

A Holistic Review of Empirical Studies of Strategic Planning and Future Research Avenues

Muhammad Wasim Jan Khan

PhD Scholar, Faculty of Economics and Business, University Malaysia Sarawak, Malaysia
Email: wasimjanpk@yahoo.com

Dr. Muhammad Khalique

Senior Lecturer, Faculty of Economics and Business, University Malaysia Sarawak
Email: drmkhalique@gmail.com

To Link this Article: <http://dx.doi.org/10.6007/IJAREMS/v3-i6/1291> DOI:10.6007/IJAREMS/v3-i6/1291

Published Online: November, 2014

Abstract

In today's complex and uncertain situations and environments throughout the world; the need for strategic planning is widely accepted for smooth and successful operations of all kinds of business organizations. Strategic planning constitutes an important path to successful business operations and is a part of every business. Managers realize, understand, and implement strategic planning in different ways. Strategic Planning therefore bridges the gap between where we are, and where we want to go. In the world today as a result of the uncertain situations to businesses of all kinds, rapid changes and rapid technological developments, market opening and strong competition, organizations and institutions have to be managed with meaningful management style and be able to move beyond the current reality. The environment surrounding organizations which characterized by continues changes in order to achieve the goals and tasks for which it was created, this method is the so-called strategic management.

Therefore, for any kind of organization; strategic planning is diagnosed as the basic fundamental need and necessity in response to the present scenario of the globe and any form of situation.

Keywords: Strategic Planning, SMEs, Large Organizations, Malaysia and Pakistan.

Introduction

The word "strategy" is derived from Greek word "strategos" which means "the roles of a general" (Mohamed et al., 2010). The term "planning" in management is a process of preparing ways to use resources more economically and efficiently so that the purpose of the company is achieved. In management Ansoff introduced the concept of "strategic planning" in early 70s (Feurer and Chaharbaghi, 1997; Mohamed et al., 2010). Whereas the first empirical study was conducted by Thune and House (1970) and then Ansoff et al. in same (1970) regarding strategic planning.

Strategic planning defines and accomplishes the basic directions and rationale for determining where an organization should head and provides the specifications against which any organization may best decide what to do and how to do it, thus strategic planning is a process for creating and describing a better future in measurable terms and the selection of the best means to achieve the desired results (Kaufman et al., 2003). Strategic management means drafting, implementing and evaluating cross functional decisions that will enable an organization to achieve its long-term objectives. It specifies the organization's mission, vision and objectives and then allocates resources to achieve these objectives. The strategic management process is made up of three main components: strategy formulation, strategy implementation and strategy evaluation. Apart from that, it also emphasis on analysis of external and internal environment of a company in order to achieve the company's objectives (Mohamed et al., 2010).

Strategic planning is part of strategic management, if unchecked, it often strangles strategic thinking to death (Kheng-Hor and Munro-Smith, 2003). Developing a vision statement is often considered as the first step in strategic planning process (Mohamed et al., 2010).

Strategic planning today, for all industries has become absolutely crucial. As never before there have they been confronted with such substantial increases in both uncertainty and competition without any doubt for the organizations. Strategic planning is useful not only because it can realize the vision of the upper management or it can mitigate unforeseen risks; it also has many more benefits (Vel et al., 2012). Strategic planning constitutes an important path to successful business operations. Strategic planning is a part of every business. Managers realize, understand, and implement strategic planning in different ways. Significant knowledge concerning strategic planning exists in the context of large organizations, where as little knowledge is developed concerning strategic planning in the context of small businesses (Spillan & Ziemnowicz, 2003).

In the world today as a result of the rapid changes and rapid technological developments, market opening and strong competition, organizations and institutions have to be managed with meaningful management style and be able to move beyond the current reality and the environment surrounding organizations which characterized by continues changes in order to achieve the goals and tasks for which it was created, this method is the so-called strategic management (Al-Majali & Sunna'a, 2013).

Lyles, Baird, Orris and Kuratko (1993) argued that it the process of planning that is important not the plan. While Herter (1995) stated that through the process of planning, informally or formally, firms can move themselves into the "real world" from the "dream world".

Beaver (2003), Berman et al. (1997), Berry (1998), Orser, Hogarth-Scott and Riding (2000), Robinson and Pearce (1984), Sandberg, Robinson and Pearce (2001) and Sexton and Van-Auken (1985) argued that small and medium sized enterprises (SMEs) may not achieve their full performance and growth potentials, when they neglect strategic planning and thus the survival of SMEs could be placed at risk. SMEs with better strategic planning shows better performance than those who neglect it (Wang, Walker, & Redmond, 2007; 2006).

Strategic management means drafting, implementing and evaluating cross functional decisions that will enable an organization to achieve its long-term objectives. It specifies the organization's mission, vision and objectives and then allocates resources to achieve these objectives. The strategic management process is made up of three main components: strategy formulation, strategy implementation and strategy evaluation. Apart from that, it also emphasis on analysis of external and internal environment of a company in order to

achieve the company's objectives. Developing a vision statement is often considered as the first step in strategic planning process (Mohamed et al., 2010).

Strategic planning is an organization's process of defining its strategy, or direction, and making decisions on allocating its resources to pursue this strategy. In order to determine the direction of the organization, it is necessary to understand its current position and the possible avenues through which it can pursue a particular course of action. Generally, strategic planning deals with at least one of these three key questions: "1) What do we do? 2) For whom do we do it? 3) How do we excel?" In many organizations, strategic planning is viewed as a process of determining where an organization is going over the next year or more typically 3 to 5 years (long term), although some extend their vision to 20 years (Wikipedia, 2013).

Garcia-Lillo and Marco-Lajara (2002), Simon, Marques and Narangajavana (2005) and Williams and Tse (1995) reported that the literature on strategy has focused a great deal of attention on the search for the strategic construct. Its development has led to a number of classification schemes that capture the essence of sets of consistent responses to various environmental events, investment strategies and competitive advantages.

Hodgetts and Kuratko (2001) and Kraus et al. (2006) are of the opinion that strategic planning can contribute to performance by generating relevant information, by reducing uncertainty and by creating a better understanding of the important environment. Based on the previous findings of the researchers, Rhyne (1986) argued that the theorists of strategic management have recommended strategic planning as an essential tool for managers. Generating a greater understanding of the process of planning initiation is of interest and importance to both practitioners and theorists (Harris & Ogbonna, 2006). Mostly the strategic management scholars concern with variables as organizational structures and processes, business environments and performances of businesses and investigate planning in businesses (Glaister et al., 2008; Harris & Ogbonna, 2006).

Mazzarol, Reboud and Soutar (2009) and Storey (1994) argued that the Owner-managers' characteristics need to be understood when considering small firm growth, but firms' characteristics and the nature of their strategic planning and management processes are also important. Strategic planning today, for all industries has become absolutely crucial. Vel, Creed and Narayan (2012) reported that without any doubt organizations never before have been confronted with such substantial increases in both uncertainty and competition. Strategic planning is essential and useful not only because it can realize the vision of the upper management or it can mitigate unforeseen risks; it also has many more benefits.

Morgan and Strong (2003) concluded the findings of research that businesses with high level of performances have well strategic orientations. Many empirical studies on the role of strategic planning have proved that in creating better long term competitive positions and better organizational performance of the company's strategic planning plays an important role and that strategic planning is essential for better business performance and success (Suklev & Debarliev, 2012). Odom and Boxx (1988) reported that the perceptions of the environment or more specifically the importance of certain environmental factors used in decision-making were related to the level of planning sophistication.

Considerable research has evaluated the relationships between planning and firm performance, though it is usually in large organizations. The recent research has extended to small firms (Heriot et al., 2004; Spillan & Ziemnowicz, 2003). The previous researches have also proved and considered the relationship of strategic planning with firm performance of high importance to business organizations. But review of the findings of previous studies

suggests that the impact of strategy on overall performance is not as clear-cut as one might expect. Several studies show a link between strategy and performance. The empirical studies investigating direct relationships between strategic planning and performance have attracted criticisms. The main reason for criticism is the mixed results on the relationship between strategic planning and business performances. Some studies show positive relationships while some show negative or insignificant relationships between strategic planning and performances' of businesses. The previous research is also of high consent that external environment analysis is of high importance in strategic planning and it determines the effectiveness of strategic planning.

Studies and their findings From 1970 To 1985

The empirical researches on strategic planning start from 1970. The main purpose of reviewing and mentioning these previous empirical studies here is to confirm that strategic is very crucial for organizational success and survival and the mentioned majority studies have proved it. The review of previous researches and the finding of researchers are presented below.

Thune and House (1970) conducted the first empirical study in the context of strategic planning in United States in 36 firms and reported that formal planners firms in the drug, chemical, and machinery industries economically perform significantly better than those who plan informally. Study was conducted on six/6 industrial groups, as drug, chemical, and machinery industries, food, oil, and steel industries.

Ansoff, Avner, Brandenburg, Portner and Radosevich (1970) conducted the second empirical study in the context of strategic planning in United States in 62 large American firms (manufacturing firms). They found that firms having planners outperform non-planners and planning firms showed better financial performance criteria than those of non-planning firms. Later on the study of Herold (1972) in 10 industrial firms also showed that formal planners out-performed informal planners.

Fulmer and Rue (1974) (as cited in Rhyne, 1986 and Greenley, 1986) in their study conducted in United States in 386 firms reported that, no across the board relationship found between planning and firms' performance. Their findings did not reveal a systematic relationship between formal long range planning and financial performance. Whereas the study conducted on 38 Industrial firms by Karger and Malik (1975) purported that planners out-performed non-planners on almost all measures.

Grinyer and Norburn (1975) with data developed from structured in-depth interviews with 91 executives of 21 UK companies found no evidence to suggest that common perception of objectives, clarity of role perception, and formality of planning are related to financial performance. Nor did they find a statistically significant relationship between the number of formal communication processes used and financial performance. They reported no relationship between strategic planning and organizational performance.

The study of Potts (1977) which was conducted in 42 manufacturing firms revealed that successful firms used outside accounting services as part of their strategic planning activities more extensively than did unsuccessful firms. Wyant (1977) showed that business failure was caused by management inexperience, in competence, and lack of planning in a comprehensive study of 9000 firms of all types' survey/interviews of bankrupted firms and creditor evaluation. The analysis of the study of Kallman and Shapiro (1978) in 298 motor carrier firms revealed that generally, motor carriers were found to perform similarly

irrespective of their size or commitment to strategic planning. A number of factors are suggested to explain this phenomenon.

The study of Wood and Laforge (1979) in the United States in 41 Banks revealed that comprehensive planners out-performed non-planners and showed no relationship between comprehensive and partial planners. Kudla (1980) purported in a study conducted in 129 manufacturing and other firms by that planning had a negligible impact of returns and transitory impact on return on reduction of risk. While Leontiades and Tezel (1980) in their study in 61 firms of Fortune 1000 firms found no relationship between planning and firm performance. Robinson, Vozikis and Pearce (1981) (as cited in Rhyne, 1986) in their study in 51 small firms concluded that planning enhance effectiveness of firms. Whereas Lindsay, Boulton, Franklin and Rue (1981) (as cited in Rhyne, 1986) in 144 US services industries showed no consistent relationship between planning and performance (Both these studies of Robinson et al. (1981) and Lindsay et al. (1981) are not published but reported in Rhyne, 1986).

The study Robinson and Littlejohn (1981) found a positive relationship between strategic planning and financial success in their investigation of small business enterprises. Whereas Jones (1982) found in his study that small business 'planners' showed to be more successful as performance measured by return on assets than 'non planners'.

Robinson and Pearce (1983) showed in a study conducted in 85 US selected banks by that small banks without formal planning systems performed equally with small, formal planners. Regardless of formality, each set of banks placed equal emphasis on all aspects of strategic decision-making except formalized goals and objectives. Their results suggested that managers responsible for strategic planning activity in smaller organizations do not appear to benefit from a highly formalized planning process, extensive written documentation, or the use of mission and goal identification as the beginning of a strategic planning process.

The results of study of Fredrickson and Mitchell (1984) on 109 executives in 27 firms in an industry whose environment was very unstable showed consistently negative relationship between comprehensiveness and performance. Whereas the study conducted by Sharader et al. (1984) found no relationship systemic relationship between formal strategic planning and financial performance. While, the study of Ackelsberg and Arlow (1985) proved that strategically planning enterprises achieve better financial results.

Empirical Studies and their findings From 1986 To 2000

In investigation of Richardson (1986) (as cited in Stewart, 2003) of strategic planning and financial performance of large businesses, the hypotheses of the study that high stockholder returns were associated with greater formality and participation in strategic planning were not supported. The data did not support a clear relationship between strategic planning and financial growth.

The study of Rhyne (1986) in US which was based on a survey of 210 Fortune 1000 companies in July 1980 showed that planning systems that combined an external focus with a long-term perspective were found to be associated with superior 10-year total return to stockholders. A lagged relationship between such systems and 4-year average annual returns to investors also was identified. This study found a positive relationship between planning systems more closely conforming to strategic management theory and long-term returns to investors.

The study of Bracker and Pearson (1986) in US was based on financial business performance data over a 5-year time-frame. Their results showed that firms that conformed to the

structured strategic planning categorization outperformed all other planning categorizations with regard to overall financial performance.

Gable and Topol (1987) in their study on 179 small retailers from North-East U.S. identified no relationship between strategic planning and SME success.

Pearce, Robbins and Robinson (1987, A) suggested on the basis of findings of their study conducted in eastern state in US involving 97 manufacturing firms that the extent of formality in strategic planning was positively and significantly related to firm success as measured by economic indicators. The relationship was particularly pronounced between planning formality and sales growth. It was also revealed in another study conducted by Pearce, Freeman and Robinson (1987, B) that from an inductive point of view, if high quality plans produce high levels of financial performance, it would be important to determine the characteristics of formal strategic planning that produce both high quality and effective plans. Hand et al. (1987) found negative relationship between planning and firms performance. While, the results of a study conducted with a of sample of 217 owner/managers of electronic businesses in United States by Bracker, Keats and Pearson (1988) showed that firms employing structured strategic planning procedures financially outperformed all other planning categorizations with regard to overall financial performance.

Robinson and Pearce (1988) in North Carolina-US conducted a study on 97 manufacturing firms representing 60 different industries. They purported that establishing a 'baseline' strategy-performance relationship. Strategic orientations emphasizing product innovation or those incorporating 'efficiency' and 'differentiation' patterns of strategic behavior were associated with significantly higher performance levels than two other groups. Further the level of planning sophistication was found to significantly moderate the previously established strategy-performance baseline.

Covin and Slavin (1989) in United States conducted a study with data on environmental hostility, organization structure, strategic posture, competitive tactics, and financial performance from 161 small manufacturers and purported that performance among small firms in hostile environments was positively related to an organic structure, an entrepreneurial strategic posture, and a competitive profile characterized by a long-term orientation, high product prices, and a concern for predicting industry trends. In benign environments, on the other hand the performance was positively related to a mechanistic structure, a conservative strategic posture, and a competitive profile characterized by conservative financial management and a short-term financial orientation, an emphasis on product refinement, and a willingness to rely heavily on single customers.

The studies of Birley and Westhead (1990), Covin (1991) and Sharader et al. (1989) found relationships between planning and firms' performances that were very small or insignificant. A quantitative critique of 28 studies concluded that formal planning is valuable for firms. The results were particularly favorable for manufacturing firms: nine studies found formal planning to be associated with better performance and none found detrimental performance (Armstrong, 1991). Whereas Using meta-analysis to aggregate the results of 29 samples on a total of 2496 organizations and thus accumulating previous studies found modest correlation between planning and nine/9 performance measures (Boyd, 1991).

The study of Risseuw and Masurel (1994) conducted in small real estate firms in the Netherlands reported that planning have hardly any effect on small firms' performance, which mean that considerable no effect of planning on performance was found.

Baird, Lyles and Orris (1994) proposed in mid-western United States with completed questionnaires returned from 188 firms that small firms which do more formal planning will

also have a more comprehensive strategic decision process and adopt a wider variety of alternative strategies than non-formal planners. This increased attention to the decision process and the consideration of more strategic options may be associated with higher levels of growth and profitability for the formal planners.

Miller and Cardinal (1994) suggested in an empirically tested model by using meta-analytic data and drawn from 26 previously published studies that strategic planning positively influences firm performance and also the methods factors were primarily responsible for the inconsistencies reported in the literature. The substantive contingency factors that they examined in their study did not have a large impact and some of those factors had been thoroughly cited as important by previous researches.

The results of an empirical study of Powell (1994) showed a direct and significant correlation between planning and profitability and found to be spurious and vanishing when firm size effects were removed. This study also narrated that planning is more profitable in an unstable industry than in a stable one and more profitable among cost leaders than among differentiators.

Glen and Weerawardena (1996) conducted a study in Queensland and reported that in small firms the strategic planning differ from large firms. The findings of their study stated that the process of planning sophistication (PPS) is dependable upon the size of the enterprise, the degree of external advisory assistance and the entrepreneurial intensity of the owners/manger. These factors affect the degree of planning sophistication individually and through interaction with other factors in small firms and more accurate and careful encouragement to planning practices benefit the firms in their performance.

Phillips (1996) conducted a study in UK hotel sector and purported that the key planning characteristics of sophistication, thoroughness, formality and participation were positive and in most cases significantly related business performance indicators.

Berman et al. (1997) reported that the studies that examined the nature of business planning activities undertaken by small firms suggested that a relationship exists between enhanced sales growth and the implementation of sophisticated business planning techniques. Whereas Michalisin et al. (1997) (as cited in Veskaisri et al., 2007) stated that firms can achieve sustainable competitive advantage from such resources as strategic planning.

Cassar and Mankelov (1997) conducted a study and stated that the planning may significantly decrease the number of failures of small businesses. They reported that planning in firms helps and benefit in improving the business venture's perception of the viability, potential businesses starters and other characteristics of the opportunities for businesses.

The study of Hopkins and Hopkins (1997) in United States with data from 112 banks purported that the intensity with which banks engage in the strategic planning process have a direct, positive effect on banks' financial performance and also mediation effects of managerial and organizational factors on banks' performance. Their results also indicated a reciprocal relationship between strategic planning intensity and performance. The strategic planning intensity causes better performance and in turn better performance causes greater strategic planning intensity.

Peel and Bridge (1998) reported a strong positive relationship between success of SMEs and the degree of long term planning practiced. Whereas O'Gorman and Doran (1999) demonstrated that the presence of a formal mission or mission statement does not seem to have any direct influence on the success of small enterprises.

Empirical Studies and their findings From 2000 To 2014

Perry (2001) conducted a study in United States and found positive relationship between planning and firms performance and also concluded that very little formal planning goes on in U.S. small businesses. However, the non-failed firms do more planning than similar failed firms did prior to failure.

Gibson, Cassar and Wingham (2001) (as cited in Veskaisri et al., 2007) in their investigation of 2,956 small Australian enterprises identified no relationship between strategic planning and SME success.

Hitt, Bierman, Shimizu and Kochhar (2001) conducted a study with a sample drawn from the list of 100 largest law firms in the United States with final sample of 252 observations which included data of 93 firms, they reported that human capital moderates the relationship between strategy and firm performance, leveraging of human capital showed a positive effect on performance. Furthermore, their results show that human capital exhibits a U-shaped (curvilinear) effect on firms' performances.

In Australia the study of Mazzarol (2001) with final useable returned sample of 55 survey forms, providing a response rate of 62.5 per cent found that possession of a formal business plan was significantly associated with higher gross revenues and growth in sales. A discriminant analysis found twelve variables that differentiated firms with formal plans from those without them.

In United Kingdom Phelps et al. (2001) in their study reported two exploratory studies in contrasting industries; the water industry and the information technology (IT) consultancy industry. Analysis of these studies found support for improved financial performance resulting from scenario planning in both industries. Possible secondary effects of scenario used encourage firms to concentrate on financial returns at the expense of customer service levels.

Stonehouse and Pemberton (2002) concluded in a study on 159 SMEs conducted in United Kingdom that a total of 92 % organizations indicated that they undertake strategic planning, either highly structured or of a general nature. Whereas Stewart (2002) conducted a study in 100 small businesses in Atlanta Metropolitan Statistical Area (MSA) and found that those businesses which practice formal business planning techniques were more successful than those businesses which were not employing those techniques.

The results of the study of Morgan and Strong (2003) indicated that firms' emphasis upon analysis, defensiveness, and futurity in strategic orientation were related to business performance. Another survey conducted with 121 small business owners and operators of firms located in the metropolitan Atlanta area by Stewart (2003) showed significant correlation between strategic planning and growth linkage implied that the small firms practicing successful formal business planning will enhance their growth.

The findings of study Temtime (2003) conducted in Republic of Botswana on 54 SMEs showed that both firm size and planning behavior have statistically significantly relationship with TQM practice of SMEs. As firms size increases from small to medium and as SMEs moves from operational to strategic planning, they attach greater degree of importance to TQM practices. Delmar and Shane (2003) examined the relationship between planning and enterprise development on the basis of 211 Swedish new ventures and found that planning reduces the probability of enterprise dissolution and thus leads the firms towards success and better performance and increase the probability of survival.

The study of Grant (2003) pointed to a process of planned emergence in which strategic planning systems provided a mechanism for coordinating decentralized strategy formulation

within a structure of demanding performance targets and clear corporate guidelines. The study shows that these planning systems fostered adaptation and responsiveness, but showed limited innovation and analytical sophistication. French et al. (2004) conducted a study with 145 usable responses in Australian small firms and showed no significant relationship between the performance measures and factors identified but a significant relationship between net profit and informal planning was emerged. No relationship was found between any of the factors, i.e., vision, mission, latent abilities, competitor orientation and market orientation and the performance of firms in Australian context.

O'Regan and Ghobadian (2005) in their study on nation-wide sample of 194 Managing Directors and Chief Executives of small and medium sized manufacturing firms in United Kingdom purported that low technology firms can achieve a similar confidence in facing the external environment as high technology firms by changing their strategic planning, leadership and organizational culture emphasis.

Gibson and Cassar (2005) investigated causal relationships between planning and performance utilizing a longitudinal database with responses from the same 2,956 businesses over a four-year period with survey developed by the Australian Bureau of Statistics (ABS). Their results confirmed the association between activity of planning and performance and that is also evident in most extant literature. However they cast doubt on the traditional perception of the causal sequence of those associations. Dincer, Tatoglu, Glaister, Demirbag and Zaim (2006) in a study conducted in Turkey by found that there is a strong negative relationship between formal strategic planning and firm performance.

Study of El-Mobayed (2006) which was conducted with 185 completed received questionnaires in Palestine (in Gaza Strip) showed a significant positive correlation between strategic planning and growth in sales/revenues. The study also showed a significant positive relationship between strategic planning and market share expansion. The results further showed a significant positive relationship between strategic planning and new sites expansion and increasing of staff in the firm. Falshaw, Glaister and Tatoglu (2006) conducted a study with data collected from 113 United Kingdom companies, and purported no relationship between formal planning process and subjective company performance was observed.

The study of Kraus et al. (2006) conducted in Austria with a random sample of 1,497 firms drawn from a population of 19,477 firms whereas (n = 290), showed that Planning formalization has a positive and highly significant impact on the probability of belonging to the group of growth firms, whereas other aspects of strategic planning (time horizon, strategic instruments, and control) did not contributed to performance. Wang et al. (2006) with a total of 486 usable returned questionnaires in Western Australia conducted a study and purported that operators in business to achieve financial goals were more likely to engage in strategic planning than operators motivated by lifestyle change and those 'pushed' into small business ownership. Operators driven by personal achievement goals (e.g., self-development, personal challenge and recognition) were similar to 'financial' operators and showed a greater likelihood to strategically plan.

Gruber (2007) in his study with data collected in Germany with the sample of 348 VC-backed firms indicated that planning is beneficial, yet planning processes need to be governed by different planning regimes depending on the type of founding environment. In highly dynamic environments, entrepreneurs will get most value from planning when they focus on select planning activities and speed up the planning task. In less dynamic environments they are better of pursuing a munificent approach to planning.

The findings of a study of Veskaisri et al. (2007) conducted in Thailand indicated that the level of strategic planning is positively associated with the growth of the SME. This conclusion is very significant for SMEs because it shows them the usefulness and benefits of practicing strategic planning. Furthermore, their results reveal that certain demographic factors, such as age and education level, were significantly and positively related to the decision to use strategic planning. However, neither the gender of the SME decision maker nor the age of the SME business was related to the decision to use strategic planning.

The study of Rudd et al. (2008) conducted in United Kingdom reported in findings that two types of flexibility in planning mediate the relationship between strategic planning and financial performance, while the other two types mediate the relationship between strategic planning and non-financial performance. Both operational and financial flexibility mediate the influence of strategic planning on financial performance, while structural and technological flexibility mediate its influence on nonfinancial performance. These were new insights that have not been empirically investigated in the literature.

Glaister et al. (2008) conducted a study in Turkey with 135 usable questionnaires received from largest manufacturing companies and reported the findings that there is a good deal of support for the study's hypotheses. A strong and positive relationship was formed between formal strategic planning and firm performance, which tends to confirm the arguments of the prescriptive strategic management literature. The test results also verify the moderating roles of environmental turbulence, organization structure and firm size on the strategic planning-performance link.

Elbanna (2010) conducted a study in UAE and concluded in his findings that a high percentage of organizations in the sample have moved beyond daily managing and were strategically planning for the future. Surprisingly, the findings indicated that there were relatively few significant differences among the four groups included in the study, public versus private organizations and small versus large organizations. The study also showed that the resources required for adopting a strategic planning approach do not form a significant obstacle and the higher the position the more likely is participation in the strategic planning process.

Karabulut and Efendioglu (2010) in their study with 71 returned responses in Turkey purported that while observing the impact of different components/activities in a strategic process and their impact on company performance, the only two that were correlated (positively influenced) and statistically significant were "involvement of top management in the process" and "having a mission statement". Both of these strategic process components identify and define the importance of the process in the organization and had significant impacts on the profitability of the firms in their study.

In Nigeria Alaka et al. (2011) conducted a study with eighty (80) respondents including heads of departments and executive management staff of selected insurance companies and revealed that strategic planning has positive impact on insurance companies' profitability.

Aldehayyat, Al-Khattab and Anchor (2011) conducted a study with questionnaire survey in Jordanian hotels in two cities; namely Petra and Aqaba. They reported in the findings of their research that the Jordanian hotels engage in the strategic planning process by using a number of techniques. The use of strategic planning tools and techniques were related more to the size of hotel and less to age and ownership type. They reported positive relationship between the use of strategic planning techniques and size of hotel. The managers of these hotels were having generally positive attitudes towards the strategic planning process and managers who believed in the benefits of strategic planning where those who engaged more in the practice of it.

In Finland Kohtamaki, Kraus, Makela and Ronkko (2012) using data from 160 small and medium-sized Finnish IT companies presented in their results of study that participative strategic planning positively affects personnel commitment to strategy implementation, which thereby increases company performance. However, according to their analysis, the participative strategic planning does not impact organizational learning and although organizational learning does have a positive impact on company performance.

The study of Owolabi and Makinde (2012) in Nigeria conducted on employees of Babcock University revealed that there was a significant positive correlation between strategic planning and corporate performance. Their study therefore, concluded that strategic planning is beneficial to organizations in achieving the set goals and recommended that universities and other corporate organizations should engage in strategic planning in order to enhance corporate performance. Wijesinghe, Ten and Foreman (2012) conducted a study in Sri Lanka with 150 selected SMEs and eight case studies and concluded that less than 25% (32) of the respondents were using formal strategic plans. As a result they reported that there was a high likelihood of those organizations stagnating or failing.

Maryan (2012) with 138 questionnaires conducted a study on 14 banks listed in the Amman Stock Exchange in Jordan and revealed a statistically significant relation between research and development processes and the “Central Bank Monitoring” with regard to competitive advantages of the bank. The study also recommends to provide financial allocations for the strategic planning purposes with the need to attract the human competences specialized and to provide modern technologies necessary for the success of strategic planning processes.

Arasa and K'Obonyo (2012) conducted a study in Kenya and reported in their findings that the correlation analysis results indicate the existence of a strong relationship between strategic planning and firm performance. Further, all the strategic planning steps (defining firm's corporate purpose, scanning of business environment, identification of firm's strategic issues, strategy choice and setting up of implementation, evaluation and control systems) were found to be positively related to company performance.

In Republic of Macedonia, Suklev and Debarliev (2012) conducted a study and concluded in their findings that strategic planning can generally contribute to organizational effectiveness. The comparative analysis conducted in this study refers to useful knowledge conclusions for the specifics of strategic planning effectiveness in the emerging and developing countries and indicates the probable reasons for potential differences in strategic planning effectiveness in different countries.

Hin, Kadir and Bohari (2013) conducted a study in Malaysia with 108 usable questionnaires and reported in their findings that most of the SMEs have strategic planning which resembles the “Wheelen and Hunger strategic planning model”. They suggested that the model is applicable to SMEs in Malaysia. In addition, SMEs seems to prefer proactive strategies such as corporate growth strategies and differentiation for their business strategies.

In United States, Abebe and Angriawan (2013) conducted a study with data collected from 55 manufacturing SMEs which were operating in the southern part of U. S. They reported in their findings a strong support for a positive association between entrepreneurial orientation (EO), market orientation (MO) and exploration/exploitation activities. Perceived competitive intensity was only a significant moderator for the relationship between MO and the degree of exploratory activities. Their findings, hence, suggest the significant role organizational predictors play in enhancing exploration/exploitation activities in SMEs.

Khan and Khalique (2014) on the basis of controversial findings on the relationship between strategic planning and firm performance and the differing nature of small and medium

enterprises (SMEs) from that of large organizations, for the first time proposed an empirical study which combines strategic planning with that of intellectual capital. This is one of the first studies in which any researcher has combined the literature of strategic planning with that of intellectual capital in any empirical research. Furthermore, this is the first study in the context of strategic planning from the perspective of Pakistan.

Conclusion

As strategic planning ensures and accomplishes the basic directions and rationale for determining where an organization should head and provides the specifications against which any organization may best decide what to do and how to do it. Besides the importance and necessity of strategic planning; the in depth review of strategic planning literature shows that majority of the studies have been conducted in large organizations and in developed countries. Little attention has been paid to small and medium enterprises (SMEs). Based on the available literature; just very few studies can be seen in Malaysian context, whereas no single study has been found in the Pakistani context regarding strategic planning and more specifically on SMEs perspective.

The empirical literature of strategic planning also shows that few studies have been conducted, which explored the moderating and mediating variables effects on the relationships of strategic planning and performances of organizations. Furthermore, extending the debate unfortunately; in small business the research findings are mixed. No clear picture of the relationship between planning and firm performance has emerged. Various authors have presented conflicting findings. Some studies found positive relationships while some studies found negative relationships between strategic planning and performance (Fletcher et al., 2002; Glaister et al., 2008; Heriot et al., 2004; Hopkin and Hopkins, 1997; Kraus et al., 2006; O'Regan et al., 2008; Rudd et al., 2008; Shrader et al., 1984; Veskaisri et al., 2007). Similarly several studies did not even find any relationship between strategic planning and performance at all and in current days its relationship in the context of smaller enterprises has not been given much attention in existing research (Fletcher et al., 2002; Kraus et al., 2006; Veskaisri et al., 2007).

Sharader et al., (1984) found no systematic relationship between formal strategic planning and financial performance. Unni (1981), Robinson and Pearce, (1983), Sharader et al., (1989), Birley and Westhead (1990) and Covin (1991) found relationships that were small or insignificant (Fletcher et al., 2002). But the literature analysis tends to support a positive relationship between strategic planning and performance. Seventy nine per cent of the studies in our analysis identified a positive relationship, which tends to suggest that there is broad support for the performance impact of strategic planning (Kraus et al., 2006).

Conclusion: The above discussed review of empirical studies on strategic planning and firm performance which started from 1970 till 2014 clearly show that some of the studies have reported controversial findings on the relationships between strategic planning and firms' performances. So, it has been convinced that empirical studies regarding strategic planning should be encouraged in developing countries as Malaysia and Pakistan and more specifically in the context of SMEs. The effects of other variables as mediating variables on the relationship between strategic planning and organizational performance should be explored with great potential and spirit in future researches.

References:

- Abebe, M. A., & Angriawan, A. (2013). Organizational and competitive influences of exploration and exploitation activities in small firms. *Journal of Business Research*, Available at: <http://dx.doi.org/10.1016/j.jbusres.2013.01.015>.
- Ackelsberg, R., & Arlow, P. (1985). Small businesses do plan and it pays off. *Long Range Planning*, 18(5), 61-67.
- Alaka, N. S., Tijani, A. A., & Abass, O. A. (2011). Impact of strategic planning on the performance of Insurance companies in Nigeria. *European Journal of Humanities and Social Sciences, Special Issue*, 5(1), 136-152.
- Aldehayyat, J. S., Al-Khattab, A. A. K., & Anchor, J. R. (2011). The use of strategic planning tools and techniques by hotels in Jordan. *Management Research Review*, 34(4), 477-490.
- Al-Majali, A. Y., & Sunna'a, H. J. S. (2013). Jordan Ahli Bank's commitment to applying the concept of strategic management; field study. *International Review of Management and Business Research*, 2(3), 746-775.
- Ansoff, H. I., Avner, J., Brandenburg, R. G., Portner, F. E., & Radosevich, R. (1970). Does planning pay? The effect of planning on success of acquisitions in American firms. *Long Range Planning*, 3(2), 2-7.
- Arasa, R., & K'Obonyo, P. (2012). The relationship between strategic planning and firm performance. *International Journal of Humanities and Social Science, Special Issue*, 2(22), 201-213.
- Armstrong, J. S. (1991). Strategic planning improves manufacturing performance. *Long Range Planning*, 24(4), 127-129.
- Baird, I. S., Lyles, M. A., & Orris, J. B. (1994). Formalized planning in small business: increasing strategic choices. *Journal of Small Business Management*, 32(1), 48-59.
- Beaver, G. (2003). Management and the small firm. *Strategic Change*, 12, 63-68.
- Berman, J., Gordon, D., & Sussman, G. (1997). A study to determine the benefits small business firms derive from sophisticated planning versus less sophisticated types of planning. *The Journal of Business and Economic Studies*, 3(3), 1-11.
- Berman, J., Gordon, D., & Sussman, G. (1997). A study to determine the benefits small business firms derive from sophisticated planning versus less sophisticated types of planning. *The Journal of Business and Economic Studies*, 3(3), 1-11.
- Berry, M. (1998). Strategic planning in small high tech companies. *Long Range Planning*, 31(3), 455-466.
- Birley, S., & Westhead, P. (1990). Growth and performance contrasts between types of small firms. *Strategic Management Journal*, 11(7), 535-557.
- Boyd, B. K. (1991). Strategic planning and financial performance: a meta-analytic review. *Journal of Management Studies*, 28(4), 353-363.
- Bracker, J. S., & Pearson, J. N. (1986). Planning and financial performance of small, mature firms. *Strategic Management Journal*, 7(6), 503-522.
- Bracker, J. S., Keats, B. W., & Pearson, J. N. (1988). Planning and financial performance among small firms in a growth industry. *Strategic Management Journal*, 9(6), 591-603.
- Cassar, G., & Mankelov, G. (1997). The effects of planning on perceived venture opportunities. *Small Enterprise Research*, 5(2), 39-46. doi: 10.5172/ser.5.2.39 Available at: <http://pubs.e-contentmanagement.com/doi/abs/10.5172/ser.5.2.39>
- Covin, J. D. (1991). Entrepreneurial versus conservative firms: a comparison of strategies and performance. *Journal of Management Studies*, 28(5), 439-462.

- Covin, J. G., & Slavin, D. P. (1989). Strategic Management of small firms in hostile and benign environments. *Strategic Management Journal*, 10(1), 75-87.
- Delmar, F., & Shane, S. (2003). Does business planning facilitate the development of new ventures? *Strategic Management Journal*, 24 (12), 1165-1185.
- Dincer, O., Tatoglu, E., Glaister, K. W., Demirbag, M., & Zaim, S. (2006). A causal analysis of formal strategic planning and firm performance: evidence from an emerging country. Available at: http://scholar.google.com.my/scholar?hl=en&q=A+causal+analysis+of+formal+strategic+planning+and+firm+performance%3A+evidence+from+an+emerging+country&btnG=&as_sdt=1%2C5&as_sdtpr=; & also available at: <http://www.omerdincer.com/document/Strategy%20.pdf>. doi: 10.5172/ser.4.3.5 Available at: <http://pubs.e-contentmanagement.com/doi/abs/10.5172/ser.4.3.5>
- Elbanna, S. (2010). Strategic planning in the United Arab Emirates. *International Journal of Commerce and Management*, 20(1), 26-40.
- El-Mobayed, M. G. A. (2006). The relationship between strategic planning and growth in small industrial businesses in Palestine. *MBA, Dissertation; The Islamic University-Gaza, Deanery of Graduate Studies; Faculty of Commerce, Business Administration Department*.
- Falshaw, J. R., Glaister, K. W., & Tatoglu, E. (2006). Evidence on formal strategic planning and company performance. *Management Decision*, 44(1), 9-30.
- Feurer, R., & Chaharbaghi, K. (1995). Strategy development: past, present and future. The dynamic environments of today require a more dynamic approach to strategy development. *Management Decision*, 33(6), 11-21.
- Feurer, R., & Chaharbaghi, K. (1997). Strategy development: past, present and future. *Training for Quality, MCB University*, 5(2), 58-70.
- Fletcher, M., & Harris, S. (2002). Seven aspects of strategy formation: exploring the value of planning. *International Small Business Journal*, 20(3), 297-314.
- Fredrickson, J. W., & Mitchell, T. R. (1984). Strategic decision processes: comprehensiveness and performance in an industry with an unstable environment. *The Academy of Management Journal*, 27(2), 399-423.
- French, S. J., Kelly, S. J., & Harrison, J. L. (2004). The role strategic planning in the performance of small, professional service firms (A research note). *Journal of Management Development*, 23(8), 765-776.
- Fulmer, R. M., & Rue, L. W. (1974). The practice and profitability of long-range planning. *Managerial Planning*, 22(6), 1-7.
- Gable, M., & Topol, M. T. (1987). Planning practices of small-scale retailers. *American Journal of Small Business*, 12(2), 19-32.
- Garcia-Lillo, F., & Marco-Lajara, B. (2002). New venture competitive strategies and performance: an empirical study. *M@n@gement*, 5(2), 127-145.
- Gibson, B., & Cassar, G. (2005). Longitudinal analysis of relationships between planning and performance in small firms. *Small Business Economics*, 25, 207-222.
- Gibson, B., Cassar, G., & Wingham, D. (2001). Longitudinal analysis of relationships between planning and performance in small Australian firms. *Proceedings of the USASBE/SBIDA, Annual National Conference, Orlando, FL, 7-10/02/2001*.
- Glaister, K. W., Dincer, O., Tatoglu, E., Demirbag, M., & Zaim, S. (2008). A causal analysis of formal strategic planning and firm performance: evidence from an emerging country. *Management Decision*, 46(3), 365-391.

- Glen, W., & Weerawardena, J. (1996). Strategic planning practices in small enterprises in Queensland. *Small Enterprise Research*, 4(3), 5-16.
- Grant, R. M. (2003). Strategic planning in a turbulent environment: evidence from the oil majors. *Strategic Management Journal*, 24(6), 491-517.
- Greenley, G. E. (1986). Does strategic planning improve company performance? *Long Range Planning*, 19(2), 101-109. Available at: <http://www.sciencedirect.com/science/article/pii/0024630186902268>
- Grinyer, P. H., & Norburn, D. (1975). Planning for existing markets: perceptions of executives and financial performance. *Journal of the Royal Statistical Society (Series A-General)*, 138(1), 70-97.
- Gruber, M. (2007). Uncovering the value of planning in new venture creation: A process and contingency perspective. *Journal of Business Venturing*, 22, 782-807.
- Hand, H. W., Sineath, P., & Howle, W. E. (1987). Small business concepts and their relationship to performance: a field study of retail service stations. *Journal of Small Business Management*, 25(2), 55-63.
- Harris, L. C., & Ogbonna, E. (2006). Initiating strategic planning. *Journal of Business Research*, 59, 100-111.
- Heriot, K. C., Campbell, N. D., & Finney, R. Z. (2004). Omitted variable bias in the link between planning and performance. *New England Journal of Entrepreneurship*, 7(2), 27-31.
- Herold, D. M. (1972). Long-range planning and organizational performance: a cross-evaluation study. *Academy of Management Journal*, 15, 91-102.
- Herter, G. (1995). Business planning boosts your chances. *Accounting Technology*, 11(4), 20-30.
- Hin, C. W., Kadir, K. A., & Bohari, A. M. (2013). The strategic planning of SMEs in Malaysia: types of strategies in the aftermath of economic downturn. *Asian Journal of Business and Management Sciences*, 2(8), 51-59.
- Hitt, M. A., Bierman, L., Shimizu, K., & Kochhar, R. (2001). Direct and moderating effects of human capital on strategy and performance in professional service firms: A resource-based perspective. *The Academy of Management Journal*, 44(1), 13-28.
- Hodgetts, R. M., & Kuratko, D. F. (2001). *Effective Small Business Management*. Dryden, Fort Worth, TX.
- Hopkins, W. E., & Hopkins, S. A. (1997). Strategic planning-Financial performance relationships in banks: a causal examination. *Strategic Management Journal*, 18(8), 635-652.
- Jones, W. D., (1982). Characteristics of planning in small firms. *Journal of Small Business Management*, 20(3), 15-19.
- Kallman, E. A., & Shapiro, H. J. (1978). The motor freight industry-A case against planning. *Long Range Planning*, 11(1), 81-86.
- Karabulut, A. T., & Efendioglu, A. M. (2010). Impact of strategic planning on financial performance of companies in Turkey. *International Journal of Business and Management*, 5(4), 3-12.
- Karger, D. W. & Malik, Z. A. (1975). Long-range planning and organizational performance. *Long Range Planning*, 8(6), 60-64.
- Kaufman, R., Browne, H. O., Watkins, R., & Leigh, D. (2003). *Strategic Planning for Success (Aligning People, Performance and Payoffs)*. 989 market street, San Francisco, United States of America: Jossey-Bass/Pfeiffer, A Wiley Imprint. ISBN: 0-7879-6503-03.

- Khan, M. W. J., & Khalique, M. (2014). Entrepreneurial approach and intellectual capital in Pakistani manufacturing pharmaceutical organizations. 6th International Borneo Business Conference, Kuching, Malaysia, (IBBC) 20-21 August, 2014.
- Kheng-Hor, K., & Munro-Smith, N. (2003). *Reader Friendly Strategic Management, A Delightful Blend of Academic Learning and Street-Smart Practices*. Selangor Darul Ehsan, M & M Printers Malaysia, Pelanduk Publication (M) Sdn Bhd.
- Kohtamaki, M., Kraus, S., Makela, M., & Ronkko, M. (2012). The role of personnel commitment to strategy implementation and organisational learning within the relationship between strategic planning and company performance. *International Journal of Entrepreneurial Behaviour & Research*, 18(2), 159-178.
- Kraus, S., Harms, R. & Schwarz, E. J. (2006). Strategic planning in smaller enterprises-new empirical findings. *Management Research News*, 29(6), 334-344.
- Kraus, S., Harms, R., & Schwarz, E. J. (2006). Strategic planning in smaller enterprises-new empirical findings. *Management Research News*, 29(6), 334-344.
- Kudla, R. J. (1980). The effects of strategic planning on common stock returns. *Academy of Management Journal*, 23(1), 5-20.
- Leontiades, M., & Tezel, A. (1980). Planning perceptions and planning results. *Strategic Management Journal*, 1(1), 65-76.
- Lindsay, W. M., Boulton, W. R., Franklin, S., & Rue, L. W. (1981). Strategic management effectiveness: a longitudinal study. *Unpublished paper presented to the Academy of Management Annual Meeting, San Diego, 1981*.
- Lyles, M. A., Baird, I. S., Orris, J. B., & Kuratko, D. F. (1993). Formalized planning in small business: increasing strategic choices. *Journal of Small Business Management*, 31(2), 38-50.
- Maryan, N. N. (2012). Analysis of the relationship between strategic planning and competitive advantages in Jordanian banks. *Interdisciplinary Journal of Contemporary Business Research*, 4(8), 220-238.
- Mazzarol, T. (2001). Do formal business plans really matter? An exploratory study of small business owners in Australia. *Small Enterprise Research*, 9(1), 32-45.
- Mazzarol, T., Reboud, S., & Soutar, G. N. (2009). Strategic planning in growth oriented small firms. *International Journal of Entrepreneurial Behaviour & Research*, 15(4), 320-345.
- Michalisin, M., Smith, R., & Kline, D. (1997). In search of strategic assets. *International Journal of Organisational Analysis*, 5, 360-387.
- Miller, C. C., & Cardinal, L. B. (1994). Strategic planning and firm performance: a synthesis of more than two decades of research. *The Academy of Management Journal*, 37(6), 1649-1665.
- Morgan, R. E., & Strong, C. A. (2003). Business performance and dimensions of strategic orientation. *Journal of Business Research*, 56, 163-176.
- Morgan, R. E., & Strong, C. A. (2003). Business performance and dimensions of strategic orientation. *Journal of Business Research*, 56, 163-176.
- O'Regan, N., & Ghobadian, A. (2005). Strategic planning-a comparison of high and low technology manufacturing small firms. *Technovation*, 25, 1107-1117.
- Odom, R. Y., & Boxx, W. R. (1988). Environment, planning processes, and organizational performance of churches. *Strategic Management Journal*, 9(2), 197-205.
- O'Gorman, C., & Doran, R. (1999). Mission statements in small and medium-sizes business. *Journal of Small Business Management*, 37(4), 59-68.

- Orser, B. J., Hogarth-Scott, S., & Riding, A. L. (2000). Performance, firm size and management problem solving. *Journal of Small Business Management*, 38(4), 42-58.
- Owolabi, S. A., & Makinde, O. G. (2012). The effect of strategic planning on the corporate performance in university education: a study of Babcock University. *Kuwait Chapter of Arabian Journal of Business and Management Review*, 2(4), 27-44.
- Pearce, J. A., Freeman, E. B., & Robinson, R. B. J. (1987B). The tenuous link between formal strategic planning and financial performance. *The Academy of Management Review*, 12(4), 658-675.
- Pearce, J. A., Robbins, D. K., & Robinson, R. B. J. (1987A). The Impact of grand strategy and planning formality on financial performance. *Strategic Management Journal*, 8(2), 125-134.
- Peel, M. J., & Bridge, J. (1998). How planning and capital budgeting improve SME performance. *Long Range Planning*, 31(6), 848-856.
- Perry, S. C. (2001). The relationship between written business plans and the failure of small businesses in the U.S. *Journal of Small Business Management*, 39(3), 201-208.
- Phelps, R., Chan, C., & Kapsalis, S. C. (2001). Does scenario planning affect performance? Two exploratory studies. *Journal of Business Research*, 51, 223-232.
- Phillips, P. A. (1996). Strategic planning and business performance in the quoted UK hotel sector: results of an exploratory study. *International Journal of Hospitality Management*, 15(4), 347-362. Available at: <http://www.sciencedirect.com/science/article/pii/S0278431996000345g>
- Potts, A. J. (1977). A study of the success and failure rates of small businesses and the use or non-use of accounting information. *Unpublished Doctoral Dissertation, George Washington University*.
- Powell, T. C. (1994). Untangling the relationship between strategic planning and performance: the role of contingency factors. *Canadian Journal of Administrative Sciences / Revue Canadienne des Sciences de l'Administration*, 11(1), 124-138.
- Rhyne, L. C. (1986). The relationship of strategic planning to financial performance. *Strategic Management Journal*, 7(5), 423-436.
- Richardson, W. D. (1986). An investigation of strategic planning and financial performance of selected U.S. businesses. *Unpublished Doctoral Dissertation, University of Arkansas, Fayetteville*.
- Risseuw, P., & Masurel, E. (1994). The role of planning in small firms: Empirical evidence from a service industry. *Small Business Economics*, 6(4), 313-322.
- Robinson, R. B. J., & Pearce, J. A. (1983). The impact of formalized strategic planning on financial performance in small organizations. *Strategic Management Journal*, 4(3), 197-207.
- Robinson, R. B. J., & Pearce, J. A. (1988). Planned patterns of strategic behavior and their relationship to business- unit performance. *Strategic Management Journal*, 9(1), 43-60.
- Robinson, R. B., & Littlejohn, W. F. (1981). Import contingencies in small firm planning. *Journal of Small Business Management*, 19(3), 45-48.
- Robinson, R. B., & Pearce, J. A. (1984). Research thrusts in small firm strategic planning. *Academy of Management*, 9(1), 128-137.
- Robinson, R. B., Vozikis, G. S., & Pearce, J. A. (1981). Stage of development as a contingency on the strategic planning performance relationship: An empirical study within a small firm environment. *Unpublished paper presented to the Academy of Management Annual Meeting, San Diego, 1981*.

- Rudd, J. M., Greenley, G. E., Beatson, A. T., & Lings, I. N. (2008). Strategic planning and performance: extending the debate. *Journal of Business Research*, 61, 99-108.
- Sandberg, W. R., Robinson, R. B., & Pearce, J. A. (2001). Why small businesses need a strategic plan? *Business and Economic Review*, 48(1), 12-15.
- Sexton, D. L., & Van-Auken, P. (1985). A longitudinal study of small business strategic planning. *Journal of Small Business Management*, 23, 7-15.
- Sharader, C. B., Mulford, C. L., & Blackburn, V. L. (1989). Strategic and operational planning, uncertainty and performance in small firms. *Journal of Small Business Management*, 27(4), 45-60.
- Sharader, C. B., Taylor, L., & Dalton, D. R. (1984). Strategic planning and organizational performance: a critical appraisal. *Journal of Management*, 10(2), 149-171.
- Simon, F. J. G., Marques, D. P., & Narangajavana, Y. (2005). Competitive strategies and performance in Spanish hospitality firms. *International Journal of Contemporary Hospitality Management*, 17(1), 22-38.
- Stewart, K. S. (2002). Formal business planning and small business success: a survey of small businesses with an international focus. *The Journal of American Academy of Business*, 2(1), 42-46.
- Stewart, K. S. (2003). The relationship between strategic planning and growth in small businesses. *PhD Dissertation. School of Business and Entrepreneurship, Nova Southeastern University.*
- Stonehouse, G., & Pemberton, J. (2002). Strategic planning in SMEs-some empirical findings. *Management Decision*, 40(9), 853-861.
- Storey, D. (1994). *Understanding the Small Business Sector*. Routledge, London.
- Suklev, B., & Debarliev, S. (2012). Strategic planning effectiveness comparative analysis of the Macedonian context. *Economic and Business Review*, 14(1), 63-93.
- Temtime, Z. T. (2003). The moderating impacts of business planning and firm size on total quality management practices. *The TQM Magazine*, 15(1), 52-60.
- Thune, S. S., & House, R. J. (1970). Where long-range planning pays off. Findings of a survey of formal, informal planners. *Business Horizons*, 13(4), 81-87.
- Vel, P., Creed, B., & Narayan, R. S. (2012). The corporate strategy of Dubai Duty Free. *Asian Journal of Business and Management Sciences*, 2(6), 40-52.
- Veskaisri, K., Chan, P., & Pollard, D. (2007). Relationship between strategic planning and SME success: empirical evidence from Thailand. *International DSI / Asia and Pacific DSI 2007. Full Paper.*
- Wang, C., Walker, E. A., & Redmond, J. (2006). Ownership Motivation and Strategic Planning in small business. *Journal of Asia Entrepreneurship and Sustainability, special issue-initiate-21*, 2(4).
- Wang, C., Walker, E. A., & Redmond, J. (2007). Explaining the lack of strategic planning in SMEs: the importance of owner motivation. *International Journal of Organisational Behaviour*, 12(1), 1-16.
- Wikipedia (2013). Retrieved from: http://en.wikipedia.org/wiki/Strategic_planning
- Wijesinghe, J. C., Ten, E. E., & Foreman, J. (2012). An empirical investigation into formalized strategic planning in small and medium enterprises (SMEs) in Srilanka. *2nd International Conference on Management Proceeding, 11th-12th June, 2012, Holiday Villa Beach Resort & Spa, Langkawi Kedah, Malaysia.*

Williams, C. E., & Tse, E. C. Y. (1995). The relationship between strategy and entrepreneurship. The US restaurant sector. *International Journal of Contemporary Hospitality Management*, 7(1), 22-26.

Wood, D. R., & LaForge, R. L. (1979). The impact of comprehensive planning on financial performance. *Academy of Management Journal*, 22, 516-526.

Wyant, R. (1977). *The business failure record*. New York: Dun and Bradstreet.

About the Authors

Muhammad Wasim Jan Khan is currently a PhD Scholar (Strategic Management) in the Faculty of Economics and Business University Malaysia Sarawak, Malaysia. He is the first researcher going to champion the concept of strategic planning in small and medium enterprises (SMEs) in Pakistani context. He is also the first author going to champion the concept of strategic planning with the intellectual capital in empirical research in Pakistani SMEs. His research interest includes strategic planning, intellectual capital, entrepreneurship and SMEs performances.

Dr. Muhammad Khalique is working as a Senior Lecturer in the Faculty of Economics and Business; University Malaysia Sarawak, Malaysia.