understand the translation of actor and network relations in the company when transforming ALJ’s competitive strategy in preparation for this new initiative. It also attempts to contribute to the ANT literature by gaining a better understanding of the process of translation when actors and networks have to adapt during periods of transformation, as is the case with the introduction of Saudi Vision 2030. The layout of the chapter is provided in Figure 4-1 below.



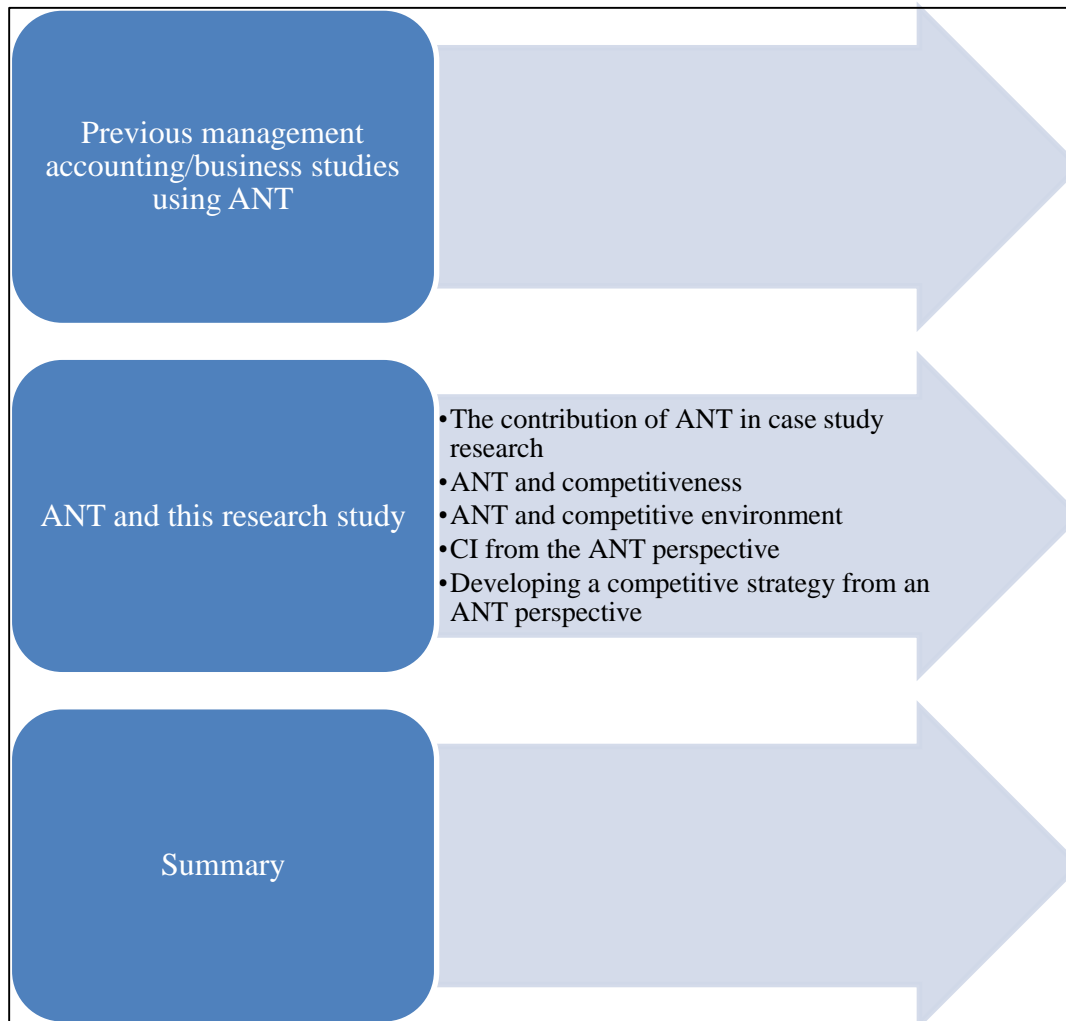


Figure 4-1: *Layout of chapter 4*

This chapter provides an overview of the theoretical framework. Section 4.2 introduces the notion of a theoretical framework, while section 4.3 provides an overview of ANT. Section 4.4 highlights the criticism of ANT, followed by previous studies on ANT and management accounting/business studies (section 4.5). Section 4.6 links ANT with this research study.

4.2 THEORETICAL FRAMEWORK

A theoretical framework is one of the most crucial parts of the research process. It is a structure of interrelated concepts that describes and explains the meaning of a phenomenon (Smith & Liehr, 2008:21; Grant & Osanloo, 2014:12). Sometimes it is referred to as a conceptual framework. A framework is generally used in research to connect various parts of the research and to provide a lens through which to view the study (Grant & Osanloo, 2014:16). In general, both a *theoretical*

and *conceptual* framework refer to the epistemological paradigm (Imenda, 2014:190). A theoretical framework is mainly used to investigate a specific theory and is linked to research design (Rocco & Plakhotnik, 2009:125; Grant & Osanloo, 2014:19). The objective is to describe behaviour, understand beliefs or explain a phenomenon (Ornek, 2008:2). Therefore, without a theoretical framework, the structure and vision of a study is unclear, because the theoretical framework is the application of theory. However, the theoretical framework should be consistent with the theory (Imenda, 2014:188; Grant & Osanloo, 2014:13).

Both conceptual and theoretical frameworks offer an integrated understanding to address a specific research objective, problem, or phenomena (Imenda, 2014:186). The aim of this theoretical perspective, whether it is a conceptual framework, a specific ideology, or advocacy, is important in guiding the study (Creswell & Creswell, 2017:208).

According to Turner (2016:74), various attempts have been made to develop a theoretical framework that overcomes the dualism between the “social” and the “natural”, the most systematic one being the “actor–network theory”. The next section discusses ANT as a conceptual and theoretical framework for this study.

4.3 AN OVERVIEW OF ACTOR–NETWORK THEORY (ANT)

The overview of ANT includes a discussion on its emergence and development, ANT concepts and translation.

4.3.1 Emergence and development

As mentioned in chapter 1 (section 1.3.1), ANT initially emerged in the 1980s in France from work done by Michel Callon, Bruno Latour and John Law as the science of socio-technology (Law, 1992:3; Hui, 2012:96; Hassard, 2013:21; Lave, 2015:213; Turner, 2016:142). Later on, French sociologists of science, Michel Callon (1986) and Bruno Latour (1987), punted it as an approach to understanding the emergence and dominance of technological and scientific ideas (Denis, Langley & Rouleau, 2007:183–184), with the aim of explaining complex networks in scientific research settings (Williams-Jones & Graham, 2003:272). Callon, Labour and Law were the first to apply this particular approach to scientific and technical innovation and, over the past 30 years, they (and others) have written extensively in an attempt to summarise and clarify ANT (Cressman,

2009:1). In 1990, ANT was recognised as a distinctive approach to social theory (Law, 2008:146). Since then, many formulations and re-formulations of the theory have emerged (Barry, 2013:418).

Although ANT originated from science and technology studies, it can be useful for studies in areas such as business, IT project management and economics (Tatnall, 2005:963; Cressman, 2009:1) – as is the case in this study of developing a competitive strategy for ALJ.

The ANT relies heavily on the terms of “actor” and “network” (Callon, 1999:186). In ANT, actors connect networks and networks connect actors. Connections between actors and networks are the central theme (Pieters, 2011:80). ANT has become much more widely known in recent years. The theory offers new concepts and ideas for understanding a particular network or environment (Walsham, 1997:470). A number of key ANT concepts have to be explained first, namely actor, network, actor–network and heterogeneity.

4.3.2 ANT concepts

Actors

Various concepts are used to describe actors. The term focuses on relationship, exchange, and interaction between different actors, both human and non-human (Hanseth, Aanestad & Berg, 2004:118; Cressman, 2009:3; Turner, 2016:147). “Actor” refers to an intentional human individual and is most often contrasted with mere “behaviour” (Latour, 1996:372). Actors are attached to the network as the artefact to “translate” their needs and identities with different actors being likely to be interpreted as the emergence of a “network” (Denis *et al.*, 2007:184). However, an “actor” in ANT is semiotically defined as “an actant”—someone or something that acts or to which others grant activity. It implies no particular motivation of individual human actors in general. An actant can literally be anything that provides the source of action (Latour, 1996:373). In other words, actors can be both humans or non-humans, including people, technologies, concepts, strategies, texts, graphical representations, computers, institutions, programmes, and firms and they are treated as epistemologically equivalent for the purpose of critical analysis inasmuch as they have the ability to act and be acted upon (Walsham, 1997:467; Williams-Jones & Graham, 2003:272; Sarker, Sarker & Sidorova, 2006:53). Plesner (2009:604) asserts that people, ideas, symbolic machines, texts, institutions, technologies and material elements are seen as equally essential actors. Gherardi and Nicolini (2005:4) add that the broad notion of actor includes materials such as machines, drawings, texts and inscriptions, reports, scientific articles, laws and regulations,

software, disciplined bodies, contracts, money and so on. Bryson *et al.* (2009:183) even identifies SWOT analyses, strategy maps and other strategic planning documents, as non-human actors.

Möller and Svahn (2003:220) classify actors in two levels. First, the lower actor refers to the more traditional, inflexible, and undynamic actor. Second, the upper actor is the opposite of the first. In other words, there are no moderate actors. The actor either adds no or superior value to the network. According to Duschek (2004:65), cumulative reciprocal relations are effective in stabilising actors’ performance and their networks. It is therefore compulsory to exclude actors who are not involved in a healthy relationship.

According to O’Connell *et al.* (2014) it is important to identify and justify the actors – both human and non-human – that are included in a study. Below is a list of identified actors, the classification between human and non-human, and a justification for their inclusion. The researcher identified these humans and non-humans as actors for purposes of this study.

Figure 4-2: ALJ actors

Description of actor	Human/non-human	Justification for inclusion
Senior management	Human	Key decision-makers
ALJ staff	Human	Ability to act or be acted upon – in relationship with other ALJ actors
Saudi Arabian government	Human	Regulators of Saudi Vision 2030
Customers	Human	In relationship with ALJ staff – ability to translate knowledge
Suppliers	Human	In relationship with ALJ staff – ability to translate knowledge
Strategic documents including mission, vision and values	Non-human	Content of these documents are acted upon – knowledge translation
PESTEL analysis	Non-human	Knowledge translation between human and non-human actors
SWOT analysis	Non-human	Knowledge translation between human and non-human actors
BSC	Non-human	Knowledge translation between human and non-human actors
Technology	Non-human	Ability to be acted upon

Networks

A network in ANT is made up of a number of actors, both human and non-human. It is therefore a set of actors, including human actors, processes, standards and strategies. It refers to a particular organisational structure in which people and objects interact (Cressman, 2009:11; Cresswell, Worth & Sheikh 2011:323). An actor represents a network as long as that actor is carrying out an action. The actor and a network can be distinguished from each other by thinking of the actor as an individual with a human desire to grab power and to build a network of allies to extend his/her power by what is called “networking” (Latour, 1996:372; Hanseth *et al.*, 2004:119). ANT is, therefore, a combined methodological and conceptual tool that investigates how actors interact with each other to attain the specific goal and overall objective within a network (firm) (Denis *et al.*, 2007:184).

There are many types of relationships in a network that can create intricate patterns. Some relationships might be appropriate for ties among humans, but not for ties among non-humans (Contractor, Monge & Leonardi, 2011:686; Lave, 2015:31). ANT is the science of network growth. Networks cannot grow in isolation, an actor has to play a positive (beyond the obligatory) role (Latour, 1996:377). For example, a high-status network may avoid low-status groups due to stereotypes that lead them to expect few benefits by interacting with such a group. Similarly, the low-status network may avoid high-status networks to minimise their experiences of social and professional rejection (Konrad, 2003:12). Every network surrounds itself with its frame of reference, which includes its definition of growth. Networks are able to extend and grow, but at a price (Latour, 1996:376).

According to Walsham (1997:469), a successful network of aligned interests is created through the enrolment of sufficient allies of actors interests so that each actor is willing to participate in particular ways of thinking and acting (translation) to achieve a firm’s vision, mission and overall objective.

Actor–networks

ANT is a conceptualisation of actors, networks, relationships and the heterogeneity that exist between them (Lave, 2015:322). ANT posits that entities always exist in networks of relations, and as such actors and networks cannot be separated. The activities of actors and networks are interdependent, and all human attributes are generated in and through networks (Law, 1992:4;

Hassard, 2013:395). ANT theorises that society comprises heterogeneous networks. Moreover, although organisations might seem stable and unique, ANT advocates that it is essentially as a result of heterogeneous elements assembled together. The ANT approach therefore suggests that as a consequence of relationships between these elements, things take form and acquire attributes (Law, 1992:5; Hassard, 2013:513).

Semiotics or semiology is the study of meaning-making or a process of meaningful communication (Law, 2008:323). It is a different context of material-semiotic tools, sensibilities, and methods of analysis that treat everything in the social and natural worlds as a continuously generated effect of the webs of relations within which they are located. As ANT is a form of material semiotics, it creates awareness about the messy practices of the relationality and materiality of the world (Lave, 2015:134; Turner, 2016:142).

ANT has an ability as conceptual basis for understanding, analysing, and designing ways to investigate a particular problem (Grant & Osanloo, 2014:16). According to Barry (2013:418), ANT “thrives on details and fragments of evidence, which are never likely to add up to a complete picture but will nonetheless reveal something that was perhaps unexpected or unanticipated”. Hesse-Biber (2010:455) argues that the social world is not something independent of individual perceptions but is created through the social interactions of individuals with the world around them. Plesner (2009:616) therefore refers to ANT as a social theory that is inspired by the distinct categories of “society” and “technology”. This makes ANT an open-ended sociological approach that turns literally everything into a phenomenon worth studying (Gherardi & Nicolini, 2005:3).

Interactions between actors at different levels are key to developing a network. Therefore, ANT perceives the relationships between actors as unpredictable, and this often leads to unexpected outcomes. Evaluating the close interaction and communication between actors is essential (Williams-Jones & Graham, 2003:272; Caniëls & Romijn, 2008:4; Cresswell *et al.*, 2011:331). Justesen and Mouritsen (2011:180) therefore suggest that ANT can study any entity (network) as interdependent to better understand the actor–network relations.

ANT emphasises interaction as a focal point for understanding the relationships between the actor’s actions and the firm’s network (Steen, Coopmans & Whyte, 2006:305). Competing claims require strengthening common interests between the actors, while also weakening links between these actors and other entities. If this process is successful, then the actors are “enrolled” in the network (Williams-Jones & Graham, 2003:275). The functional mechanism of ANT, therefore, is

more about the outcome of the human (actor) attribution of desires, intentions, and tendency to bolster, than a reflection on the action itself (Whittle & Spicer, 2008:15).

ANT is concerned with the investigation of the creation and maintenance of coextensive networks of human and non-human elements (Walsham, 1997:466–467). These networks are inherently unstable over time and have to be continually maintained through the engagement of the actors involved in the network (Williams-Jones & Graham, 2003:273). Cressman (2009:3) argues that both human and non-human actors need to be understood within a network in which their identity is defined through their interaction with other actors. ANT, therefore, moves the attention away from the intentions of actors to the way in which they attempt to increase the remit of their actions. In other words, it is interested in the networking activity of actors and their outcomes (Steen *et al.*, 2006:305). On the other hand, it is important to concede that networks may fail because the non-human actors – on which the networks depend – is not available or not utilised. This is equally true in the case of ALJ. If the company fails to utilise the strategic models and CI, ultimately the networks might fail. However, an actor has a degree of influence on a network, and this includes both human and non-human objects (Law, 2008:147). Accordingly, ANT offers a way of managing a paradox of the actor's effort and stability by proposing actors' continuing effort and contributions. The amount of effort required may differ over time, but there is always the possibility that things escape from the hold. Stability is, therefore, an achievement that should be strived for rather than a natural state (Steen *et al.*, 2006:305). Especially during times of radical transformation such as is envisaged by the implementation of Saudi Vision 2030.

ANT analysis provides detail to understand the success or failure of a particular network (Tatnall, 2005:963). Latour (1996:370) claims that it is not possible to understand what holds networks together. Although it is not always possible to identify all the networks, according to O'Connell *et al.* (2014) a detailed description of the external environment that is influencing the development of a network is important. This study utilised both the SWOT and PESTEL analysis to describe the external environment of ALJ.

Heterogeneity

Latour (1996:378) describes heterogeneity as ANT talk between actors (human and non-human) and between context and content. The talk is about the influence of the human factor (society) on the non-human actor (technology) or vice versa (Plesner, 2009:605). The term “heterogeneous network” is used to overcome what can be seen as an unnecessary duality between humans and

non-humans (Cressman, 2009:4). ANT is a way of suggesting that society, organisations, agents and machines are all effects generated in patterned networks of diverse materials (Law, 1992:1).

ANT may be seen as the “knowledge” resulting from a network of heterogeneous materials (Law, 1992:2). It advocates that the actor network is made up of heterogeneous elements. Taken together, these human and non-human entities form a heterogeneous network (Gherardi & Nicolini, 2005:12). Heterogeneity can be recognised from the degree of networks relation, allies, interests and mobilised support for both humans and non-human actors (Justesen & Mouritsen, 2011:182). Gherardi and Nicolini (2005:17) argue that non-human actors also pose severe barriers to successful heterogeneity among actors and/or networks. However, a network can evolve from heterogeneous to homogeneous through the process of translation (Law, 1992:5).

4.3.3 Translation

The notion of translation is a central theme in the ANT approach. ANT is also referred to as the “sociology of translation” (Hassard, 2013:22). Law (1992:7) claims that translation in ANT is the character of the organisation, firm or society. It refers to an effect or a consequence of the interaction between human (actors) and non-human (for example, machines, environment, and/or strategies) of a particular firm or society. While Sarker *et al.* (2006:54) refer to translation, in the context of ANT, as the process of creating a temporary social order, or the movement from one order to another through changes in the alignment of interests in a network. Lave (2015:213) describes the translation more widely by saying that since the network consists of human and non-human actants, a network is built and extended via processes of translation through which an individual enrolls other actants in the network by convincing them that they will achieve their goals more efficiently by supporting the network.

Caniëls and Romijn (2008:2–3) refer to the translation as actor behaviour, action and output within the network or firm. The network is about the relationships, connections and communication between the actors. The emphasis is on the relationship ties between actors within the network. Therefore, Sarker *et al.* (2006:81) suggest that ANT conceptualises senior management as an invariant entity that provides insight into an initiative, commitment and/or engagement. Hence, the top management's role is to consistently (re)define interests of human and non-human elements in the network. In the same context, Gherardi and Nicolini (2005:4) argue that translation in ANT means that an actor has an intermediary role in the network. The senior actor seeks to define several

effective actors, their place in the network, their characteristics, the nature of their relations, and their position.

However, according to Gherardi and Nicolini (2005:5), a critical condition for the emergence of an actor–network is translation that is sufficiently defined in the network. As a result, the process of translation itself is to turn a network from heterogeneity to a set of the punctuated actor (Law, 1992:5).

It is apparent that the actor network is built up gradually and simultaneously as central actors or “translators” that succeed in mobilising other participants and non-human entities in the required direction (Denis *et al.*, 2007:184). As mentioned earlier, each actor (whether a person, group, firm, machine, or nation) has its own diverse set of interests. Therefore, a network’s stability depends on the continual translation of interests. ANT investigates the network elements, both human and non-human by translation and degree of stability in that translation (Walsham, 1997:469; Williams-Jones & Graham, 2003:275).

Within ANT, the concept of translation can be understood in the following three ways (Barry, 2013:414):

- a. As a form of exercise of power (Callon & Latour, 1981).
- b. As a movement of an entity in space and time (Gherardi & Nicolini, 2005:3).
- c. As a “process of replication or imitation and differentiation at the same time” (Barry, 2013:415).

For purposes of this study, the focus was not on translation as a form of exercise of power, or the movement in space of an entity – which refers to a geographical movement according to Callon and Latour (Barry, 2013:2). This study recognised that translation is a process that is: 1) regulated – within both ALJ’s organisational structures, and the regulations of Saudi Vision 2030, and 2) contested and politicised – the interests of actors and networks are not always aligned, including their political views. This is in line with the viewpoint of Barry (2013:416).

According to Denis *et al.* (2007:184), translation is a situation in which translators (key actors) attempt to define an issue and offer a set of solutions to a group of actors. Top management as key actors determine the interests of other actors so that each actor is willing to stay engaged, enrolled, and aligned with the firm’s goals. In this study, the top management of ALJ has to ensure that the

company is prepared for the transformation required by Saudi Vision 2030. The interests of other actors (refer to Figure 4 2), which include middle management, operational staff, customers, suppliers, Saudi Arabian government and other stakeholders, have to be aligned to ensure a homogeneous network.

Figure 4-3 below summarises and link the various concepts of ANT as designed by the researcher. From this figure, it is evident that there are interactions/communication between the human actors, which include ALJ top management, middle management, operational staff, customers, suppliers and other stakeholders, and non-human actors which can include technology, vision, mission and strategic plans. It is argued that when their interests are aligned, a homogeneous network is formed that translates into a competitive environment in which ALJ can operate. For purposes of this study, a competitive environment is defined as a corporate environment that is conducive to, and encourages competitive behaviour (refer to Chapter 1, Section 1.4.2).

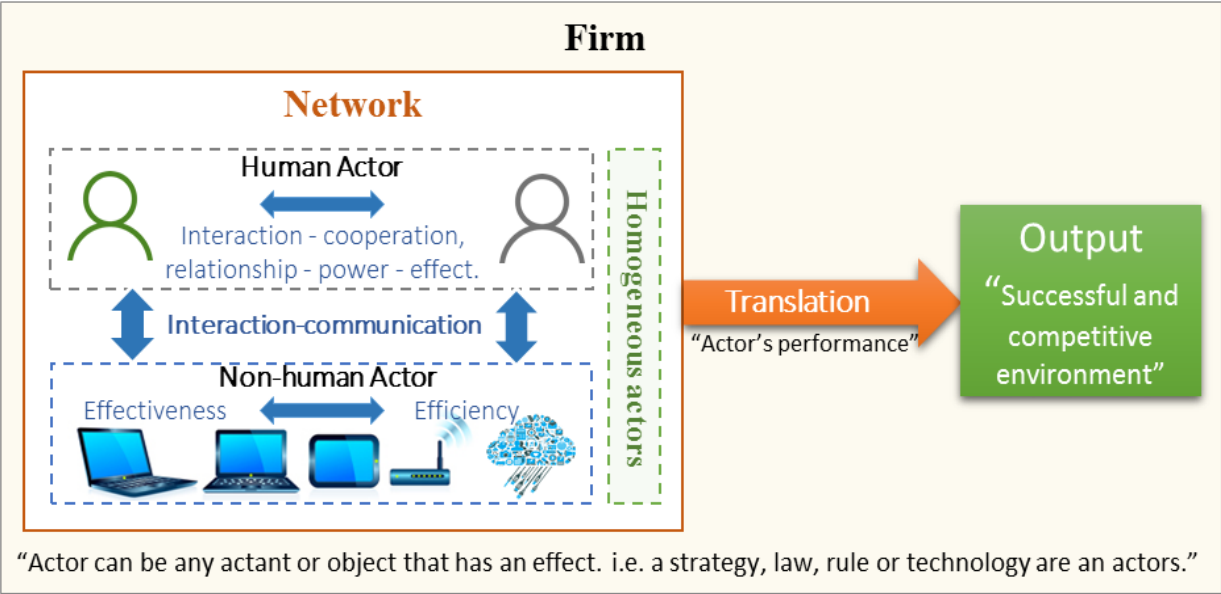


Figure 4-3: The different concepts involved in ANT

Furthermore, it is argued that the contribution of an actor in a particular network defines the roles of other actors (Figure 4-2). ANT is dynamic, and it has often been used to explain the extent of harmonisation of actors and/or networks in a certain environment (Denis *et al.*, 2007:185). Latour (1996:372) argues that the new “actor network” leads a way into a world that has not yet been so neatly charted. Similarly, ALJ is charting new territory with the introduction of Saudi Vision 2030.

It can therefore be summarised that the core of translation in ANT is the outcome of interaction between actors and the effect of operations/non-human actors that moves the firm – i.e. ALJ – in the right strategic direction (Law, 1992:1; Gherardi & Nicolini, 2005:6). The process of translation, however, cannot occur without the transfer and sharing of knowledge.

4.3.4 ANT and knowledge translation

As described in chapter 1 (section 1.2.5), CI is the continuous process of collecting information. From an ANT perspective, information is collected in order to translate it to knowledge. Ahrens and Chapman (2007:13) confirm that management – i.e. senior actors – negotiate strategies, budgets, and performance targets. These activities occur in chains of translation actions. Knowledge allows actors to specialise in a value creation activity supported by their distinctive competencies in a specific network (Möller & Svahn, 2003:210).

Actors' behaviour, attitudes and experiences should translate into performances and practices that contribute to network success (Olson & Slater, 2002:15). Actors must contribute knowledge and its sharing; this perspective is critical to creating what is called “network identity”. Therefore, network success is manifested in an actor's performance and his continuous developments (Möller & Svahn, 2003:222). Networks represent a complex set of actors (human and technology) through which a firm systematically modifies its operating routines and configure required skills (Santos-Vijande, López-Sánchez & Trespalacios, 2012:1079). It is not a given that every actor can become a network orchestrator. The role requires visioning, secure communication and persuasive skills, coupled with credibility (Möller & Svahn, 2003:223). The relationships between actors activate resources and activities – an interactive view of business emphasises that all actors depend on the resources and activities of others (Ford & Mouzas, 2013:436).

Actors' knowledge and conscious attempts enhance or develop new processes, practices and ideas (Ford & Mouzas, 2013:433). The “communities of practice” literature provides illustrations of the link between networking and learning processes. It posits that new practices and ideas emerge from interactions between people engaged in a shared activity (Caniëls & Romijn, 2008:5). As per the resource-based view of strategy, the firm's capabilities are considered valuable, rare, and hard-to-imitate assets that steer the firm's competitive strategy (Barin Cruz, Boehe & Ogasavara, 2015:728). Of course, there is an emphasis on the importance of cooperation between business actors because this interaction does not preclude the conflict, resistance or competition (Ford & Mouzas, 2013:435). Needless to say, that firm's network relationships with its stakeholders, such

as employees, customers, vendors, government agencies, and even competitors, are essential factors of competitiveness (Barin *et al.*, 2015:732). However, a firm can tap its potential for sustainable competitive advantage by investing in the firm's internal resources and specific skills (Barney & Wright, 1998:18).

The process of generating, learning and applying knowledge about the external environment (competitors' products and strategies) is critical and challenging (Lawson & Samson, 2001:384). The concept of knowledge management as a powerful competitive weapon has been emphasised in the strategic management literature (Chuang, 2004:459). Theoretically, knowledge is a continuum adding value systems of entirely determined actors that perform specific activities (Möller & Svahn, 2003:214). Specific skills or general cognitive ability are skills possessed by individuals that provide value to a firm and are transferable across a variety of the firm's networks (Barney & Wright, 1998:12). Outstanding knowledge management capabilities can be the basis for sustained competitive advantage in today's economic environment (Lubit, 2001:165). Knowledge management offers insightful suggestions about the learning mechanisms (experience accumulation, knowledge articulation, knowledge codification) (Möller & Svahn, 2003:219). As a result, actors with less uncertainty have less dependency on senior management. In the end, empowerment creates autonomy (Möller, Rajala & Svahn, 2005:1276).

A CE is characterised by skilled actors, knowledge in teamwork, negotiation skills, advanced communication technologies, empowered employees, a multifunctional workforce, a multilingual workforce, and self-directed teams (Gunasekaran, Lai & Cheng, 2008:553).

4.3.5 ANT and knowledge sharing

One of the core characteristics of CI is the sharing and use of knowledge which can translate a network from heterogeneous to homogeneous. According to Santos-Vijande *et al.* (2012:1083), results indicate that there is a relationship between knowledge learning and sharing, and a competitive strategy and the CE. In developing a competitive strategy for ALJ – which is the primary objective of this study – it is therefore imperative that knowledge sharing occurs, which in turn can act as an enabler for a CE.

In order to maintain consistency among actors and networks relationships, the firm's senior actors have to recognise the importance of knowledge management (Chuang, 2004:460). However, successful coordination presumes that all actors are motivated and capable of learning the recipes

(Möller & Svahn, 2003:222). According to Barin *et al.* (2015:731) knowledge can be transferred across the firm in the following forms: (1) operational collaboration, (2) marketing methods, and (3) inter-firm processes such as CI.

Fostering knowledge is a willingness to seek information and to use that information to be developed elsewhere. These are also crucial aspects of a knowledge sharing culture (Lubit, 2001:173). Making knowledge explicit enough to be embedded in technology eases its internal transfer, but also speeds up its spill over to other networks in the firm (Argote & Ingram, 2000:158). Knowledge sharing also occurs through social interactions between different groups of actors as a result of a shared interpretation. In turn, accumulated knowledge allows actors to learn and transfer knowledge among different actors and networks (Santos-Vijande *et al.*, 2012:1080). Indeed, knowledge sharing in the firm manifests through changes in the performance. Therefore, knowledge sharing can be measured by measuring changes in performance (Argote & Ingram, 2000:161).

Knowledge sharing facilitates powerful alliances and a governance structure (Lavie, 2006:645). To reinforce and cultivate a CE, Lubit (2001:171) recommends that firms leverage the knowledge through developing a knowledge sharing culture by: (1) overcoming defensive routines that inhibit open communication, (2) applying a system of measures and rewards that encourage actors to transfer knowledge, and (3) full use of the electronic information.

Another form of translating knowledge is by mobilising actors. According to Lawson and Samson (2001:389), successfully mobilising resources requires the support of key actors at various stages. This is called harnessing of competences. In terms of knowledge and learning, mobilisation and management efficiency supposes strategic practices that emphasise the capability of actors to exploit current actor competencies through active knowledge learning, transformation, and sharing (Möller & Svahn, 2003:221). Duschek (2004:65) believes that Toyota achieved better productivity competitive advantages by creating a comprehensive and cumulative “high-performance knowledge-sharing network.”

4.3.6 ANT and actors' relationships

As mentioned previously, translation is the effect of the relationships between actors and networks (Law, 1992:6). The benefit of teamwork between actors is that an actor becomes linked to another actor due to a translation process. This involvement or engagement benefits the firm as networks

become more aligned and homogenous. However, this requires the development of a teamwork orientation among actors and networks (Barney & Wright, 1998:21). The usefulness and value of each actor's resources and activities are determined by how they are, or can be, combined and developed by networking and aligning with each other (Ford & Mouzas, 2013:436). The synergistic value of a large number of actors who work together is quite costly if not impossible for competitors to imitate. Such homogeneity among actors is a source of sustainable competitive advantage (Barney & Wright, 1998:14). Duschek (2004:60) continues by arguing that cooperation is considered an instrument that translates strategies into practice and performances if a predetermined strategic goal exists. Barney and Wright (1998:14) assert that trust, good relationships, and consistency among firm actors create a CE that is extremely difficult for the competitors to imitate. There is a need for ALJ to operate as a CE by maintaining its competitive advantage as one of the leading automotive brand names in Saudi Arabia (Randheer *et al.*, 2017:4), especially in preparation for Saudi Vision 2030.

Cooperative relationships are undoubtedly considered within the scope of the resource- and competence-based strategic view, albeit foremost as competitive collaboration. The logic of the approach remains aimed at a firm's actors' performance, which forms the CE (Duschek, 2004:60). There is an increasing number of studies on network governance addressing issues such as the role of trust in network relationships, sharing, and co-producing knowledge in firm relationships (Möller & Svahn, 2003:217). Strategic management should essentially imply and reinforce cooperative relations among actors and networks (Duschek, 2004:60). By developing a culture that is characterised by coordination, collaboration and cooperation, the firm can synchronise several complex network domains (Möller & Svahn, 2003:222). In this time of radical transformation in Saudi Arabia, firms – including ALJ – are required to reinforce relations by aligning interests between actors and networks.

Although ANT has been widely used over the last number of years, it has also been criticised.

4.4 CRITICISM AGAINST TRANSLATION IN ANT

Although ANT, especially the concept of translation, has been widely used in research studies, it has also been criticised for its weaknesses. Michel Callon, specifically, has been critiqued for being rather prescriptive in proposing general rules or aspects of how the process of *translation* takes place (Hassard, 2013:905). This is in contrast to one of the key ANT mandate of following actors “without imposing preconceived definitions on them” (Hassard, 2013:20–21).

In early formulations of ANT, theorists made the incorrect assumption that the human and non-human actor–networked world has no boundaries or inequalities (Barry, 2013; Hassard, 2013:294). Therefore, it has been criticised for failing to engage with political issues, and neglecting the role played by inequality (Williams-Jones & Graham, 2003; Hassard, 2013:90).

Despite these criticisms, ANT provides a way to better understand the relations between key actors, human and non-human actors, and networks during times of transformation. ANT was used as a lens through which to view the relations within ALJ.

4.5 PREVIOUS MANAGEMENT ACCOUNTING/BUSINESS STUDIES USING ANT

As mentioned in section 1.1.5, both Harritz (2016) and Naar and Clegg (2018), drew on ANT to gain a deeper understanding of their research phenomenon. Harritz (2016) focused on strategic processes in the public sector, while Naar and Clegg (2016) investigated the role of models in innovative architecture. Hui (2016) performed an ANT analysis of the financial management practices in the New Zealand school sector. By drawing on ANT, she specifically highlights the interconnections among human actors, accounting technology, budgeting and other related actors. She utilised the ANT concepts of inscription and translation.

Chapman *et al.* (2015) published a chapter in a book focused on ANT and strategy as practice, and how utilising the concepts of ANT can contribute to a clearer understanding of strategy as practice. Briers and Chua (2001) utilised ANT in a management accounting research study. Similarly to this present study, they followed a case study approach albeit in the Australian mining sector. They analysed the implementation of activity-based costing by the mining company’s manufacturing strategic business unit.

4.6 ANT AND THIS RESEARCH STUDY

This study followed a case study approach. Therefore, the relevance of ANT and case study research was briefly reviewed. This research also made use of concepts such as competitiveness, competitive environment and competitive intelligence. In this section, the link between these concepts and ANT will be provided. This section concludes by linking ANT and the research objective.

4.6.1 The contribution of ANT in case study research

According to Latour (1996:373), the significance of ANT is best illustrated when it is used in a case study (Latour, 1996:373). It can be considered as a valuable analytical tool for a particular case study. Its use offers considerable potential for an increased understanding of the environment under investigation (Walsham, 1997:478). ANT inspires studies by making a timely and fitting analysis about the issue being investigated. The contribution can be highlighted by analysing the ontological and epistemological underpinnings of ANT (Whittle & Spicer, 2008:5). It is capable of offering insights for developing a critical perspective, ideas and knowledge (Alcadipani & Hassard, 2010:429). ANT studies are influential as it is a body of knowledge “in action”. This may even allow a kind of “gap analysis” paying attention to possible new formulations concerning inspiration relevant for accounting research (Justesen & Mouritsen, 2011:162).

An ANT approach can be facilitated using a case study approach typically characterised by the in-depth exploration of a particular setting (Cresswell *et al.*, 2011:324). For the heuristic purposes of analysis, ANT could usefully contribute to the study of the social, ethical and strategic implications (Williams-Jones & Graham, 2003:274). ANT is characterised by a particular emphasis on case studies and empirical observation as it opens up new lines of inquiry. It can also be used to better analyse and evaluate networks or firms (Cressman, 2009:10).

4.6.2 ANT and competitiveness

Senior actors of a competitive network play a significant role in long-term commitment, reciprocity and trust to reduce uncertainty about the future (Borch & Arthur, 1995:421). According to Möller *et al.* (2005:1275), a successful network is distinguished from a simple network by the density, multiplicity, and reciprocity of ties and the knowledge-sharing system that define actors’ roles and responsibilities.

Networks in the business environment include customers, suppliers, markets, technological innovation, product development, and different competitive coalition (Möller & Svahn, 2003:210). These networks comprise actors, which for this case study was identified in Figure 4-2. Competitiveness can be defined as the ability of a firm to create more value than its competitors (Schulz & Flanigan, 2016:453). Competitive strategy, in turn, adds value to a firm’s products and promotes its customer’s loyalty and brand identification (Barin *et al.*, 2015:728). Effective network processes can lead enhance competitive strategy through increased productivity and

performance (Jayne & Dipboye, 2004:419). This is also true for network orchestration, which refers to the value creation continuum and where an actor's capacity influences the network outcomes (Möller & Svahn, 2003:223).

Business networks are complex webs of interdependent exchange relationships within which companies and individual actors operate. They consist of manifold actors, complex interactions, as well as organisational structures (Henneberg, Naudé & Mouzas, 2010:355). As mentioned previously, the business landscape has a heterogeneous structure that comprises the interconnected relationships that develop between actors (Ford & Mouzas, 2013:433). Therefore, network visioning is defined as the capability to identify development paths that detect opportunities and risks. This visioning requires an actor's knowledge to determine and influence network performance orientation (Möller *et al.*, 2005:1282).

The rapid changes in the business environment – such as is evident within the Saudi Arabian context – have become central to the CE. This environment undergoes rapid change as new competitors enter the marketplace and current competitors offer new products (Nasri, 2012:25). Harnessing the competences base links organisational learning and knowledge to products, processes, technologies and mainstream capabilities. This is a mechanism for creating a competitive network and environment (Lawson & Samson, 2001:382). Competitive strategy goes beyond compliance, engaging actors in actions that seek to capture value for the firm by remaining consistent with firm strategy (Barin *et al.*, 2015:727).

Sustainable performance should be measured across the entire network, which brings us back to the need for standards of performance within and among networks (Schulz & Flanigan, 2016:456). One avenue to sustained competitive advantage is to focus on developing a firm-specific skills base within a firm because these skills cannot be easily duplicated by competitors (Barney & Wright, 1998:13). It is concerned with the patterns of decisions that serve the firm to create more value for the customers than its competitors can offer (Olson & Slater, 2002:12). Competitive networking or strategies may be seen in: (1) continuously improving operational efficiency, and (2) continuously developing and improving the leverage of existing actors (Möller & Svahn, 2003:217). Across all business landscapes and markets, sustainability receives significant visibility at all levels (Schulz & Flanigan, 2016:450). Smart firms seek to become more responsive to changing market conditions by streamlining and restructuring their processes and strategies and by making use of knowledge-based teamwork (Gunasekaran *et al.*, 2008:560).

If ALJ wants to cultivate a CE, it is imperative that the company makes use of knowledge-based teamwork.

4.6.3 ANT and competitive environment

Building network capabilities in intensely CEs provides a perspective based on which firms can develop and enhance their core competencies to succeed in intensely competitive markets (Park & Hong, 2016:3), as is the case for ALJ within the Saudi Arabian automotive industry. Möller and Svahn (2003:223) posit that senior actors typically identify the potential trajectories of strategies, and that by being involved and engaged in different parts of a network enhances managerial sense-making. As such, actors' engagement introduces several learning experiences and new perspectives. Senior actors within ALJ should therefore develop an array of activities and understandings that organise other organisational actors. This should be informed acts of skilful, practical activity more than expressions of routine understandings (Ahrens & Chapman, 2007:23).

Understanding the interests of actors – such as ALJ customer behaviour – is essential in the pursuit of an attractive configuration of core or complementary products and/or services. Proficiency in providing the actors with insight results in strong relationships with customers and building a reputation (Du Plessis & Gulwa, 2016:5). Gunasekaran *et al.* (2008:552) argue that intelligence and dynamic actors are assets in a CE as they bring (1) closer interdependence among activities, (2) different skills, usually higher than average, (3) continual change and development, and (4) a higher capital investment per employee. This creates the ability to evaluate the future importance of the strategic network in terms of its business potential, evaluating actors' influence potential, and determining how the actors are interrelated (Möller & Svahn, 2003:218). A key aspect is the ability to identify the actor's role and to modify that role to match and meet the network direction (Möller *et al.*, 2005:1280). In this regard, a firm's various actors significantly influence its market and financial performance and therefore, competitive position (Möller & Svahn, 2003:210). ALJ is therefore encourage to involve multiple actors (human and non-human) to foster innovation, competitiveness, and sustainability. Through the accumulated knowledge, the ALJ actors can create a sustainable competitive network (Möller *et al.*, 2005:1277).

Previous research has found that actors' knowledge and experience are key to implementing competitive strategies as they are the initial sources of future anticipation (Santos-Vijande *et al.*, 2012:1086). Lawson and Samson (2001:381) concur by highlighting that a firm's competitive strategy is derived from, and supported by, strong mainstream actors and networks that are

characterised by homogeneity, efficiency, flexibility, and intelligence. Therefore, large successful firms continuously shape the development of macro networks by influencing the actor's beliefs, goals and behaviours (Möller & Svahn, 2003:217). However, more complex business networks require more knowledge for development of actors' capabilities. According to Möller *et al.* (2005:1278), Amazon is a good illustration of this kind of “new economy” networker whose own core capabilities are formed by network building, actor coordinating skills and customer relationship skills. In their pursuit of a new competitive strategy in preparing for Saudi Vision 2030, the management (senior actors) of ALJ should strive to support and develop the skills and knowledge of mainstream actors and networks. One method of sharing knowledge is through CI.

4.6.4 CI from the ANT perspective

Since ANT focuses on the actors, their homogeneity in the network and the extent to which they translate their actions to success, CI works closely to empower actors and build the network with the required information and knowledge. CI offers information and knowledge that help senior actors to think strategically, to make the right decisions, and to take a direction that will strengthen the entire network(s) (Badr *et al.*, 2004:9).

The economic value of information is changing rapidly due to the increasing importance of knowledge, technological complexity, and global competition. As a consequence, firms and its actors are creating increasingly complex webs of knowledge and technological bonds (Möller *et al.*, 2005:1274). According to Möller and Svahn (2003:210), suppliers as actors allow major firms (such as Dell, Ikea and Nokia) to grow more quickly, and they give them flexibility in an economic recession situation that results in diminished demand. In turn, ALJ is encouraged to strengthen the relations with their suppliers – especially in preparation for Saudi Vision 2030. They could make use of CI, as it offers knowledge about actors and their performance that can make allies of customers and suppliers. This ultimately leads to sustainable competitiveness (Möller & Svahn, 2003:220).

Senior actors have to realise the wide-ranging implications of business operations and processes (Ahrens & Chapman, 2007:23). They face a complex optimisation challenge concerning which actor to utilise and what roles they should play (Möller & Svahn, 2003:218). Senior actors should understand how to cope with the contextual complexity of networks (Henneberg *et al.*, 2010:355). When actors understand the rules, objectives, and values of their actions, the network will become more productive and successful (Ahrens & Chapman, 2007:27).

From the above discussions it is evident that ALJ can enhance their competitiveness through fostering a CE utilising CI. This will require the translation of information through knowledge sharing between actors and networks. Ultimately, it is anticipated that the translation process will turn a network of actors from heterogeneous to homogeneous. The aim of this study is to develop a competitive strategy for ALJ in preparation of Saudi Vision 2030, and to obtain a better understanding of the translation of actor and network relations in the company when transforming ALJ's competitive strategy in preparation for Saudi Vision 2030.

4.6.5 Developing a competitive strategy from an ANT perspective

A competitive strategy is attained by the commitment of engaged and vital actors who influence another actor (Möller & Svahn, 2003:227). Along with CI, the firm achieves superior and unique knowledge that is considered as an advantage for the firm by (1) applying its strengths against a rival's weakness, internalising competitors' strengths by imitation and improvement, or (2) discounting the strength of others by differentiating its products (Lawson & Samson, 2001:392). The essence of a competitive network is having goals based on the different values. Knowledge plays an important role here (Möller & Svahn, 2003:219).

According to Möller and Svahn (2003:218), extant literature provides an understanding of relational management, but they do not adequately cover the issues of mobilising and coordinating a group of actors autonomously. Henderson and Mitchell (1997:5) argue that there is little consensus as to whether the firm actors or market competition are more important in shaping firms' actions and performance. However, competition and lack of highly talented and skilled actors make finding and retaining talented actors an essential priority for firms nowadays (Hejase, Hejase, Mikdashi & Bazeih, 2016:504). Indeed, in today's environment, actors have to be more empowered to deal with issues that involve a high degree of uncertainty and vagueness (Santos-Vijande *et al.*, 2012:1087), as is the instance with Saudi Vision 2030. Although the Saudi Arabian government announced this initiative during 2016, it is an intent rather than a plan creating much uncertainty (Violi, 2017:80).

The primary objective of this study was to develop a competitive strategy for ALJ in preparation for Saudi Vision 2030. The process of translation, a key concept of ANT, was used to better understand the actor and network relations in the company when transforming ALJ's competitive strategy in preparation for Saudi Vision 2030.

The study also wanted to establish whether ALJ is a CE or not – with a CE defined, for purposes of this study, as a corporate environment encouraging competitive behaviour. It is argued that the classification of a particular network as a CE depends on the degree of homogeneity between the actors in that network(s). This study identified and communicated knowledge as a framework that can be used as a tool to attain competitiveness maturity and to create a CE in difficult circumstances – such as the implementation of Saudi Vision 2030.

4.7 SUMMARY

This chapter addressed the third secondary research objective by conceptualising a theoretical framework based on ANT. The chapter introduced and addressed literature on the importance of a theoretical framework. Law (1992:1) defines ANT as “the sociology of translation” and a conceptual approach exploring a particular firm or environment by applying an evaluation of the effects or consequences of the interaction between actor and network within which they are located. An overview of ANT was provided including its historical development, and defining the key ANT concepts of actor, network, actor–network, heterogeneity and translation. Translation was positioned within this study as a process that is regulated, and contested and politicised.

The criticisms against ANT – more specifically towards the process of translation – were discussed. The next section presented previous studies that applied ANT within the management accounting and business studies’ fields. The final section of the chapter aimed to link ANT with the study’s objective of developing a competitive strategy for ALJ in preparation for Saudi Vision 2030. Firstly, the relevance of ANT and case study research – similar to this study’s approach – was presented. Secondly, the link between ANT and competitiveness followed. Thirdly, the relevance of ANT to CE was detailed and fourthly the link between CI and ANT was presented. Finally, the development of a competitive strategy from an ANT perspective was motivated. The next chapter discusses the qualitative data collection and analysis within ALJ.

CHAPTER 5 – THE QUALITATIVE RESEARCH

5.1 INTRODUCTION

This chapter aims to address the fourth secondary research objective as stated in Chapter 1 (see 1.8.2) of presenting the collection and analysis of the qualitative data. Qualitative data was collected and used to develop further research questions in the collection of quantitative data. The results of the qualitative and quantitative data were triangulated to enhance the findings of the case study. The case study approach is a central and crucial empirical base in management research (Gummesson, 2007:228). When the approach is applied correctly, it becomes a valuable method for business and management science research to develop theory, evaluate programmes and develop interventions (Baxter & Jack, 2008:544). The layout of the chapter is presented below in Figure 5-1.

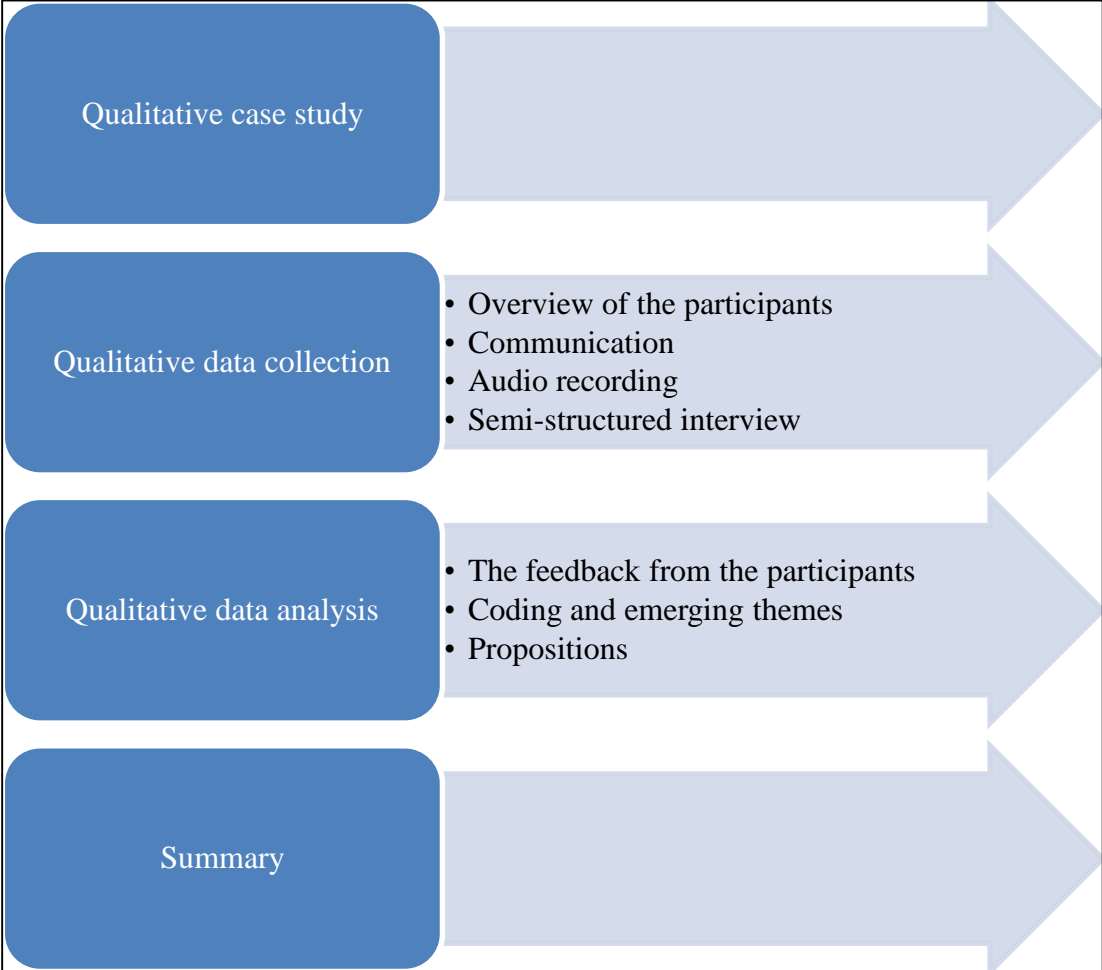


Figure 5-1: Layout of chapter 5

After the introduction, the discussion turns to the qualitative case study, data collection, data analysis, and the trustworthiness, followed by a summary. The aim of the qualitative case study was aligned to the process of translation. Denis *et al.* (2007:184) define translation as a situation in which translators (key actors) attempt to define an issue and offer a set of solutions to a group of actors. The issue was identified as the need for a new competitive strategy for ALJ in preparation for Saudi Vision 2030. In this case study, the key actors were approached to offer solutions to this issue. Qualitative data was collected and used to compile strategic documents for ALJ in pursuit of the development of a competitive strategy: (1) strengths, weaknesses, opportunities and challenges (SWOT), (2) CE (PESTEL), (3) BSC perspectives, (4) competitive strategy, and (5) CI level. These documents serve as non-human actors and are used to translate knowledge between actors and networks in order to move from a heterogeneous to a homogeneous mode. The preparation and readiness for Saudi Vision 2030 is also considered. In conclusion, the chapter considers ALJ's readiness for Saudi Vision 2030 from an ANT perspective.

The qualitative data were used to formulate the quantitative research questions and to enhance the quantitative results. Mixed method researchers should explain the purpose for their "mixing" (Creswell & Creswell, 2017:207). This study applies a sequential mixed methods design as explained in Chapter 2 (Figure 2-4). The next section addresses some aspects of the empirical qualitative case study.

5.2 QUALITATIVE CASE STUDY

A comprehensive overview of case study research was provided in Chapter 2 (Section 2.6.1). This study utilised both the qualitative and quantitative case study approaches. According to Baxter and Jack (2008:544), the qualitative case study methodology provides tools for researchers to study complex phenomena within their contexts, in this case the need for a competitive strategy for ALJ in preparation for Saudi Vision 2030. It is an approach to research and facilitate the exploration of a phenomenon within its context using a variety of data sources.

Askarzai (2017:29) summarises the main strengths of empirical qualitative research as follows:

- a. It provides elaborate textual descriptions of how people experience a phenomenon.
- b. It can be used to explore sensitive topics.
- c. It can be used to explore culturally defined experiences.
- d. It can provide valuable insight into a phenomenon.
- e. It provides an in-depth understanding of a complex phenomenon.

- f. It is useful to study a case.
- g. It provides insight into people's behaviour, perception and experiences.

However, the quality in qualitative research demands more than mere adherence to the correct procedures and attention to relevant criteria, although these are certainly necessary (Richards, 2006:2). The data collection techniques and trustworthiness play an important role in ensuring quality.

5.3 QUALITATIVE DATA COLLECTION

This section discusses the collection of qualitative data from the research field of ALJ in Saudi Arabia. The researcher selected the senior management – i.e. key actors – at different levels from “essential” departments at ALJ using cluster-based sampling. The input from actors at different levels from various departments are key, especially to establish whether their interests are aligned (refer to Section 4.3.3 – translation). Denis *et al.* (2007:184) concur by highlighting that top management – as key actors – determine the interests of other actors so that each actor long to stay engaged, and aligned with the goals of ALJ.

The most appropriate method of qualitative data collection is an interview as it is a more flexible tool and suitable for questions that require probing to obtain adequate information (refer to Chapter 2, Section 2.9.1). The researcher applied in-depth face-to-face interviews as the main instrument for (empirical) qualitative data collection as the interview is the most recognised data collection technique for a qualitative approach.

5.3.1 Overview of the participants

This section offers an overview of the characteristics of the participants based on three classifications: the participant's department, position and the length of employment. The researcher started by preparing a list of four to five employees – heads of departments plus a key representative – from all eight departments. This excluded the risk management department, where only the head of the department was interviewed as the department consists of only a few members. However, risk management is regarded as a key department that contributes to the development and planning of ALJ's strategies, and it was therefore added. The researcher identified 32 potential participants from the Toyota and Lexus sectors in the ALJ group. For purposes of this study, these participants were regarded as key actors.

a. Participants' departments

Firstly, Table 5-1 below shows the ALJ departments represented by the participants at the time of conducting this research. They are: finance, HR, IT, marketing, risk management, sales, corporate shared services (CSS) and the strategy department. The CSS comprises several units, including procurement, compliance, internal audit and kaizen. These departments form the key network of ALJ where all strategies are formulated and implemented. Each department plays its own role in reinforcing ALJ's overall strategy, mission, vision and objectives – regarded as non-human actors.

Table 5-1: Participants' departments

Interviewees departments								
Sales	IT	CSS	Strategy	Marketing	Finance	HR	Risk mgmt.	Total
7	5	4	4	4	4	3	1	32

Figure 5-2 shows the percentage of participants respective to the total staff compliment per department.

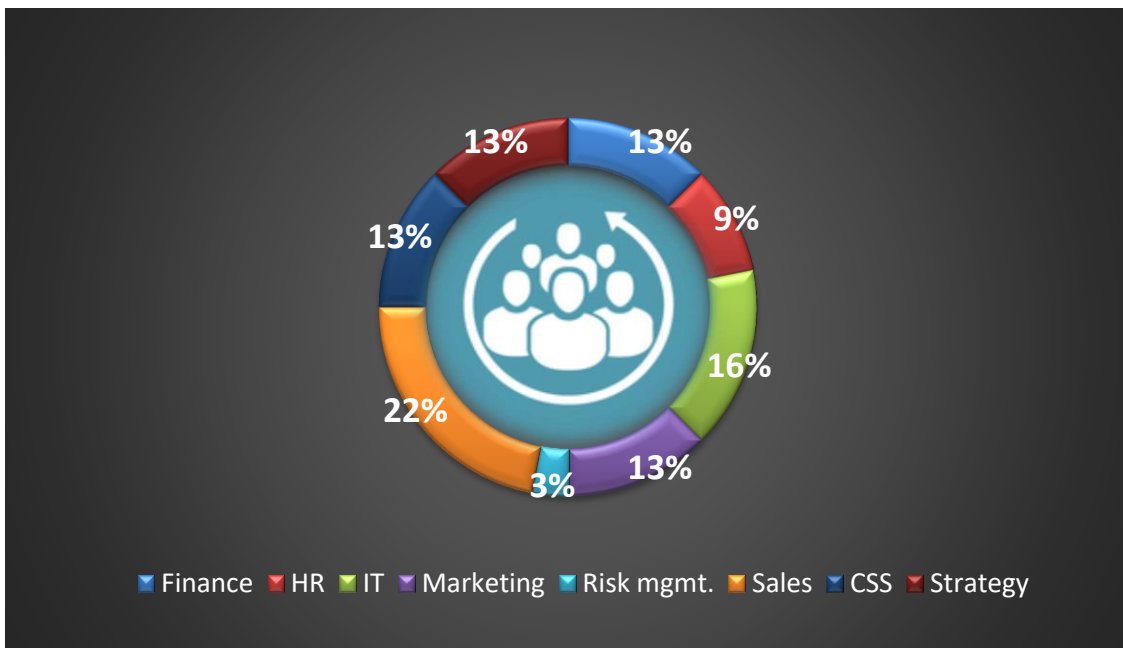


Figure 5-2: Percentage of participants respective to department staff compliment

The graph shows that the percentage of participants from the sales department is the highest at 22%. The remaining percentages are relatively close at between 9% and 16%. However, the lowest percentage of 3% goes to the risk management department as explained earlier.

Overall, the departments were selected carefully to represent key actors from the most important departments of the ALJ network.

b. Participants’ positions

Table 5-2 represents the participants’ positions in the ALJ group during this research study. The positions were ranked from the top down according to ALJ positions: senior managing director (SMD), managing director (MD), director (D), senior general manager (SGM), and general manager (GM). The researcher selected this hierarchy of senior management – and particularly the positions of SMD and MD – as they are the decision makers at ALJ, especially with regard to strategy. It is imperative that key actors are included in the development of a competitive strategy for ALJ, as they have the ability to influence and align the interests of ALJ actors.

Surprisingly, the researcher succeeded in interviewing all the targeted positions, despite the participants’ time limitations. It is worth all the effort that has been made, as the aim was to discuss ALJ’s SWOT, PESTEL, BSC, CE, CI and competitive strategy. Such critical topics need feedback from key actors.

Table 5-2: Participants’ positions

Interviewees positions					
SMD	MD	Director	SGM	GM	Total
1	5	12	11	3	32

Figure 5-3 shows the percentages of the participants’ positions.

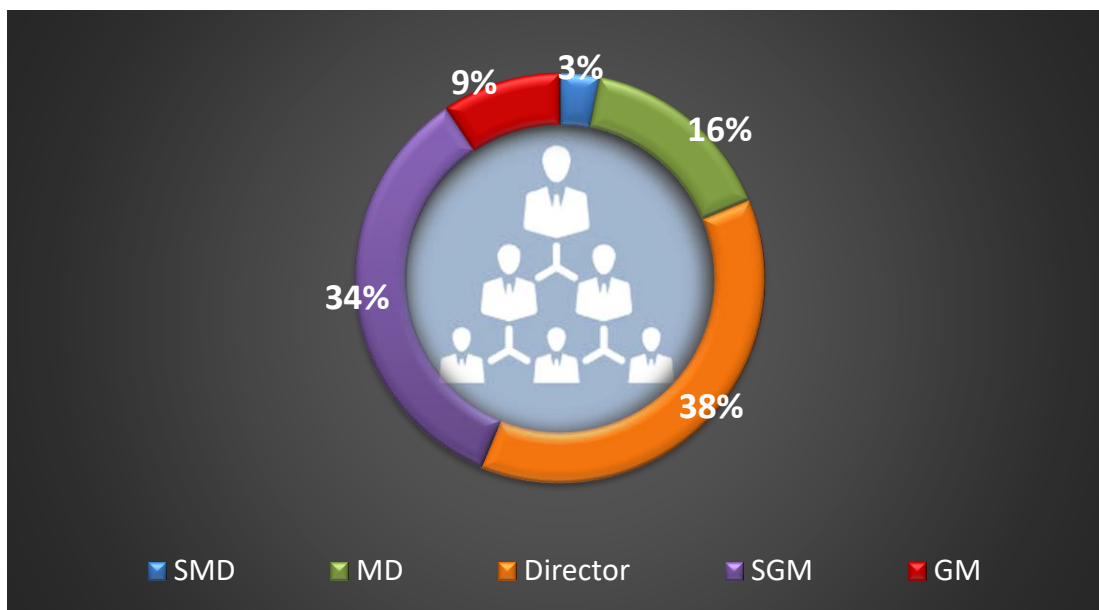


Figure 5-3: Participants’ position in percentage

The graph of participants’ positions shows that most participants were directors (38%), followed by SGMs (34%). This distribution is ideal as the head of departments and/or their vice occupied these positions. The lowest percentage was 3% for the GM position as the GM grade is the lowest position in the senior management hierarchy. They do however play a critical role, as they represent the link between senior management and middle management – a key requirement to ensure the alignment of interests between actors.

c. Participants’ length of employment

The participants’ length of employment at ALJ group are reflected in Table 5-3.

Table 5-3: Participants’ length of employment

Interviewees length of employment			
1-5 Y	6-10 Y	> 10 Y	Total
2	4	26	32

The table demonstrates that 81% (26/32 years) of the participants have more than 10 years’ experience. The participants are familiar with ALJ’s actors and networks (environment).

5.3.2 Communication

While conducting this study, the researcher was (and still remains) a full-time employee at ALJ (CSS) and has a good relationship with many participants – i.e. actors. As the researcher is an employee at ALJ, there was a great degree of closeness and personal involvement between researcher and participant. A good relationship with a participant is vital to the success and insight of the research. All participants were sent an individual meeting request through e-mail (ALJ Outlook). The subject of the e-mail was a request for an academic interview with an attachment carrying a North-West University (NWU) request letter that describes the field of study and other valuable information (See Annexure 3 – Interview request letter). The e-mail also contained proof of ethics approval from the NWU (See Annexure 2 – Ethics approval number: NWU-00333-18-A4). Most of the requests were accepted, with a few participants proposing an alternative time slot according to their availability. The researcher accepted all proposed changes of the time or place.

All interviews were performed face-to-face in a private, closed meeting room at the ALJ premises. This ensured the confidentiality and privacy of the information provided by the participants. The interviews conducted at a time and place convenient for all participants and in a comfortable setting that was free of any interruptions.

The researcher started by introducing the NWU, the research field, research title and research objectives. The researcher provided the participants with a copy of ALJ's approval (See Annexure 1 – ALJ research approval). Most of the participants expressed their appreciation of the research topic, the advantage and its importance as motivation to ALJ. After the introduction, the researcher provided the questions to each participant (See Annexure 4 – Interview schedule). This provided an opportunity for review. The concept of a semi-structured interview was explained so that the participants could add any comments or feedback in addition to their answers to the questions. Each participant was requested a one-hour meeting, clearly mentioning the subject and purpose.

5.3.3 Audio recording

The researcher was prepared with an audio-recording device and paid attention to participants' words in order to document them as accurately as possible. The researcher asked permission from each participant individually before the interviews started. At the beginning of each interview, the participant was informed that the interview will be recorded for academic purposes and permission

was confirmed as stipulated in the NWU request letter. Obtaining consent from participants is in line with the ethical requirements of the NWU.

All interviews were digitally recorded using a mobile smartphone recorder with participants' approval. With the exception of two participants, all participants agreed to the recording. In the two cases where participants did not give their permission the researcher recorded the feedback manually on the question form. The recordings proved convenient as it allowed the researcher to focus on questions and answers rather than on taking notes. Audio recording enabled the researcher to capture the exact words of the interview, including the questions. It also enables the researcher to maintain eye contact and pay attention to what participants said. Additionally, audio-files facilitated more accurate analysis.

5.3.4 Semi-structured interview

The researcher exceeded the target number of 30 interviews. The interview process aimed to collect enough data to enable methodological triangulation (refer to Chapter 2, Section 2.5). The 32 semi-structured interviews were conducted as phase one of the empirical study. Face-to-face interviews are more effective and offer more accurate responses.

Face-to-face interviews were selected as a method for two reasons. Firstly, it allowed the researcher to interpret each question clearly and ensure that all participants understand each question correctly before answering. Secondly, it allowed participants to add more feedback (if any) after answering each question (Alase, 2017:14–15) Open-ended questions were used to allow participants to articulate their views. With open-ended questions, participants are free to respond in their own words.

The researcher explained terminologies such as SWOT, PESTEL, BSC and CI before starting the interviews. The semi-structured interviews were conducted over four weeks in November 2018. The interview style was flexible, allowing for an open dialogue that could extend beyond the themes of the interview schedule to obtain as much information as possible.

5.4 QUALITATIVE DATA ANALYSIS

The results of the qualitative research by means of semi-structured face-to-face interviews are presented in this section.

The main research question was aligned to the primary research objective of developing a competitive strategy for ALJ in preparation for Saudi Vision 2030. Furthermore, ANT is applied to better understand the translation of actor and network relations in the company when transforming ALJ's competitive strategy in preparation for Saudi Vision 2030. The main research question is (refer to Sections 1.6 & 1.7): what competitive strategies would ALJ have to put in place in preparation for Saudi Vision 2030. As this phase focused on qualitative data, the results captured the perceptions of the 32 participants – the key actors. The main research questions are listed below – each of these questions are complimented by more specific questions presented in the rest of the section:

Q1 – Is ALJ a competitive environment?

Taking cognisance of the definition of a competitive environment for purposes of this study – a corporate environment that is conducive to, and encourages competitive behaviour – (refer to Section 1.3.4). The aim of the first question was to establish whether the key actors perceived ALJ to be a competitive environment. These questions were based upon the SWOT analysis (refer to Section 1.3.6).

Q2 – What are the challenges of Saudi Vision 2030 on ALJ from the PESTEL perspectives?

The aim of this question was to establish the influence of the external environment on ALJ with the introduction of Saudi Vision 2030. The relationships between ALJ actors and its external environment – both human and non-human actors – is an integral part of the ANT translation process.

Q3 – Are ALJ's actors and network homogenous (ANT)?

The aim of this question was to test the perception of key actors whether the interests of ALJ actors were aligned – i.e. homogeneous – based on the internal performance measurement tool of the BSC. It is argued that when actors are rewarded based on KPIs, their interests are aligned with ALJ goals. As highlighted in chapter 4 (section 4.3.3), translation is the movement from one order to another through changes in the alignment of interests in a network (Sarker *et al.*, 2006:54). The question required key actors to consider which KPIs are used to measure actors' performance.

Q4 – Does ALJ have a robust competitive strategy?

The purpose of this question was for key actors to consider 1) ALJ's current strategy, 2) whether it was aligned to one of Porter's strategies – cost leadership, differentiation of focus (refer to Section 1.3.3), and 3) their opinion of what strategy ALJ should follow in preparing for Saudi Vision 2030. This question also tested whether the key actors are aligned in their view of the strategic direction for ALJ. Their aligned interests are a requirement for homogeneity.

Q5 – Is ALJ is prepared and ready for Saudi Vision 2030?

The aim of this question was to establish the perception of key actors whether ALJ is prepared for the radical transformation as envisaged by the roll-out of Saudi Vision 2030. This question again tested whether the strategic view of the key actors of ALJ are aligned.

Q6 – Does ALJ comprehend and apply CI?

This question was asked as part of question 5. As highlighted in chapter 4 (sections 4.3.4, 4.3.5 and 4.6.4), knowledge translation and knowledge sharing are crucial in enhancing actors' performance and aligning interests. CI is a tool ALJ can use to facilitate the translation of knowledge. This question therefore tested whether the key actors comprehended and applied CI in ALJ.

The results of the qualitative data collection are presented in section 5.4.1 below. The full process of the qualitative data analysis can be split into three broad stages: a) the reduction or breakdown of the text (feedback); b) the exploration of the text (coding); and c) the integration of the exploration by means of interpretation (propositions). Each stage offers a more abstract level of analysis (Attride-Stirling, 2001:390).

The results of the interviews were manually analysed by classifying groups and patterns into codes and themes (refer to Section 5.4.2). The questions and responses of each participant are provided in Annexure 5 (participants' responses – 1-32). The next section addresses the questions and the responses to each question. The researcher wanted to extract meaning from the participants' points of view.

5.4.1 The feedback from the participants

This section outlines the participants' feedback during the face-to-face interviews. The responses are further analysed in Chapter 6.

5.4.1.1 First question: SWOT model perspective

The first question had four subquestions. The participants were first asked: (1) Could you identify the strengths of ALJ (internally)?

The participants came up with varied strengths, such as:

“Strong brand and 60 years' legacy. The focus on customer and employee. Being big and keeping agile” and “Entrepreneurial mindset, trying new ideas even though it might be hard to implement, no resistance for a change, adaptable, diversity of the workforce, international talents and professionalism.”

Most participants indicated three main strengths of ALJ:

- Loyal associates,
- ALJ's brand name, and
- ALJ's four values of respect, improvement, pioneer and empower.

The second question was: (2) Could you identify the weaknesses of ALJ (internally)?

The participants identified various weaknesses, such as:

“The big size of ALJ firm” and “Strict and rigid business processes, and the overwhelming (overhead) workforce.”

Most participants referred to the following three factors as ALJ's weaknesses:

- The bureaucracy in decision-making processes;
- Communication and empowerment; and
- The poor role of HR.

The third subquestion was: (3) Could you identify the potential opportunities for ALJ (externally)?

The participants made wide-ranging statements, such as:

“Moving to a digital automotive era or any digital services can plug with the automotive sector” and “There are a lot of opportunities, such as solar energy and cinema sector.”

The majority of participants’ responses indicated that the potential opportunities for ALJ are:

- Saudi Vision 2030;
- Digitalisation; and
- Expansion in the automotive sector and/or in the non-automotive sector, for instance with solar energy and/or other smart applications.

The fourth subquestion asked: iv) Could you identify the potential threats (challenges) for ALJ (externally)?

The participants highlighted some threats and challenges as:

“Economical tight situation and the decrease in purchasing power” and “Keep up with the technology.”

The vast majority of participants agreed on the following challenges:

- The regular changes in government rules and regulations;
- Slowdown or economic recession; and
- Korean and Chinese competitors.

5.4.1.2 Second question: PESTEL model perspective

This question had six subquestions. The participants were asked: Referring to the CE of ALJ, could you identify the challenges of Saudi Vision 2030 on ALJ from the following perspectives? (Political, economic, socio-cultural, technological, environmental and legal).

It is interesting to note that most participants regarded this as a sensitive question. Conducting research on sensitive topics can be challenging as it is the study of subjective experience (Elmir, Schmied, Jackson & Wilkes, 2011:15).

Nevertheless, the participants responded to the six perspectives as follows:

a. The political perspective

Some participants denied that Saudi Vision 2030 posed any challenges for ALJ at all, whereas others identified some challenges. However, it can be concluded from the majority of the interview responses that Saudi Vision 2030 does pose challenges related to Saudisation, increases in fuel and utility prices, taxes and other government fees.

b. The economic perspective

The majority of participants appear confident about ALJ in spite of the identified economic challenges. The majority of interview responses indicated that participants saw no major economic challenge due to Saudi Vision 2030 as ALJ sees it as an opportunity.

c. The socio-cultural perspective

The majority of participants saw socio-cultural developments as a change rather than a challenge. The most notable change is that women are now allowed to drive and that there is a focus on women employment. The majority of the participants seemed to feel that ALJ will benefit from women employment and women driving.

d. The technological perspective

Participants did not view technology as a challenge. A number of participants referred to the SAP-ERP system that was recently implemented at ALJ. The majority of participants felt that ALJ is ready and prepared for Saudi Vision 2030 in terms of modern technology.

e. The environmental perspective

Most of the participants did not consider the environmental perspective a challenge as they felt that ALJ is a pioneering, proactive and eco-friendly firm.

f. The legal perspective

The vast majority of participants saw the legal perspective as part of or as a component of the political perspective. They saw ALJ as fully compliant with all the legal requirements and considered it as competitive in this regard.

5.4.1.3 Third question: BSC model perspective

The aim of this question was addressed in section 5.4 above. The third question asked: When considering a homogeneous actor network and performance measurement within ALJ, what are the KPIs used to assess the following perspectives?

- a. Financial performance (i.e. growth, profitability and risk)

All participants agreed that there are several KPIs at each departmental level. They identified the three financial performance KPIs as: Gross and net profit, gross and net growth, flash report and market share. According to Samad, Shu & Ogar (2017:50–51), a flash report is a financial outcomes summary that comprises a number of key figures, including revenue, gross margin and operating profit, together with figures for incentives, severance, working capital provisions, external and intercompany interest. It could be generated on a daily, weekly or monthly basis.

- b. Customer value proposition (i.e. relationships, acquiring and retaining customers)

Most of the participants identified one to three KPIs to measure customer value. These KPIs are in the form of surveys conducted periodically, such as *Guest delight indicators* and the *Net promoter score*.

- c. Internal process effectiveness (i.e. operations, innovation of new products and services, *human capital, IT and R&D*)

The majority of the participants identified the KPIs used to measure the internal process effectiveness at ALJ as business value realisation, Kaizen and Hoshin Kanri.

According to Hasan and Dutta (2017:235), Kaizen is a Japanese hybrid word. “Kai” means change and “Zen” means good. Basically, Kaizen is a tool (application) of continuous improvements. Hoshin Kanri is a systematic approach that can be applied during periods of severe competition. Toyota consistently applied a Hoshin Kanri-style management for several decades and as a result they outshined the giant General Motors in 2007 to become the world’s leading automotive producer (Hutchins, 2016:2).

- d. Learning and growth (i.e. cultural behaviour, leadership competency, teamwork and knowledge sharing)

Contrary to the above three BSC perspectives, learning and growth is a controversial perspective. Some of the participants referred to the “Great place to work”-survey as a KPI, while other participants doubted or denied that there is a KPI to measure learning and growth as behaviour is so subjective to measure. This KPI was further investigated during the quantitative phase to reach an outcome (see Chapter 6).

5.4.1.4 Fourth question: Competitive strategy

In terms of ALJ’s competitive strategy, the interviewees were asked the following subquestions:

- a. Describe ALJ’s current strategy?

Almost all the participants agreed that the strategy called “Earn guest loyalty” is unique to ALJ. The next sub question was:

- b. In your opinion, which of the following strategies have ALJ followed or implemented?
 - Cost leadership (provide products or services at lower prices than offered by competitors),
 - Differentiation (provide unique and higher value products or services), or
 - Focus (provide a unique and superior value to a specific customer).

The majority of the participants identified differentiation as a strategy that ALJ follows. Interestingly, one participant argued:

“We can force fit these generic strategies, but they do not. From my point of view, mapping them into the business model would be difficult. This model is bit antiquated, a tremendous amount of research came later. These three dimensions are the very simplistic and academic approach.”

A considerable number of participants also asserted that the firm uses a unique mix of both the differentiation and focus strategies.

c. What strategy do you suggest ALJ should follow?

Interestingly, a number of participants valued this question. They came up with a variety of strategies and ideas. Only one said: “Nothing to be added”. Most do not necessarily call for a change in the current strategy, but rather suggest adding new concepts, such as:

- “ALJ should redesign its strategy to focus on the employee as it does on the customer”
- “Increasing the scope of digitalisation, open a new market, re-model current strategy and the way of work”
- “Pioneering the market it should be embedded in the current strategy”
- “ALJ should focus more on the research and development side and keeps close eyes on the domestic and international market”
- “Shifting its business model from retail to wholesaler, in other words distributors empowerment”
- “Full automation processes that minimise the long process and eradicate the ongoing routines and bureaucracy”
- “Bringing more innovation in differentiation and change Guest first to Guest is a friend, more focus on the customer”
- “To gain customers heart and mind, ALJ should focus more on customer optimisation. The strategy should advocate quality, durability and reliability (QDR)”
- “ALJ should focus on the future by extensive utilising of social media”
- “I would add to our strategy the loyalty and engagement concept, especially in term of employee and customer. This has to be the outline of each strategy. Yes, it is part of our strategy yet needs more focus and continual enhancement” lastly,
- “Effective communication has been -always- ignored, neglect or missed out from the strategy”

5.4.1.5 Fifth question: Saudi Vision 2030

The fifth question divided into three sub-questions:

a. In your opinion, how prepared do you think ALJ is for Saudi Vision 2030?

All participants agreed that ALJ is well prepared for Saudi Vision 2030 as they all responded that ALJ is considered 100% ready for Saudi Vision 2030.

b. What action has been taken so far in preparation for Saudi Vision 2030?

All the participants confirmed that ALJ is fully aligned with and in support of all the proposed initiatives of Saudi Vision 2030. The following response from one participant gives an indication of the actions that have been taken so far in this regard:

“There are many actions and decisions taken in preparation for Saudi Vision 2030. For example: (1) Applying fuel efficiency rules, (2) Hybrid cars, (3) Saudisation, (4) Women’s employment, and (5) Sponsorship for several schools of women driving.”

c. What CI information have you gathered in preparation for Saudi Vision 2030? (With consideration that CI refers to six stages: Planning > Collection > Analysing > Communicate > Structure > Awareness).

Almost all the participants highlighted the importance of CI and most of them are familiar with the CI framework. They mostly referred to the department of market research insight (MRI) as a primary source of such information. The following response of one participant sheds more light on this matter:

“We are contacting the MRI department as they are providing necessary information that we need. On the other hand, we have legal and external affairs departments for any information relevant to government legislation and regulation.”

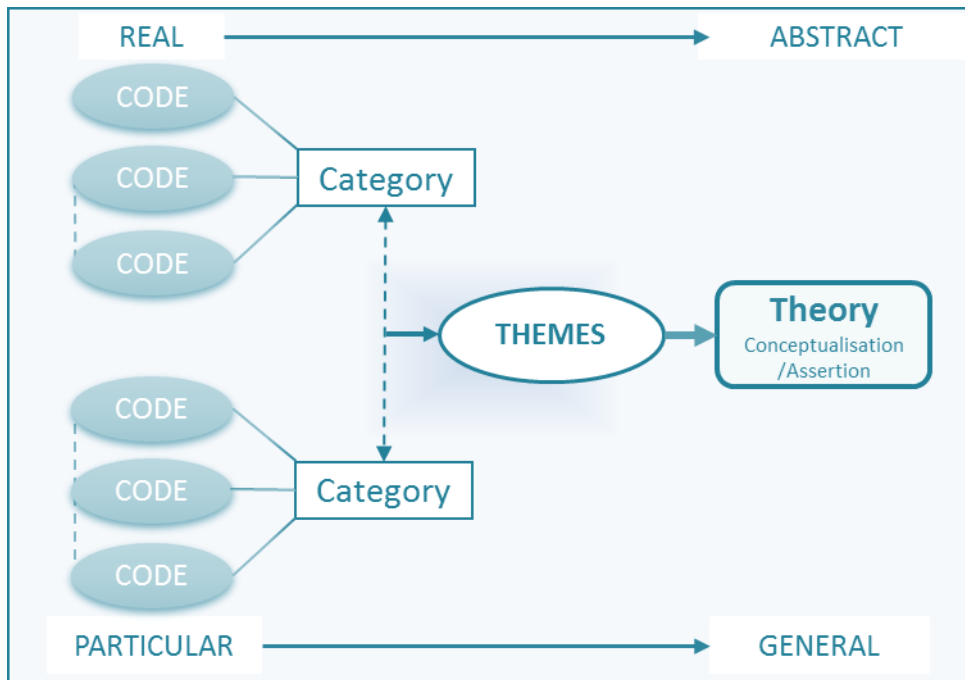
The next section reports on the codes and emerging themes derived from the interviews. According to Willig (2013:11), once the data have been collected, it should be coded. Coding the data is the first step in a thematic analysis. However, the coding in this research was done manually.

5.4.2 Coding and emerging themes

The codes and themes formulated in this section addresses the main research objective and corresponds with the conceptual framework of this study as presented in Figure 1.4.

Following the interviews, the researcher categorised the data using generic concepts as codes. According to Saldaña (2015:3), a code in qualitative inquiry is most often a word or short phrase that symbolically assigns a summative, salient, essence-capturing. The exercise of classification starts with the development of a code and ends with forming typologies. Coding was done manually line by line to identify meaningful and aligned concepts.

The process of coding leads to the development of central themes. After adequate comparison of categories that emerged from each question, themes were outlined. The themes allowed the researcher to understand the research problem better (refer to Chapter 1, Section 1.7). Vaismoradi, Jones, Turunen & Snelgrove (2016:101) assert that theme(s) are the main product of qualitative data analysis. Figure 5-4 offers a graphic representation of the process of extracting codes and themes.



Source: Saldaña (2015:13) (adapted)

Figure 5-4: A streamlined codes-to-theory model for qualitative inquiry

The above figure (Figure 5-4) helped the researcher to organise the codes and emerging themes to make a sense of the connections and syntheses between categories, codes and themes. The next step was to present the themes in a table (Table 5-4) by linking codes and themes to get a personal and theoretical understanding of the data. Table 5-4 summarises all the codes and themes developed using qualitative data analysis.

Table 5-4: Codes and emerging central themes

Qualitative data analysis (Coding & Emerging Themes)			
Question	Category	Codes	Central Themes
i) Could you identify the strengths of ALJ (internally)?	SWOT	Strengths	- Loyal associates. - ALJ brand name. - ALJ four values: respect, improve, pioneer and empower.
ii) Could you identify the weaknesses of ALJ (internally)?		Weaknesses	- The bureaucracy in decision-making processes. - Communication effectiveness - The poor role of HR
iii) Could you identify the potential opportunities for ALJ (externally)?		Opportunities	- Saudi Vision 2030. - Digitalisation. - Expansion in the automotive sector and/or in the non-automotive sector.
iv) Could you identify the potential threats (challenges) for ALJ (externally)?		Threats	- The regular changing in government rules and regulations. - Slowdown or economic recession. - Korean and Chinese competitors.
By referring to the competitive environment (CE) of ALJ, could you identify the challenges of Saudi Vision 2030 on ALJ, from the following perspective? i) Political, ii) Economic, iii) Socio-cultural, iv) Technological, v) Environmental and vi) Legal	PESTEL	Political challenges	Saudi Vision 2030 brings up some challenges in terms of; Saudilaisation, increases of fuel and utility prices, in addition to taxes and other governmental fees.
		Economic challenges	ALJ perceives Saudi Vision 2030 as an opportunity.
		Socio-cultural challenges	- ALJ will benefit from women employment. - ALJ will benefit from women car driving.
		Technological challenges	From technological perspectives, ALJ is ready and well prepared with modern technology.
		Environmental challenges	ALJ is a pioneer, proactive and eco-friendly firm.
		Legal challenges	ALJ considered as a competitive environment.
When considering a homogeneous actor-network and performance measurement within ALJ, what are the key performance indicators (KPIs) used to assess the following perspectives? i) Financial performance, ii) Customer value proposition, iii) Internal process effectiveness and iv) Learning and growth.	BSC	Financial performance	ALJ has a good financial strength to face any challenge and can gain from any opportunity.
		Customer value	ALJ has excellent relationships with its customers and could acquire and retain them for a long time.
		Internal process effectiveness	ALJ has an effective internal process and efficient network internally and externally.
		Learning and growth	ALJ is a healthy environment in term of cultural behaviour, teamwork and fair treatment.
In terms of ALJ's competitive strategy: i) Describe ALJ's current strategy? ii) In your opinion, which of the following strategies have ALJ followed or implemented? a) Cost leadership, b) Differentiation or c) Focus. iii) What strategy do you suggest ALJ should follow?	COMPETITIVE STRATEGY	Current strategy	ALJ's current strategy "Earn Guest Loyalty" is a robust competitive strategy.
		Defining strategy	ALJ is providing unique and high value products and services to their customers.
		Proposing a strategy	ALJ needs to redesign/formulate its current strategy.
i) In your opinion how prepared do you think ALJ is for Saudi Vision 2030? ii) What action has been taken so far in preparation for Saudi Vision 2030?	SAUDI VISION 2030	Preparation	ALJ is well-prepared for Saudi Vision 2030.
		Readiness	ALJ is ready and support all initiative of Saudi Vision 2030.
i) What competitive intelligence (CI) information have you gathered in preparation for Saudi Vision 2030?	CI	CI stance	ALJ's associates receive newsletters and awareness messages about internal and external important changes periodically.

5.4.3 Propositions

Based on the table presented above (Table 5-4), the researcher formulated a number of propositions. The propositions defined the “case” under study more narrowly. The propositions guided the quantitative research to confirm or reject these propositions.

According to Baxter and Jack (2008:552), and Zhang and Wildemuth (2016:11), propositions investigate the research in advance in order to answer the research problem. Finally, the results of the qualitative content analysis can support and validate existing theories and provide concentrated descriptions of particular settings or phenomena.

The propositions derived from this stage of the study coherently interlink with the emerging themes and every proposition is linked to multiple themes, as reflected in the table below. The quantitative empirical research presented in Chapter 6 confirmed whether one theme alone or a group of several themes collectively underlie each proposition.

In line with the aim of this chapter, the next table, Table 5-5, lists the nine propositions derived from the coding and thematic analysis process.

These nine propositions can be linked to literature as follows:

Propositions around SWOT: relate to the ability of the key actors to identify and agree on (aligned interests) the elements of a SWOT analysis. It is proposed that the key actors agree that ALJ can be regarded as a competitive environment—a corporate environment that is conducive to, and encourages, competitive behaviour. According to Johnson *et al.* (2008:3), the internal environment defines a firm’s position externally.

Proposition around PESTEL: ALJ actors agree on the challenges and opportunities around Saudi Vision 2030. Again it is proposed that the key actors agree that ALJ is a CE – their interests align.

Proposition around BSC: It is proposed that ALJ is perceived as homogeneous. It is highlighted here that although the perception by the key actors that the ALJ network can be regarded as homogeneous, based on ANT, does not “make” ALJ a homogeneous network. All the actors have to agree that their interests are aligned for it to be regarded as a homogeneous network. According to Sarker *et al.* (2006:81), ANT emphasises the self-interests of actors and suggests that it not only

entails the leadership sharing a vision, but also linking the firm's vision to serving the interests of actors.

Proposition around competitive strategy: It is proposed that ALJ has a robust competitive strategy. However, this perception has to be tested quantitatively, especially as this requires consensus amongst all ALJ actor. Möller and Svahn (2003:227) posit that a competitive strategy is only attained by the commitment of engaged and vital actors who influence another actor.

Proposition around the preparedness for Saudi Vision 2030: It is proposed that ALJ is prepared and ready for the demands of Saudi Vision 2030. This is based on the perceptions of key actors of ALJ. It is however possible that other ALJ actors do not agree.

Propositions around CI: It is proposed that ALJ actors comprehend and apply CI. This is a requirement for knowledge translation between ALJ actors. According to Badr *et al.* (2004:9), CI offers valuable information and robust knowledge that help senior actors to think and act strategically.

These propositions as reflected in Table 5-5, will be tested in chapter 6.

Table 5-5: Summary of propositions

Category / Model	Qualitative data analysis (Emerging Propositions)		
	Codes	Central Themes	Propositions
SWOT	Strengths	<ul style="list-style-type: none"> - Loyal associates. - ALJ brand name. - ALJ four values: respect, improve, pioneer and empower. 	<p>ALJ's actors can identify its strengths. (ALJ is a competitive environment)</p>
	Weaknesses	<ul style="list-style-type: none"> - The bureaucracy in decision-making processes. - Communication effectiveness. - The poor role of HR. 	<p>ALJ's actors can identify its weaknesses. (ALJ is a competitive environment)</p>
	Opportunities	<ul style="list-style-type: none"> - Saudi Vision 2030. - Digitalisation. - Expansion in the automotive sector. - Expansion in the non-automotive sector. 	<p>ALJ's actors identify potential opportunities for ALJ. (ALJ is a competitive environment)</p>
	Threats	<ul style="list-style-type: none"> - The regular changing in governmental rules and regulations. - Korean and Chinese competitors. - Slowdown or economic recession. 	<p>ALJ's actors identify current challenges for ALJ. (ALJ is a competitive environment)</p>
PESTEL	Political challenges	Saudi Vision 2030 brings up some challenges in terms of: Saudisation, increases of fuel and utility prices, in addition to taxes and other governmental fees.	<p>ALJ's actors perceive Saudi Vision 2030 as an opportunity or a challenge. (ALJ is a competitive environment)</p>
	Economic challenges	ALJ perceives Saudi Vision 2030 as an opportunity.	
	Socio-cultural challenges	<ul style="list-style-type: none"> - ALJ will benefit from women employment. - ALJ will benefit from women driving cars. 	
	Technological challenges	From technological perspectives, ALJ is ready and well prepared with modern technology.	
	Environmental challenges	ALJ is an eco-friendly firm (supporting environmental issues).	
	Legal challenges	<ul style="list-style-type: none"> - ALJ is competent to meet the changes in laws and regulations imposed due to Saudi Vision 2030. - ALJ is considered as a competitive environment. 	
BSC	Financial performance	ALJ is financially strong and can face any challenge and can gain from any opportunity.	<p>ALJ's actors and/or network are homogenous (ANT).</p>
	Customer value	ALJ has strong Customer Relationship Management enabling the company to acquire new customers and to retain them for a long time.	
	Internal process effectiveness	ALJ has an effective internal processes and efficient networks both internally and externally.	
	Learning and growth	ALJ has a healthy work environment in terms of cultural behaviour, teamwork and fair treatment. It is "the best place to work".	
COMPETITIVE STRATEGY	Current strategy	ALJ's current strategy "Earn Guest Loyalty" is a robust competitive strategy.	<p>ALJ has a robust competitive strategy.</p>
	Defining strategy	ALJ is providing unique and high value products and services to their customers.	
	Proposing a strategy	ALJ needs to redesign/formulate its current strategy.	
SAUDI VISION 2030	Preparation	ALJ is well-prepared for Saudi Vision 2030.	<p>ALJ is well-prepared and ready for Saudi Vision 2030</p>
	Readiness	ALJ supports all initiatives as proposed by Saudi Vision 2030.	
CI	CI stance	ALJ's associates periodically receive newsletters and awareness messages about important internal and external changes.	<p>ALJ's actors apply and comprehend CI.</p>

It is worth noting that the emerging central themes and propositions summary is part of the conceptualisation concept of the ANT, and defines if ALJ is a CE and has a competitive strategy. These emerging propositions also distinguish ALJ's level of maturity in terms of preparation and readiness for the transformation of Saudi Vision 2030. In addition, the propositions determine the degree of awareness among ALJ's actors and applies the CI framework to ALJ's network.

The propositions are further analysed in the next chapter. Chapter 7 presents the *findings* of the mixed methods approach.

5.5 SUMMARY

This chapter addressed the fourth secondary research objective by presenting the qualitative case study. The findings from the qualitative research are addressed in Chapter 7. The chapter commenced with a discussion of the qualitative case study, followed by a presentation of the process of qualitative data collection. An overview of the interview participants were provided, followed by an explanation of the interview process. The results of the qualitative data analysis were presented. The interview questions were compiled by considering the primary research objective, the related literature review and the link with ANT. The research questions were linked to: 1) the strategic models of the SWOT analysis, PESTEL analysis and BSC, 2) concepts of CE and CI, and 3) ANT. The participants' feedback on the interview questions were provided.

The researcher manually coded the qualitative data and identified themes. The emerging themes were used to develop nine propositions (refer to Table 5-5). These propositions are based on the feedback from the key actors, and cannot be regarded as the final results. The qualitative results will be triangulated with the quantitative results for the final results. The propositions were tested quantitatively using a newly developed questionnaire (refer to Chapter 6).

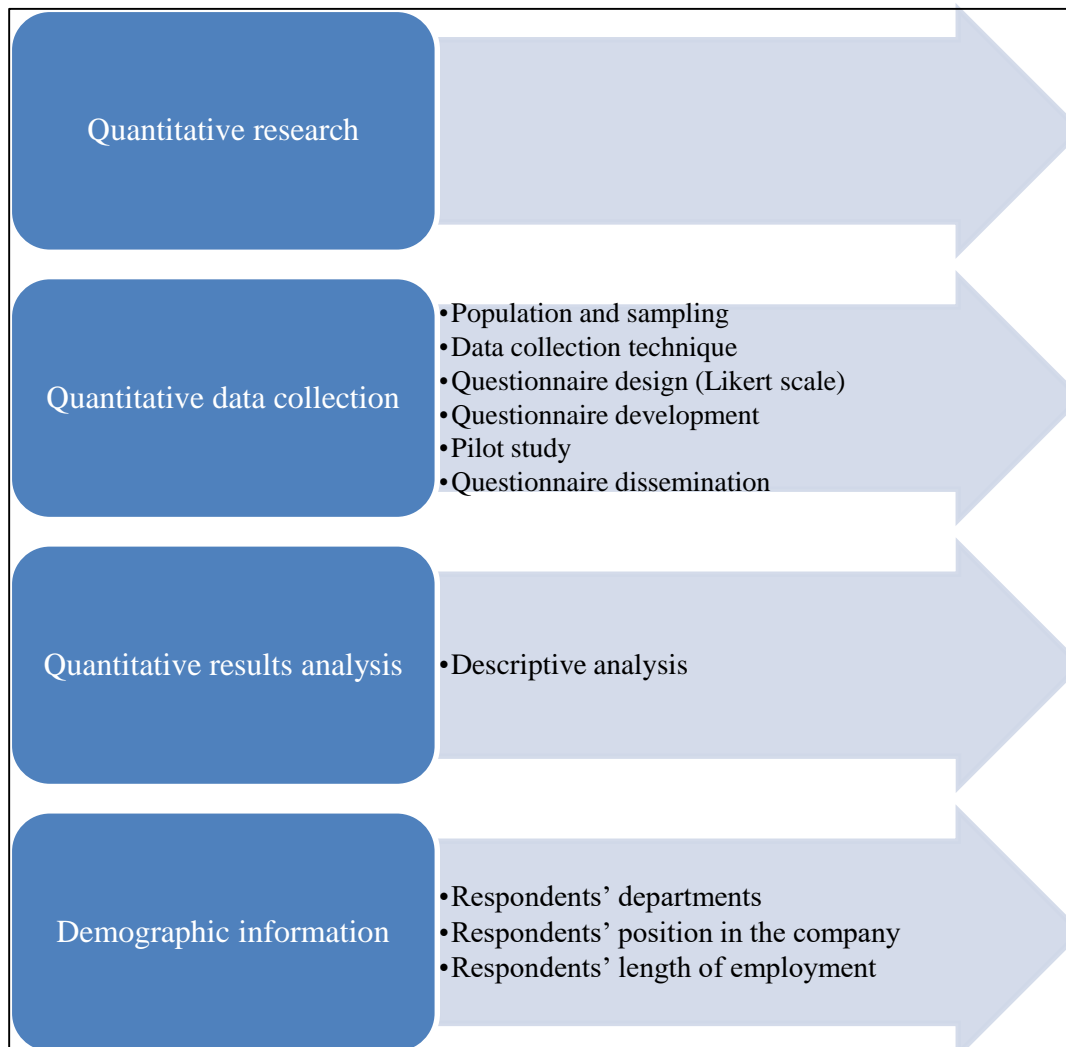
An explanation of how trustworthiness was obtained in this case study was provided in sections 5.3 & **Error! Reference source not found.** The four criteria of credibility, transferability, dependability and confirmability was achieved.

Chapter 6 presents the quantitative case study.

CHAPTER 6 – THE QUANTITATIVE RESEARCH

6.1 INTRODUCTION

This chapter aims to address the fifth secondary research objective (refer to Chapter 1, Section 1.8.2) by describing the quantitative data collection and analysis of this study. In the previous chapter, the results of the qualitative research were presented. The nine propositions developed in chapter 5 were tested using a questionnaire. This chapter also considers the specific objectives of the sequential mixed method approach as presented in Chapter 2. When sequential procedures are applied, the researcher seeks to elaborate and expand the findings of one method with another. These procedures involve beginning with a qualitative method for exploratory purposes (Chapter 5) and following up with a quantitative method with a large sample so that the researcher can generalise results (Creswell & Creswell, 2017:209–212). The layout of the chapter is presented below in Figure 6-1.



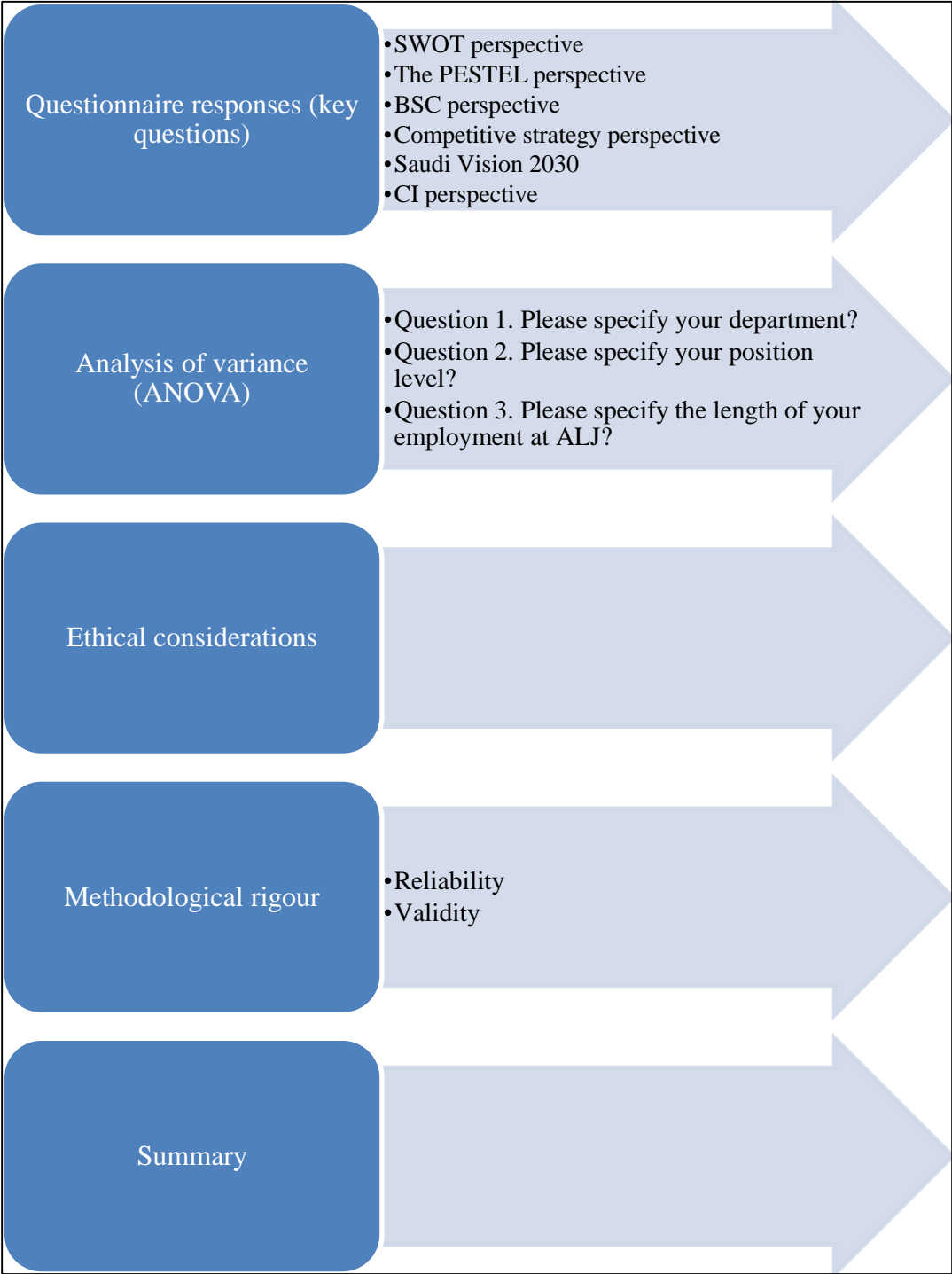


Figure 6-1: Layout of chapter 6

This chapter presents the findings of the quantitative analysis with the aim of addressing the main research question of developing a competitive strategy for ALJ in preparation for Saudi Vision 2030. Furthermore, ANT is applied to better understand the translation of actor and network relations in the company when transforming ALJ’s competitive strategy in preparation for Saudi

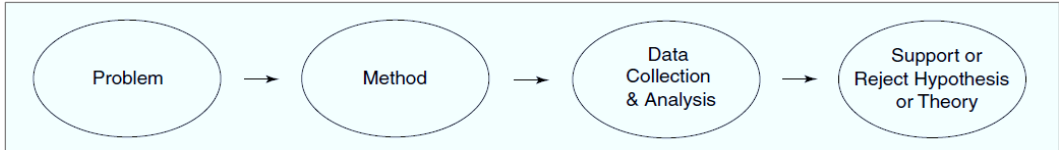
Vision 2030. The chapter details the quantitative case study by reporting on the quantitative data collection, quantitative data analysis with emphasis on descriptive analysis (including frequency, distribution, means, and standard deviations), in addition to ANOVA and the Levene test. The chapter concludes with a consideration of the ethical aspects.

Questionnaires were distributed using Google Forms (see Annexure 7 – Questionnaire form). Afterwards, the quantitative data were collected and the data downloaded to Excel and transferred to Statistical Package for the Social Science (SPSS) (version 23.0) for the purpose of analysing the data statistically.

6.2 QUANTITATIVE RESEARCH

The quantitative research further examined the results obtained from the previous phase (qualitative research). This technique is fundamentally about collecting numerical data and interpreting it statistically with no interference from the researcher during data analysis. The process therefore eliminates divergent assumptions. The results can provide objective clarity about the research problem and objective. According to Williams (2007:66) and Muijs (2010:11), the quantitative research approach has dominated as the research method that creates meaning and new knowledge. It is about explaining phenomena by collecting quantitative data that are analysed using mathematically-based methods. In this case study, quantitative data used to explain and answer the questions stated in Chapter 1 (refer to Section 1.8).

Depending on the depth of the qualitative results, quantitative follow-up studies can answer relatively complex sets of research questions (Morgan, 2015:3). Based on emerging concepts and themes that are generalisable across case sites, tentative questions are constructed (Bhattacharjee, 2012:97). According to Bernard (2017:70), scientific research first formulates a theoretical problem. Next, an appropriate site and method are selected; then, data are collected and analysed. Finally, the theoretical proposition with which the research is launched is either challenged or supported. Figure 6-2 demonstrates the scientific research process.



Source: Bernard, 2017:69 (adapted)

Figure 6-2: Scientific research process

The same six research questions as utilised in chapter 5 were used (refer to Section 5.4). This is because the perceptions of the key actors in ALJ were tested using interviews, and the results of the answers to these questions have to be compared against the results of the other ALJ actors – i.e. triangulation. The reason is to establish whether there is an alignment in, not only, the interests of actors, but also alignment to the goals of the ALJ network. ANT emphasises that leadership should not only share a vision, but the firm’s vision should be linked to serving the interests of actors (Sarker *et al.*, 2006:81).

The link to the relevant literature and theoretical framework (ANT) is provided in section 5.4. These questions are repeated here for the sake of completeness:

Q1 – Is ALJ a competitive environment?

Q2 – What are the challenges of Saudi Vision 2030 on ALJ from the PESTEL perspectives?

Q3 – Are ALJ's actors and network homogenous (ANT)?

Q4 – Does ALJ have a robust competitive strategy?

Q5 – Is ALJ prepared and ready for Saudi Vision 2030?

Q6 – Does ALJ comprehend, realise and apply CI?

Table 6-1 summarises the six research questions and the themes identified during the qualitative phase.

Table 6-1: Summary of research questions

<i>Q. Number</i>	<i>Research Questions</i>	<i>Model</i>	<i>Perspective</i>	<i>Q. Derived_Subcategory</i>	
<i>Q1</i>	Is ALJ a competitive environment.	SWOT	ALJ's strengths	<i>Q1a</i>	"Associates loyalty" is one of ALJ's strengths.
				<i>Q1b</i>	"ALJ's brand name" is one of ALJ's strengths.
				<i>Q1c</i>	"ALJ's four values: Respect, Improve, Pioneer and Empower" is one of ALJ's strengths.
			ALJ's weaknesses	<i>Q1d</i>	"The bureaucracy in decision-making processes" is one of ALJ's weaknesses.
				<i>Q1e</i>	"Communication effectiveness" is one of ALJ's weaknesses.
				<i>Q1f</i>	"The poor role of HR" is one of ALJ's weaknesses.
			The potential opportunities for ALJ	<i>Q1g</i>	"Saudi Vision 2030" is a potential opportunity for ALJ.
				<i>Q1h</i>	"Digitalisation" is a potential opportunity for ALJ.
				<i>Q1i</i>	"Expansion in the automotive sector" is a potential opportunity for ALJ.
			The current challenges (Threats) for ALJ	<i>Q1j</i>	"Expansion in the non-automotive sector" is a potential opportunity for ALJ.
				<i>Q1k</i>	"The regular changing in government rules and regulations" could be considered a challenge for ALJ.
				<i>Q1l</i>	"Korean and Chinese competitors" could be considered a challenge for ALJ.
				<i>Q1m</i>	"Slowdown or economic recession" could be considered as an opportunity rather than a challenge for ALJ.
<i>Q2</i>	Is ALJ perceives Saudi Vision 2030 as an opportunity.	PESTEL	Political challenges	<i>Q2a</i>	Saudi Vision 2030 brings up some challenges in form of; Saudization, increases of fuel and utility prices, in addition to taxes and other governmental fees.
			Economic challenges	<i>Q2b</i>	ALJ considers Saudi Vision 2030 as an opportunity.
			Socio-cultural challenges	<i>Q2c</i>	ALJ will benefit by including women in their workforce.
				<i>Q2d</i>	ALJ will benefit from women driving cars.
			Technological challenges	<i>Q2e</i>	From a technological perspective, ALJ is equipped with modern technology.
			Environmental challenges	<i>Q2f</i>	ALJ is an eco-friendly firm (supporting environmental issues).
			Legal challenges	<i>Q2g</i>	ALJ is competent to meet the changes in laws and regulations imposed due to Saudi Vision 2030.
				<i>Q2h</i>	ALJ is considered as a competitive environment.
<i>Q3</i>	Is ALJ's actors and network are homogenous (ANT).	BSC	Financial performance	<i>Q3a</i>	ALJ is financially strong and can face any challenge and can gain from any opportunity.
			Customer value	<i>Q3b</i>	ALJ has strong Customer Relationship Management enabling the company to acquire new customers and to retain them for a long time.
			Internal process effectiveness	<i>Q3c</i>	ALJ has effective internal process and effective network (departmental) collaboration.
			Learning and growth	<i>Q3d</i>	ALJ has a healthy work environment in terms of cultural behaviour, teamwork and fair treatment – "It is the best place to work".
<i>Q4</i>	Is ALJ have a robust competitive strategy.	COMPETITIVE STRATEGY	Current strategy	<i>Q4a</i>	ALJ's current strategy "Earn Guest Loyalty" is a robust and effective competitive strategy.
			Defining strategy	<i>Q4b</i>	ALJ provides unique and high-value products and services to their customers.
			Proposing a strategy	<i>Q4c</i>	ALJ needs to redesign/re-formulate its current strategy.
<i>Q5</i>	Is ALJ well-prepared and ready for Saudi Vision 2030.	SAUDI VISION 2030	Preparation	<i>Q5a</i>	ALJ is well-prepared and ready for Saudi Vision 2030.
			Readiness	<i>Q5b</i>	ALJ supports all the initiatives as proposed by Saudi Vision 2030.
<i>Q6</i>	Is ALJ comprehend, realise and applies CI.	CI	CI level	<i>Q6</i>	ALJ's associates periodically receive newsletters and awareness messages about internal and external essential changes.

6.3 QUANTITATIVE DATA COLLECTION

In this study the quantitative data collected served to supplement and confirm the qualitative results presented in chapter 5. The researcher therefore followed the steps described below during this phase.

6.3.1 Population and sampling

In this study, the population from which the sample was taken is all ALJ employees. The population size is approximately 4000 employees. The targeted sampling size was 5% – resulting in the total number of respondents being at least 205 employees (4000 x 5%). The calculation of the appropriate sample size is based on Neethling’s (2009) equation, which includes the variability of the data, confidence and precision. Since the variability of data is unknown because similar studies have never been done at ALJ, a safe value to choose is 50%; a 95% (equals $z = 1.96$ if normality is assumed) confidence interval is used, which implies that the researcher has a 5% chance to draw a “poor” sample; and with 7% precision, implying that the researcher is willing to work with a margin of error of 7%. Then, the sample size = $(1.96/0.07)^2 0.5(1-0.5) = 196$, a value close to 205.

The 205 respondents from ALJ’s 4000 employees were sources from multiple departments and business units. As a non-probability sample, that the sample included all the departments and business units, but not in the same ratio. The dominant departments in ALJ are: Finance, IT, Human resources (HR), Sales, After sales service, CSS, Marketing, Strategy and Risk management. Other smaller departments may be included. The sampling interval depends on the size of the population and the number of units in the research sample (Bernard, 2017:151). In practice, this is difficult to execute, as all the ALJ employees that were targeted had to be convinced to complete the questionnaire. Therefore, to ensure that the sample mirrored at least 5% of the population, the researcher decided to distribute 280 questionnaires in the hope that the target of 205 would be reached.

6.3.2 Data collection technique

The primary method of data collection was a questionnaire (refer to Chapter 2, Section 2.9.2). A questionnaire is a useful technique or approach to collect quantitative data.

6.3.3 Questionnaire design (Likert scale)

In this case study, the questionnaire was designed with “closed-ended” questions and prepared based on the outcome of the qualitative phase and the information obtained from the literature review. The questionnaire was designed based on a five-point Likert-type scale, with each question providing useful information. Developing a questionnaire aims to rate several statements from “strongly disagree” to “strongly agree”, with the most common format being from 1 to 5 (Muijs, 2010:47). This scale was designed by Rensis Likert (1932) and became a prevalent rating scale for measuring ordinal data in social science research. The scale includes Likert items that are simply worded statements to which respondents can indicate their extent of agreement or disagreement on a five or seven-point scale (Bhattacharjee, 2012:119; Bernard, 2017:327).

Using a Likert scale meant that ordered response levels were used to ensure explicit ordering, such as strongly disagree, disagree, neutral, agree, and strongly agree (Bacon-Shone, 2013:62). Likert scales are summated scales; that is, the overall scale score may be a summation of the attribute values of each item as selected by a respondent (Bhattacharjee, 2012:47).

Table 6-2 illustrates the Likert scale in a five-point form used in quantitative data collection.

Table 6-2: The five-point Likert scale

1	2	3	4	5
Strongly disagree (SD)	Disagree (D)	Natural – neither agree or disagree (N)	Agree (A)	Strongly agree (SA)

Source: Bertram, 2013:1 (adapted)

6.3.4 Questionnaire development

Invented by Sir Francis Galton, a questionnaire is a research instrument consisting of a set of questions (items) intended to capture responses from respondents in a standardised manner (Bhattacharjee, 2012:74). Closed format questions are preferable as the respondent choose from a set of given answers. These tend to be quick to answer, easy to code and require no special writing skills from the respondent (Walliman, 2017:97–98).

In this case study, the questionnaire was divided into two sections. The first section collected respondents’ demographic information, including their department, position and length of

employment at ALJ. The second section requested the respondents to rate their level of agreement with statements presented in several sections using a five-point Likert scale (refer to Table 6-2).

The two sections of the questionnaire are discussed in detail below.

First Section: Respondent information to determine the profile of the respondents:

- a. **Please specify your department.** The selection boxes provided for Finance, IT, Human Resources (HR), Sales, Services, Strategy, Marketing, CSS, or Other, where the respondents could write down and specify their department.
- b. **Please specify your position level.** Here three options were given to select from, namely Operational level, Middle management or Senior management.
- c. **Please specify the length of your employment at ALJ.** There were three options: 1–5 years, 6–10 years, or 10 years and longer.

Second Section: *Main questions*

The second part of the questionnaire was formulated as follows:

Based on a five-point Likert scale (1 = strongly disagree, 2 = disagree, 3 = neutral, 4 = agree, or 5 strongly agree), please answer the following 31 questions in Sections A to E by specifying to which extent you agree that:

Question A1. “Associate loyalty” is one of ALJ's strengths.

Question A2. “ALJ's brand name” is one of ALJ's strengths.

Question A3. “ALJ's four values: Respect, Improve, Pioneer and Empower” is one of ALJ's strengths.

Question A4. “The bureaucracy in decision-making processes” is one of ALJ's weaknesses.

Question A5. “Communication effectiveness” is one of ALJ's weaknesses.

Question A6. “The poor role of HR” is one of ALJ's weaknesses.

Question A7. “Saudi Vision 2030” is a potential opportunity for ALJ.

Question A8. “Digitalisation” is a potential opportunity for ALJ.

Question A9. “Expansion in the automotive sector” is a potential opportunity for ALJ.

Question A10. “Expansion in the non-automotive sector” is a potential opportunity for ALJ.

Question A11. “The regular changes in government rules and regulations” could be considered a challenge for ALJ.

Question A12. “Korean and Chinese competitors” could be considered a challenge for ALJ.

Question A13. “Economic slowdown or recession” could be considered as an opportunity rather than a challenge for ALJ.

Question B1. Saudi Vision 2030 brings some challenges in the form of Saudisation (a strategy that seeks to replace foreign workers with Saudi citizens), increases in fuel and utility prices, in addition to taxes and other governmental fees.

Question B2. ALJ perceives and considers Saudi Vision 2030 as an opportunity.

Question B3. ALJ will benefit by including women in their workforce.

Question B4. ALJ will benefit from women driving cars.

Question B5. From a technological perspective, ALJ is equipped with modern technology.

Question B6. ALJ is an eco-friendly firm (supporting environmental issues).

Question B7. ALJ is competent to meet the changes in laws and regulations imposed due to Saudi Vision 2030.

Question B8. ALJ is considered as a CE.

Question C1. ALJ is financially strong and can face any challenge and can gain from any opportunity.

Question C2. ALJ has strong customer relationship management, enabling the company to acquire new customers and to retain them for a long time.

Question C3. ALJ has an effective internal process and effective network (departmental) collaboration.

Question C4. ALJ has a healthy work environment in terms of cultural behaviour, teamwork and fair treatment – “It is the best place to work”.

Question D1. ALJ's current strategy "Earn Guest Loyalty" is a robust and effective competitive strategy.

Question D2. ALJ provides unique and high-value products and services to their customers.

Question D3. ALJ should redesign/reformulate its current strategy.

Question E1. ALJ is prepared and ready for Saudi Vision 2030.

Question E2. ALJ supports all initiatives as proposed by Saudi Vision 2030.

Question E3. ALJ’s associates periodically receive newsletters and awareness messages about essential internal and external changes.

6.3.5 Pilot study

Pilot testing is an often overlooked but extremely important part of the research process (Bhattacharjee, 2012:23). As mentioned before, questionnaire design is an art as much as a science, and therefore it is essential to do a pilot study (pre-test) to ensure that the questionnaire is designed well (Bacon-Shone, 2013:58). It is common practice to pre-test the questionnaire on a small number of people before it is distributed to reveal the weaknesses, if any, of the questionnaire (Kothari, 2004:118; Walliman, 2007:98).

In this research, the pilot study was conducted with the two promotors, two senior management representatives of ALJ and with two peers. No significant changes to the questionnaire were proposed. The only change was to the question on respondents' position. Furthermore, slight modifications were made based on the advice of the promotors. The final questionnaire can be viewed in Annexure 7 – questionnaire form.

6.3.6 Questionnaire dissemination

The researcher prepared a list of 280 selected ALJ employees. A formal e-mail with a link to the questionnaire was sent to all 280 respondents through ALJ Outlook (see Annexure 6 – Questionnaire e-mail request) with the aim of receiving at least 205 responses. The questionnaire survey was compiled using Google Forms. About 55 responses were received during the first week. After another week, no further responses had been received. The researcher, therefore, started to phone or directly approach the rest of the identified employees individually to further promote participation in the questionnaire by explaining and providing more clarity about the questionnaire and its objectives. The researcher also addressed any confidentiality concerns and confirmed the anonymity of respondents.

After numerous phone calls and short meetings, including getting the support of ALJ's senior management, the researcher succeeded in obtaining more than targeted sample of 205 responses. During the eight weeks from March to April 2019, 205 responses were received. The rest of the sampled employees denied participation due to busy schedules or unwillingness to participate.

Figure 6-3 gives a summary of the questionnaire process.

Listwise deletion based on all variables in the procedure	N	%
Valid	205	100
Excluded/Missing	0	0.0
Total	205	100

Figure 6-3: Questionnaire process

The 205 captured responses reflected excellent diversity in term of department, position and length of employment. In the end, the data collected for the quantitative phase of this study were sufficient and adequate for data analysis.

6.4 QUANTITATIVE RESULTS ANALYSIS

Following the data collection, the data were analysed and interpreted. In order for the data to be useful, the data had to be statistically analysed. Graphs, charts and tables were employed to explore, present, and describe the obtained results.

Saunders (2011:467) summarises the subsequent analyses, which involves describing the quantitative data and exploring relationships using statistics, as:

- a. The mean, median and mode to describe the central tendency,
- b. The inter-quartile range and the standard deviation to describe the dispersion,
- c. Chi-square, and phi to test whether two variables are significantly associated,
- d. ANOVA and t-tests to test whether groups are significantly different,
- e. Correlation and regression to assess the strength of variables relationships, and
- f. Regression analysis to predict values.

In this case study, the following techniques were used to analyse the quantitative data:

- a. Descriptive analysis (including frequency, distribution, means, and standard deviations), and
- b. An ANOVA and Levene tests. The motivation for selecting these methods are provided in section 6.7 below.

6.4.1 Descriptive analysis

This section outlines the descriptive analysis techniques used during the study. According to Williams (2007:66) and Patel (2009:3), descriptive statistics are often used to describe variables. The statistics are performed by analysing one variable at a time (univariate analysis). It involves the identification of the attributes of a particular phenomenon based on an observation or the exploration of the correlation between two or more phenomena.

The descriptive analysis must be based on the scientific methods and therefore, must be replicable (Bhattacharjee, 2012:119). Researchers usually perform these descriptive statistics before beginning any type of data analysis as it is a primary research method that examines the current situation (Williams, 2007:66; Patel, 2009:3).

The numeric data collected as part of a research project can be analysed quantitatively using statistical tools in two different ways: (1) *descriptive analysis*, which refers to statistically describing, aggregating, and presenting the constructs of interest or the associations between these constructs, and (2) *inferential analysis*, which refers to the statistical analysis of a theory (Bhattacharjee, 2012:119).

The first step in quantitative analysis is to establish how many people answered in a certain way or how many respondents belong to different ethnic groups, for example. This is done by means of frequency distributions based on identified variables (Muijs, 2010:91). Responses from different respondents to the same item or observation can be graphed into a frequency distribution based on the frequency with which they occur (Bhattacharjee, 2012:70). Frequency distribution, therefore, summarises data from one variable so that specific values can be read (Saunders, 2011:592).

An important element to consider in a frequency distribution is variability. If a variable has no variability, then it is simply not of any further interest. Looking carefully at the frequency distribution is the first line of defence against wasting much time on variables that do not vary (Bernard, 2017:560). The frequency distribution of a variable is a summary of the frequency (or percentages) of individual values or ranges of values for that variable (Bhattacharjee, 2012:121). Frequency distribution is usually presented as a table that simply shows the values for each variable expressed as a number and as a percentage of the total of cases, usually displayed from the lowest to the highest values (Walliman, 2017:171).

The questionnaire results are discussed in detail in the following two sections: (a) demographic information and (b) questionnaire responses.

6.5 DEMOGRAPHIC INFORMATION

This section presents the descriptive analysis of the three questions in Section I of the questionnaire (Respondent information). The results are discussed in the same order in which the questions were asked in the questionnaire.

6.5.1 Respondents' departments

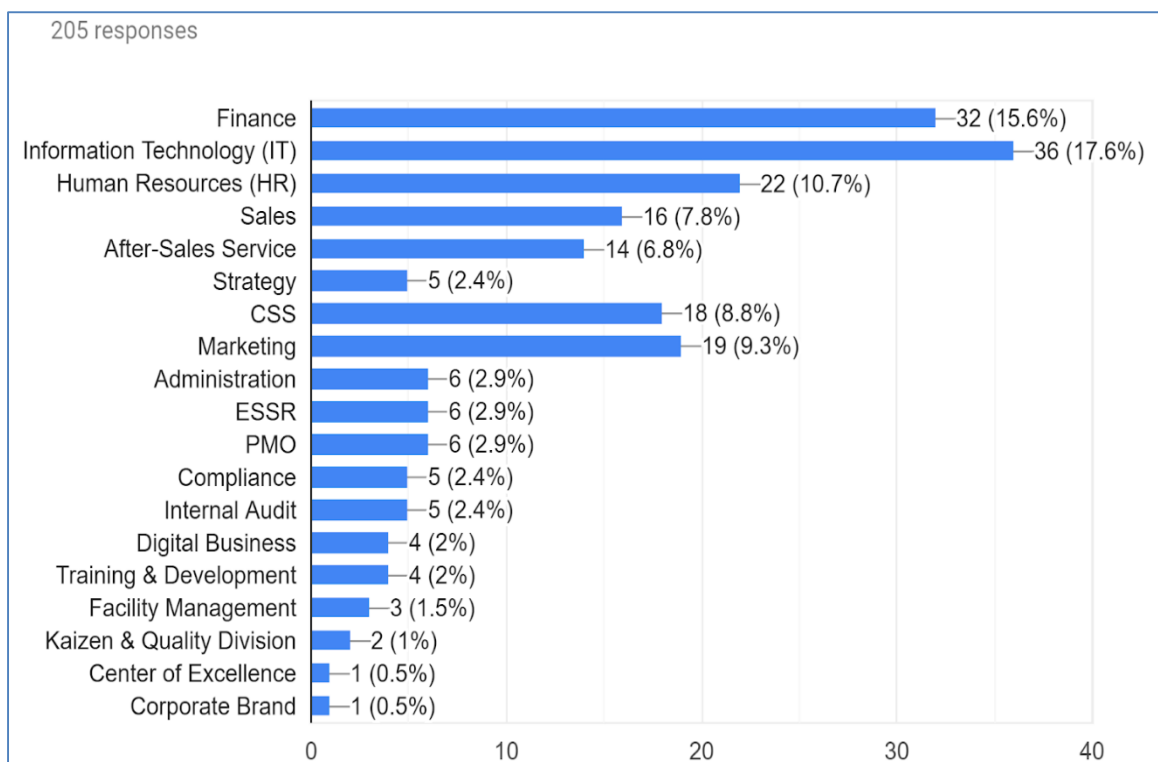


Figure 6-4: Respondents' departments

The main observations concerning these responses as per Figure 6-4 and Table 6-3 are:

- The 205 respondents belong to 19 different departments/divisions of ALJ.
- The highest number of respondents is from the IT department (n=36, 17.6%), and the second highest is from the finance department (n=32, 15.6%).
- Some departments, such as the Center of Excellence and Corporate Brand, shows limited respondents (n=1, 0.5%). These departments are small business units with limited employees.
- The 19 departments shown in Figure 6-4 represent almost all divisions of ALJ.

- e. The questionnaire provided a choice of specific departments with the option of “Other” where respondents could write down his/her department if it was not listed as an option. This increased the number of departments listed.
- f. In the above figure, CSS refers to Corporate Shared Services division, ESSR refers to Environment, Safety, Security & Risk management, and PMO refers to Project Management Office.

The researcher aimed to include more or less 25 respondents from eight departments, but that was not possible because most departments comprise less than ten staff members. The number of departments listed increased from eight to 19 to accommodate -in the end- the desired sample (at least 205 respondents).

Table 6-3: Frequency table of departments

Departments	Frequency	Percent	Valid Percent	Cumulative Percent
Administration	6	2.9	2.9	2.9
After-Sales Service	14	6.8	6.8	9.8
Center of Excellence	1	0.5	0.5	10.2
Compliance	5	2.4	2.4	12.7
Corporate Brand	1	0.5	0.5	13.2
CSS	18	8.8	8.8	22
Digital Business	4	2	2	23.9
ESSR	6	2.9	2.9	26.8
Facility Management	3	1.5	1.5	28.3
Finance	32	15.6	15.6	43.9
HR	22	10.7	10.7	54.6
IT	36	17.6	17.6	72.2
Internal Audit	5	2.4	2.4	74.6
Kaizen & Quality Division	2	1	1	75.6
Marketing	19	9.3	9.3	84.9
PMO	6	2.9	2.9	87.8
Sales	16	7.8	7.8	95.6
Strategy	5	2.4	2.4	98
Training & Development	4	2	2	100
Total	205	100	100	

6.5.2 Respondents' position in the company

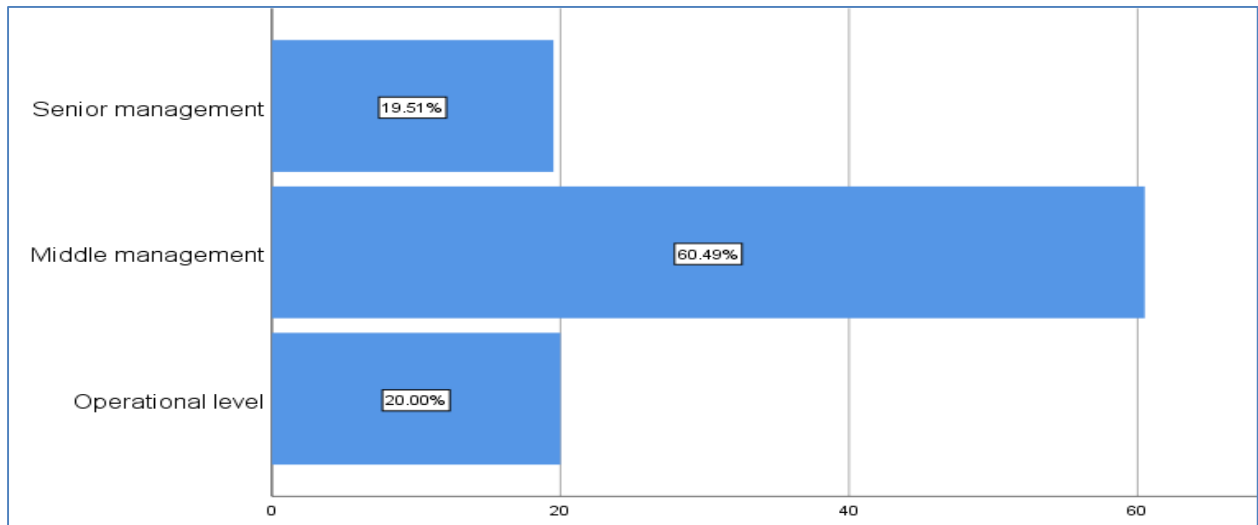


Figure 6-5: Respondents' positions

The main observations concerning the respondents' position shown in Figure 6-5 and Table 6-4 are:

- The questionnaire was initially distributed to 280 respondents, with the aim of achieving a response rate of 20% from senior management and 80% divided between middle and operational levels.
- The 205 respondents work at the three different levels as illustrated.
- Senior management represents marginally less than 20% (n=40, 19.51%).
- The majority of respondents are from middle management (n=124, 60.49%).
- The operational level constitutes 20% (n=41).

It is significant that the operational level constitutes only 20% while the aim was to represent 40%. It can be assumed that most of the employees who did not respond to the initial questionnaire (280) are from the operational employee level. Another possible reason for this may be that some employees consider themselves to represent middle management and responded accordingly.

Notwithstanding the above, this distribution is an accurate representation of the three levels as the quantitative approach aims to focus on the overall middle and operational levels to explore the gap between the top actors (senior management level) of ALJ investigated in the previous chapter and the remaining levels of ALJ's actors.

Table 6-4: Frequency table of position levels

Position	Frequency	Percent	Valid Percent	Cumulative Percent
Senior management	41	20	20	20
Middle management	124	60.5	60.5	80.5
Operational level	40	19.5	19.5	100
Total	205	100	100	

6.5.3 Respondents’ length of employment

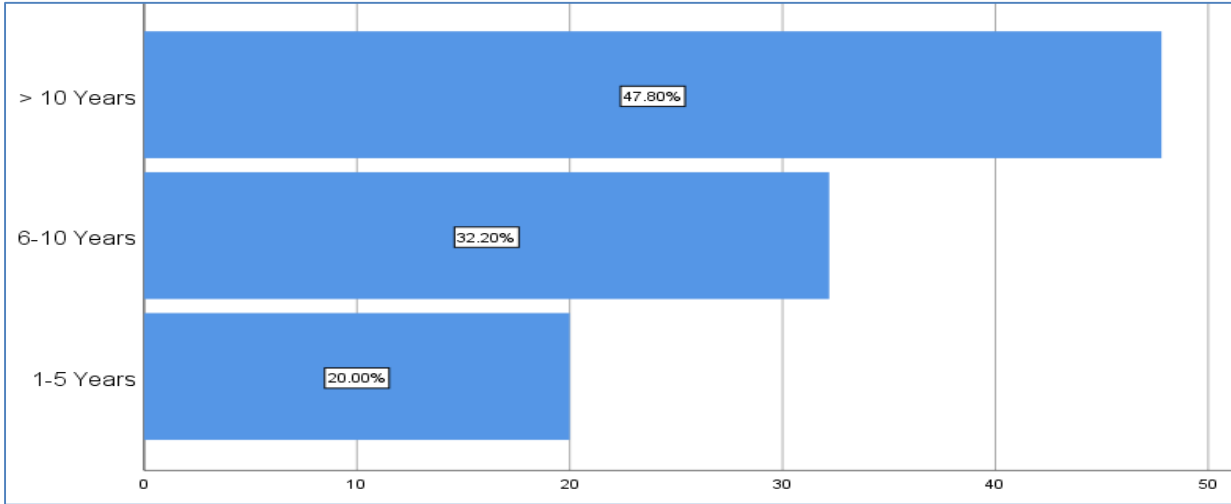


Figure 6-6: Respondents’ years of experience at ALJ

The main observations concerning these responses as per Figure 6-6 and Table 6-5 are:

- a. Almost half of the respondents (n=98, 47.80%) can be regarded as experts with an experience of ten years or more. This indicates that they are very familiar with ALJ’s culture and environment.
- b. The majority of respondents (n=164, 80%) have been employees of ALJ for more than six years, which reflects their familiarity with ALJ’s network and environment.
- c. Fortunately, the minority have less than five years’ experience (n=41, 20%).

The above-mentioned points indicate that the responses have a degree of credibility since most respondents are experts in the field being examined.

Table 6-5: Frequency table of length of employment

Employment	Frequency	Percent	Valid Percent	Cumulative Percent
1-5 Years	41	20.0	20.0	20
6-10 Years	66	32.2	32.2	52.2
> 10 Years	98	47.8	47.8	100
Total	205	100	100	

6.6 QUESTIONNAIRE RESPONSES (KEY QUESTIONS)

This section presents the responses to the questionnaire. The questionnaire included 31 questions that are presented and discussed here in the same order as in the disseminated questionnaire. These questions according to the model perspectives (dimensions) and the detailed answers above in Table 6-1.

Table 6-6 presents the frequency analysis of all responses respective to the six research questions (A1-E3) followed by a detailed descriptive analysis.

Table 6-6: Frequency table of responses

Q. N.	Sub. Q.	Question / Statement	SD	D	N	A	SA
			n (%)	n (%)	n (%)	n (%)	n (%)
			1	2	3	4	5
Q1	A1	"Associates loyalty" is one of ALJ's strengths.	5 (2.4)	6 (2.9)	20 (9.8)	60 (29.3)	114 (55.6)
	A2	"ALJ's brand name" is one of ALJ's strengths.	2 (1.0)	3 (1.5)	9 (4.4)	35 (17.1)	156 (76.1)
	A3	"ALJ's four values: Respect, Improve, Pioneer and Empower" is one of ALJ's strengths.	5 (2.4)	8 (3.9)	27 (13.2)	67 (32.7)	98 (47.8)
	A4	"The bureaucracy in decision-making processes" is one of ALJ's weaknesses.	17 (8.3)	20 (9.8)	59 (28.8)	51 (24.9)	58 (28.3)
	A5	"Communication effectiveness" is one of ALJ's weaknesses.	20 (9.8)	38 (18.5)	60 (29.3)	50 (24.4)	37 (18.0)
	A6	"The poor role of HR" is one of ALJ's weaknesses.	28 (13.7)	32 (15.6)	52 (25.4)	49 (23.9)	44 (21.5)
	A7	"Saudi Vision 2030" is a potential opportunity for ALJ.	3 (1.5)	3 (1.5)	37 (18.0)	63 (30.7)	99 (48.3)
	A8	"Digitalisation" is a potential opportunity for ALJ.	0	1 (0.5)	21 (10.2)	56 (27.3)	127 (62.0)
	A9	"Expansion in the automotive sector" is a potential opportunity for ALJ.	6 (2.9)	9 (4.4)	33 (16.1)	71 (34.6)	86 (42.0)
	A10	"Expansion in the non-automotive sector" is a potential opportunity for ALJ.	1 (0.5)	16 (7.8)	45 (22.0)	59 (28.8)	84 (41.0)
	A11	"The regular changing in government rules and regulations" could be considered a challenge for ALJ.	3 (1.5)	5 (2.4)	38 (18.5)	71 (34.6)	88 (42.9)
	A12	"Korean and Chinese competitors" could be considered a challenge for ALJ.	3 (1.5)	17 (8.3)	27 (13.2)	60 (29.3)	98 (47.8)
	A13	"Slowdown or economic recession" could be considered as an opportunity rather than a challenge for ALJ.	16 (7.8)	30 (14.6)	47 (22.9)	67 (32.7)	45 (22.0)
Q2	B1	Saudi Vision 2030 brings up some challenges in form of; Saudization, increases of fuel and utility prices, in addition to taxes and other governmental fees.	5 (2.4)	6 (2.9)	38 (18.5)	75 (36.6)	81 (39.5)
	B2	ALJ considers Saudi Vision 2030 as an opportunity.	5 (2.4)	2 (1.0)	46 (22.4)	74 (36.1)	78 (38.0)
	B3	ALJ will benefit by including women in their workforce.	2 (1.0)	9 (4.4)	33 (16.1)	59 (28.8)	102 (49.8)
	B4	ALJ will benefit from women driving cars.	0	8 (3.9)	17 (8.3)	60 (29.3)	120 (58.5)
	B5	From a technological perspective, ALJ is equipped with modern technology.	2 (1.0)	14 (6.8)	33 (16.1)	83 (40.5)	73 (35.6)
	B6	ALJ is an eco-friendly firm (supporting environmental issues).	6 (2.9)	13 (6.3)	58 (28.3)	63 (30.7)	65 (31.7)
	B7	ALJ is competent to meet the changes in laws and regulations imposed due to Saudi Vision 2030.	1 (0.5)	3 (1.5)	37 (18.0)	88 (42.9)	76 (37.1)
	B8	ALJ is considered as a competitive environment.	4 (2.0)	6 (2.9)	41 (20.0)	75 (36.6)	79 (38.5)
Q3	C1	ALJ is financially strong and can face any challenge and can gain from any opportunity.	2 (1.0)	6 (2.9)	27 (13.2)	71 (34.6)	99 (48.3)
	C2	ALJ has strong Customer Relationship Management enabling the company to acquire new customers and to retain them for a long time.	3 (1.5)	12 (5.9)	45 (22.0)	71 (34.6)	74 (36.1)
	C3	ALJ has effective internal process and effective network (departmental) collaboration.	6 (2.9)	28 (13.7)	43 (21.0)	71 (34.6)	57 (27.8)
	C4	ALJ has a healthy work environment in terms of cultural behaviour, teamwork and fair treatment "It is the best place to work"	14 (6.8)	22 (10.7)	41 (20.0)	72 (35.1)	56 (27.3)
Q4	D1	ALJ's current strategy "Earn Guest Loyalty" is a robust and effective competitive strategy.	2 (1.0)	11 (5.4)	31 (15.1)	86 (42.0)	75 (36.6)
	D2	ALJ provides unique and high-value products and services to their customers.	3 (1.5)	5 (2.4)	35 (17.1)	81 (39.5)	81 (39.5)
	D3	ALJ needs to redesign/re-formulate its current strategy.	2 (1.0)	17 (8.3)	43 (21.0)	79 (38.5)	64 (31.2)
Q5	E1	ALJ is well-prepared and ready for Saudi Vision 2030.	1 (0.5)	9 (4.4)	59 (28.8)	77 (37.6)	59 (28.8)
	E2	ALJ supports all the initiatives as proposed by Saudi Vision 2030.	2 (1.0)	4 (2.0)	47 (22.9)	66 (32.2)	86 (42.0)
Q6	E3	ALJ's associates periodically receive newsletters and awareness messages about internal and external essential changes.	5 (2.4)	12 (5.9)	42 (20.5)	65 (31.7)	81 (39.5)

Table 6-6 above summarises the responses of the respondents to the research questions. The frequency of responses and respective percentage is presented per each of the five outcomes (1–5) per question. All the percentages were valid as no response was incomplete.

For example: Question A1, the number of responses and percentage of the total respondents reflect the following:

- a. Option 1 (Strongly disagree) – 5 (2.4%)
- b. Option 2 (Disagree) – 6 (2.9%)
- c. Option 3 (Neutral) – 20 (9.8%)
- d. Option 4 (Agree) – 60 (29.3%)
- e. Option 5 (Strongly agree) – 114 (55.6%)

Overall it is noteworthy that the highest percentage of respondents (13.7%) that selected option one – “Strongly disagree” – was achieved in question A6: “The poor role of HR is one of ALJ's weaknesses”. There were also no respondents that selected option a (“Strongly disagree”) in Question B4 “ALJ will benefit from women driving cars”.

For Option b (“Disagree”), the highest responses (18.5%) were chosen by the respondents as they “Disagree” with the statement of question A5 “Communication effectiveness is one of ALJ's weaknesses”. The lowest value (0.5%) for the same option was obtained from Question A8: “Digitalisation is a potential opportunity for ALJ”.

For Option c (“Neutral”), the most common responses (29.3%) were chosen by the respondents for Question A5 with the statement of “Communication effectiveness is one of ALJ's weaknesses”, whereas the lowest response (4.4%) for the same option was obtained from Question A2: “ALJ's brand name is one of ALJ's strengths”.

For Option d (“Agree”), the greatest number of responses (42.9%) was for Question B7 as respondents “Agreed” with the statement of “ALJ is competent to meet the changes in laws and regulations imposed due to Saudi Vision 2030”. The lowest percentage, (17.1%) was for Question A2: “ALJ's brand name is one of ALJ's strengths”.

For Option e (“Strongly agree”), the greatest number of responses (76.1%) were chosen for Question A5 with the statement of “ALJ's brand name is one of ALJ's strengths”. The lowest

response for the same option was 18% for Question A5 with the statement of “Communication effectiveness is one of ALJ's weaknesses”.

Table 6-7 represents the average percentage of the responses shown together for each of the five outcomes (1–5) per question with the arithmetic means, standard deviations, and variances per question.

Table 6-7: Descriptive analysis of overall summary of responses

Questions	N	Mean	Std. Deviation	Variance
A1	205	4.33	0.942	0.888
A2	205	4.66	0.721	0.52
A3	205	4.2	0.976	0.952
A4	205	3.55	1.23	1.513
A5	205	3.22	1.224	1.498
A6	205	3.24	1.323	1.751
A7	205	4.23	0.897	0.805
A8	205	4.51	0.697	0.486
A9	205	4.08	1.009	1.018
A10	205	4.02	0.995	0.99
A11	205	4.15	0.908	0.825
A12	205	4.14	1.029	1.06
A13	205	3.46	1.207	1.456
B1	205	4.08	0.957	0.915
B2	205	4.06	0.929	0.864
B3	205	4.22	0.937	0.878
B4	205	4.42	0.805	0.647
B5	205	4.03	0.939	0.881
B6	205	3.82	1.044	1.09
B7	205	4.15	0.797	0.635
B8	205	4.07	0.937	0.878
C1	205	4.26	0.868	0.754
C2	205	3.98	0.975	0.951
C3	205	3.71	1.104	1.218
C4	205	3.65	1.185	1.404
D1	205	4.08	0.904	0.817
D2	205	4.13	0.884	0.782
D3	205	3.91	0.968	0.937
E1	205	3.9	0.888	0.788
E2	205	4.12	0.896	0.804
E3	205	4.0	1.029	1.059
Valid N (listwise)	205			

The standard deviation is the square root of the variance. This is a standardised measure to indicate how the respondents’ answers are spread around the mean. The mean is the average score used to calculate and define the centre of a frequency distribution (also known as the central tendency).

Table 6-8 represents the descriptive analysis of the responses in terms of the average percentage of the responses shown together per each of the five outcomes (1–5) per combination of questions respective to perspective/model with the arithmetic means, standard deviations, and variances.

Table 6-8: Descriptive analysis of responses per perspective/model

Per Perspective/Model	N	Mean	Std. Deviation	Variance
Overall_31 Questions	205	4.0121	0.46349	0.215
A_Questions_SWOT	205	3.9835	0.45606	0.208
B_Questions_PESTEL	205	4.1061	0.53624	0.288
C_Questions_BSC	205	3.9012	0.84905	0.721
D_Questions_COMPETITIVE STRATEGY	205	4.039	0.62934	0.396
E_Questions_SAUDI VISION 2030 & CI	205	4.0065	0.79003	0.624
Valid N (listwise)	205			

The following sections (6.6.1–6.6.6) discuss the 31 responses to the questionnaire with respect to each perspective.

6.6.1 SWOT perspective

a. ALJ’s strengths

- 1) **A1. “Associates’ loyalty” is one of ALJ’s strengths**

The responses revealed that the vast majority of respondents (n=174, 84.9%) agree that “associates’ loyalty” is one of ALJ’s strengths, with only a few respondents (n=11, 5.3%) disagreeing and the remaining (n=20, 9.8%) staying neutral.

Note that the above-mentioned 84.9% includes both (4) agree, 29.3% and (5) strongly agree, 55.6%, which comes to a total of 84.9% (refer to Table 6-6).

2) **A2. “ALJ’s brand name” is one of ALJ’s strengths**

The results revealed that the vast majority (n=191, 93.2%) of the respondents stressed that “ALJ’s brand name” is one of the firm’s strengths, with only a few respondents (n=5, 2.5%) disagreeing and the remaining (n=9, 4.4%) staying neutral.

3) **A3. “ALJ’s four values: Respect, Improve, Pioneer and Empower” is one of ALJ’s strengths**

The responses revealed that the majority (n=165, 80.5%) of respondents agree that “ALJ’s four values” is one of their strengths, with only a few respondents (n=13, 6.3%) disagreeing and the remaining (n=27, 13.2%) staying neutral.

b. ALJ’s weaknesses

4) **A4. “The bureaucracy in decision-making processes” is one of ALJ’s weaknesses**

The responses revealed that more than half of the respondents (n=109, 53.2%) confirmed that bureaucracy in decision making is one of ALJ’s weaknesses, with some respondents (n=37, 18 %) disagreeing and the remaining (n=59, 28.8%) staying neutral.

5) **A5. “Communication effectiveness” is one of ALJ’s weaknesses**

The results showed that less than half of the respondents (n=87, 42.4%) considered “Communication effectiveness” as one of ALJ’s weaknesses. A similar number of respondents remained neutral (n=60, 29.3%) and disagreed (n=58, 28.3%).

6) **A6. “The poor role of HR” is one of ALJ’s weaknesses**

The results showed that less than half of the respondents (n=93, 45.4%) agreed that ALJ’s HR department performs poorly, while almost 30% (n=60, 29.3%) did not agree and the remaining (n=52, 25.3%) stayed neutral.

c. The potential opportunities for ALJ

7) **A7. “Saudi Vision 2030” is a potential opportunity for ALJ**

The results revealed that the vast majority (n=162, 79%) of respondents confirmed that “Saudi Vision 2030” is a potential opportunity for ALJ, with only a few respondents (n=6, 3%) disagreeing and the remaining (n=37, 18%) staying neutral.

8) **A8. “Digitalisation” is a potential opportunity for ALJ**

An overwhelming majority (n=183, 89.3%) agreed that digitalisation is a potential opportunity for the company with only one respondent disagreeing (n=1, 0.5%) with this statement and the remaining (n=21, 10.2%) staying neutral.

9) **A9. “Expansion in the automotive sector” is a potential opportunity for ALJ**

The responses revealed that the majority of respondents (n=157, 76.6%) confirmed that the “Expansion in the automotive sector” is a potential opportunity for ALJ, with only a few respondents (n=15, 7.3%) disagreeing and the remaining (n=33, 16.1%) staying neutral.

10) **A10. “Expansion in the non-automotive sector” is a potential opportunity for ALJ**

The responses indicate that the “Expansion in the non-automotive sector” is a potential opportunity for ALJ (n=143, 69.8%), with only a few respondents (n=17, 8.2%) disagreeing and the remaining (n=45, 22%) staying neutral. However, it seems that the respondents prefer the automotive sector (n=157, 76.6%) over the non-automotive sector (n= 143, 69.8%) as reflected in Question A9 (n=157, 76.6%).

d. The current threats (challenges) for ALJ

11) **A11. “The regular changes in government rules and regulations” could be considered a challenge for ALJ**

The results revealed that most respondents (n= 159, 77.5%) confirm the statement that “The regular changing in government rules and regulations” is a challenge for ALJ, with only a few respondents (n=8, 4%) disagreeing and the remaining (n=38, 18.5%) staying neutral.

12) **A12. “Korean and Chinese competitors” could be considered a challenge for ALJ**

The results showed that most respondents (n=158, 77%) asserted that “Korean and Chinese competitors” could be considered as a challenge for ALJ, with only some respondents (n=20, 9.8%) disagreeing and the remaining (n=27, 13.2%) staying neutral.

13) **A13. “Slowdown or economic recession” could be considered as an opportunity rather than a challenge for ALJ**

The responses show variation on whether the “Slowdown or economic recession” could be considered as an opportunity rather than a challenge for ALJ. However, more than half of the respondents (n=112, 54.7%) perceived it as an opportunity for ALJ. The rest were divided between neutral (n=47, 22.9%), and disagreement (n=46, 22.4%).

6.6.2 The PESTEL perspective

a. Political challenges

- 14) **B1. Saudi Vision 2030 presents some challenges in the form of Saudisation; increases of fuel and utility prices, in increases in taxes and other governmental fees.**

The results revealed that three quarters (n=156, 76.2%) of respondents agreed that Saudi Vision 2030 presents some challenges for ALJ, with only a few respondents (n=11, 5.3%) disagreeing and the remaining (n=38, 18.5%) staying neutral. Most of the actors within ALJ seem to recognise the challenges ahead.

b. Economic challenges

- 15) **B2. ALJ perceives Saudi Vision 2030 as an opportunity**

The results revealed that most respondents (n= 152, 74.1%) confirmed that ALJ perceives Saudi Vision 2030 as an opportunity, with only a few respondents (n=7, 3.4%) disagreeing and the remaining (n=46, 22.5%) staying neutral.

c. Socio-cultural challenges

- 16) **B3. ALJ will benefit by including women in their workforce**

The results revealed that most respondents (n=161, 78.6%) confirmed that ALJ will benefit from including women in their workforce, with only a few respondents (n=11, 5.4%) disagreeing and the remaining (n=33, 16%) staying neutral.

- 17) **B4. ALJ will benefit from women driving cars**

The results revealed that the vast majority (n=180, 87.8%) of respondents confirmed that ALJ will benefit from women driving cars. This means that there are no socio-cultural changes that ALJ actors perceive as challenges at the moment.

d. Technological challenges

- 18) **B5. From a technological perspective, ALJ is equipped with modern technology**

The results revealed that the majority of respondents (n=156, 76.2%) confirmed that ALJ is equipped with modern technology. Only a few respondents (n=16, 7.8%) disagreed and the remaining (n=33, 16%) stayed neutral.

e. Environmental challenges

- 19) **B6. ALJ is an eco-friendly firm (supporting environmental issues)**

The responses asserted (n=128, 62.5%) that ALJ is an eco-friendly firm and that they support the environment. The remaining (n=58, 28.3%) stayed neutral and (n=19, 9.2%) disagreed.

f. Legal challenges

- 20) **B7. ALJ is competent to meet the changes in laws and regulations imposed due to Saudi Vision 2030**

According to the results, respondents felt that ALJ is competent to meet the changes in laws and regulations imposed due to Saudi Vision 2030 (n= 164, 80%). Only a few respondents (n=4, 2%) disagreed and the remaining (n=37, 18%) stayed neutral.

- 21) **B8. ALJ is considered as a CE**

According to the results, three quarters (n=154, 75.1%) of respondents believed that ALJ is a CE. Only a few respondents (n=10, 4.9%) disagreed and the remaining (n=41, 20%) stayed neutral.

6.6.3 BSC perspective

a. Financial performance

- 22) **C1. ALJ is financially strong and can face any challenge and can gain from any opportunity**

The results indicate that most respondents (n=170, 82.9%) had the impression that ALJ performs well financially. Only a few respondents (n=8, 3.9%) disagreed and the remaining (n=27, 13.2%) stayed neutral.

b. Customer value

- 23) C2. ALJ has strong customer relationship management, enabling the company to acquire new customers and to retain them for a long time

The results emphasise that most respondents (n=145, 70.7%) feel that ALJ has a strong customer relationship and realises customer value. Only a few respondents (n=15, 7.3%) disagreed and the remaining (n=45, 22%) stayed neutral.

c. Internal process effectiveness

- 24) C3. ALJ has an effective internal process and effective network (departmental) collaboration

The responses indicated to some extent (n=128, 62.4%) that respondents felt that ALJ has internal process effectiveness. The results also revealed that some respondents disagreed (n=34, 16.6%). In addition, (n=43, 21%) remained neutral, and for such a critical question “Neutral” could be considered as disagreement.

d. Learning and growth

- 25) C4. ALJ has a healthy work environment in terms of cultural behaviour, teamwork and fair treatment – “It is the best place to work”

The responses revealed that more than half of the respondents (n=128, 62.5%) believed that ALJ is the best place to work. Only about one third (n=77, 37.5%) either remained neutral or disagreed.

6.6.4 Competitive strategy perspective

a. ALJ’s current strategy

- 26) D1. ALJ’s current strategy "Earn Guest Loyalty" is a robust and effective competitive strategy

The responses revealed (n= 161, 78.5%) that they see "Earn Guest Loyalty" as a robust and effective competitive strategy for ALJ. Only a few respondents (n=13, 6.5%) disagreed and the remaining (n=31, 15%) stayed neutral.

b. Defining ALJ's strategy

27) **D2. ALJ provides unique and high-value products and services to their customers**

The responses revealed (n=162, 79%) that ALJ has applied the competitive differentiation strategy. Only a few respondents (n=8, 3.9%) disagreed and the remaining (n=35, 17.1%) stayed neutral.

c. Proposing a strategy

28) **D3. ALJ should redesign/reformulate its current strategy**

The results revealed that two-thirds of respondents (n=143, 69.7%) believed that ALJ should redesign/reformulate its current strategy. Only some respondents (n=19, 9.2%) disagreed and the remaining (n=43, 21%) stayed neutral, even though the majority of respondents asserted previously that ALJ's current strategy is robust and effective. This may mean that the strategy required slight modification or improvements, not necessarily drastic changes.

6.6.5 Saudi Vision 2030

a. ALJ's preparation

29) **E1. ALJ is prepared and ready for Saudi Vision 2030**

The results indicate that the majority of respondents (n=136, 66.3%) thought that ALJ is prepared for Saudi Vision 2030. Only a few respondents (n=10, 4.9%) disagreed and the remaining (n=59, 28.8%) stayed neutral.

b. ALJ's readiness

30) **E2. ALJ supports all the initiatives as proposed by Saudi Vision 2030**

The results revealed that the majority of respondents (n=152, 74.2%) felt that ALJ is ready for Saudi Vision 2030. Only a few respondents (n=6, 3%) disagreed and the remaining (n=47, 22.8%) stayed neutral.

6.6.6 CI perspective

a. Competitive intelligence stance/level in ALJ

- 31) E3. ALJ's associates periodically receive newsletters and awareness messages about internal and external essential changes

The results revealed that the majority of respondents thought (n=146, 71.2%) that ALJ comprehends, realise and applies CI. Only some respondents (n=17, 8.3%) disagreed and the remaining (n=42, 20.5%) stayed neutral.

6.7 ANALYSIS OF VARIANCE (ANOVA)

According to Kothari (2004:256), Bacon-Shone (2013:144) and Bernard (2017:598), Professor RA Fisher was the first person who used the term “variance”. He developed the elaborate theory of ANOVA, explaining its usefulness in practice. The idea was to divide variability into parts with different explanations that add up to a total. This total relates to the overall variance, which applies to a set of two or more means.

The simplicity of this design makes it more attractive than the pretest-posttest design in terms of internal validity (Bhattacharjee, 2012:87). ANOVA judges the significance of more than two sample means at the same time. It is also used for judging the significance of multiple correlation coefficients (Kothari, 2004:196). This design controls for maturation, testing, regression, selection, and pretest-posttest interaction, though the mortality threat may continue to exist (Bhattacharjee, 2012:86). ANOVA allows a researcher to compare the mean score of a continuous (or ordinal with many scale points) variable between several groups, for example, two interventions and a control group (Muijs, 2010:185).

The ANOVA technique enables one to perform simultaneous tests and as such is considered to be an essential tool as it can draw inferences about whether the samples have been drawn from populations with the same mean (Kothari, 2004:256). ANOVA works by comparing the spread (or variance) of the group means (called the between-groups sum of squares) with the spread (or variance) of values within the groups (called the within-group sum of squares) (Muijs, 2010:186). The ANOVA technique is vital in a context where the researcher wants to compare more than two populations (Kothari, 2004:256).

ANOVA, like regression, is quite a flexible method and can be used in several different ways. It compares the mean scores on the dependent variable (Muijs, 2010:186). ANOVA and regression appear to both consider the relationship between several independent or predictor variables and a continuous outcome or dependent variable (Muijs, 2010:198). Levene (1960) proposed a heuristic test for heteroscedasticity in the case of a balanced two-way layout, based on an ANOVA of absolute residuals (Keyes & Levy, 1997:227). ANOVA, when used with Levene, compare between groups developed for experimental designs (Muijs, 2010:198).

ANOVA and Levene are essential procedures for testing the difference among different groups of data for homogeneity (Kothari, 2004:257). In this study, the Levene and ANOVA tests were performed on the respondents' information. The information was gathered by asking three questions. The results were as follows:

6.7.1.1 Question 1. Please specify your department?

Regarding the “*Respondents' departments*”, the results of the Levene test, as shown in Table 6-9, indicate that there was homogeneity between the groups regardless of their departments ($p > 0.05$).

Table 6-9: Levene test of homogeneity in relation to departmental variance

Overall_31Questions Levene Statistic	df1	df2	Sig.
1.059	16	186	0.397

The results of the ANOVA test, as shown in Table 6-10, reveals that there are no statistical differences in the opinions of respondents in relation to their department. $F(18, 186) = 1.539$, $p > 0.05$.

Table 6-10: ANOVA test of homogeneity for department variance

Overall_31Questions ANOVA	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	5.681	18	0.316	1.539	0.081
Within Groups	38.142	186	0.205		
Total	43.823	204			

6.7.1.2 Question 2. Please specify your position level?

In terms of “*Respondents’ position levels*”, the results of the Levene test shown in Table 6-11, indicate that the groups were homogeneous regardless of their position ($p > 0.05$).

Table 6-11: Levene test of homogeneity in relation to position variance

Overall_31Questions Levene Statistic	df1	df2	Sig.
2.715	2	202	0.069

The results of the ANOVA test shown in below Table 6-12 reveal that there are no statistical differences in the opinions of respondents, irrespective of their positions. $F(2, 202) = .994, p > 0.05$.

It was mentioned earlier in this chapter (refer to Section 6.7) that some care should be taken with regard to generalisation from the sample to the population, since a higher ratio of senior and middle management were included in the sample. However, the ANOVA results indicate that there are no significant differences between the responses of senior management, middle management and operational employees. This implies that all employees, regardless of their position, share similar views.

Table 6-12: ANOVA test of homogeneity in relation to position variance

Overall_31Question ANOVA	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	0.427	2	0.213	0.994	0.372
Within Groups	43.396	202	0.215		
Total	43.823	204			

6.7.1.3 Question 3. Please specify the length of your employment at ALJ?

Concerning the “*Respondents’ length of employment*” question, the results of the Levene test (Table 6-13) indicated that there was homogeneity between the groups regardless of their length of employment ($p > 0.05$).

Table 6-13: Levene test of homogeneity with regard to the length of employment variance

Overall_31Question Levene Statistic	df1	df2	Sig.
0.741	2	202	0.478

The results of the ANOVA test shown in below Table 6-14 reveal that there are statistical differences in the opinions of respondents depending on their length of employment at ALJ. $F(2, 202) = 3.241, p < 0.05$. However, the test of Scheffe showed no statistical differences in the opinions of respondents regardless of their length of employment. The Scheffe test is one of the most commonly used post-hoc tests and is the most cautious approach taken to minimise the risk of a Type 1 error (Pallant, 2011:207). The Scheffe test was also used to discover which groups actually differed when significant differences between respondents were found (Muijs, 2010:191). This method is often more conservative than other methods, because significance is suggested when a large difference between means exists (SPSS Inc, 2007).

Based on the mean values (Subset for alpha = 0.05), the respondents with the greatest number of years of employment at ALJ (> 10 Years) had the most positive opinions ($M = 4.0955$). Interestingly, those who had been working at ALJ for the least number of years (1–5 years) had more positive opinions ($M = 3.9654$) than those who had six to ten years of working at ALJ ($M = 3.9174$). However, an analysis of the individual items (questions) revealed that there are no statistical differences in the opinions of respondents regardless of their length of employment.

Table 6-14: ANOVA test of homogeneity for the length of employment variance

Overall_31Question ANOVA	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	1.362	2	0.681	3.241	0.041
Within Groups	42.461	202	0.21		
Total	43.823	204			

6.8 ETHICAL CONSIDERATIONS

Bhattacharjee (2012:137–138) lists a number of ethics principles for scientific research:

- a. Voluntary participation – respondents must be aware that their participation in the study is voluntary and that they have the freedom to withdraw from the study at any time without any unfavourable consequences.
- b. Harmlessness – respondents should not be harmed as a result of their participation or non-participation in the project.
- c. Anonymity and confidentiality – the researcher or readers of the final research report should not be able to match a given response with a specific respondent.

Another ethical consideration is anonymity. In this study an e-mail survey was used and no identification numbers were asked to track who is responding to the survey and who is not. Truthful responses may not be obtained if subjects are not assured of anonymity (Bhattacharjee, 2012:138).

6.9 METHODOLOGICAL RIGOUR

In chapter 2 (refer to Section 2.12) the concept of methodological rigour was discussed relating to case study research. Similarly, quantitative data collection and analysis require methodological rigour. This section therefore refers specifically to the methodological rigour relating to quantitative data and not to the overall case study methodological rigour. The latter is discussed in chapter 7 (section 7.8).

6.9.1 Reliability

Reliability refers to the extent to which test scores are free of measurement errors (Muijs, 2010:71). Although it is not possible to provide an exact calculation of reliability, an estimate of reliability can be achieved through different measures (Heale & Twycross, 2015:66).

Reliability relates to the consistency of a measure and involves the accuracy of the research methods and techniques (Heale & Twycross, 2015:66), i.e. how reliably and accurately they produce data (Mason, 2017:39). There are two types of reliability (Muijs, 2010:82–83):

- a. repeated measures or test-retest reliability is about whether or not the instrument used can be relied upon to give similar results if used with the same respondents after a short period; and
- b. internal consistency refers to whether all the items are measuring the same construct.

Reliability is therefore the extent to which a process (such as measurement or an experimental procedure) can be repeated while yielding the same result (MacInnes, Breeze, de Haro, Kandlik & Karels, 2016:54). In order to determine whether the measures used are reliable, it can simply be re-applied with the same respondents to see whether the answers they provide have changed. This is called the test-retest method (Muijs, 2010:72).

To conclude, reliability refers to whether or not the researcher can reach the same answer by using an instrument more than once (Bernard, 2017:54). Repeated measurement has to do with the ability to measure the same thing at different times.

In this case study, reliability was tested using Cronbach's Alpha scale. Cronbach's Alpha is certainly one of the most essential and pervasive statistics scales in research, and it is probably the most widely accepted formulation of reliability (Cortina, 1993:98).

The result of Cronbach's Alpha value was 0.88 as shown in Table 6-15, which indicates that the scale used to measure ALJ's competitive strategy and environment was reliable. According to Tsai, Lin, and Tsai (2001:44), the internal reliability index, alpha coefficients, were adequate as the entire scale scored 0.81.

Table 6-15: Reliability analysis

Cronbach's Alpha	N of Items
0.883	31

6.9.2 Validity

Validity, especially in quantitative research, is generally linked to a concern with objectivity. Objectivity means that the human element and biases have been removed, including any influence the researcher may have on the data (Daymon & Holloway, 2010:89). Validity is defined as the extent to which the concept is accurately measured in a quantitative study (Heale & Twycross, 2015:66). In other words, validity in quantitative research means that a test measures what it is supposed to measure and that the study accurately assesses the phenomenon that the researcher intended to assess (Daymon & Holloway, 2010:90; Muijs, 2010:90). Heale and Twycross (2015:66) confirm that it is the extent to which a research instrument consistently delivers the same

results if it is used in the same situation on repeated occasions. In this study, validity was enhanced by means of a pilot study. The questionnaire was tested through this pilot study, to ensure that it measured what it was supposed to measure. Furthermore, multiple statistical techniques were used to determine whether the same conclusions were reached. The researcher had no influence on the data as it were gathered electronically and then analysed.

6.10 SUMMARY

This chapter addressed the fifth secondary research objective as set in Chapter 1 by discussing the collection and analysis of the quantitative data. The chapter outlined the results of the quantitative data analysis. First, the demographic information of the respondents was examined, along with the questionnaire's key questions and responses. After distributing the questionnaire and receiving responses from respondents, the researcher found a sample size of 205 to be adequate to perform the required statistical analysis as it targeted sample of 205 (100% response rate). The results are reported according to valid response percentages.

The results of the quantitative analysis of the data were presented in the form descriptive statistics (including frequency distributions, means, and standard deviations), and ANOVA, along with the Levene test for the homogeneity of variance.

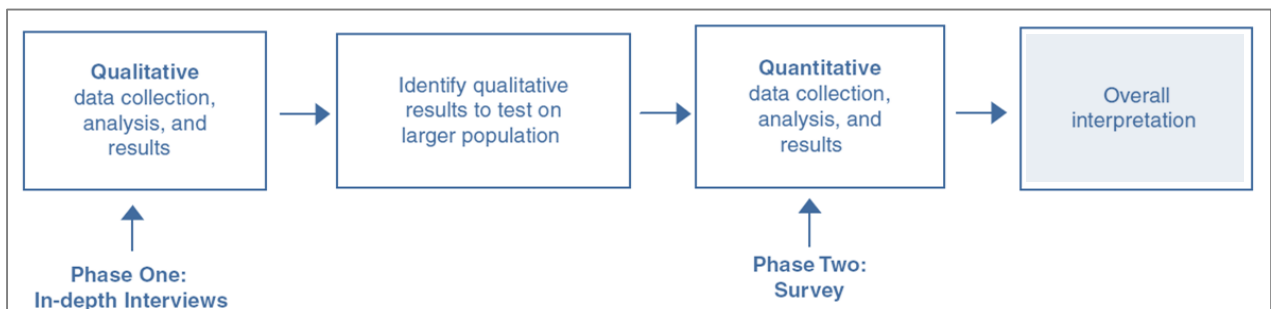
The ethical considerations were discussed shortly, including a discussion on methodological rigour. Overall, the quantitative results indicate that on average ALJ is a CE, and it is ready for Saudi Vision 2030. ALJ also seems to understand and apply CI. The next chapter presents the combined qualitative and quantitative findings for the case study.

CHAPTER 7 – INTEGRATED FINDINGS

7.1 INTRODUCTION

This chapter aims to address the sixth and seventh secondary research objectives, namely presenting a theory within the ambits of the conceptual framework that culminates in a triangulation design underpinned by the ANT, and developing a competitive strategy for ALJ in preparation for Saudi Vision 2030. This is done by integrating (triangulating) the qualitative and quantitative results (refer to Chapter 2, Section 2.5).

The previous chapter presented the results of the quantitative research. This chapter highlights and discusses the synthesised findings of both methods. When using a sequential exploratory design as shown in Figure 7-1. The qualitative and quantitative phases are integrated to generate the overall interpretation of the study's findings (Terrell, 2012:268).



Source: Hesse-Biber, 2010:459 (adapted)

Figure 7-1: *Sequential exploratory strategy*

This study applied the sequential exploratory strategy as illustrated in the above Figure 7-1, in which empirical case study embarked by qualitative and followed by quantitative respectively, end up with other phase were both findings being interpreted further as a comprehensive comparison.

This chapter maps and connects the results of the qualitative and quantitative research and presents possible symmetrically explanations for the findings. The emphasis is on the ANT as a guide to making sense of the findings. The layout of the chapter is presented below in Figure 7-2.

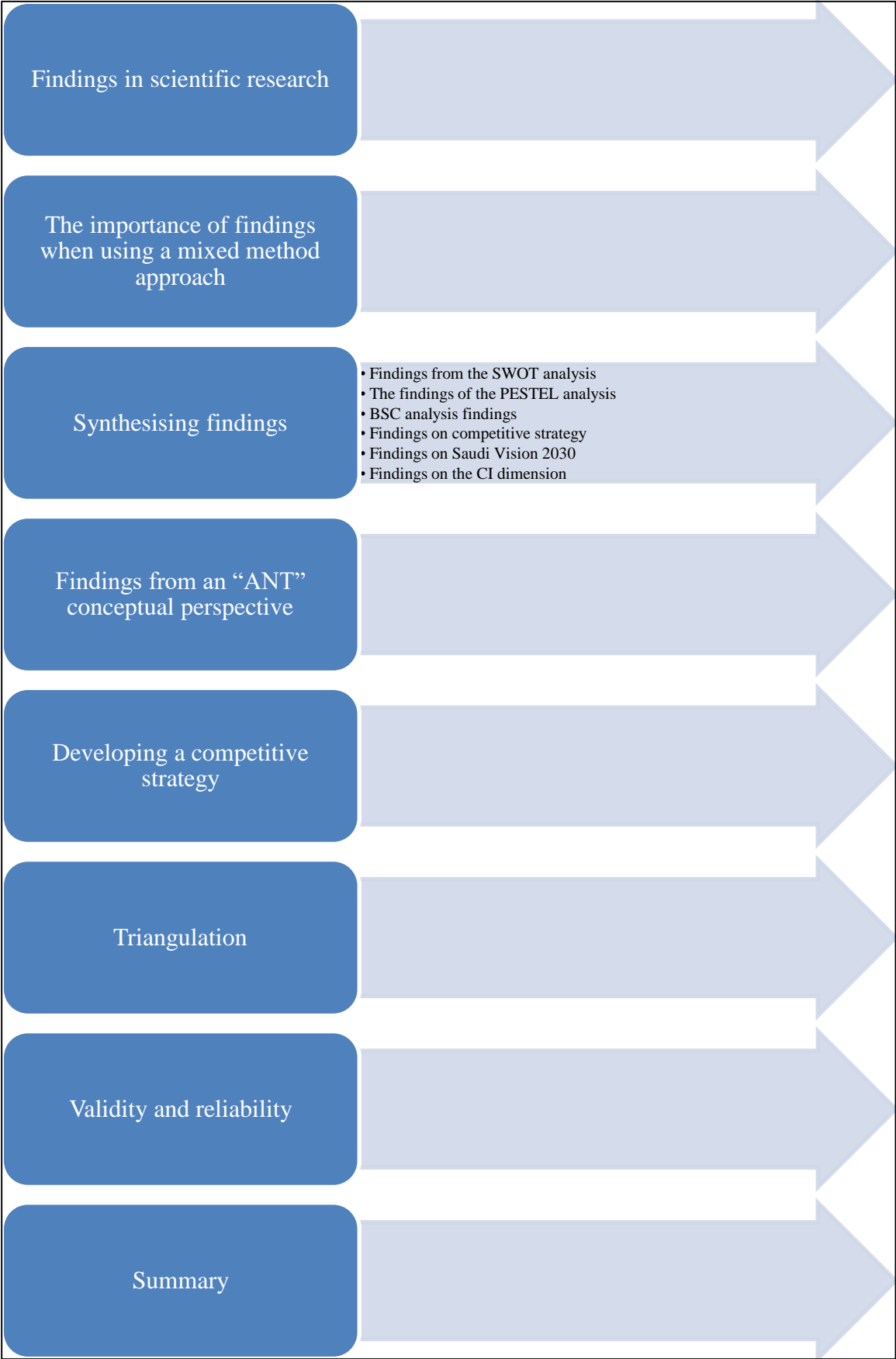


Figure 7-2: *Layout of chapter 7*

This chapter consists of the following sections: findings in scientific research, importance of findings in a mixed method approach, synthesising of findings, findings from an “ANT” conceptual perspective, developing a competitive strategy, and the triangulation of the mixed method findings. The chapter then concludes with a summary.

7.2 FINDINGS IN SCIENTIFIC RESEARCH

Findings are a fundamental part of any research. It should be sensible, coherent and transparent (Mason, 2017:205). The findings of scientific research should place a value on something or possibly compare whether one thing is better or more effective than another (Venable, 2011:122). Findings should provide manifest explanations about events or patterns, or should demonstrate connections or causal correlations (Mason, 2017:178). Communicating findings entails sharing of a thought process and engaging in a meaningful way to enhance a collective understanding (Greene, 2008:19).

Findings focus on the nature of the knowledge or evidence about the phenomena, or entities, or the “reality” (ontology) that has been investigated (epistemology) (Mason, 2017:205). Therefore, it is appropriate to present and write up a finding (Greene, 2008:14–16). By presenting findings, the researchers act as mobilisers, advisors, mappers of change dynamics, or put another way, change agents in the name of sustainable development (Schot & Geels, 2008:548).

Researchers can gain knowledge or make claims of truth by discovering the results of the research, especially when explanations are provided of what the findings mean (Rocco, Bliss, Gallagher, Pérez & Prado, 2003:21). Researchers therefore have to give some thought and means to their findings (Haines & Jones, 1994:1488). The findings are a coherent and consistent approach to answering the research questions; it is a justification for the purpose of research (Mason, 2017:43).

However, presenting research findings is challenging. Situations such as the political or social climate at the time of the research may influence what is studied and what is found (Muijs, 2010:4). Furthermore, producing unbiased findings is a crucial part of a successful and well-presented case study (O'Donoghue & Punch, 2003:21). Research is the development and analysis of new knowledge, practice and ideas. Findings are a guide towards such new practices, insight and knowledge (Swanson & Holton, 2005:8). Findings represent interpretations of meanings, experiences, accounts, actions, and events. These can be developed into explanations and understandings (Mason, 2017:178). Therefore, the details of the study must be carefully explained as part of the findings to allow readers the opportunity to judge the ethical quality of the study for

themselves (Terrell, 2012:276). Furthermore, a research finding is a context of pragmatic knowledge that can be understood as established principles, heuristics, and rules guiding specific actions and decisions (Schilling, 2006:28). Typically, findings involve data transformation, exploring outliers, examining multiple levels, and creating concepts and knowledge (Creswell & Creswell, 2017:224).

In a case study such as this one, the findings from one method are elaborated, illustrated, enhanced, and clarified by the results from the other method (Yin, 2006:54). Ultimately, the findings are used to make decisions about the conclusion and future study recommendations. Indeed, a successful finding should answer the study question(s) and should make definite and specific contributions (Mason, 2017:32).

7.3 THE IMPORTANCE OF FINDINGS WHEN USING A MIXED METHOD APPROACH

According to Bryman (2007:8), mixed method research has moved forward a great deal in recent years. Caruth (2013:121) recommends applying a mixed method approach to compare, verify and complete the research results to provide more robust findings.

In this research, a mixed method was used to increase the possibility of achieving findings that are trustworthy. A mixed method provides pragmatic advantages and enhances the quality and accuracy of findings. According to Bernard (2017:356), qualitative and quantitative findings together produce insights and understanding that cannot be achieved by either approach alone.

In the end, by linking both methods (qualitative and quantitative), the researcher attempted to achieve greater validity and reliability of the findings. The researcher believes that the findings of this research will empower readers and /or other researchers to use them appropriately in future research projects.

7.4 SYNTHESISING FINDINGS

Researchers should provide a discussion and assessment to indicate how the quantitative and qualitative findings can be integrated and the quality of the integration (Caruth, 2013:116). Evidence of such synthesis is viewed as having the potential to increase the utility of research and the effectiveness of practice as they enable answers to critical questions and then produce the best outcomes (Yin, 2006:30). Linking qualitative and quantitative methods can enhance the validity

and reliability of findings and allow for the exploration of contradictions found between the quantitative and qualitative results (Hesse-Biber, 2010:465). Mixed method findings enable the researcher to compare and combine results (Yin, 2006:30).

This chapter combines and compares the findings from the qualitative and quantitative research on this case by taking into consideration the six dimensions that were analysed by means of the qualitative and quantitative sequential design.

7.4.1 Findings from the SWOT analysis

The results of the SWOT analysis revealed various strengths, weaknesses, opportunities, and threats related to ALJ as indicated by ALJ's senior actors. During the quantitative research, the middle and operational level actors showed considerable agreement with the senior actors. For example, "Associates' loyalty" (A1), "ALJ's brand name" (A2), and "ALJ's four values" (A3) were defined as strengths of ALJ during the first phase. Actors – other than senior actors – confirmed the same strengths were confirmed during the quantitative phase by (84.9%), (93.2%), and (80.5%), respectively (refer to Table 6-6). This advocates a degree of homogeneity of actors (refer to Section 4.3.2) within the lens of ANT.

During the interviews, the senior actors pointed out "the bureaucracy in decision-making processes", "communication effectiveness", and "the poor role of HR" as significant weaknesses (refer to Section 5.4.1.1). For the first weakness, 28.8% of the quantitative responses were neutral, followed by 28.3% for strongly agree and 24.9% for agree – adding to a total of 82% of all responses from neutral to strongly agree. With regard to communication effectiveness as a weakness, the majority (29.3%) remained neutral, with 42.4% divided between agreeing and strongly agreeing. For the third weakness "the poor role of HR", surprisingly the initial response (25.4%) was neutral. The swing between agree/strongly agree and impartiality on such sensitive subjects confirms these weaknesses. The majority does not lean towards disagreement. This can allude to consensus amongst the majority of the ALJ actors.

Regarding the opportunities, both phases' (qualitative and quantitative) findings affirm that ALJ's actors concur on the significant opportunities for ALJ as defined by the senior actors: "Saudi Vision 2030", "digitalisation arena", and "expansion". This suggests that the interest between the actors in ALJ are closely aligned.

Finally, for the threats facing ALJ, the senior actors identified three main challenges: “the regular changes in government rules and regulations”, “Korean and Chinese competitors in the market”, and “slowdown and economic recession”. More or less the same threats were asserted by the other actors in ALJ. The first was confirmed by 77.5%, the second by 77.15% and the third by more than half (54.7%).

It is clear from the above that there is a high degree of understanding, harmony and consistency between the actors in terms of their views and opinions as measured by a SWOT analysis.

7.4.2 The findings of the PESTEL analysis

The six challenges (political, economic, socio-cultural, technological, environmental, and legal) identified as part of the PESTEL model were analysed. The results based on the interviews with senior actors of ALJ were presented in chapter 5, while the results based on the questionnaire completed by actors other than ALJ’s senior management, were presented in chapter 6. The findings of the triangulation of these results, are as follows:

a. Political challenges

This seemed to be a sensitive topic for the ALJ employees. This might be explained due to (Faudot, 2019): the vagueness of some of the goals of Saudi Vision 2030, political sensitivity around issues such as Saudisation, cutting of energy subsidies and introduction of various taxes. Additionally, it was evident that there are heterogeneous views amongst senior actors. Some remarked that ALJ forms a significant part of the economy and cannot be separated from the state. That is why they defined “Saudisation, increases in fuel and utility prices, taxes, and governmental fees” as political challenges.

On the other hand, some of the senior actors commented that ALJ has nothing to do with politics, others indicated that there is no political dimension that relates to Saudi Vision 2030. Some mentioned the strength and stability of the kingdom regionally and internationally. According to these participants the political challenges only loomed in troubled territories. They emphasised the strength and long history (over 60 years) of ALJ in the kingdom. Notwithstanding, this challenge was formulated very specifically as “Saudi Vision 2030 presents some challenges for ALJ such as Saudisation, increases in fuel and utility prices, in addition to taxes and other governmental fees”. Regardless of whether these challenges could be classified as political or not, the quantitative findings confirmed (76.1%) these challenges for ALJ. ALJ’s actors succeeded in defining the

challenges that ALJ is facing. It is a positive indicator of the depth and maturity of ALJ's actors, but does not indicate homogeneity with regards to political challenges.

b. Economic challenges

The qualitative findings show that 43.7% of ALJ's senior actors believed that there are economic challenges that have severely affected ALJ and the entire automotive sector. However, 56.2% of the actors at the same level had the view that these challenges exist everywhere. In some cases the differences centred on the readiness and potential of the organisation to turn the challenges into opportunities. They maintain that one of the positive aspects of Saudi Vision 2030 is the removal of random competitors from the market, which will provide ALJ with more space and opportunities in the foreseeable future. Somehow, based on the latter concept, the quantitative findings were compatible (74%) with "ALJ perceives and considers Saudi Vision 2030 as an opportunity". The remaining participants (26%) advocated and supported the results of the senior actors (43.7%).

It is notable that the qualitative findings—based on the qualitative data collected during interviews with senior ALJ actors—around economic challenges facing ALJ due to Saudi Vision 2030 discussed above, are divided into almost two halves (43.7%). The quantitative findings, however, are divided one quarter to three quarters. This may indicate that the middle and operational levels do not have enough knowledge of the various aspects of Saudi Visions 2030. The key actors (senior management) would be much more familiar with its dimensions and real effects. This again highlights the heterogeneity between actors on the economic challenges facing ALJ due to the radical transformation required by Saudi Vision 2030.

c. Socio-cultural challenges

During the qualitative interviews, many of ALJ's senior actors did not want to refer to this aspect as a challenge, but rather considered it as a kind of impact, advantage or positive change resulting from Saudi Vision 2030. Examples of this socio-cultural dimension include the opening of movie theatres (Arab News, 2017), and the empowerment of women (Kemppainen, 2019). Participants supported the empowerment of women in ALJ, at least in terms of the workforce and more potential buyers of automotives. Only two participants out of 32 denied that this dimension would bring any change. The vast majority recognised an excellent opportunity for ALJ, as one participant reported:

“No challenge but the opportunity, women driving is a first step only. This is a big change where women now attend a football match and come to the cinema and participate equally, if not more in the workforce, significant and historical steps. Saudi Vision 2030 proves that change can happen drastically and dramatically.”

When considering the quantitative findings, the respondents advocated that “ALJ will benefit by including women in their workforce” with 78.6% agreeing or strongly agreeing, while only 5% disagreed and strongly disagreed. Regarding the benefit of women driving cars holds for ALJ, the majority (87.8%) agreed and strongly agreed, whereas only 3.9% disagreed. Not a single respondent selected strongly disagree.

This is a positive indicator of the capability of ALJ’s actors to distinguish between challenges and opportunities. The positive outlook of most senior actors was aligned with the views of medium and operational level employees.

d. Technological challenges

The qualitative findings affirmed that technological developments present a serious challenge, as advocated by 63% of senior actors. Plesner (2009:612) portrays technology as a driving force for change. The concern around technology is focused on cost, the complexity of the information infrastructure and the frequency of the upgrades required. Globally, technological advancements are key. Yet, about 37% of the senior actors had a more conservative mindset about this challenge. This can possibly be due to the belief that ALJ is a large group and technological aspects are considered a challenge only for small and medium firms.

The results from the quantitative research were in line with the qualitative results – 76% agreed, while 24% disagreed that ALJ is equipped with modern technology. It can therefore be argued that the senior and other ALJ actors are in agreement with regards to technological challenges facing ALJ.

e. Environmental challenges

The qualitative results based on the interviews conducted with senior ALJ actors indicated that the vast majority of participants did not view any challenge in terms of the environment for three possible reasons. Firstly, environmental issues have never been the priority of Saudi Arabian regulators or society. Secondly, ALJ can be regarded as a pioneer in this field since the company

was the first importer of hybrid cars in the region, even before the introduction of Saudi Vision 2030. Thirdly, although ALJ recycles both paper and oil, the concern around environmental issues are rather with the factories and manufacturers. ALJ is an automotive dealer, so this particular part poses less of a challenge for ALJ. However, the above three reasons repeated by most interviewees.

The quantitative findings showed a similar response to the statement: “ALJ is an eco-friendly firm (supporting environmental issues)”. The feedback showed that 62.4% agreed/strongly agreed with the statement, while 28.3% remained neutral and 9.3% disagreed/strongly disagreed with the statement. By combining both phases, the findings emphasise that -on average- ALJ’s employees regard the company as an eco-friendly firm as it supports environmental responsibility. At the same time, it should be highlighted that there are a number of actions or activities that require attention. These are discussed in the next chapter.

f. Legal challenges

The primary concern with respect to legal challenges was about frequent changes in regulation and laws. The majority (87%) of the ALJ senior actors agreed that there is a challenge, but disagreed on its magnitude. While 13% saw that there is no challenge, as it is all about legislation and laws that have to be followed (applied and compliant). The most qualitative responses worth mentioning are:

- “Legal is a reflection of political aspects and vice versa, yes, there are many concerns, this will affect all business according to their size. This is a new turn, and every change means cost and effort regardless of its volume. The critical factors here are the time and ability to make a change. All will realise the side effects of these changes in the long term” and
- “Any new governmental law is a challenge for any business if the business not well adaptable will affect its sustainability. But, ALJ is a different case as ALJ is a pioneer in adapting and aligning with any new governmental legislation”

The focus is on the effectiveness, readiness and ability (strength and potential) of ALJ to meet or face the challenges and to convert them to opportunities. The quantitative findings show that 80% of the respondents agreed with the statement that “ALJ is competent to meet the changes in laws

and regulations imposed due to Saudi Vision 2030”. While 18% remained neutral and 2% disagreed that ALJ has the capability to face the legal challenges of Saudi Vision 2030.

Finally, an additional question was asked as part of the questionnaire, namely: To which extent do you agree that ALJ is considered as a CE? Three quarters (75%) of respondents agreed, 20% remained neutral, and 5% did not agree that ALJ is a CE. The respective conclusion and recommendations are outlined in Chapter 8.

7.4.3 BSC analysis findings

According to Busco, Quattrone and Riccaboni (2007:131), a BSC can offer firm-wide visibility by mobilising networks of relations with other actors (human and non-human) in a particular firm. Furthermore, the BSC suggests that comprehensive performance evaluation has greater predictive validity than an evaluation that is purely financially oriented (Olson & Slater, 2002:12).

The findings of this case study were split into the four perspectives of the BSC as listed below:

a. Financial performance perspective

The findings of both phases confirm that actors feel “ALJ is financially strong and can face any challenge and can gain from any opportunity”. Almost all the interview participants – senior actors of ALJ – and 83% of respondents agreed.

b. Customer value perspective

The qualitative findings assert that customer satisfaction is a core principle of ALJ. The customer is treated as a guest, and there are appeals to strengthen the relationship even more by referring to customers with the slogan of “friend”. The quantitative findings support this notion as 71% of respondents confirmed that ALJ has a strong customer relationship and realises customer value.

c. Internal process perspective

The findings related to the internal process perspective were that 62.4% of respondents agreed that the company has effective internal processes, whereas the rest (37.6%) disagreed. In comparison to the other BSC perspectives, there was an imbalance between the qualitative findings and the quantitative findings for this question, hinting towards heterogeneity amongst the ALJ actors.

For instance, many responses of qualitative findings were diverging as “There is no certain KPI”, “I think HR has several surveys as KPIs” and “Yes, sure there is a KPI, but I don't know its names”.

According to Plesner (2009:604), ANT is a framework for analysing the relations and interactions between network actors and the changes in practices within a network. The heterogeneity amongst the actors in terms of the internal process perspective, most likely reinforces the above-mentioned weaknesses identified as part of the SWOT analysis of “the bureaucracy in decision-making processes” and “communication effectiveness”.

Morgan (2015:4) postulates that ANT assumes the capturing of heterogeneity among different actors and networks. The quantitative results do support several relatively complex predictions from the original theory. The following chapter sheds more light on this perspective.

d. Learning and growth perspective

The qualitative findings identified a lack of learning and growth perspective measurements as most senior actors denied any KPI measuring learning and growth. However, a few referred to training as a KPI. Some interview participants highlighted the weak role of HR within the learning and growth perspective. This supports the identification of a weakness of ALJ – “the poor role of HR” – as alluded to earlier. Nevertheless, on the other hand, for the quantitative findings the statement “To which extent do you agree that ‘ALJ has a healthy work environment in terms of cultural behaviour, teamwork and fair treatment – It is the best place to work’”, was confirmed by 62.4% of the respondents, whereas the rest (37.6%) disagreed. Surprisingly, this finding is similar to what was stated in the previous perspective, namely the internal growth perspective.

Bhattacharjee (2012:139) opined that many interesting relationships are discovered after a study has been completed, either by chance or through data mining. However, it is unethical to present such findings as the product of deliberate design. The outcome from the triangulation of the qualitative and quantitative results on the BSC perspectives measurement could be divided into two groups. The first group of “financial performance” and “customer value” consider ALJ as a CE with homogenous actor networks. In contrast to this finding, the second group of “internal process” and “learning and growth” shows that there is a heterogeneity with regard to these perspectives, making ALJ less of a CE than expected. According to Bhattacharjee (2012:139), surprising or negative findings should be fully disclosed, even if this casts some doubt on the research design or the findings. The researcher therefore highlights the concerning aspects as per the findings in the context of conclusions and recommendations in Chapter 8.

7.4.4 Findings on competitive strategy

Both the interviews and questionnaire included three subquestions on ALJ's competitive strategy (refer to Sections 5.4 & 6.3.4): (1) to identify and describe the current strategy of ALJ, (2) to determine the strategy applied by ALJ from Porter's perspective (cost leadership, differentiation and or focus), and (3) to determine whether the current identified strategy is sound or whether there is a need to improve.

In terms of describing ALJ's current competitive strategy, the qualitative findings mostly highlight that the current strategy is focused on earning customer loyalty. The senior actors were leaning towards other phrases such as: "best service in town", "guest is first", and "gaining a guest's heart and mind". This concurs with Hesse-Biber's (2010:456) opinion that qualitative findings offer a multi-layered view of the nuances of reality.

The results of the quantitative study somewhat (78.6%) corresponds with the qualitative results that earning guest loyalty was the current competitive strategy of ALJ.

The second question in terms of defining ALJ's strategy from Porter's generic strategy perspective (cost leadership, differentiation and or focus), the results concurred that the differentiation strategy is followed as reported by most senior actors and confirmed (79%) by other levels.

In the pursuit of the third aim of determining whether ALJ should redesign/reformulate its current strategy, a variation of qualitative feedback was received from senior ALJ actors, including: "introducing more innovation in differentiation", "focusing on youth generation", "focusing on the employee as on the customer", and "digitalisation and automation". These findings show that there is a genuine and sincere desire to improve the current strategy with a slight expansion of the scope to include more than just a focus on the customer, also referred to as the "guest". The results from the questionnaire analysis show that almost 70% of the actors, other than senior ALJ actors, support the need to redesign/reformulate ALJ's current strategy. It can therefore be deduced that there is a need to redesign/reformulate ALJ's competitive strategy from both senior and other ALJ actors. This was the primary objective of this study to develop a competitive strategy for ALJ in preparation for Saudi Vision 2030, and applying ANT to better understand the translation of actor and network relations in the company when transforming ALJ's competitive strategy in preparation for Saudi Vision 2030.

Bhattacharjee (2012:97) recommends that conflicting findings must not be rejected, but rather reconciled using creative thinking to generate greater insight into the emergent theory. This is achieved in Chapter 8.

7.4.5 Findings on Saudi Vision 2030

The main objective of this thesis was to develop a competitive strategy for ALJ in preparation for Saudi Vision 2030, and to apply ANT to better understand the translation of actor and network relations in the company when transforming ALJ's competitive strategy in preparation for Saudi Vision 2030. The findings from the interviews conducted with senior ALJ actors confirmed that the senior actors of ALJ are convinced that the company is prepared for the programme. The senior actors confirmed that the company has already taken several actions, for example (but not limited to): (1) applying fuel efficiency rules, (2) reinforcing hybrid cars, (3) Saudisation, (4) women employment, (5) internal process enhancement, (6) employee training, (7) sponsoring of women's driving schools, and (8) social media campaigns. A detailed discussion on the various dimensions of Saudi Vision 2030 was presented in chapter 3 (refer to Section 3.7).

The results from the questionnaire were in agreement with the interview results that ALJ is prepared – confirmed by 66.4% of respondents – and affirmed (74.2%) ALJ's readiness and support the initiatives as proposed by Saudi Vision 2030. It can therefore be deduced that ALJ has achieved network success in terms of the actors' perception that the company is prepared and ready for Saudi Vision 2030. Walsham (1997:469) argues that a successful network of aligned interests is created through the enrolment of sufficient allies and translation of actors interests so that all actors are willing to participate in particular ways of thinking and acting to achieve a firm's vision, mission and overall objective.

7.4.6 Findings on the CI dimension

The results of the interviews with senior ALJ actors confirmed that the MRI unit -under marketing department- performing the CI activity. This is over and above scattered efforts by each department, depending on their individual departmental needs and requirements. It can therefore be deduced that CI as a practice exists, but not in the systemic manner recommended. The quantitative findings also support this, as 71.2% of respondents confirmed that they, as ALJ's associates, periodically receive newsletters and awareness messages about internal and external essential changes. The aim of CI is to offer information and knowledge that help senior actors to make the right decisions, and to draw a firm's direction (Badr *et al.*, 2004:9). Based on the

triangulation results of the qualitative and quantitative data, knowledge translation and knowledge sharing between ALJ actors can be improved. This is discussed in the next chapter.

7.5 FINDINGS FROM AN “ANT” CONCEPTUAL PERSPECTIVE

The main objective of this thesis was two-fold: firstly, to develop a competitive strategy for ALJ in preparation for Saudi Vision 2030, and secondly, to apply ANT to better understand the translation of actor and network relations in the company when transforming ALJ’s competitive strategy in preparation for Saudi Vision 2030. Figure 7-3 is an attempt to address the second part of the main objective. The actors, for purposes of this study, were already identified in Figure 4-2.

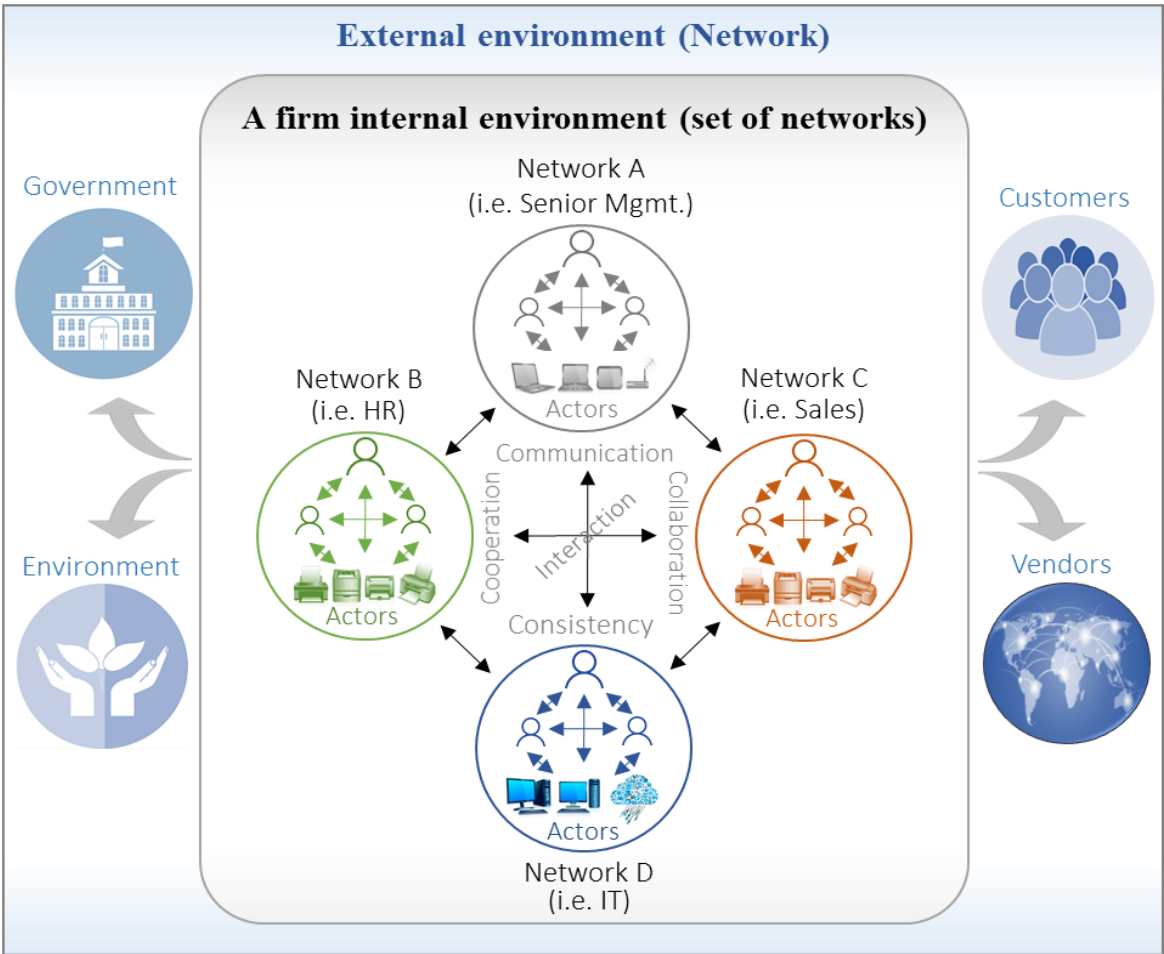


Figure 7-3: *ALJ’s internal and external environment (set of networks)*

Figure 7-3 represents the conceptualisation of ALJ’s actors, networks and relationships that exist between them (Lave, 2015:182). The firm has both an internal and an external network(s) with which it should interact. Each network comprises groups of actors – human and non-human. ALJ’s

non-human actors are (but are not limited to): mission, vision, values, PESTEL analysis, SWOT analysis, BSC, and technology (as identified in Figure 4-2).

The arrows in Figure 7-3 symbolise the relationship, interaction, collaboration, cooperation, and communication between the actors within and outside of their networks – also known as translation, a key concept of ANT.

As previously described (section 4.3.2 – heterogeneity), ANT makes the assumption that the actors, and therefore the resultant networks, are heterogeneous. The process of translation is an attempt to overcome the heterogeneity and move towards aligned interests of actors – i.e. move towards increasing homogeneity.

The simple question about any actor is whether that actor makes a difference to other actors and in his/her network – i.e. is it a lower or upper level actor (refer to Section 4.3.2 – actors). Does the actor add value to the network by working towards homogeneity of the network? From an ANT perspective, the concern is about the homogeneity in a specific network or among different actors. The ANT considers a network's consolidation, characters and effects on other networks, and in the end on the firm in which it is located. The claim of ANT (refer to Section 4.3.3) is that a network is composed of all kinds of actors and they should play their role collectively to overcome the heterogeneity and translate the firm's vision, mission and objectives towards success.

In this case study, the focus was not on determining the value individual actors bring to ALJ. The focus was rather on better understanding the translation of actor and network relations in the company when transforming ALJ's competitive strategy in preparation for Saudi Vision 2030. Based on the interviews conducted with the senior actors of ALJ, it was evident that they were able to agree to a large extent on the strengths and weaknesses of ALJ and the identified potential opportunities and existing challenges. It can therefore be assumed that the senior actors within ALJ have aligned interests and are aligned in their thoughts and actions with regards to the SWOT analysis. According to Walsham (1997:471), this indicates network success. The findings of the quantitative analysis showed that the middle and operational levels tend to concur with the senior actors and that they supported what was put forward by their superiors. It can therefore be deduced that the senior actors of ALJ are connected with all the other actors in terms of the SWOT analysis. There is little difference in the views of the actors at the different levels of the firm. This may indicate that the translation process is moving the actors and networks towards aligned interests, i.e. homogeneity.

However, the senior actors did not agree on all the elements of the PESTEL analysis. There were disagreements on the political and economical challenges. Similarly, there were concerns highlighted between the senior actors and the middle and operational levels with regards to the internal processes and learning and growth perspectives of the BSC. These findings highlight that there is room for improvement for ALJ in aligning the interests of actors and networks in these areas. The relationships between actors can be regarded as heterogeneous. The process of development, creativity, and innovation is, however, a continuous process. This can be interpreted, for example, from the responses – both qualitative and quantitative – to redesign/reformulate the strategy of ALJ. According to Jayne and Dipboye (2004:418), networks with high levels of interpersonal understanding enhance creative task performance. In such networks, actors feel more positive about their teams, are more likely to share unique perspectives and opinions, and are more likely to understand and value the unique perspectives and skills of others.

This scope is discussed in detail in Chapter 8.

7.6 DEVELOPING A COMPETITIVE STRATEGY

As mentioned in chapter 1 (section 1.8.1), the main objective of this thesis was to develop a competitive strategy for ALJ in preparation for Saudi Vision 2030, and secondly, to apply ANT to better understand the translation of actor and network relations in the company when transforming ALJ's competitive strategy in preparation for Saudi Vision 2030. The second part of the objective was addressed in section 7.5 above. This section aims to address the first part of the objective.

As discussed in Chapter 3 (refer to Section 3.2), any strategy formulation in a business firm aims to establish, build, defend or maintain a competitive advantage. This requires extensive analysis of both the internal and external environments and a mixture of useful intelligence (Santos-Vijande *et al.*, 2012:1079). The importance of understanding the internal and external business environment while developing a competitive strategy is well recognised (Badr *et al.*, 2004:2). From a business perspective, the first step of any competitive strategy formulation is that managers must understand and anticipate the potential challenges that a firm may face (Jayne & Dipboye, 2004:419).

This study therefore analysed the internal and external environment utilising the strategic tools of SWOT and PESTEL analysis. These are tools of analysis used in environmental analysis during strategy formulation (Omari, Nyongesa, Ochieng & Simeon, 2011:232). The core aim of BSC is

to translate strategy into action and making strategy focused on outcomes (Kaplan & Norton, 2001:2).

It was furthermore revealed that competitive strategy and the establishment of a CE is driven by the internal sources of a firm (actors) that must be characterised by knowledge translation and knowledge sharing (refer to Sections 4.3.4 & 4.3.5). One of the core characteristics of CI is gathering and sharing knowledge. Such practices lead to the alignment of interests between actors, which ultimately lead to homogeneous networks. CI is therefore a core component for the establishment of a competitive strategy and aligning actors' interests.

This study argues that the application of ANT and CI jointly reinforces competitive strategy. In order to develop a competitive strategy for ALJ, in preparation for Saudi Vision 2030, these two concepts have to be combined. In line with this argument, the researcher conceptualised a new theory/conceptual model combining the concepts of ANT and CI. As the concepts of ANT and CI were combined, it was decided to name this theory/conceptual model actor-intelligence theory (AIT). "Actor intelligence" is the concept where the intelligence is derived from knowledge. It is posited that this knowledge should be systemically produced via the CI network within ALJ. As a result, intelligent actors – or upper level actors – will accomplish ALJ's vision, mission and objectives at both the operational and strategic levels. The process of translation will also be enhanced, as the sharing of knowledge leads to increasingly alignment of interests between actors.

Figure 7-4 demonstrates the theory/conceptual model of AIT albeit the competitive strategy of ALJ. As mentioned earlier, AIT draws from both the ANT's homogeneity and translation perspectives and the CI knowledge sharing concepts.

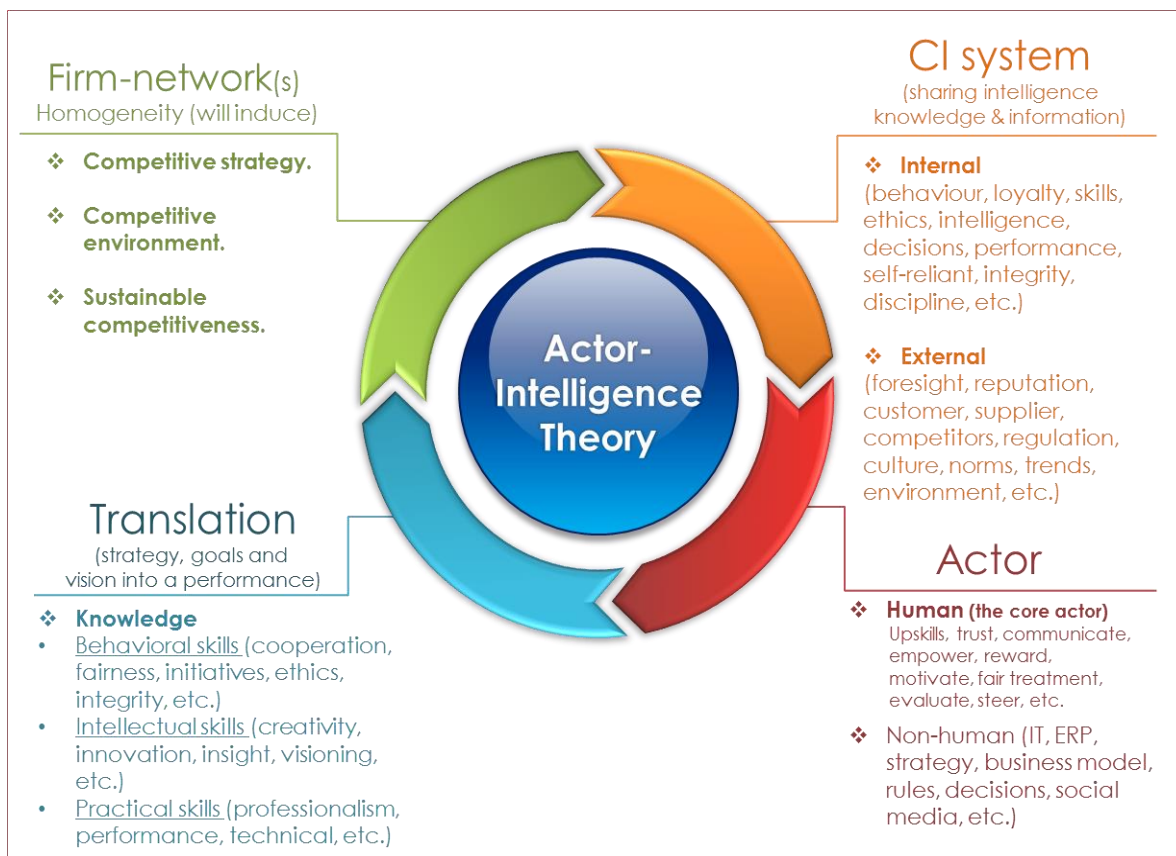


Figure 7-4: Actor intelligence theory

The above figure (Figure 7-4) illustrates four dimensions and highlights their dependence on each other and how one dimension empowers and reinforces the next. These four dimensions were identified by combining concepts from ANT and CI, and the interrelationship between these concepts uncovered in this research. The lines of dependence between these dimensions may either weaken or strengthen. For example, CI empowers (strengthens) the actors in the firm (ALJ) by providing the necessary knowledge to generate best practices, policies and procedures. Actors therefore become more knowledgeable and in turn translate this knowledge into activities and practices. This translation process strengthens the networks and in turn increases homogeneity. This reinforces a firm's (ALJ) CE, leading to sustainable competitiveness with the condition that actors apply CI to its networks. It can therefore be argued that when a firm embeds CI in its network, it will empower and upskill its actors. The professional actor will then translate a firm's vision, mission and strategic objectives into stable performance, while implementing best practices will support the firm's CE. As a result, this firm will continuously upgrade their CI system. The interdependency of each dimension is therefore evident.

The actor and his/her knowledge are assigned a pivotal role within AIT. An actor with knowledge becomes a professional with intelligence that would reflect on his/her communication capacity, skills and decision making. It is essential to clearly understand the underlying roles and skills of each actor in the network.

The execution of AIT is that a firm can differentiate itself – i.e. create competitive advantage – based on its individual actors' knowledge. This knowledge can be demonstrated in many ways, for example through an actor's competency, skills, and ability to use modern technology and apply professional business models such as CI. The emphasis is on having a basis of correctly organised intelligence by leveraging CI best practices to empower and optimise the performance of actors. The fundamental claim of ANT is a heterogeneity among various actors (human and non-human) within a particular network (Law, 1992:5; Cressman, 2009:3). AIT extends this theory by assuming that knowledge-intelligent actors (HR in particular) place firms in a CE position. The relational view of AIT is therefore derived from ANT, which sees an “actor” (human) as a core actant who has an effect and can make a difference, and from the CI, which frames “intelligence” by strengthening the knowledge-based awareness that should upgrade the actor's ability, capacity and performance.

AIT is not a human resource-based theory or agency theory as the human resource-based theory emphasises the importance of the human element in strategic development. Chuang (2004:459) argues that the resource-based competitive strategy is difficult to imitate or substitute. Likewise, the agency theory builds on the human element as a source of the organisation's competitiveness (Omari *et al.*, 2011:233).

Applying CI as a translation instrument – following the ANT approach – constitutes the AIT or actor intelligence strategy. The AIT links the actor's intelligence (knowledge, skills, and practices) with a firm's competitive strategy. In other words, actors by their intelligence determine the firm's CE. CI is central to AIT due to its power to gather information so that the intelligence effort can shift that information into valuable knowledge and that knowledge can be translated by actors' skills. AIT serves as an impetus to implement and promote CI by concentrating and empowering actors and paying more attention to human actors, yet not ignoring non-human actors.

According to AIT, actors, if empowered by intelligence knowledge produced by systemic tools of CI, will become translators of that knowledge by means of behaviour, practice and performance. AIT believes that the “employee” is a core actor as he is the prime translator of the knowledge and

he influences other actors. Human actors in AIT serve as translators of network vision, mission, and objectives. An actor (human and non-human “technology”) is a channel of communication with internal and external networks. Actors’ knowledge and performances will make allies of customers and suppliers, which ultimately leads to acquiring and obtaining sustainable competitiveness.

AIT calls for actor intelligence. The firm should focus on strengthening and promoting the actor’s knowledge. The firm should also translate knowledge effectively (by using CI). The result of this process will contribute to producing a high-value practice that will reflect firm competitiveness and position it as a CE.

As per AIT, these actions are nothing but knowledge translation with a human element. The BSC-based strategy also leverages firms’ knowledge by addressing learning and growth issues. The aid of BSC perspectives could contribute to the body of a competitive strategy (Jusoh & Parnell, 2008:23).

AIT considers the knowledge produced by CI systems as a weapon as part of which actors should have a specific role with valuable dimensions such as (internally) collaboration, consistency, teamwork, communication, initiatives, empowerment, engagement, reward, motivation, fair treatment, control, as well as (externally) monitoring, evaluation, foresight, visibility, commitment, reputation, and so on (refer to Figure 7-3 & 7-4).

There is a positive relationship between a firm’s experiential knowledge and developing a sustainable competitive strategy (Barin *et al.*, 2015:731). Senior actors of a competitive network play a significant role of long-term commitment, reciprocity and trust to reduce uncertainty about the future (Borch & Arthur, 1995:421). According to Möller *et al.* (2005:1275), the successful network is distinguished from a simple network by the density, multiplicity, and reciprocity of ties and knowledge-shared systems that define an actor’s roles and responsibilities.

In this sense, the AIT development approach follows the actor’s intelligence knowledge, embraced separately by ANT (actors’ homogeneity) and CI (knowledge sharing) proponents.

This study recommends that ALJ applies the AIT as a conceptual model for its competitive strategy in preparation for Saudi Vision 2030 based on the arguments presented above.

7.7 TRIANGULATION

In this case study, methodological triangulation was achieved by using different research methods. The empirical research commenced with the qualitative method, i.e. conducting interviews, followed by a quantitative survey and ending with integrating the findings with the literature of the ANT. The reliability and validity of findings were confirmed by the agreement between the findings of the qualitative and quantitative phases.

The integrity of the research findings, particularly those of the qualitative phase, was ensured as all interviews were conducted with senior actors in ALJ. These expert actors have extended experience and proven familiarity with ALJ's actors and networks. Moreover, they have authority to make a difference as they are decision makers and formalise strategy. According to Anney (2014:279), integrity includes prolonged engagement and building rapport and trust, triangulation (across sources, methods and researchers), proper interview technique, safeguarding informants' identity, and the researcher's self-analysis.

The methodological rigour of the case study was enhanced through the process of validity and reliability.

7.8 VALIDITY AND RELIABILITY

In chapter 2 (refer to Section 2.12), the four criteria to strengthen methodological rigour in case study research design are: construct validity, internal validity, external validity/generalisation and reliability.

In this research study, *construct validity* was strengthened through two measures of establishing a clear chain of evidence during the research process, and triangulation (Gibbert *et al.*, 2008:1468; Teegavarapu & Summers, 2008:7). The researcher aimed to guide the reader through the research process in chapter one of setting research objectives (section 1.7), presenting the interview questions by linking the research questions with interview questions in chapter 5 (section 5.4), in chapter 6 the findings from the interviews were linked with the questionnaire (section 6.3.4), synthesising findings in chapter 7 through the process of triangulation (section 7.4), and reaching conclusions in chapter 8 (section 8.3) based on the objectives set in chapter 1.

In this study, the researcher addressed *internal validity* during the data analysis phase. Similarly to the measure utilised to enhance construct validity, the process of triangulation was followed.

The findings from the qualitative data phase documented in chapter 6, were compared to the findings from the quantitative data phase documented in chapter 7.

External validity in this study was ensured by creating the context of the case study (Gibbert *et al.*, 2008:1468). Firstly, the context of Saudi Arabia, Saudi Vision 2030 and the Saudi Arabian automotive sector were described in chapter 1 (refer to Sections 1.2.1 to 1.2.3). In addition, the researcher used detail-rich description and reporting, which included using diagrams and tables to facilitate the description as described by both Lewis (2015:162) and Daymon and Holloway (2010:93).

Scapens (2004:270) however recommends that in case study research, instead of thinking and using the traditional concept of generalisability, reference should be made to transferability – as described by Lincoln and Guba (1985). These authors (Lincoln & Guba, 1985:124) refer to the “transferability of findings from one context to another”.

In this case study, the findings – especially following the principles proposed by the AIT – can be transferred to other private sector businesses. ALJ is the largest automotive company in Saudi Arabia, and as such other leading Saudi Arabian automotive dealers can benefit from following the developed competitive strategy presented as the AIT. These automotive dealers include Abdulatif Al Issa Automotive Company (Nissan dealer), Al Jazirah Vehicles Agencies Company Ltd (Ford and Lincoln), Wallan Establishment (Hyundai), Juffali Automotive Co. (JACO) (Mercedes Benz), Al Jomaih Automotive (GMC and Cadillac), Haji Husein Alireza & Co. Ltd. (Mazda and Geely), Abdullah Hashim Company Limited (Honda) and United Motors Co. (Chrysler, Dodge and Jeep) (Randheer *et al.*, 2017:4–5). It can greatly assist these automotive dealers in grasping the context of their external environment and also how to adjust their competitive strategy in preparation for Saudi Vision 2030.

In this research, methodological rigour was enhanced by adhering to the four criteria mentioned above.

7.9 SUMMARY

This chapter addressed the sixth and seventh secondary research objectives (refer to Chapter 1, Section 1.8). The chapter started with an introduction, followed by a discussion of the importance of findings in scientific research, especially research following a mixed method approach. The results of the qualitative and quantitative phases were thereafter integrated to reach the overall

findings. The findings in general indicated that the alignment of interests between the senior, middle and operational actors is relatively small. These actors often had shared responses. In some instances, the senior actors could be regarded as a successful network, as they can be considered to be homogeneous. However, there were triangulation results that highlighted heterogeneity amongst actors indicating aspects that ALJ should address. The findings were subsequently considered from an ANT conceptual perspective (see Figure 7-2).

The chapter finally proposed AIT as a competitive strategy for ALJ. Saudi Vision 2030 necessitates transformation in almost all aspects and dimensions. AIT implies that if a firm has intelligence and professional and competent actors (human in particular, and technology) empowered by CI, the change can be absorbed and the firm will adapt intelligently. This study provides a mapping of the most prominent theoretical dimensions of ANT (actor, translation and homogeneity) and the CI framework (intelligence knowledge), which together in the end provide an integrated theoretical paradigm that offers a competitive strategy and a sustainable CE.

Chapter 8 offers a conclusion and makes recommendations based on the findings of this study.

CHAPTER 8 – CONCLUSIONS AND RECOMMENDATIONS

8.1 INTRODUCTION

This chapter aims to address the eighth and final research objective (refer to Chapter 1, Section 1.8), which is to offer conclusions and recommendations based on the findings of the study. Lipson (2018:280) believes that conclusions and recommendations are the most important section of academic research. The previous chapter formulated the findings of the combined empirical qualitative and quantitative research. This chapter presents conclusions in answer to the research question and meeting the objectives of the study.

The conclusions are followed by a recommended competitive strategy that may be implemented in order to ensure ALJ's readiness for changes as part of Saudi Vision 2030, which was the main objective of this study. The chapter: (1) provides a research summary which includes a concise review the chapters of the study, and then a synopsis of the key concepts, (2) discusses the conclusions from a theoretical perspective, (3) discusses the conclusions of the empirical research, (4) outlines the recommendations, (5) describes the theoretical and practical contributions of this study, (6) acknowledges the limitations of the study, (7) makes suggestions for future research, and (8) provides closing remarks.

8.2 RESEARCH SUMMARY

The next three sections present a brief summary of this study.

8.2.1 Concise review of chapters

This section sheds light on the previous seven chapters of this study. The main objective of this case study was two-fold, namely to develop a competitive strategy for an automotive firm in preparation for Saudi Vision 2030, and to apply ANT to better understand the translation of actor and network relations in the company when transforming ALJ's competitive strategy in preparation for Saudi Vision 2030. The study was entrenched within the ANT, contemporary strategic models of SWOT, PESTEL and BSC, and the CI and CE frameworks. The latter directly influences the competitiveness and sustainability of automotive firms in Saudi Arabia.

A mixed methods research approach was followed to answer the set research questions and to attain an in-depth understanding of the phenomenon. This method enhances the body of knowledge as it allowed for the capture of information that might have been missed if only one research

method had been followed. Furthermore, case studies have strong traditions within social and behavioural science (Greene, 2008:20; Bhattacharjee, 2012:40; Caruth, 2013:119; Hancock & Algozzine, 2016:11).

The first chapter introduced the study and its background, strategy and strategic models. The ANT was presented as the conceptual theoretical framework and the motivation of the topic was addressed. The chapter outlined the problem statement and the research objectives. The research design was described, followed by the ethical considerations and paradigmatic assumptions and perspectives. Finally, the contribution of the study was presented and an initial overview of each chapter of the study was provided.

The second chapter discussed the research design and methodology that was applied in the study. This included an overview of the research paradigm and approach, specifically the mixed method approach. The chapter also illustrated how triangulation would be attained. The research population and sampling were discussed, and the data collection methods and the pilot study explained. The data analysis and interpretation were explained, and methodological rigour with ethical consecration addressed. The chapter concluded with reflections by the researcher.

The third chapter provided a review of extant literature on strategy and strategic models. The various concepts of CE, CI and its framework, were examined, as well as the strategic models of SWOT, PESTEL and BSC. The Saudi Arabian context was elucidated, and Saudi Vision 2030 with its various dimensions described. Finally, an overview of automotive firms was provided, followed by a presentation of the firm used for the case study, ALJ.

The fourth chapter was devoted to a literature review of research on ANT, the theoretical framework in which the study was nested. The process of translation was specifically discussed. In this chapter the ANT landscape was explored and linked to the research objective.

The fifth chapter was focused on the qualitative research, including a description of the qualitative data collection approach, explanation of the qualitative data analysis, and discussion of the issue of trustworthiness.

The sixth chapter presented the results of the quantitative phase of the study. The quantitative research was described, the research questions identified, the quantitative data collection approach demonstrated, the statistical results of the quantitative data analysis presented, and the ethical considerations highlighted.

The seventh chapter was dedicated to the integration of the findings of the qualitative and quantitative phases. The importance of findings in a mixed method approach was highlighted, followed by a synthesis of the findings (mapping). The findings from the ANT conceptual perspective were captured, a competitive strategy developed alongside the presentation of a new theoretical perspective of AIT. Triangulation was illustrated and discussed.

This chapter outlines the conclusions and recommendations of the study. Conclusions from the theoretical perspective are discussed along with the conclusions of the empirical research. Recommendations and suggestions are outlined and both the theoretical and practical contributions demonstrated. The limitations of the study are acknowledged, and some suggestions for future research are followed by closing remarks of the study.

8.2.2 Research synopsis

The primary objective of this study was to develop a competitive strategy for an automotive firm in preparation for Saudi Vision 2030, and to apply ANT to better understand the translation of actor and network relations in the company when transforming ALJ's competitive strategy in preparation for Saudi Vision 2030. The case study approach was the most appropriate research design and a sequential mixed method was selected as the most suitable methodology. According to Hesse-Biber (2010:459) and Creswell and Creswell (2017:209–212), the sequential exploratory approach is a useful strategy to explore a phenomenon as it has two phases with the quantitative building on the results of the qualitative, and its design provide a richer detail. A brief synopsis of the key concepts is presented below.

a. Competitive strategy

A competitive strategy is nothing but a way of thinking and believing and subsequently a way of doing what a firm thinks or believes. In short, it is a unique set of activities and practices that deliver unique goods and services. Once competitors are able to imitate what a firm is doing, the competitive strategy becomes a mere strategy. The competitive strategy, therefore, must grant a firm a position in a sustainable CE.

b. Competitive environment

By applying a sustainable competitive strategy, a firm becomes a CE. For purposes of this study, a CE was defined as a corporate environment that is conducive to, and encourages, competitive

behaviour. Firms should become increasingly aware of the necessity to remain a CE. Chapter 3 presented the internal and external facets of the CE. A firm’s external effectiveness necessarily reflects its internal effectiveness. Some factors of internal effectiveness and competitiveness are strategic planning, growth mindset, effective communication, efficient actors, and modern IT systems. However, the internal environment of a firm explains its position in the external CE.

c. Competitive intelligence (CI)

CI is a systematic process involving planning, gathering, analysing and disseminating information in the form of intelligent knowledge. According to Nasri (2012:26), CI is a continuous process of gathering data, information and knowledge about various actors (competitors, customers, suppliers, government etc.) that supports the decision making process and enhances sustainable competitiveness.

Besides strategic planning and decision-making, the fundamental objective of CI is skills development. CI has become a gateway to information and storehouses of knowledge. To simplify, CI has: (1) an input (planning and collection of information), (2) process (analysis and communication), and (3) an output (robust and useful knowledge that is employed in strategic planning and decision making). CI is a modern instrument, approach, and mechanism of cultural awareness that reflects in actors’ enhanced performance and leads to a CE. Figure 8-1 summarises the structural approach of CI.

CI Sources of information	Communicating CI	CI target	Decisions supported by CI	Assessing CI effectiveness
Association employees	Awareness messages	Company database	Business development	Cost savings
Commercial databases	Central database	Competitive benchmarking	Business strategy	Customer satisfaction
Competitor websites	E-mails	Competitors profiles	Corporate strategy	Decisions made/supported
Customers	Firm intranet	Customer profiles	Customer relations	Employee satisfaction
Employees	Newsletters	Early warning alert	Joint venture assessment	Financial goals met
Experts/consultants	Posters/brochures	Economic analysis	Market entry decisions	New or increased revenue
Government employees	Presentations	Executive profiles	Mergers and acquisitions	New products or services
Internal databases	Printed alerts	Government profiles	Product and service development	New products or services
Internet websites	Reports	Market analysis	Regulatory and legal	Productivity/output
Official news	Social media	Supplier profiles	Reputation management	Return on investment
Publications (print/online)	Staff briefings	Technology assessments	Sales development	Strategies enhancement
Social media	Teleconference		Technology development	Supplier satisfaction
Suppliers	Warning alerts			Time savings
Trade show’s/conferences				

Source: Calof *et al.*, 2018:12–16 (adapted)

Figure 8-1: CI Approach

d. SWOT, PESTEL and BSC models

It is noteworthy that all three strategic models of SWOT, PESTEL and BSC require an integrated and collective approach and adequate planning, collection and analysing efforts. This research applied a hybrid model through a combination of all three strategic models in order to cover all facets of ALJ's environment internally and externally to determine to which extent it is a CE.

e. Saudi Vision 2030

Saudi Vision 2030 is a cornerstone of this research as it is the reason for developing a competitive strategy. ALJ, an automotive firm, has to prepare and get ready for this significant transformation. The findings revealed that ALJ is prepared and ready for Saudi Vision 2030. Saudi Vision has come a long way and is continuously developing. Many aspects of the vision have been achieved, but much still remains to be done. What is essential is the ability to absorb the vision with its opportunities and challenges and the insight to deal with it. The research, therefore, has equipped ALJ with a robust competitive strategy. If a firm is pioneer-oriented and furnished with: (1) financial stability, (2) up-to-date high technology, and (3) innovative and creative actors, then Saudi Vision 2030 is an opportunity.

8.2.3 The theoretical framework of ANT and AIT

The theoretical level of a study is concerned with grasping abstract concepts that describe a natural or social phenomenon and understanding the relationships between those concepts. The empirical level on the other hand is concerned with analysing these theoretical concepts as they reflect in observations of reality, with the ultimate goal being to build better concepts or theories (Bhattacharjee, 2012:14). ANT was the fundamental conceptual framework that steered this research. The study acknowledged the significance of ANT, supported by the strategic models applied in this research.

The ANT approach can be applied to a variety of research fields, including technology, medicine, business, art, architecture, and other scientific studies. It is described as an interpretive sensitivity and a literary genre (Gherardi & Nicolini, 2005:3). ANT is a heterogeneous body of thoughts and knowledge and has been the dominant source of inspiration for accounting researchers (Justesen & Mouritsen, 2011:162). Accounting has permeated the fabric of organisations and is always intrinsically linked to a particular strategic ambition to increase efficiency, encourage responsibility, to improve decision making and to enhance competitiveness (Ahrens & Chapman,

2007:8). Likewise, ALJ can benefit and increases its homogeneity out of ANT and CI, by combining ANT model and concept with the CI framework.

According to ANT, working in the network means dealing with incumbent actors who have many resources, competencies and changes in their agenda, visions and interests. From this perspective, resistance and conflicts are to be expected (Schot & Geels, 2008:549). Therefore, the relationship between theory and the nature of the phenomena should be explored (Borch & Arthur, 1995:436). ANT is a powerful tool to regain a sense of heterogeneity and to bring internal objectivity back into the centre of attention. ANT attempts to comprehend complex situations and therefore a firm's actors and networks are worthy of study, especially when considering that ANT emerged from a highly intellectual context (Latour, 1996:374; Ahrens & Chapman, 2007:11; Alcadipani & Hassard, 2010:430).

This research was conceptualised and viewed from the ANT framework (refer to Figure 7-3) and AIT (refer to Figure 7-4). Moreover, the AIT was presented as a developed competitive strategy for ALJ that addresses the primary research objective set in Chapter 1. The notion of AIT can be concluded in the relationship of the CI framework that empowers and upskills the actor's knowledge and is reflected in his/her ability of decision making and performance. Afterwards this translation – from intelligent knowledge into competitive performance – is reinforced to maintain a sustainable competitive strategy that will ensure that a firm (set of networks) is set within a CE. According to Jusoh and Parnell (2008:9), an actor's performance-based strategy places greater emphasis on innovation and growth perspectives.

AIT urges and stimulates CI to upskill actors in three ways:

- a. Behavioural (interpersonal) knowledge (attitude, cooperation, teamwork, attitude, fairness, initiative, loyalty, persistence, ethics, integrity, morality),
- b. Intellectual knowledge (creativity, innovation, insight, vision, intelligence, decision making, self-reliance), and
- c. Practical knowledge (professionalism, performance, and distinctive high-value and quality outcomes “activities and practices”, technical skills, discipline).

These three dimensions should be aimed at upskilling high-mid-operational actors. Information and knowledge must be tailored and disseminated in a manner that is aligned with set corporate strategies by making decisions from senior actors' perspectives as well as day-to-day activities for other actors. Effective communication within the firm facilitates knowledge-sharing and is

necessary to achieve innovation and learning outcomes. Innovative firms reward cross-functional, cross-hierarchical, cross-cultural and cross-technological exchange of information and knowledge (Lawson & Samson, 2001:395). According to Lubit (2001:171), the knowledge that can spread within a firm on the way to becoming a sustainable leader of a CE brings several benefits:

- a. Spreading best practices;
- b. Enabling the development of new services;
- c. Enabling actors to understand the widespread effects of their actions;
- d. Allowing actors to make optimal trade-offs;
- e. Allowing better coordination by supporting and realising synergies;
- f. Enabling actors to deeply understand and explore the root causes of problems; and
- g. Granting them an ability to develop novel solutions practices.

A senior actor could develop a preferred direction and as such influence the actors’ beliefs and visions through specific communication (Möller & Svahn, 2003:223). Figure 8-2 reveals the relationship between ANT and CI and indicates how the actor can translate the CI intelligence knowledge into a distinct performance that ultimately results in actor and network(s) homogeneity.

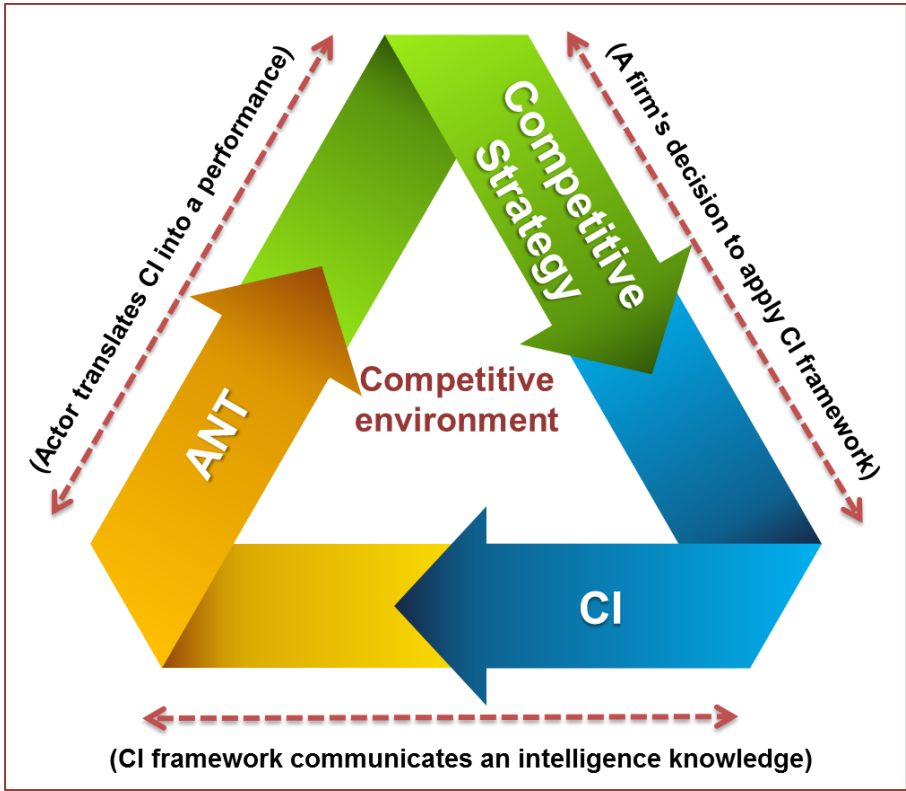


Figure 8-2: ANT and CI integration framework (AIT)

The above figure reveals the intertwined and interlinked of ANT and CI as a competitive strategy that leveraging a firm to be a CE. In other words, AIT is a reflection of ANT and CI combination. The aim of AIT (refer to Figures 7-3, 7-4 & 8-2), is to increase the functional and behavioural efficiency of actors by leveraging and promoting intelligent knowledge (behavioural, intellectual and practical) that leads an actor to perform beyond expectations, in other words innovations leading to a new product, services and processes, and superior business performance results. Hence, each network cannot grow in isolation as an actor has to play his positive (beyond the obligatory and expectation) role to achieve a competitive network or environment (Latour, 1996:377). Therefore, AIT believes that there are no moderate actors, actors either add value to its network or it is an inactive factor that should be upgraded and upskilled behaviourally, intellectually and practically or should be excluded.

For example, if a firm has a set of networks of ten departments and each network has ten actors, if each actor performs by fulfilling his/her role and activities sufficiently, then the outcome and contribution of each network will contribute 10% to the overall network. Similarly, if each network does this, the firm will achieve their objective 100% successfully. Only once every actor performs beyond his/her role and performs above expectations will a firm achieve a sustainable CE. Every actor influences and affects his/her network, and in turn, the firm as a whole. The focal point should therefore be on every actor's performance as it determines the productivity and success of the firm. Therefore, according to AIT, the highest responsibility falls on a senior actor to optimise and leverage the contribution (not only the role) of each actor. Such optimisation should consider the behavioural, intellectual and practical dimensions of an actor. Since every actor inevitably influences – either negatively or positively – their network, a weak actor should be excluded from a network because the negative influences will extend to other actors within or out of his/her network.

The next section is dedicated to the conclusions of the empirical research of this study.

8.3 CONCLUSIONS BASED ON THE FINDINGS OF THE EMPIRICAL RESEARCH

The conclusions based on the findings of the empirical research constitutes a new competitive strategy for ALJ. The conclusions are as follows:

8.3.1 Conclusions based on the findings of the SWOT analysis (Conclusion 1)

The SWOT analysis revealed that ALJ's actors are quite familiar with the ALJ environment. There is considerable consistency among actors from different levels. There is a degree of homogeneity between actors and networks. The points of strength were identified as: (1) loyal associates, (2) the ALJ brand name, and (3) ALJ's four values. The weaknesses identified are bureaucracy in decision-making processes, ineffective communication, and the weak role that HR plays.

The promising opportunities were shortlisted as: (1) Saudi Vision 2030, (2) digitalisation, and (3) expansion in the automotive and non-automotive sector. Finally, the prominent challenges ALJ encountered are: (1) the regular changes in government rules and regulations, (2) Korean and Chinese competitors, and (3) a slowdown or economic recession. The results of the questionnaire confirmed the views that emerged from the face-to-face interviews.

Despite inconsistencies or contradictions on some points and slight divergences of opinions, all these points remain worth following up. Every point of weakness and challenge can be converted to strengths and opportunity.

Figure 8-3 shows the feedback of ALJ senior actors with respect to each dimension of SWOT analysis.

STRENGTHS
<ul style="list-style-type: none"> - The family of ALJ - ALJ brand name (Prestige, stability and sustainability). - The four values of ALJ namely respect, improve, pioneer, and empower. - ALJ's business model of effectiveness of process and policy. - ALJ's network (internally the departments and externally the centres). - ALJ is a pioneer, proactive and eco-friendly firm. - ALJ's product mix (Toyota's quality, durability, and reliability). - Being big and keeping agile. - Organisation structure and infrastructure (knowledge, employee, and facilities). - Financial stability and strategic planning. - Flexibility (responsiveness to changes, adaptable with no resistance). - Work environment, clear direction, and communication effectiveness. - Loyal associates (engagement and qualified competencies). - Entrepreneurial mind-set and global view (diversity of the workforce, and leadership talents).
WEAKNESSES
<ul style="list-style-type: none"> - Bureaucracy in decision-making processes (still most of the approvals required many signatures and actions. Decisions not taken so fast as should be). - Inactive communication (lack of communication tools or control). - The weak role of HR (employee development is a bit missing). - Internal competition among or within business units (in the sales area). - Strict and rigid business processes (slow-moving mode toward changing). - Lack of empowerment to middle management. - Lack of collaboration among departments (difficult to monitor or control the engagement). - Frequent changes in the structure. - Lack of clear direction for the long term run as over five years.
OPPORTUNITIES
<ul style="list-style-type: none"> - Saudi Vision 2030 (smart cities and entertainment activities). - Digitalisation (e-sales, e-services, environmental, Artificial Intelligence and Robotics). - Expansion in the automotive sector (rent a car field and optimise Hybrid/Electric cars). - Expansion in the non-automotive sector (solar energy, internet niche and cinema industry). - Alliance with other leading company within or out of the automotive industry. - Growing in mobility such as Uber and self-driving cars. - Optimising women car driving sector.
THREATS (CHALLENGES)
<ul style="list-style-type: none"> - The regular changing of government rules and regulations. - Government regulations such as Saudization, taxation and increase of utility fees. - Slowdown and economic recession (decreases in purchasing power). - Korean and Chinese competitors. - The exit of expert expatriate due to changing of government rules and regulations. - Cyber Security (keep up with modern technology). - Dealing with youth (employment and customer). - Forceful competition as economic situation opening the door for more competitors. - Mobility regulation - Connected, autonomous, shared mobility and electrification (CASE) index. - Anti-competition law and regulation. - Competition regulation - Corporate average fuel economy (CAFE) index. - Legislation rules and applies them strictly and quickly in a short period. - The sharp increases in workforce cost. - Retaining competencies and talents (turnover). - The increasing cost to sustain business operations.

Figure 8-3: SWOT analysis (from ALJ senior actors' point of view)

8.3.2 Conclusions based on the findings of the PESTEL analysis (Conclusion 2)

A PESTEL analysis comprises six contexts, although ALJ indicated Saudi Vision 2030 as an opportunity. However, Saudi Vision 2030 does present some challenges in the form of Saudisation, increases in fuel and utility prices, in addition to taxes and other governmental fees. The socio-cultural, technological and environmental perspectives do not pose any challenge to ALJ. On the contrary, ALJ is a pioneer and leader in terms of technological and environmental perspectives and will benefit from the cultural openness brought about by the vision. However, the internal- and external environment of ALJ should be re-assessed on a regular basis no matter which tools are used.

8.3.3 Conclusions based on the findings of the BSC (Conclusion 3)

Despite the fact that the BSC analysis elicited positive responses, the four perspectives of the BSC diverged into two directions in terms of the responses. The financial and customer value perspectives showed positive findings. However, the internal process effectiveness and learning and growth perspectives resulted in less positive findings. From an ANT perspective, actors are disabled in the translation of their roles, activities and practices. Actors cannot give a successful or competitive performance. Put another way, actors are signs of heterogeneity among other actors and networks. The component of learning and growth is lacking and there are shortcomings with respect to departmental collaboration. However, this brings back to mind and confirms the weaknesses of ALJ bureaucracy in decision-making processes, lack of effective communication and the inferior role of HR.

8.3.4 Conclusions related to findings on the competitive strategy (Conclusion 4)

In terms of ALJ's competitive strategy, ALJ undoubtedly has an active and robust strategy namely "Earn Guest Loyalty". Nevertheless, based on the qualitative findings, the current strategy is focused on the customer – also referred to as “guest” – and value. The strategy to some extent disregards the main actors (employees) whose performance earns guest loyalty. Therefore, the majority of respondents (69.7%) from the quantitative survey advocated for a reformulation of the current strategy.

8.3.5 Conclusion related to findings on Saudi Vision 2030 (Conclusion 5)

The findings show that ALJ is ready for Saudi Vision 2030. ALJ has come a long way in readiness and preparation for Saudi Vision 2030 through a number of initiatives. The senior management at ALJ played a pivotal role in this context through their persistent strategic planning, insight and professionalism. Some action has been taken with regard to Saudisation, women employment and women driving campaigns.

8.3.6 Conclusions related to CI (Conclusion 6)

Chapter 7 showed that ALJ realises the importance of applied CI as reflected in the company's active and effective CI management. The business unit of MIR under the marketing department has a cycle of collection, analysis and dissemination of intelligence information.

8.3.7 Triangulation (Conclusion 7)

The research philosophy used in the study justified the selection of the chosen approach of integration and the combination of quantitative and qualitative research within a given stage of inquiry. The integration in this context formed the triangulation of data to answer the set research questions and to develop a meaningful depiction of the research phenomenon. The rationale behind using triangulation is to increase validity and reliability, and to prevent inherent method bias, researcher bias, and biases of inquiry context. The aim of following a mixed method approach is to enhance the triangulation. The research became more meaningful, with interpreted quantitative findings in light of critical qualitative information.

8.3.8 Summary of conclusions (Conclusion 8)

The research methodology included the use of a questionnaire during the empirical phase to collect primary data from ALJ. The analysis of the primary data showed that ALJ is a CE and has comprehended and applied CI above average. However, the below outcomes based on Likert scale (5-point) offers the full picture of ALJ:

- a. SWOT – ALJ is a CE (mean 3.98; refer to Table 6-8)
- b. PESTEL – ALJ perceives Saudi Vision 2030 as an opportunity (mean 4.10; refer to Table 6-8)
- c. BSC – ALJ's actors and network are homogenous (ANT) (mean 3.90; refer to Table 6-8)

- d. Competitive strategy – ALJ has a robust competitive strategy (mean 4.03; refer to Table 6-8)
- e. CI – ALJ is ready for Saudi Vision 2030 and comprehends, realises and applies CI (mean 4.00; refer to Table 6-8)

The overall outcome for all perspectives was a mean of 4.01 out of 5 (refer to the average calculation of mean scores reveal in Table 6-8; and explained in section 6.6). This shows that the research enabled the development of a competitive strategy in the framework of AIT. AIT can aid and improve sustainability and competitiveness of ALJ.

8.4 RESEARCH RECOMMENDATIONS

In light of the above discussions, this study confirms that ALJ is a CE that is able to pursue competitive sustainability. ALJ's actors and network have consistency, harmony and homogeneity. Based on the findings and conclusions, the following recommendations can be drawn:

8.4.1 Recommendation 1

The researcher recommends that ALJ looks after its primary strengths, weaknesses, opportunities and challenges and frequently review their SWOT, PESTEL and/or BSC analysis. This would involve a dedicated team to ensure that ALJ comprehends its CE and adjusts its strategies and policies accordingly. Effective forecasting helps to identify future developments in technologies, products and markets, generate more refined information, avoid threats, grasp new opportunities and improve operational decision making.

By reinforcing strengths, facing and addressing weaknesses in order to minimise or improve them, considering promising opportunities and trying to benefit from them, and trying to mitigate the effects of explicit and implicit challenges, the company can improve its competitive advantage.

8.4.2 Recommendation 2

It is recommended that ALJ continues its engagement with Saudi Vision 2030 and foster its strategic priority going forward. The current requirements are to continue with recognition and valuing technology (information and knowledge) and actors (employee) performance. Maintaining a level of actor diversity is crucial, as asserted by Möller and Svahn (2003:216). Multinational capabilities are needed for a thriving CE in a stable and well-organised firm. Jayne and Dipboye

(2004:410) refer to the ranking of the 50 Top Companies by *Fortune Magazine* in which a common theme is a reference to embracing employees under the umbrella of diversity. Saudi Vision 2030 necessitates extending the effort to be more proactive by moving towards being a CE leader.

8.4.3 Recommendation 3

In light of the BSC perspective, ALJ is regarded as a CE and best place to work. Yet, to sustain this perspective, in terms of internal process effectiveness, the collective consistency and homogeneity approach may have to be considered. Interestingly, this refers back to ALJ's identified weaknesses of its decision-making processes, communication and HR role. The following recommendations can therefore be made:

- a. Decision-making processes should be made more efficient by, for example, minimising the layers of approval and by increasing the empowerment of middle management. According to Lawson and Samson (2001:394), empowerment is a core principle of an open and innovative culture. Successful firms invest in employees as assets and recognise that these employees may have different visions for the future and seek to incorporate these views into their workplace innovation direction.
- b. Departmental communication and collaboration should intensify and be reinforced and upgraded. Certain rules and policies should be outlined and take place to ensure fast and effective communication. Assessments of communication efficiency and performance improvements are recommended, including an accountability policy to address a lack of responsiveness.
- c. Along the same lines as the communication addressed above, senior actors should ensure that they are sufficiently involved in open discussions and conversation (brainstorming, focus groups, interview) sessions in which other actors' views, opinions and ideas (feedback) play a role in the desired alignment and refinement of short- and even long-term, direction and strategy. The stronger the relationships and the interdependence among the actors in a given network, the stronger the network is in communicating and translating its messages internally and externally (see Figure 7.3). Senior actors should continue building this positive relationship.
- d. Another form of cultural behaviour is justice and fairness, which do not exclusively refer to a promotion. Recognition of achievements must cover all levels of actors that participate collectively in activities or projects. The network culture should be coherently and consistently rewarded. In the achievement of success, the culture should not be that the

senior actors receive acknowledgement, and when any failure occurs the blame is only cast on the middle-functional actors. Such behaviour will lead to disintegration and must be observed and addressed objectively. Following the latter approach will not only improve employee morale, but also lead to improved firm's performance.

- e. ALJ should apply transparent and explicit communication with a combination of a top-down and bottom-up approaches that illustrate ALJ's direction and its strategies at corporate, business and functional level, at least on a short-term basis. A lack of clear strategic direction leads to a blurred vision and wastage of resources, time and efforts. According to Henneberg *et al.* (2010:358), research has proven that focus on effective communication (vertically and horizontally) between actors would positively influence business fields characterised by radical innovation.
- f. In the same context, the learning and growth perspective requires considerable attention. The role and responsibility of HR is to ensure that successful, innovative, creative, and talented actors are employed based on a merit approach voided from unfair selectivity and nepotism. This transparent approach would start with setting high standards for recruiting new staff and empowering existing employees through building talent programmes, fair reward systems, the betterment of morale and behavioural attitudes, and proper training and education programmes. This should be in reach of each and every actor based on their field requirements.

8.4.4 Recommendation 4

Although ALJ's current "Earn Guest Loyalty" strategy can be commended, based on the majority responses from respondents (refer to Sections 5.4.1.4 and 6.6.4), it is recommended that the company considers reformulating and redesigning the current strategy to include a focus on actors (intelligent, knowledgeable and talented). The latter is responsible for steering ALJ's competitive strategy and ensures that ALJ operates within a CE. Re-focusing the strategy will contribute towards long-term sustainability. By focusing on internal actors' knowledge, behaviour, attitude and performance, ALJ can create an appropriate and healthy culture that will positively reflect on other actors such as customers and suppliers, also crucial to CE success. Actors' capabilities are not invisible, but rather their behavioural, intellectual and practical knowledge produces engagement and commitment (efforts) that justify the clarity, consistency and coherence of decisions. A vision therefore begins by concentrating firstly on an actor's upskilling, followed by a focus on customers' loyalty, supplier quality and shareholder interest. Customer loyalty should

start with trust in and commitment towards an actor. Correspondingly, senior actors need to assess the value of such outcomes by implementing KPIs measuring the focus on actors.

8.4.5 Recommendation 5

The business environment is becoming increasingly volatile. When considering ALJ's business environment, some of the major influencers are: (1) Saudi Vision 2030, (2) technology evolving rapidly, and (3) intensifying global competition. A particular strategy is required that enhances the alignment with imposed requirements and challenges. ALJ is currently practising CI or research and development by the MIR department. The role of CI is both broad and sophisticated. Various other departments are doing well by presenting and disseminating awareness messages about IT or compliance. Some departments publish regular newsletters, such as CSS. Even though these efforts may appear scattered, they are effective. Yet, these efforts are not centralised, with each department focusing on the messages they want to deliver. CI is an art in promoting the intellectual, cognitive and knowledgeable level of all actors or group of actors. This research indicated that the need for CI is increasing. The departments steering CI can benefit from the following recommendations:

- a. The CI function should be tailor-made to suit the practical realities of ALJ as a whole rather than focusing specifically on sales and after sales.
- b. The CI process should be part of ALJ's operations and embedded within the core functions and practices. CI should establish the necessary mechanisms to create an awareness culture, allowing actors to receive attention on an ongoing basis.
- c. The CI department could distribute communication on various topics and classifications such as: (1) internally: new decisions, internal news, business challenges, safety and security, education programmes, cognitive newsletters, and awareness messages, and (2) externally: market trends, environmental- and new regulations.
- d. The researcher believes that the implementation of CI should include feedback from targeted actors in which the CI provider ensures that the information or knowledge presented not only reaches the intended audience, but is also fully understood. Furthermore, CI leaders should evaluate and assess the benefits and outcome of a CI implementation (see aforementioned Figure 8.1).

8.4.6 Recommendation 6

It is recommended that advanced and up-to-date information technologies such as mobility applications, e-commerce, and automation are adopted to: (1) improve communication, (2) promote teamwork, (3) ensure agility and flexibility, (4) analyse and optimise strategies and performances, (5) evaluate product and services design, (6) increase throughput, and (7) lead to continued improvement of the entire cross-functional network (employees, supplier and customer).

8.4.7 Recommendation 7

Below are some general recommendations relevant to the objective of this research:

- a. Achieving customer satisfaction through continuous improvement processes requires that the actor gains and maintains intelligence knowledge, total commitment and full engagement. It is time to take the next leap. More firms are starting to exploit the potential of CI and thereby leveraging its benefits in a more comprehensive and strategic manner (Tej Adidam, Banerjee & Shukla, 2012:250).
- b. HR or the HCM holistic approach is devoted to talent management. HCM, therefore, should evaluate its strategic position (rather than the simple roles of HR) in terms of: (1) facilitating the talent mindset, (2) organisational culture, (3) companywide communication, (4) developing an integrated and proactive strategic approach (hiring and retention), and (5) tracking turnover (Hejase *et al.* 2016:510).
- c. It is recommended that ALJ fosters a sustained mindset of knowledge, engagement, commitment and communication (Barney, 1986:3). Incorporating such a mindset will demonstrate senior leadership commitment and move the firm towards a culture that genuinely embraces creativity (Jayne & Dipboye, 2004:417).

The recommendations made above is to increase and strengthen the already competitive position of ALJ by creating awareness as the ultimate aim is to ensure ALJ remains and strengthens their sustainable CE.

8.5 RESEARCH CONTRIBUTIONS

Research is the creation and dissemination of knowledge about a particular topic or field (Swanson & Holton, 2005:6). According to Bhattacharjee (2012:3), the goal of scientific research is to discover laws and postulate theories that can explain natural or social phenomena, in other words,

build scientific knowledge. The critical contribution of this research lies in the development of a competitive strategy for an automotive firm in Saudi Arabia. However, contributions were made on a theoretical and practical level.

On a theoretical level, the proposed competitive strategy framework stems from the newly developed AIT. AIT is an approach (refer to Section 7.6) that combines the concepts and components of the ANT framework and CI practices. AIT can be presented as a conceptual framework, a model, theory or even philosophy. The paradigm of AIT seeks the optimal firm situation where knowledge and actors play a fundamental role in sustainability and competitiveness. When a firm applies the AIT framework, it can achieve a superior sustainable CE.

The cross-fertilisation of ideas came from the concept of *building* an actor (human actor) – a productive and successful building that reflects the presence of the actor in his society, organisation, and other actors around him. The actor is the most significant factor in a network circle. The actor can lead the revolutionary change by inventing and producing non-human actors. ANT has made an essential contribution to the theorising of practice in management accounting as an approach to the study of management control. It has shown the significance of actors, action, and inscriptions in the fabrication of social order (Ahrens & Chapman, 2007:11).

On a practical level, various techniques were reviewed and discussed theoretically and applied empirically in a unique combination of SWOT, PESTEL and BSC. This research is unique and an innovative experimental methodology as it followed the mixed method approach and formed a hybrid framework of multiple strategic models of SWOT, PESTEL, BSC combined with the CI framework in the conceptualisation lens of ANT. This unique combination has not been applied in research. The research makes a contribution by addressing and simplifying the concepts of ANT, CE, competitive strategy, and CI. These concepts were applied in this case study, leading to recommendations and suggestions on how to practically improve the business environment. Ultimately a competitive strategy was developed in preparation for Saudi Vision 2030.

8.6 RESEARCH LIMITATIONS

A research study of this magnitude is not without its limitations. The qualitative and quantitative sample was not representative of the entire population of the automotive firm of ALJ. The qualitative data is based on the perceptions of the participants and cannot be substantiated.

However, this limitation was partly addressed by following the mixed methods approach by confirming the qualitative findings with a quantitative survey.

Another limitation that can be considered is that the research utilised ANT as the theoretical framework and did not consider other theories. The researcher faced challenges in finding related research in this context and therefore, the results could not be compared with extant literature.

8.7 SUGGESTIONS FOR FUTURE RESEARCH

In light of these limitations, the researcher suggests that similar research can be conducted in other business sectors or industries by investigating the readiness and/or impact of Saudi Vision 2030 in the Kingdom of Saudi Arabia. This will allow greater comparability and examine the impact of Saudi Vision 2030 more broadly. Future research could also produce insight into dealing with such transformations at governmental level. The research could also be extended to firms in other countries that function a similar environment where the intention is to steer such a transformation vision.

CI is a new and progressive research field with the world moving towards being increasingly information- and knowledge-oriented. This study suggests conducting research on CI integration or relationships with cloud-based technology and/or artificial intelligence. Based on the newly developed AIT, it is suggested that this theory is applicable in different business environments and non-business sectors as well.

8.8 CLOSING REMARKS

This research was born from a desire to improve intellectual maturity and insight, as well as the tenacity to invest the time and effort to acquire knowledge that can be transferred and delivered and benefit others. The research project gave the researcher a distinctive voice with which to present independent work with transparency, credibility and originality.

The researcher has avid loyalty towards ALJ and would be satisfied if this research eventually has a markedly positive impact on the sustainability and success of ALJ. The researcher strongly believes that if ALJ adopts the competitive strategy using the AIT framework developed in this research, and implements the relevant recommendations, the company will be guided towards improved competitiveness and sustainability. It was evident that such a framework can assist in

building a CE in which confidence and trust can adapt and coexist under challenging circumstances.

Finally, the researcher hopes that this research will be appropriate and useful for other researchers, or any person or entity that may benefit from it.

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ANNEXURE 1 (ALJ APPROVAL)



P.O. Box 248
Jeddah 21411
Kingdom of Saudi Arabia

T +966 12 693 0000
F +966 12 677 1213
W alj.com | toyota.com.sa

12 September 2017

To: North-West University, South Africa, Private Bag X6001, Potchefstroom.

Att. Prof. Sanlie Middelberg

Sub: APPROVAL FOR RESEARCH IN FULFILLMENT OF DOCTOR OF PHILOSOPHY
IN ECONOMIC AND MANAGEMENT SCIENCES - MANAGEMENT ACCOUNTANCY

Reference to your letter dated by 11 September 2017, to conduct a PhD. research at Abdullatif Jameel Co. in Saudi Arabia by the researcher Mr. Abdulaziz Ahmadani associate number (26222).

Please be informed that your requests have been approved.

Regards,

Approved By

George M. Shaw 12 SEP 2017
Managing Director, ALJ-Motors



ANNEXURE 2 (NWU – ETHICS APPROVAL)



ETHICS APPROVAL CERTIFICATE OF PROJECT

Based on approval by the Economic and Management Sciences Research Ethics Committee (EMS-REC) on 09/05/2018 after being reviewed at the meeting held on 20/04/2018, the North-West University Research Ethics Regulatory Committee (NWU-RERC) hereby approves your project as indicated below. This implies that the NWU-RERC grants its permission that, provided the special conditions specified below are met and pending any other authorisation that may be necessary, the project may be initiated, using the ethics number below.

Project title: A competitive strategy for an automotive firm in preparation for Saudi Vision 2030																														
Project Leader/Supervisor: Prof S Middelberg																														
Student: A Ahmadani																														
Ethics number: <table border="1"><tr><td>N</td><td>W</td><td>U</td><td>-</td><td>0</td><td>0</td><td>3</td><td>3</td><td>3</td><td>-</td><td>1</td><td>8</td><td>-</td><td>A</td><td>4</td></tr><tr><td colspan="3">Institution</td><td colspan="6">Project Number</td><td colspan="2">Year</td><td colspan="4">Status</td></tr></table>	N	W	U	-	0	0	3	3	3	-	1	8	-	A	4	Institution			Project Number						Year		Status			
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Institution			Project Number						Year		Status																			
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Application Type:																														
Commencement date: 2018-04-20 Expiry date: 2021-04-19 Risk: <input type="text" value="Low"/>																														

Special conditions of the approval (if applicable):

- Translation of the informed consent document to the languages applicable to the study participants should be submitted to the EMS-REC (if applicable).
- Any research at governmental or private institutions, permission must still be obtained from relevant authorities and provided to the EMS-REC. Ethics approval is required BEFORE approval can be obtained from these authorities.

General conditions:

While this ethics approval is subject to all declarations, undertakings and agreements incorporated and signed in the application form, please note the following:

- The project leader (principle investigator) must report in the prescribed format to the NWU-RERC via EMS-REC:
 - annually (or as otherwise requested) on the progress of the project, and upon completion of the project
 - without any delay in case of any adverse event (or any matter that interrupts sound ethical principles) during the course of the project.
 - Annually a number of projects may be randomly selected for an external audit.
- The approval applies strictly to the protocol as stipulated in the application form. Would any changes to the protocol be deemed necessary during the course of the project, the project leader must apply for approval of these changes at the EMS-REC. Would there be deviation from the project protocol without the necessary approval of such changes, the ethics approval is immediately and automatically forfeited.
- The date of approval indicates the first date that the project may be started. Would the project have to continue after the expiry date, a new application must be made to the NWU-RERC via EMS-REC and new approval received before or on the expiry date.
- In the interest of ethical responsibility the NWU-RERC and EMS-REC retains the right to:
 - request access to any information or data at any time during the course or after completion of the project;
 - to ask further questions, seek additional information, require further modification or monitor the conduct of your research or the informed consent process.
 - withdraw or postpone approval if:
 - any unethical principles or practices of the project are revealed or suspected,
 - it becomes apparent that any relevant information was withheld from the EMS-REC or that information has been false or misrepresented,
 - the required annual report and reporting of adverse events was not done timely and accurately,
 - new institutional rules, national legislation or international conventions deem it necessary.

The RERC would like to remain at your service as scientist and researcher, and wishes you well with your project. Please do not hesitate to contact the RERC or EMS-REC for any further enquiries or requests for assistance.

Yours sincerely

Prof Bennie Linde

Chair NWU Economic and Management Sciences Research Ethics Committee

ANNEXURE 3 (INTERVIEW REQUEST LETTER)



Private Bag X6001
Potchefstroom
South Africa

06 November 2018

Request for academic interview

Dear Sir,

I am conducting a PhD study in Management Accountancy within the faculty of Economic and Management Sciences at the North-West University in South Africa. The title of the thesis is:

A competitive strategy for an automotive firm in preparation for Saudi Vision 2030

One part of the research comprises conducting face-to-face interviews with ALJ representatives.

I would be really grateful if you could offer some of your precious time to discuss questions around the above research topic. The interview will be scheduled for approximately one hour and it will take the form of a semi-structured interview. The interview will be recorded for academic purposes only and no reference to the interviewee name will be made. The North-West University has provided ethical clearance for the study with the following reference number: NWU-00333-18-S4.

I would be very grateful if you could accept this request.

Looking forward to meeting with you.

Yours sincerely

Abdulaziz Ahmadani (26222)
Student No (29838134)
Email: ahmadaniag@alj.com
Mobile: 0500764040

ANNEXURE 4 (INTERVIEW QUESTIONS FORM)



INTERVIEWEE BACKGROUND

Interview date Interviewee code

The aim of the questions in this section is to determine whether the combined profiles of the interviewees are representative of the study population.

1- Department

- Finance
- IT
- HR
- Sales
- Strategy
- Marketing
- Corporate Shared Services
- Other

2- Position

- Managing Director (MD)
- Director
- Senior General Manager (SGM)
- General Manager (GM)

3- Length of employment

- 1-5 Years
- 6-10 Years
- > 10 Years

1- SWOT MODEL PERSPECTIVE

- i) Could you identify the strengths of ALJ (internally)?
- ii) Could you identify the weaknesses of ALJ (internally)?
- iii) Could you identify the potential opportunities for ALJ (externally)?
- iv) Could you identify the potential threats (challenges) for ALJ (externally)?

2 - PESTEL MODEL PERSPECTIVE

By referring to the competitive environment (CE) of ALJ, could you identify the challenges of Saudi Vision 2030 on ALJ, from the following perspective?

- i) Political, ii) Economical, iii) Socio-cultural, iv) Technological, v) Environmental, vi) Legal

3- BSC MODEL PERSPECTIVE

When considering a homogeneous actor-network and performance measurement within ALJ, what are the key performance indicators (KPIs) used to assess the following perspectives?

- i) Financial performance (i.e. *growth, profitability and risk*),
- ii) Customer value proposition (i.e. *relationships, acquiring and retaining customers*),
- iii) Internal process effectiveness (i.e. *operations, innovation of new products and services, human capital, information technology and R&D*), and
- iv) Learning and growth (i.e. *cultural behaviour, leadership competency, teamwork and knowledge sharing*).

4- COMPETITIVE STRATEGY

In terms of ALJ's competitive strategy:

- i) Describe ALJ's current strategy?
- ii) In your opinion, which of the following strategies have ALJ followed or implemented?
 - a. *Cost leadership (provide products or services at lower prices than offered by competitors),*
 - b. *Differentiation (provide unique and higher value products or services), or*
 - c. *Focus (provide a unique and superior value to a specific customer in a particular market).*
- iii) What strategy do you suggest ALJ should follow?

5- SAUDI VISION 2030

- i) In your opinion how prepared do you think ALJ is for Saudi Vision 2030?
- ii) What action has been taken so far in preparation for Saudi Vision 2030?

6- COMPETITIVE INTELEGANCE (CI)

- i) What competitive intelligence (CI) information have you gathered in preparation for Saudi Vision 2030?
(With consideration that CI refers to the process of six stages: *Planning > Collection > Analysing > Communicate > Structure > Awareness*).

ANNEXURE 5 (PARTICIPANT RESPONSES)

MODEL PERSPECTIVE	Interview date / Time	07.11.2018 / 09:00-09:45
	Position	Director
	Length of employment	> 10
	Interview questions	Interviewee responses
SWOT	i) Could you identify the strengths of ALJ (internally)?	Stability, strong products and strong brand name as well as the financial strength.
	ii) Could you identify the weaknesses of ALJ (internally)?	HR functions, for example, hiring and people development.
	iii) Could you identify the potential opportunities for ALJ (externally)?	Saudi Vision 2030, solar energy sector and transport technology as hydrogen and electric cars.
	iv) Could you identify the potential threats (challenges) for ALJ (externally)?	The big modern challenge for any automotive sector is a CASE. Connected, autonomous, shared mobility and electrification (CASE).
PESTEL	By referring to the competitive environment (CE) of ALJ, could you identify the challenges of Saudi Vision 2030 on ALJ, from the following perspective? i) Political	No challenge because Saudi Arabia has a strong and stable political position.
	ii) Economic	The economy is slowing down, but this is a natural thing, maybe it seems as big disturbance for the business because of many measures imposed in a short time.
	iii) Socio-cultural	Socially is a positive impact rather than a challenge as women driving has been allowed now, as well as cinemas opening.
	iv) Technological	Yes, this is a challenge because the free dependency from oil needs a lot of time.
	v) Environmental	Yes, there is a challenge like CAFE regulation of “corporate average fuel efficiency”.
	vi) Legal	Anti-competition law affects the way of doing the business.
BSC	When considering a homogeneous actor-network and performance measurement within ALJ, what are the key performance indicators (KPIs) used to assess the following perspectives? i) Financial performance	Yes, there is a profit and growth KPIs.
	ii) Customer value proposition	The net promoter score (NPS) and Market share.
	iii) Internal process effectiveness	Business value realisation (BVR) and Kaizen
	iv) Learning and growth	The engagement survey maybe.
COMPETITIVE STRATEGY	In terms of ALJ’s competitive strategy: i) Describe ALJ’s current strategy?	Digital lead and strengthen the brand of ALJ.
	ii) In your opinion, which of the following strategies have ALJ followed or implemented? a. Cost leadership, b. Differentiation and/or c. Focus	For sure the differentiation.
	iii) What strategy do you suggest ALJ should follow?	ALJ should insert focus as a strategy.
SAUDI VISION 2030	i) In your opinion how prepared do you think ALJ is for Saudi Vision 2030?	ALJ is well prepared.
	ii) What action has been taken so far in preparation for Saudi Vision 2030?	SAP implementation, Hybrid car and Saudis employment (Saudilisation).
CI	i) What competitive intelligence (CI) information have you gathered in preparation for Saudi Vision 2030?	We collect any remarkable information and share them on our department level.

MODEL PERSPECTIVE	Interview date / Time	07.11.2018 / 11:00-11:50
	Position	SGM
	Length of employment	> 10
	Interview questions	Interviewee responses
SWOT	i) Could you identify the strengths of ALJ (internally)?	Network, products and business model.
	ii) Could you identify the weaknesses of ALJ (internally)?	Communication doesn't work in a fast manner the way of working seems to be traditional, i.e. still most approvals required many signatures on the paper.
	iii) Could you identify the potential opportunities for ALJ (externally)?	I think e-sales and e-after sales services need to be a scope of ALJ future.
	iv) Could you identify the potential threats (challenges) for ALJ (externally)?	Digitalisation
PESTEL	By referring to the competitive environment (CE) of ALJ, could you identify the challenges of Saudi Vision 2030 on ALJ, from the following perspective? i) Political	Yes, there is a challenge out of some rules and regulations as well as VAT implementation.
	ii) Economic	ALJ has a direct relation with the economy. For both the situation, sales and benefits interchange in the same direction and it reflects the total industry volume (TIV).
	iii) Socio-cultural	There is no challenge because allowing women are driving will return with benefits on ALJ.
	iv) Technological	It is a major challenge due to poor information infrastructure. Indeed, Saudi Arabia database growing in the initial stages.
	v) Environmental	I don't see any challenge for ALJ. We have been the first who brought up the several Hybrid cars in the market.
	vi) Legal	Yes, there is a challenge such as fuel efficiency regulation.
BSC	When considering a homogeneous actor-network and performance measurement within ALJ, what are the key performance indicators (KPIs) used to assess the following perspectives? i) Financial performance	Yes, there is for sure, but I am not aware. I am representing the sales sector.
	ii) Customer value proposition	NPS and Guest delight indicator (GDI)
	iii) Internal process effectiveness	Our main KPI is the cost of sales vs revenue.
	iv) Learning and growth	Hoshin Kanri, but the behaviour is difficult to quantify.
COMPETITIVE STRATEGY	In terms of ALJ's competitive strategy: i) Describe ALJ's current strategy?	Continuous improvement on guest is first.
	ii) In your opinion, which of the following strategies have ALJ followed or implemented? a. Cost leadership, b. Differentiation and/or c. Focus	The cost leadership strategy in the long term.
	iii) What strategy do you suggest ALJ should follow?	Pioneering the market should be embedded in the strategy.
SAUDI VISION 2030	i) In your opinion how prepared do you think ALJ is for Saudi Vision 2030?	ALJ is not out of scope. ALJ is ready and standby about 70%.
	ii) What action has been taken so far in preparation for Saudi Vision 2030?	ALJ is in preparation mode; there is a planning to open new showrooms in future cities like NEOM.
CI	i) What competitive intelligence (CI) information have you gathered in preparation for Saudi Vision 2030?	There is but not in CI framework. Another way like product and customer satisfaction surveys with many of others. This activity is one of the marketing fundamentals.

MODEL PERSPECTIVE	Interview date / Time	07.11.2018 / 17:00-17:55
	Position	SGM
	Length of employment	> 10
	Interview questions	Interviewee responses
SWOT	i) Could you identify the strengths of ALJ (internally)?	ALJ brand durability and because Toyota and ALJ are twins.
	ii) Could you identify the weaknesses of ALJ (internally)?	The huge size of the group is a weakness, in other words, the engagement at the company level and departmental level are poor and difficult to monitor or control.
	iii) Could you identify the potential opportunities for ALJ (externally)?	Any new business wishes to work with ALJ, so ALJ has a lot of opportunities.
	iv) Could you identify the potential threats (challenges) for ALJ (externally)?	Dealing with youth
PESTEL	By referring to the competitive environment (CE) of ALJ, could you identify the challenges of Saudi Vision 2030 on ALJ, from the following perspective?	It is an impact rather than a challenge and this factor impact directly the next factor which is the economy.
	i) Political	
	ii) Economic	The big size of ALJ places it in direct link position with any political-economic decision.
	iii) Socio-cultural	This aspect is not a challenge but positive impact as 70% of the population are youth, and women are a big segment. It will take time to realise the benefits of women driving.
	iv) Technological	ALJ always synchronises with the latest technology hence this is not challenging. ALJ is very interested in adopting this orientation even before Sausi Vision 2030 had been announced.
	v) Environmental	ALJ is pioneer firm and eco-friendly in term of recycling used paper and workshop waste, besides the Hybrid car.
BSC	vi) Legal	I don't think so there is a challenge, even VAT does not compose that dilemma.
	When considering a homogeneous actor-network and performance measurement within ALJ, what are the key performance indicators (KPIs) used to assess the following perspectives?	Yes, of course, ALJ has a lot of KPIs, but the issue is about the technology and robust system of measurement.
	i) Financial performance	
	ii) Customer value proposition	ALJ considered the lead time as main KPI for most processes.
	iii) Internal process effectiveness	I have no idea.
COMPETITIVE STRATEGY	iv) Learning and growth	We don't have such KPI.
	In terms of ALJ's competitive strategy:	
	i) Describe ALJ's current strategy?	ALJ has a very flexible strategy based on the overall situation as well as a set up planning for the upcoming five years.
SAUDI VISION 2030	ii) In your opinion, which of the following strategies have ALJ followed or implemented? a. Cost leadership, b. Differentiation and/or c. Focus	A mix of the three, high quality with reasonable price mean a cost leadership.
	iii) What strategy do you suggest ALJ should follow?	ALJ need to focus on research and keeps close eyes on the domestic and international market.
SAUDI VISION 2030	i) In your opinion how prepared do you think ALJ is for Saudi Vision 2030?	ALJ is good prepared. I could say 75%.
	ii) What action has been taken so far in preparation for Saudi Vision 2030?	Many actions have been taken so far. For instance, the digitalisation of after-sales services approaching more customers via a new mobile app (Go-Auto Point).
CI	i) What competitive intelligence (CI) information have you gathered in preparation for Saudi Vision 2030?	There is an effort on the departmental level. Each department is looking out for its interesting information.

MODEL PERSPECTIVE	Interview date / Time	08.11.2018 / 09:00-09:50
	Position	SGM
	Length of employment	> 10
	Interview questions	Interviewee responses
SWOT	i) Could you identify the strengths of ALJ (internally)?	Engagement, process, policy and organisation structure.
	ii) Could you identify the weaknesses of ALJ (internally)?	In one word, the biggest weaknesses of ALJ is a bureaucracy.
	iii) Could you identify the potential opportunities for ALJ (externally)?	Fleet and governmental sales.
	iv) Could you identify the potential threats (challenges) for ALJ (externally)?	Government regulations. such as Saudilisation and tax over expatriate, as well as the Korean competitors, the gap between them and ALJ become smaller.
PESTEL	By referring to the competitive environment (CE) of ALJ, could you identify the challenges of Saudi Vision 2030 on ALJ, from the following perspective? i) Political	No issue or challenge ALJ is far away from any political decision.
	ii) Economic	Yes, there is a challenge, it is big, and ALJ has affected negatively since 2016, ALJ shrinking now, but maybe this is not only out of Saudi Vision 2030. Yet the vision is one factor.
	iii) Socio-cultural	Women driving supposed to be a positive impact but so far not happened, until now ALJ did not feel its benefits yet.
	iv) Technological	I don't see any challenge for ALJ here; this is ALJ arena.
	v) Environmental	Yes, this is a challenge especially bringing up electric cars where we don't have the infrastructure, and the fuel prices are low.
	vi) Legal	There are challenges especially by Ministry of commercial and investment (MCI). Regulations are very strict in term of customers rights.
BSC	When considering a homogeneous actor-network and performance measurement within ALJ, what are the key performance indicators (KPIs) used to assess the following perspectives? i) Financial performance	We have many KPIs such as revenue, sales, gross profit and net profit.
	ii) Customer value proposition	NPS as it is a global KPI
	iii) Internal process effectiveness	Productivity, efficiency and labour utilisation.
	iv) Learning and growth	There is training for the employees only.
COMPETITIVE STRATEGY	In terms of ALJ's competitive strategy: i) Describe ALJ's current strategy?	To be the "best service provider in the town", (more customer satisfaction).
	ii) In your opinion, which of the following strategies have ALJ followed or implemented? a. Cost leadership, b. Differentiation and/or c. Focus	ALJ is applying all of them, the valuable service with reasonable price means the cost leadership with differentiation, so we have a balance, we are applying a focus too, by focusing on all market segments starting from Yaris (economic) to Lexus (luxurious).
	iii) What strategy do you suggest ALJ should follow?	ALJ should think seriously about the expansion.
SAUDI VISION 2030	i) In your opinion how prepared do you think ALJ is for Saudi Vision 2030?	ALJ is not fully prepared.
	ii) What action has been taken so far in preparation for Saudi Vision 2030?	Actions have been taken such as training, women employment and Saudilisation across all levels.
CI	i) What competitive intelligence (CI) information have you gathered in preparation for Saudi Vision 2030?	Information is relevant to development and planning. We have a Kizen department, they do gathering, analysing, and share interesting information. Accordingly, each department will customise their action plan.

MODEL PERSPECTIVE	Interview date / Time	08.11.2018 / 10:00-10:50
	Position	SGM
	Length of employment	> 10
	Interview questions	Interviewee responses
SWOT	i) Could you identify the strengths of ALJ (internally)?	Strong foundation and structure (knowledge, employee and facilities). Capacity to provide different services to the customer and long history with Toyota Motor Corporation (TMC).
	ii) Could you identify the weaknesses of ALJ (internally)?	Being big sometimes considered as strength but in fact, it is a weaknesses point, for instance, taking decision takes a long time, bureaucracy.
	iii) Could you identify the potential opportunities for ALJ (externally)?	There is a chance to shift the existing model to something new. I believe in shrinking the retail and support wholesaler because it is less cost. (converting a business model).
	iv) Could you identify the potential threats (challenges) for ALJ (externally)?	A competitor such Hyundai and the exit of expatriates from the market.
PESTEL	By referring to the competitive environment (CE) of ALJ, could you identify the challenges of Saudi Vision 2030 on ALJ, from the following perspective? i) Political	The shift to Saudilisation has a significant impact at all privet sector it is part of legal as well, besides the global economic pressure.
	ii) Economic	Defiantly there is a big challenge, and the whole automotive sector has influenced seriously.
	iii) Socio-cultural	The big social change is women driving so far. It has no significant impact as it was expected. However, I don't see currently any social impact or challenge.
	iv) Technological	Saudi Vision 2030 aims to give a chance only for big companies. Hence the vision brings opportunities for ALJ.
	v) Environmental	ALJ is already well-prepared for this challenge by adopting Hybrid cars.
	vi) Legal	Yes, there is a huge challenge of taxes on expatriates which forced them to leave abroad. Saudi Vision 2030 brings more challenges than opportunities.
BSC	When considering a homogeneous actor-network and performance measurement within ALJ, what are the key performance indicators (KPIs) used to assess the following perspectives? i) Financial performance	ALJ has a lot of KPIs, but I don't think these KPIs are well organized. Instead, I believe ALJ should apply key result indicator (KRI) because KPI is not measuring the final result and not giving the actual indication.
	ii) Customer value proposition	We have a customer index and other many KPIs. But to what extent the decision making process is effective in response to those KPI.
	iii) Internal process effectiveness	Digitalisation but not fully adapted.
	iv) Learning and growth	Still, we have a lot of complexity in our process, and this is natural as ALJ is a very old and big firm in the market (60 years old).
COMPETITIVE STRATEGY	In terms of ALJ's competitive strategy: i) Describe ALJ's current strategy?	Reducing the cost strategy "to survive in a current tight situation".
	ii) In your opinion, which of the following strategies have ALJ followed or implemented? a. Cost leadership, b. Differentiation and/or c. Focus	For sure the differentiation.
	iii) What strategy do you suggest ALJ should follow?	Shifting its business model from the retail to the wholesaler. Distributors empowerment.
SAUDI VISION 2030	i) In your opinion how prepared do you think ALJ is for Saudi Vision 2030?	I think ALL is good prepared, in percentage may be 65%.
	ii) What action has been taken so far in preparation for Saudi Vision 2030?	Nothing to mention in my area.
CI	i) What competitive intelligence (CI) information have you gathered in preparation for Saudi Vision 2030?	All information is about sales and marketing. There is a lot of information, but I am not sure how effective it is.

MODEL PERSPECTIVE	Interview date / Time	08.11.2018 / 11:00-12:00
	Position	Director
	Length of employment	> 10
	Interview questions	Interviewee responses
SWOT	i) Could you identify the strengths of ALJ (internally)?	The family of ALJ and the organisation structure. The chain of showrooms and sub-dealer as well as the ALJ as a brand.
	ii) Could you identify the weaknesses of ALJ (internally)?	Internal competition among branches, sometimes a lot of efforts being wasted on one customer by many sellers in seek to attain the target.
	iii) Could you identify the potential opportunities for ALJ (externally)?	Each crisis comes with many opportunities; many competitors will flush out from the market, and plenty of opportunities will be created.
	iv) Could you identify the potential threats (challenges) for ALJ (externally)?	Stability of the neighbour countries in the region. Saudi Arabia is a large land, and it is a market for many GCC buyers accordingly.
PESTEL	By referring to the competitive environment (CE) of ALJ, could you identify the challenges of Saudi Vision 2030 on ALJ, from the following perspective? i) Political	A lot of expatriates left. The cost of manpower getting increased significantly. Also increasing the fuel prices and utility services all together magnified the challenges.
	ii) Economic	From an economic perspective, we could say the impact of Saudi Vision 2030 is very high and challenging for ALJ.
	iii) Socio-cultural	No social challenge, women driving is an opportunity, but not yet achieved.
	iv) Technological	Saudi Vision 2030 it is yet not clear enough in all aspects, difficult to define some aspects, but ALJ is supporting e-commerce for sure because if not for Saudi Vision 2030 yet it is a global orientation.
	v) Environmental	ALJ doesn't see this a challenge as much as a technological issue. ALJ is the first importer of Hybrid cars in the market.
	vi) Legal	The legal aspects could be referred to the political as I mentioned. However, the VAT only has impacted ALJ negatively about 5-10%.
BSC	When considering a homogeneous actor-network and performance measurement within ALJ, what are the key performance indicators (KPIs) used to assess the following perspectives? i) Financial performance	ALJ has multiple KPIs in every department.
	ii) Customer value proposition	We have our own KPIs such as a loyalty survey which conducting thru several approaches like phone calls, physical visits and online.
	iii) Internal process effectiveness	Yes, there is, but I don't know.
	iv) Learning and growth	I don't know
COMPETITIVE STRATEGY	In terms of ALJ's competitive strategy: i) Describe ALJ's current strategy?	"Guest is first" strategy.
	ii) In your opinion, which of the following strategies have ALJ followed or implemented? a. Cost leadership, b. Differentiation and/or c. Focus	The mix of three, we are less cost if we compare with our valuable services. We are a unique value provider, and our lengthy models let us focus on most if not all customers segments.
	iii) What strategy do you suggest ALJ should follow?	Full automation processes that minimise the long process and eradicate the ongoing routines and bureaucracy.
SAUDI VISION 2030	i) In your opinion how prepared do you think ALJ is for Saudi Vision 2030?	Yes, it is very well prepared.
	ii) What action has been taken so far in preparation for Saudi Vision 2030?	Actions such as driving training for women, printing competition law posters and an awareness messages of VAT implementation.
CI	i) What competitive intelligence (CI) information have you gathered in preparation for Saudi Vision 2030?	Such activity is performed by the marketing department. However, ALJ is a leader in the market in this field, and the gap between ALJ and its competitors is very big, all competitors trying to imitate ALJ.

MODEL PERSPECTIVE	Interview date / Time	08.11.2018 / 12:10-13:15
	Position	GM
	Length of employment	> 10
	Interview questions	Interviewee responses
SWOT	i) Could you identify the strengths of ALJ (internally)?	A synchronisation among all departments and business units, we could say a good network of ALJ.
	ii) Could you identify the weaknesses of ALJ (internally)?	Being big or huge company is a weakness, not a strength.
	iii) Could you identify the potential opportunities for ALJ (externally)?	Alliance with other leading company within or out of the automotive industry.
	iv) Could you identify the potential threats (challenges) for ALJ (externally)?	Economic situation and opening the door for more competitors in the future will create more competition.
PESTEL	By referring to the competitive environment (CE) of ALJ, could you identify the challenges of Saudi Vision 2030 on ALJ, from the following perspective? i) Political	I don't think ALJ has a link with political aspects.
	ii) Economic	Yes, there is a big challenge, and its impact is very high. The whole lifestyle in the kingdom gets changed. could be to better, but needs time to realise.
	iii) Socio-cultural	ALJ has gained and will do so more in future from women driving.
	iv) Technological	ALJ doesn't have faced a challenge over here. However, ALJ should adopt the latest technology.
	v) Environmental	Saudi Vision 2030 will change every pattern in the market, but ALJ has good leaders and required competencies to can gain from any challenges.
	vi) Legal	There is no particular major challenge except a decline in purchasing power.
BSC	When considering a homogeneous actor-network and performance measurement within ALJ, what are the key performance indicators (KPIs) used to assess the following perspectives? i) Financial performance	Definitely, every business has its own KPIs.
	ii) Customer value proposition	Guest delight indicators (GDI)
	iii) Internal process effectiveness	Kizen
	iv) Learning and growth	ALJ invest in each employee, and there is a Pride assessment as part of the evaluation.
COMPETITIVE STRATEGY	In terms of ALJ's competitive strategy: i) Describe ALJ's current strategy?	Leading the market.
	ii) In your opinion, which of the following strategies have ALJ followed or implemented? a. Cost leadership, b. Differentiation and/or c. Focus	We are caring about the quality and value more than the price, so it is the differentiation.
	iii) What strategy do you suggest ALJ should follow?	Expanding the range of brands and products diversity.
SAUDI VISION 2030	i) In your opinion how prepared do you think ALJ is for Saudi Vision 2030?	ALJ is well prepared. Indeed, Saudi Vision 2030 is not fully introduced yet. Such fast-changing not so easy.
	ii) What action has been taken so far in preparation for Saudi Vision 2030?	Saudilisation (replacement of expatriates with Saudis).
CI	i) What competitive intelligence (CI) information have you gathered in preparation for Saudi Vision 2030?	Development and planning unit in most departments is performing the same. It is not about the Saudi Vision 2030, but any kind of information may seem important.

MODEL PERSPECTIVE	Interview date / Time	08.11.2018 / 15:00-15:50
	Position	Director
	Length of employment	> 10
	Interview questions	Interviewee responses
SWOT	i) Could you identify the strengths of ALJ (internally)?	The brand of ALJ and its network.
	ii) Could you identify the weaknesses of ALJ (internally)?	Weak technological infrastructure.
	iii) Could you identify the potential opportunities for ALJ (externally)?	Yes, there is a lot, like leasing cars for taxi drivers and any other digital services.
	iv) Could you identify the potential threats (challenges) for ALJ (externally)?	The government has increased some fees, which led to an economic slowdown or recession, which in return cause the exit of expatriates from the market, in general, there is disruption of the economic system.
PESTEL	By referring to the competitive environment (CE) of ALJ, could you identify the challenges of Saudi Vision 2030 on ALJ, from the following perspective? i) Political	There is no political interference with ALJ.
	ii) Economic	The Saudi Vision 2030 is a bunch of opportunities and no challenges, all that we have seen is about the shock of a change, by the time the business and culture will touch its returns.
	iii) Socio-cultural	Same as I said initially, especially about women driving it is an opportunity on all levels.
	iv) Technological	This is a big challenge for ALL and every business in the market as the infrastructure is not fully ready to use the technology widely. However, ALJ has just started the journey of e-commerce.
	v) Environmental	ALJ has brought the Hybrid cars before the idea of Saudi Vision 2030. However, ALJ will promote all initiative of Saudi Vision 2030.
	vi) Legal	ALJ is very much aligned with Saudi Vision 2030 rules and regulations. ALJ has an internal competition department (ICD) to look after and align with all legal regulations.
BSC	When considering a homogeneous actor-network and performance measurement within ALJ, what are the key performance indicators (KPIs) used to assess the following perspectives? i) Financial performance	Flash report has a tens of KPIs, profit per unit, profit per head, per year, per month, and comparisons between budget forecast and actual at the end of the year.
	ii) Customer value proposition	Several surveys are performing on a quarterly or semi-annual basis.
	iii) Internal process effectiveness	The escalation workflow is the main KPI, and we may consider objective accountability as a KPI too.
	iv) Learning and growth	I don't see any KPI; this is subjective because difficult to quantify the behaviour, to conclude we don't have a KPI.
COMPETITIVE STRATEGY	In terms of ALJ's competitive strategy: i) Describe ALJ's current strategy?	The reality now is that ALJ is dealing with the win-win situation with all stakeholders. This is an inevitable strategy.
	ii) In your opinion, which of the following strategies have ALJ followed or implemented? a. Cost leadership, b. Differentiation and/or c. Focus	ALJ is applying a combination of both strategies differentiation and focus.
	iii) What strategy do you suggest ALJ should follow?	A more concentrates on focus strategy.
SAUDI VISION 2030	i) In your opinion how prepared do you think ALJ is for Saudi Vision 2030?	100% well prepared.
	ii) What action has been taken so far in preparation for Saudi Vision 2030?	Planning to open new branches.
CI	i) What competitive intelligence (CI) information have you gathered in preparation for Saudi Vision 2030?	We are receiving significant information from legal and marketing department. However, information is shared with specific people such as top management and or shareholders.

MODEL PERSPECTIVE	Interview date / Time	11.11.2018 / 10:00-10:45
	Position	SGM
	Length of employment	> 10
	Interview questions	Interviewee responses
SWOT	i) Could you identify the strengths of ALJ (internally)?	Internal processes quality and effectiveness.
	ii) Could you identify the weaknesses of ALJ (internally)?	Decision-making process is slow because of the huge size of the firm, actions and decisions not taken fast as should be.
	iii) Could you identify the potential opportunities for ALJ (externally)?	ALJ has potential to improve some services as per future customer requirements.
	iv) Could you identify the potential threats (challenges) for ALJ (externally)?	The forceful competition in the market, in addition to the customer's demands variables.
PESTEL	By referring to the competitive environment (CE) of ALJ, could you identify the challenges of Saudi Vision 2030 on ALJ, from the following perspective? i) Political	I don't see any challenges over here, in fact, we could say Saudi Vision 2030 is half and half of opportunity and challenges.
	ii) Economic	Yes, there is a big challenge, especially oil prices.
	iii) Socio-cultural	Let see women driving how it could be a challenge. People do not resist the change, but to the speed of changes, it is not a challenge it is a positive change.
	iv) Technological	This is not a challenge. This is a very good initiative of supporting e-commerce from Saudi Vision 2030.
	v) Environmental	People and culture are not so concerned about environmental issues. ALJ needs to contribute more by creating awareness's in the community about this aspect.
	vi) Legal	It is not a big challenge as it seems. The Saudi Vision 2030 is an opportunity. In fact, ALJ will re-push toward better Strategising and improving its competitive position.
BSC	When considering a homogeneous actor-network and performance measurement within ALJ, what are the key performance indicators (KPIs) used to assess the following perspectives? i) Financial performance	Growth and profitability.
	ii) Customer value proposition	Customer retention and loyalty KPIs.
	iii) Internal process effectiveness	Compliance department.
	iv) Learning and growth	As far as I know, ALJ is preparing a program for acquiring new talents.
COMPETITIVE STRATEGY	In terms of ALJ's competitive strategy: i) Describe ALJ's current strategy?	Work for tomorrow and shifting to Hybrid technology.
	ii) In your opinion, which of the following strategies have ALJ followed or implemented? a. Cost leadership, b. Differentiation and/or c. Focus	ALJ's strategy is clear, creating value for the customer. However, we are not a manufacturer so these strategies may not fit ALJ. Regarding the focus, we have a different variety of products, so we are not a focus oriented too.
	iii) What strategy do you suggest ALJ should follow?	Cost optimisation.
SAUDI VISION 2030	i) In your opinion how prepared do you think ALJ is for Saudi Vision 2030?	We are working still, not 100% but maybe 80%.
	ii) What action has been taken so far in preparation for Saudi Vision 2030?	Bringing Hybrid cars into the market.
CI	i) What competitive intelligence (CI) information have you gathered in preparation for Saudi Vision 2030?	ALJ really believe in research. We have a unit called MRI (Market research insight) within the marketing department. The professional team is dedicated to searching any information that may benefit ALJ particularly sales. At the end of the day, they have to deliver such information to the right people. I mean decision makers.

MODEL PERSPECTIVE	Interview date / Time	11.11.2018 / 12:00-12:40
	Position	MD
	Length of employment	> 10
	Interview questions	Interviewee responses
SWOT	i) Could you identify the strengths of ALJ (internally)?	Financial strength, business model, and Toyota way. Also, the family of ALJ and associates engagement.
	ii) Could you identify the weaknesses of ALJ (internally)?	The way of managing the HR, for example, we need to improve and change the way of recruiting the talents, training and retaining them.
	iii) Could you identify the potential opportunities for ALJ (externally)?	The huge opportunity is to innovate the customer experience, digitize the process such as on-road service concept.
	iv) Could you identify the potential threats (challenges) for ALJ (externally)?	Legislation rules and applies them strictly and quickly in a short period of time.
PESTEL	By referring to the competitive environment (CE) of ALJ, could you identify the challenges of Saudi Vision 2030 on ALJ, from the following perspective? i) Political	We are fully aligned and running with consistency with Saudi Vision 2030 vision. ALJ will support any incentive in this term.
	ii) Economic	In general, Saudi Vision 2030 has many opportunities rather than a challenge. ALJ is well capable of gaining out of it. The vision is taking huge care of the customer, and we are stick with that. We are a very good distributor and service provider. Regarding the opening door for more competitors, which definitely will raise up the barrier of the competition standard to the higher level, however, that will give ALJ a spark to do better.
	iii) Socio-cultural	
	iv) Technological	
	v) Environmental	Definitely, there is a challenge. ALJ is leading in this field by being a first pioneer of bringing Hybrid cars in the Saudi market as well as by supporting a diesel fuel as it is more efficient.
	vi) Legal	Saudi Vision 2030 comes with new fees, taxes and other increases of utility services and fuel prices with the intention to raise the revenues and decreases dependency on the oil. At the beginning and in short-term it might shock community and business, but in the end, I believe it's good for the economy in the long term.
BSC	When considering a homogeneous actor-network and performance measurement within ALJ, what are the key performance indicators (KPIs) used to assess the following perspectives? i) Financial performance	Net profit and market share KPI.
	ii) Customer value proposition	NPS KPI
	iii) Internal process effectiveness	The resolution of internal audit.
	iv) Learning and growth	Engagement survey also a great place to work survey.
COMPETITIVE STRATEGY	In terms of ALJ's competitive strategy: i) Describe ALJ's current strategy?	The digital market and customer experience strategy.
	ii) In your opinion, which of the following strategies have ALJ followed or implemented? a. Cost leadership, b. Differentiation and/or c. Focus	ALJ has a mix of both strategies, differentiation and focus. Value and quality is a DNA of ALJ and Toyota.
	iii) What strategy do you suggest ALJ should follow?	ALJ should focus on the future by extensive utilizing of social media and expansion out of KSA.
SAUDI VISION 2030	i) In your opinion how prepared do you think ALJ is for Saudi Vision 2030?	ALJ is well prepared.
	ii) What action has been taken so far in preparation for Saudi Vision 2030?	A number of initiatives for women car driving beside the Saudilisation.
CI	i) What competitive intelligence (CI) information have you gathered in preparation for Saudi Vision 2030?	We do not have to. The external affairs and compliance departments doing the same. ALJ is ready in advance for Saudi Vision 2030.

MODEL PERSPECTIVE	Interview date / Time	11.11.2018 / 13:00-13:50
	Position	GM
	Length of employment	6-10
	Interview questions	Interviewee responses
SWOT	i) Could you identify the strengths of ALJ (internally)?	Responsiveness to changes (flexibility) and having one family culture.
	ii) Could you identify the weaknesses of ALJ (internally)?	Bureaucracy and lack of human competencies (in all levels).
	iii) Could you identify the potential opportunities for ALJ (externally)?	There is a lot, for instance, services in transportation, self-driving car, more digitalisation but it seems that ALJ not intent to invest.
	iv) Could you identify the potential threats (challenges) for ALJ (externally)?	ALJ is outdated in some area, and this poses a lot of opportunities for rivals to compete which is a real challenge.
PESTEL	By referring to the competitive environment (CE) of ALJ, could you identify the challenges of Saudi Vision 2030 on ALJ, from the following perspective?	Saudi Vision 2030 has an objective to decreasing unemployment and increase the Saudilisation, yes it is a challenge, but it has a medium impact.
	i) Political	
	ii) Economic	The big challenge is about technology, not the economy. Automotive is the first sector to be affected by any decision, due to its elasticity.
	iii) Socio-cultural	It is a woman car driving; I believe there is a significant change going over here as this will unleash a lot of area for women.
	iv) Technological	Saudi Vision 2030 support all digital and electronic initiatives but ALJ is a bit behind. In other word the gap is big, ALJ has a long journey to go thru, we have implemented SAP-ERP successfully, and yet it is just a foundation.
	v) Environmental	No such challenge as ALJ is ready.
BSC	vi) Legal	Yes, there are challenges and could impact ALJ about 5 to 10%. The Saudi Vision 2030 is all about the opportunity even if we defined some challenges still these could turn into opportunities.
	When considering a homogeneous actor-network and performance measurement within ALJ, what are the key performance indicators (KPIs) used to assess the following perspectives?	The most popular one is profitability KPI.
	i) Financial performance	
	ii) Customer value proposition	NPS and some others.
COMPETITIVE STRATEGY	iii) Internal process effectiveness	I don't think we have any KPI.
	iv) Learning and growth	HR is conducting a survey of a great place to work that measure the engagement.
	In terms of ALJ's competitive strategy:	
	i) Describe ALJ's current strategy?	Guest is the first strategy, focusing on the customer.
SAUDI VISION 2030	ii) In your opinion, which of the following strategies have ALJ followed or implemented? a. Cost leadership, b. Differentiation and/or c. Focus	It is a combination of these strategies.
	iii) What strategy do you suggest ALJ should follow?	Bringing more innovation in differentiation such Guest is a friend instead of guest first strategy, more focusing on the customer.
	i) In your opinion how prepared do you think ALJ is for Saudi Vision 2030?	ALJ is somehow ready maybe 40%.
CI	ii) What action has been taken so far in preparation for Saudi Vision 2030?	Yes, there are some actions, the major one is a Saudilisation in addition to the digital initiatives.
	i) What competitive intelligence (CI) information have you gathered in preparation for Saudi Vision 2030?	This is a weakness of ALJ, we don't have proper function of analysing information, yes there is a small unit in marketing, but it is targeted only for the specific purpose of sales, such CI activity should serve an entire ALJ group.

MODEL PERSPECTIVE	Interview date / Time	11.11.2018 / 16:00-16:50
	Position	SGM
	Length of employment	> 10
	Interview questions	Interviewee responses
SWOT	i) Could you identify the strengths of ALJ (internally)?	ALJ network, qualified resources and ALJ prestige brand. Toyota's durability, quality and reliability.
	ii) Could you identify the weaknesses of ALJ (internally)?	Strict and rigid business processes, the overhead of the workforce.
	iii) Could you identify the potential opportunities for ALJ (externally)?	The upcoming opportunity for ALJ is a Hybrid and Electric cars as fuel prices will go to increases, even now we can succeed with more awareness about economic-environment benefits.
	iv) Could you identify the potential threats (challenges) for ALJ (externally)?	The biggest challenge now is the economic situation and decrease of purchasing power.
PESTEL	By referring to the competitive environment (CE) of ALJ, could you identify the challenges of Saudi Vision 2030 on ALJ, from the following perspective?	I don't see any challenge here.
	i) Political	
	ii) Economic	It is not a pure challenge rather it is an opportunity with some difficulties. For instance, Saudilisation, there is a scarcity of talents.
	iii) Socio-cultural	Women getting allowed driving cars and engagement in the workforce. This is not a challenge; this is a positive stage for the economy.
	iv) Technological	This is an opportunity for smart cities and smart cars as well. Electronic transactions will be the aim of each business. ALJ is ready for that.
	v) Environmental	ALJ has brought a Hybrid car, and we are thinking out for the Hydrogen as well.
BSC	vi) Legal	Difficult to judge now, because nothing absolutely a challenge, any challenge can be turned to opportunity, but the business may need to sacrifice for some time.
	When considering a homogeneous actor-network and performance measurement within ALJ, what are the key performance indicators (KPIs) used to assess the following perspectives?	Of course revenue and profitability.
	i) Financial performance	
	ii) Customer value proposition	We have many KPIs but with some challenges. for example, GDI and NPS not giving that much measurement and even if so the respective decision usually is not effective or irrelevant.
	iii) Internal process effectiveness	I don't think we have a KPI for the process.
COMPETITIVE STRATEGY	iv) Learning and growth	PRIDA is an assessment and evaluation tool for every employee. It is measure engagement, performance and overall productivity.
	In terms of ALJ's competitive strategy:	
	i) Describe ALJ's current strategy?	The current strategy is guest first, (gain customers heart and mind).
SAUDI VISION 2030	ii) In your opinion, which of the following strategies have ALJ followed or implemented? a. Cost leadership, b. Differentiation and/or c. Focus	The mix of differentiation and focus. The differentiation is the core, whereas the focus, on a broad sense, comes out wide-ranging brands and models.
	iii) What strategy do you suggest ALJ should follow?	To gain customers heart and mind, ALJ should focus more on customer optimisation. The strategy should advocate quality, durability and reliability (QDR) because the customer is happy with the product but not with after-sales services.
SAUDI VISION 2030	i) In your opinion how prepared do you think ALJ is for Saudi Vision 2030?	I could say ALJ is well prepared.
	ii) What action has been taken so far in preparation for Saudi Vision 2030?	Women employment, training in Japanese way "learning by doing", and digitalisation of ALJ structure by implementing SAP-ERP.
CI	i) What competitive intelligence (CI) information have you gathered in preparation for Saudi Vision 2030?	I don't know exactly, but we have individual efforts in each department whenever any information required.

MODEL PERSPECTIVE	Interview date / Time	11.11.2018 / 17:00-17:35
	Position	Director
	Length of employment	> 10
	Interview questions	Interviewee responses
SWOT	i) Could you identify the strengths of ALJ (internally)?	Employees competencies.
	ii) Could you identify the weaknesses of ALJ (internally)?	The big size of ALJ group.
	iii) Could you identify the potential opportunities for ALJ (externally)?	Rent a car field.
	iv) Could you identify the potential threats (challenges) for ALJ (externally)?	The real challenge is who and how to grow or sustain in the market.
PESTEL	By referring to the competitive environment (CE) of ALJ, could you identify the challenges of Saudi Vision 2030 on ALJ, from the following perspective?	ALJ has nothing with politics.
	i) Political	
	ii) Economic	ALJ has no problem in this part.
	iii) Socio-cultural	Women driving is an opportunity even though the benefits not yet achieved.
	iv) Technological	There is a challenge regarding government spending and investment on the technology. There is an orientation but with less government support.
	v) Environmental	Nothing to worry about.
BSC	vi) Legal	Yes, there is a challenge of Competition law regulation.
	When considering a homogeneous actor-network and performance measurement within ALJ, what are the key performance indicators (KPIs) used to assess the following perspectives?	Growth, profitability and market share.
	i) Financial performance	
	ii) Customer value proposition	Yes, there are KPIs, but I am not aware of them.
COMPETITIVE STRATEGY	iii) Internal process effectiveness	Yes, we have a KPI, but I don't know its name.
	iv) Learning and growth	Yes, there is a KPI, but I don't know its name.
	In terms of ALJ's competitive strategy:	
SAUDI VISION 2030	i) Describe ALJ's current strategy?	Stability, profitability and growth strategy.
	ii) In your opinion, which of the following strategies have ALJ followed or implemented? a. Cost leadership, b. Differentiation and/or c. Focus	In general, it is differentiation. The focus came second, and it moulded in the concept of QDR. ALJ has ranked as best after-sales services in the kingdom.
	iii) What strategy do you suggest ALJ should follow?	Nothing to be added.
SAUDI VISION 2030	i) In your opinion how prepared do you think ALJ is for Saudi Vision 2030?	ALJ is fully ready.
	ii) What action has been taken so far in preparation for Saudi Vision 2030?	Several actions and initiatives have been taken for women's driving training.
CI	i) What competitive intelligence (CI) information have you gathered in preparation for Saudi Vision 2030?	I have no idea about it.

MODEL PERSPECTIVE	Interview date / Time	12.11.2018 / 08:10-08:55
	Position	SMD
	Length of employment	> 10
	Interview questions	Interviewee responses
SWOT	i) Could you identify the strengths of ALJ (internally)?	Entrepreneurial mind-set, trying new ideas even though it might be hard to implement. No resistance for a change, adaptable. The diversity of the workforce, international talents and professionalism.
	ii) Could you identify the weaknesses of ALJ (internally)?	Bureaucracy, the middle management is not strong enough; I think empowering middle management more will solve the issue and close the gap as they are closer to the game bar and they can see the issue and solve it immediately. The middle is missing in the system.
	iii) Could you identify the potential opportunities for ALJ (externally)?	ALJ need to strengthen the supply chain, after-sales services expansion is an incredible opportunity.
	iv) Could you identify the potential threats (challenges) for ALJ (externally)?	So many challenges for the business today, for example, regulations become stricter, and there is more restriction than before in many areas, and others are upcoming in 2019 & 2020. The most severe legalisations so far are competition law, CAFE, and Saudilisation.
PESTEL	By referring to the competitive environment (CE) of ALJ, could you identify the challenges of Saudi Vision 2030 on ALJ, from the following perspective? i) Political	The regional stability naturally will impact any business positively.
	ii) Economic	I see the Saudi Vision 2030 purely positive with a lot of opportunities. However, protectionism make the business in a weaker position.
	iii) Socio-cultural	The current opportunities in Saudi Vision 2030 are social phenomena, not a simple change yes will take time to adjust any kind of change.
	iv) Technological	This is the biggest challenge for ALJ. New businesses are shifting toward new technology across the world. Hence this is not a challenge by Saudi Vision 2030 but globally trend. Technology is upgrading rapidly. The business advantage has shifted from best quality to most modern software. However, ALJ has set the foundation for modern technology by implementing the SAP system.
	v) Environmental	Yes, there is a challenge, but ALJ has no direct link with environmental issues as ALJ are not a manufacturer.
	vi) Legal	I don't see any challenges over here. Saudi Vision 2030 defined by the kingdom as a way to mobilise and revitalize the economy, so it is not a challenge. The concern is who is ready to take the advantages of those opportunities. However, the one challenge out of Saudi Vision 2030 is only the Saudilisation.
BSC	When considering a homogeneous actor-network and performance measurement within ALJ, what are the key performance indicators (KPIs) used to assess the following perspectives?	A Hoshin Kanri is one of the most famous Japanese KPI in this regard. Also net profit and market share. In fact, we have a variety of KPIs according to each business unit or department.
	i) Financial performance	GDI and NPS
	ii) Customer value proposition	Sustainability, lead time and number of processes.
	iii) Internal process effectiveness	HR has several surveys as KPIs in this regard; I am not sure.
COMPETITIVE STRATEGY	iv) Learning and growth	
	In terms of ALJ's competitive strategy:	Earning loyalty. This strategy has two dimensions: Earn (how to create value before we capture value) before we used to focus on buying loyalty by giving a discount but now creating a distinctive experience with emotional impact and Loyalty is about changing an approach from communication to the relationship (understanding the customer).
	i) Describe ALJ's current strategy?	We can force fit the Generic strategies, but they don't. From my point of view, mapping them into the business model could be difficult. This model is bit antiquated; a tremendous amount of research came later. These three dimensions are a very simplistic and academic approach.
SAUDI VISION 2030	ii) In your opinion, which of the following strategies have ALJ followed or implemented? a. Cost leadership, b. Differentiation and/or c. Focus	Continuity to do the better. The new strategy should align with the social media movement and Saudi Vision 2030.
	iii) What strategy do you suggest ALJ should follow?	
	i) In your opinion how prepared do you think ALJ is for Saudi Vision 2030?	ALJ is prepared about 50%.
CI	ii) What action has been taken so far in preparation for Saudi Vision 2030?	We have assigned a department to align with this direction; HR strategy is strongly leveraging the Saudi Vision 2030.
	i) What competitive intelligence (CI) information have you gathered in preparation for Saudi Vision 2030?	We are gathering the imperative intelligence information on a tactical level. We have monthly competitive tracking reports come from the MRI department. This sensitive information is sent to senior management (tactical brand level).

MODEL PERSPECTIVE	Interview date / Time	12.11.2018 / 09:05-09:45
	Position	Director
	Length of employment	1-5
	Interview questions	Interviewee responses
SWOT	i) Could you identify the strengths of ALJ (internally)?	Employees competency, diverse workforce, global view and culture harmony.
	ii) Could you identify the weaknesses of ALJ (internally)?	ALJ departments doing well by themselves but cannot align with others , getting the message across is difficult, we need to spend more to deliver messages and unified our directions.
	iii) Could you identify the potential opportunities for ALJ (externally)?	Of course, there are huge opportunities, ALJ can growing in the market dramatically, in mobility such as Uber or Kareem.
	iv) Could you identify the potential threats (challenges) for ALJ (externally)?	The direct competitors from Korea and China, foreign investors and Saudi regulation as corporate average fuel efficiency index (CAFÉ).
PESTEL	By referring to the competitive environment (CE) of ALJ, could you identify the challenges of Saudi Vision 2030 on ALJ, from the following perspective? i) Political	Increasing the fuel prices, VAT, pricing restrictions and Saudilisation, it becomes a very complicated market, we are in deeply political state, every aspect definitely will be affected by any political decision, directly or indirectly, any new regulation will impact us, there is no way to skip out from political aspect, it will affect you positively or negatively, the question will remain to which extent?
	ii) Economic	Too early to realise, it all depends on the setting of any business.
	iii) Socio-cultural	Women driving is only the first steps, this is a big change where women now attend a football match and come to the cinema and participate equally if not more into the workforce, significant and historical steps. Saudi Vision 2030 proves that change can happen in a drastic and dramatic way.
	iv) Technological	Not only the technology but all business aspects will be affected by Saudi Vision 2030 as it is a mass transition. The technological challenge is a most important one as its opening up the door on the international market. Still, there is a lot of restriction in place, cultural aspects like privacy and security have its implication. However, there is no analogy in the future only uniqueness.
	v) Environmental	It is an important factor but not a challenge for the business at least nowadays.
	vi) Legal	It is an important factor but not a challenge for the business at least nowadays.
BSC	When considering a homogeneous actor-network and performance measurement within ALJ, what are the key performance indicators (KPIs) used to assess the following perspectives? i) Financial performance	Average marginal and average profit.
	ii) Customer value proposition	I don't know
	iii) Internal process effectiveness	Approval's lead time and internal audit as a department.
	iv) Learning and growth	Yes, of course, we have a great place to work survey that aims to measure the engagement.
COMPETITIVE STRATEGY	In terms of ALJ's competitive strategy: i) Describe ALJ's current strategy?	The thinking about tomorrow.
	ii) In your opinion, which of the following strategies have ALJ followed or implemented? a. Cost leadership, b. Differentiation and/or c. Focus	It is a mix of differentiation and focus. Cost leadership has never been a target. ALJ's experience and focus are on the value of products and services (not a price).
	iii) What strategy do you suggest ALJ should follow?	We have a good strategy. The issue is not about identifying the issues as much how to implement the solutions.
SAUDI VISION 2030	i) In your opinion how prepared do you think ALJ is for Saudi Vision 2030?	I think ALJ is ready about 80%.
	ii) What action has been taken so far in preparation for Saudi Vision 2030?	ALJ has an objective of full compatibility with Saudi Vision 2030. The Saudi government strives privet sector to attract more Saudis and achieve the highest rate in Saudilisation. Saudi Vision 2030 brings up a golden and bright opportunity for each Saudi nationals and each business should accept and support accordingly.
CI	i) What competitive intelligence (CI) information have you gathered in preparation for Saudi Vision 2030?	Yes, we are gathering various information with a variety of topics. However, this information mostly is about our customer but not a competitor. ALJ is a leader in the market, and our eyes always on the customer only.

MODEL PERSPECTIVE	Interview date / Time	12.11.2018 / 09:50-10:25
	Position	Director
	Length of employment	> 10
	Interview questions	Interviewee responses
SWOT	i) Could you identify the strengths of ALJ (internally)?	Long history and great heritage. well-recognition and an excellent workforce.
	ii) Could you identify the weaknesses of ALJ (internally)?	We are not fast in the change even though we are changing.
	iii) Could you identify the potential opportunities for ALJ (externally)?	There are potential opportunities in a society based on massive digitalisation services investment. Diversify beyond automotive (electric and self-driving cars) and or subscriptions based investments.
	iv) Could you identify the potential threats (challenges) for ALJ (externally)?	In any state, the governmental rules and regulations consist a challenge either easy or hard to achieve.
PESTEL	By referring to the competitive environment (CE) of ALJ, could you identify the challenges of Saudi Vision 2030 on ALJ, from the following perspective? i) Political	No comment
	ii) Economic	The whole lifestyle will go to be changed, of course, employment, training and some other aspects will remain the main challenge for any business.
	iii) Socio-cultural	If we can quantify the impact of women driving on ALJ, I would say 5-10%. A couple of years will end up with self-drive cars, the life mode is changing rapidly, woman driving has no impact by any angle.
	iv) Technological	Yes, of course, this is a significant perspective, government spending on digitalisation is huge, and it is a massive move toward e-commerce. Saudi Vision 2030 is changing the way of economy, reducing the cost and sharing equal opportunities. ALJ has applied e-commerce transaction in aftersales services.
	v) Environmental	Oil recycling and Hybrid car are some initiatives of ALJ which proves that ALJ perceives the Saudi Vision 2030 as an opportunity.
	vi) Legal	There is a cost of any new change. However, the impact could be low in some area and high in others. The multiple factors combined imposed a negative impact on the most if not all businesses, for example; increases in fuel prices, VAT and government fees.
BSC	When considering a homogeneous actor-network and performance measurement within ALJ, what are the key performance indicators (KPIs) used to assess the following perspectives?	Hoshin is a traditional Japanese tool of measurement which measures most of BSC perspectives.
	i) Financial performance	
	ii) Customer value proposition	NPS
	iii) Internal process effectiveness	Hoshin Kanri
COMPETITIVE STRATEGY	iv) Learning and growth	Grate place of work survey.
	In terms of ALJ's competitive strategy: i) Describe ALJ's current strategy?	The differentiation strategy. The value and quality is DNA of ALJ.
	ii) In your opinion, which of the following strategies have ALJ followed or implemented? a. Cost leadership, b. Differentiation and/or c. Focus	It is all about the customer. ALJ cannot win without putting a customer in the front line.
SAUDI VISION 2030	iii) What strategy do you suggest ALJ should follow?	Increasing the scope of digitalisation, open a new market, remodel current strategy and the way of work, i.e. working from home concept, it is a bringing change strategy.
	i) In your opinion how prepared do you think ALJ is for Saudi Vision 2030?	The readiness is about 80 %, but there is a lot of challenges in the market.
CI	ii) What action has been taken so far in preparation for Saudi Vision 2030?	Women employment and Saudilisation the most prominent steps that have been taken so far. Interestingly, ALJ was run for decades by male staffs, but that direction began changed radically.
	i) What competitive intelligence (CI) information have you gathered in preparation for Saudi Vision 2030?	Staying in the first place for fifty years is not easy. We do have market research and professional management leading this unit. This unit of research always points a thumb to significant information. The strength of market intelligence comes from continuous market sensing. CI activity is not centralised yet, but the challenge is how fast we respond to changes in the smart market.

MODEL PERSPECTIVE	Interview date / Time	12.11.2018/10:30-11:05
	Position	SGM
	Length of employment	6-10
	Interview questions	Interviewee responses
SWOT	i) Could you identify the strengths of ALJ (internally)?	Products reliability.
	ii) Could you identify the weaknesses of ALJ (internally)?	I don't see any weaknesses.
	iii) Could you identify the potential opportunities for ALJ (externally)?	For example e-commerce and digitalisation.
	iv) Could you identify the potential threats (challenges) for ALJ (externally)?	The economic recession.
PESTEL	By referring to the competitive environment (CE) of ALJ, could you identify the challenges of Saudi Vision 2030 on ALJ, from the following perspective? i) Political	Any new regulations and political stability surely will have challenge and impact on any business, recently the expatriate's fees is an example.
	ii) Economic	Yes, there is a big challenge, and formed in the weaknesses of purchasing power which has never happened to such an extent.
	iii) Socio-cultural	There is a big change but no challenge, it is more about women empowerment, for both ALJ and culture in Saudi Arabia.
	iv) Technological	ALJ has embarked SAP-ERP, and yes there is a challenge, but ALJ will adapt and gain the challenge.
	v) Environmental	If it's a challenge, then ALJ has brought a Hybrid car and should be considered as ready for the challenge.
	vi) Legal	Yes, there are challenges comprise new legislation such as fuel price, VAT and government fees.
BSC	When considering a homogeneous actor-network and performance measurement within ALJ, what are the key performance indicators (KPIs) used to assess the following perspectives? i) Financial performance	Yes, we have several KPIs, but I am not sure about its names.
	ii) Customer value proposition	Loyalty survey.
	iii) Internal process effectiveness	Hoshin Kanri is a KPI of process planning and execution particularly the method and timeline.
	iv) Learning and growth	We don't have any KPI in this regard.
COMPETITIVE STRATEGY	In terms of ALJ's competitive strategy: i) Describe ALJ's current strategy?	The guest is first.
	ii) In your opinion, which of the following strategies have ALJ followed or implemented? a. Cost leadership, b. Differentiation and/or c. Focus	The direction is a focus on the youth with differentiation.
	iii) What strategy do you suggest ALJ should follow?	The youth generation should be embedded in the current strategy as they compose a 70% of KSA population.
SAUDI VISION 2030	i) In your opinion how prepared do you think ALJ is for Saudi Vision 2030?	No business firm is fully ready for Saudi Vision 2030. The vision has a lot of KPIs.
	ii) What action has been taken so far in preparation for Saudi Vision 2030?	Saudilisation but not so much, for example, expatriates are still dominating ALJ workforce between 60 to 70%.
CI	i) What competitive intelligence (CI) information have you gathered in preparation for Saudi Vision 2030?	We have a research unit that provides the necessary information under different names such as development and planning as well as another specialised unit working within the marketing department.

MODEL PERSPECTIVE	Interview date / Time	12.11.2018/11:15-12:00
	Position	SGM
	Length of employment	> 10
	Interview questions	Interviewee responses
SWOT	i) Could you identify the strengths of ALJ (internally)?	The satisfaction of stakeholders and internal process effectiveness.
	ii) Could you identify the weaknesses of ALJ (internally)?	Frequent changes in the structure.
	iii) Could you identify the potential opportunities for ALJ (externally)?	Opportunities in the field of women driving and its relevance marketing campaigns.
	iv) Could you identify the potential threats (challenges) for ALJ (externally)?	A lot of competition. Frequent rules and regulations imposed by the regulatory authority usually with some major restrictions.
PESTEL	By referring to the competitive environment (CE) of ALJ, could you identify the challenges of Saudi Vision 2030 on ALJ, from the following perspective?	No comment
	i) Political	
	ii) Economic	There is a big impact, but we cannot say it is a challenge. The importance is how ALJ are ready for it.
	iii) Socio-cultural	The women driving has a big positive impact on ALJ, and we will sell and service more cars in the upcoming years, at least this is a hope.
	iv) Technological	Again it is not a challenge as much as a change that requires certain readiness and ALJ is completely ready.
	v) Environmental	The environmental factor is not a challenge for ALJ as we are not a manufacturer but a distributor, and we will import whatever is accepted by the government and customer.
BSC	vi) Legal	Any new governmental law is a challenge for any business if the business not well adaptable will affect its sustainability. ALJ is a different case as ALJ is a pioneer in adapting and aligning with any new governmental legislation.
	When considering a homogeneous actor-network and performance measurement within ALJ, what are the key performance indicators (KPIs) used to assess the following perspectives?	Hoshin Kanri has many KPIs.
	i) Financial performance	
	ii) Customer value proposition	Hoshin Kanri.
COMPETITIVE STRATEGY	iii) Internal process effectiveness	May be Hoshin Kanri also.
	iv) Learning and growth	I don't think so, because measuring the behaviour or sharing knowledge it is a bit difficult.
	In terms of ALJ's competitive strategy:	
	i) Describe ALJ's current strategy?	The four principles of the corporate brand standard; Vision, Mission, Values and Benefits. Overall the guest is first.
SAUDI VISION 2030	ii) In your opinion, which of the following strategies have ALJ followed or implemented? a. Cost leadership, b. Differentiation and/or c. Focus	For sure, the differentiation and focus. We are focusing on all layers of a customer as we have a wide variety of products which meets all choices and needs.
	iii) What strategy do you suggest ALJ should follow?	I would suggest more focusing on what we are doing, some tuning to the current strategy.
CI	i) In your opinion how prepared do you think ALJ is for Saudi Vision 2030?	To some extent, because Saudi Vision 2030 is a challenge for every business, let's take an example of unemployment dilemma, the Saudi youth are not (mentally) ready to work in the privet sector, even if so do they need a lot of skills training.
	ii) What action has been taken so far in preparation for Saudi Vision 2030?	Saudilisation.
CI	i) What competitive intelligence (CI) information have you gathered in preparation for Saudi Vision 2030?	Recently ALJ has activated digital transformation unit, among their tasks, is research and analysis in the IT field. It is expected to receive much information from them.

MODEL PERSPECTIVE	Interview date / Time	12.11.2018/12:10-12:50
	Position	Director
	Length of employment	6-10
	Interview questions	Interviewee responses
SWOT	i) Could you identify the strengths of ALJ (internally)?	A network of centres and the organisation infrastructure.
	ii) Could you identify the weaknesses of ALJ (internally)?	Any company has weaknesses. Yet the best practices of the process are still in the establishment stage in ALJ.
	iii) Could you identify the potential opportunities for ALJ (externally)?	Yes ALJ can establish any new business, especially in technology side.
	iv) Could you identify the potential threats (challenges) for ALJ (externally)?	Frequent change in customer demands, needs and requirements.
PESTEL	By referring to the competitive environment (CE) of ALJ, could you identify the challenges of Saudi Vision 2030 on ALJ, from the following perspective? i) Political	Saudilaisation is the biggest political decree that imposed by the government and needs to be achieved in such a short time; it's affecting severely every business especially in term of the time frame and training aspects.
	ii) Economic	Same as I said before, the economic situation is directly linked with a political aspect.
	iii) Socio-cultural	The women driving may seem like a challenge for others but for ALJ is a big opportunity. ALJ already invested in this change significantly so far, and we look forward to benefiting a lot.
	iv) Technological	The country is moving toward social media, and that is the challenge, business needs to align with youth requirements.
	v) Environmental	As of now, we are considered ready for this challenge. However, there is no massive impact over here.
	vi) Legal	Yes for sure all legal factors have an impact, but I believe it is difficult to measure that impact in the short term.
BSC	When considering a homogeneous actor-network and performance measurement within ALJ, what are the key performance indicators (KPIs) used to assess the following perspectives? i) Financial performance	The budget review KPI.
	ii) Customer value proposition	Satisfaction survey.
	iii) Internal process effectiveness	By measuring the lead time to solve each IT incident.
	iv) Learning and growth	There is no certain KPI but training.
COMPETITIVE STRATEGY	In terms of ALJ's competitive strategy: i) Describe ALJ's current strategy?	Earning loyalty by increases the guest experience concept.
	ii) In your opinion, which of the following strategies have ALJ followed or implemented? a. Cost leadership, b. Differentiation and/or c. Focus	The differentiation and focus.
	iii) What strategy do you suggest ALJ should follow?	We have to focus more on customer satisfaction using more modern technology.
SAUDI VISION 2030	i) In your opinion how prepared do you think ALJ is for Saudi Vision 2030?	I think ALJ is ready at 70%, but we need to consider the changes that Saudi Vision 2030 brings up to Saudi culture.
	ii) What action has been taken so far in preparation for Saudi Vision 2030?	The Saudilaisation, also we have conducted many pieces of training to improve our workforce skills and capability that would serve toward Saudi Vision 2030. On the other hand, there is no choice except digitalisation or processes automation.
CI	i) What competitive intelligence (CI) information have you gathered in preparation for Saudi Vision 2030?	I think we do not have such CI department, but whenever we need some information in IT field we have several subscription-based accesses to IT web pages, all required critical information about IT are available in the web at specialised research institutions according to the nature of information.

MODEL PERSPECTIVE	Interview date / Time	12.11.2018/17:00-17:45
	Position	GM
	Length of employment	> 10
	Interview questions	Interviewee responses
SWOT	i) Could you identify the strengths of ALJ (internally)?	Work environment, clear direction and communication.
	ii) Could you identify the weaknesses of ALJ (internally)?	Implementation of process, policies and many decisions been taken without asking or maybe knowing of middle management.
	iii) Could you identify the potential opportunities for ALJ (externally)?	Advertising, marketing and retail but I don't see any opportunity in the automotive sector.
	iv) Could you identify the potential threats (challenges) for ALJ (externally)?	Yes, the biggest challenge nowadays is Saudilisation, however ALJ tack care and trying to align with the vision and already made huge efforts. The issue is about the offer to hiring them as their expectation is too high than the job description.
PESTEL	By referring to the competitive environment (CE) of ALJ, could you identify the challenges of Saudi Vision 2030 on ALJ, from the following perspective? i) Political	Yes, of course, government push and enforce the Saudilisation, and the main problem here is the turnover but not hiring, the Saudi workforce accepting our jobs to find out another better opportunity later on.
	ii) Economic	The fuel price or VAT or any other actions have a medium impact, but overall economic aspect is a dependent factor on the political situation.
	iii) Socio-cultural	ALJ have increased its revenue on sales and after sales about 5% after women driving. Women are more engaged in the workforce as well. Hence, Saudi Vision 2030 brings up very good change socially and economically.
	iv) Technological	ALJ does not perceive technology and environmental issues as a challenge yet they are a big chance to exchange and align with global pattern.
	v) Environmental	ALJ is ready for this challenge with Hybrid car where others are still behind.
	vi) Legal	I see the legal and political aspect as one matrix, all in all, come from the same source.
BSC	When considering a homogeneous actor-network and performance measurement within ALJ, what are the key performance indicators (KPIs) used to assess the following perspectives? i) Financial performance	Our KPIs are the forecast reports at the beginning of the year, with its review at the end of the year, as well as the cost of sales, expenses and profit margin.
	ii) Customer value proposition	The NPS survey is a KPI for each department. In addition to the customer satisfaction survey which we are conducting with each customer over the phone to measure their satisfaction post new car purchase and every maintenance.
	iii) Internal process effectiveness	Our KPI is a daily basis report on CPUS operations. (Customers paid unit service). The same is for the year to date and month to date.
	iv) Learning and growth	No, we don't have such a tool. Even the survey of a great place to work doesn't seem that effective. Because it is -from my point of view- not reflects the ground reality of teamwork or knowledge sharing perspectives.
COMPETITIVE STRATEGY	In terms of ALJ's competitive strategy: i) Describe ALJ's current strategy?	Best service in the town, Toyota way perspective.
	ii) In your opinion, which of the following strategies have ALJ followed or implemented? a. Cost leadership, b. Differentiation and/or c. Focus	A mix of all three.
	iii) What strategy do you suggest ALJ should follow?	We have to focus on the employee as we do on the customer, although we have a unit called the voice of associates. However, this initiative it's only concerned about the complaints if any.
SAUDI VISION 2030	i) In your opinion how prepared do you think ALJ is for Saudi Vision 2030?	Yes, absolutely we are ready.
	ii) What action has been taken so far in preparation for Saudi Vision 2030?	ALJ has sponsored and opened two female car driving schools. And other initiatives are on the agenda.
CI	i) What competitive intelligence (CI) information have you gathered in preparation for Saudi Vision 2030?	In Lexus, we have a team that concerns about social media in particular.

MODEL PERSPECTIVE	Interview date / Time	13.11.2018/08:30-09:10
	Position	Director
	Length of employment	> 10
	Interview questions	Interviewee responses
SWOT	i) Could you identify the strengths of ALJ (internally)?	Strategic planning and internal process effectiveness.
	ii) Could you identify the weaknesses of ALJ (internally)?	Usually or sometimes the large organisation loses the effective vertical communication.
	iii) Could you identify the potential opportunities for ALJ (externally)?	Always there is an opportunity, such as in niche market of internet and environmental technology.
	iv) Could you identify the potential threats (challenges) for ALJ (externally)?	Economic declines, supply chain and Cyberspace.
PESTEL	By referring to the competitive environment (CE) of ALJ, could you identify the challenges of Saudi Vision 2030 on ALJ, from the following perspective? i) Political	Challenges are in the way how we perceive them. Challenges are something that we have to learn out of them. Every challenge could become an opportunity, so the difference is how we look and treat the challenges either positively or negatively. From the political perspective, obviously, any legalisation has an impact on every respective business regardless of its magnitude low, medium or high.
	ii) Economic	The good things about ALJ are always aligned and ready for any changes come over. It is a matter of capability and maturity. However, Saudi Vision 2030 it is bringing a lot of opportunities compared to the challenges overall.
	iii) Socio-cultural	Saudi Vision 2030 has a socially positive impact. It will change the way of thinking, not necessarily now but in the long term.
	iv) Technological	The technology is an opportunity for any firm nowadays. We can see how the world is changing now. Technology made the business and life much faster and easier.
	v) Environmental	This is a very crucial challenge and so important aspect that should be given more priority. I have seen improvements over this decade. Business has a fundamental obligation to perform best practice environmentally.
	vi) Legal	Some legislation has a negative impact while others not. Let's take an example of VAT, the VAT money will be returned in the community in the end, so it is not a challenge. Perceiving challenges depend on the size and maturity of any business.
BSC	When considering a homogeneous actor-network and performance measurement within ALJ, what are the key performance indicators (KPIs) used to assess the following perspectives? i) Financial performance	ROI, Hoshin Kanri, capital asset and many more.
	ii) Customer value proposition	Total customer ownership KPI.
	iii) Internal process effectiveness	PRIDA assessment and SAP-BI reports.
	iv) Learning and growth	I could say the constant survey.
COMPETITIVE STRATEGY	In terms of ALJ's competitive strategy: i) Describe ALJ's current strategy?	In my view, we have two strategies, overall corporate strategy and departmental level strategy. The corporate strategy is focusing on the customer, associates and community because profit comes from the trust. The departmental level strategy is Vision, Mission and Value.
	ii) In your opinion, which of the following strategies have ALJ followed or implemented? a. Cost leadership, b. Differentiation and/or c. Focus	The differentiation.
	iii) What strategy do you suggest ALJ should follow?	Focus on the community by being more involved and add more value.
SAUDI VISION 2030	i) In your opinion how prepared do you think ALJ is for Saudi Vision 2030?	We are ready, not 100% but more than 70%.
	ii) What action has been taken so far in preparation for Saudi Vision 2030?	Obviously, two actions have been taken so far, Saudilisation and bringing a Hybrid car in the kingdom. ALJ direction is to support Saudi Vision 2030.
CI	i) What competitive intelligence (CI) information have you gathered in preparation for Saudi Vision 2030?	Yes, we have this activity as risk management. We do monitoring weather and any kind of risks that could harm ALJ's people or facilities. We are sharing forecast info every single day. We concern about any new topics or law too. We are performing safety and security best practises, the information disseminated across the concerned department and or management.

MODEL PERSPECTIVE	Interview date / Time	13.11.2018/09:15-10:00
	Position	SGM
	Length of employment	> 10
	Interview questions	Interviewee responses
SWOT	i) Could you identify the strengths of ALJ (internally)?	The overall stability, workforce loyalty and the owners support.
	ii) Could you identify the weaknesses of ALJ (internally)?	No clear direction for the long run (five years) besides scattered efforts and the lack of alignment at a departmental level, I can say communication.
	iii) Could you identify the potential opportunities for ALJ (externally)?	I think solar energy.
	iv) Could you identify the potential threats (challenges) for ALJ (externally)?	Economical tight situation and the decrease in purchasing power.
PESTEL	By referring to the competitive environment (CE) of ALJ, could you identify the challenges of Saudi Vision 2030 on ALJ, from the following perspective?	Political and economic aspects are combined. The political situation imposes and defined the economic situation.
	i) Political	
	ii) Economic	Saudi Vision 2030 brings up a win-win situation in term of opportunities and challenges.
	iii) Socio-cultural	Women driving will have a positive impact but will take some time maybe two to four years, ALJ were too optimistic and done too much for women driving.
	iv) Technological	The new generation relies on technology, so it is a mandatory step, not an option.
	v) Environmental	We have an environmental issue. Still, the eco-environmental infrastructure not maintained by the government so far. The government requires more initiatives to do so.
BSC	vi) Legal	Increasing fuel price, electricity charges and VAT together brings some burden on customer and accordingly affects the economy.
	When considering a homogeneous actor-network and performance measurement within ALJ, what are the key performance indicators (KPIs) used to assess the following perspectives?	Profit and growth.
	i) Financial performance	
	ii) Customer value proposition	Hoshin Kanri and Kaizen-culture survey.
COMPETITIVE STRATEGY	iii) Internal process effectiveness	Same Hoshin
	iv) Learning and growth	There is no specific tool but we have a meeting with the team at the end of every month to check such kind of team consistency, or any issue may team facing, accordingly will take action plan of mitigation if any.
	In terms of ALJ's competitive strategy:	
	i) Describe ALJ's current strategy?	Earning customer loyalty.
SAUDI VISION 2030	ii) In your opinion, which of the following strategies have ALJ followed or implemented? a. Cost leadership, b. Differentiation and/or c. Focus	The differentiation and focus.
	iii) What strategy do you suggest ALJ should follow?	More programs toward earning customer loyalty, enforce the digitalisation.
SAUDI VISION 2030	i) In your opinion how prepared do you think ALJ is for Saudi Vision 2030?	We are moderately prepared.
	ii) What action has been taken so far in preparation for Saudi Vision 2030?	Only, the Saudilisation and women driving schools initiatives, but still, there are many programs to be done.
CI	i) What competitive intelligence (CI) information have you gathered in preparation for Saudi Vision 2030?	We are contacting the MRI department (market research insight) they are providing necessary information that we need. on the other hand, we have a legal department for any information relevant to government legislation and regulation.

MODEL PERSPECTIVE	Interview date / Time	13.11.2018/10:10-10:45
	Position	Director
	Length of employment	1-5
	Interview questions	Interviewee responses
SWOT	i) Could you identify the strengths of ALJ (internally)?	ALJ Brand and ALJ network.
	ii) Could you identify the weaknesses of ALJ (internally)?	The huge size of ALJ group makes communication slow.
	iii) Could you identify the potential opportunities for ALJ (externally)?	There are no opportunities nowadays.
	iv) Could you identify the potential threats (challenges) for ALJ (externally)?	The biggest challenge for any business firm today is the digitalisation.
PESTEL	By referring to the competitive environment (CE) of ALJ, could you identify the challenges of Saudi Vision 2030 on ALJ, from the following perspective? i) Political	No challenges nor impact
	ii) Economic	In fact, it is a challenge that will be converted to opportunities by the time for every business.
	iii) Socio-cultural	I don't see any social challenge instead that Saudi Vision 2030 brings the positive impact of women driving to the economy and culture.
	iv) Technological	ALJ is fully aligned with Saudi Vision 2030, especially toward supporting e-commerce and digitalisation programs.
	v) Environmental	To some extent is a challenge maybe 50% or less.
	vi) Legal	If there is a challenge will be very low impact for ALJ.
BSC	When considering a homogeneous actor-network and performance measurement within ALJ, what are the key performance indicators (KPIs) used to assess the following perspectives? i) Financial performance	Yes, like profitability KPI.
	ii) Customer value proposition	Customer satisfaction KPI.
	iii) Internal process effectiveness	Our internal audit department takes care out of all KPI.
	iv) Learning and growth	I will consider an annual 5S survey conducted by internal quality department (IQD) as a KPI for such a perspective.
COMPETITIVE STRATEGY	In terms of ALJ's competitive strategy: i) Describe ALJ's current strategy?	Guest is the first strategy which aims to customer's satisfaction and happiness.
	ii) In your opinion, which of the following strategies have ALJ followed or implemented? a. Cost leadership, b. Differentiation and/or c. Focus	Combination of differentiation and focus.
	iii) What strategy do you suggest ALJ should follow?	More focus on the digitalisation.
SAUDI VISION 2030	i) In your opinion how prepared do you think ALJ is for Saudi Vision 2030?	I think we are ready on average.
	ii) What action has been taken so far in preparation for Saudi Vision 2030?	Service application system as digital transformation.
CI	i) What competitive intelligence (CI) information have you gathered in preparation for Saudi Vision 2030?	The MRI unit in marketing department provides such information whenever is required. We are not specialised in information gathering.

MODEL PERSPECTIVE	Interview date / Time	13.11.2018/11:00-11:55
	Position	Director
	Length of employment	> 10
	Interview questions	Interviewee responses
SWOT	i) Could you identify the strengths of ALJ (internally)?	The leadership experience, excellent reputation and ALJ network in the kingdom.
	ii) Could you identify the weaknesses of ALJ (internally)?	The big size of ALJ slower the decision-making process, more empowerment should be given to the different layers of middle management.
	iii) Could you identify the potential opportunities for ALJ (externally)?	A lot of opportunities, such as solar energy and cinema.
	iv) Could you identify the potential threats (challenges) for ALJ (externally)?	To achieve any opportunity is a challenge itself.
PESTEL	By referring to the competitive environment (CE) of ALJ, could you identify the challenges of Saudi Vision 2030 on ALJ, from the following perspective? i) Political	ALJ has been working since 2016 to consist with Saudi Vision 2030; we are fully aligned with vision otherwise we will be out of market. Saudi Vision 2030 is not a choice.
	ii) Economic	The economic challenges will expel some businesses and will bring others, who will remain will gain. The adaptation is the cornerstone, so the challenge is about the redefining the market share. However, opening doors for more competitors will create a healthy competitive business environment.
	iii) Socio-cultural	Women have been added by Saudi Vision 2030 as new customer and workforce for ALJ. We cannot define the real impact of this change now. This y will take 4-5 years.
	iv) Technological	ALJ is working currently to improve the internal process technologically. The technology is a challenge only for those who cannot compete financially in another word the lack of capability to keep up.
	v) Environmental	Green jobs will dominate in the coming years too, from this perspective ALJ has taken good direction on that by stopping import big engine cars like Sequoia and by supporting Hybrid and diesel cars.
	vi) Legal	No direct impact unless something has a direct relation to the automotive sector.
BSC	When considering a homogeneous actor-network and performance measurement within ALJ, what are the key performance indicators (KPIs) used to assess the following perspectives? i) Financial performance	ALJ has several KPIs in each department.
	ii) Customer value proposition	GDI and NPS
	iii) Internal process effectiveness	SAP database
	iv) Learning and growth	We are measure learning and growth by monitoring / achieving our objectives in addition to the survey of a great place to work.
COMPETITIVE STRATEGY	In terms of ALJ's competitive strategy: i) Describe ALJ's current strategy?	Providing distinct products and services.
	ii) In your opinion, which of the following strategies have ALJ followed or implemented? a. Cost leadership, b. Differentiation and/or c. Focus	A mix of all three.
	iii) What strategy do you suggest ALJ should follow?	Technology reinforcement.
SAUDI VISION 2030	i) In your opinion how prepared do you think ALJ is for Saudi Vision 2030?	ALJ is ready 100% or more.
	ii) What action has been taken so far in preparation for Saudi Vision 2030?	We are analysing and monitoring Saudi Vision 2030, ALJ's all actions and decisions are aligned and supportive. ALJ has achieved the biggest challenge of Saudilisation.
CI	i) What competitive intelligence (CI) information have you gathered in preparation for Saudi Vision 2030?	We did not gather anything yet as it is not touching our department directly. However, for any required information, we approach the marketing department.

MODEL PERSPECTIVE	Interview date / Time	13.11.2018/13:30-14:30
	Position	MD
	Length of employment	> 10
	Interview questions	Interviewee responses
SWOT	i) Could you identify the strengths of ALJ (internally)?	Strong brand and 60 years' legacy. The focus on customer and employee. Being big and keeping agile.
	ii) Could you identify the weaknesses of ALJ (internally)?	Decision-making process still is linked to the legacy.
	iii) Could you identify the potential opportunities for ALJ (externally)?	In general, ALJ should focus on new technology like car sharing idea and autonomous driving. many different opportunities available in services, only ALJ should be aware of when to enter this market.
	iv) Could you identify the potential threats (challenges) for ALJ (externally)?	Keep up with the technology.
PESTEL	By referring to the competitive environment (CE) of ALJ, could you identify the challenges of Saudi Vision 2030 on ALJ, from the following perspective?	I don't think Saudi Vision 2030 is a challenge, it is an ambition but has a strict task. Vision will drive a country to a much better position.
	i) Political	
	ii) Economic	We are opening up and grow. ALJ is getting more modern. We are attracting the right people and processes for the Saudi Vision 2030 opening us to the international community.
	iii) Socio-cultural	Socially Saudi Vision 2030 is a positive change for economic and cultural aspects.
	iv) Technological	The whole idea of Saudi Vision 2030 is positive, but we need to implement it carefully and executed smartly (there is saying in Europe: you cannot win the war in one day), so ALJ has to consider the time frame.
	v) Environmental	ALJ is completely ready and being always on the driver seat. ALJ has currently environmental program in assistance with Aramco. ALJ is always going a step ahead.
BSC	vi) Legal	Decreasing subsidies may create some issues in upcoming years. But in the long term will be absorbed. I have to say Saudilaisation is the biggest challenge within the Saudi Vision 2030 yet the Saudi workforce is not ready for the privet sector yet. Yes, it is a bit difficult task to bring skilled and talented people in such a short time with high wages. However, ALJ is committed and keep supporting.
	When considering a homogeneous actor-network and performance measurement within ALJ, what are the key performance indicators (KPIs) used to assess the following perspectives?	Yes of course plenty of KPIs.
	i) Financial performance	
	ii) Customer value proposition	NPS
COMPETITIVE STRATEGY	iii) Internal process effectiveness	Thru internal quality department (IQD) and Kaizen.
	iv) Learning and growth	The great place of work survey which measures the engagement.
	In terms of ALJ's competitive strategy:	
SAUDI VISION 2030	i) Describe ALJ's current strategy?	I could describe the ALJ strategy in four dimensions. First, being a pioneer in a business model and providing inimitable services. Secondly; to leverage ALJ, Toyota and Lexus brands in the market. Thirdly; delivering a unique customer experience and finally being an innovation leader.
	ii) In your opinion, which of the following strategies have ALJ followed or implemented? a. Cost leadership, b. Differentiation and/or c. Focus	Obviously, it is all about the value and the quality. Price it is not in our strategy. Hence we are not focused nor cost leadership leader.
	iii) What strategy do you suggest ALJ should follow?	Really this is a good question. I would add to our strategy the loyalty and engagement concept especially in term of employee and customer. This has to be the outline of each strategy. Yes, it is part of our strategy yet needs more focus and enhancement.
SAUDI VISION 2030	i) In your opinion how prepared do you think ALJ is for Saudi Vision 2030?	We are about to reach 100% of readiness.
	ii) What action has been taken so far in preparation for Saudi Vision 2030?	In order to support Saudi Vision 2030, we have employed a lot of Saudi youth after a complete cycle of comprehensive training.
CI	i) What competitive intelligence (CI) information have you gathered in preparation for Saudi Vision 2030?	Yes, we are gathering a huge volume of information. As MRI department, we know more than ALJ's competitors about the market trend, competition, and customers. We have accurate and up to date info. We are sharing respective information as awareness messages, newsletter or reports to senior management based on the market situation or upon their requirements.

MODEL PERSPECTIVE	Interview date / Time	13.11.2018/15:00-15:40
	Position	MD
	Length of employment	> 10
	Interview questions	Interviewee responses
SWOT	i) Could you identify the strengths of ALJ (internally)?	Strong brand, loyal associates and a good network.
	ii) Could you identify the weaknesses of ALJ (internally)?	Slow decision-making process and lack of agility in the adaptation process.
	iii) Could you identify the potential opportunities for ALJ (externally)?	Improve the market share in the automotive sector - expand more.
	iv) Could you identify the potential threats (challenges) for ALJ (externally)?	Economic rules and regulation
PESTEL	By referring to the competitive environment (CE) of ALJ, could you identify the challenges of Saudi Vision 2030 on ALJ, from the following perspective? i) Political	The cost of business operations becomes higher than China four times.
	ii) Economic	No challenge as ALJ has long survival experience and it has a long heritage.
	iii) Socio-cultural	No challenge but the opportunity of women driving.
	iv) Technological	This is a fundamental element, and most significant challenge need to be considered ever.
	v) Environmental	No challenge for ALJ over here.
	vi) Legal	It is a challenge, and we have to deal with it smartly.
BSC	When considering a homogeneous actor-network and performance measurement within ALJ, what are the key performance indicators (KPIs) used to assess the following perspectives? i) Financial performance	Yes, many KPIs such as ROI, market share, growth and profitability. But there is no KPI for the risk, only assessment.
	ii) Customer value proposition	CRM, NPS and customer delight programs.
	iii) Internal process effectiveness	SAP-ERP system
	iv) Learning and growth	No KPI, but training program.
COMPETITIVE STRATEGY	In terms of ALJ's competitive strategy: i) Describe ALJ's current strategy?	Focus on the customer. Best price compares to the value. And a leader of modern competition.
	ii) In your opinion, which of the following strategies have ALJ followed or implemented? a. Cost leadership, b. Differentiation and/or c. Focus	A mix of all three.
	iii) What strategy do you suggest ALJ should follow?	Create the engagement (more focus on associates/employees).
SAUDI VISION 2030	i) In your opinion how prepared do you think ALJ is for Saudi Vision 2030?	It is not a matter of preparation, the whole world moving toward decreasing dependency on oil as Saudi Vision 2030.
	ii) What action has been taken so far in preparation for Saudi Vision 2030?	A lot of actions, including but not limited to Saudilisation, Hybrid cars, SAP system implementation, training, respective advertising campaigns.
CI	i) What competitive intelligence (CI) information have you gathered in preparation for Saudi Vision 2030?	There is a unit of research under the marketing department concern with all CI information, from where we get all the required information.

MODEL PERSPECTIVE	Interview date / Time	14.11.2018/11:00-11:40
	Position	SGM
	Length of employment	6-10
	Interview questions	Interviewee responses
SWOT	i) Could you identify the strengths of ALJ (internally)?	Agility, flexibility and long experience.
	ii) Could you identify the weaknesses of ALJ (internally)?	The operational cost is very high, and we have a manpower overhead.
	iii) Could you identify the potential opportunities for ALJ (externally)?	Moving to a digital automotive era or any digital services can plug with the automotive sector.
	iv) Could you identify the potential threats (challenges) for ALJ (externally)?	Maintaining a market share, and implement the latest technology.
PESTEL	By referring to the competitive environment (CE) of ALJ, could you identify the challenges of Saudi Vision 2030 on ALJ, from the following perspective? i) Political	Yes, there is a challenge. Definitely, ALJ will be affected out of any political decision, as we are dealing with the government directly and indirectly.
	ii) Economic	Saudi Vision 2030 has a direct impact on ALJ since ALJ is a huge business component of the economy. However, Saudi Vision 2030 compose more opportunities than a challenge, could say 70% vs 30%.
	iii) Socio-cultural	From a social perspective, there is no a challenge but opportunity in the long term, however, the positive impact will be moderate.
	iv) Technological	ALJ has a big agenda to align with Saudi Vision 2030. There is a tremendous focus on the digitalisation.
	v) Environmental	The complete picture of the environmental context yet not clear enough. It is a new concept for both culture and business. It is a part of transformation but not a priority at the moment.
	vi) Legal	We have to follow all the rules and regulation. Every rule has a degree of impact on respective stakeholders.
BSC	When considering a homogeneous actor-network and performance measurement within ALJ, what are the key performance indicators (KPIs) used to assess the following perspectives? i) Financial performance	There are many KPIs for sure but, I am not involved.
	ii) Customer value proposition	The periodic satisfaction survey.
	iii) Internal process effectiveness	Thru our internal audit, we measure our internal process effectiveness.
	iv) Learning and growth	There is no such tool, actually the learning and engagement not on our agenda. For example, I did not get training for the last five years, and no one triggers this, who knows and who cares.
COMPETITIVE STRATEGY	In terms of ALJ's competitive strategy: i) Describe ALJ's current strategy?	Managing the bad cost, being agile, and striving for an opportunity.
	ii) In your opinion, which of the following strategies have ALJ followed or implemented? a. Cost leadership, b. Differentiation and/or c. Focus	The mix of differentiation and focus.
	iii) What strategy do you suggest ALJ should follow?	Go for more optimisation in different levels business process and people. Expand products portfolio and digitalisation.
SAUDI VISION 2030	i) In your opinion how prepared do you think ALJ is for Saudi Vision 2030?	I think still many actions need to be done from both side, ALJ would be considered as prepared.
	ii) What action has been taken so far in preparation for Saudi Vision 2030?	Saudilisation and women employment.
CI	i) What competitive intelligence (CI) information have you gathered in preparation for Saudi Vision 2030?	Yes, there is an effort to gather information but I believe it is distributed and not centralised, we need to enhance the experience.

MODEL PERSPECTIVE	Interview date / Time	14.11.2018/12:05-12:55
	Position	Director
	Length of employment	> 10
	Interview questions	Interviewee responses
SWOT	i) Could you identify the strengths of ALJ (internally)?	Employees loyalty. ALJ brand with reference to Toyota and Lexus. The kindness of ALJ family.
	ii) Could you identify the weaknesses of ALJ (internally)?	Lack of passion and enthusiasm due to the economic situation, and there is a misinterpretation of hiring and firing rules. Overall, it seems to be a gap of communication.
	iii) Could you identify the potential opportunities for ALJ (externally)?	Many opportunities in the market. For example, digitalisation, robots and modern cities.
	iv) Could you identify the potential threats (challenges) for ALJ (externally)?	Saudilisation
PESTEL	By referring to the competitive environment (CE) of ALJ, could you identify the challenges of Saudi Vision 2030 on ALJ, from the following perspective? i) Political	Whoever will do the right thing in the faster manner will gain out of Saudi Vision 2030.
	ii) Economic	Yes, we have affected severely for 2017 and 2018, we hope that the economy will get better in 2019.
	iii) Socio-cultural	There is a change by bringing women into different life aspects. ALJ's concern is women driving and women workforce. However as an HR specialist, I don't see any difference between women or men in the work field, all is about capability and efficiency.
	iv) Technological	The more movement toward digitalisation the more successful business would be. This is an overall case of Saudi Vision 2030 and even globally.
	v) Environmental	There is no environmental challenge for ALJ at all.
	vi) Legal	Same as political prompts.
BSC	When considering a homogeneous actor-network and performance measurement within ALJ, what are the key performance indicators (KPIs) used to assess the following perspectives? i) Financial performance	ALJ has many KPIs in each business unit or department.
	ii) Customer value proposition	A number of surveys.
	iii) Internal process effectiveness	SAP platform (HCM).
	iv) Learning and growth	From an HR perspective, I don't see any effective measurement tool for learning and growth or teamwork and knowledge sharing.
COMPETITIVE STRATEGY	In terms of ALJ's competitive strategy: i) Describe ALJ's current strategy?	Guest is first
	ii) In your opinion, which of the following strategies have ALJ followed or implemented? a. Cost leadership, b. Differentiation and/or c. Focus	It is the differentiation and only differentiation.
	iii) What strategy do you suggest ALJ should follow?	Improve communication.
SAUDI VISION 2030	i) In your opinion how prepared do you think ALJ is for Saudi Vision 2030?	ALJ is always will be prepared and aligned with any new changes comes out of government.
	ii) What action has been taken so far in preparation for Saudi Vision 2030?	Women employment.
CI	i) What competitive intelligence (CI) information have you gathered in preparation for Saudi Vision 2030?	We have our source, and we get all the information that we need from the marketing department which really it helps us in decision making. The issue sometimes is about communication in such a large organisation.

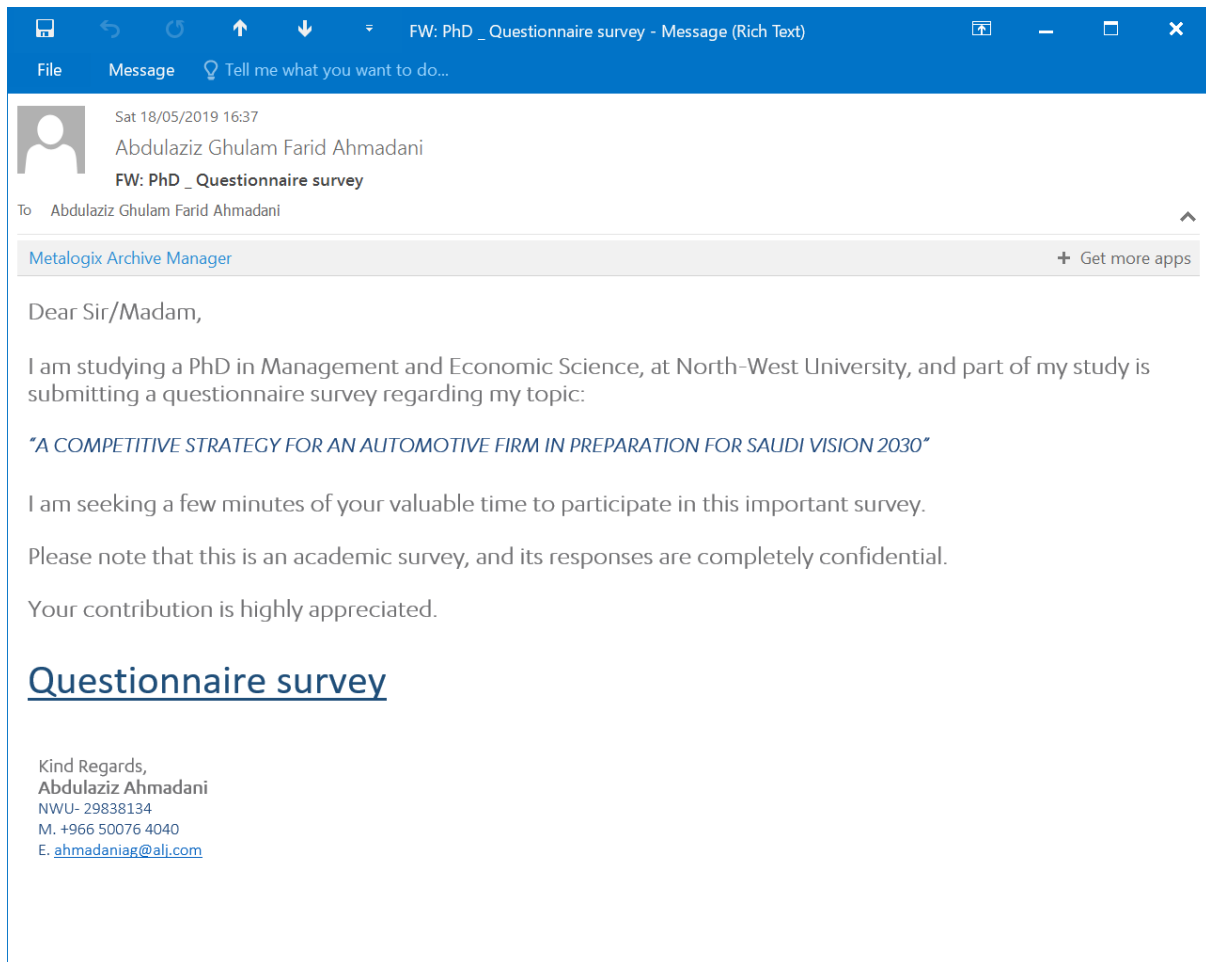
MODEL PERSPECTIVE	Interview date / Time	15.11.2018/08:30-09:20
	Position	Director
	Length of employment	> 10
	Interview questions	Interviewee responses
SWOT	i) Could you identify the strengths of ALJ (internally)?	Strong brand of Toyota and ALJ. Loyal associates and competent leadership.
	ii) Could you identify the weaknesses of ALJ (internally)?	Decision-making process is very slow, and we have a gap in communication and that due to the large environment and too many stakeholders are involved in passing one decision.
	iii) Could you identify the potential opportunities for ALJ (externally)?	There are more opportunities than before, ALJ in a better position today, due to Saudi Vision 2030 new regulations most of the small competitors already gone and the middle are about.
	iv) Could you identify the potential threats (challenges) for ALJ (externally)?	New government rules and regulations and that keep changing frequently.
PESTEL	By referring to the competitive environment (CE) of ALJ, could you identify the challenges of Saudi Vision 2030 on ALJ, from the following perspective? i) Political	Political stability is the strongest point of the Kingdom; this could be a challenge in an unstable country or region.
	ii) Economic	The government has a definite goal, and that will be achieved thru the Saudi Vision 2030. So the Vision is a reforming tool, and it is good for the economy in the long term.
	iii) Socio-cultural	This is a positive sound, but still, the realisation of Saudi Vision 2030 benefits or impacts will take a long time perhaps up to five years
	iv) Technological	Technological trend and e-commerce started very early at 2000, it is not a new concept or era, what is new is the Saudi Vision 2030 trying to follow the international collective movement, and that is one good thing that Saudi Vision 2030 or government brings out, ALJ is doing excellent, and it is ready and keeping up always.
	v) Environmental	I don't see any challenge in this perspective, ALJ is a leader in Hybrid cars.
	vi) Legal	People and business have to deal with any legalisation.
BSC	When considering a homogeneous actor-network and performance measurement within ALJ, what are the key performance indicators (KPIs) used to assess the following perspectives? i) Financial performance	Any businesses have some KPI measurement tool. ALJ's KPI based on extracted reports by the SAP information system (database).
	ii) Customer value proposition	For sure all departments have KPIs. According to my knowledge, lead time tool, compliance dashboard and our internal audit department all are measurement tools.
	iii) Internal process effectiveness	Timeline measurement.
	iv) Learning and growth	Kaizen team at ALJ is applying the best practices on an international scale, and they share the knowledge. In addition to that ALJ has a training centre for all associates.
COMPETITIVE STRATEGY	In terms of ALJ's competitive strategy: i) Describe ALJ's current strategy?	Delighting a customer and applying the best business practices.
	ii) In your opinion, which of the following strategies have ALJ followed or implemented? a. Cost leadership, b. Differentiation and/or c. Focus	I don't prefer to impose or fit these strategies. I believe ALJ has its unique strategy.
	iii) What strategy do you suggest ALJ should follow?	More digitalisation.
SAUDI VISION 2030	i) In your opinion how prepared do you think ALJ is for Saudi Vision 2030?	ALJ is leading the market. Competitors are just ALJ's followers.
	ii) What action has been taken so far in preparation for Saudi Vision 2030?	Automation of many processes by implementing SAP-ERP. Huge spending on Saudilisation program. I believe ALJ is the most committed organisation in Saudi Arabia ever.
CI	i) What competitive intelligence (CI) information have you gathered in preparation for Saudi Vision 2030?	We have a research unit under TMO, and we gather the information except about our competitors it is against the law and obviously considered as unethical also because it may give an impression that ALJ is scared or apprehensive. For governmental info, we contact ALJ-Legal department to get the latest information. You could say we only trust on an authentic source of news but not on rumour or social media.

MODEL PERSPECTIVE	Interview date / Time	15.11.2018/12:30-13:55
	Position	MD
	Length of employment	> 10
	Interview questions	Interviewee responses
SWOT	i) Could you identify the strengths of ALJ (internally)?	Financial stability, brands combination and well-known QDR. (quality, durability and reliability).
	ii) Could you identify the weaknesses of ALJ (internally)?	The communication has so much hierarchy. The decisions take a long round to get done; it is a big hindrance for the operations.
	iii) Could you identify the potential opportunities for ALJ (externally)?	We have a very strong brand, ALJ brand can get any opportunity in or out of the automotive sector.
	iv) Could you identify the potential threats (challenges) for ALJ (externally)?	The economic situation, imposing new taxation and the fees on expatriates. In addition to the increase in utility charges, which all ultimately reduced purchasing power.
PESTEL	By referring to the competitive environment (CE) of ALJ, could you identify the challenges of Saudi Vision 2030 on ALJ, from the following perspective? i) Political	No comment.
	ii) Economic	There is a big challenge for the business to survive nowadays.
	iii) Socio-cultural	We have seen the propaganda so far - no challenge or benefits on the ground.
	iv) Technological	ALJ has taken e-commerce direction we have done some successful steps in this long journey.
	v) Environmental	We have very high air pollution in our big cities. The government have started measuring this issue. However, ALJ supporting any movement toward a more healthy and green environment.
	vi) Legal	Yes, there are many concerns, legislation will affect any business for sure. Any change for the business means cost and effort regardless of its volume.
BSC	When considering a homogeneous actor-network and performance measurement within ALJ, what are the key performance indicators (KPIs) used to assess the following perspectives?	Several KPIs such as ROI, market share, revenue, sales trends and payback period.
	i) Financial performance	
	ii) Customer value proposition	Internal guest delight index (iGDI) for the employees. And guest delight index (GDI) for the customers.
	iii) Internal process effectiveness	Process lead time and operation cost.
COMPETITIVE STRATEGY	iv) Learning and growth	Still, we need to improve here; even it is difficult to measure such elements. I believe HR doesn't play its role, I aware of a great place of work survey it was very generic though it's not bad, we should have a more professional tool to measure the behaviour and teamwork.
	In terms of ALJ's competitive strategy:	Strengthening ALJ brand and care about the customer. Being the number one in the market.
	i) Describe ALJ's current strategy?	ALJ is purely differentiation oriented. Toyota stands and well known a high-quality product manufacturer. ALJ has a very good distinguish stance but not fighting on the price. ALJ believe more on leveraging high standard services.
SAUDI VISION 2030	ii) In your opinion, which of the following strategies have ALJ followed or implemented? a. Cost leadership, b. Differentiation and/or c. Focus	To add the Quality performance indicator (QPI) and improve customer retaining experience.
	iii) What strategy do you suggest ALJ should follow?	
SAUDI VISION 2030	i) In your opinion how prepared do you think ALJ is for Saudi Vision 2030?	We are ready and well prepared for Saudi Vision 2030.
	ii) What action has been taken so far in preparation for Saudi Vision 2030?	There are many actions and decisions has been taken in preparation for Saudi Vision 2030. For example: 1- Applying fuel efficiency rules. 2- Enforcing Hybrid cars. 3- Saudilisation. 4- Women's empowerment (employment and car driving initiatives). 5- Internal process enhancement.
CI	i) What competitive intelligence (CI) information have you gathered in preparation for Saudi Vision 2030?	We have MRI unit under the marketing; they are providing some information that we need but not in all cases. They have assigned to serve sales and marketing. I don't mind if they are separate department or subunit, but they should extend their services to the whole group, yet their focus is only on the sales side. In the end, ALJ is a well-matured organisation. We know where we are and where to go. ALJ is one of the best company in Saudi Arabia, and Toyota is the best automotive company in the world.

MODEL PERSPECTIVE	Interview date / Time	18.11.2018/09:00-09:55
	Position	SGM
	Length of employment	> 10
	Interview questions	Interviewee responses
SWOT	i) Could you identify the strengths of ALJ (internally)?	Belongingness to ALJ. The structure of value which consist of respect, improve, pioneer and empower. ALJ environment and culture.
	ii) Could you identify the weaknesses of ALJ (internally)?	Honestly, ALJ is very slow in making decisions, maybe because of bureaucracy and autonomy, it is sometimes hard to make a decision, there is a long chain to take any decision which sometimes slows down the entire business process.
	iii) Could you identify the potential opportunities for ALJ (externally)?	ALJ has a good opportunity inside and outside the automotive sector. We have to leverage our brand name by diversifying.
	iv) Could you identify the potential threats (challenges) for ALJ (externally)?	Current economic challenges.
PESTEL	By referring to the competitive environment (CE) of ALJ, could you identify the challenges of Saudi Vision 2030 on ALJ, from the following perspective? i) Political	Yes, there is a challenge with massive impact. Hence, we have to adapt very quickly.
	ii) Economic	The whole economy and especially technology field are subject to restructuring and redesigning now. It is a crucial challenge to deal with.
	iii) Socio-cultural	I believe ALJ has a pioneering stance and the adaptability advantages.
	iv) Technological	Technology is the biggest challenge ever, and ALJ made some improvements by implementing SAP so far, but still, technology requires a lot to do.
	v) Environmental	ALJ do not interact directly with the environment. ALJ not a manufacturer or energy industry. I believe, an entire world is not ready for this challenge.
	vi) Legal	The whole challenge is about meeting the requirements. ALJ has a setup and has the ability to adapt.
BSC	When considering a homogeneous actor-network and performance measurement within ALJ, what are the key performance indicators (KPIs) used to assess the following perspectives? i) Financial performance	Sales percentage and profitability.
	ii) Customer value proposition	Satisfaction surveys.
	iii) Internal process effectiveness	ALJ strategy.
	iv) Learning and growth	There is no KPI for all given examples in this regard.
COMPETITIVE STRATEGY	In terms of ALJ's competitive strategy: i) Describe ALJ's current strategy?	ALJ strategy is sustainability and profitability. The other terms are used just as a slogan.
	ii) In your opinion, which of the following strategies have ALJ followed or implemented? a. Cost leadership, b. Differentiation and/or c. Focus	Cost leadership is bit subjective. I believe it is a differentiation with little focus.
	iii) What strategy do you suggest ALJ should follow?	Diversification of ALJ's business portfolio.
SAUDI VISION 2030	i) In your opinion how prepared do you think ALJ is for Saudi Vision 2030?	Yes, ALJ is well prepared, no doubt more than 90%.
	ii) What action has been taken so far in preparation for Saudi Vision 2030?	We are the best in dealing with Saudi Vision 2030 by all aspects especially bringing a Hybrid car and achieving the Saudilisation, besides many other initiatives.
CI	i) What competitive intelligence (CI) information have you gathered in preparation for Saudi Vision 2030?	Yes, we have gathered much information, and it is an ongoing activity, any beneficial or critical info we share it immediately with respective management. We have comprehensive research activity. ALJ is unique in this regard.

MODEL PERSPECTIVE	Interview date / Time	29.11.2018/17:15-18:10
	Position	MD
	Length of employment	> 11
	Interview questions	Interviewee responses
SWOT	i) Could you identify the strengths of ALJ (internally)?	ALJ's four values: respect, improve, pioneer and empower.
	ii) Could you identify the weaknesses of ALJ (internally)?	Yes, there is, but I don't see any major weaknesses.
	iii) Could you identify the potential opportunities for ALJ (externally)?	Expansion in guest experience.
	iv) Could you identify the potential threats (challenges) for ALJ (externally)?	High uncertainty, massive change, to competition by Chinese, Korean and American vehicles (but this is a low challenge compared to the uncertainty).
PESTEL	By referring to the competitive environment (CE) of ALJ, could you identify the challenges of Saudi Vision 2030 on ALJ, from the following perspective? i) Political	Yes, sure there is a challenge, and we perhaps cannot segregate these PESTEL factors or elements. Any economical or legal aspect, in the end, come from a political decision, so all of them are interlinked, for example, utility bills have been increased, taxation and governmental bills all are challenges for the business stability and continuity.
	ii) Economic	As I mentioned early in the political aspect.
	iii) Socio-cultural	For ALJ there are some challenges and more opportunities. The Saudi Vision 2030 comprises 80% of opportunities and 20% of challenges.
	iv) Technological	Again this is not a challenge it is an opportunity for the business to keep up and interact with international business markets.
	v) Environmental	The environmental issue has never been a dilemma for ALJ.
	vi) Legal	This is to be considered as a political aspect.
BSC	When considering a homogeneous actor-network and performance measurement within ALJ, what are the key performance indicators (KPIs) used to assess the following perspectives? i) Financial performance	Gross sales, and Net profit.
	ii) Customer value proposition	NPS
	iii) Internal process effectiveness	ALJ rules and standards.
	iv) Learning and growth	We are currently working on this KPI.
COMPETITIVE STRATEGY	In terms of ALJ's competitive strategy: i) Describe ALJ's current strategy?	Guest is first
	ii) In your opinion, which of the following strategies have ALJ followed or implemented? a. Cost leadership, b. Differentiation and/or c. Focus	Definitely, it is differentiation.
	iii) What strategy do you suggest ALJ should follow?	Full automation process or what we call digitalisation.
SAUDI VISION 2030	i) In your opinion how prepared do you think ALJ is for Saudi Vision 2030?	We are ready 100%. Saudi Vision 2030 has many phases, and we are fully aligned with each phase and its requirement, we will reach the final destination together.
	ii) What action has been taken so far in preparation for Saudi Vision 2030?	ALJ is currently sponsoring four schools of women's driving, besides social media campaigns, Saudilisation and the only Hybrid cars distributor in the Kingdom.
CI	i) What competitive intelligence (CI) information have you gathered in preparation for Saudi Vision 2030?	We have the marketing department which provides with information whenever it's requested, I believe there is an information revolution, there are a lot of resources, but we get a most authentic one. We also have external affairs and legal departments once we contact them we will get the necessary required information.

ANNEXURE 6 (QUESTIONNAIRE EMAIL-REQUEST)



The screenshot shows an email client window with a blue header bar. The title bar reads "FW: PhD _ Questionnaire survey - Message (Rich Text)". The menu bar includes "File", "Message", and "Tell me what you want to do...". The email content is as follows:

Sat 18/05/2019 16:37
Abdulaziz Ghulam Farid Ahmadani
FW: PhD _ Questionnaire survey
To: Abdulaziz Ghulam Farid Ahmadani

Metalogix Archive Manager [+ Get more apps](#)

Dear Sir/Madam,

I am studying a PhD in Management and Economic Science, at North-West University, and part of my study is submitting a questionnaire survey regarding my topic:

"A COMPETITIVE STRATEGY FOR AN AUTOMOTIVE FIRM IN PREPARATION FOR SAUDI VISION 2030"

I am seeking a few minutes of your valuable time to participate in this important survey.

Please note that this is an academic survey, and its responses are completely confidential.

Your contribution is highly appreciated.

Questionnaire survey

Kind Regards,
Abdulaziz Ahmadani
NWU- 29838134
M. +966 50076 4040
E. ahmadaniag@ali.com

ANNEXURE 7 (QUESTIONNAIRE FORM)



Questionnaire survey

For PhD in Management Accountancy

A competitive strategy for an automotive firm in preparation for Saudi Vision 2030

Unit I

***Required**

1. Please specify your department? *

Mark only one oval.

- Finance
- Information Technology (IT)
- Human Resources (HR)
- Sales
- Services
- Strategic
- Marketing
- Corporate Shared Services (CSS)
- Other:

2. Please specify your position level? *

Mark only one oval.

- Operational level
- Middle management
- Senior management

3. Please specify the length of your employment at ALJ? *

Mark only one oval.

- 1-5 Years
- 6-10 Years
- > 10 Years

Unit II

Based on a five-point Likert-scale. Please answer all (31) questions in sections (A to E), (*Mark only one oval*).

***Required**

1. **A1** - To which extent you agree that: **“Associates loyalty”** is one of ALJ's strengths. *

Strongly disagree	Agree	Neutral	Agree	Strongly agree
1	2	3	4	5
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

2. **A2** - To which extent you agree that: **“ALJ's brand name”** is one of ALJ's strengths. *

Strongly disagree	Agree	Neutral	Agree	Strongly agree
1	2	3	4	5
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

3. **A3** - To which extent you agree that: **“ALJ's four values: Respect, Improve, Pioneer and Empower”** is one of ALJ's strengths. *

Strongly disagree	Agree	Neutral	Agree	Strongly agree
1	2	3	4	5
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

4. **A4** - To which extent you agree that: **“The bureaucracy in decision-making processes”** is one of ALJ's weaknesses. *

Strongly disagree	Agree	Neutral	Agree	Strongly agree
1	2	3	4	5
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

5. **A5** - To which extent you agree that: **“Communication effectiveness”** is one of ALJ's weaknesses. *

Strongly disagree	Agree	Neutral	Agree	Strongly agree
1	2	3	4	5
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

6. **A6** - To which extent you agree that: **“The poor role of HR”** is one of ALJ's weaknesses. *

Strongly disagree	Agree	Neutral	Agree	Strongly agree
1	2	3	4	5
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

7. **A7** - To which extent you agree that: **“Saudi Vision 2030” is a potential opportunity for ALJ.** *

Strongly disagree	Agree	Neutral	Agree	Strongly agree
1	2	3	4	5
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

8. **A8** - To which extent you agree that: **“Digitalisation” is a potential opportunity for ALJ.** *

Strongly disagree	Agree	Neutral	Agree	Strongly agree
1	2	3	4	5
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

9. **A9** - To which extent you agree that: **“Expansion in the automotive sector” is a potential opportunity for ALJ.** *

Strongly disagree	Agree	Neutral	Agree	Strongly agree
1	2	3	4	5
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

10. **A10** - To which extent you agree that: **“Expansion in the non-automotive sector” is a potential opportunity for ALJ.** *

Strongly disagree	Agree	Neutral	Agree	Strongly agree
1	2	3	4	5
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

11. **A11** - To which extent you agree that: **“The regular changing in government rules and regulations” could be considered a challenge for ALJ.** *

Strongly disagree	Agree	Neutral	Agree	Strongly agree
1	2	3	4	5
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

12. **A12** - To which extent you agree that: **“Korean and Chinese competitors” could be considered a challenge for ALJ.** *

Strongly disagree	Agree	Neutral	Agree	Strongly agree
1	2	3	4	5
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

13. **A13** - To which extent you agree that: **“Slowdown or economic or recession” could be considered as an opportunity rather than a challenge for ALJ.** *

Strongly disagree	Agree	Neutral	Agree	Strongly agree
1	2	3	4	5
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

14. **B1** - To which extent you agree that: **Saudi Vision 2030 brings up some challenges (in form of; Saudization, increases of fuel and utility prices, in addition to taxes and other governmental fees).** *

Note: Saudization: is a strategy that seeks to replace foreign workers with Saudi citizens

Strongly disagree	Agree	Neutral	Agree	Strongly agree
1	2	3	4	5
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

15. **B2** - To which extent you agree that: **ALJ perceives and considers Saudi Vision 2030 as an opportunity.** *

Strongly disagree	Agree	Neutral	Agree	Strongly agree
1	2	3	4	5
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

16. **B3** - To which extent you agree that: **ALJ will benefit by including women in their workforce.** *

Strongly disagree	Agree	Neutral	Agree	Strongly agree
1	2	3	4	5
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

17. **B4** - To which extent you agree that: **ALJ will benefit from women driving cars.** *

Strongly disagree	Agree	Neutral	Agree	Strongly agree
1	2	3	4	5
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

18. **B5** - To which extent you agree that: **From a technological perspective, ALJ is equipped with modern technology.** *

Strongly disagree	Agree	Neutral	Agree	Strongly agree
1	2	3	4	5
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

19. **B6** - To which extent you agree that: **ALJ is an Eco-friendly firm (supporting environmental issues).** *

Strongly disagree	Agree	Neutral	Agree	Strongly agree
1	2	3	4	5
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

20. **B7** - To which extent you agree that: **ALJ is competent to meet the changes in laws and regulations imposed due to Saudi Vision 2030.** *

Strongly disagree	Agree	Neutral	Agree	Strongly agree
1	2	3	4	5
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

21. **B8** - To which extent you agree that: **ALJ is considered as a competitive environment.** *

Strongly disagree	Agree	Neutral	Agree	Strongly agree
1	2	3	4	5
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

22. **C1** - To which extent you agree that: **ALJ is financially strong and can face any challenge and can gain from any opportunity.** *

Strongly disagree	Agree	Neutral	Agree	Strongly agree
1	2	3	4	5
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

23. **C2** - To which extent you agree that: **ALJ has strong Customer Relationship Management enabling the company to acquire new customers and to retain them for a long time.** *

Strongly disagree	Agree	Neutral	Agree	Strongly agree
1	2	3	4	5
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

24. **C3** - To which extent you agree that: **ALJ has effective internal process and effective network (departmental) collaboration.** *

Strongly disagree	Agree	Neutral	Agree	Strongly agree
1	2	3	4	5
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

25. **C4** - To which extent you agree that: **ALJ has a healthy work environment in terms of cultural behaviour, teamwork and fair treatment – “It is the best place to work”.** *

Strongly disagree	Agree	Neutral	Agree	Strongly agree
1	2	3	4	5
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

26. **D1** - To which extent you agree that: **ALJ's current strategy "Earn Guest Loyalty" is a robust and effective competitive strategy.** *

Strongly disagree	Agree	Neutral	Agree	Strongly agree
1	2	3	4	5
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

27. **D2** - To which extent you agree that: **ALJ provides unique and high-value products and services to their customers.** *

Strongly disagree	Agree	Neutral	Agree	Strongly agree
1	2	3	4	5
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

28. **D3** - To which extent you agree that: **ALJ needs to redesign/re-formulate its current strategy.** *

Strongly disagree	Agree	Neutral	Agree	Strongly agree
1	2	3	4	5
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

29. **E1** - To which extent you agree that: **ALJ is well-prepared and ready for Saudi Vision 2030.** *

Strongly disagree	Agree	Neutral	Agree	Strongly agree
1	2	3	4	5
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

30. **E2** - To which extent you agree that: **ALJ supports all the initiatives as proposed by Saudi Vision 2030.** *

Strongly disagree	Agree	Neutral	Agree	Strongly agree
1	2	3	4	5
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

31. **E3** - To which extent you agree that: **ALJ's Associates periodically receives newsletters and awareness messages about internal and external essential changes.** *

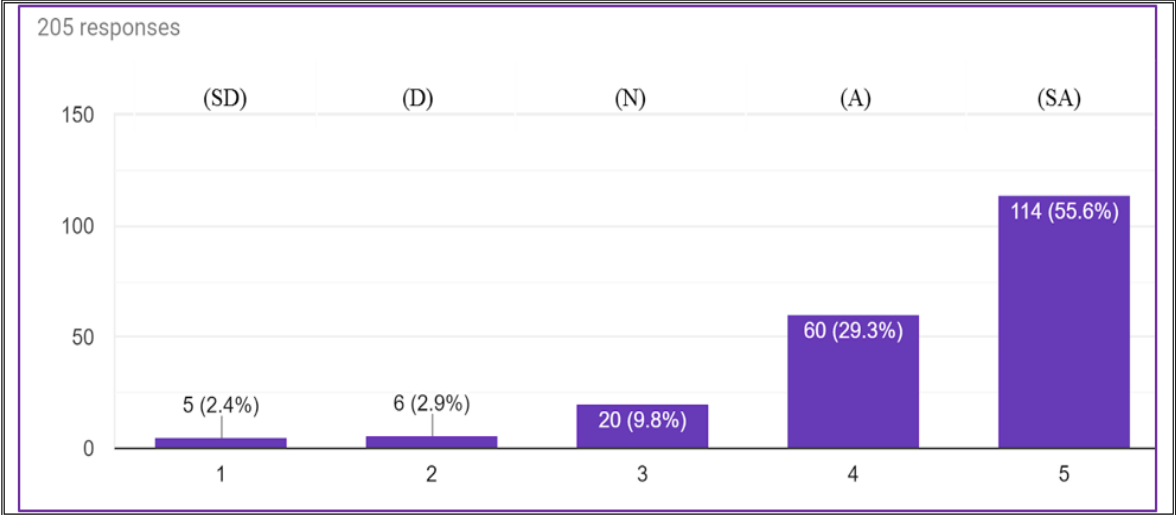
Strongly disagree	Agree	Neutral	Agree	Strongly agree
1	2	3	4	5
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

SUBMIT

This is the end of the questionnaire.
Thank you for your participation.

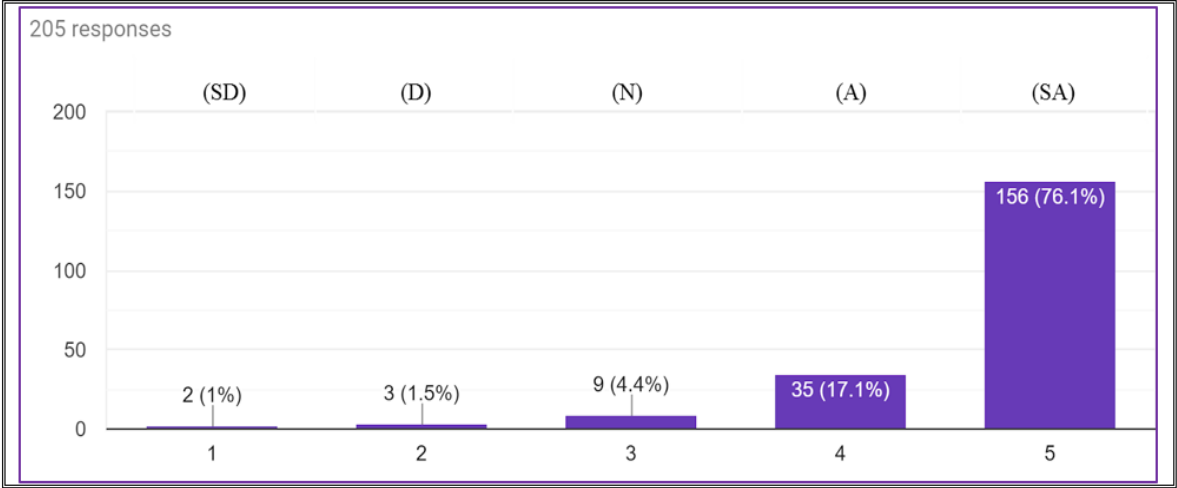
ANNEXURE 8 (QUESTIONNAIRE RESPONCES)

A1. “Associates loyalty” is one of ALJ's strengths.



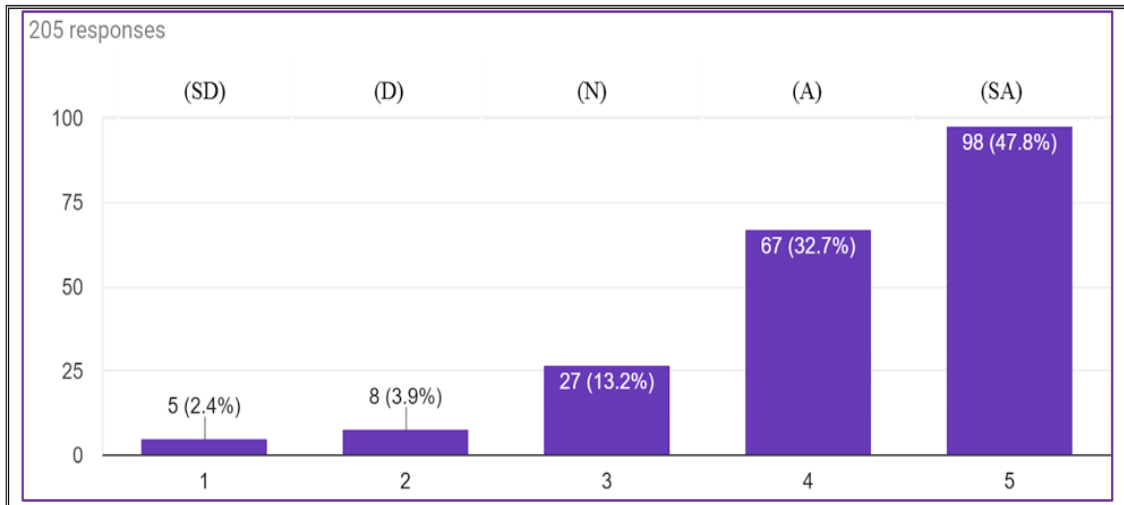
Source: Own research

A2. “ALJ's brand name” is one of ALJ's strengths.



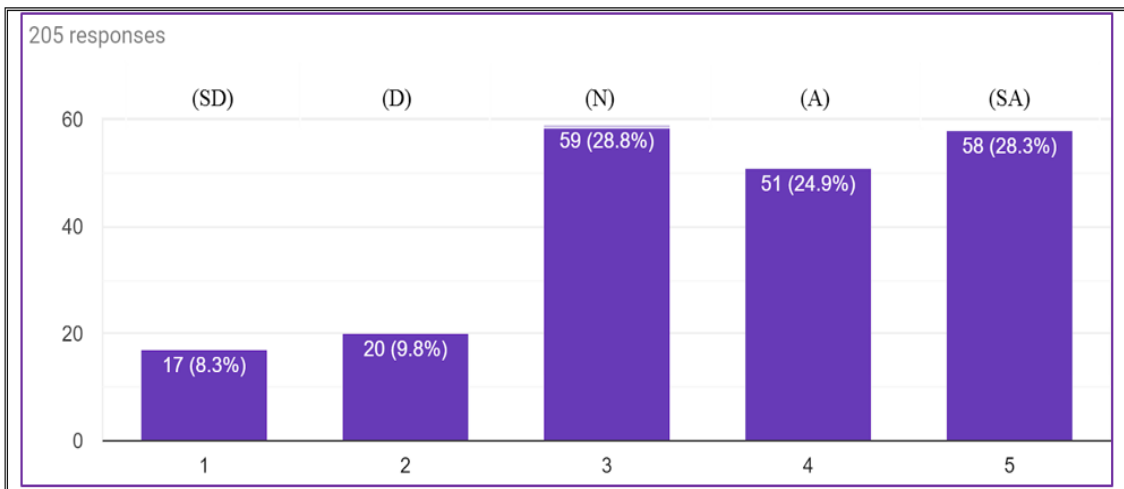
Source: Own research

A3. “ALJ's four values: respect, improve, pioneer and empower” is one of ALJ's strengths.



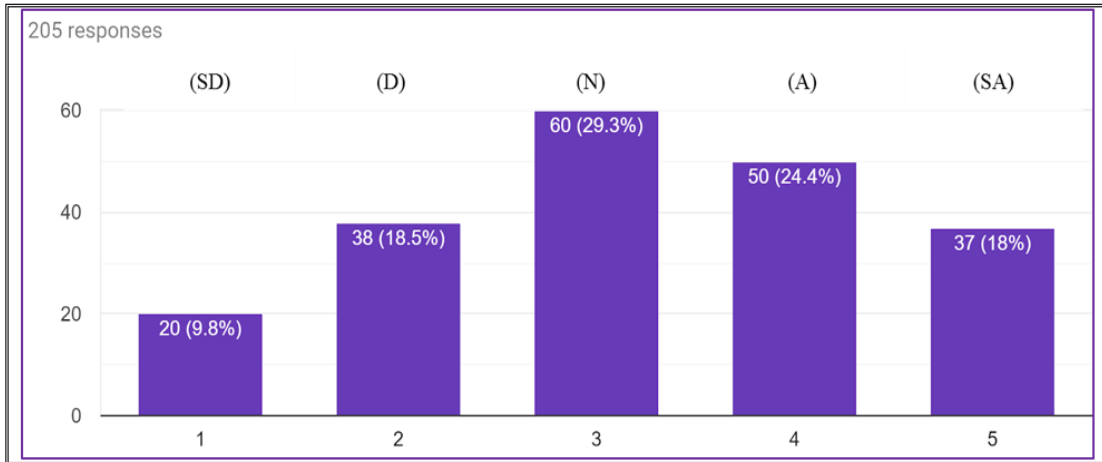
Source: Own research

A4. “The bureaucracy in decision-making processes” is one of ALJ's weaknesses.



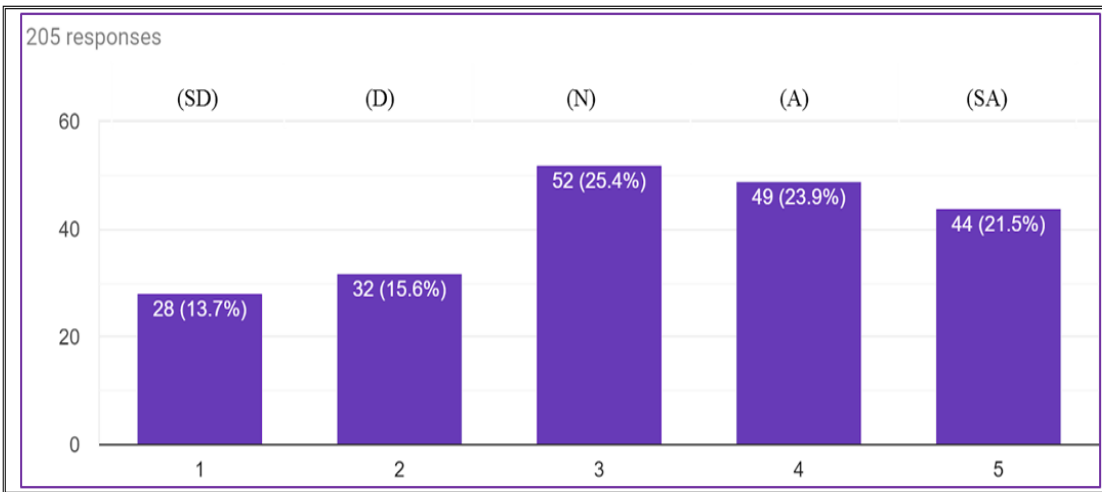
Source: Own research

A5. “Communication effectiveness” is one of ALJ's weaknesses.



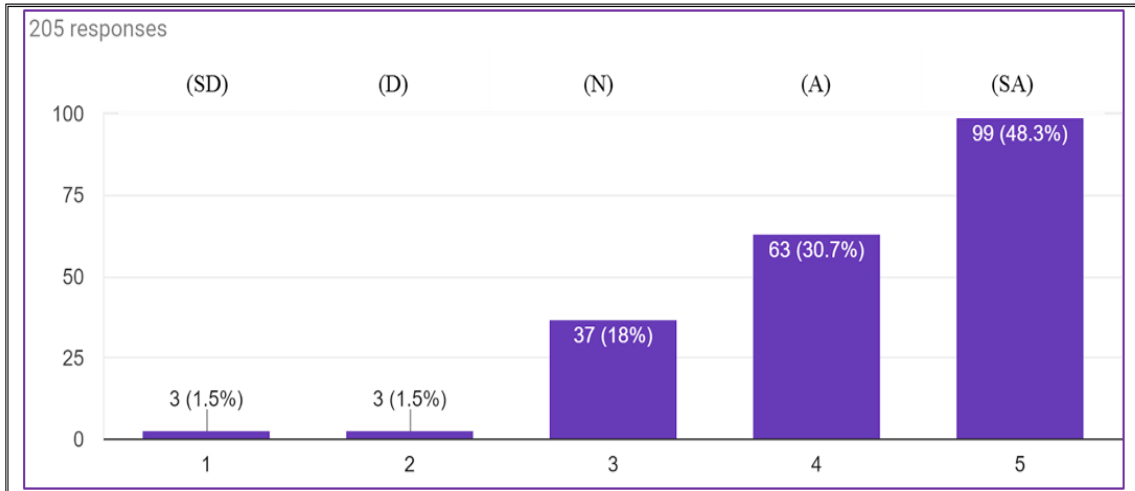
Source: Own research

A6. “The poor role of HR” is one of ALJ's weaknesses.



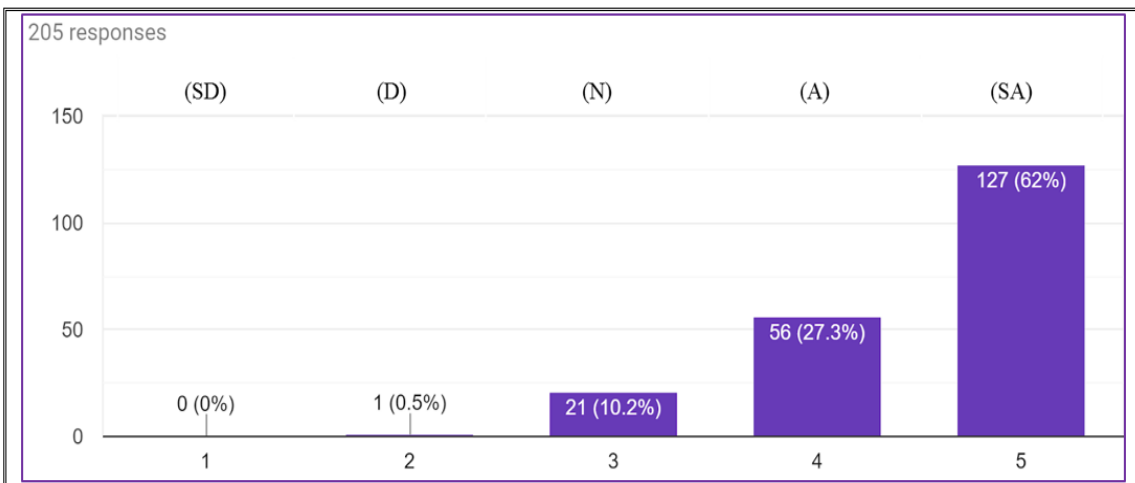
Source: Own research

A7. “Saudi Vision 2030” is a potential opportunity for ALJ.



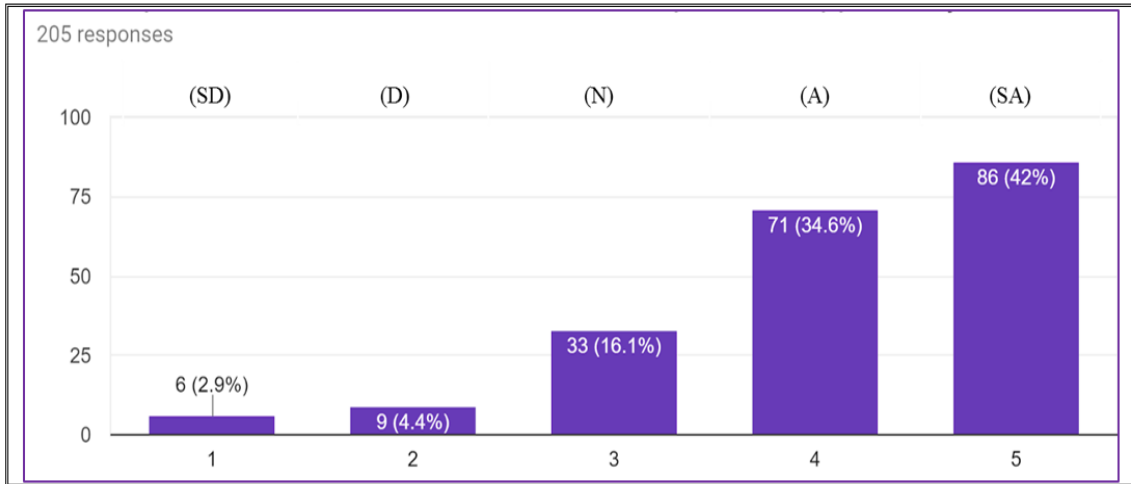
Source: Own research

A8. “Digitalisation” is a potential opportunity for ALJ.



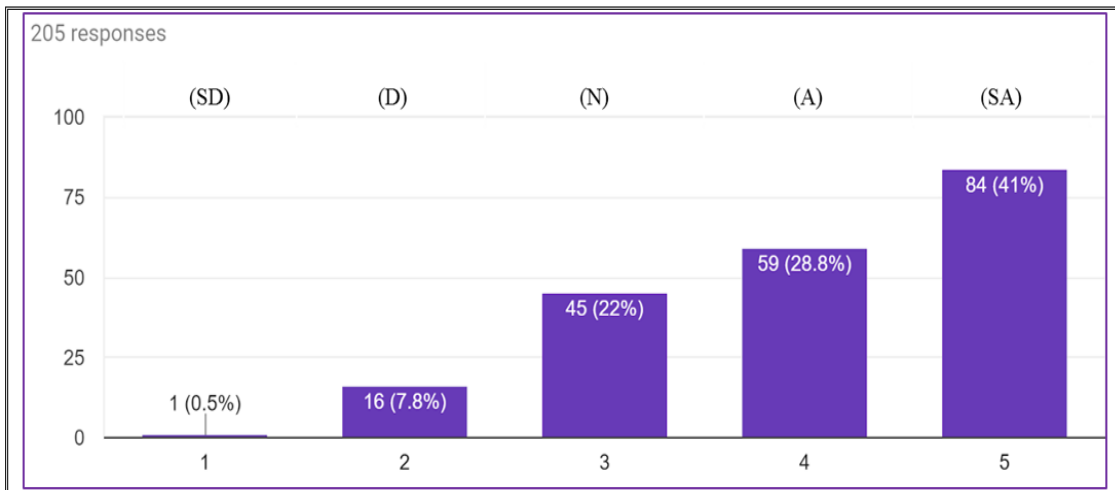
Source: Own research

A9. “Expansion in the automotive sector” is a potential opportunity for ALJ.



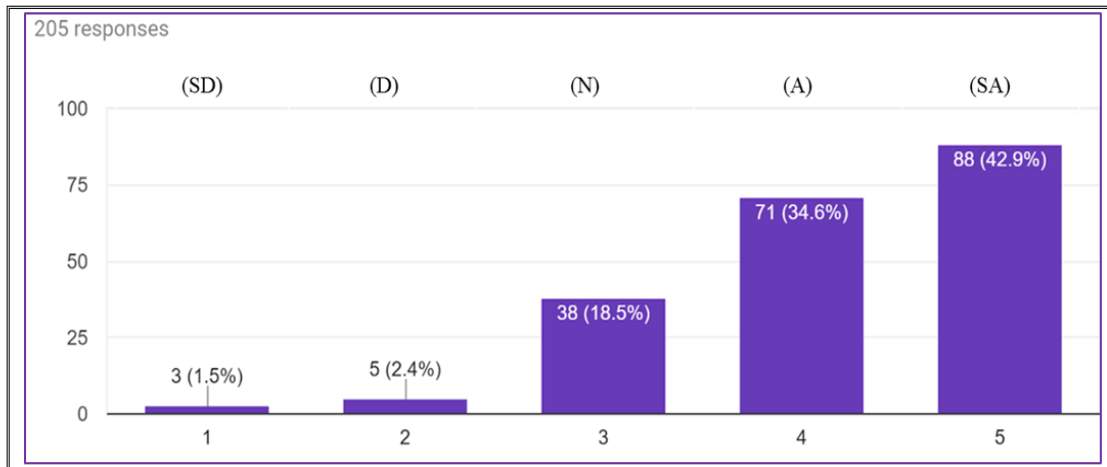
Source: Own research

A10. “Expansion in the non-automotive sector” is a potential opportunity for ALJ.



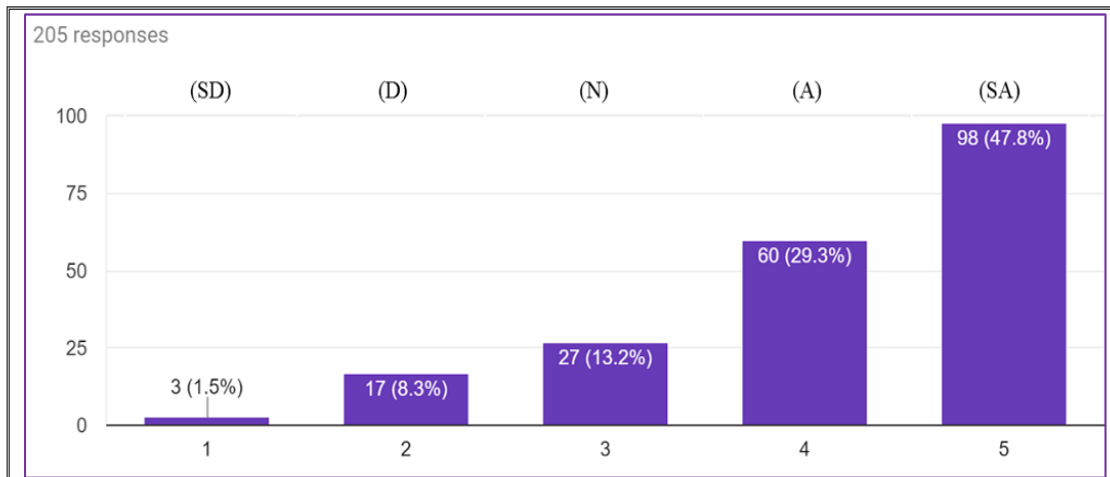
Source: Own research

A11. “The regular changing in government rules and regulations” could be considered a challenge for ALJ.



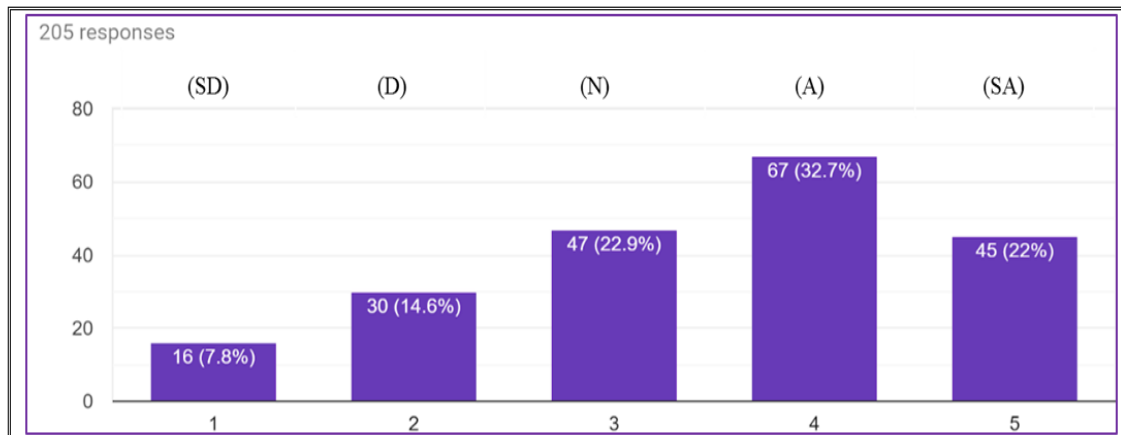
Source: Own research

A12. “Korean and Chinese competitors” could be considered a challenge for ALJ.



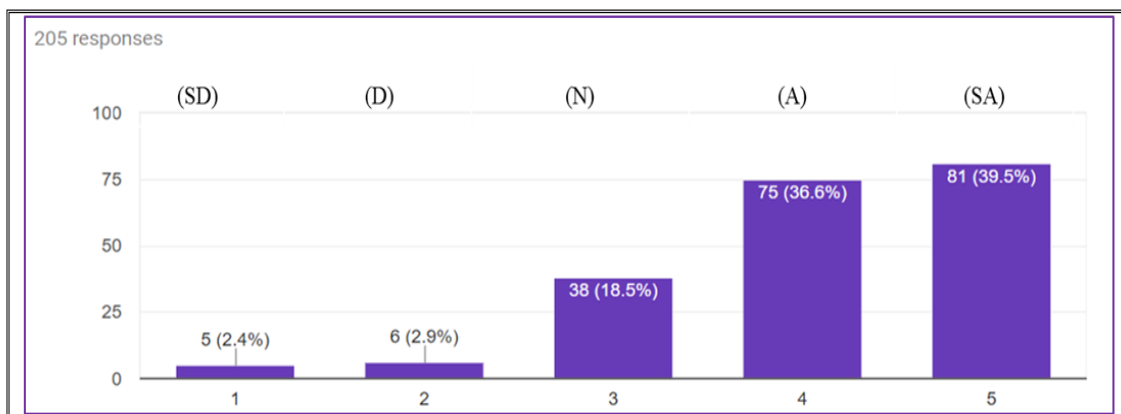
Source: Own research

A13. “Slowdown or economic recession” could be considered as an opportunity rather than a challenge for ALJ.



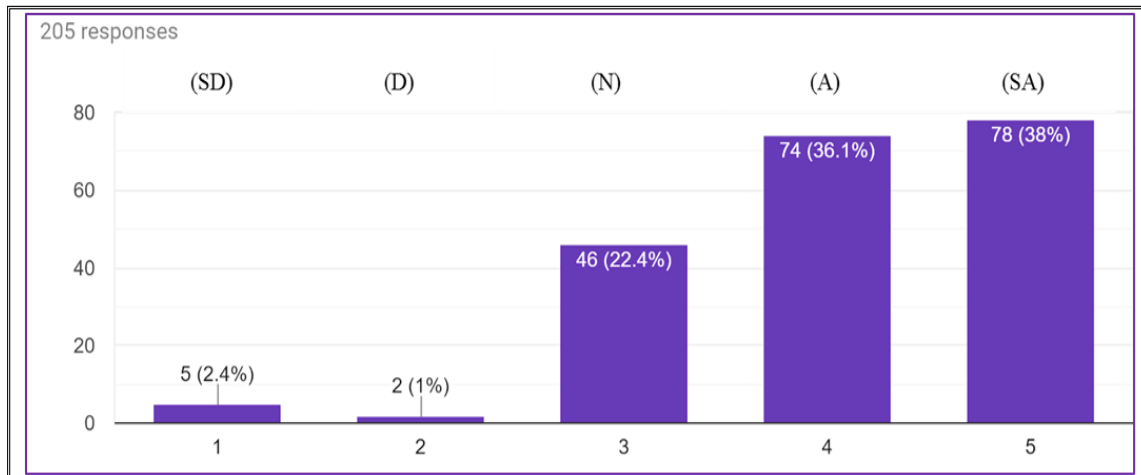
Source: Own research

B1. Saudi Vision 2030 brings up some challenges in the form of; Saudilisation increases of fuel and utility prices, in addition to taxes and other governmental fees.



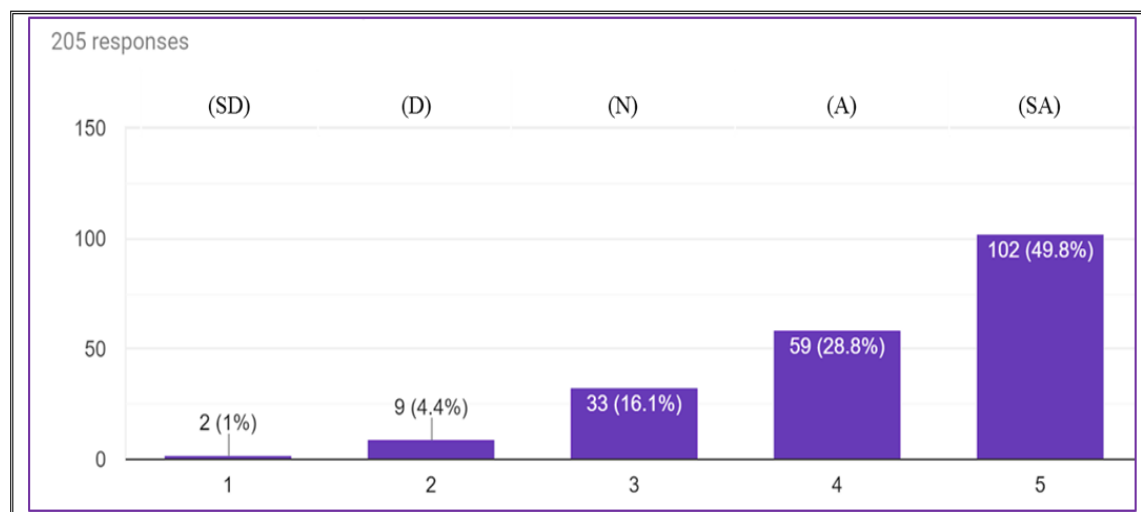
Source: Own research

B2. ALJ perceives and considers Saudi Vision 2030 as an opportunity.



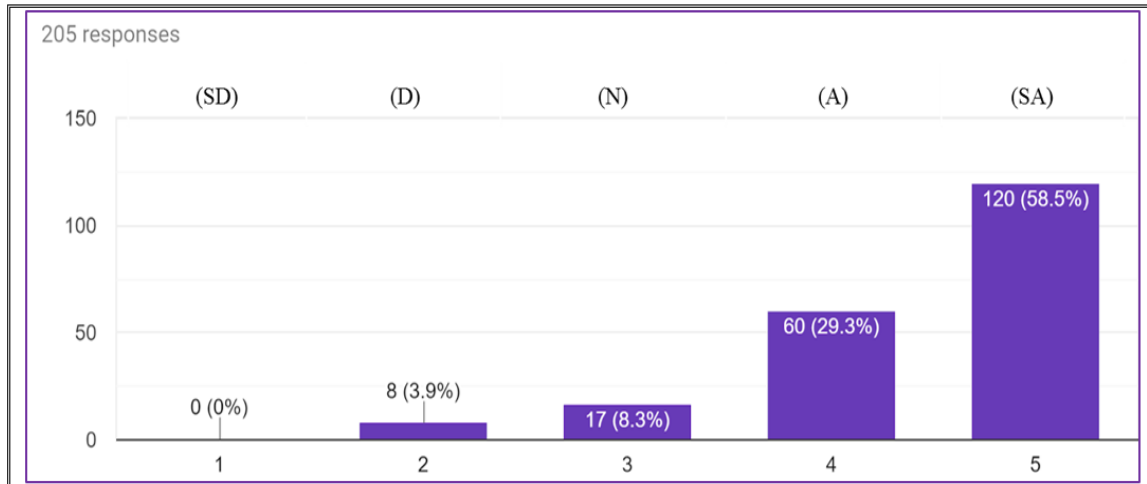
Source: Own research

B3. ALJ will benefit by including women in their workforce.



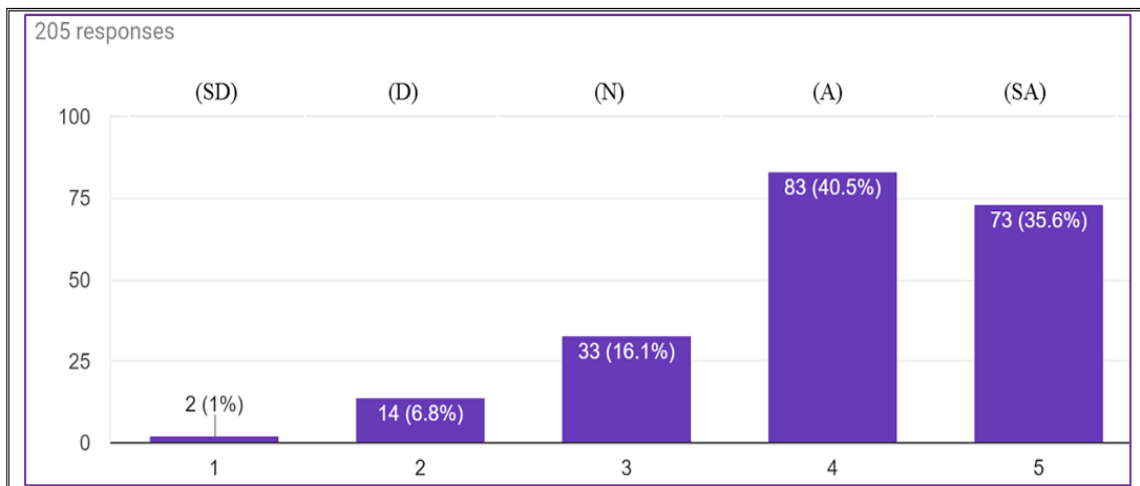
Source: Own research

B4. ALJ will benefit from women driving cars.



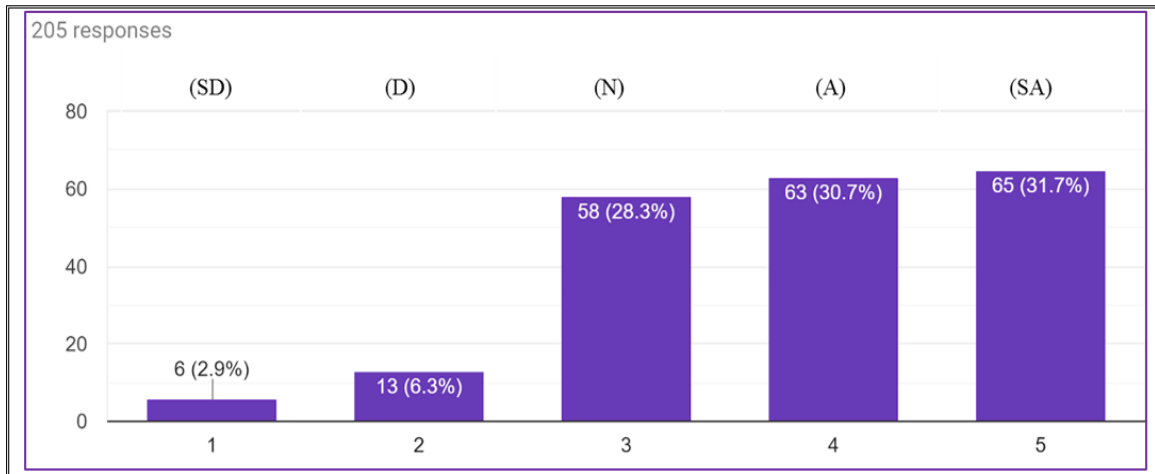
Source: Own research

B5. From a technological perspective, ALJ is equipped with modern technology.



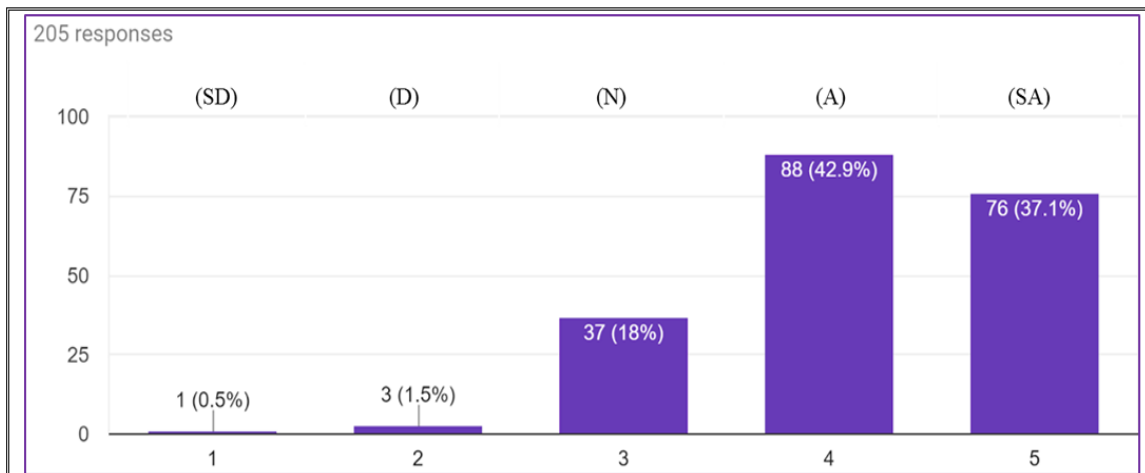
Source: Own research

B6. ALJ is an Eco-friendly firm (supporting environmental issues).



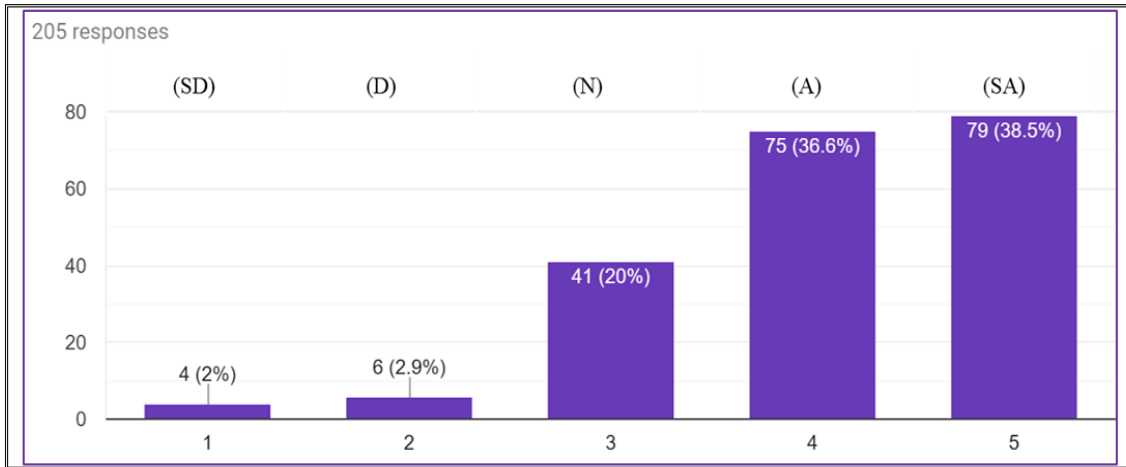
Source: Own research

B7. ALJ is competent to meet the changes in laws and regulations imposed due to Saudi Vision 2030.



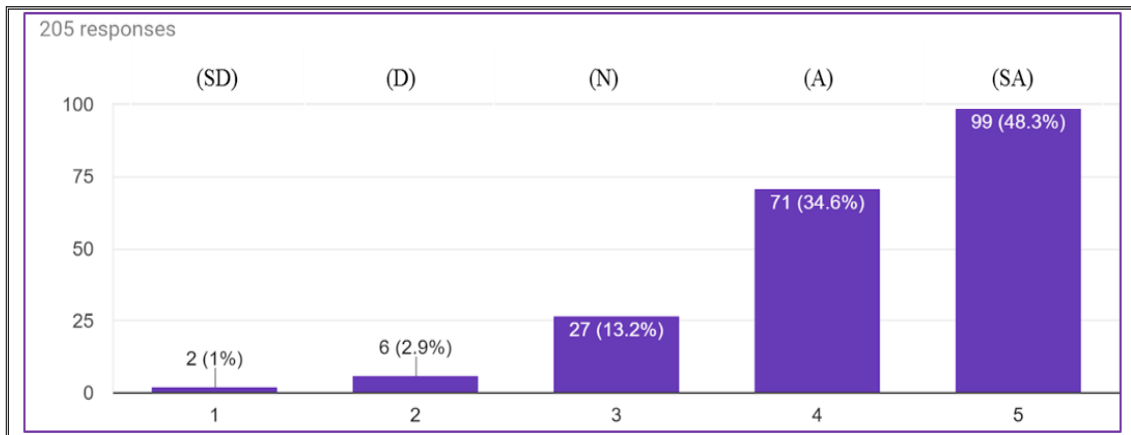
Source: Own research

B8. ALJ is considered as a competitive environment.



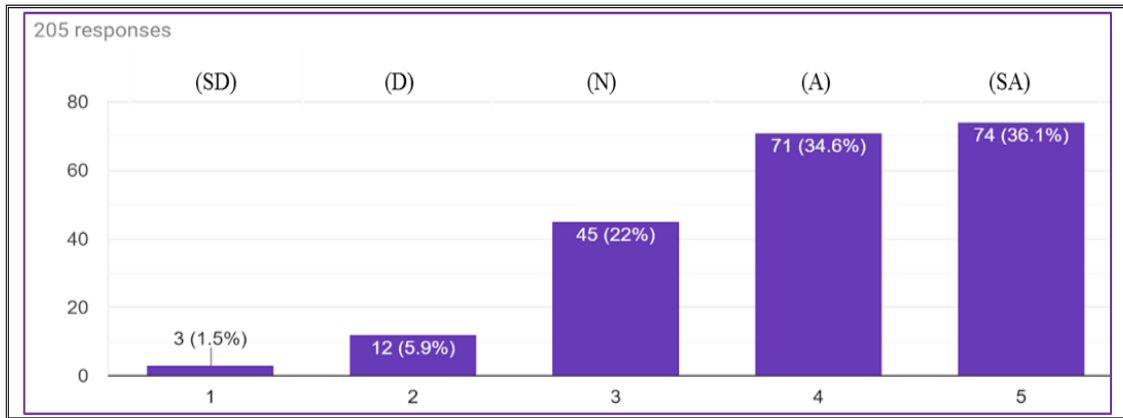
Source: Own research

C1. ALJ is financially strong and can face any challenge and can gain from any opportunity.



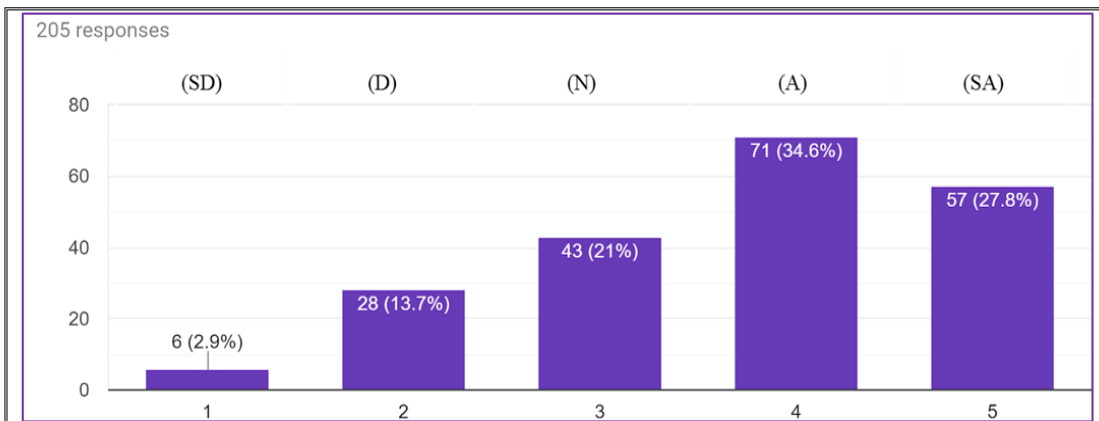
Source: Own research

C2. ALJ has strong Customer Relationship Management enabling the company to acquire new customers and to retain them for a long time.



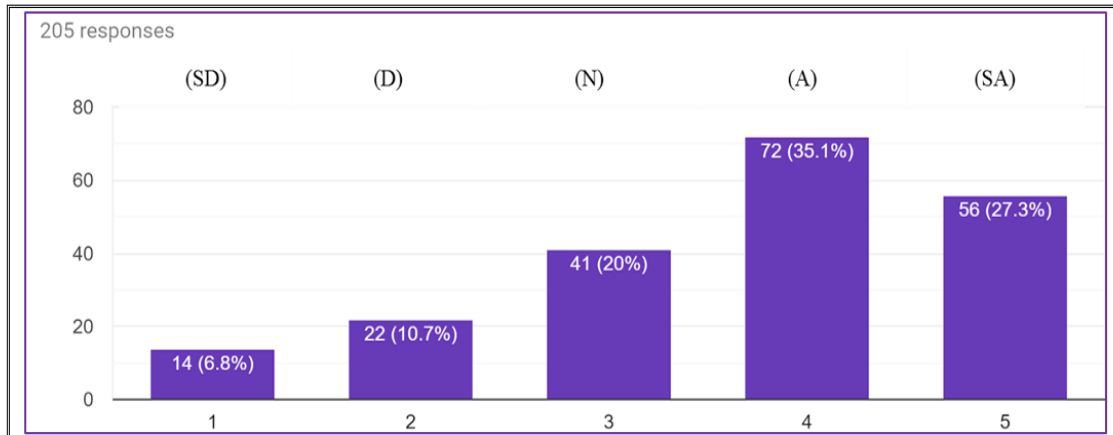
Source: Own research

C3. ALJ has an effective internal process and effective network (departmental) collaboration.



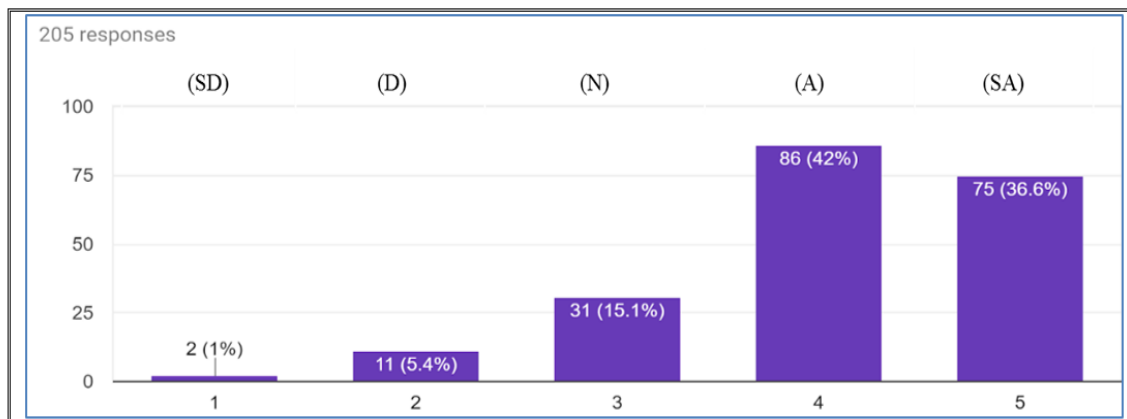
Source: Own research

C4. ALJ has a healthy work environment in terms of cultural behaviour, teamwork and fair treatment – “It is the best place to work”.



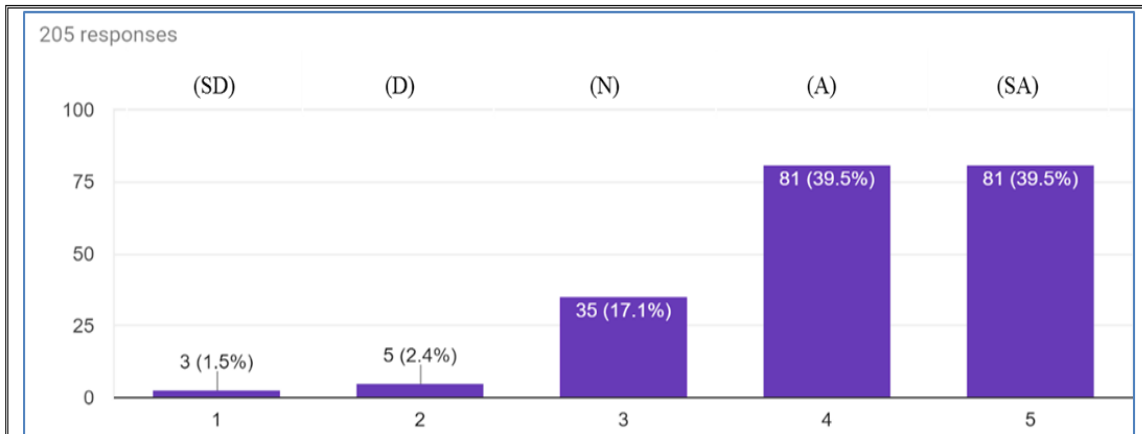
Source: Own research

D1. ALJ's current strategy "Earn Guest Loyalty" is a robust and effective competitive strategy.



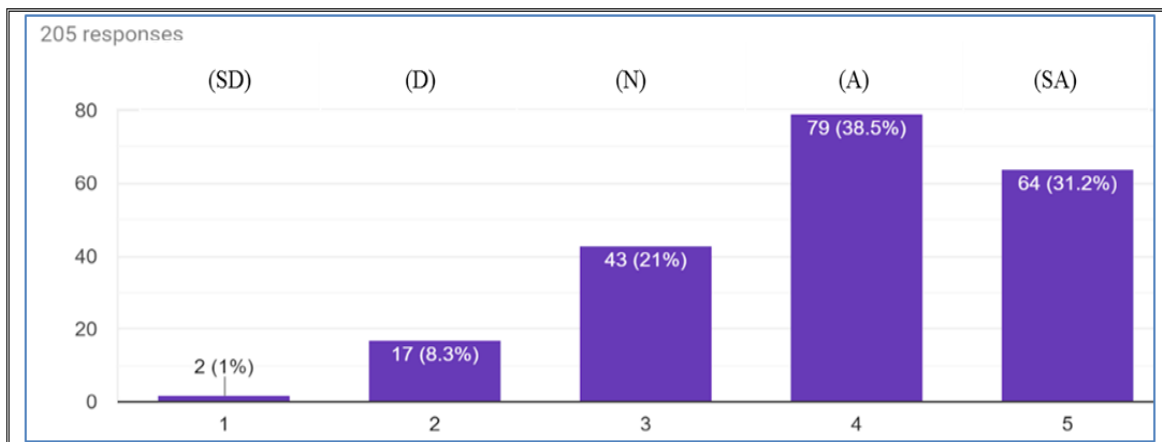
Source: Own research

D2. ALJ provides unique and high-value products and services to their customers.



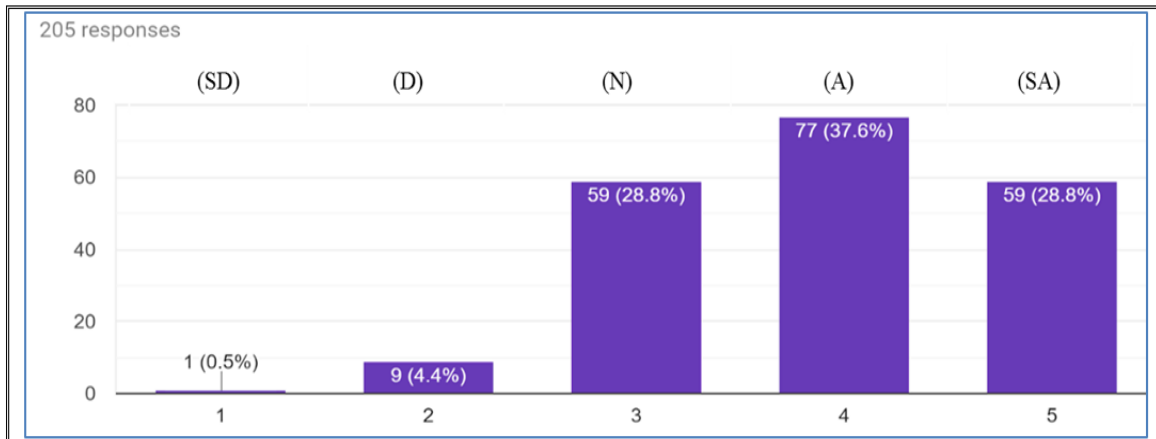
Source: Own research

D3. ALJ needs to redesign/re-formulate its current strategy.



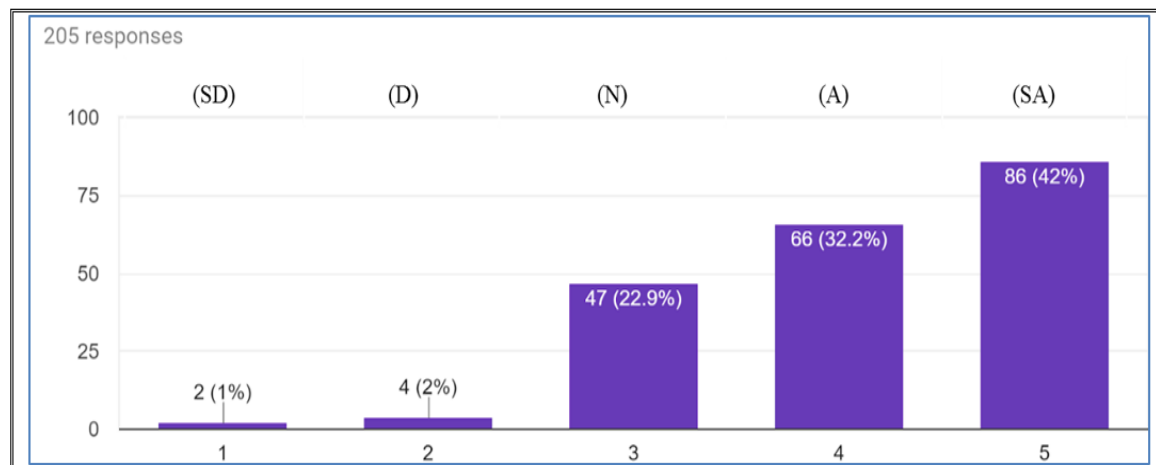
Source: Own research

E1. ALJ is well-prepared and ready for Saudi Vision 2030.



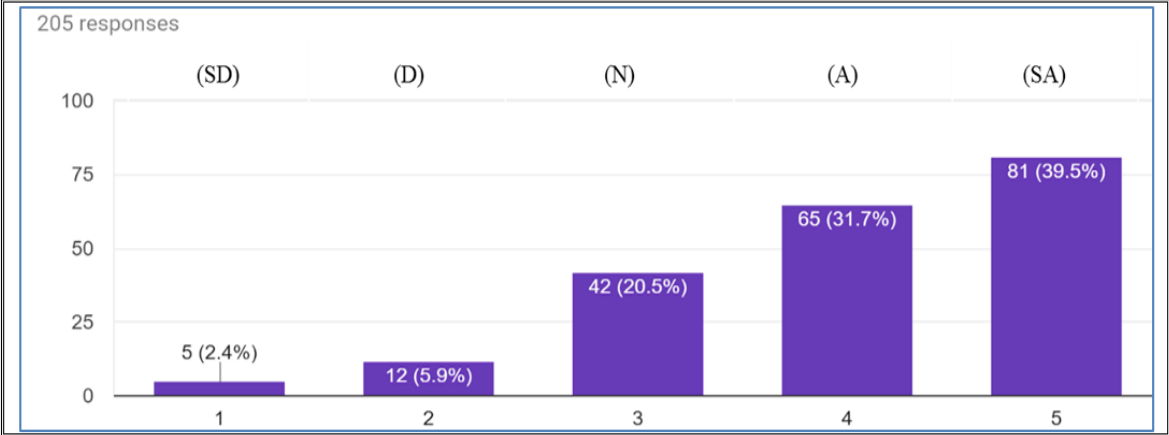
Source: Own research

E2. ALJ supports all the initiatives as proposed by Saudi Vision 2030.



Source: Own research

E3. ALJ’s Associates periodically receive newsletters and awareness messages about internal and external essential changes.



Source: Own research

ANNEXURE 9 (RESEARCH ARTICLE)

Assessment of an automotive company's competitive strategy in preparation of Saudi Vision 2030

Abdulaziz GF Ahmadani, Susanna L Middelberg and Merwe Oberholzer

Abstract

The Kingdom of Saudi Arabia announced Saudi Vision 2030 – a reform plan – during 2016. This requires businesses to innovate and focus on its strategies to ensure sustainability. Automotive firms are facing severe competition due to changing customer preferences and constant technological developments. The aim of this paper is to assess the competitive strategy of the largest automotive company in Saudi Arabia in preparation for Saudi Vision 2030. The strategic models of SWOT, PESTEL and the balanced scorecard combined with Porter's generic strategies were used to construct a schedule for 32 semi-structured interviews with top management. The findings revealed key considerations positively and negatively influencing the competitive strategy of the firm. However, the competitive strategy reflects a company prepared for Saudi Vision 2030.

Keywords: *Porter's competitive strategy, SWOT analysis, PESTEL analysis, balanced scorecard (BSC), Saudi Arabia, Saudi Vision 2030, automotive firms*

1 Introduction

The Saudi Arabian automotive marketplace is vibrant and is set on establishing itself as the new automotive hub for the Middle East. The Kingdom is currently the largest importer of automotive and auto parts in the region, accounting for about 770,000 auto sales a year (Bailey, 2017). Furthermore, In June 2018, the Kingdom finally put an end to its legal ban on women driving, opening the way for millions of new drivers to navigate across a country three times bigger than Texas in the United States of America (Krane & Majid, 2018). Additionally, there are about 32 million residents in Saudi Arabia – with around 21 million of these residents being actual nationals. The median age of these nationals is an estimated 26 years, while about 64% of the entire population is below 60 years of age (Murad, 2013). With this young generation, a further growth in the use of automotive vehicles is expected.

On 25 April 2016, the Kingdom of Saudi Arabia approved "Saudi Arabia's Vision 2030" (henceforth referred to as Saudi Vision 2030). Saudi Vision 2030 was adopted as a methodology and roadmap for economic and developmental activities in the Kingdom of Saudi Arabia. Saudi Vision 2030 seeks to identify the general directions, policies, goals and objectives of the Kingdom (Saudi Vision, 2017, 2018).

The Saudi Vision 2030 is about the transformation of the current situation to a whole different situation and a new stage. Such massive change implementation requires equal planning and strategy from business firms. The Kingdom's decision will definitely affect numerous aspects of all firms in Saudi Arabia in terms of competitiveness, opportunities, implications and challenges. So, a critical question can be raised about which strategy the business sector should follow. One example of such a business is an automotive firm in Saudi Arabia that was selected as the research field. The study employed multiple strategic tools of the balanced scorecard, SWOT analysis and PESTEL analysis to assess, define and evaluate the current strategy that employed from the automotive firm and whether it needs to be improved or changed. The present study,

therefore, will investigate the availability, understanding and applying one or more of Porter's generic strategies. In particular, this study addresses the following questions: Q1- to identify the firm level of competitiveness by utilising SWOT, PESTEL and BSC analysis model, Q2- to define the current strategy that employed by an automotive firm, Q3- to evaluate the current strategy compare to Porter's strategies, and Q4- if whether the current strategy needs to be improved or altered.

According to Alnaeem (2016), Saudi firms need to accelerate their improvements and work hard to raise the levels of production and the development of products. There is a lack of research on local manufacturing firms, and studies are needed to advise firms on how best to manage their changeover practices. This research aims to fill this gap.

2 Literature review

2.1 Saudi Arabian context

Saudi Arabia is the largest exporter of petroleum and owns about 16% of the global proven petroleum reserves. The country is one of the critical role players in the Firm of Petroleum Exporting Countries. Additionally, the income in Saudi Arabia is derived foremost from oil sales. The Saudi Arabian petroleum sector contributes approximately 80% of the country's budget revenues, roughly 90% of export earnings and 45% of Saudi Arabia's gross domestic product. As of today, Saudi Arabia has almost one fifth of the world's proven oil reserves and is the world's second-largest producer and the largest exporter of oil (Grey, 2015; Stenslie, 2018). Saudi Arabia has a population of 32 million. The Kingdom's vast population leads to the enormous pressure that is likely to intensify in the next five to ten years (Kinninmont, 2015). The population has urbanised from villages and the desert to cities. Modern education and health services were developed (Fadaak & Roberts, 2018). In terms of the youth bulge in Saudi Arabia – approximately half of the population is under 25 years and two thirds under 30 years. These demographics can create instability. However, the unemployed youth face a squeeze on living standards as a result of rising inflation. This will increasingly occur when the population of youth (15–29) grows at close to 50 percent over the next 15-year period (Kinninmont, 2015).

Saudi Arabia became a member of the World Trade Organisation (WTO) on 11 December 2005. The WTO deals with the rules of global trade between nations (Alnaeem, 2016). From an economic and cultural globalisation perspective, Saudi Arabia was formerly the most closed market, but in 2005 emphasised its growing openness to trade and globalisation to the WTO. The openness was gained by reducing the number of sectors that are closed to foreign investment, and by proposing to open up its stock market to foreign investors (Kinninmont, 2015). In April 2016, Saudi Arabia announced a project of national long-termed reform termed "Saudi Vision 2030" as an official response to the political-economic of Saudi society and economy transformation (Violi, 2017). The custodian of the project, crown prince of Saudi Arabia and son of the current King, accented to power in 2015 (Hvidt, 2018). Choosing the term "vision" is an indicator of a political programme that Saudi Arabia – with other counters of the MENA region – has used (Violi, 2017). The implementation roadmap of the vision seems to target the issue of Saudis employment (Yamada, 2016). As

outlined, more jobs have to be created, and the private sector needs to play a more significant role accordingly. The programme's initiatives seek to create more than 450,000 jobs in the non-governmental sector by the year 2020 (Hvidt, 2018).

Nevertheless, when the Saudi Vision 2030 was launched in the spring of 2016, many young Saudis reacted positively. However, by the end of the year, public optimism began to fade (Thompson, 2018). On the other hand, according to the official website of Saudi Vision 2030 (2018), the Saudi Vision is a blueprint which expresses the Kingdom's long-term goals and expectations and reflects the country's strengths and capabilities.

2.2 Poster's generic strategies

Michael Porter (1980, 1985) defined three generic strategies, namely: cost leadership, differentiation, and focus (Wright, 1987). Porter asserts that a firm must in its business strategy incorporate either cost leadership, differentiation or focus to achieve a sustainable competitive advantage with long-term success (Hitt, Ireland & Hoskisson, 2012). The generic strategy, in general, refers to the principle of competitive advantage that is achieved by providing customers' needs in a more efficient way than competitors (Johnson, Scholes & Whittington, 2008). Generic strategies are referred to as 'generic' because they can be pursued by any type or size of the firm, even by non-profit firms (Wheelen & Hunger, 2011). Porter's generic strategies detailed the interaction between cost minimisation strategies, product differentiation strategies, and market focus strategies (Hitt *et al.*, 2012). Since the objective of any firm is profitability and sustainability, the majority of firms follow a strategy to identify all possible opportunities within low-cost, product differentiation, or high-tech products and services (Aithal, 2017).

In conclusion, generic strategies can develop a competitive advantage and create a secure position for any firm. By pursuing these generic strategies, firms can attain a significant and enduring competitive advantage over their rivals (Porter, 1985). The next section will discuss each dimension of Porter's generic strategies in more detail.

2.2.1 Cost leadership

Cost leadership strategy refers to the ability of the firm or business to design, produce, and market a comparable product more efficiently than competitors (Wheelen & Hunger, 2011). The cost leadership strategy provides customers with products or services at lower prices than offered by competitors (Porter, 1985). Cost leadership strategy, therefore, aims to increase market share based on creating a low-cost position relative to its peers. However, firms can adopt different resources to achieve a cost leadership such as large-scale facilities, process improvements, cost minimisation, benchmarking, and overhead cost control (Banker, Mashruwala & Tripathy, 2014).

2.2.2 Differentiation

Differentiation strategy refers to the ability of a firm to provide a unique and higher value product, unique features, or after-sale service (Wheelen & Hunger, 2011). A differentiation strategy, therefore, creates customer

value through means such as innovative products, superior quality, modern technology, brand image, excellent service, and so forth, which distinguish the firm from its rivals (Porter, 1980).

A study conducted by Banker *et al.* (2014) found that over a period of ten years, larger firms confirmed that by adopting a differentiation strategy it enabled the firm to sustain superior performance more than a cost leadership strategy. A high differentiation position often requires the perceptions of exclusivity, which is incompatible with a high market share (Porter, 1980). Therefore, the differentiation strategy encompasses more complex dimensions than the cost leadership- and focus strategies (Wright, 1987). The differentiation strategy aims to create a product that consumers perceive as unique, and in turn, allows the firm to command a premium price that exceeds the accumulation of extra costs (Miller, 1986).

2.2.3 Focus

Focus strategy refers to the ability of the firm to provide a unique and superior value to a particular buyer group in a market segment or geographic market (Wheelen & Hunger, 2011). Porter defined focus strategy in 1980 to designate a niche strategy that concentrates the firm's attention on a particular type of customer, product or geographic location (Miller, 1986). Focus strategy, therefore, belongs to products which fulfil the needs of a few particular buyers. Whereas, the cost leadership- and differentiation strategies attempt to address a whole market. The focus strategy, on the other hand, addresses specific and smaller clusters of buyers within the marketplace (Porter, 1980, 1985). Therefore, the focus strategy encompasses different dimensions than cost leadership- and differentiation strategies (Wright, 1987).

The focus dimension can refer to the corporate-level or business-level strategy (Miller, 1986). With a focus strategy, the firm would expect a relatively elastic market demand. Profitability is an essential aspect of the focus strategy as it refers to the attainment of a combination of low-level initial investment and low-level operating costs, to offer lower prices (Wright, 1987). In the end, the focus strategy or dimension requires delivering consistent quality, reduced product acquisition time, and a somewhat limited selection. Hence, the focus strategy depends on operational management processes (Kaplan & Norton, 2004).

Various frameworks are used to analyse individual characteristics or organisational effectiveness in a given environment. Such frameworks have necessary parameters to determine specific characteristics under particular investigation (Aithal, 2017). Accordingly, this study aims to discuss and apply three strategic models, namely, SWOT analysis, PESTEL analysis, and BSC. Each one will now be discussed.

2.3 SWOT analysis model

The SWOT analysis model was invented during 1960 by Albert Humphrey at the Stanford Research Institute and focus on dimensions of strengths (s), weaknesses (w), opportunities (o), and threats (t) (Aithal, 2017). An appropriate measure of SWOT analysis generally includes an industry- and competitive strategy analysis (Wheelen, Hunger, Hoffman & Bamford, 2017). It is an asymmetrical tool, based on a comprehensive analysis

of all crucial internal (capacities) and external (market) conditions for final strategic decision making. In a broader sense, this model is considered a vital tool for strategic planning (Anton, 2015).

Since firms operate in increased complexity and change, making the right decisions are significant. Furthermore, every firm has a unique set of strengths, weaknesses, opportunities, and threats. It is crucial that the firm should determine them conclusively (Lee & Sai On Ko, 2000). SWOT analysis is a strategic management tool that can be used to collect and analyse information objectively in order to make recommendations for achieving a specific purpose (Alvarez, Carballo-Penela, Mateo-Mantecón & Rubio, 2016). SWOT analyses are applied widely as a well-known strategic model. The vital prerequisite, however, is to map the strategic landscape, comprising the external market structure, with all the internal (tangible and intangible) potential capacities of a particular firm (Anton, 2015). A SWOT analysis's specific objective is to identify internal and external factors (Alvarez *et al.*, 2016). In other words, a SWOT model is analysing and identifying the external and internal factors by matching them with the firm's capabilities (Weihrich, 1982). It can be used to identify and evaluate both external and internal factors, either favourably or unfavourably. This analysis gives useful information that matches a firm's internal resources and capabilities to compete in the external environment (Aithal, 2017).

2.4 PESTEL analysis model

The PESTEL analysis model dates back to 1967 as developed by Francis Aguilar at Harvard Business School. It focuses on the external environment dimensions of political, economic, socio-cultural, technological, environmental-ecological, and legal (Aithal, 2017; Cadle, Paul & Turner, 2010). The fundamental aim of PESTEL analysis is to assist strategic planning in a broad view. For example, it is impossible to consider economic conditions in isolation from political settings in a particular environment (Mkude & Wimmer, 2015). A PESTEL model is a consistent method to analyse a firm's structure, behaviour and business (Aithal, 2017). In the broadest sense, the changing environment affects a firm's structure, decision making, and business methods. Today, it is not possible for a firm to survive in the long-term without considering the environment's dynamic changes. In order to meet such needs, a firm's decision makers could adopt the PESTEL strategic model to identify outside events, occurrences, and operations (Yüksel, 2012). This is confirmed by Issa, Chang and Issa (2010) who argue that a PESTEL analysis is generally used to allow a firm to understand the broad picture of the business environment and to realise the strengths and opportunities as well as to minimise the potential threats and weaknesses. This is a process through which the decision makers can monitor the economic, governmental, legal, market, competition, supplier, technological, geographic, and social settings (Aithal, 2017). Coping with competition and retaining or increasing market share requires accurate, competitive information gained from the PESTEL analysis (Indiatsy, Mwangi, Mandere, Bichanga & George, 2014). PESTEL analysis, therefore, leads to higher business performance by accessing external opportunities and understanding the challenges (Aithal, 2017).

2.5 BSC analysis model

The BSC was invented by Schneiderman in 1987, while its framework was developed and popularised by Robert Kaplan and David Norton in the early 1990s (Aithal, 2017; Lee & Sai On Ko, 2000). The BSC focus on several dimensions relevant to management (Aithal, 2017). It was initially conceived as an organisational performance measurement tool that included financial and non-financial measures. The BSC measures objectives derived from a firm's vision and its resulting strategy (Kaplan & Norton, 2001). Most firms have different methods of communication and alignment. The BSC is an effective way for both profit- and non-profit firms to measure their set strategies. The BSC includes four perspectives of 1) financial performance, 2) customer value proposition, 3) internal processes, and 4) learning and growth (Kaplan & Norton, 2004). Table 1 reflects the four perspectives of the BSC.

Table 1: BSC's four perspectives

<p>Financial perspective</p> <ul style="list-style-type: none"> - Strategy of growth, profitability and risk 	<p>Customer perspective</p> <ul style="list-style-type: none"> - Strategy of creating value and differentiation from the customer through profitable relationships with customers based on four elements: <ol style="list-style-type: none"> 1 select customers by identifying attractive segments to brand image, 2 acquire customers by communicating a firm's value proposition to the market, 3 retain customers by ensuring quality, create value-added partnerships, and transform customers into highly satisfied fans, and 4 develop strong relationships with customers by knowing them intimately.
<p>Internal process perspective</p> <ul style="list-style-type: none"> - strategic priorities of various business processes - by paying close attention to this perspective, a firm will improve internal processes such as operations, customer relationships, innovation and culture. A firm, therefore, will make optimal investments in intangible assets of human capital and information capital. 	<p>Learning and growth perspective</p> <ul style="list-style-type: none"> - priorities of creating a climate that supports innovation, growth, and organisational change - the learning and growth perspective includes investment in the organisational capital which is typically structured by four components: <ol style="list-style-type: none"> 1 Culture – the predominant attitude and behaviour of a firm's functioning strategy, 2 Leadership – leadership competency is a core requirement for the transformational change and process development, 3 Alignment – all employees should be empowered and rewarded, and 4 Teamwork and knowledge sharing – firms must develop knowledge and distribute it through a “push system” or by providing easy access.

Source: Kaplan and Norton (2001, 2004) adapted

Usually, most firms consider their corporate performance by reviewing the financial aspects only. However, financial measures alone are not a balanced view of the critical success of any firm (Kaplan & Norton, 1996).

In conclusion, the BSC is a unique strategic tool as 1) it is a top-down reflection of the firm's mission and strategy, 2) it is forward-looking – addressing current and future success and 3) it helps firms to focus on critical success measurement. This strategic model is a performance measurement system that allows quantifying critical intangible assets, such as people, information and culture. This performance system has been assisting top executives since 1992 to set a corporate-level strategy (Kaplan & Norton, 2000; Kaplan & Norton, 2001; Kaplan & Norton, 2004). Table summarises the main strategic models that will be applied in this study.

Table 2: Strategic models overview

Strategic model	Factors/perspectives	Analysis scope	Framework	Author
SWOT	i. Strength ii. Weaknesses iii. Opportunities iv. Threats	Internal & external	Asymmetrical strategic tool for final decision-making	Wehrich (1982) Anton (2015)
PESTEL	i. Political ii. Economic iii. Socio-cultural iv. Technological v. Environment vi. Legal	External	Environmental assessment and scanning tool for strategic planning and decision-making	Mkude and Wimmer (2015) Yüksel (2012)
BSC	i. Financial (Profitability) ii. Customer (Market share) iii. Internal processes (Productivity) iv. Learning and growth (Personnel development)	Internal	Performance measurement system	Kaplan and Norton (2000) Kaplan and Norton (2004) Lee and Sai On Ko (2000)

Source: Own research

The previous section shed light on the concepts of Porter's generic strategy and three strategic tools, now move to research methodology.

3 Research methodology

A qualitative case study approach was followed. When a qualitative case study approach is applied correctly, it becomes a valuable method for business and management science research to develop theory, evaluate programmes and develop interventions (Baxter & Jack, 2008). The qualitative data was collected through in-depth face-to-face interviews with senior executives within the automotive firm in Saudi Arabia. Table 3 shows the demographic information of the 32 interviewees.

Table 3: Interviewees information

S. N.	Domain	Category	Number	Percentage
1	Interviewees departments	Sales	7	22%
		IT	5	14%
		CSS	4	13%
		Strategy	4	13%
		Marketing	4	13%
		Finance	4	13%
		HR	3	9%
		Risk Management	1	3%
2	Interviewees positions	SMD	1	3%
		MD	5	16%
		Director	12	38%
		SGM	11	34%
		GM	3	9%
3	Interviewees length of employment	1-5 Y	2	6%
		6-10 Y	4	12%
		> 10 Y	26	82%

Source: Own research

From the above table it is evident that the interviewees represented eight departments comprising a wide variety of experience and knowledge, while they all represented executive positions within the company. This ensured that they had intimate knowledge about the organisation's strategic position. The majority (82%) had more than 10 years' experience in the company, indicating a wealth of institutional knowledge.

The following section will discuss the findings in detail.

4 Findings

In this section, the interviewees' responses are outlined. Interviewees reflected a clear understanding of the obstacles surrounding the automotive sector and realised the significance of applying a competitive strategy to ensure sustainability. They revealed both the current competitive status of the firm and future plans and strategies to follow. Various interviewees asserted that more strategic reforms were required while others purposed new strategies or business models. The rest of the findings will be presented by highlighting the strategic model, the question related to that model and then the responses of interviewees.

4.1 SWOT model perspective

The SWOT model perspective has four dimensions.

i) Strengths, could you identify the strengths of your firm (internally)?

The interviewees came up with varied strengths, herewith some quotes:

“Strong brand and 60 years’ legacy. The focus on customer and employee. Being big and keeping agile.”

“Employees competency, diverse workforce, global view, and very harmony in culture.”

“Entrepreneurial mindset, trying new ideas even though it might be hard to implement, no resistance for a change, adaptable, diversity of the workforce, international talents and professionalism.”

However, most interviewees indicated the following three factors as the strengths of their firm: 1) loyal associates, 2) brand name, and 3) the firm’s values of respect, improve, pioneer and empower.

ii) Weaknesses, could you identify the weaknesses of your firm (internally)?

The interviewees identified various weaknesses, herewith some responses:

“The big size of the firm” and “Strict and rigid business processes, and the overwhelming (overhead) workforce.”

“Bureaucracy, the middle management is not strong enough; I think empowering middle management more will solve the issue and close the gap as they are closer to the game bar and they can see the issue and solve it immediately. The middle is missing in the system.”

“The way of managing the HR, for example, we need to improve and change the way of recruiting the talents, training and retaining them.”

However, it can be concluded that most interviewees referred to the following three factors as weaknesses: 1) the bureaucracy in decision-making processes, 2) communication and empowerment, and 3) the weak role of HR department.

iii) Opportunities, could you identify the potential opportunities for your firm (externally)?

The interviewees made wide-ranging statements such as:

“Moving to a digital automotive era or any digital services can plug with the automotive sector.”

“There are a lot of opportunities, such as solar energy and cinema sector.”

“There are more opportunities than before due to Saudi Vision 2030 new regulations most of the small competitors already gone and the middle are about”

However, it can be concluded from the majority of responses that the potential opportunities are Saudi Vision 2030, digitalisation and expansion in the automotive sector, such as smart applications.

iv) Threats, could you identify the potential threats (challenges) for your firm (externally)?

The interviewees highlighted some threats and challenges such as:

“Economical tight situation and the decrease in purchasing power.”

“To achieve any opportunity is a challenge itself. However, I would say keep up with the technology and dealing with youth.”

So many challenges for the business today, for example, regulations become stricter, the most severe legalisations so far are competition law, CAFE, and Saudilisation.”

However, the vast majority of interviewees agreed on the following challenges of the regular change in government rules and strict regulations, slowdown or economic recession, and dealing with youth unemployment.

4.2 PESTEL model perspective

This question covered the six perspectives of PESTEL. The interviewees were asked: Referring to the competitive environment, could you identify the challenges of Saudi Vision 2030 on automotive firms, from the following perspective? (Political, economic, socio-cultural, technological, environmental and legal).

The interviewees responded to the six perspectives as follows:

i Political

In this perspective, some interviewees denied any challenge out of Saudi Vision 2030 on automotive firms, whereas others identified some challenges. Below are some examples of comments made by the interviewees:

“The shift to Saudilisation has a significant impact at all private sector, it is part of legal as well, besides the global economic pressure.”

“It is an impact rather than a challenge and this factor impact directly the next factor, which is the economy.”

“Our organisation has been working on the vision from the beginning since 2016. We are fully aligned with Saudi Vision 2030; otherwise, we will be out of business and market; governmental visions are not a choice.”

However, it can be concluded from the majority of the interviewees’ responses that Saudi Vision 2030 does pose some challenges concerning Saudilisation, increases of fuel and utility prices, taxes and other government fees.

ii Economical

In this perspective, the majority of interviewees appear confident about the position of the automotive firm despite the identified economic challenges, herewith some quotes:

“I see the Saudi Vision 2030 purely positive with many opportunities. However, protectionism makes the business in a weaker position.”

“The government has a definite goal, and that will be achieved thru the Saudi Vision 2030. So, the Vision is a reforming tool, and it is good for the economy in the long term.”

“The economic challenges will expel some businesses and will bring others, who will remain in the market will gain. The adaption is the cornerstone, so the challenge is about the redevising the share market. However, opening the doors for international competitors will create a healthier competitive business environment.”

However, it can be concluded from the majority of interviewees’ responses that there is no significant economic challenge due to Saudi Vision 2030.

iii Socio-cultural

The majority of interviewees perceives the socio-cultural perspective as a change rather than a challenge. The typical change is about granting a woman more freedom in particular employment and car driving. Some of the direct quotes made by the interviewees are:

“The current opportunities in Saudi Vision 2030 are social phenomena, not a simple change yes will take time to adjust any kind of change.”

“This aspect has a huge positive impact, as 70% of the population are youth, and women are a big segment. It will take time to realise the benefits of women driving.”

“Women driving is only the first steps, and this is a big change where women now attend a football match and come to the cinema and participate equally if not more into the workforce, significant and historical steps. Saudi Vision 2030 proves that change can happen in a drastic and dramatic way.”

However, it can be concluded from the majority of interviewees’ responses that the automotive industry will benefit from employing women and women driving.

iv Technological

The technological perspective was not a challenge specific to Saudi Vision 2030, but rather due to the company operating in the automotive sector. Some comments include:

“This is the biggest challenge for our firm. New businesses are shifting towards new technology across the world. Hence this is not a challenge by Saudi Vision 2030 but globally trend. Technology is upgrading rapidly. The business advantage has shifted from best quality to most modern software. However, we have the foundation for modern technology by implementing the SAP system.”

"We are always synchronising with the latest technology; hence, this is not challenging. Our firm is very interested in adopting this orientation even before Saudi Vision 2030 had been announced."

"The technological challenge is the most important one as its opening up the door on the international market. Still, there are many restrictions in place; cultural aspects like privacy and security have its implication. However, there is no analogy in the future, only uniqueness. However, Technological trend and e-commerce started very early at 2000, it is not a new concept or era, what is new is the Saudi Vision 2030 trying to follow the international collective movement, and that is one good thing that Saudi Vision 2030 or government brings out, we are doing excellent, and we ready and keeping up always."

However, it is important to note that the automotive firm has recently implemented the SAP-ERP system, and it is fulfilling the required standard and following international trends.

v Environmental

Most of the interviewees did not consider the environmental perspective a challenge or a concern, herewith some quotes:

"Our organisation is a pioneer firm and eco-friendly in term of recycling used paper and workshop waste, besides the hybrid car."

"People and culture are not so concerned about environmental issues. We need to contribute more by creating awareness in the community about this aspect."

"We have an environmental issue. Still, the eco-environmental infrastructure not maintained by the government so far. The government requires more initiatives to do so. However, the complete picture of the environmental context yet not clear enough. It is a new concept for both culture and business. It is a part of transformation but not a priority at the moment."

Nevertheless, this issue seems to have no priority by the government or society, and it is most likely a lack of awareness on a cultural level.

vi Legal

The vast majority of interviewees perceive the legal perspective as part or component of the political perspective:

"There is a cost of any new change. However, the impact could be low in some area and high in others. The multiple factors jointly imposed a negative impact on the most if not all businesses, for example; increases in fuel prices, VAT and government some rules and fees."

"I see the legal and political aspect as one matrix, all in all, come from the same source. Any new governmental law is a challenge for any business if the business not well adaptable will affect its sustainability. In the business case, it is difficult to judge now, because nothing absolutely a challenge, any challenge can be turned to opportunity, but the business may need to sacrifice for some time."

“Saudi Vision 2030 comes with new fees, taxes and other increases of utility services and fuel prices with the intention to raise the revenues and decreases dependency on the oil. At the beginning and in short-term, it might shock community and business, but in the end, I believe it is good for the economy in the long term. For example, decreasing subsidies may create some issues in upcoming years. However, in the long term will be absorbed. I have to say Saudilisation is the biggest challenge within the Saudi Vision 2030 because the Saudi workforce is not ready for the privet sector yet. Yes, it is a bit difficult task to bring skilled and talented people in such a short time with high wages.”

Therefore, it can be summarised that the automotive firm are complying with all legal requirements and implications.

4.3 BSC model perspective

The results of the question on which key performance indicators (KPIs) are used to assess the four BSC perspectives are summarised in Table 4.

Table 4: BSC perspective KPIs

<u>Financial performance</u>	<u>Customer value proposition</u>
Gross and net profit	Guest delight indicators surveys
Gross and net growth	Net promoter score (NPS)
Market share	
Flash report*	
<u>Internal process effectiveness</u>	<u>Learning and growth</u>
Business value realisation	Great place to work survey
Kaizen**	
Hoshin Kanri***	

Source: Own research

*Samad, Shu and Ogar (2017) define a flash report as a financial outcomes summary that comprises several key figures, including revenue, gross margin and operating profit. Together with figures for incentives, severance, working capital provisions, external and intercompany interest. It could be generated on a daily, weekly or monthly basis.

According to Hasan and Dutta (2017), Kaizen is a Japanese hybrid word. “Kai” means change and “Zen” means good. Kaizen is a tool (application) of continual improvements. *While Hoshin Kanri is a systematic approach that can be applied to success in most severe competition. The Toyota company in Japan has persistently applied Hoshin Kanri-style management for several decades, and in result in 2007, they outstripped the giant General Motors to become the world’s leading automotive producer (Hutchins, 2016).

Contrary to the other three BSC perspectives, the learning and growth is a controversial perspective, herewith some quotes:

“No, we do not have such a tool. Even the survey of a great place to work does seem that effective. Because it is -from my point of view- not reflects the ground reality of teamwork or knowledge is sharing perspectives.”

“Still, we need to improve here; even it is difficult to measure such elements. I believe HR does play its role, I aware of a great place of work survey it was very generic though it is not bad, we should have a more professional tool to measure the behaviour and teamwork.”

“I do not see any KPI; this is subjective because difficult to quantify the behaviour, to conclude we do not have a KPI.”

However, some of the interviewees referred to the “Great place to work survey” as a KPI while others doubted or denied that there is a KPI to measure learning and growth because the behaviour is so subjective to measure.

4.4 Competitive strategy

The interviewees were asked three questions relating to the competitive strategy of their employer – the automotive firm.

i Describe your firm’s current strategy?

Almost all the interviewees agreed that the automotive firm has a unique strategy which significant focus placed on the customer. This was confirmed by one of the interviewees: *“Guest is the first strategy, focusing on the customer.”* And supported by another that highlighted that *“The current strategy is guest first, gain customers heart and mind.”* One participant split the strategy into two aspects:

“Earning loyalty. This strategy has two dimensions: Earn (how to create value before we capture value) before we used to focus on buying loyalty by giving a discount but now creating a distinctive experience with emotional impact and Loyalty is about changing an approach from communication to the relationship understanding the customer.”

ii In your opinion, which of the following strategies out of Porter's generic strategies have your firm followed or implemented?

- a. Cost leadership (provide products or services at lower prices than offered by competitors),*
- b. Differentiation (provide unique and higher value products or services), or*
- c. Focus (provide a unique and superior value to a specific customer).*

The majority of the interviewees identified differentiation as a strategy of the firm. A considerable number of interviewees also asserted that it is a unique mix of both the differentiation and focus strategies, *“For sure, the differentiation”* and *“A synthesis of the differentiation and focus”* and *“We are applying all of them, the valuable service with reasonable price means the cost leadership with differentiation, so we have a balance, we are applying a focus too, by focusing on all market segments starting from very economical to high-class luxurious cars.”*

One participant had a very interesting view and argued the following:

“We can force-fit these generic strategies, but they do not. From my point of view, mapping them into the business model would be difficult. This model is a bit antiquated; a tremendous amount of research came later. These three dimensions are a very simplistic and academic approach.”

iii What strategy do you suggest to your firm should follow?

Interestingly, several interviewees valued this question. All interviewees came up with a variety of strategies and ideas with the exception of one who said: *“Nothing to be added.”* Most do not necessarily call for a change in the current strategy, but rather suggest adding some new concepts. For example:

“Our management should redesign its strategy to focus on the employee as it does on the customer” and “Increasing the scope of digitalisation, open a new market, re-model current strategy and the way of work.”

Really this is a good question. I would add to our strategy the loyalty and engagement concept, especially in term of employee and customer. This has to be the outline of each strategy. Yes, it is part of our strategy but needs more focus and enhancement. In addition to the increasing the scope of digitalisation, re-model our current strategy and the way of work, i.e. we can learn from Google working environment.

We have to focus on the employee as we do on the customer, although we have a unit called the voice of associates this initiative it is only concerned about the complaints if any.

Table 5 aggregates the central themes that were uncovered from the 32 interviewees’ responses.

Table 5: Emerging themes from findings

Qualitative data analysis			
Question	Category	Codes	Central Themes
i) Could you identify the strengths of your firm (internally)?	SWOT	Strengths	- Loyal associates - Brand name - A firm values: respect, improve, pioneer and empower
ii) Could you identify the weaknesses of your firm (internally)?		Weaknesses	- The bureaucracy in decision-making processes - Communication effectiveness - The poor role of HR (recruiting, training and retaining talents)
iii) Could you identify the potential opportunities for your firm (externally)?		Opportunities	- Saudi Vision 2030 - Digitalisation - Expansion in the automotive sector
iv) Could you identify the potential threats (challenges) for your firm (externally)?		Threats	- The regular changing in government rules and strict regulations - Slowdown and economic recession - Korean and Chinese competitors
By referring to the competitive environment (CE) could you identify the challenges of Saudi Vision 2030 on your firm from the following perspective?	PESTEL	Political challenges	Saudi Vision 2030 brings up some challenges in terms of; Saudilisation, increases of fuel and utility prices, in addition to taxes and other governmental fees
		Economic challenges	There are some challenges, but the automotive firm is mature enough and well to coop and adopt with the situation
		Socio-cultural challenges	The automotive firm is benefiting from women employment and car driving
		Technological challenges	From technological perspectives, the automotive firm is ready and well prepared with modern technology
		Environmental challenges	The automotive firm is a pioneer, proactive and eco-friendly firm.
		Legal challenges	The automotive firm considered itself as a competitive environment.
By referring to BSC and the performance measurement within your firm, what are the key performance indicators (KPIs) used to assess the following perspectives?	BSC	Financial performance	The automotive firm is applying several KPIs and has an excellent financial strength to face any challenge and can gain from any opportunity.
		Customer value	The automotive firm is applying several KPIs and has an excellent relationships with its customers and could acquire and retain them for a long time.
		Internal process effectiveness	The automotive firm is applying some KPIs and has an effective internal process and efficient network
		Learning and growth	Although the automotive firm could be a healthy environment but there is a lack/gap in knowledge sharing, cultural behaviour, teamwork and fair treatment.
In terms of a competitive strategy: i) Describe your firm current strategy? ii) In your opinion, which of the following strategies have your firm followed or implemented? a) Cost leadership, b) Differentiation, or c) Focus. iii) What strategy do you suggest your firm to follow?	COMPETITIVE STRATEGY	Current strategy	The automotive firm's current strategy is a robust and competitive strategy
		Defining strategy	The automotive firm is applying a differentiation strategy by providing unique and high value products and services to its customers
		Proposing a strategy	The automotive firm needs to redesign/formulate its current strategy

Source: Own research

5 Discussion

Despite the vast magnitude of several challenges that this automotive firm encounter, most opinions and viewpoints indicated an elevated level of maturity of thinking and decision making. The interviewees have confidence to approach and tackle the significant challenges. This level of strategic thinking could be revealed by identifying the parameters and perspectives of strategic tools being used. Nevertheless, the implication is looming in several asserted challenges both internally and externally.

The main internal obstacles included the bureaucracy in decision-making processes. Indeed, the decision-making processes should be more productive by, for example, minimising the layers of approval and by increasing the empowerment of middle management. According to Lawson and Samson (2001), empowerment is a core principle of an open and innovative culture. Successful firms invest in employees as assets and recognise that these employees may have different visions for the future and seek to incorporate these views into their workplace innovation direction. Another identified challenge is the inefficiency of communicating internally. According to Henneberg, Naudé and Mouzas (2010), research has proven that focus on effective communication (vertically and horizontally) between actors would positively influence business fields characterised by radical innovation. In the same context, the learning and growth perspective requires considerable attention. The role and responsibilities of HR are to ensure that successful, innovative, creative, and talented actors are employed based on following a merit approach that avoids the nepotism favouritism and biased selectivity. This transparent approach would start with setting exacting standards for recruiting new staff and empowering existing employees through building talent programmes, fair reward systems, the motivation of moral and behavioural attitudes, and proper training and education programmes.

In line with this finding is the weak role that human resources play, in particular relating to recruiting, training and retaining talented staff. Maintaining a level of diversity is crucial, as asserted by Möller and Svahn (2003) that multinational capabilities are needed for a thriving competitive environment in a stable and well-organised firm. Jayne and Dipboye (2004) refer to the ranking of the 50 Top Companies by the 'Fortune magazine' in which a common theme is a reference to embracing employees under the umbrella of diversity. The lack of measuring cultural, behavioural, teamwork and knowledge sharing was also emphasised.

The key external challenges include adjusting to Saudi Vision 2030. Relating to the latter, is the strict governmental regulations which keep on changing. The threat of new competitors such as Korean and Chinese automotive brands that can negatively impact the market share of the case study company.

6 Conclusion and recommendations

The findings of this study have indicated that the automotive firm has a robust and effective competitive strategy. The firm provides unique and high-value products and services to their customers which reflects Porter's "differentiation" strategy with the consideration that this strategy is so generic and may not fit today many business models. A strategy in the current market situation –both in the short- and long term – needs to

realise and comprehend ongoing severe competition, market fluctuating, customer tastes, economic trends and governmental transformation plan.

It is recommended that the automotive firm should look after its primary strengths, weakness, opportunities and challenges and frequently review their SWOT, PESTEL and/or BSC analysis using a dedicated team to ensure its competitive environment. The company should adjust its strategies and policies accordingly. Effective measuring of your competitive environment helps to identify future developments in technologies, products and markets, generate more refined information, avoid threats or grasp, grasp new opportunities and improve operational decision making.

It is recommended also that the automotive firm should continue its engagement in Saudi Vision 2030 and foster its strategic priority going forward. The current requirements are to continue with recognition and valuing technology (information and knowledge) and employee performance. Saudi Vision 2030 necessitates extending the effort to be more proactive by moving towards being a competitive environment leader.

In light of the BSC perspective, the automotive firm is regarded as a competitive environment and as the best place to work. Yet, to sustain this perspective, in terms of internal process effectiveness, the collective consistency and homogeneity approach may need to be considered.

Assessments of communication efficiency and performance improvements are recommended – including an accountability policy to address a lack of responsiveness. On the other hand, the departmental communication and collaboration need to intensify, reinforced and upgraded. Certain rules and policies should be outlined and take place to ensure fast and effective communication.

Nevertheless, the studied automotive firm needs to review its current strategy in order to redesign/re-formulate it. Indeed, strategic management of the automotive firm required continuous concentration on the i) decision-making process, ii) communication efficiency and iii) departmental level contribution and performance. The decision maker and strategic minds need to optimising strategy that should be characterised by successfulness, competitiveness and sustainability.

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ANNEXURE 10 (DECLARATION OF EDITING)



Director: CME Terblanche - BA (Pol Sc), BA Hons (Eng), MA (Eng), TEFL
22 Strydom Street Tel 082 821 3083
Baillie Park, 2531 cumlaudelanguage@gmail.com

DECLARATION OF LANGUAGE EDITING

I, Christina Maria Etrechia Terblanche, hereby declare that I edited the research study titled:

A competitive strategy for an automotive firm in preparation for Saudi Vision 2030

for **AGF Ahmadani** for the purpose of submission as a postgraduate research study. Changes were indicated in track changes and implementation was left to the author.

Regards,

A handwritten signature in black ink that reads "CME Terblanche".

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