

Strategic Planning and Organization Performance: With Special Reference to Telecommunication Industry in Sri Lanka

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Firm performance is identified as one of the biggest concerns in strategic management literature. Strategic planning has been an integral part of organizations while its impact on organization performance has been debated for many years. From practical point of view, strategic planning is considered crucial for companies to develop longer organizational life cycles and to create competitiveness. The theoretical background of the study is based on resource-based view, asserting that distinctiveness of firm resources and capabilities will lead to organization performance. There are mixed results on the relationship between strategic planning and firm performance whilst most of the studies are based on the organizations in developed countries. Hence, this study investigates the relationship between strategic planning and organization performance in Sri Lanka as a developing country. The sample for this study is drawn from telecommunication industry in Sri Lanka. 156 responses were analyzed and Cronbach's alpha values confirmed the reliability of data. Correlation analysis, multiple regression analysis and one-way ANOVA were used for testing hypotheses. The results reveal that strategic planning intensity, strategic planning formality and employee orientation are positively related to organization performance in Sri Lankan telecommunication companies. Due to the limited strategic planning studies in Sri Lankan context, this study proposes for future studies to conduct in line with empirical justifications.

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