

# Globalization is a phenomenon tourism essay

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## **Introduction**

Globalization is a phenomenon that has resulted from years of technological process, societal advancement, economic development and innovation. Essentially, this process entails the interaction of economies through the channels paved by trade and capital movements across international borders. Where the globalization phenomenon primarily reflects strong trade relationships, it also brings concepts of technology transfers, labor migration, political cooperation and cultural exchanges alongside. The UAE has witnessed globalization to a new level, causing rapid economic growth, urban development and modernization. It is amidst this environment that management practices in the public and private sector can be scrutinized to determine how managers can adopt strategies to enhance their entities' efficiency levels. Integration into the world economy has opened up vast economic avenues for the Gulf economies to explore. Markets with good opportunities for investment are now being explored by these states, so that timely investments reap apt benefits for these nations' future. Perhaps the biggest benefit of globalization for these countries is for the residents for these countries. The increased availability of goods and services from the world over has provided a wide variety of consumer goods to consumers in the cities of many Gulf States. With that, rapid economic development brought in new technologies, enhanced education prospects and new investments in the Gulf States. One obvious advantage that follows is enhanced learning and advancement opportunities for residents of these countries. Foreign universities and schools have opened campuses in many Gulf States, making quality education freely available for the younger

population. Technology has raised the standard of living for the general population, and international migration has opened up learning avenues through cultural exchange. In the research that follows, we look at the strategic management side of organizational behavior by looking at the city of Al-Ain, and the strategies adopted by the local government. The city of Al-Ain is a good example of rapid development, urbanization and globalization. We look at this city to ascertain various aspects of its strategic plan, the future outlook that the government envisions for the city, and the loopholes that need to be resolved. By analyzing the trends of the strategic plan of this city, we can determine how governments can employ management strategies to enhance the government's performance levels and be more efficiently involved.

## **Research Questions**

The basic research questions associated with this study are as follows: What is the importance of strategic planning and strategic management in an organizational context? How can the tools of strategic planning and management be used to explain a firm's performance? Can strategic management mechanisms be used at a governmental level, for enhanced performance of governmental entities? How does the general planning ideology of Al-Ain explain effective strategic management? What loopholes exist in the planning and development of Al-Ain, and how can strategic managers overcome these gaps in city planning mechanisms? How does the growth background of Al-Ain city portray effective strategic planning mechanisms for managers of other municipal governments? What

management lessons can be learnt from the development and growth pattern of Al-Ain city?

## **Research Objectives**

This study primarily aims to conduct an in-depth analysis on the tools of strategic management and strategic planning, using a real life example of Al-Ain city. To fulfill the primary objective, this research tries to conduct an analysis on the concepts associated with strategic management and strategic planning respectively, and try to analyze the differences between the two concepts using adequate literature. Once clear definitions are set out, this study aims to explore strategic planning and management in action using the example of Al-Ain city. Therefore, an important objective of this research is to outline the importance of Al-Ain city as an example in the context of strategic management. It also aims to compare the performance of Al-Ain city in terms of growth and performance by looking at strategies used by other governments in the past. Once the comparison has been established, this study tries to identify the problems and challenges associated with general strategic management practices by taking the example from Al-Ain City's performance. To wind up, the research eventually aims to provide for futuristic and remedial views on how to correctly adopt strategic planning and management processes in the business environment, so that organizations and governments can enhance their entity's performances.

## **Research Methodology**

This project conducts a qualitative study to explore the strategic planning practices (advantages and challenges) in Al-Ain Municipality. Face-to-face in-

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depth interviews are used to obtain a better understanding and to identify challenges and advantages of strategic planning from employees' perspectives (top-middle and lower management).

## **Conceptual Framework**

### **The Concept of Strategic Planning**

Strategic planning is a mechanism, one that organizes the thoughts and vision of the top management to set out goals and targets for the firm to fulfill.[1]The process essentially provides for the formulation of a firm's objectives, decision-making strategies, development plans and future targets. Because of the vast scope, the top tier of managers in the organizational hierarchy looks over the strategic planning process, hoping to effectively take crucial decisions that allocate resources efficiently. Even though the strategic process is associated with the top management actors, it cannot be left out from the roles played by managers at every level. Every tier of a well-coordinated organization requires its managers to implement a strategic planning process in the work that they are tasked to carry out. Therefore, every manager in every type of organization has to undergo the strategic planning process that suits his job role. The beauty of this concept states that strategic planning is not one particular process that is applied to every organization in the business world. Instead, organizations have to develop strategic planning mechanisms according to the characteristics of their respective organizations. However, there are certain aspects to strategic planning that are usually adopted by all organizations building a mechanism that suits their organization's need.

## **Different Approaches of Strategic Planning**

Now that we have established the basic concept behind strategic management, we can move on to defining the different aspects of planning associated with the strategic planning concept.[2]The first and foremost aspect of strategic planning deals with how present day decisions by managers affect the future of the organization. This analysis is imperative to undertake as part of the planning process, because it is an analytical forecast of the affectivity of today's decision making on the future. This analysis is like a cause and effect mechanism spanned over a period of time that provides for a manager to change today's decisions if the forecasted analysis portrays any problems. This eventually leads to the development of alternative plans and strategies that are viable for the organization's future. The second aspect that we need to incorporate in our analysis is that the strategic planning mechanism works like a process. It starts at a point where top managers define the organization's aims; move on to devising policies and strategies to fulfill those aims; and then finally develop well-constructed plans to achieve targets according to the organization's strategies. This process is carried out at regular intervals as policies, strategies and plans need periodic revisions keeping in mind the constantly changing business environment of the world. The third aspect of the strategic planning mechanism is that it is a philosophy and thus a way of life. Because it is a continuous process, it has to be adopted as a way of life, and not as a list of plans that needs to be carried out at all times. The managers who devise and implement strategic plans should embrace the essence and worthiness of the process. We can now move further ahead to identify the possible tools or approaches related to the mechanism of strategic planning. One of the <https://assignbuster.com/globalization-is-a-phenomenon-tourism-essay/>

oldest and most common practices associated with devising strategic plans involves the use of a SWOT analysis. SWOT is an acronym for Strengths, Weaknesses, Opportunities and Threats. The objective of the SWOT analysis is to analyze the organization's position according to these four characteristics. This would mean defining the strengths of an organization, its visible weaknesses, potential threats that it may be vulnerable to (due to competition etc.) and any opportunities worth looking at. The analysis calls for an external and internal analysis of the organization relevant to the business environment and internal capacities. There are a few other approaches to strategic planning that are used by organizations like balanced scorecards, scenario planning and the PEST analysis. All these tools cover different aspects on formulating strategy and reviewing the firm's performance by analyzing external and internal environments. One similar technique that incorporates the effects of internal and external environments to analyze an organization's planning potential is called the situational analysis. The situational analysis takes into account multiple factors like labor markets, technological advances, regulatory environment, the macro-economy, prevalent competition etc. to analyze the organization's relevant state in the business world. Considering these factors, the situational analysis provides for a deep concentration on the consumer and strategies associated with an average consumer. The strategic planning process is thus a combination of analyses and planning mechanisms that aim to fulfill an organization's mission by trying to set targets that enhance an organization's performance to a new level.

## **The Concept of Strategic Management**

With a clear knowledge about the concept of strategic planning, it is easier to define strategic management. Strategic management refers to the bulk of strategic decisions made by the top tier of an organization's management, which reflect the performance of that organization.[3] Strategic planning is an essential part of strategic management, but it is not the only role being performed under the umbrella of strategic management. One of the most important aspects to this concept is efficient allocation of resources in accordance with the policies and strategies developed by the top management. Once plans and strategies are developed, the top management takes decisions relating to how productive resources need to be allocated to ensure top-notch performance by an organization. Strategic management reflects the organization's outlook to external observers, the organization's employees and key stakeholders, depending on the organization's size and the prevalent business environment. Because strategic management is much influenced by an organization's size, business activity and the business environment, it is necessary to understand how the size in business and operations effects top managers in forming strategic policies. For instance, a global organization with business operations in multiple countries would ideally focus structured strategies that are directed to benefit its shareholders and key investors. On the other hand, a privately held business would strategize according to his/her needs and set out goals accordingly, given the scope of operations.



## **Relationship between Strategic Planning and Strategic Management**

Strategic planning and Strategic Management are two very closely linked concepts in the context of organizational behavior. Strategic management is the composite of all strategic activities, decision-making processes and goal-setting carried out by the top management of an organization. Strategic planning is a part of the strategic management process. It covers the part of strategic management that relates to formulating plans and executing them at all levels of the management hierarchy. Strategic management tends to define a direction and lays out guidelines; strategic planning absorbs these guidelines to make work plans and other plans keeping the company's policy in mind.

## **Strategic Planning Trends in Municipal Governments**

Strategic Planning is a phenomenon that is not only applied to organizations and privately owned business, but is common among strategists that work in public organizations and the government. Managers and agents of governments around the world have applied management tools like strategic planning to carry out every day activities and tasks set out by government officials. According to Gordon (2005)[4], when we talk of the strategic planning process of local governments, a few things can be kept in mind. Firstly, the strategic planning process is almost similar for different local governments in terms of the basic outline of the strategic plan. While his analysis is based on a sample from local governments in the United States, his findings are still worth including in our analysis for better understand on trends in governmental strategic planning. It is obvious that problems and

issues vary across communities, but they are tackled using almost similar steps and guidelines. This makes it easy for other local government leaders to apply the strategic management process in their own areas. Therefore, almost all communities determine their vision and set out the objectives before the planning process actually starts. Next, when it comes to the local government, planning activities generally involve community members and their opinions are taken into consideration through open debates and council meetings. This inclusion factor is imperative because it is seen that local governments usually try to involve a large number of community participants in the planning process. With that, it is seen that local governments also try to include staff from all tiers of their municipal organizations to ensure maximum involvement. One of the most important elements of the strategic planning process in the case of local governments is environmental scanning. This process states that all participants of the planning process sit together to define a vision, and then conduct situational analysis on the external and internal environments involved. While it may be time consuming, it is seen that environmental scanning is the most common and time consuming phenomenon attached to local governments' planning process. Once the scan is complete, almost all local governments define targets that are measurable and visible so that the success of the whole process can be measured in the future. Assessment also implies that once the plan is in place, regular feedback is taken from community members so that improvements can be made if required.

## **The Case of Al-Ain City**

### **Background of Strategic Planning in Al-Ain City**

Ever since the advent of globalization and world market integration, economies of the world have seen patterns of development and growth. Among others, the UAE has seen rapid development in terms of infrastructure, land reclamation, creation of new cities, international investments, developments in education and health, etc. Urbanization is a phenomenon that can be best explained using the example of cities that are being developed by the leadership of the UAE. The city of Al-Ain, one of the largest cities in the UAE, poses a good example for researchers when it comes to indentifying the patterns of growth and development of cities. Situated in the state of Abu Dhabi, the development of this ' oasis city' rests on the efforts made by its leadership and growth efforts by the local municipality. The population of the city has a good rural: urban ratio, as the Abu Dhabi government has tried to settle the local Bedouin population (that carries out the state's agricultural activity) in this area. The region of Al-Ain has historically been an important region for trade and agricultural activity both. Because of sustained economic activity since centuries, this area has seen major developmental changes over time. As time passed, irrigation systems were established, urban trading centers were developed, agricultural activity was given preference and local settlements started blooming in the area. After the discovery of oil in 1967,[5]there was a massive shift in the regional policy of the area, in order to determine a fair distribution of the oil income between the rural and urban populations. To maintain this balance, the local government's primary planning strategy was

to focus on developing the physical infrastructure of the city so that it would provide for the mix of populations that lived in it. Public housing programs, improved networks of infrastructure, public utility services and other physical development projects were undertaken by the local government as a result. Rapid urbanization and modernization was then, an obvious result.

Urbanization in the region came with challenges for local communities to plan and strategize according to the needs of the population, in hopes of sustaining the rapid urbanization process. To the fortune of many Gulf countries, the process of urbanization brought economic prosperity instead of usual city management problems. The strategic goal of Al-Ain government also focused on further urbanization and correctly envisioned urban planning. The first step towards rapid urbanization was the development of a grid of road networks in the flat-lands of Al-Ain city. The strategic managers of the Al-Ain municipality had forecasted a potential problem of congestion in the future, which is why the design of the main roads followed the three lane carriageway standard. Also, town planners focused on constructing roundabouts on major junctions so that the flow of traffic in the future would not be hindered by the growing amount of cars on the roads. One of the successes of the local government in Al-Ain is the establishment of the city zoning system. The system was initially laid out to ensure equitable accessibility to urban centers, and to equally distribute facilities to all urban centers. The strategy in establishing these zoning centers revolves around categorizing zones according to the local government's development priorities like housing, health, education, industry, etc. The planning team also reserved some area for zones that would absorb unplanned activities of the future. In accordance with the development of zones, the strategists in <https://assignbuster.com/globalization-is-a-phenomenon-tourism-essay/>

the municipality also provided for large parking spaces in each zone for all public buildings. As far as housing is concerned, the local government has invited investors to build private housing blocks for the expatriate population, while the rulers provide home loans and land to the permanent Emirati population. The housing policy is carefully strategized keeping the population and demographics of the UAE in mind. The strategic plan in the housing sector focuses on making more investments in private enterprises, keeping the growing expatriate population in view.

### **Al-Ain Municipality Strategic Plan**

If we analyze the workings of the Al-Ain municipality, we can understand how strategic management processes are applied to real life examples, and to what extent are these strategies viable and adoptable. To start off, we look at how the municipality is organized into an organization. A brief description of the municipality's organization structure[6] will help us determine its key focus areas and departments that carry out the city's strategic planning process. Headed by a general manager, the top management comprises of the project management office, the legal advisor, the internal audit manager and the GM Office Manager. If we analyze carefully, we can determine that these four managers and the GM collectively take the decisions based on their areas of expertise. Once major decisions are taken by this cohort of managers, the organization is left to be dealt with departments that execute these decisions. When we talk of the executing party, the municipality is divided into six major departments. These departments are divided according to the key functionalities required for the growth and maintenance of a city. Departments like Town Planning. Municipal Infrastructure & Assets

and Municipal Services focus on the growth and development of the city. What we see here, however, is that one whole department in the municipality's organization structure is dedicated to strategic planning and performance management. In order for us to conduct an analysis on the strategic development process of the Al-Ain Municipality, we will now look at the stated strategies and focus areas as defined by the local government itself. The strategic priorities of the Al-Ain municipality fall into 6 basic categories:

[7]Sustain Urban Development

Now that we are aware of the history of Al-Ain city and the UAE in general, we know that urbanization is a phenomenon most commonly experienced. For the future, the government aims to sustain the level of urbanization in the city, simultaneously not disrupting the rural: urban ratio of the population. With that the local government also aims to develop more urban structures and provide modern facilities to its population. The planning phase starts from determining the needs of the local population, building plans according to the needs, and fitting targets according to these plans. More development is directed towards building newer infrastructures, gardens, roads, housing schemes and public facilities. Sustaining urban development thus forms a major part of the Al-Ain strategic management policy.

Improve Services to Residents and Community

The planning cell of the local government is not strategizing to improve the services provided to the locals. To do that, the local government is amalgamating planning efforts with the Abu Dhabi government to adopt a policy that delivers consumer oriented services in the city.

Enhance Efficiency and Process Excellence

According to this area of the Strategic Plan, the local government aims to improve internal systems and control to enhance efficiencies, alongside maintaining sound external

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relationships. This strengthening activity is in lieu with the Abu Dhabi policy agenda that focuses on joining efforts with the private sector to establish efficient management practices. Promote Accountability, Responsibility and Transparency Amidst the planning process, there is a need to maintain transparency mechanisms and ensure that proper reporting standards are being responsibly followed. The strategic plan of the government of Al-Ain city has thus prioritized its efforts into ensuring that there are apt accountability mechanisms in the processes that are being carried out.

Encourage Public Private Partnerships and Strategic Networks The area of public-private partnership is a growing phenomenon and is receiving much recognition by governments and enterprises worldwide. The strategic plan of Al-Ain city provides for the government to initiate joint investments and joint ventures with international and local private enterprises, in hopes of furthering the developmental processes being carried around in the city. Measures like outsourcing are now being adopted so that costs are reduced and industries like communications are being strongly encouraged through the public-private partnership forum. Develop National Leadership and Human Resources The municipality also aims to professionally educate and develop local human resources in a culture that promotes their professional development, brings in research and innovation and provides a safe working environment.

## **Al-Ain Municipality Strategic Planning Advantages and Challenges**

The focus areas of the strategic plan of Al-Ain municipality clearly indicate that the government is focusing on developing the city and its services to

international standards. The planning processes focus on finding efficient mechanisms to plan and develop consumer based products and services, so that the local population benefits as a whole. This then involves joint planning with the government of Abu-Dhabi, and other joint ventures with international private investors. One of the major advantages of strategic planning in the city is the obvious growth and expansion of the city's developmental processes. Because the local government was able to plan ahead and provide for expansions, the city today has the capacity to absorb rapid developments. Strategic planning has also caused performance levels to rise as more and more developmental projects are being brought in. On the other hand, planned investments in education and health (as prioritized in the strategic plan) have proved to be very advantageous. Better education systems being established today are constantly developing the human resource needs of the expanding state, and therefore improving the prospects of a brighter future for the locals. The planned investment in private housing ventures by the local government is also a smart move, one that has absorbed the living requirements of ever-growing expatriate population. The architectural processed of the municipality have a very pro-design approach. This is advantageous in the sense that exhibitiv architecture is bound to attract investments from international building corporations that value this kind of architecture. Where there are a number of measurable successes of the local government planning practices, there are some loopholes as well. For instance, the planning department has not yet developed a complete policy on housing regulations and urban regulation documents. On the other hand, one of the major problematic areas that need to be dealt with by strategic managers is the dependency of locals on road

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networks and privately owned vehicles. There are inadequate crossing facilities, and the government has not established adequate public transportation mechanisms yet. This falls back on the strategic planning of urban developers in the municipal department, as they should have seen that developing public transportation mechanisms would be absolutely imperative for the locals in the city. There are other administrative loopholes in the municipality that need to be tackled by strategic managers in the municipality

## **Conclusions**

With the ever changing global environment, management practices in public and private organizations all over the world are constantly changing. There are new mechanisms and strategies that are being employed worldwide, all aiming to enhance the performances of organizations. Local governments all over the world seem to follow similar strategic management practices in their everyday planning activities, but we looked at the city of Al-Ain to see how these strategies are being employed. While the process of planning is not inclusive in the city, the leadership makes it a point to cover all aspects of planning and development aiming at rapid urbanization. The planning priorities are well established and defined, but there are some issues in executing the strategic plans effectively. This involves certain administrative issues and other policy implications that lead to plans that are not viable. But, with a vision to sustain levels of urbanization, the strategic plan of Al-Ain city has given us an in-depth analysis on effective planning mechanisms.