

ULŪ AL-ALBĀB IN STRATEGIC PLANNING FOR SUSTAINABILITY

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Abstract

In a competitive world with unprecedented events and incidents, strategic planning becomes complex and dynamic. The input to strategic planning needs superior competitive intelligence that combines science and humanistic judgments. There have been seminal discussions about the need for the strategic planning process to be a super rigorous and holistic process. Superior competitive intelligence requires integrated, dynamic and responsive intelligence with rigorous and holistic processes. A superior resource-based view and industrial organization view with a holistic strategic planning process will integrate sustainable ulū al-albāb. This study argued that the ulū al-albāb influence in strategic planning is magical to provide a superior, precise, rigorous and vigorous human-mind way. This study aims to investigate the influence of ulū al-albāb in the strategic planning of business enterprises. The three business enterprises owners' experience in the strategic planning with al-albāb approach has been proven from the owners' experience in sustaining the business. There are various push and pull factors that shape the influence of ulū al-albāb thinking in the strategic planning for the enterprises. Notably, the three business owners in this study mentioned that the influence ulū al-albāb in their strategic planning practices is enhanced due to the grass-root networking provided by close friends, family members and the public to drive the motivation to operate the business and realizing his potential. The business owners have emphasized on the need for cooperation with various stakeholders. While the government intervention with fiscal policies and other incentives are necessary, business owners need to work closely with the grass root with multi sided approaches with ulū al-albāb. Each context needs to use superiority and advantages. Future researchers may want to adopt a qualitative case study method involving several small and medium enterprise owners.

Keywords: Strategic planning, *Ulū al-albāb* , Business Enterprises.

INTRODUCTION

In a competitive world with unprecedented events and incidents, strategic planning becomes complex and dynamic. The input to strategic planning needs superior competitive intelligence that combines science and humanistic judgments. There have been seminal discussions about the need for the strategic planning process to be a super rigorous and holistic process. Superior competitive intelligence requires integrated, dynamic and responsive intelligence with rigorous and holistic processes. A superior resource-based view and industrial organization view with a holistic strategic planning process will integrate sustainable *ulū al-albāb*.

Strategic planning enables companies to formulate strategies that could generate profit and sustain competitive advantage. Strategic planning involves a lot of thinking in developing direction of companies, scanning the internal and external environment for the basis of formulating strategies and generating alternative strategies (Casey & Goldman, 2010; Vaara & Whittington, 2012; Eden & Ackermann, 2013; Mhd. Sarif, 2020; Asobee, 2021). Strategists work with key stakeholders in trying to understand the environment before proposing alternative strategies.

Large companies are more resourceful due to the pool of managers, thinkers and consultants they command. These companies are able to have big data and access to huge networking in their strategic planning activities (Porter, 1983; Hutzschenreuter & Kleindienst, 2006). This setup is advantageous large companies compared to small and medium enterprises.

Profitability is always the bottom line to companies. Accuracy in strategic planning leads to formulation of strategies that are able to generate high impact in terms of profitability and sustainable competitive advantage (Porter, 1983; Vaara & Whittington, 2012; Eden & Ackermann, 2013; Asobee, 2021). However, when sustainability is emphasised together with Sustainable Development Goals (SDGs), there is a need to balance between economic ends with social and environmental objectives or triple bottom line (Mhd. Sarif, 2020; Asobee, 2021). While Islamic teaching accepts the concept of sustainability, it emphasises on *sejahtera* (peace) and *ulū al-albāb* (people of sound reason) on humanity (Adil, 2019; Abd Razak, 2020; Mhd. Sarif, 2020).

The main purpose of this study is to explore the influence of *sejahtera ulū al-albāb* strategic planning practices among small and medium enterprises.

LITERATURE REVIEW

Strategists should be able to use accurate data in strategic planning to formulate strategies that are advantageous for maximum profitability and sustainable competitive advantage. The presence of Sustainable Development Goals (SDGs) has been incorporated into strategic planning in balancing between economic, social and environmental objectives. Conceptually, the triple bottomline is acceptable in Islamic teaching when Islam emphasises on the benefits to the humanity with the duties as khalifah (vicegerents) to assure *sejahtera* (peace) and *ulū al-albāb* on humanity. Thus, strategic planning with *sejahtera* (peace) and *ulū al-albāb* approach requires achievement of sustainability

Sejahtera is one of many terms from Sanskrit language that has been used in Bahasa Malaysia, the national language in Malaysia. Even the term ‘manusia’ used in Bahasa Malaysia is derived from Sanskrit which means ‘creature with thinking’ (Hoogervorst, 2012; Jalaluddin & Ahmad, 2012). The term *sejahtera* denotes “peace” and *manusia* as “creature of thinking.” When both terms are combined as ‘manusia sejahtera, the resulting term means human as thinking creature is peaceful and can share the peace with others (Abdul Razak, 2020; Baharom, 2021). *The Sejahtera* concept has been embedded in Malaysia’s education system since the 1990s when the *sejahtera* has been made the ultimate outcome of the education system. This education system has been producing human talents with *sejahtera* since the 1990s (Adil, 2019; Hussin, 2020; Hopkins et al, 2020; Nketsia *et al.*, 2020). This implies that the stakeholders in Malaysia have been influenced by the *sejahtera* concept at least since the last two decades.

Sejahtera is not new in Malaysia. Sejahtera has been in Malaysia’s system since the introduction of “Rukun Negara” or National Principles in 1970 (Hamdan, 2011; Malaysia, 2015; Abd Razak, 2020. There are five “pillars” in Rukun Negara, namely belief in God, loyalty to the King and country, supremacy of the constitution, rules of law, and Courtesy and Morality.

The national principles and *sejahtera* education are mutually reinforcing. The impact of both can be seen in people living harmoniously in a multiracial society (Adil, 2019; Abd Razak, 2020). The national policies have been able to facilitate people to live with unity in diversity, in a democratic system, upholding a caring and just approach to different traditions.

Ulū al-albāb focuses on sound intellect (*‘aql salim*) and tranquil heart (*qalbun salim*). Aliyah (2013) defines *ulū al-albāb* as the ability of human to preserve natural disposition (*fitriah*) with sound mind by avoiding any distortion to the mind so that humans will be able to understand, to practice wisdom (*hikmāh*), to reflect phenomenon within *taqwa* (piety), obedience and guidance (*hidāyah* of Allah). Lutfiyah (2017) defines *ulū al-albāb* as individuals with functional direction, intellect and heart are able to understand, analyse, decide and execute deeds in reality together with other humans and creatures. The Qur’anic concept of *ulū al-albāb* denotes that humans are able to live together with fellow humans and other creatures due to the intellectual ability that is moderated by tranquil hearts (*qalbun salim*) (Mhd.Sarif, 2017).

Ulū al-albāb (people of sound reason) demonstrate the ability to think with high order thinking (Jamil, Abd Khafidz & Osman, 2019) through *tazakkur* and *tadabbur*. *Ulū al-albāb* are also alert to their surrounding and always act in accordance with the obligation of enjoining goodness (*al-amr bil ma’ruf*) and prohibiting evil (*al-nahy anil munkar*) (Fauziah, 2018), applying their functional and productive wisdom (Mhd. Sarif, 2015), high emotional and spiritual intelligence (Hair, 2020) and resilience to face challenges (Zahrin, Hasan & Samsudin, 2020).

Strategy analysis leads to strategies that generate high impact profitability and sustainable competitive advantage. While Islamic teaching accepts the concept of sustainability, it emphasises on *sejahtera* (peace) and *ulū al-albāb* on humanity. It is about planning with thinking. Strategic planning follows a linear process with single-loop learning. While the environment is complex, it needs strategic thinking with double-loop learning (Heracleous, 1998). Strategists think and plan (Goldman, 2007) with strategic thinking capability (Casey & Goldman, 2010).

Strategic planning covers strategy formulation in the three-stage process of strategic management (strategy formulation, strategy implementation, and strategy evaluation).

Strategic planning provides the basis for strategy formulation which includes developing direction of organizations (vision, mission, and goals), organizational internal and external environment scanning, and generating alternative strategies (Bonn & Christodoulou, 1996). Strategic planning is a learning process for strategists and organizations (Porter, 1983; Hutzschenreuter & Kleindienst, 2006). Indeed, strategic planning is about a journey of thinking (Eden & Ackermann, 2013) with practice (Jarzabkowski, 2005) and social experience (Vaara & Whittington, 2012). Thus, strategic planning requires strategic thinking capabilities (Asobee, 2021).

Strategic management requires a strong foundation of strategic thinking. Mhd. Sarif (2020) argued that the complexity of the environment and mindset of stakeholders requires strategists to acquire multidimensional aspects of learning and practice, which resembles attributes of *ulū al-albāb*. The complexity of the business environment is beyond social cultural aspects (Pour, Soltani & Abdollahi, 2018). The foundation of thinking with the *Tawhidic* paradigm enables multidimensional design thinking (Khalifa, 2001; Fontaine & Ahmad, 2013).

Small and medium enterprises are grass root business entities with certain characteristics in terms of size of capital, number of employees, and sales amount. As grass root entities, small and medium enterprises very close to the grass root socio-economic factors (Abdullah, 2002). These SMEs have social implications to people (Abdullah, 2011). Nevertheless, small and medium enterprises make important contributions to the economy (Abdullah, 2019).

Strategic planning is relevant regardless of the size and nature of enterprises. Any organization is obliged to attain its objective through people and structure in the organization. Small and medium enterprises are also practicing strategic planning (Cheng, Abdul Kadir & Bohari, 2014). The nature of strategic planning in small and medium enterprise is largely influenced by several factors, mostly ownership motivation (Wang, Walker & Redmond, 2006; Sosiawani, Ramli, Mustafa & Yusoff, 2015). The dynamism of the business market pushes small medium enterprises to formulate strategic plan and blueprint to enhance innovation and sustainability (Yuen & Ng, 2021).

The main purpose of this study is to explore the influence of *sejahtera* and *ulū al-albāb* the strategic planning practices among small and medium enterprises. Figure 1 illustrates the

influence of *sejahtera* and *ulū al-albāb* the strategic planning practices among small and medium enterprises.

Figure 1: Research Framework

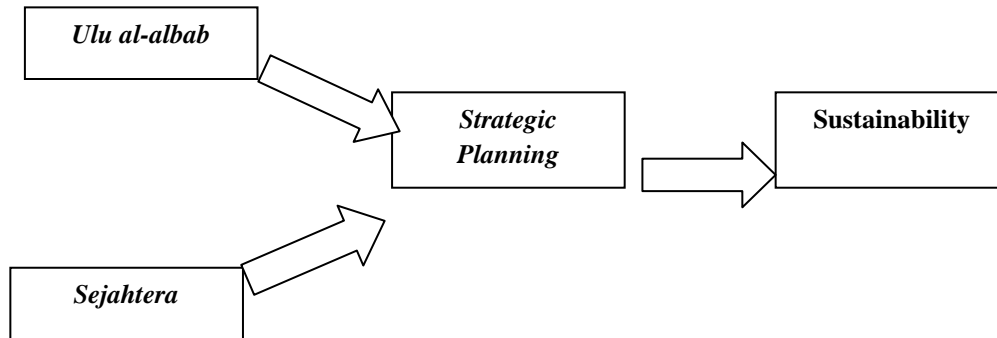


Figure 1 explains that in strategic planning, strategists and information are crucial in formulation strategies. Strategists use personal experience, knowledge and organizational competitive intelligence to scan environmental forces before formulating strategies. In this study, strategists and the stakeholders in the networking of the strategists are *ulū al-albāb* (people with sound mind). *Sejahtera* is an organizational ecosystem that supports the strategic planning process. When *sejahtera* and *ulū al-albāb* influence strategic planning process, strategists are able to generate strategies that could achieve sustainability in profitability performance and competitive advantage among small and medium enterprises.

METHODOLOGY

The study uses qualitative research methods through personal interviews with small and medium enterprises owners. The researchers approached them due to close relationships with the business owners. Since the basis for the interaction is about engagement, the personal interviews use conversations with the business owners (MacDonald *et al.*, 2013; Ngozwana, 2018; Jimenez *et al.*, 2019). Even though the conversation is casual, the researchers still need to do preparation before the interview (Castillo-Montoya, 2016; Majid *et al.*, 2017), such as securing informed consent, research permits and validated interview protocol (Yeong *et al.*, 2018).

The study aims to obtain the views of the business owners of small and medium enterprises on the influence of *sejahtera* and *ulū al-albāb* in the strategic planning practices. Before the actual interview, the researchers have secured informed consent from informants, research permits from relevant authorities, and validated interview protocol. The study obtained personal interviews results with note-taking due to data privacy and confidentiality sought by the informants. The researchers finalized interview notes immediately after the conversations. Then, the researchers obtained verification from the informants. The researchers use thematic analysis on the verified interview notes.

MAIN RESULTS

This part presents the interview results from the business owners of small and medium enterprises on the influence of *sejahtera* and *ulū al-albāb* in their strategic planning practices. All of the small and medium enterprises were given nicknames to honor their confidentiality.

PB Enterprise

Mr. Piee is the owner of PB Enterprise before running his own business, he used to work in the sports business for many years. When he saw the opportunities to run his own sports outlet, he quit the job. He approached his close friends and contacts to subscribe to his sport services apart from purchasing sport equipment from his shop. His main motivation to own a business was to enjoy financial freedom and to reach his potential in extreme sports. For him, in everything he does he must make extreme efforts and to the fullest potential. He would not reverse or return back to his old job even though his business might not be successful. However, he was not just depending on luck to survive in his business.

The spirit of Mr Piee and PB Enterprise implies the influence of *sejahtera* and *ulū al-albāb* in terms of grassroots networking from close friends, family members and the public. His motivation to operate the business with strategic planning is due to the *sejahtera* aim of financial freedom and realizing his potential (Mhd. Sarif, 2020; Yuen & Ng, 2021).

AC Enterprise

Mr. Jay established AC Enterprise 5 years ago. Prior to this business career, Mr. Jay used to work in the army for 21 years. His last rank was Warrant Officer 1. The public called him Battalion Warrant Officer (BWO) Jay. Before retirement, he has undergone a one year vocational course specialized in culinary and catering. He has learnt a lot about cooking and baking. He chose the food business due to his passion. In fact, during his school days, he helped his parents with their food business. Nevertheless, his parents had encouraged him to join the army so that he could serve the country. In addition, it was a norm for those who were not able to pursue tertiary education to join the army or police force.

In recollection, after consulting family and friends who used to serve in the army and police force, Mr. Jay decided to join the army. The 21 years in the army made him distant from civil life. Thus, the one-year transitional course before retirement was inadequate to prepare him to live as a civil member in the society.

Feedback of Mr Jay reveals that his business enterprise incorporated the influence of *sejahtera* and *ulū al-albāb* in terms of monetary need, family and friends influence. Indeed, ownership motivation has a strong influence on strategic planning of small and medium enterprise (Wang, Walker & Redmond, 2006; Sosiawani, Ramli, Mustafa & Yusoff, 2015).

MB Enterprise

MB Enterprise is owned by Miss Hafsa or known as Cik Bee by local people. Cik Bee completed her secondary school and did not pursue tertiary education due to her passion to work in the retail industry. She loved women's accessories and handbag business. She did not care if her schoolmates of her age pursued tertiary education and secured good employment. She determined to achieve her passion to obtain 5 digits monthly earnings. When she met all her schoolmates in a reunion after 25 years, she discovered that those with tertiary education are still struggling to meet financial demand.

Cik Bee's business enterprise is replete with the influence of *sejahtera* and *ulū al-albāb* from her street smart experience and determination to enjoy financial freedom. Cik Bee as the owner of MB Enterprise has strong motivation to sustain the business with

comprehensive strategic planning (Wang, Walker & Redmond, 2006; Sosiawani, Ramli, Mustafa & Yusoff, 2015).

Implications

The three case studies revealed the combination of strategic planning with *sejahtera* and *ulū al-albāb* approach in sustaining the business. There are various push and pull factors that shape the meaning of *sejahtera* and degree of thinking in the strategic planning for the enterprises. Theoretically, strategic planning can be based on resource-based views and industrial organization views. However, in the current Covid-19 pandemic with uncertainty on the movement restrictions and regulations, *sejahtera* approach of strategic planning provides them self-tranquility in facing the uncertainties with serenity (peace). Grass root networking with *sejahtera* approach enables small and medium enterprises to work closely with family and friends to optimize localized advantages.

CONCLUSION

This study aims to explore the existence of *sejahtera* and *ulū al-albāb* elements in the strategic planning practices of small and medium enterprises. These elements have been identified among the three small and medium enterprises. There are various push and pull factors that shape the meaning of *sejahtera* and degree of thinking in the strategic planning for the enterprises. The *sejahtera* and *ulū al-albāb* in strategic planning practices may be attributed to the support provided by the grassroots networking from close friends, family members and the public.

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