

## THE IMPACT OF STRATEGIC PLANNING (SP) ON CRISIS MANAGEMENT (CM) IN THE LIBYAN BANKING SECTOR, A FIELD STUDY OF PUBLIC COMMERCIAL BANKS IN THE WESTERN REGION

### *O IMPACTO DO PLANEJAMENTO ESTRATÉGICO (PE) NA GESTÃO DE CRISES (GC) NO SETOR BANCÁRIO DA LÍBIA, UM ESTUDO DE CAMPO SOBRE OS BANCOS COMERCIAIS PÚBLICOS DA REGIÃO OCIDENTAL*

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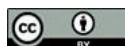
#### **Abstract**

This study examines the impact of Strategic Planning (SP) on Crisis Management (CM) in public commercial banks operating in the western region of Libya. Using a descriptive-analytical approach, data were collected from 297 bank employees through a structured questionnaire with high reliability (Cronbach's  $\alpha > 0.87$ ). Descriptive statistics, Pearson correlation, and one-way ANOVA were employed for data analysis using SPSS. The findings indicate that both strategic planning practices and crisis management effectiveness are present at moderate levels. A positive but modest correlation was found between SP and CM ( $r \approx 0.35$ ), suggesting that higher levels of strategic planning are generally associated with improved crisis management, though the relationship remains limited in strength. Further analysis revealed that strategic planning dimensions—particularly strategic vision and alternative planning—have a statistically significant effect on crisis management effectiveness. No substantial differences were observed across gender, academic qualification, or years of experience, reflecting a high degree of organizational homogeneity. The study concludes that effective crisis management in the Libyan banking sector depends on an integrated and dynamic strategic planning framework supported by experienced personnel and adaptive leadership.

**Keywords:** Strategic Planning. Crisis Management. Banking Sector. Libya.

#### **Resumo**

*Este estudo examina o impacto do Planejamento Estratégico (PE) na Gestão de Crises (GC) em bancos comerciais públicos que operam na região ocidental da Líbia. Utilizando uma abordagem descritivo-analítica, foram coletados dados de 297 funcionários bancários por meio de um questionário estruturado com alta confiabilidade ( $\alpha$  de Cronbach  $> 0,87$ ). Para a análise dos dados, foram empregadas estatísticas descritivas, correlação de Pearson e ANOVA unidirecional, utilizando o SPSS. Os resultados indicam que tanto as práticas de planejamento estratégico quanto a eficácia da gestão de crises se apresentam em níveis moderados. Foi encontrada uma correlação positiva, mas modesta, entre o PE e a GC ( $r \approx 0,35$ ), sugerindo que níveis mais elevados de planejamento estratégico estão geralmente associados a uma melhor gestão de crises, embora a relação permaneça limitada em termos de intensidade. Uma análise mais aprofundada revelou que as dimensões do planejamento estratégico — particularmente a visão estratégica e o planejamento alternativo — têm um efeito estatisticamente significativo sobre a eficácia da gestão de crises. Não foram observadas diferenças substanciais entre gênero, qualificação acadêmica ou anos de experiência, refletindo um alto grau de homogeneidade organizacional. O estudo conclui que a gestão eficaz de crises no setor bancário da Líbia depende de uma estrutura de planejamento estratégico integrada e dinâmica, apoiada por pessoal experiente e liderança adaptativa.*



*Palavras-chave: Planejamento Estratégico, Gestão de Crises, Setor Bancário, Líbia.*

## 1 INTRODUCTION

Crises have become an integral part of the contemporary business environment, particularly in highly critical and sensitive sectors such as banking that is extremely influenced by economic, political, and financial disturbances. Within this framework, strategic planning is seen as one of the main managerial instruments used by banks to enhance their ability to predict future crises, prepare for them and reduce their negative implications. Recently, management research has indicated that companies with a clear strategic vision and flexible plans can manage crises more efficiently than those that lack structured strategic planning (Alkhawlan & Abdallah, 2022).

In the last ten years, the Libyan banking sector has faced multiple interconnected crises, encompassing financial difficulties, liquidity shortages, monetary instability, alongside security and political turmoil. These difficulties have adversely impacted on the efficiency of banking operations and the reliability of services offered to the public. These circumstances have emphasised the critical necessity to implement efficient strategic planning methods that bolster banks' preparedness for crisis management and improve their capacity to respond swiftly and make choices amidst uncertainty (World Bank, 2023).

Global research highlights that strategic planning's function goes beyond just establishing long-term goals; it also involves creating potential crisis scenarios, devising alternative strategies, and enhancing institutional collaboration. These strategies help enhance the efficiency of crisis management and minimise financial and operational losses (Bryson, 2018; Herbane, 2019). Recent research in the banking industry indicates that having integrated strategic planning is positively linked to increased organizational readiness for crises (Al-Hila & Bany Baker, 2021).

In Libya, research on the link between strategic planning and crisis management in commercial banks is scarce, especially in the western region, where the highest number of banking institutions and economic activities are found. Thus, the significance of this

research is evident, as it examines the influence of strategic planning on crisis management within Libyan public commercial banks, thereby addressing a notable research gap and offering scientific insights to inform banking policy formulation and enhance financial stability.

### 1.1 Problem statement

The study's problem is manifested in the deficiency of applied strategic planning practices within certain Libyan public commercial banks, and the consequent shortcoming in managing banking crises. This gives rise to inquiries regarding the nature of the relationship between strategic planning and crisis management efficiency levels in these institutions, especially amid an environment marked by instability and diverse risk sources.

### 1.2 Research questions

This study aims to address the following inquiries:

- What is the **level** of strategic planning **implementation** in public commercial banks in Libya's western region?
- What is the current level of efficiency in crisis management within these institutions?
- Does a statistically significant correlation exist between strategic planning and crisis management practices?
- How do the dimensions of strategic planning (vision, mission, goals, strategic analysis, and alternative planning) affect the management of banking crises?

### 1.3 Aims of the study

This study aims to achieve the following objectives:

1. **To assess the level of strategic planning implementation** in public commercial banks in the western region of Libya.

2. **To evaluate the current level of efficiency of crisis management** within these banking institutions.
3. **To examine the existence and significance of the relationship** between strategic planning and crisis management practices in public commercial banks.
4. **To analyze the impact of strategic planning dimensions** (vision, mission, goals, strategic analysis, and alternative planning) on the effectiveness of banking crisis management.
5. **To provide practical and evidence-based recommendations** that support decision-makers in Libyan banks in strengthening strategic planning and enhancing crisis management performance.

#### **1.4 Main hypothesis (H1)**

There is a statistically significant relationship between the level of strategic planning implementation and the efficiency of crisis management in public commercial banks in the western region of Libya.

#### **1.5 Main hypothesis (H2)**

There is a statistically significant effect of strategic planning dimensions (vision, mission, goals, strategic analysis, and alternative planning) on the effectiveness of banking crisis management in public commercial banks in the western region of Libya.

##### *1.5.1 Sub-hypotheses derived from the second main hypothesis*

- There is a statistically significant effect of strategic vision on the effectiveness of banking crisis management.
- There is a statistically significant effect of strategic mission on the effectiveness of banking crisis management.
- There is a statistically significant effect of strategic goals on the effectiveness of banking crisis management.

- There is a statistically significant effect of strategic analysis of the internal and external environment on the effectiveness of banking crisis management.
- There is a statistically significant effect of alternative planning on the effectiveness of banking crisis management.

## **2 METHODOLOGY**

### **2.1 Research design**

The study employed a descriptive–analytical research design and adopted a quantitative methodological approach. Data were collected using a structured questionnaire, enabling rigorous statistical analysis of strategic planning practices and their relationship with crisis management performance in the Libyan banking sector.

### **2.2 Participants and sampling**

The target population of the study consisted of employees working in public commercial banks operating in the western region of Libya, namely: Jumhouria Bank, the National Commercial Bank, Wahda Bank, and Bank of North Africa. These banks were selected due to their institutional significance and structural diversity within the Libyan banking sector, as well as variations in their organisational and administrative characteristics and differing levels of strategic planning adoption. This diversity allows for a more comprehensive and accurate understanding of the reality of strategic planning practices and crisis management in public commercial banks.

The banks under investigation operate within comparable organisational and operational environments and are geographically concentrated within a limited spatial area in the urban coastal region of western Libya. The inter-bank distances do not exceed 100 kilometres, with pairwise distances ranging between 30 and 70 kilometres. These banks also exhibit similar levels of banking and technological infrastructure availability, service delivery patterns, and socio-cultural characteristics of their workforce. This geographical and institutional proximity contributes to a high degree of environmental homogeneity across the studied banking contexts, thereby minimising the influence of

external variables related to regional or institutional disparities and enhancing the reliability and generalizability of the findings to public commercial banks operating in Libyan urban areas.

A convenience sampling technique was employed, based on the accessibility of respondents and the voluntary nature of participation. A total of 350 questionnaires were distributed in late 2025. After excluding incomplete or invalid responses, 297 valid questionnaires were retained for statistical analysis, resulting in a response rate of approximately 84.85%.

The final sample comprised 163 male respondents (54.9%) and 134 female respondents (45.1%), indicating a slight male predominance within the banking workforce in western Libya. Most participants fell within the 30–39 and 40–49 age categories, representing a combined 88.5% of the sample, which suggests that the respondents are predominantly individuals with substantial professional experience and high productivity potential. This demographic composition strengthens the credibility of their views concerning the study variables. In addition, the majority of participants possessed a bachelor's degree (63.6%), followed by those holding higher diplomas and postgraduate degrees, indicating a satisfactory educational background that supports the provision of well-informed and reliable responses in line with the study's objectives. The majority of respondents have 20 to less than 25 years of work experience (70%), indicating a high level of professional experience among participants, which enhances the reliability of their evaluations and perceptions regarding the study subject.

### **2.3 Research instrument**

Data was collected through a structured, self-administered questionnaire. The research instrument comprised 20 core items, evenly divided into 10 items assessing strategic planning (SP) and 10 items evaluating crisis management (CM), as detailed in Table (1), in addition to a set of demographic variables used to describe the characteristics of the study sample.

- The (SP) dimension measures the level of strategic planning practices implemented in public commercial banks by assessing the clarity of vision and mission, the precision of strategic goal formulation, the systematic analysis of the

internal and external environment, the extent of employee participation, the flexibility of strategic plans, and the availability of alternative planning to address unexpected changes.

- The (CM) dimension evaluates the effectiveness of crisis management in public commercial banks by examining the capacity for early crisis anticipation, the availability of clear plans and specialised teams, the speed and efficiency of response, the effectiveness of internal coordination and communication, the soundness of decision-making during crises, and the utilisation of experiences to support bank stability.

**Table 1**

*All items used to measure SP and CM*

<b>Independent Variable (SP) Items</b>	
The bank has a clear and well-defined strategic vision.	<b>SP1</b>
The bank's mission is well communicated and guides daily operations.	<b>SP2</b>
The bank's strategic goals are realistic and achievable.	<b>SP3</b>
Bank management relies on strategic planning in decision-making.	<b>SP4</b>
The bank regularly analyses its internal environment to identify strengths and weaknesses.	<b>SP5</b>
The external environment is analysed to identify potential opportunities and threats.	<b>SP6</b>
Employees participate in the formulation and implementation of strategic plans.	<b>SP7</b>
The bank periodically reviews its strategic plans.	<b>SP8</b>
Strategic plans are flexible and adaptable to change.	<b>SP9</b>
The bank adopts alternative plans to deal with unexpected situations.	<b>SP10</b>
<b>Independent Variable (SP) Items</b>	
The bank has the ability to anticipate potential crises.	<b>CM1</b>
Clear crisis management plans exist within the bank.	<b>CM2</b>
Crises are handled quickly and effectively when they occur.	<b>CM3</b>
Qualified teams are available to manage banking crises.	<b>CM4</b>
There is effective coordination among departments during crises.	<b>CM5</b>
Administrative leadership contributes to reducing the impact of crises.	<b>CM6</b>
Decisions during crises are based on accurate information.	<b>CM7</b>
Effective communication with employees is maintained during crises.	<b>CM8</b>
The bank benefits from past experiences in dealing with crises.	<b>CM9</b>
Crisis management contributes to maintaining bank stability.	<b>CM10</b>

The questionnaire items were derived from an extensive review of prior scholarly studies and were subjected to expert evaluation by specialists in education and psychology to verify their content validity and linguistic clarity. A five-point Likert scale was utilised to capture respondents' perceptions, with response options ranging from 1 (Strongly Disagree) to 5 (Strongly Agree).

## 2.4 Reliability and validity

The reliability of the measurement instrument was examined using Cronbach's alpha ( $\alpha$ ) for the two constructions, Strategic Planning (SP) and Crisis Management (CM), each represented by 10 items. The analysis revealed strong internal consistency for both scales, with alpha values of  $\alpha = 0.889$  for SP and  $\alpha = 0.874$  for CM. These coefficients exceed the recommended minimum reliability threshold of 0.70 established by Nunnally and Bernstein (1994), indicating a high degree of measurement, reliability and internal coherence among the items. To ensure transparency and reproducibility, Table 1 provides the full list of items used to operationalise both constructions.

The questionnaire was originally developed in Arabic and subsequently translated into English, followed by a careful linguistic and contextual review to ensure semantic equivalence. As Arabic is the respondents' native language, the final instrument was administered in Arabic, thereby minimising potential language-related measurement bias.

All responses were coded and analyzed using IBM SPSS Statistics (Version 24). The analysis incorporated both descriptive and inferential statistical techniques. Before statistical testing, Likert-scale responses were standardised such that higher numerical values consistently reflected higher levels of the underlying constructs—namely, more advanced strategic planning practices and more effective crisis management performance.

For descriptive interpretation, mean scores were examined using a five-point interpretive framework corresponding to the Likert response categories (from 1 = Strongly Disagree to 5 = Strongly Agree). These categorisations were applied solely to describe overall response tendencies and were not used for classification or inferential decision-making.

Finally, a post hoc power analysis was conducted to assess the adequacy of the sample size for detecting small effect sizes. The results demonstrated that the sample ( $N = 297$ ) achieved statistical power exceeding 99%, confirming the robustness of the dataset for correlation analysis.

### 3 RESULTS

The findings are structured into four distinct parts:

#### 3.1 Strategic planning practices

Overall, the findings indicate that employees in public commercial banks reported a moderate level of strategic planning (SP) implementation. The mean composite score for strategic planning was 3.14 on a five-point Likert scale, with a relatively low standard deviation ( $SD = 0.67$ ), suggesting a consistent and moderate level of agreement among respondents regarding the extent to which strategic planning practices are applied in bank management. These results imply that strategic planning is present within the studied banks; however, its implementation remains at a moderate level, highlighting the need for further enhancement to strengthen its role in supporting effective crisis management. Table 2 summarizes the average scores for each SP item.

**Table 2**

*Average scores and standard deviations for each SP item*

Average	SP10	SP9	SP8	SP7	SP6	SP5	SP4	SP3	SP2	SP1	SP Item
<b>3.14</b>	2.31	3.71	2.69	3.87	3.51	3.34	2.88	2.78	3.26	3.04	Average
<b>0.67</b>	0.607	0.669	0.682	0.627	0.801	0.665	0.682	0.702	0.637	0.601	SD

The data presented in the table show that the overall mean score for the strategic planning items was 3.14, indicating a moderate level of strategic planning practices among the surveyed public commercial banks. Item SP7 achieved the highest mean score (3.87), reflecting a relatively strong degree of employee involvement in the development and implementation of strategic plans. In contrast, item SP10 recorded the lowest means (2.31), suggesting limited adoption of alternative planning mechanisms to address unexpected changes. Furthermore, the standard deviation values, ranging from 0.601 to 0.801, indicate a reasonable level of consistency in respondents' perceptions.

### 3.2 Crisis management in the libyan banking sector

The findings indicate that the level of crisis management (CM) in public commercial banks in the western region of Libya is moderate, with a tendency toward a positive level. The overall mean score reached 3.06 on a five-point Likert scale, with a relatively low standard deviation (SD = 0.66), suggesting a moderate degree of agreement or neutrality regarding statements describing effective crisis management practices. This implies that the surveyed banks demonstrate a reasonable capacity to manage crises; however, these practices have not yet reached an optimal level, highlighting the need for further enhancement, particularly in light of the growing challenges facing the banking sector. Table 3 summarises the average scores for each CM item

**Table 3**

*Average scores and standard deviations for each SP item*

Average	CM10	CM9	CM8	CM7	CM6	CM5	CM4	CM3	CM2	CM1	CM Item
<b>3.06</b>	3.56	3.49	2.81	3.22	3.01	2.88	3.16	2.79	2.19	3.51	Average
<b>0.66</b>	0.604	0.691	0.681	0.637	0.711	0.649	0.671	0.753	0.637	0.561	SD

The results presented in Table 3 show that the overall mean score for the crisis management (CM) items was 3.06, indicating a moderate level of crisis management effectiveness among the surveyed public commercial banks. Item CM10 recorded the highest means (3.56), followed by CM1 (3.51), suggesting a reasonable capacity to maintain bank stability and respond to crises. In contrast, CM2 reported the lowest mean (2.19), indicating a relative weakness in the clarity or availability of formal crisis management plans. The standard deviation values, ranging from 0.561 to 0.753, reflect an acceptable level of response consistency, thereby supporting the reliability of the findings.

Figure (1) presents a radar chart comparing the mean scores of Strategic Planning (SP) and Crisis Management (CM) across ten measured dimensions. The figure shows a noticeable visual overlap and close alignment between the SP and CM profiles across most items, indicating a general consistency and coherence between strategic planning practices and crisis management performance within the surveyed banks.

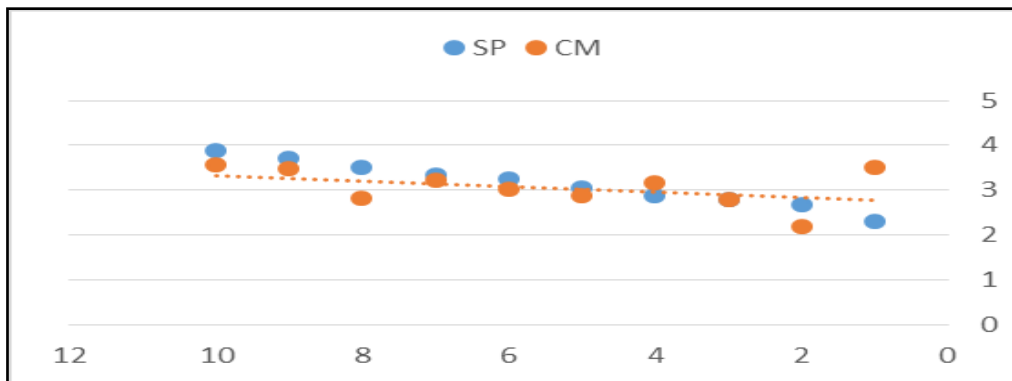
In several dimensions (e.g., Q7 and Q9), SP scores appear slightly higher than CM scores, suggesting stronger emphasis on certain strategic planning aspects. Conversely, CM demonstrates relatively higher scores in other areas (e.g., Q1 and Q10), reflecting variability in crisis management practices across specific areas. Nevertheless, these differences remain moderate, with no pronounced divergence between the two constructs.

Overall, the proximity of the two radar plots suggests a positive and moderately aligned relationship between strategic planning and crisis management. Banks exhibiting higher levels of strategic planning tend to demonstrate better crisis management capabilities. This visual evidence supports the statistical findings reported later in the study, which confirm the presence of a positive and statistically significant correlation between SP and CM.

In summary, the radar chart provides complementary visual support to the quantitative analysis and reinforces the conclusion that effective strategic planning contributes to enhanced crisis management performance in the Libyan banking sector.

**Figure 1**

*Radar Chart Comparing Average Scores of SP and CM.*



**Figure 2**

*Average score of SP vs. CM for 297 participants.*

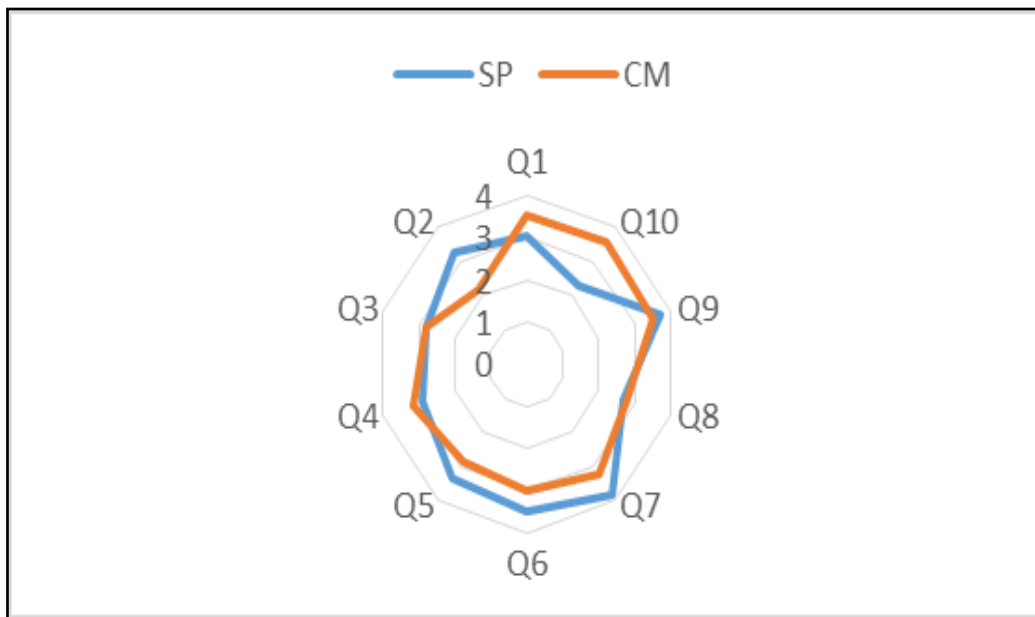


Figure (2) presents a scatter plot comparing the average scores of Strategic Planning (SP) and Crisis Management (CM) for the 297 participants, including a fitted linear trend line for CM. The plot reveals a relative proximity between SP and CM values across most observations, indicating a degree of alignment between strategic planning practices and crisis management performance.

The slope of the trend line suggests a weak positive association between the two constructions, whereby higher levels of strategic planning are accompanied by slightly improved crisis management outcomes, despite noticeable variability among individual observations. This visual pattern supports the subsequent statistical analyses, which confirm a positive but modest correlation between SP and CM.

### **3.3 Differences by gender, qualification, and years of experience**

Given the critical role of demographic and professional characteristics in shaping managerial practices and decision-making processes within banking institutions, this section examines whether levels of Strategic Planning (SP) and Crisis Management (CM) differ significantly according to gender, academic qualification, and years of experience

among employees of public commercial banks in the western region of Libya. This analysis provides deeper insights into how these factors influence organisational preparedness and crisis response effectiveness.

### *3.3.1 Differences by gender*

In light of the demographic and professional characteristics of the study sample—characterized by a relatively balanced gender distribution (54.9% males and 45.1% females), high levels of professional experience, and strong educational qualifications—a one-way analysis of variance (ANOVA) was conducted to examine gender-based differences in Strategic Planning (SP) and Crisis Management (CM).

The findings indicate that differences in mean SP and CM scores between male and female employees are present but remain limited in magnitude and do not reflect substantial divergence in perceptions or practices. This outcome can be attributed to the relatively homogeneous banking environment under investigation, particularly with respect to organisational structures, operational practices, technological infrastructure, and service delivery systems. Moreover, the close similarity in years of work experience and educational attainment across genders further mitigates potential gender-based disparities.

Notably, the vast majority of respondents fall within the 30–39 and 40–49 age groups and possess 20 to less than 25 years of professional experience, suggesting a workforce dominated by seasoned and highly experienced employees. This professional maturity appears to reduce gender-related differences and reinforces the predominance of institutional norms and professional competencies over demographic factors. Accordingly, the results suggest that gender-related differences in strategic planning and crisis management practices within Libyan public commercial banks are marginal when compared to the influence of experience, qualification, and organizational context.

### *3.3.2 Differences by qualification*

Given the variation in educational qualifications among participants—where bachelor's degree holders constitute the majority of the sample (63.6%), followed by

respondents with higher diplomas and postgraduate degrees—a one-way analysis of variance (ANOVA) was conducted to examine differences in Strategic Planning (SP) and Crisis Management (CM) across qualification levels.

The results indicate only modest differences in mean SP and CM scores among qualification groups, with no substantial variation in perceptions or practices related to strategic planning and crisis management. This finding reflects the nature of the banking sector, where professional experience, institutional training, and adherence to standardized policies and procedures play a more influential role than formal academic qualifications alone.

Furthermore, the high level of professional experience observed among most respondents—particularly those with 20 to less than 25 years of service—appears to mitigate potential qualification-based differences by fostering shared professional competencies and managerial approaches. Consequently, while educational qualification contributes to foundational knowledge, it does not emerge as a decisive factor in explaining differences in strategic planning and crisis management practices within Libyan public commercial banks when compared to experience and organizational context.

### *3.3.3 Differences by years of experience*

Given the critical role of professional experience in shaping managerial competencies and enhancing the ability to respond effectively to critical situations, differences in (SP) and (CM) were examined across years of experience using one-way analysis of variance (ANOVA).

The findings indicate that the sample is characterized by a high level of professional experience, with approximately 70% of respondents having between 20 and less than 25 years of service. This concentration of long-term experience is reflected in the relatively close mean scores of SP and CM across experience groups, suggesting a high degree of homogeneity in strategic and crisis management practices.

Employees with longer years of experience demonstrated greater awareness of the importance of proactive strategic planning and risk anticipation, which strengthens their capacity to manage banking crises effectively. However, the limited variation observed

among experience categories implies that standardized organizational frameworks, regulatory requirements, and continuous professional training have contributed to minimizing experience-related differences. Accordingly, professional experience appears to function as a reinforcing factor for SP and CM practices rather than a source of pronounced differentiation among employees in Libyan public commercial banks.

## **4 DISCUSSION**

This study explores the relationship between strategic planning (SP) and crisis management (CM) within the banking workforce, while analysing how this relationship differs according to gender, educational attainment, and years of experience. The results yield valuable insights into the structural and demographic dimensions influencing this association.

### **4.1 Strategic planning vs. crisis management relationship**

The Pearson correlation analysis indicated a positive yet modest association between Strategic Planning (SP) and Crisis Management (CM) ( $r \approx 0.35$ ), suggesting that higher levels of strategic planning are generally linked to improved crisis management practices within public commercial banks. Although statistically meaningful, the strength of this relationship remains limited, indicating that strategic planning explains only a partial proportion of the variance in crisis management effectiveness.

This finding implies that while strategic planning contributes to organisational preparedness and crisis responsiveness, it does not operate as a standalone driver of effective crisis management. Rather, its influence appears to be complementary, interacting with other organisational factors such as leadership capabilities, institutional learning, governance quality, and communication systems. This interpretation is consistent with prior research emphasizing that crisis management is a multidimensional process shaped by both formal planning mechanisms and adaptive organisational capacities (Mitroff & Anagnos, 2001; Bundy et al., 2017).

From this perspective, strategic planning may enhance crisis management by providing a structured framework for anticipating risks, aligning resources, and

developing contingency alternatives. However, the modest magnitude of the observed correlation underscores that successful crisis management in banking institutions—particularly in volatile and uncertain environments such as Libya—depends on a broader set of managerial and contextual variables. Similar conclusions have been reported in studies conducted in emerging and transitional economies, where strategic planning was found to support, but not fully determine, organisational resilience during crises (Elbanna, 2016; Bryson, 2018).

Overall, the results suggest that strengthening crisis management in the Libyan banking sector requires an integrated approach in which strategic planning is combined with effective leadership, continuous training, and institutional adaptability, rather than relying solely on formal planning processes.

#### **4.2 Effect of strategic planning dimensions on crisis management effectiveness**

Building on the confirmed relationship between strategic planning and crisis management, this section examines the extent to which the individual dimensions of strategic planning—namely strategic vision, mission, goals, strategic analysis of the internal and external environment, and alternative planning—collectively influence the effectiveness of crisis management in public commercial banks operating in the western region of Libya.

The findings reveal that the dimensions of strategic planning exert a statistically significant effect on crisis management effectiveness, thereby providing empirical support for the second main hypothesis. This result indicates that crisis management performance is not merely associated with the overall existence of strategic planning, but is fundamentally shaped by the quality, coherence, and integration of its constituent dimensions.

This finding is consistent with the strategic management literature, which emphasises that effective crisis management emerges from a systematic and forward-looking planning framework rather than from ad hoc responses (Bryson, 2018; Pearson & Clair, 1998). In the banking context, Al-Thani and Al-Hajri (2022) argue that organisations with clearly articulated strategic dimensions demonstrate greater readiness and adaptability when confronted with financial and operational crises.

In particular, dimensions associated with future orientation and preparedness, such as strategic vision and alternative planning, appear to play a more pronounced role in enhancing banks' capacity to anticipate, absorb, and respond to crises. This aligns with the findings of Herbane (2019), who highlights that alternative planning and scenario analysis significantly improve organisational resilience by enabling institutions to manage uncertainty and disruption proactively. Similarly, Mitroff, Shrivastava, and Udvardia (2011) emphasise that crisis-prepared organizations are distinguished by their ability to envision potential threats and develop flexible response strategies in advance.

Meanwhile, dimensions related to organizational alignment, including mission clarity, strategic goal setting, and systematic internal and external analysis, contribute to crisis management effectiveness by strengthening coordination, situational awareness, and evidence-based decision-making during crisis situations. This is supported by Elbanna, Andrews, and Pollanen (2016), who found that strategic analysis enhances decision quality under conditions of uncertainty, particularly in public and semi-public sector organisations. In the banking sector, clear missions and aligned strategic goals have been shown to facilitate faster response times and more coherent crisis communication (Kooli & Lock Son, 2020).

Overall, these findings reinforce the view that effective crisis management in banking institutions depends on a comprehensive and integrated strategic planning system, rather than on isolated or symbolic planning practices. The results further suggest that the dimensions of strategic planning function synergistically, collectively supporting organizational resilience when embedded within adaptive leadership structures and flexible administrative systems. This conclusion is consistent with contemporary crisis management frameworks, which regard strategic planning as a core institutional capability that underpins crisis preparedness, response, and recovery (Boin et al., 2017; Williams, Gruber, Sutcliffe, Shepherd, & Zhao, 2017).

## **5 CONCLUSIONS**

This study examined the impact of Strategic Planning (SP) on Crisis Management (CM) in public commercial banks operating in the western region of Libya, with particular attention to how this relationship varies across gender, academic qualification,

and years of professional experience. The findings contribute to a deeper understanding of the role of strategic planning as an organisational capability within a banking environment characterised by uncertainty, operational risk, and external volatility.

The results indicate that both strategic planning practices and crisis management effectiveness are present at **moderate levels** within the surveyed banks. This suggests that while formal planning and crisis response mechanisms exist, they have not yet reached an optimal level of maturity. Certain dimensions of strategic planning—such as employee participation in planning processes—demonstrated relatively stronger performance, whereas other critical aspects, notably alternative planning and contingency preparedness, revealed clear weaknesses. Similarly, crisis management practices showed reasonable strength in maintaining operational stability, but deficiencies were evident in the formalisation and clarity of crisis management plans.

Importantly, the study confirmed a **positive but modest correlation** between strategic planning and crisis management. This finding indicates that higher levels of strategic planning are generally associated with improved crisis management capabilities; however, the strength of this relationship remains limited. Strategic planning alone does not fully account for variations in crisis management effectiveness, highlighting that crisis management is a multidimensional process influenced by a broader set of organizational and contextual factors.

Further analysis demonstrated that the dimensions of strategic planning collectively exert a statistically significant effect on crisis management effectiveness. This underscores that crisis management performance is shaped not merely by the existence of strategic plans, but by the coherence, integration, and quality of core planning dimensions, including strategic vision, mission clarity, goal alignment, systematic environmental analysis, and alternative planning. Dimensions related to future orientation and preparedness appear particularly influential in enhancing banks' ability to anticipate and respond to crises.

With respect to demographic and professional variables, the findings revealed limited differences in strategic planning and crisis management practices across gender, academic qualification, and years of experience. This homogeneity can be attributed to the standardised regulatory frameworks, similar organisational environments, and high levels of professional experience prevailing across the banks studied. As a result,

institutional norms and accumulated professional expertise appear to outweigh demographic characteristics in shaping strategic and crisis management practices.

Overall, the study highlights that effective crisis management in the Libyan banking sector depends on an integrated strategic planning framework supported by experienced personnel, adaptive leadership, and organisational learning. Strategic planning should therefore be viewed not as a static administrative exercise, but as a dynamic capability that must be continuously refined to strengthen organisational resilience in the face of evolving crises.

## **6 RECOMMENDATIONS**

Considering the study's findings, several practical recommendations are proposed to enhance strategic planning and strengthen crisis management effectiveness in public commercial banks in Libya. These recommendations are directed at banking institutions, senior management, policymakers, and future researchers.

### **6.1 Banking institutions**

Public commercial banks should move beyond formal or symbolic strategic planning practices and adopt a more integrated and dynamic planning approach. Particular emphasis should be placed on strengthening alternative planning and scenario analysis to improve preparedness for unexpected financial, operational, and systemic crises. Regular reviews and updates of strategic and crisis management plans are essential to ensure their relevance in rapidly changing environments.

### **6.2 Senior management and leadership**

Bank leaders should promote a strategic culture that encourages employee participation, cross-departmental coordination, and proactive risk identification. Leadership development programs focusing on crisis leadership, decision-making under uncertainty, and strategic foresight can significantly enhance banks' crisis response capabilities.

### **6.3 Training and capacity building**

Continuous professional training should be institutionalised to reinforce employees' competencies in strategic analysis, risk assessment, and crisis response. Simulation exercises, crisis drills, and scenario-based training can help translate strategic plans into actionable responses and reduce reliance on improvisation during actual crises.

### **6.4 Policy and regulatory authorities**

Regulatory bodies and policymakers are encouraged to develop clear guidelines and frameworks that integrate strategic planning requirements with crisis management standards. Encouraging banks to align their strategic planning processes with national financial stability and risk management policies would further enhance sector-wide resilience.

### **6.5 Future research**

Future studies are encouraged to expand the scope of analysis by incorporating longitudinal designs to assess how strategic planning and crisis management practices evolve. In addition, integrating objective performance indicators—such as financial stability measures, recovery time after crises, or regulatory compliance outcomes—would provide a more comprehensive assessment of crisis management effectiveness. Comparative studies across regions or between public and private banks could also yield valuable insights.

## **AUTHOR CONTRIBUTIONS**

Conceptualisation and Methodology, A. A. A. M.B.H.; Software, Validation, Formal analysis, and Investigation, Resources, Data curation, Writing- original draft; A. A. A. Writing M Funding acquisition and M.A.H Review, editing, Supervision, and project administration. All authors have read and agreed to the published version of the manuscript.

## **INSTITUTIONAL REVIEW BOARD STATEMENT**

The study was conducted in accordance with the Declaration of Helsinki and approved by the Ethics Libyan Centre for Sustainable Development Research, Libya (Reference number: 12.2024, Approval Date: 11 August 2024).

## **INFORMED CONSENT STATEMENT**

Informed consent was obtained from all subjects involved in the study. Participation was entirely voluntary, and all responses were collected anonymously to protect participants' identities.

## **DATA AVAILABILITY STATEMENT**

Data is contained within the article.

## **CONFLICTS OF INTEREST**

The authors declare no conflicts of interest. The funders had no role in the design of the study; in the collection, analyses, or interpretation of data; in the writing of the manuscript; or in the decision to publish the results.

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## ABBREVIATIONS

The following abbreviations were used in this manuscript:

- ANOVA: Analysis of Variance
- SP Strategic Planning
- CM: Crisis Management
- SPSS: Statistical Package for Social Science