

# STUMBLING BLOCKS TO STRATEGIC PLANNING IMPLEMENTATION AMONG SMALL BUSINESSES: EMPIRICAL EVIDENCE FROM AFRICA

Egya Gyanzah Eshun, University of KwaZulu Natal  
Vannie Naidoo, University of KwaZulu Natal

## ABSTRACT

*Small businesses are considered the pillars of many economies in both developed and developing countries and for that reason efforts to improve their performance is critical. Implementation of strategic planning has been cited as pivotal to ensure the success of small businesses. This study looks at the challenges that impede the implementation of strategic planning in small businesses as a prelude to finding ways to improve the performance of small businesses to effectively serve their role as the engines of growth of countries. The study employed a descriptive survey design and data was collected using a structured questionnaire where respondents on a 5-point Likert scale indicated the extent to which their businesses are faced with factors that impede the implementation of strategic planning. The study focused on 500 owner-managers from Ghana who were sampled using the quota sampling technique. Generally, the study revealed that small businesses in Ghana face huge challenges impeding the smooth implementation of strategic planning. Specifically, the challenges the small businesses were found to face include the following: lack of resources for strategy implementation; lack of strategy supportive culture; lack of top management interest or support for strategic planning; lack of competence for effective change management. The results confirm the perceived lack of strategic planning effectiveness in small businesses and the need to mitigate the identified challenges. It is recommended that small business support institutions be resourced to help develop the capacity of small businesses in strategic planning as a way of dealing with identified challenges.*

**Keywords:** Strategic planning, implementation challenges; small businesses; small business improvement

## INTRODUCTION

Small businesses are recognized as pivotal in the economic development of countries and for that matter many countries put in the required effort to ensure that the subsector thrives. One activity that has been accepted generally as important for organizational performance is strategic planning (Kabeyi, 2019). Though research evidence indicate that large organizations mostly engage in strategic planning in advanced countries, strategic planning has been increasingly accepted in a lot of small businesses and developing countries because of established connection between strategic planning implementation and firm performance (Abodunde, 2022).

The importance of strategic planning to the performance of small businesses has been highly evidenced and for that matter there is no doubt that small business should engage in the activity to ensure improved performance. For instance, Wolf and Floyd (2017) considered strategic planning as one of the most important management approaches in modern firms.

Strategic planning been placed in such a high pedestal can be attributed to its contribution to business performance. A study by Abodunde (2020) has indicated a positive connection between strategic planning implementation and effective decision among small businesses and it is believed that making high quality decisions by small businesses improve their competitiveness as was opined by Muogbo (2013).

Additionally, the importance of strategic planning in small businesses was articulated by Akinyele and Fasogbon (2013) to include improving the survival rate of firms who engage in it. This is a very comforting revelation which implies that when more small businesses are encouraged to adopt strategic planning activities can go a long way to ensure the small business subsector contribute effectively and through that serve its enviable role as the engine of economic development of countries.

Though the possibility of strategic planning to improve the performance of firms is not in doubt, the questions that beats imagination is why a lot of businesses are still not adopting and implementing strategic planning in their operations. As was indicated by Abodunde (2020) a lot of small businesses do not apply strategic planning in their operation. The reason that was given in the study was that many small businesses doubt the effectiveness of strategic planning. This indicates that a lot of convincing ought to be done if small businesses would consider the adoption of strategic planning.

Additionally strategic planning has been found to be engaged in by large firm's more than small firms which indicate that large firms might be characteristically different from small businesses accounting for differences in the adoption of strategic planning activities. For instance, as was opined by Nomsa and Tebogo (2017) small firms, unlike a lot of large organizations lack the competencies for firm management and entrepreneurship and for that matter do not to a larger extent appreciate the essence of strategic planning.

Now it is not in doubt the capability of strategic planning and how it can improve the survival rate of small businesses as a lot of research results indicate. The important question and for that matter a key gap in the discourse is the need for better understanding of the issues that confront small businesses in their effort to adopt and implement strategic planning in their operations. It is also a given that a lot of work has been done in the developed economies so a switch in focus to how small businesses are challenged in their effort to adopt strategic planning is a worthwhile undertaken. For the above reason this study focused on the problems that confront small businesses in their implementation of strategy planning.

This work is expected to provide empirical evidence on why small businesses in Africa are challenged in the adoption of strategic planning in their operation, thereby throwing more light on how the businesses can be reasonably assisted to improve their operations, thereby contributing to the economic development of respective African countries.

This paper is organized as follows: The immediate section would be a review of related literature on the topic at stake which will be followed by theories that underpin the study. The next section would focus on the research methodology, after which the results and discussion section would follow. The paper ends with the conclusion of the study and recommendations for future studies.

## LITERATURE REVIEW

### Definition of Small Business

There is lack of generally accepted definition of a small business in the world and Ghana to be specific. There are a number of different definitions that have been given for a small firm hinging on the institution and the reason for providing the definition. Definition for small businesses in Ghana mostly use metrics such as; number of people employed, fixed asset value and level of turnover. According to the Ghana Enterprises Agency (G.E.A), the foremost public small firm support giving institution in Ghana, a business is assessed as small or not using the measuring scale of the magnitude of people engaged in the firm and the permanent assets price of the firm not including land and edifice. Using such a yard stick business is categorized as follows;

Micro firms' employ up to five employees whilst small firms maintain employees' size of Six to twenty-nine. Organizations that employ from thirty to ninety-nine employees are categorized as medium size enterprises. Consequently, businesses are deemed to fall under the Small and medium Enterprise (SME) category when they maintain employee size of not up to hundred employees. Large enterprises in Ghana using the GEA definition are firms that have hundred or more employees.

Another definition of small business that can be looked at is the one provided by the Ghana Statistical Service (GSS) which in the very distant past considered a business as small when the entity employed up to 10 employees. So previously comparing the definitions by GEA and GSS some businesses may have fallen under different categorization depending on the type of definition that was been applied. But the current definition of businesses by the Ghana statistical Service is almost the same as that provided by the GEA.

Beyond the definition given by institutions in Ghana, some researchers have put forward different definitions of small business. Micro businesses have been defined by some studies as businesses that employ nine or less employees (Obeng & Blundel, 2015; Masakure et al., 2009; Mensah et al., 2007) while others consider small firms as those that employ less than 20 or less employee (Obeng & Blundel, 2015).

In this study, businesses in Ghana are considered to fall under two main categories namely; small and large organizations. With that perspective the categorization in the GEA definition of businesses is adopted for this study focusing on the number of employees employed by an organization. Small firm under this study is considered to be any business with an employee size of one to ninety-nine employees. This means a small business in this study include micro, small and medium - size businesses working in Ghana.

## **Strategic Planning and Small Businesses**

Every organization strives to achieve its objectives by trying to have a superior understanding of its internal and external realities based on which activities are undertaken. As opined by Tapinos et al. (2005) strategic planning consist of activities that organizations engage in that focus on putting together strategies for enhanced performance. Thus, strategic planning makes it possible to gain information about the operating environment both internal and external from which clarity is achieved and uncertainty reduced (Hodgetts & Kuratko, 2001). That means, strategic planning helps to achieve clarity from which more effective decisions can be made impacting performance positively. For that matter strategic planning is a purposeful and formal activity undertaken in organizations to achieve better insight on how a firm should be properly run taking into consideration the observed external and internal realities.

According to Naffziger and Kuratko (1991) there is not much intentional planning taking place in small firms as compared to large-sized organizations that were found to mostly engage in intentional planning? Thus, as was reiterated by Stonehouse and Perberton (2002) planning in small firms are mostly hinged on the intuition of the owners or the executives with little application of formal planning mechanisms.

Even though strategic planning is mostly situated within large organizations there is an appreciable level of agreement on the link between strategic planning and organizational output (Abodunde, 2020). Though research has shown that not much strategic planning take place in small businesses, a study by Gibson and Cassar (2005) indicated that some small firms partake in strategic planning and also little association was established between strategic planning and small firm performance.

Research by Kraus et al. (2011) asserted that owners of small firms mostly are responsible for absolute control of their firms and these people also tend to be deficient in management jeopardizing the performance of the businesses they control. To assert the importance of strategic planning to businesses, a study by Abodunde (2020) opined that engaging in strategic planning is very essential to the performance of small firms and actually a key determinant of the level of performance of small firms. This means if considered properly a conclusion can be made that the lack of performance in small businesses partly can be hinged on their little participation in strategic planning as was opined by Gibbons and O'Connor (2005).

### **Strategic Planning and Firm Performance**

It is a known knowledge that there exists a link between engaging in strategic planning and output of organizations (Gruber, 2007). Besides the knowledge that other studies have established to the contrary that there is no correlation between strategic planning and a firm's output (French et al., 2004; Gibson & Cassar, 2005) other studies produced incoherent outcomes in terms of how strategic planning is related to firm performance.

As was established in the research by Gibbons and O'Connor (2005) though the association between strategic planning and firm performance has been recognized in large organization the same cannot be confidently said to pertain in small firms. Though planning is very important in businesses a study by Armstrong (1982) asserted that the degree of planning in organizations is influenced by complexities within organizations. The assertion by Armstrong (1982) can possibly explain why more strategic planning seem to take place in large businesses relative to small firms since large firms are relatively more complex than small organizations in terms of structure and processes. While planning has been seen as essential in businesses, other studies addressed the negatives related to planning especially long-term planning. As was opined in studies by Gruber (2007) which was also articulated by Mintzberg (1994) planning makes rigid business operation and makes it hard for businesses to react to changes in their business environment. As the negative aspect of planning was indicated by Carter et al. (1996) planning in new businesses take away resources from businesses that might have been used in building up their businesses. On the positive side, studies have asserted that, planning makes for successful harmonization of business activities. Additionally, as was opined by Grinyer et al. (1986) which was also in line with the findings of Kukalis (1989) planning makes it possible for businesses to think adaptively and through that makes it possible for businesses to organize all aspects of their businesses. It should be emphasized that, though planning might not warrant success in an

enterprise, planning helps a lot in contributing to the well-being of businesses (Lerner & Almor, 2002). The next section addresses the theories that underpinned the conduct of the study.

## THEORETICAL FRAMEWORK

The current paper considers firmly that small businesses engaging in strategic planning is critical for improved performance, thereby improving the success rate of the businesses. To this end it is believed that everything should be done to remove impediments in the smooth implementation of strategic planning. The study is supported by the idea that since top managers are mostly responsible for strategic planning in the organization, what top managers or strategic managers know and do is critical to the performance of businesses and to be specific small businesses. The study is therefore hinged on the strategic leadership theory.

The Strategic leadership theory indicates that the greatest unique resource a firm can ever have is its strategic leaders. The focus of the strategic leadership theory is the single leader or group of leaders that possess the capabilities essential to help a firm make key decisions that leads to the attainment of superior performance. The right strategic leadership is essential for the successful operation of an organization. Since the business environment is increasingly becoming uncertain, competitive and resources are mostly scarce, strategic leadership is needed to steer the affairs of businesses towards goal attainment.

The main crux of the strategic leadership theory and research is to appreciate how top managers and their activities influence organizational performance (Quigley & Graffin, 2017). While some studies have established the connection between strategic leadership and firm performance (Quigley & Graffin, 2017) other studies have indicated that strategic leadership tend to have minimal influence on firm performance (Fitza, 2017; Hambrick & Quigley, 2014). The strategic leadership theory in a way is similar to the Upper echelons theory by Hambrick and Mason (1984). The theory posits that a firm's performance is largely influenced by the peculiar attributes, principles and knowledge base of members that occupy the top management position (Quigley & Hambrick, 2015).

Strategic leadership refers to group of chief executive officers who set overall policies for acquiring and integrating resources for an organization (Bass, 2007). Additionally, Boal and Hooijbern (2001) considered strategic leadership as the ability of top managers to generate and uphold absorptive and adaptive capacities and the capability to detect contextual opportunities through managerial wisdom. On the other hand, as indicated by Carter and Greer (2013) strategic leadership hinges on the capabilities of the top managers of a firm to create a superior performing enterprise. The strategic leadership theory has underscored the importance of the activities of top managers and how they can positively influence the performance of the firm. Management practices that result from the activities and decisions of top managers are therefore vital to the growth of the firm and also the competitive advantage that a firm can create. Since strategic planning is basically the function of the top managers of an organization effort should be made to develop the capacity of managers in that regard and beyond that there is the need to find out and help resolve the challenges that impede the work of managers when it comes to the implementation of strategic planning activities. The next section addresses the methods and approaches followed in the conduct of the study.

## METHODOLOGY

## Research Design

To conduct a credible study, it is vital for the researcher to establish the research design employed. In this study the descriptive survey design was employed to study the challenges that confront the implementation of strategic planning among small businesses. A structured questionnaire used in the study specifically had two sections. The first section collected demographic data on the owner-managers and their sampled small businesses, the other section of the study assessed the current views of the owner-managers on the extent to which they are confronted with issues in their effort to implement strategic planning.

With respect to the challenges to strategic planning implementation, respondents were presented with statements and they were instructed to indicate the extent to which their businesses faced the identified challenges by choosing from the options 1 to 5. The five Likert scale structure of the questionnaire included the following: strongly disagree (1), disagree (2), neutral (3), agree (4) and strongly agree (5). Below are the statements that sought to capture the challenges small businesses face in the implementation of strategic planning:

1. There is not enough resources for strategy implementation
2. Resources are not properly aligned to strategy implementation
3. The business finds it difficult to manage change
4. The business has ineffective control of strategy implementation
5. Top managers do not provide enough support for strategy
6. The human capital of the business is not effectively developed to support strategy
7. The business lacks strategy supportive culture
8. Managers' lack of appreciation for strategic planning

To ensure that the study followed ethical guidelines an ethical clearance was obtained from the ethical committee of the University of KwaZulu Natal with protocol number HSSREC/00000376/2019 which also required that gatekeeper permission be obtained from the Kumasi Metropolitan Authority in Ghana for the smooth conduct of the study. Two trained research assistants were also involved in the study to help provide clarification to the respondents in the process questionnaire distribution and collection since it was assumed that some of the respondents may not be familiar with some of the concepts used.

## Sampling and Data Collection

The research was conducted in the Kumasi metropolitan area of Ghana. Kumasi is the capital city of the Ashanti region which is the second largest region in Ghana with respect to commercial activities.

The population of the study consisted of small businesses located within the Kumasi metropolitan area of Ghana. The Kumasi metropolis is made up of four sub-metropolitan areas namely: Bantama, Subin, Manhyia and Nhyeaso sub-metros. To get the right sample size to use for the study the Raosoft sample size calculator was used. The study area with a small business population of 58987 at 95% confidence level, with a margin of error of 5% and a response distribution of 50% was found to be 382 (Raosoft, 2011). For that reason, the study using a sample size of 500 small businesses is considered appropriate and enough.

To ensure that the sampled small businesses consisted of businesses from all the sub-metros, the Quota sampling technique was used to select 125 small businesses from each sub-metro to obtain a total sample size of 500 small businesses. The data collection was meticulously

done and with the help of the trained research assistants and the authorization letter from the Kumasi metropolitan authority giving access all the questionnaires distributed were successfully retrieved leading to a response rate of 100%.

The data collected from the study were descriptively analyzed using the Statistical Package for Social Sciences (SPSS) version 21.

For the demographic data collected frequency and percentages were calculated while means and the standard deviation were calculated for the data collected on the extent of the challenges the small businesses were facing in strategic planning implementation. The next section presents the results and the discussion ensuing from the analysis of the data collected in the study.

## RESULTS AND DISCUSSION

The results below are the demographic characteristics of the respondents of the study. The variables measured consist of the age, gender and educational level of the owner-managers that took part in the study. Additionally, the study collected data on the number of years the businesses have been in operation and the form of organization the businesses have adopted. Table 1 presents the results of the analysis conducted on the collected data.

<b>Table 1 DEMOGRAPHIC DATA</b>		
	<b>Frequency</b>	<b>Percentage (%)</b>
<b>Age of Owner Managers:</b>		
18-25	77	15.4
26-33	162	32.4
34-41	128	25.6
42-49	84	16.8
50 and above	49	9.8
Total	500	100.1
<b>Gender of respondents:</b>		
Male	230	46
Female	270	54
Total	500	100.1
<b>Educational level of respondents:</b>		
No education	39	7.8
Primary	37	7.4
JHS	90	18
SHS	194	38.8
Tertiary	140	28
Total	500	100
<b>Number of years of businesses in existence</b>		
Below 5 years	207	41.4
5-10 years	181	36.2
Above 10 years	112	22.4
Total	500	100
<b>Forms of business organizations:</b>		
Sole Proprietorship	368	73.6
Limited liability company	40	8
Partnership	92	18.4
Total	500	100

From the analysis conducted it was found that large number (n= 162, 32.4%) of the owner-managers of small businesses studied were within the age range of 26-33 years while a very small number (n= 49, 9.8%) of small business owner-managers were found to be in the age range of 50 years and above. Conclusively it was realized that a massive number (n=367, 73.4%) of small business owners in Ghana are in the youthful ages of not above 41 years. The finding of this study aligns with what was realized in the study by Zotorvie (2017) where greater proportions of small business owners were found to be below the age of 50years.

On the variable of the gender distribution of the owner-managers of small businesses in Ghana it was observed that approximately greater number (n=270, 54%) of the owner-managers were female as opposed to the small number (n=230, 46%) for male owner-managers. The findings here are also consistent with the findings of Zotorvie (2017:33) where majority of the small business owners were found to be female. The study also assessed the educational level of the owner-managers of the sampled small businesses in the study. The results of the analysis indicates that greater portion of owner-managers of small businesses studied (n= 321, 64.2%) have a level of education not exceeding the basic level, with only a few (n=39, 7.8%) indicating that they have not attained any formal education.

Also, it was realized that a sizeable number (n= 140, 28%) of owner-managers have tertiary education which contrast with the findings of King and McGrath (2002) that most small business owners in developing countries have little or no education. On the small businesses studied it was realized that most (n=207, 41.4%) of the small businesses in Ghana have been in operation for not more than 5 years. Also, the study has indicated that only few (n=112, 22.4%) small businesses in Ghana have gone beyond 10years of operation. The study also studied the form of business organization assumed by the small businesses in the Kumasi metropolitan area of Ghana. It was realized that most small business in Ghana operate as a sole proprietorship which confirms the general believe that small businesses in Ghana are run on the personal way akin to sole proprietorship.

### Challenges Facing Strategic Planning in Small Businesses

This section contains the results on the challenges that confront small businesses in their adoption and implementation of strategic planning in their operation. The participants were expected to specify by rating the degree to which they agreed with statements relating to the challenges that they faced in implementing strategic planning.

Table 2: Frequency, mean and standard deviation scores of respondents on the challenges facing strategic planning in small businesses.

<b>Table 2</b> <b>FREQUENCY, MEAN AND STANDARD DEVIATION SCORES OF RESPONDENTS ON THE CHALLENGES FACING STRATEGIC PLANNING IN SMALL BUSINESSES</b>								
		SDA	DA	N	A	SA	Mean	SD
1	The business lacks enough resources for strategy implementation	86 (17.2)	78 (15.6)	173 (34.6)	103 (20.6)	60 (12.0)	2.95	1.24
2	The business resources not aligned to strategy implementation	47 (9.4)	116 (23.2)	129 (25.8)	144 (28.8)	64 (12.8)	3.12	1.18
3	The business finds it difficult to manage change.	54 (10.8)	92 (18.4)	180 (36.0)	128 (25.6)	46 (9.2)	3.04	1.11
4	The business has ineffective control of strategy implementation	45 (8.6)	101 (20.2)	170 (34.0)	132 (26.4)	54 (10.8)	3.11	1.11



5	In the business strategy lacks enough support from top managers	50 (10)	102 (20.4)	147 (29.4)	147 29.4	54 (10.8)	3.11	1.15
6	The business lacks enough human capital to support strategy	37 (7.4)	79 (15.8)	167 (33.4)	160 (32.0)	57 (11.4)	3.24	1.08
7	The business lacks strategy supportive culture	61 (12.2)	75 (15.9)	162 (32.4)	142 (28.4)	60 (12.0)	3.13	1.18
8	The managers in the business lack appreciation for strategic planning.	106 (21.2)	94 (18.8)	148 (29.6)	104 (20.8)	48 (9.6)	2.79	1.26

SDA-Strongly Disagree

DA-Disagree

N-Neutral

A-Agree

SA-Strongly Agree.

The respondents were expected to indicate their views on eight items that sought to gauge the challenges small businesses encounter in undertaking strategic planning in their operations. The following are the results obtained from the analysis of the responses of the respondents on each of the items assessed.

The first item the respondents responded to was “*the business lacks enough resources for strategy implementation*” and the following results emerged from the analysis of the responses: the majority of the respondents (n=173, 34.6%) were neutral with their responses while a large number of the respondents (n=103, 20.6%) indicated agreement with the statement posed. Additionally, only a few of the respondent (n=60, 12.0%) showed strong agreement that their businesses lacked enough resources for strategy implementation.

Also, small numbers of the respondents (n=78, 15.6%) and (n=86, 17.2%) indicated disagreement and strong disagreement respectively with the statement that their businesses lack enough resources for strategy implementation. The mean for the responses on the statement that “*the business lacks enough resources for strategy implementation*” is  $X=2.95$  with a standard deviation of  $SD=1.24$  reveals a disagreement with the statement indicating that the respondents believe small businesses in Ghana do not have problem with resources for strategy implementation or to put it explicitly the respondents were rather neutral with their responses on the statement that their businesses lack enough resources for strategy implementation.

The findings of the study imply that, there is not much clarity among small businesses when it comes to resources for strategy implementation. The reason is that, almost the same number of the respondents in the study agreed and also disagreed with the statement posed. Conversely, the finding of the research was very emphatic on the lack of enough resources for strategy implementation. The study finding is also consistent with the findings of the study by Jessica, Hwang and Lockwood (2006) where small businesses were found to have limited resources and also have little confidence in formulating and implementing plan. The study by Obeidat et al. (2017) indicated that resources availability is critical to strategy implementation success meaning if small businesses lack resources, it will affect adversely strategy implementation.

The second item the respondent responded to was the statement “the businesses resources not aligned to strategy implementation” and the following are the results that came out after the analysis of the responses: a large number of the respondents (n=144, 28.8%) agreed with the statement that their businesses resources are not aligned with strategy implementation, while only small number of the respondents (n=64, 12.8%) strongly agreed with the statement. Additionally, a large number of the respondent (n=129, 25.8%) showed neutrality with their

responses while similar number of the respondents (n=116, 23.2%) also indicated disagreement with the statement posed. The remaining number of the respondent strongly disagreed with the statement that their businesses resources are not aligned with strategy implementation.

The mean score for the responses on the statement “*the business resources not aligned with strategy implementation*” is  $X=3.12$  with a standard deviation of  $SD=1.18$  indicates a moderate agreement with the statement implying that the resources in small businesses in Ghana are not aligned with strategy implementation. The outcome of the research is not in line with the outcome in the study by Shao (2019) where a positive authentic connection was identified between resource-strategy alignment and enterprise performance.

The third items that was assessed was the statement “*the business finds it difficult to manage change*” and the responses were analyzed which revealed the following results: the largest portion of the respondents (n=180, 36.0%) indicated neutrality with their responses while a sizeable number of the respondents (n=128, 25.6%) also agreed with the statement posed. Only few of the respondents strongly agreed that their businesses find it difficult to manage change. Additionally smaller numbers of the respondents (n=92, 18.4%) and (n=54, 10.8%) showed disagreement and strong disagreement respectively with the statement that their businesses find it difficult to manage change. The mean score for the responses on the statement “*the business finds it difficult to manage change*” is  $X=3.04$  with a standard deviation of  $SD=1.11$ .

This reveals moderate agreement with the statement indicating that small businesses in Ghana find it difficult to manage change. The research finding in a way align with the findings in the study by Lines et al., (2015) where more resistance to change was found in large-sized projects than small-sized projects.

The respondents of the study also responded to the statement “*the business has ineffective control of strategy implementation*”. The following are the results that emerged from the analysis of the responses from the respondents of the study: the largest portion of the respondents (n=170, 34.0%) were neutral in their responses to the statement while a slightly smaller number (n=132, 26.4%) agreed with the statement. Additionally, a sizeable number of the respondents (n=101, 20.2%) disagreed with the statement while the least number of the respondents (n=45, 8.6%) strongly disagreed with the statement that their businesses have ineffective control of strategy implementation. The mean score for the responses on the statement “*the business has ineffective control of strategy implementation*” is  $X=3.11$  with a standard deviation of  $SD=1.11$  indicates a moderate agreement with the statement implying that small businesses in Ghana have ineffective control of strategy implementation.

The findings of the research underscore the finding of the research by Obeidat et al., (2017) where it was found that, the control of the strategy implementation process is critical to the success of strategy implementation. This means large number of the organization indicating ineffective control of the strategy implementation process is a real problem small business might have in Ghana.

The fifth item that sought to assess the challenges small businesses face with strategy planning was the statement “*in the business, strategy lacks support from top managers*”. The responses from the respondents were analyzed and the following are the results that ensued: a large number of the respondents (n=147, 29.4%) agreed with the statement that their businesses lack support for strategy from the top managers while the same number of the respondents (n=147, 29.4%) were neutral in their responses to the same statement. A large number of the respondents (n=102, 20.4%) disagreed with the statement as only a few of the respondents (n=50,

10%) showed strong disagreement. The remaining number of the respondents (n=54, 10.8%) strongly agreed that their business lack support for strategy from top manager.

The mean score for the responses to the statement in the business strategy lack enough support from top managers is  $X=3.11$  with standard deviation of  $SD=1.15$  indicates a moderate agreement with the statement which reveals that strategy in small businesses in Ghana lack support from top managers. The finding of the study amplifies the finding in the study by Kumar, Singh and Shankar (2015) where top management commitment was ranked first as the critical success factor for supply chain management. The connection with the finding in this study is that without support from top management, the intended success might not be achieved when it comes to strategy implementation in an organization.

The respondents were also asked to respond to the statement the business lacks enough human capital to support strategy. This statement also sought to explore the challenges small businesses face in strategic planning. The responses that were received were analyzed revealing the following results: A large number of the respondent (n=167, 33.4%) were neutral in their responses while an equally large number of the respondents (n=160, 32.0%) agreed with the statement that their businesses lack enough human capital to support strategy. Additionally, only a small number of the respondents (n=57, 11.4%) showed strong agreement with the statement while smaller numbers of the respondents (n=79, 15.8%) and (n=37, 7.4%) also disagreed and strongly disagreed respectively with the statement posed.

The mean score for the statement "*the business lacks enough human capital to support strategy*" is  $X=3.24$  with standard deviation of  $SD=1.08$  indicates a moderate agreement with the statement, revealing that small businesses in Ghana lack enough human capital to support strategy. The study finding is sustained by the findings in the research by Jessica et al., (2006) where small businesses were found to lack skilled labour to support implementation of best practices and strategy.

The seventh item assessing challenges facing strategic planning is the statement "*the business lacks strategy supportive culture*". The respondents were expected to indicate their view and the responses obtained were analyzed producing the following results: a large number of the respondents (n=162, 32.4%) indicated neutrality in their responses while an equally large number (n=142, 28.4%) agreed with the statement that their businesses lack a strategy supportive culture. A small number of the respondents (n=60, 12.0%) strongly agreed that their businesses lack strategy supportive culture. Additionally, a sizeable number of the respondents (n=75, 15.9%) and (n=61, 12.2%) disagreed and strongly disagreed respectively with the statement that their businesses lack a strategy supportive culture. The mean score for the responses to the statement "*the business lack strategy supportive culture*" is  $X=3.13$  with a standard deviation of  $SD=1.18$  indicates a moderate agreement with the statement revealing that small businesses in Ghana lack strategy supportive culture.

Thus, small businesses in Ghana were found to have organizational cultures that do not support the strategies they adopt. The importance of having the right organizational culture was underscored by Galpin et al., (2015) that having a sustainability culture is necessary for achieving enhanced organizational performance.

The last item that sought to assess the challenges facing strategic planning in small businesses is the statement "*the managers in the business lack appreciation for strategic planning*". The responses from the respondents after analysis produced the following results: a large number of the responds were neutral in their responses while a closely equal number of the

respondents (n=104, 20.8%) agreed with the statement. Additionally, a sizeable number of the respondents (n=106, 21.2%) strongly disagreed while a smaller number (n=94, 18.8%) disagreed with the statement that managers in their businesses lack appreciation of strategic planning. It is evident that only few of the respondents (n=48, 9.6%) strongly agreed with the statement.

The mean score for the responses to the statement “*the managers in the business lack appreciation for strategic planning*” is  $X=2.79$  with a standard deviation of 1.26 indicates neutrality in responses revealing that managers in small businesses in Ghana are not sure or undecided of the position of strategy in their operations. The finding of the study underscores the finding in the study by Alamsjah (2011); Jiang and Carpenter (2013) as reporter in the study by Obeidat et al., (2017) that top executive help is critical input in the success of strategic planning implementation. The idea indicates that when top management is involved it improves the success of strategic planning implementation and managers would be more involved when they have high appreciation of strategic planning. From the results of this study a large number of respondents indicated that their managers do not appreciate strategy and that is real challenge that might impact the success of strategic planning implementation.

## CONCLUSION AND RECOMMENDATION

The study explored the challenges associated with the implementation of strategic planning among small businesses in Ghana. From the outcome of the study, it can be concluded that greater number of small businesses in Ghana does not understand issues or believe to have enough resources for strategy implementation. It has also been established from the study that a lot of small firm owner-managers are indecisive when it comes to their appreciation of strategic planning issues. Additionally small business owner-managers have been mostly found to be uncertain of their capacity to manage change and support strategic planning in their operation. Generally, it can be concluded that small businesses in Ghana do not have in-depth understanding of strategic planning and for that have limited capacity to engage in strategic planning.

Based on the findings of the study it is recommended that Governments and small business support institutions should put in more resources and effort to improve the capacity of small businesses in strategic planning thereby contributing to their enhanced performance. When the capacity of owner-managers is improved it will go a long way to entrench the practice of strategic planning in small businesses thereby helping the businesses to perform creditably their role as the engine of the economies of respective countries.

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