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The Mediation Effect Of Strategic Planning On The Relationship Between Business Skills And Firm's Performance: Evidence From Medium Enterprises in Punjab, Pakistan

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Abstract

The study aims are to examine the mediating effect of strategic Planning (SP) on the relationship of business skills and performance of medium enterprises' (MEs) via the quantitative research method. This study finds that strategic planning has a significantly positive impact on the relationship of business skills and MEs' performance in Punjab, Pakistan. In conclusion, it was ascertained that strategic planning is the only factor that can assist to boost company performance.

Keywords: Business Skills, Firm, Performance, Medium Enterprises, Strategic Planning, Pakistan.

El efecto de mediación de la planificación estratégica en la relación entre las habilidades comerciales y el desempeño de las medianas empresas: Evidencia de Punjab, Pakistán

Resumen

Los objetivos del estudio son examinar el efecto mediador de la Planificación estratégica (SP) en la relación de las habilidades comerciales y el rendimiento de las empresas medianas (ME) a través

del método de investigación cuantitativa. Este estudio revela que la planificación estratégica tiene un impacto significativamente positivo en la relación de las habilidades comerciales y el desempeño de los ME en Punjab, Pakistán. En conclusión, se determinó que la planificación estratégica es el único factor que puede ayudar a impulsar el rendimiento de la empresa.

Palabras clave: Habilidades Comerciales, Empresa, Desempeño, Empresas Medianas, Planificación Estratégica, Pakistán.

1. INTRODUCTION

The dynamics contribution of Medium enterprises (MEs) in the economy of the developed and developing world has been widely acknowledged. Similarly, world economics and researchers also accepted their role as a major source of revenue generation, poverty elevation, employment creation, innovation, and economic growth (AHMAD & AHMAD, 2018). According to AHMED AND OTHMAN (2017) that in spite of the contribution of MEs to the economy of Pakistan, the high failure has been noted and HASSAN, IQBAL, MALIK, AND AHMAD (2018) also estimated that the failure rate in Pakistan in the middle of 80 to 90 percent. In resulting, MEs in Pakistan do not reach their potential point and fail to generate employment and reduce poverty in their region. However, it becomes vital for the researchers to identify the factors which are vital for MEs' growth and survival.

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Many researchers documented that, there are many factors which are affecting the MEs performance such as, innovation, entrepreneur orientation, market orientation, organizational capabilities, human resource capital, strategic planning, employee skills, etc (AZIZ & SAMAD, 2016; BELLO ROGO, MOHD SHARIFF, & HAFEEZ, 2018; QURESHI, AZIZ, & MIAN, 2017). Notwithstanding, these proposed models and studies, the contribution of MEs in the Pakistani economy is low. In this context, this study proposed an essential factor such as strategic planning (SP) with the integration of business skills and MEs performance in Punjab, Pakistan, and investigates that how proficient MEs with these integrated models. The researchers argue that organizations can perform better, and their growth will be attributable if they utilized their resources as per their goals and plans (ARASA & K'OBONYO, 2012). Similarly, prior studies documented that organizations can service and grow in a limited resource if they follow the role of SP. However, the problem is the lack of SP and utilization of resources (AHMAD & AHMAD, 2018) . Therefore, in this research study, the role of strategic planning and business skills are emphasized and investigate the effect of SP between the relationship between business skills and MEs performance in Pakistan.

Some studies have focused on the vital role of SP and organizational recourse (AHMED & OTHMAN, 2017; ARASA & K'OBONYO, 2012; BAKAR & AHMAD, 2010; PANG, LEE, & DELONE, 2014). At the same time, prior studies have empirically

tested the relationship of business skills and performance of the organization (AFOLABI & MACHEKE, 2012; BOSIRE & GAMBA, 2003; RAVEN & LE, 2015; URBAN & NAIDOO, 2012) which disclosed the positive effect on the company performance. However, the integration of this relationship still missing. Similarly, due to the lack of strategic planning, the organizations still not clear how to utilized their recourse for growth, survival, development, and perform in stiff competition. Similarly, SALMAN (2016), also highlighted that the usage of strategic planning in the Pakistani ME is far below as compared with the high-income counties (BARI, CHEEMA, & UL HAQUE, 2002; KAZMI, 2018). Additionally, MEs also lack mission, vision, goals, objectives, strategies, and multiple skills to survive in stiff competition. Therefore, this research study examines the effect of SP between the relationship of business skills and MEs performance.

In empirical literature, the concept of this relation between business skills, SP, and FP remains inconclusive. AHMAD AND AHMAD (2018) noted that the correlation of BS and SP on firm performance increasingly scholarly intentioned in recent years. However, the results from the empirical research studies on the mediating impact of the SP on the relationship of business skills and firm performance so far remain inconclusive, ranging from the positively significant effect. KUNENE (2009) resulteddo the positive relationship between business skills and performance of firms. Similarly, Kylaheiko, Puumalainen, Sjogren, Syrja, and Fellnhofer (2016) find the positively significant relationship between SP and FP,

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while SALMAN, ARSHAD, AND BAKAR (2016) find the positive mediation effect of the SP on the relationship of innovation and firms' performance.

Besides, URBAN AND NAIDOO (2012), UPTON, TEAL, AND FELAN (2001), and RAVEN AND LE (2015) also fine the positive relationship of the dimensions of the business skill on the firm performance. Nevertheless, some other studies have found an insignificant relationship between business skills and firm performance (RAVEN & LE, 2015). KUNENE (2009) documented that the inconsistency between the empirical results does not compel the conclusion regarding the relationship between business skills and firms' performance.

Moreover, most of the studies have focused on developed countries such as USA, Canada, Japan, and Uk then developing countries (POLLANEN, ABDEL-MAKSOUD, ELBANNA, & MAHAMA, 2017; PUCCI, NOSI, & ZANNI, 2017). But according to AHMAD AND AHMAD (2018) although conducted studies in developed countries have significant contributions in the literature. Their finding does not apply to the developing of the countries because other countries have their own culture, economic policies, and legal environments. However, throughout the overview of the empirical literature in the field of business management revealed that there is still gap in the literature. Therefore, based on the dearth of empirical studies in Pakistan, this research purpose is to investigate the mediation role of strategic planning on the relationship between

business skills and firm performance. The findings of this research study will help to light on the new factor that can improve the organizational performance and as well as, reduce the failure rate of medium enterprises in Pakistan. Additionally, in this study the resource-based view (RBV) underpinned the relationship between business skills, strategic planning, and MEs performance.

2.   LITERATURE   REVIEW   AND   HYPOTHESES DEVELOPMENT

2.1. Business skills

AHMAD AND AHMAD (2018) defined the business skills that the ability to acquire the conventional management area through the efforts and adaptively carryout complex activities in the organization. Similarly, according to the AFOLABI AND MACHEKE (2012), business skills are an important component to sustain and role the day to day operation of the organization. Moreover, empirical studies have acknowledged the importance of business skills to acquire success and growth in the MEs sector. KUNENE (2009) documented the theory of human capital and argued that both skills and knowledge come from the human capital and human capital as a organizational resources facilitate the organization to formulate the firm operations. Similarly, NAKHATA (2018) considered human capital as physical means of machines and factories. AHMAD AND AHMAD (2018) argued that

through the general application of human capital is organizational resources and organizations must know how to utilize their resources to sustain and grow.

Similarly, KUNENE (2009) documented that organizations can perform at higher level if they know how they utilized organizational resources. Organizational resources and human capital terms were used to explain the importance of organizational recourse, such as business skills (DONNON, AL ANSARI, AL ALAWI, & VIOLATO, 2014). Business skills include being able to formulate the business plan, operations, ability to set the goals, planning time and resources, ability to develop the plan for utilization of resources, make relation worth internal and external resources, HR management, business and system and performance, and ability to utilize the technology (KUNENE, 2009; LADZANI & VAN VUUREN, 2002; TAYLOR & MURPHY, 2004).

2.2. Strategic planning

Prior studies documented the impact of strategic planning as an organizational resource and acknowledged the important role of strategic planning to deal with the challenges in the organization (ARASA & K'OBONYO, 2012). ASAH, FATOKI, AND RUNGANI (2015) argue that strategic planning allows the firm to set its objective for long-term and help them to develop and implicate the plans to achieve their goals. Similarly, ARASA AND K'OBONYO (2012), illustrated that strategic planning is the attempt to prepare the firm for

future contingencies and helps to control the environmental dynamic. Moreover, AHMAD AND AHMAD (2018) claimed that strategic planning has strong contribution to the firm's financial and non-financial performance. Similarly, SALMAN ET AL. (2016) also find out that organizations with less degree of strategic planning have a higher level of risk of failure. The dimensions of strategic planning also assist in survival and growth. Moving forward, to highlight the effect of strategic planning on the firm performance, preceding studies focused on the multidimensional construct of the strategic planning and on the other hand, some studies have investigated through unidimensional construct (ARASA & K'OBONYO, 2012; REZVANI, GILANINIA, & MOUSAVIAN, 2011; SALMAN ET AL., 2016). But this research study were examined the unidimensional construct to investigate the mediating effect of the strategic planning.

2.3. Business Skills and Strategic Planning

According to the AFOLABI AND MACHEKE (2012), business skills are important resources of the organization. Organizations acquire business skills to deal with day to day operations. Moreover, prior studies also highlighted the role of strategic planning (ARASA & K'OBONYO, 2012). AHMAD AND AHMAD (2018) also claimed that organizations could perform better by utilizing their resources through strategic planning. Similarly, DALEY (2012) documented that medium enterprises already have limited resource, but they can achieve their objective if they follow the strategic planning. These

types of practices seem in multinational companies (DALEY, 2012) rather than in local and medium enterprises, especially in Pakistan. Besides, some prior studies claimed the significant relationship between organizational resources and strategic planning (AHMED & OTHMAN, 2017), but the proper relationship the business skills and strategic planning still not clear. So, it need to hypothesis the relationship between business skills and strategic planning.

H1:   Business skills have a significant effect on strategic planning of the organizations.

2.4. Firm performance

Firm performance is probably the most complex phenomenon and extensively studies as dependent variable in the literature of business management (AHMED & OTHMAN, 2017) because of its excellent contribution to the economy of the countries. There is a significant effect of medium enterprises (MEs) on economic growth of the developing and developed countries (ABOSEDE, OBASAN, & ALESE, 2016). Medium enterprises (MEs) helps to sustain the economy by innovating the productivity to both public and private sectors. AHMAD AND AHMAD (2018) highlighted that MEs also generate opportunities for business and investment. According to DAOUIA, SIMAR, AND WILSON (2017) Organizational performance is defined as indicators of financial and non-financial, which offer information on the degree of achievement of objectives

and results. Similarly, KEH, NGUYEN, AND NG (2007) differentiate both indicators of financial and non-financial performance through below balanced scorecard in table 1.

Table 1: indicators of Financial and Non-financial performance

Financial	Non- financial
Sales growth	Employee satisfaction
Net income growth	the secure job of employees
return on investment	
Overall performance	

Source: Keh et al. (2007)

2.5. Strategic Planning and Firm Performance

Strategic planning is considered as the major organizational resources and significant factor for the sustainability of the organization (ARASA & K'OBONYO, 2012). However, the significant role of strategic planning on organizational performance is well documented in the prior literature. Similarly, this significant relationship between SP and organizational performance is well highlighted in the literature with different concepts (ARASA & K'OBONYO, 2012). Prior studies highlighted the positive role of SP in the business literature (ALDEHAYYAT & AL KHATTAB, 2012; ARASA & K'OBONYO, 2012).

Similarly, AHMAD AND AHMAD (2018) documented that strategic planning increases organizational vision by fulfilling their

objectives and strategies. Moreover, AHMED AND OTHMAN (2017) highlighted the significantly positive effect of strategic planning on the MEs performance in the Malaysian context and concluded with significant relationship. In addition, they also suggested that there is insignificant association between organizational performance and strategic planning. Therefore, it is vital to renew this relationship between SP and FP.

H2:   Strategic Planning has a significant effect on MEs' performance of Punjab, Pakistan.

2.6. The mediating role of strategic planning

Several prior research studies highlighted the combination of human capital and strategic planning (ALQERSHI, ABAS, & MOKHTAR, 2019). Similarly, ARASA AND K'OBONYO (2012) also addressed the significant relationship between SP and FP. However, many studies are limited to highlight their relation in the medium enterprises and missed the integration between these variables. Moreover, Some studies investigated their relation in the context of western developed counties (ARASA & K'OBONYO, 2012). So, there is limited contribution found between the relationship of business skills, strategic planning, and organizational performance especially in medium enterprises within developing economies. The existing gap can be investigated by mediating effect of SP on the relationship of business skills and MEs performance.

H3:   *Strategic Planning mediates the significant relationship between business skills and MEs performance of Punjab, Pakistan.*
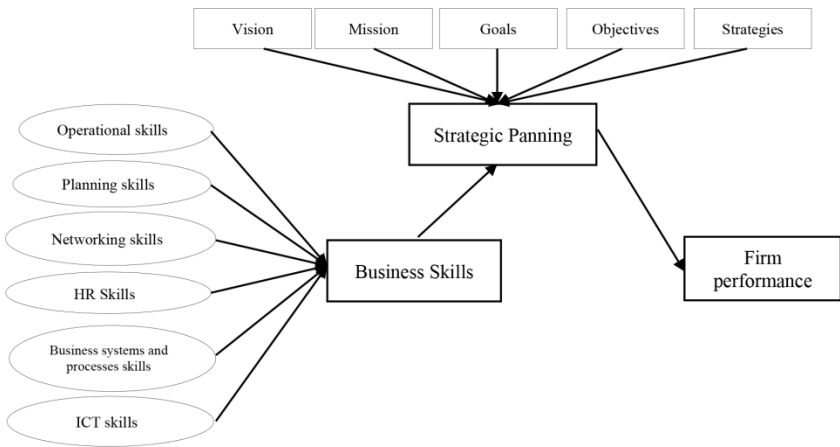
Conceptual framework

Figure 1: Proposed Conceptual Framework

3. RESEARCH METHODOLOGY

To fulfilled the purpose of this research study, the data were collected through survey methods and self-administrated questionnaires. However, 5-pint Likert scale was used to assess the answer to the questions. This study was conducted in Punjab, Pakistan. According to SMEDA (2018), Pakistan has 3.2 Million MEs. In which of 65% percent are located in Punjab province, which is most

populated province of Pakistan. The study focused on three sectors of MEs, industrial sector, agriculture sector, and service sector. For choosing the true representation of the population, the sample size was calculated by using the formula suggested by MENDENHALL, BEAVER, AND BEAVER (1993). The sample of this study was taken from Pakistani MEs sector by using stratified proportionate probability sample method. The calculated sample size is 384. For the assessment of descriptive and inferential statistics values, Partial Least Square software PLS 3.2 was used.

As per the sample size, 384 questionnaires were distributed to the owner and manager of medium enterprises in Punjab, Pakistan. Out of 384, only 285 questionnaires were returned with the response rate 83.25. Similarly, 20 questionnaires were disqualified due to wrongly filled. Thus, the usable respondents were 265, with the response rate 79.35%.

4. RESEARCH ANALYSIS AND HYPOTHESIS TESTING

For the assessment of structural equation modelling (SEM), the Smart-PLS statistical analysis model was used. Each one of the constructs under consideration including business skills, strategic planning, and firm performance.

4.1. Reliability and Validity

As a prerequisite to calculate the factor analysis, the confirmatory factor analysis (CFA) was conducted by using PLS-SEM. JOE F HAIR, SARSTEDT, RINGLE, AND MENA (2012) suggested that the validity of the latent construct can be calculated by undertaking convergent validity and discriminant validity. Therefore, in this study, before analyzing the data, reliability and validity of the calculated data were examined. For this purpose, Cronbach's alpha (CA) and composite reliability (CR) were examined on the threshold value 0.70 (HAIR JR & LUKAS, 2014). However, in this study table 2 shows that the value for CA and CR value is more than 0.70. Furthermore, table 2 also shows the values for internal consistency and convergent validity. Similarly, table 2 and figure 1 also shows the value of factor loading and AVE also higher than the threshold value 0.5 (HAIR JR & LUKAS, 2014).

Table 2: Reliability and Validity

Variables	Indicators	Loadings	Cronbach's Alpha	rho_A	Composite Reliability	AVE
Business Skills	BS40	0.739	0.962	0.963	0.966	0.638
	BS42	0.718				
	BS43	0.860				

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	BS44	0.846				
	BS45	0.803				
	BS46	0.838				
	BS47	0.857				
	BS48	0.798				
	BS49	0.830				
	BS50	0.840				
	BS51	0.802				
	BS52	0.755				
	BS53	0.802				
	BS54	0.760				
	BS55	0.787				
	BS60	0.722				
Firm Performance	FP100	0.811	0.953	0.955	0.958	0.639
	FP101	0.815				
	FP102	0.881				
	FP103	0.807				
	FP104	0.818				
	FP105	0.803				
	FP106	0.795				
	FP92	0.769				
	FP93	0.712				
	FP95	0.781				

	FP97	0.772				
	FP98	0.817				
	FP99	0.801				
Strategic Planning	Sp1	0.916	0.938	0.938	0.953	0.802
	Sp2	0.930				
	Sp3	0.900				
	Sp4	0.850				
	Sp5	0.878				

Source: Computed by the Researcher.

Moreover, the above table shows the values for the coefficient of CA and CR for the study framework. All the latent constructs, therefore, exceed the threshold values (HAIR JR & LUKAS, 2014).

The assessment of discriminant validity becomes the prerequisite to examining the relationship between latent constructs (HAIR JR & LUKAS, 2014). Additionally, table 3 also showed the value of external consistency, which is examined by examining the discriminant validity through Smart-PLS version 3.2.8.

Table 3: Discriminant Validity

	Business Skills	Firm Performance	Strategic Planning
Business skills	**0.799**		
Firm performance	0.385	**0.799**	

Strategic Planning	0.686	0.562	**0.895**

Source: Computed by the Researcher.

4.2. Assessment of Variance (R^2)

The assessment of variance (R^2) is the most important conspire for PLS-SEM structural modelling (F. HAIR JR, SARSTEDT, HOPKINS, & G. KUPPELWIESER, 2014). R^2 signifies the value proportion in the dependent variables which is examined by the single or more predictors (HENSELER, HUBONA, & RAY, 2016). The minimum threshold value for R^2 is 0.10, and for PLS-SEM the acceptable value is 0.19, 0.33, and 0.67, which considered as week, moderate, and substantial (F. HAIR JR ET AL., 2014). Table 5 predicts values.

Table 5: Variance Explained (R^2)

Latent variables	Variance Explained R Square
Firm Performance	0.316
Strategic Planning	0.471

Source: Computed by the Researcher.

However, table 5 predicts the values of R^2 that shows the 31% variance for the firm performance and 47% for strategic planning. Therefore, R-square values for this study could be considered as moderator by following the criteria of (COHEN, 1988).

4.3. Assessment of Effect Size (f^2)

The specific purpose of evaluating the f^2 is to calculate the influence of endogenous variables on the exogenous variables through the means of change of R-square (CHIN 1998). The value of effect size (f^2) as considered as small (0.02), Moderate (0.15), and large (0.35). Below, Table 6 indicates the values of effect size (f^2).

Table 6: Effect Size (f^2)

Variables	F Square	Effect Size
Business Skills -> Strategic Planning	0.942	Strong
Strategic Planning -> Firm Performance	0.489	Moderate

Source: Computed by the Researcher.

The above table shows that the overall effect of business skills is strong on strategic planning (0.942). Similarly, overall effect of SP on the FP is moderate (0.489), respectively (COHEN, 1988).

4.4. Predictive Relevance (Q2)

For the predictive accuracy of the model, the value for Stone-Geisser's Q^2 can be used (JOSEPH F HAIR, RINGLE, & SARSTEDT, 2013). That why Stone-Geisser's test was used to assess the value of predictive relevance by blindfolding process (HENSELER ET AL., 2016).Table 7 indicates the cross-validated values for firm performance and strategic planning.

Table 7: Calculated Predictive relevance (Q^2)

	SSO	SSE	Q^2 (=1-SSE/SSO)
Firm Performance	3,432.00	2,798.63	0.185
Strategic Planning	1,320.00	863.142	0.346

Source: Computed by the Researcher.

Thus, the above table shows the values for predictive relevance of firm performance and strategic planning. Table 7 also indicated that the value of predictive relevance Q^2 is more than zero which confirms the recommended value by the following researchers (HENSELER ET AL., 2016). Therefore, the computed values of predictive relevance Q^2 show that for this study model the endogenous latent construct is predictive relevance respectively.

4.5. Hypothesis Testing

Hypothesis were tested in on block. By using the stratucal equational model (SEM-PLS), first examined the measurement model and then run the boost stratping with the mediation effect. In this way the dimensions of three varibales were integrated by hypothesis H1, H2, and H3.

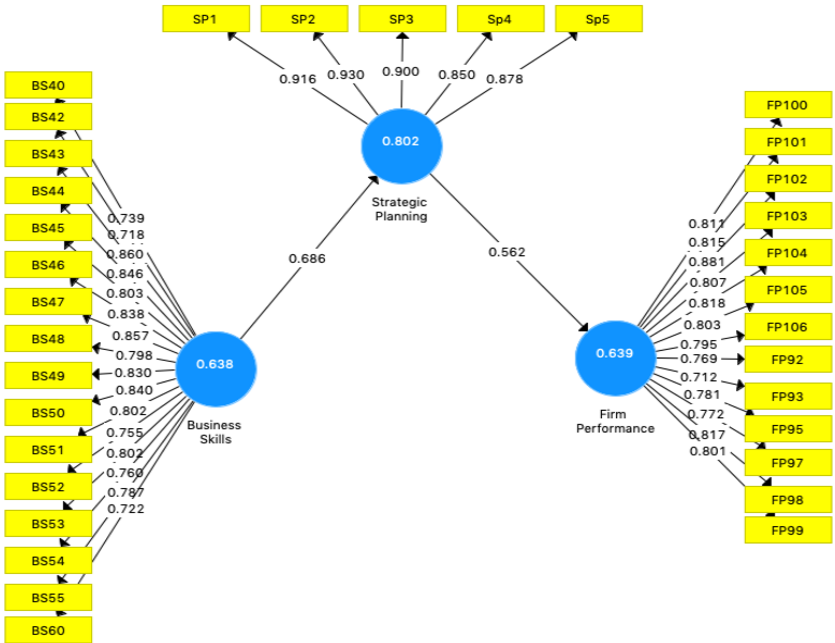Figure 2 and 3 summarizes all path coefficient of structural model.
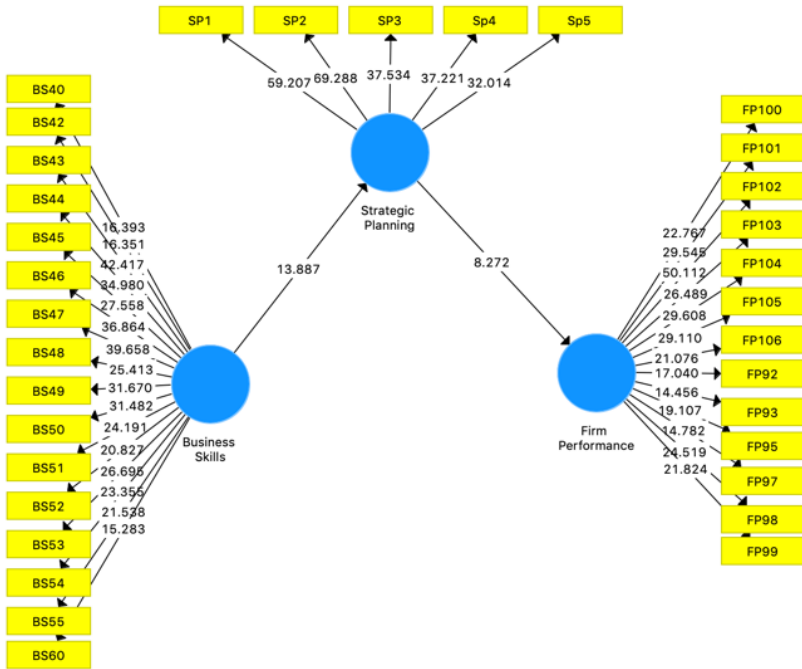
Figure 2: Measurement Model

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Figure 3: PLS Boost Strapping Model

4.5.1. Assessment of Significance of the Structural Model

Therefore, after examining the reliability and validity, this study computed the structural model. For this purpose, the standard boost strapping was used to evaluate the significance of the path by boost strapping 5000 times with 265 respondent data (HENSELER ET AL., 2016). Figure 3 and Table 4 depict the relationship with mediator of the structural model in this study.

Table 4: Indirect and Mediating effect

Hypothesis	Relation	Beta	Sample Mean (M)	SE	T-Value	P Values	Findings
H1	BS -> SP	0.686	0.688	0.049	8.020*	0.000	**Supported**
H2	SP -> FP	0.562	0.559	0.066	8.511*	0.000	**Supported**
H3	BS -> SP -> FP	0.386	0.385	0.055	6.969*	0.000	**Supported**

Source: Computed by the Researcher.

After the computed structural model, table 4 shows the positive relationship between business skills and strategic planning ($\beta= 0.686$, t = 8.020, P < 0.000), which is supported hypothesis 1. Similarly, H2 indicated that SP and FP have positively significant relation ($\beta= 0.562$, t = 8.511, P < 0.000). Hypothesis 2 is supported. Furthermore, results of hypothesis 3 indicated the mediating effect of SP on the relationship between BS and FP has significantly positive relationship ($\beta= 0.386$, t = 6.969, P < 0.000). Hypothesis 3 Supported respectively.

5. DISCUSSION

The current study has been invested in the mediating effect of strategic planning on the relationship between business skills and MEs performance in Punjab, Pakistan. The data were collected through quantitative techniques from managers or owners of medium enterprises.

Table 8: Summary of the findings

Hypothesis	Statement of hypothesis	Findings
H1	Business skills have a significant effect on strategic planning of the organizations.	**Supported**
H2	Strategic Planning has a significant effect on SMEs' performance of Punjab, Pakistan.	**Supported**
H3	The strategic Planning mediates the significant relationship between business skills and SMEs' performance of Punjab, Pakistan.	**Supported**

To start with hypothesis H1, the findings show that business skills have positively significant effect on strategic planning. As result, the finding of this H1 validates the proposed hypothesis. Thus,

business skills are more significant for the envelopment of organisational planning. The organizations which in rich with these resources have strong strategic and objectives (SALMAN ET AL., 2016). The multiple business skill will be creating value impact on the organization development with short- and long-term strategies. Similarly, strategic skills can help to build future company strategies, which influence the performance of the firm. Therefore, the finding of this hypotheses validates the findings of the following studies (AHMAD & AHMAD, 2018; SALMAN ET AL., 2016)

The findings of hypothesis H2 indicate that strategic planning getting a significantly positive impact on firm performance. However, the results of H2 endorse the findings of prior empirical studies SALMAN ET AL. (2016), ARASA AND K'OBONYO (2012), and PUSHPAKUMARI AND WATANABE (2009). Hence, H2 is supported. Therefore, H2 Suggested that a comprehensive strategic plan can create the worth of the organization and support to sustain in stiff market. Similarly, the vision, mission, goals, objectives, and strategies are not an important component by themselves, but they are important predictors of firm performance. It is impossible to make sense for the company to analyze its financial and non-financial performance without setting the organization's goals, where firm wants to stand, and what will be in future. Moreover, the objectives and goals cannot stand without the vision and mission of the firm. Because they create the value path for strategic thinking.

Finally, hypothesis H3 represents the main finding of the study to examine the mediation impact of strategic planning between the relationship of business skills and firm performance that was supported. Hypothesis H3 also suggested that strategic planning has a significantly positive effect on the relationship between business skills and firm performance with strong support (P<0.000). However, the results of this hypothesis are more intriguing and important. Form a prospective standpoint, results suggested that organizations can more productive with following the strategic planning in the sense of utilizing their resources because business skills considered as the human capital resource of the origination. Similarly, the owners and managers analyze the organizational financial and non-financial performance by seeking to identify needed adjustments in their strategic plans and utilization of their recourses. Furthermore, the findings reveal that the owner and manager might proactively seek organizational better performance by implementing strategic planning in their resource process.

6. CONCLUSION

Across the global, failure of medium enterprises and low performance has been becoming of the matter of researchers, practitioners, and policymakers. Although to investigate this concept, prior researchers have also attempted, but the relevance of the

complementarity between business skills, strategic planning, and the performance of medium enterprises has been unexplored. Therefore, this research study aims to examine the mediation impact of strategic planning between the relationship of business skills and MEs performance.

The results of the study inform the practitioners, researchers and policymakers for the usefulness of strategic planning and utilization of their resources according to their plans. Similarly, the results of these proposed hypotheses introduced the emergence of the comprehensive approach of strategic planning and suggested the combination of these latent variables under this study. This study also provides empirical, theoretical, and practical support to the mediation effect of strategic planning between the relationship of business skills and MEs performance. Furthermore, the findings also demonstrate that the implementation of strategic planning is not practiced amongst MEs in Punjab, Pakistan. Finally, through these findings, this study theoretically contributed to the theory of resources based view of the firm.

7. LIMITATIONS AND SUGGESTION FOR FUTURE USE

Based on the empirical findings, this study offered some limitations and provided some suggestions for future use.

First, this study limited to the sample of the study consist of medium enterprises. Future research can propose this framework to the other context of the organizations.

Secondly, this study is subjective in nature and susceptible to respondent bias. This study limited to the owners of the organizations because the owners are too serious in the organizational performance. Similarly, a longitudinal study design would help to more objective in future research and absolute performance measures such as only financial performance. Because financial performance considers more vital and ARASA AND K'OBONYO (2012) found strong correlations between subjective and objective financial measurements.

Third, the implementation of strategic planning is a shallow process (ARASA & K'OBONYO, 2012). Similarly, some owners and managers are too sharp in strategic planning naturally and better policy-maker then others. So, it is complicated for researchers to access the quality of strategic planning. However, longitudinal research design can deploy to measure the comprehensive strategic approach and then what has changed in the firm performance, can measure at a later time.

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