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The Influence of Strategic Intelligence on the Decision-making Process: A Case Study of a Sample of Tourism Companies in Erbil City

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Abstract:

This research aimed to study the role of strategic intelligence in a sample of tourism companies in Erbil city of Iraq, and find out how intelligence at these companies correlates with the decision-making process. Data were gathered from 216 top management team members of these companies and were analyzed via SPSS. The results show a strong and positive correlation between partnership and creativity in decision-making. Additionally, creativity discreetly and positively correlates with decision-making.

Keywords: Strategic intelligence, vision, partnership, creativity, tourism companies

1. Introduction

Tourism companies are businesses that provide travel-related services to individuals or groups. These services include booking flights and hotels, arranging transportation, organizing tours and activities, and providing travel insurance. Tourism companies can be small, locally owned, or large, multinational corporations. One of tourism companies' primary goals is to facilitate their customers' travel experience. In this way, tourism companies make it easier for travelers to plan and execute their travel plans, allowing them to focus on enjoying their trips rather than worrying about the logistics. In addition to their economic impact, tourism companies also have a responsibility to operate in a socially and environmentally responsible manner. This can involve promoting sustainable tourism practices, such as supporting local communities and protecting the environment. Many tourism companies have adopted corporate social responsibility (CSR) programs to address these issues.

Companies started to recognize the significance of strategic intelligence despite its limited uses in light of today's issues and quick changes in all facets of life. They also began to train their leaders in order to build their components and manage them successfully. Additionally, intelligence occupies space alongside other subjects like social capital, knowledge management systems, cultural fabric, organizational memory, and others in general and service organizations.

The term 'strategic intelligence' recently emerged as one of the most cutting-edge ideas in the field of strategic management. It describes an organization's forward-looking vision, which works to exploit and benefit from its environment to succeed, and the ability to predict the future (Karipoğlu et al., 2021; Lim, 2016). A study by Schumpeter (2005) suggests that organizations can pursue multiple strategies simultaneously. In other words, organizations need to consider several strategies before developing and implementing a specific strategy. The decision-making process is vital to the manager's duties and significant management activity. Managers must make numerous judgments to carry out management tasks like planning, organizing, leading, and managing (Karipoğlu et al., 2021).

1.1. Statement of the Problem

Business organizations, in general, and Iraqi ones, in particular, face economic, political, cultural, and technological challenges, which led to the fragility of their structure, making them weak in the face of new environmental challenges and changes, necessitating the use of suitable alternatives, whether these alternatives aim to bridge a specific gap or treat certain weaknesses. Due to rising competition, a lack of resources, and high costs, these organizations urgently need to develop a strategy that will allow them to increase and develop their resources and capabilities to ensure competition with others. In light of the difficulties they are facing, it has become essential for these organizations to adopt specific mechanisms that ensure their success.

Hence, the primary research problem crystallized from a basic question: Is strategic intelligence a fundamental and decisive role in increasing the chances of achieving successful decision-making?

1.2. Research Questions

The research focused on the following questions to identify decision-making in tourism companies in Erbil through strategic intelligence:

- The impact of the vision on decision-making in a sample of tourism companies in Erbil - Iraq.
- The impact of the partnership on decision-making in a sample of tourism companies in Erbil – Iraq.
- The effect of creativity on decision-making in a sample of tourism companies in Erbil – Iraq.

1.3. The Hypothesis of the Study

The following hypothesis and sub-hypotheses were developed with the specific objectives established above:

- H1: The strategic intelligence in Erbil has a positive impact on the successful decision-making process.
- H1a: Vision significantly affects the successful decision-making process in tourism companies in Erbil in Erbil.
- H1b: partnership has a significant effect on the decision-making process in tourism companies in Erbil
- H1c: Creativity significantly affects the successful decision-making process in tourism companies in Erbil.

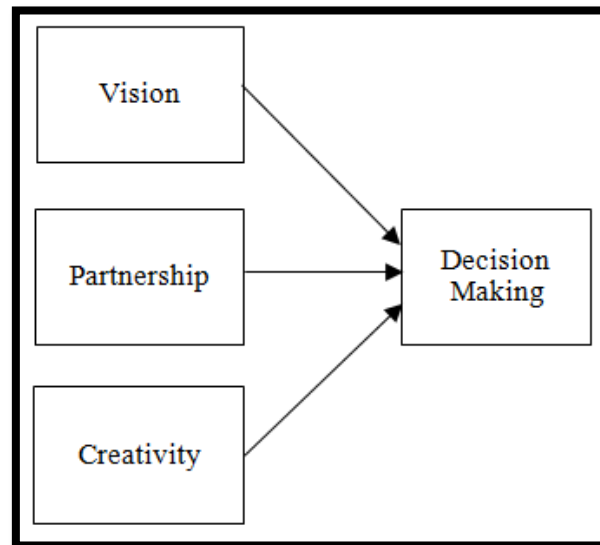


Figure 1: Research Model

1.4. Significance of the Study

This study aimed to provide necessary information on the effects of strategic intelligence involved in vision, partnership, and creativity to make successful decisions that make differences among competitors.

The research aimed to analyze how the tourism companies in Erbil use strategic intelligence as a tool that affects decision-making and how utilizing the research topic for companies that do not make use of their ability this research attempted to determine that strategic intelligence could be used to build a professional strategy to benefit from the impact of tourism sector truly.

2. Literature Review

Strategic intelligence is a type of intelligence that is concerned with the gathering, analysis, and interpretation of information that is relevant to the formulation and implementation of strategies, plans, and policies. It is a broad field encompassing a wide range of activities, including research, analysis, and dissemination of information (Inbar, 2005). According to Mandel & Barnes (2018), strategic intelligence is typically focused on longer-term trends and issues rather than short-term, immediate concerns. It aims to provide decision-makers with the knowledge and insights they need to make informed decisions about the future direction of their organization or country.

This type of intelligence can be collected from various sources, including open sources such as news articles and academic papers and covert sources such as human intelligence and electronic surveillance (Gates, 2015). According to some academics, strategic intelligence is a system made up of several components that help the leader comprehend and influence the future and pinpoint the most crucial elements (Ahmadi et al., 2020).

Performance inside organizations is significantly impacted by strategic intelligence behavior. It can assist organizations in achieving their objectives and safeguarding their interests. The literature has demonstrated that organizations that prioritize strategy are more likely than those that do not accomplish their strategic goals (Alfazzi, 2022). Companies that outperform their rivals in terms of return on assets are those with efficient value-creation strategies. Organizations can achieve their strategic goals by developing and implementing an effective strategy for conducting business in the current global economy (Leskaj, 2017).

Strategic intelligence helps managers define the programs and policies of the organization, enabling it to deal with future challenges that it may face, and protects the organization at every stage of the strategies and operations of the organization. It offers ways to support operational objectives by anticipating difficulties in the future. It also highlights the role of this type of intelligence in crisis management facing the organization (Gitelman et al., 2021).

The institution's capacity is reflected in its potential to form strategic partnerships with other institutions. Persons with strategic intelligence typically form corporations and alliances to accomplish shared goals, unlike people with emotional intelligence who make friends with others to win their support. An agreement requiring two or more groups of organizations to pool their resources is a strategic alliance. To create a joint venture to engage in business opportunities (Basrur & Narayanan Kutty, 2021).

According to Ahmadi et al. (2020), foresight is analyzing the business environment and interpreting social and demographic trends that can predict the future with a high degree of certainty and the capacity to recognize the currents of change that may present opportunities or threaten the organization. However, it can be realized based on the variables of the current time and develop contingency plans to adapt to it.

Given the preceding, it is evident that foresight represents the first dimension of strategic intelligence and expresses the leader's capacity to think in terms of invisible forces, reflect on the present to create the future, and use intelligence to manage environmental changes systematically (Dehane & Saoudi, 2020). An alternative future offers inductive energy by adopting scenarios and giving them a description that enables the leader to create plans to accomplish the organization's strategic goals, encourage alternatives, and support knowledge and practical experience (Khairy et al., 2022).

Many researchers define the decision-making process, each of them explains it according to his field and point of view; and among them, we find: One of the manager's primary responsibilities and a key component of management's tasks is decision-making. Every manager must make decisions to carry out the management's duties, such as organizing, directing, and managing (Bag et al., 2021).

There are various steps to the decision-making process, which is organized and integrated. Although different researchers and thinkers have listed these steps differently, most of them have focused on points such as diagnosing the problem and setting the goal, collecting information and data, crystallizing information and data, choosing between alternatives, implementation, and follow-up (Fatia & GUISSI, 2022). Decision-making is the process of choosing between alternative courses of action to achieve a desired outcome. It is a crucial aspect of problem-solving and planning, as it allows individuals and organizations to select the best possible option from various available alternatives (Schoemaker, 2004).

The importance of decision-making lies in its ability to shape the future and determine the success or failure of an individual or organization. Strong decision-making skills are necessary for leaders and managers, who are often responsible for making key decisions that can significantly impact their teams and organizations (Panpatte & Takale, 2019). The gathering, analysis, and interpretation of data concerning external elements that could impact an organization's aims and objectives are referred to as strategic intelligence. In order to support decision-making at the highest levels of an organization entails a systematic and continuing process of collecting and evaluating data from several sources, both internal and external (Bratianu et al., 2020).

On the other hand, decision-making is the process of selecting among available options in order to bring about a desired result. Access to reliable, timely, and pertinent information is necessary for making effective decisions, as is the capacity for logically and objectively analyzing and interpreting that information (Farrokhi et al., 2020). Strategic intelligence and decision-making are interdependent in their interaction. While decision-making depends on the accuracy and dependability of the strategic intelligence process, strategic intelligence provides the data and insights required for effective decision-making (Acciarini et al., 2021). In conclusion, strategic intelligence is an essential component of wise decision-making. It gives businesses the knowledge and perceptions they require to help them make strategic decisions that advance their long-term goals and objectives (Reichert et al., 2020). The gathering, analysis, and interpretation of information that is pertinent to the creation and execution of strategies, plans, and policies are the focus of the intelligence type known as strategic intelligence. It is a vast field covering various tasks, such as information gathering, analysis, and distribution (Galford et al., 2016).

According to Landon-Murray (2017), Instead of immediate, pressing problems, strategic intelligence is frequently more concerned with longer-term patterns and difficulties. It strives to give decision-makers the information and understanding they need to decide on the future course of their business or nation. This kind of information can be gathered from various sources, including public sources like news articles and research papers and more secret sources like human intelligence and electronic monitoring (Sievert, 2015).

Making decisions involves selecting one course of action from various options to attain a specific goal. It is essential to planning and problem-solving because it enables people and organizations to choose the best option from a variety of available possibilities (Vohs et al., 2018). Performance inside organizations is significantly impacted by strategic intelligence behavior. It can assist organizations in achieving their objectives and safeguarding their interests. The literature has demonstrated that organizations that prioritize strategy are more likely than those that do not accomplish their strategic goals (Baker & Cameron, 2008).

3. Research Methodology

The study used the descriptive approach in its theoretical aspect by defining the variables of the studied phenomenon represented in strategic intelligence and its role in decision-making, depending on the various references that dealt with the studied phenomenon. During the distribution of the questionnaire to the sample of the study, which is represented by the top-level team in a sample of tourism Companies in the Kurdistan region, including officials and decision-makers in the company, the results were analyzed through the Statistical Package Program for Social Sciences (SPSS) program.

Our study dealt with the following topic: "Strategic intelligence and its role in decision-making."

- The independent variable: Strategic intelligence through its three dimensions (Vision, partnerships, creativity)

3.1. Data Analysis

After collecting data, the researcher began the initial steps to analyze the data. The stages of data analysis were conducted via version 27 of SPSS (Statistical Package for Social Sciences). Several tests were used in accordance with the research questions and hypotheses. The tests show Frequency, Percentages, Mean, and Standard Deviation as part of descriptive analysis. Another test was used to find the correlation between the variables. The researcher used Pearson's Correlation Coefficient to study a possible relationship between the variables.

4. Results

The researcher encoded the survey answers in SPSS, and she created four variables: three independent variables and one dependent variable. In the beginning, the researcher ran a frequency analysis for each variable which is presented in the following four tables:

Vision					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	2	0.9	0.9	0.9
	2	16	7.4	7.4	8.3
	3	29	13.4	13.4	21.8
	4	157	72.7	72.7	94.4
	5	12	5.6	5.6	100.0
	Total	216	100.0	100.0	

Table 1: Vision Frequency

Creativity					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	2	7	3.2	3.2	3.2
	3	44	20.4	20.4	23.6
	4	116	53.7	53.7	77.3
	5	49	22.7	22.7	100.0
	Total	216	100.0	100.0	

Table 2: Creativity Frequency

Partnership					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	2	9	4.2	4.2	4.2
	3	49	22.7	22.7	26.9
	4	110	50.9	50.9	77.8
	5	48	22.2	22.2	100.0
	Total	216	100.0	100.0	

Table 3: Partnership

Decision-making					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	1	.5	.5	.5
	2	2	.9	.9	1.4
	3	45	20.8	20.8	22.2
	4	110	50.9	50.9	73.1
	5	58	26.9	26.9	100.0
	Total	216	100.0	100.0	

Table 4: Decision-making

4.1. Correlations

Correlations were run between each of the three independent variables and the dependent variable separately. The results were significant for all three tests. The correlations were also positive. However, the strength of the correlations slightly varied per the three variables. It was vital for creativity and partnership, on the one hand. It was moderate for vision. Results are presented below in tables and descriptions for the tests.

Correlations			
		Vision	Decision-making
vision	Pearson Correlation	1	.083
	Sig. (2-tailed)		.222
	N	216	216
decision making	Pearson Correlation	.083	1
	Sig. (2-tailed)	.222	
	N	216	216

Table 5: Vision and Decision-making

** Correlation is Significant at the 0.01 Level (2-Tailed)

A Pearson correlation was run to determine the relationship between vision and decision-making. There was a strong, positive correlation between vision: and statistically significant decision-making ($r = .083, n = 216, p = .222$).

Correlations			
		Creativity	Decision-making
creativity	Pearson Correlation	1	.385**
	Sig. (2-tailed)		.000
	N	216	216
decision making	Pearson Correlation	.385**	1
	Sig. (2-tailed)	.000	
	N	216	216

Table 6: Creativity and Decision-making

** Correlation Is Significant at the 0.01 Level (2-Tailed)

A Pearson correlation was run to determine the relationship between creativity and decision-making. There was a moderate, positive correlation between creativity and decision-making, which was statistically significant ($r = .385^{**}, n = 216, p = .000$).

Correlations			
		partnership	decision making
partnership	Pearson Correlation	1	.188**
	Sig. (2-tailed)		.006
	N	216	216
decision making	Pearson Correlation	.188**	1
	Sig. (2-tailed)	.006	
	N	216	216

Table 7: Partnership and Decision-making

** Correlation Is Significant at the 0.01 Level (2-Tailed)

A Pearson correlation was run to determine the relationship between partnership and decision-making. There was a strong, positive correlation between website design and customer satisfaction, which was statistically significant ($r = .188^{**}, n = 216, p = .006$).

5. Discussion

The study results showed a large agreement regarding the reality of intelligence practices strategy in the selected sample of tourism companies in the city of Erbil. It is evident that the tourism businesses that make up the research sample in Erbil rely on the vision dimension when developing plans and activities to carry out their job and that the mission and objectives of the business are derived from this vision.

The findings regarding the partnership dimension show that in order to overcome the crises businesses decrease risks, and capture opportunities. The tourism industry has a strong desire to form partnerships with other tourism or transportation businesses. Gaining access to resources and experience is one of the advantages that the company gets from forming a partnership.

The strength of the variables chosen for the study also supports the statistical significance of the relationship between strategic intelligence indicators and decision-making, which means that these variables can be relied upon to measure and infer the relationships between these variables based on the dimensions of the correlations.

The second tool studied was the company's vision. There was a positive correlation between the two variables. The results were significant; however, compared with creativity and decision-making, the correlation was moderate. This means creativity has a greater influence on decision-making, suggesting more use of partnership by managers. This study's third predictor of decision-making was the influence of partnership and its impact on decision-making attitudes toward the companies. Again, there was a strong and positive correlation between the two variables. The correlation was stronger

than both of the other two variables: namely, creativity and partnership. This indicates the importance of creativity in making transactions user-friendly and easy to perform.

6. Limitations of the Study

In Erbil, tourism companies were studied geographically. This research was geographically confined only to Erbil for two main reasons. One was the lack of time and money; the other reason was that most of the tourism companies were located in Erbil because it is the capital of the Kurdistan region.

7. Conclusion

The significant and positive correlations between the three independent variables (vision, partnership, creativity) and the dependent variable (decision-making) of a tourism company sample in Erbil, Iraq, have several suggestions and implications.

One indicator is the relative progress achieved by tourism in Erbil. One of the implications of this study is the importance of the presence of tourism companies in the country and the extent of its impact on the economic level, especially in developing countries such as Iraq. Another effect is the full use of modern means to facilitate things for tourists in the city of Erbil. Online services can be used to obtain other benefits for the residents of this city, such as remote booking, reassurance of procedures, and the development of tourism plans while you are in your place. Strategic intelligence is an essential tool for facing difficulties, getting out of crises, and achieving customer satisfaction.

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