Tourism Destination Competitiveness in UAE: The Role of Strategic Leadership and Strategic Planning Effectiveness

Hamad Ali Salem Mahdi Alseiari, Gamal S. A. Khalifa, Amyia Bhaumick

Abstract: Building competitive organizations requires a conscious management and a strong and effective leadership that recognizes the importance of sustainable development, and how to be applied in business organizations. The aim of the research is to test the association among Strategic leadership (SL), strategic planning effectiveness (SPE) toward tourism organization competitiveness (TOC) in UAE tourism industry. A quantitative research approach has been conducted for the study and survey-based method has followed in the research and distribute questionnaire among employee to collect data. The questionnaire has developed into five point Likert scale and structured questionnaires were distributed among UAE tourism employees. This study finding has showed direct and indirect relationships influences among variables. SL influence positively towards SPE, and TOC. Managerial and theoretical implications are introduced.

Keywords: strategic leadership, strategic planning, competitiveness, UAE.

I. INTRODUCTION

The tourism industry is one of the quickest developing industries in various countries around the globe, and the fundamental driver of foreign income for some developing nations [1]–[4]. Hence, the investigation of competitiveness of goal has attracted the consideration of strategy producers, public and private organizations, and researchers in the field of the travel industry [5]–[9]. Models and empirical studies that have evolved in competitive literature and the sustainability of touristic destination performance [10]–[12] provide very useful insights into the competitiveness of destination, but partly neglect the role of strategic planning factors in supporting the competitiveness of touristic destination performance [13].

Al-Juhani (2015) also pointed out that transforming to sustainable organizations that take into account the dimensions of development and preserve the rights of future generations is an urgent requirement for all countries and requires strategic leaders who are aware of required role at this stage [14], because of their moral influence in their organizations through formulating strategic direction, adopting sustainable strategies, developing plans and programs and encouraging creativity and initiatives to build sustainable business organizations [15]–[17].

In order to illustrate how strategic leadership practices support the competitiveness of tourism business organizations, intermediate variables are important, especially as these variables are important to the success of service organizations. [18] emphasized that the effectiveness of strategic planning to improve the competitiveness of tourism organizations has been discussed in previous studies, in which the relationship between the failure rate of service organizations and degree of their learning from practical experiences related to internal competence and competitive experience associated with the competitors’ reactions were studied. The study aims to investigate the role of strategic leadership and strategic planning on competitiveness among UAE tourism organizations.

II. LITERATURE REVIEW

A. Strategic leadership and the competitiveness

Varra et al., (2012) [19] argue that in order to support the competitiveness of tourism destinations, a supportive leadership is required that seeks to reconcile all stakeholders. This leadership is capable of unleashing constructive and positive energies in the system and stimulating individual behaviour [20]–[23]. This institutional leadership, which is not centralized but diffused among different operators who agree with the national development model, works to achieve local development goals [22], [24]. Furthermore, this leadership contributes to the development of a sustainable strategic destination [25]–[27]. This entrepreneurial leadership works through a key stakeholder who formulates local tourism development policies. Based on the above the study hypotheses that:

H1: Strategic leadership significantly influence tourism organisation competitiveness

B. Strategic leadership and strategic planning

Leaders are vitally interested in what the strategy is, as well as the way in which it indicates the steps that will be taken to develop and refine ideas as well as implement them [28]–[30]. According to the scientific theories that are associated with the top management, leadership is a reflection of the behavior and vision of the heads of the board [21], [31], [32].
According to the strategic vision for the adoption of the strategic plans in institutions, comes to the mind the question of the possible role of the heads of the Board of Directors on the extent of adoption of these boards to participate in the activation and implementation of the strategic plans of the tourism organization, which could contribute to change the strategic direction of the institution [29], [33]. Based on the above, the study proposes the following hypotheses:

**H2:** Strategic leadership significantly influences strategic planning effectiveness.

**C. Strategic leadership, strategic planning, and the competitiveness of the tourism destination**

[34] referred to the successful activities or behaviors in which strategic leaders engage, including having the capacity to carry out organizational activity. Those strategic leaders have the organizational capacity in terms of strategic direction, translating strategy into action [26], developing strategic competencies [35], and identifying effective strategic intervention points. Davies and Davies (2004) believe that the strategic leaders have the ability to translate strategy into action. In addition, it is strategic leaders who develop an appropriate strategy for the organization. The strategy must be translated into action by turning it into an operational plan.

Tourism researchers and practitioners have developed different methods to help in understand and enhancing the sustainable competitiveness of tourism destinations [36], [37]. While tourism destination planning has adopted a spatial perspective and infrastructure, significant efforts have been made to integrate a range of development objectives into the context of tourism concepts and guidelines [38] complemented by a sophisticated business orientation inspired by strategic management [38]. Strategic tourism destination leadership aims to complement the structural and procedural perspective of destination governance by considering the role that emotion, creativity and values play in tourism destinations.

**H3:** Strategic planning effectiveness influence tourism organization competitiveness

With many tourist destinations competing for the dollar, both globally and locally, so the challenge is fierce and destinations are hoping to take advantage of all of their resources or separate themselves from their competitors. This increased degree of the competitiveness has featured the requirement for travel planners, managers and destinations to rely extra on strategic planning to guarantee that this market share will continue in the future [39]. As noted Crouch and Ritchie, (1999), "the increasing level of the global competition in the travel industry, and the length of the required time to develop the key facilities in order to meet this competition, made strategic planning increasingly necessary".

The literature review has, so far, found evidences that the direction of the strategic leadership is positively correlated with the competitiveness of institutions [40]. Similarly, some contributions have shown that the strategic planning positively affects the organizational performance and the sustainability of institutions [41], [42]. Based on the above, the study proposes the following hypotheses:

**H4:** strategic planning effectiveness mediates the relationship between strategic leadership and competitiveness.

### III. Research Design

#### A. Methods

Quantitative approach tracked for questionnaire investigation and get feedback instantly. Methods of the research depend on the questionnaire or interview procedures to collect information regarding the problem and context of the study field. For testing the hypotheses, a survey questionnaire is designed to collect data. This study survey consists of two parts with questions focused on the following contents: strategic leadership, and tourism sustainability (Economic pillar, environmental pillar, and social pillar). Brynard & Hanekom (1997)[43] argue that quantitative methods tend to be more suitable when the need to assign figures and direct an investigation towards the realization of a universal truth. In this concept, to test the reliability and validity, hypothesis testing of the measurement variables quantitative methods can be used [44]. This research applies a survey-based methodology for gathering data, which has many advantages that mainly suitable for this study. Information about respondents’ beliefs, motives and attitudes provides by an effective survey design in the study field in the case of research, measure the perceptions of organization employees. At first, prepared questionnaire sample was showed to the authorizes to get permission. The HR managers reviewed the questionnaire and give us feedback to collect data from the employee. The data collected into four steps; first steps have taken 45 days to get 100 valid questionnaire form the employees. Accordingly, four steps together collected 355 valid questionnaires after distributing 500 questionnaires. Consequently, PLS (Partial Least Square) was used to analyze this study in order to find out the result for support the hypothesis and outcomes.

### IV. Data Analysis and Results

#### A. Respondents' profile

The researchers distributed 500 questionnaires for the employees on the tourism institutions. The valid questionnaires returned are 355 (71%) out of 500. The responding sample (n=355) consisted of 59.2% male and 40.8% female. The majority of the participants employees range from 30 to 39 years old. As Table 1 presents that 29 % of the respondents were aged less than 30 years, 22.3 % from 40 to 49 years. Surprisingly, the highest nationality for those employees is international (more that 98.3%). Close to 81.6% of the employees hold a bachelor degree and most of the remaining 11% hold a postgraduate degree (master & PhD). Only 7.3% were holding Senior High School. For
work experience, 24.5% have work experience from 11 to 15 years, 21.4% are less than 5 years, 20% are 5-10 years’ experience, and 18.6% are from 16 to 20 years’ experience.

Table 1: Respondents’ Profile

<table>
<thead>
<tr>
<th>Gender</th>
<th>Male</th>
<th>Frequency</th>
<th>Valid Percent (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Female</td>
<td>210</td>
<td>59.2</td>
</tr>
<tr>
<td></td>
<td></td>
<td>145</td>
<td>40.8</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Age</th>
<th>less than 30</th>
<th>103</th>
<th>29.0</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>30-39</td>
<td>148</td>
<td>41.7</td>
</tr>
<tr>
<td></td>
<td>40-49</td>
<td>79</td>
<td>22.3</td>
</tr>
<tr>
<td></td>
<td>50-59</td>
<td>25</td>
<td>7</td>
</tr>
</tbody>
</table>

| Nationality | UAE   | 6    | 1.7  |
|             | Others | 349  | 98.3 |

| Experience | less than 5 | 76   | 21.4 |
|           | 5-10       | 71   | 20.0 |
|           | 11-15      | 87   | 24.5 |
|           | 16-20      | 66   | 18.6 |
|           | above 20   | 55   | 15.5 |

| Education  | Secondary school | 26   | 7.3   |
|           | Bachelor       | 290  | 81.6  |
|           | Master         | 23   | 6.5   |
|           | PhD            | 16   | 4.5   |

Total: 355

B. Measurement Model Assessment

Structured equation modelling was implemented for this study via Smart PLS. The measurement model assessed by construct reliability and construct validity (convergent and discriminant validity). According to the results in table 2, the construct reliability is fulfilled, (Cronbach’s alpha and Composite reliability (CR) Values are above 0.7) [45] [46]. Furthermore, indicator reliability achieved, as factor loading values are above the recommended value (0.5) (see Fig. 2) [47] [48].

Table 2: Constructs reliability and validity

<table>
<thead>
<tr>
<th>Variables</th>
<th>Mean</th>
<th>ST. D</th>
<th>Cronbach Alpha</th>
<th>Composite reliability</th>
<th>Average variance extracted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic leadership (SL)</td>
<td>3.327</td>
<td>0.76</td>
<td>0.896</td>
<td>0.921</td>
<td>0.659</td>
</tr>
<tr>
<td>Strategic planning effectiveness (SPE)</td>
<td>3.459</td>
<td>0.65</td>
<td>0.888</td>
<td>0.918</td>
<td>0.693</td>
</tr>
<tr>
<td>Tourism organization competitiveness</td>
<td>3.321</td>
<td>0.76</td>
<td>0.920</td>
<td>0.935</td>
<td>0.641</td>
</tr>
</tbody>
</table>

As shown in table 2, convergent validity was fulfilled, as the average variance extracted (AVE) values were above 0.5 [48]. Furthermore, discriminant validity is fulfilled. According to Fornell-Larcker criterion values in table 3, the bolded AVEs are higher than the correlations among variables [49].

Table 3: Cross loading

<table>
<thead>
<tr>
<th>SL</th>
<th>SPE</th>
<th>TOC</th>
</tr>
</thead>
<tbody>
<tr>
<td>SL1</td>
<td>0.790</td>
<td>0.571</td>
</tr>
<tr>
<td>SL2</td>
<td>0.832</td>
<td>0.516</td>
</tr>
<tr>
<td>SL3</td>
<td>0.830</td>
<td>0.557</td>
</tr>
<tr>
<td>SL4</td>
<td>0.845</td>
<td>0.561</td>
</tr>
</tbody>
</table>

The results of discriminant validity by using the Fornell-Larcker criterion is shown in Table 4, where the square root of the AVEs on the diagonals, as represented by the bolded values, are higher than the correlations between constructs (corresponding row and column values). This indicates that the constructs are strongly related to their respective indicators compared to other constructs of the model [49], [50], thus suggesting a good discriminant validity [47], [51]. In addition, the correlation between exogenous constructs is less than 0.85 [52]. Hence, the discriminant validity of all constructs is fulfilled.

Table 4: Fornell-Larcker criterion

<table>
<thead>
<tr>
<th></th>
<th>SL</th>
<th>SPE</th>
<th>TOC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic leadership</td>
<td>0.812</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strategic planning effectiveness</td>
<td></td>
<td>0.653</td>
<td>0.833</td>
</tr>
<tr>
<td>Tourism organization competitiveness</td>
<td></td>
<td></td>
<td>0.699</td>
</tr>
</tbody>
</table>

Hypotheses test

Figure 1 show the results of the causal connections among study constructs as extracted from Smart PLS3 according to the criteria of [47].

Figure 1: Structural Model Assessment

1) Hypotheses Tests

The outcomes in table 4 revealed that, three direct hypotheses are supported. SL predicts SPE and TOC. Subsequently, H1 and H2 are supported with (B=0.653, t=18.476, P<0.001), and (B=0.420, t=7.516, P<0.001) respectively. Furthermore, SPE positively predicts TOC. Henceforth, H3 is supported with (B=0.428, t=7.712, P<0.001).
SL and SPE are explaining 59.4% of the difference in TOC. The $R^2$ esteem accomplished a worthy degree of illustrative power as prescribed by Cohen (1988) and Chin (1998). Furthermore, the consequence of $F$ as Table 4 shows, that all association with large impact sizes. Besides, Table 4 demonstrates that every one of the estimations of $Q^2$ more prominent than zero show that there is a sufficient prescient significance for the proposed model [47], [53]. Additionally, SPE significantly mediate the relationship among SL and TOC. Hence, H4 is supported with ($B=0.279$, $t=6.524$, $P<0.001$).

### Table 5: Hypotheses Tests

<table>
<thead>
<tr>
<th>H</th>
<th>Relations</th>
<th>Beta</th>
<th>Error</th>
<th>t</th>
<th>P</th>
<th>$R^2$</th>
<th>$\beta$</th>
<th>$Q^2$</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1</td>
<td>SL $\rightarrow$ SPE</td>
<td>0.653</td>
<td>0.035</td>
<td>18.476</td>
<td>0.000</td>
<td>Supported</td>
<td>0.426</td>
<td>0.743</td>
</tr>
<tr>
<td>H2</td>
<td>SL $\rightarrow$ TOC</td>
<td>0.420</td>
<td>0.056</td>
<td>7.516</td>
<td>0.000</td>
<td>Supported</td>
<td>0.249</td>
<td>0.354</td>
</tr>
<tr>
<td>H3</td>
<td>SPE $\rightarrow$ TOC</td>
<td>0.428</td>
<td>0.055</td>
<td>7.712</td>
<td>0.000</td>
<td>Supported</td>
<td>0.258</td>
<td></td>
</tr>
<tr>
<td>H4</td>
<td>SPE $\rightarrow$ TOC</td>
<td>0.279</td>
<td>0.043</td>
<td>6.524</td>
<td>0.000</td>
<td></td>
<td>0.594</td>
<td></td>
</tr>
</tbody>
</table>

*Key: SL: Strategic leadership, SPE: Strategic planning effectiveness, TOC: Tourism organization competitiveness*

### V. DISCUSSION AND IMPLICATIONS

This study contributes to the tourism organization competitiveness through investigating for the influence of SL, and SPE on TOC in the UAE tourism sector. This study linked as prior investigation between strategic leadership toward TOC. The direct and indirect influences of strategic leadership are to TOC. The variable’s validity and reliability were greatly acceptable as was mentioned prior in the result. The current study is consisting with prior work that leadership increase the competitiveness among tourism organizations.

Strategic leadership has a significant direct and indirect impact on TOC. SL influences TOC directly and indirectly through mediating variable of SPE. TOC correlates directly with SPE and SL while correlates indirectly with SL. Hence, improved SL will result in better SPE, which in turn increase TOC activities. The recognition of SPE as mediators in the relationship between SL and TOC help the hospitality management to develop appropriate strategies to improve SL behaviours within the tourism institutions. According to the proposed model, the current research enhances the explanation of the role played by SL, and SPE in the TOC at tourism industry, UAE, and introduces relevant implications for management and strategy makers. The study found that SL positively affect TOC among employees within the tourism organizations in the United Arab Emirates, this is supported by previous studies [54], [55]. It is explained by the fact that, the institutional drivers for TOC are thought to come from the national business system, and leadership is essential to successful TOC practice [54], [56], [57]. In order to enhance SL, tourism management can create projects and activities to form confidence and trust between the followers [23], [26]. Employees who trust the leaders’ vision and love their jobs are welling to be engaged in TOC activities [5], [6]. Additionally, tourism management should good example the essential organizational standards to help employees to learn and disguise and to have feeling of involvement and accomplishment in the TOC practices. SL is a desirable supervisor behaviour which positively improves employees to participate in TOC activities.

Besides focusing on enhancing SL, tourism management should also pay attention to all antecedents of enhancing SOE in order to increase TOC. In order to achieve better competitiveness, tourism management should help employees to align their objectives to organization’s objectives by implementing management by objective strategy. Likewise, it was found that SPE positively affect TOC among employees within the tourism institutions in the United Arab Emirates, this is supported by previous studies [58]–[60].

The associations among SL and SPE and TOC have been investigated rarely. This study’s results provide extra support for these causal relationships, mainly in tourism sector employees, and propose that SL is additional significant factor that directly affects these significant organization outcomes. Similarly, the results also revealed that SL has an indirect effect on TOC via SPE among employees within the tourism organizations in the United Arab Emirates, which confirms the mediation role that SPE has in this context. This concept has significant value for researchers interested in TOC. Moreover, the variance explained by the proposed model in the current study for TOC among employees within the tourism industry in the United Arab Emirates is 59.4%. Thus, tourism institutions’ managers who want to foster better SPE and TOC among employees of the hotels should take actions to confirm a more SL [14], [40], [61], [62].

### REFERENCES

Tourism Destination Competitiveness in UAE: The Role of Strategic Leadership and Strategic Planning Effectiveness


AUTHORS PROFILE

HAMAD ALI SALEH MAHDI ALSEIARI is a PhD candidate at Lincoln University College. His research interest include, Tourism Management, strategic planning, Sustainability

Prof. Dr. GAMAL SAYED AHMED KHALIFA is Dean, Faculty of Hospitality and Tourism, Lincoln University College, Malaysia. And Associate Professor at the Faculty of Tourism and Hotels, Fayoum University, Egypt. His research interests include Hospitality Management, human resources management, and education.

Prof. Dr. AMYIA BHAUMICK is the vice chancellor, Lincoln university college, Malaysia. His research interest include, Management, education,