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ROLE OF STRATEGIC PLANNING IN ORGANIZATIONAL PERFORMANCE OF TELECOMMUNICATION COMPANIES IN MOGADISHU, SOMALIA: A CASE OF HORMUUD TELECOM

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ABSTRACT

This study general objective was to establish the role of strategic planning in organization performance with special references to Hormuud telecommunication in Mogadishu Somalia. Many Somali business do not have formal strategic plans in their operations. The study was guided by objective of establishing how strategic planning contributes to an organization's performance, with special interest on strategy formulation, business operations strategy implementation and strategy evaluation affect. The study used descriptive study design. The target population comprised of 5716 Hormuud telecommunication staff. The sample size was 374 employees from different departments within the organization. The study carried out a pilot study to test the internal consistency of the questionnaire. Data was collected using questionnaire for primary data while secondary data was obtained through journals, books, and any other published works in the area of strategic planning. Data collected was analyzed using statistical software (SPSS v23) then presented as a report. The study found out that 11.7% of performance of Hormuud telecommunication is influenced by combination of all four independent factors investigated in this study. There was a positive and significant relationship between strategy implementation and organization performance, positive and significant relationship between strategy evaluation and performance of However there was an insignificant relationship between strategy formulation and performance and business operations with performance of Hormuud telecommunication.

Key terms: Strategy, Strategy Formulation, Plan, Strategic Planning, Strategy Formulation, Business Operations, Strategy Implementation, Strategy Evaluation

INTRODUCTION

Organizations are facing of the study exciting and dynamic challenges in the 21st century. In the globalized business, companies require strategic thinking and only by evolving good corporate strategies can they become strategically competitive (Rowe, 2008). Time spent on planning how to implement new technology is more valuable than time spent selecting new technology (Axson, 2010). A sustained or sustainable competitive advantage occurs when a firm implements a value – creating strategy of which other companies are unable to duplicate the benefits or find it too costly to initiate. Corporate strategy includes the commitments, decisions and actions required for a firm to achieve strategic competitiveness and earn above average returns. The goals of corporate strategy are challenging not only for large firms like Microsoft but also for small local computer retail outlets or even dry cleaners.

Axson. (2010) asserts that, strategic planning has at various times been seen as the single most critical task in business and been ridiculed as an impediment to innovation and a constraint on execution. Formalized strategic planning reached its zenith in the two decades following World War II. The power of large-scale, formal planning processes was demonstrated by the spectacular success of the Allied invasion of Normandy on June 6, 1944 (Axson, 2010). He adds, that this event, coupled with the remarkable transformation the U.S. economy was able to make in mobilizing for war in 1942 and then reverting back to peacetime operation in 1945–1946, brought planning to the forefront of management's attention and provided a powerful impetus for the creation of strategic planning teams within corporations.

Strategic planning is an organization's process of defining its strategy, or direction, and making decisions on allocating its resources to pursue this strategy (Simerson, 2011). He maintains that, strategic planning may also extend to control mechanisms for guiding the implementation of the strategy. Strategic planning became prominent in corporations during the 1960s and remains an important aspect of strategic management (Graham & Zehle, 2004). It is executed by strategic planners or strategists, who involve many parties and research sources in their analysis of the organization and its relationship to the environment in which it competes. Strategic planning is a process and thus has inputs, activities, and outputs (National Open University of Nigeria, 2008). It may be formal or informal and is typically iterative, with feedback loops throughout the process. Some elements of the process may be continuous and others may be executed as discrete projects with a definitive start and end during a period. Strategic planning provides inputs for strategic thinking, which guides the actual strategy formation (Blazek, 2008). The end result is the organization's strategy, including a diagnosis of the environment and competitive situation, a guiding policy on what the organization intends to accomplish, and key initiatives or action plans for achieving the guiding policy.

Strategic planning is not just a cold technical undertaking that spells out future objectives to be reached and actions to be taken (Rowe, 2008). It needs a global sense of purpose and direction capable of guiding implementers in making everyday choices about what actions should be taken in order to produce the expected results. Strategic planning is very important to every organization and if done properly, implementing and enforcing a strategic plan within your organization can increase growth, overall revenue and organizational profitability (Simerson, 2011). These are just a few key reasons as to why any organization should have a strategic plan.

Over the past decided strategic management practices has been studied with numerous advancements and improvements. Researches globally have tackled the question of whether strategic planning leads to performance of an organization. According to Bell (2002 cited in Okwako, 2013) examined the effect of strategic planning with a focus on English schools in the UK. They examined whether strategic planning and enabled school management to perform better. Researchers suggest that strategic planning positively influences firm performance. According to Johnson et al, (2008) strategic planning is a systematized, step by step, chronological procedures to develop or coordinate an organizational strategy leads to the concept of formality in strategic planning. Formality is the extent to which a strategy is deliberate, documented, communicated and the time spend on planning as well as the degree of involvement of participants and specification of the process, resources and responsibilities (Gode, 2009)

Veskaisri, Chan and Pollard (2007) stated that without a clearly defined strategy, a business will have no sustainable basis for creating and maintaining a competitive advantage in the industry where it operates. They further stated that effective planning and implementation has positive contribution to the financial performance of organizations. Aremu (2000) states that some Nigerian business organizations are without formal plans or where there are formal plans, organizations operate without adhering to them thus failing to achieve their goals and set objectives. Dauda, Akingbade and Akinlabi (2010) explained that strategic management practices enhance both organizational profitability and company market share and therefore suggest that strategic planning concepts should be adopted by business organizations.

According to Strydom (2011), strategic planning and control inform the managers about the reasons leading to the failure to meet a certain objective, performance standard and/or any other performance indicator. Preskill and Mack (2013) explains that in many organizations, the meaningfulness and usability of evaluation information has been limited because of its disconnection from strategic and organizational-level decision making. They posit that if learning and evaluation efforts are to inform an organization's decision making practices, then there needs to be a comprehensive strategy for evaluating the strategy itself and the organization's effectiveness.

Hormuud telecommunication is one of the biggest and well established telecommunication companies in Somalia. It started its journey in the world of communications in April 2002 from Mogadishu, the capital city of Somalia and since then it has earned name and fame with over 5000 permanent employees and a varying number of temporary staff. The faith of people in Hormuud Telecommunication can be assessed by the fact that about 4000 Somali businesspersons have shares in the company. The telecommunication company offers a variety of services which include Mobile service (GSM), landlines and mobile linked internet services (such as Mifi4G, Adsl,W-dsl and Hotspot). The company covers Southern and Central regions of Somalia and caters to people's needs of communication. The company is focused on CSR activities including educational advancements for all Somalis. The company's vision is "To lead the telecommunication industry with reliable and efficient services is our vision, fulfilling every need pertaining to communication of Somali people. "its mission statement is " to offer Somali people affordable, reliable and quality services of telecommunication to make communication easier and effortless.

We live in an uncertain world and it isn't going to change anytime soon. Continued globalization and technological change, combined with the emergence of issues such as environmental sustainability and global terrorism, is changing forever the role of managers and, more important, the processes and tools needed to manage performance(Axson, 2010).There are no doubts that traditional management practices such as complex multiyear strategic plans, detailed annual budgets, quarterly forecasts, and monthly management reports are fast becoming obsolete(Blazek, 2008). Managers must now operate in a world of unprecedented complexity, volatility, uncertainty, and risk. Static management processes based on historic data simply do not work anymore.

Strategic planning is the process of defining an organization's plans for achieving its mission. An organizational strategy is a derived approach to achieving that mission. The product of a strategic planning effort is typically a document (a strategic plan) that elaborates a high-level strategy and articulates the elements that influence the performance of an organization.it is a full description of the organizational environment and intentions. Stated simply, the strategic planning process (SPP) helps organizations identify what they intend to achieve and how they will go about achieving it(Katsioloudes, 2006).

In a survey conducted by(Samatar, 2004)one concern raised by him was a lack of planning among Somali business owners. Samatar narrated the stories of individuals who started businesses with little knowledge of the product they were selling or the customers they had to reach. He gave the specific example of partners who bought a restaurant without considering menus, portion costs, pricing, equipment, sanitation, and a host of other crucial issues. He also noted that Somali retail businesses were too often competing to sell virtually identical products to the same group of potential customers. Thus, one of the questions this paper considered is whether Somali business owners are now showing signs of greater preparation prior to investment.

Many organizations spend most of their time realizing and reacting to unexpected changes and problems instead of anticipating and preparing for them thus leading to crisis management. These organizations tend to spend up their energy coping with the unexpected problems having no time and resources for the next challenges. This vicious cycle locks many organizations into a reactive posture.

Lack of preparation is considered to be a major cause of many businesses not reaching their first anniversary (Shannon , Elizabeth, & Yasın, 2006) Somali business owners are optimistic about their long term success. They tend to have plenty of informal experience with entrepreneurship through their parents, other family members, or friends. Somali business owners, especially those with street-front businesses, now talk regularly to each other, and this can provide another source of informal learning. If planning is not done it should be, then Somali businesses may become more vulnerable to failing. This study therefor explores the role of planning in the success of businesses.

Objectives of the Study

- To establish the role of Strategy Formulation in performance of Hormuud Telecom.
- To determine the role of business operations in performance of Hormuud Telecom.
- To examine the role of strategy implementation in performance of Hormuud Telecom
- To evaluate the role of Strategy Evaluation in performance of Hormuud Telecom.

RELATED LITERATURE

Theoretical Framework

The McKinsey Seven-S theory

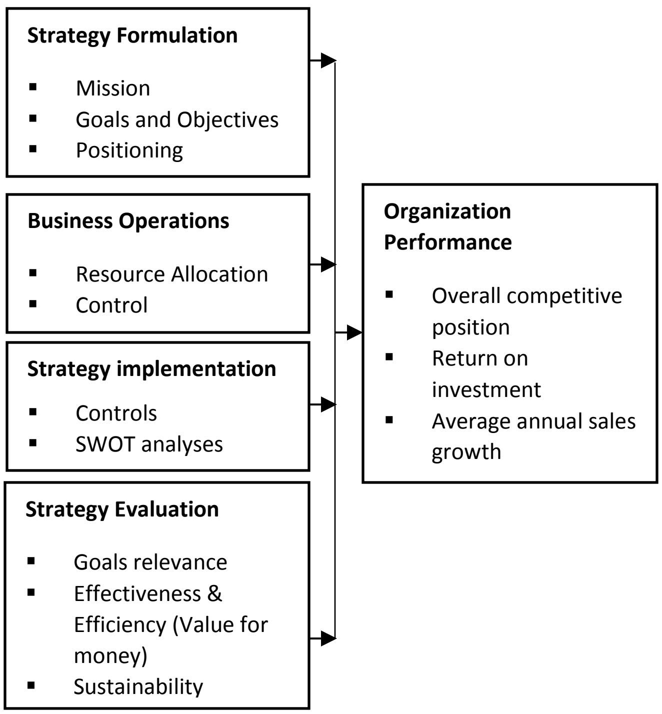
The MckKinsey 7s model is one of the most popular strategic planning tools that have been used by both academicians and practitioners. The main aim of the model was to show how 7 elements according to (Katsioloudes. 2006), can be aligned together to achieve effectiveness in the company. The theory identifies the following element; strategy information – a plan developed by organization to help it achieve competitive advantage in the long term. This is reinforced by strong vision, mission and values, structure – represents the way business is organized or operationalization of the business detailing the organizations chart of the company including information of who is accountable to whom, system or strategy implementation outlining processes and procedures of the company and how system and business is done, in this regard main focus on the managers during organizational change and strategy evaluation where the organization evaluates the abilities of employees to perform well. This includes capabilities and competence during organizational change, (Katsioloudes, 2006). The hard elements—Structure, Strategy and Systems—are practical and easily identifiable and can be found in strategy statements, plans, charts, and the like. The four soft way S's—Skills, Staff, Style and Shared Values—are somewhat less easily discerned and less tangible. Continuously evolving and changing, the soft S's are determined by the people at work in the organization and, hence, are difficult to anticipate or to influence.

Goal setting theory

The research on goal setting, according to Ahmad, Wasay, & Malik, (2012) are the major aim of work motivation. Edwin's theory is that employees are motivated by having a goal to work towards and that reaching that goal improved work performance overall (McPheat, 2010). A goal is "what an individual is trying to accomplish through his or abilities and capabilities as identified in the strategy evaluation processes. This is the object or aim of an action Goals tell an employee what needs to be done and how much effort will need to be expended (Berger, 2009). Goals indicate where individuals should direct their efforts when they are choosing among things to do. For instance, recognizing that an important assignment is due in a few days, goal setting may encourage you to say no when friends invite you to a movie this evening. Goals suggest how much effort an individual should put into a given task. For instance, if earning a high mark in accounting is more important to you than earning a high mark in organizational behavior you will likely put more effort into studying accounting.

Goal-setting theory is consistent with expectancy theory (Greenberg, 2011). The goals can be considered the effort-performance link—in other words, the goals determine what must be done. Feedback can be considered the performance-rewards relationship, where the individual's efforts are recognized. Finally, the implication of goal setting is that the achievement of the goals will result in intrinsic satisfaction. In order for goals to be effective, they should be Specific, where by individuals know exactly what is to be achieved; Measurable so that the goals proposed can be tracked and reviewed; Attainable where the goals, even if difficult, are reasonable and achievable; Results-oriented to enable the goals to support the vision of the organization and time-bound where goals are to be achieved within a stated time.

Conceptual Framework



Independent Variables **Dependent Variable**

Figure 1: Conceptual Framework

Strategy Formulation and Organization Performance

One of the major concerns of the planning process, as argued by Colin (2004) is the formulation of a strategy. This is a guide to the executives on how to define the business in the organization, what the business aims to achieve and the means through which to accomplish the ends. This usually entails defining the mission and to identify the scope of operations of the organization. To accomplish this, the organization formulates appropriate strategies which will lead to development of organizational structure through which organizations objectives can be achieved (Colin 2004)

Traditional approaches to strategy formulation tend to analyze the environment in order to identify an ideal position. In a dynamic environment such an approach will fail as the environment changes before a strategy is implemented. It is therefore necessary to regard strategy formulation as a constant reconciliation of the organization's goals and selection of dynamic paths for goal realization and this represents a comprehensive learning process. The choice of the organization objectives, goals mission and vision greatly influence the performance of an organization. Organizations' mission, vision statements focuses on providing a creative, innovative and environmentally aware experience to employees thus aiming at meeting the organization's goals and objectives. This communicates the purpose of the organization to stakeholders, inform strategy development and develop the measurable goals and objectives by which to gauge the success of the organization's strategy (Nuran & Linda, 2006, Okwako, 2013)

Platts et al. (1996, cited in Nuran & Linda 2006, pg. 69-91) evaluated the performance of a company in order to determine the appropriateness of current strategies. They developed a valid measurement method for strategy assessment. The criteria included the fulfillment of key planning objectives (goal-centered approach) predicting future trends, evaluating alternatives, facilitating learning, enhancing management development and improving short- and long-term performance. The criteria then looked at performance relative to competition (comparative approach) – growth in sales, growth in earnings, changes in market share and return on investment and finally, satisfaction with planning systems (improvement approach).

However, in the implementation of formulated strategies, the organization is likely to face two main problems; behavioral resistance which normally first and middle managers who might feel that implementation of strategies may affect their interest and position hence they psychologically resist changes resulting to failure by the organization to achieve its objective hence performance (Okwako, 2013)

Strategic formulation also encompasses making of strategic choices to position a firm at an advantage against competitors in the long-term. Decisions about positioning for competitive advantage are potential for the performance of an organization. Strategy formulation process is considered very critical in the performance of an organization. States that strategy formulation as a part of strategic planning can work better if combine with strategic thinking. Strategy formulation encourages the creation and or maintenance of a competitive advantage in the domain of strategy formulation. Strategy formulation process should encourage innovation by identifying business opportunities, strengths and weaknesses for managers, thereby making them creative (Nuran & Linda, 2006)

Business Operations and Organization Performance

Business operations come to play when organizations are implementing set goals and objectives thereby implementing the strategy. This entails policy formulation as part of planning. Hutchison-Krupat (2011), defines policy as guidance to managerial action and limit within which the business operates in. that guides administration in making decision. In this sense policies and guides carry out strategy by setting boundaries and limits within which the business operates. This results in institutionalizing and operationalizing the chosen strategy and getting the organization into position of being able to execute the strategic plan in an effective and efficient way, as described by Hutchison-Krupat (2011), the policy is the stand line for employees and management. There are guideline to achieve the accepted set goals and objectives. Being a guide, it establishes the way of doing business and directing actions in specified areas of management. This represents the standard norms that guide the conduct of people in an organization.

According to (Colin, 2004) Control is often exercised indirectly and discretely, through incentive structures and the internalization of a corporate culture. There are direct control systems in certain areas such as finance. Budgeting allows an organization plan and meets its goals. The decision not to fund a particular strategy incentive can have greater implications on firm's viability.

Hutchison-Krupat (2011) explains that resource allocation processes fall within two broad categories. Top-down process and bottom-up processes. In a top-down process, senior management dictates fixed levels of resources for middle management to oversee, whereas in bottom-up processes project managers are granted decision rights to determine the right level of resources. Therefore the top-down processes aim to establish the efficient use of resources by maintaining control. In contrast, bottom-up processes aim to leverage the effective use of resources, by empowering managers to tailor resource allocation based on their expert knowledge of the challenges associated with the execution of the initiative. All these controls are aimed at achieving the organization objectives and goals.

Strategy Implementation and organizational performance

Strategic implementation is the process of allocating resources to support the chosen strategies. This process includes the various management activities that are necessary to put strategy in motion, institute strategic controls that monitor progress, and ultimately achieve organizational goals. The implementation process covers the entire managerial activities including such matters as motivation, compensation, management appraisal, and control processes Gates (2010). Gunasekaran, & Garets (2014) points out that almost all the management functions -planning, controlling, organizing, motivating, leading, directing, integrating, communicating, and innovation -are in some degree applied in the implementation process". Ward, & Peppard, (2002) states that to effectively direct and control the use of the firm's resources, mechanisms such as organizational structure, information systems, leadership styles, assignment of key managers, budgeting, rewards, and control systems are essential strategy implementation ingredients".

According to Sababu (2007) It is this implementation that makes the company's plans realize the goals that organization aims to accomplish and it is critical to a company's success for it addresses who, where, when, and how of reach the desired goals and objectives. Implementation occurs after environmental scans, SWOT analyses, and identifying strategic issues and goals Jones & Hhill (2009) . It also involves assigning individuals to tasks and timelines that will help an organization reach its goals. For implementation to succeed, leaders should communicate the vision and behaviors necessary for achievement. Everyone in the organization should be engaged in the plan. It is at this stage that performance measurement tools becomes very helpful to provide motivation and allows for follow-up. Implementation often includes a strategic map, which identifies and maps the key ingredients that will direct performance. Such ingredients include finances, market, work environment, operations, people and partners. Witche & Chau (2014)

Thompson & Martin (2005) states that successful implementation of the strategy requires several items that must be in place. These include the right people who must be ready to assist leaders with their unique skills and abilities. They point out further that leaders need to have the resources, which include time and money, to successfully implement the strategy. The structure of management must be communicative and open, with scheduled meetings for updates. Management and technology systems must be in place to track the implementation, and the environment in the workplace must be such that everyone feels comfortable and motivated.

Organizations can gain competitive advantage through implementation if done effectively. However, there are some pitfalls that should be avoided during implementation process according to Gunasekaran, & Garets (2014). These may include but not limited to lack of ownership lack of communication, an overwhelming plan a meaningless plan lack of progress report, lack of accountability and lack of empowerment. Therefore in order for an organization to meet its objectives and goals, the implementation process should be well executed. Since it's a process that puts plans and strategies into action to reach goals by focusing on SWOT analyses strategy implementation brings change in the usual running of the organization. In their study "Strategy implementation and organizational performance: A study of private hospitals." Ogunmokun, Hopper & Hoda (2005) found out that private hospitals carry out their strategic implementation activities that are related to the level of their organizational performance. It involves the linking of plans to daily activities thus helping in keeping the plan visible thus translating the plan to daily activities (Ogunmokun, Hopper & Hoda 2005)

Strategy Evaluation and organizational performance

Organization's strategy objectives must be consistent to the overall organizational objectives, organizational culture, organizational operations and organizational spending patterns. A strategy that contains goals, objectives and policies that are mutually inconsistent is null and should be rejected. The challenge of inconsistency is mainly experienced in a multi-enterprise organization with different units. One of the key issues faced by a business, particularly a multi-enterprise one, is that of managing the internal units effectively. In order to deal with inconsistency, strategic alignment of strategies to the broader organizational goals and vision is employed. A study by Issa-Salwe, Ahmed, Aloufi and Kabir (2010, cited by Ibrahim 2015) shows that aligning operational strategies to the organizational strategy goals is essential for improved business performance. They further defined alignment as the capacity to demonstrate a positive relationship between operational strategy and the accepted organizational measures of performance.

Ibrahim (2015) states that strategy evaluation results helps in inspiring and motivating employee since it enables employees measure their performance; helps employees in determining the nature of adjustments needed; helps employees relate their objectives to that of the organization; good results inspires hard work; and the information inspires better work. They further posit that strategy evaluation is used to compare performance or peers; compares performance to industry standards; compares performance among deportments; and compares performance between strategies.

(Greenberg, 2011)Argues that strategy evaluation enables strategists review the appropriateness of a strategy to changing circumstances and incorporate within it any improvements and mechanisms for improvement which are newly discovered. The process is performed on the run. Quick judgments have to be made. Monitoring generates learning, which in turn results in greater efficiency and greater effectiveness in strategy making.

The use of balanced scorecard for monitoring based on the assumption that the processes of formulation, implementation and monitoring of a strategy are both integrated and continuous can be beneficial to an organization (Gill & Johnson, 2002). The balanced scorecard is a comprehensive framework which translates an organization's vision and strategy into a coherent set of strategic initiatives and performance measures. It could be described with accuracy as a complete strategic management system. It is not intended to measure compliance with a pre-established plan or put in controls over current operational performance, rather to 'articulate the strategy of the business, to communicate the strategy of the business, and to help align individual, organizational, and cross-departmental initiatives to achieve a common goal'.

Measurement of Organization performance

Organizational performance refers to how well an organization achieves its objectives. According to Brigham and Houston (2014), common organizational objectives include shareholder wealth maximization, profit maximization, increased market share and customer satisfaction. Thus, any organizational initiative, including strategic planning, should ultimately lead to enhanced organizational performance. Organization performance is evaluated on the basis of the ability of an organization surviving the market, the market's valuation of the firm's securities as well as its reputation.(Tan, Kannan, Handfield, &Ghosh, 2009).Prior studies have measured organizational performance using different metrics i.emarket share; Return on investment; average annual market share growth; average annual sales growth; overall product quality; profit margin on sales; and overall competitive position (Li, Nathan, Nathan &Rao, 2010; Tan, Kannan, Handfield&Ghosh, 2009).

Strategic planning can enable managers' leverage on competitive advantage strategies available in order to offer high quality products which in turn have a positive effect on revenues and market share growth (Bessant, 2004; Dyer &Nobeoka, 2010).

METHODOLOGY

For the purpose of this study, descriptive research was used to obtain information concerning the relationship between the independent and the dependent variables. The study targeted a population consisting 5,716 part time and full time employees with diferent specialities at Hormuud telecomunication company. The study derived the sample frame from the top management, middle management and lower level management at Hormuud Telecommunication Company.

RESEARCH FINDINGS

Organizational Performance

The respondents were probed with questions seeking to determine their views on organization performance; the results were as is presented in Table 1.

Table 1: performance

	N	Minimum	Maximum	Mean	Std. Deviation
Strategic planning is essential for performance of a firm	316	2	5	3.99	.787
Budgets are used for monitoring performance and targets	316	2	5	4.09	.799
Strategy implementation and monitoring leads to organization performance	316	2	5	4.13	.637
Decision made by managers is geared towards performance of the organization	316	2	5	4.00	.683
Both short and long term strategies are aimed at meeting the organization objective and goal	316	1	5	3.88	.863
Valid N (listwise)	316				

The above findings from respondents indicated that Strategic planning was essential for performance of a firm with a mean of (3.99), Respondents agreed that budgets are used for monitoring performance and targets, (4.09).They also agreed that strategy implementation and monitoring leads to organization performance with mean of (4.13).They further agreed that, decision made by managers is geared towards performance of the organization with mean of (4.00) and finally they agree that both short and long term strategies are aimed at meeting the organization objective and goal with mean of (3.88)

The study conforms with the statements by .Tan, Kannan, Handfield, &Ghosh, (2009) who stated that organization performance is evaluated on the basis of the ability of an organization surviving the market, the market's valuation of the firm's securities as well as its reputation. Prior studies have measured organizational performance using different metrics i.e market share; Return on investment; average annual market share growth;

average annual sales growth; overall product quality; profit margin on sales; and overall competitive position as explained by (Li, Nathan, Nathan &Rao, 2010; Tan, Kannan, Handfield & Ghosh, 2009).

Strategy Formulation

Table 2: Strategy Formulation

	N	Minimum	Maximum	Mean	Std. Deviation
Our organization sets goals, long term and short term objectives	316	3	5	3.64	.494
The organization has clear mission and vision statements aimed at general performance of the company	316	2	5	4.31	.717
Our organization compete by using cost leadership strategy and differentiation strategies	316	2	5	4.04	.835
Employees are encouraged to be innovative, and problem solvers	316	2	5	3.97	.839
Resources are allocated for strategy formulation in order to achieve organization goal and objective	316	3	5	3.97	.682
Valid N (listwise)	316				

The table above indicated that the mean for the statement our organization sets goals, long term and short term an objective was 3.64. Respondents also agreed that the organization had a clear mission and vision statements aimed at general performance of the company with a mean of 4.31. Respondents further agreed to the statement that our organization compete by using cost leadership strategy and differentiation strategies with mean of 4.04. Respondents agreed that employees are encouraged to be innovative, and problem solvers with a mean of 3.97 and that resource are allocated for strategy formulation in order to achieve organization goal and objective with a mean of 3.97

Colin (2004) explains that the organization formulates appropriate strategies which will lead to development of organizational structure through which organizations objectives can be achieved. The choice of the organization objectives, goals mission and vision greatly influence the performance of an organization (Nuran & Linda, 2006, Okwako, 2013) this confirms the findings

Business Operations

Table 3: Business Operations

	N	Minimum	Maximum	Mean	Std. Deviation
All business operations are aimed at meeting the organization goal and objective	316	2	5	3.96	.691
Information is well communicated to all levels of employees in order to achieve organization objective	316	2	5	4.16	.778
Coordination of business operations enable the organization meet its goal and objective	316	3	5	4.07	.748
Managers are in charge and responsible for their departments and sections thus enabling proper operations	316	2	5	4.08	.737
Conflict and resolution procedures enable the organization meet its target, goals and objective	316	2	5	4.12	.788
Valid N (listwise)	316				

The table above indicated that respondents agreed to the statement that all business operations were aimed at meeting the organization goal and objective with a mean of 3.96.Respondnets also agreed to the statement that Information is well communicated to all levels of employees in order to achieve organization objective with mean of 4.16.They further agreed that coordination of business operations enable the organization meet its goal and objective with mean of 4.07 and that managers are in charge and responsible for their departments and sections thus enabling proper operations with mean of 4.08.Finaly they agreed that conflict and resolution procedures enable the organization meet its target, goals and objective with mean of 4.12

According to Hutchison-Krupat (2011), This results were inline with their findings where they state that chosen strategy and getting the organization into position of being able to execute the strategic plan in an effective and efficient way, to improve performance. (Colin, 2004) also states that Control is often exercised indirectly and discretely, through incentive structures and the internalization of a corporate culture thus managing the general performance of the firm.

Strategy implementation

Table 4: Strategy implementation

	N	Minimum	Maximum	Mean	Std. Deviation
Our firm is able to achieve most of the annual objectives and targets set.	316	2	5	4.05	.809
Our firm develop periodic implementation plans to achieve the goals and objectives set.	316	2	5	4.01	.713
Our firm prepares short-term plans and targets and allocates enough resources to implement the strategy	316	3	5	4.06	.657
Decision-making is mainly done by top management and managers must consult in most cases before implementation	316	3	5	3.91	.702
Our firm has incentives and reward systems based on meeting strict, usually qualitative targets	316	2	5	3.98	.669
Valid N (listwise)	316				

Respondents were asked to give their views on strategy implementation. Respondents agreed to the statement that their organization was able to achieve most of the annual objectives and targets set with mean of 4.05. Respondents agreed that their organization developed periodic implementation plans to achieve the goals and objectives se with mean of t 4.01. They also agreed that their firm prepared short-term plans and targeted and allocated enough resources to implement the strategy 4.06 and that decision-making was mainly done by top management and managers must consult in most cases before implementation with a mean of 3.91.Respondnets further agreed that their firm had incentives and reward systems based on meeting strict, usually qualitative targets with a mean of 3.98

The implementation process covered the entire managerial activities including such matters as motivation, compensation, management appraisal, and control processes as stated by Gates (2010). Gunasekaran, & Garets (2014) points out that almost all the management functions -planning, controlling, organizing, motivating, leading, directing, integrating, communicating, and innovation -are in some degree applied in the implementation process. The study further agrees withthte statement by Ward, & Peppard, (2002) who states that to effectively direct and control the use of the firm's resources, mechanisms such as organizational structure, information systems, leadership styles, assignment of key managers, budgeting, rewards, and control systems are essential strategy implementation ingredients.

Strategy Evaluation

Table 5: Strategy Evaluation

	N	Minimum	Maximum	Mean	Std. Deviation
Our firm is able to achieve most of the annual objectives and targets set.	316	2	5	4.05	.809
Our firm develop periodic implementation plans to achieve the goals and objectives set.	316	2	5	4.01	.713
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Our firm has incentives and reward systems based on meeting strict, usually qualitative targets	316	2	5	3.98	.669
Valid N (listwise)	316				

The table above indicated that respondents agreed to the statement that their firm was able to achieve most of the annual objectives and targets set with mean of 4.05,.They agreed to the statement that their firm developed periodic implementation plans to achieve the goals and objectives set with mean of 4.01 and that their firm prepared short-term plans and targets and allocated enough resources to implement the strategy with mean of 4.06. They further agreed to the statement that decision-making was mainly done by top management and managers must consulted in most cases before implementation with mean of 3.91 and that their firm had incentives and reward systems based on meeting strict, usually qualitative targets with mean of 3.98

The study also was in line with the statements by Aloufi and Kabir (2010, cited by Ibrahim 2015) explaining that aligning operational strategies to the organizational strategy goals is essential for improved business performance. Ibrahim (2015) further agree also that that strategy evaluation results helps in inspiring and motivating employee since it enables employees measure their performance; helps employees in determining the nature of adjustments needed; helps employees relate their objectives to that of the organization; good results inspires hard work; and the information inspires better work.

Regression Results

Model Summary

Table 6 showed the coefficient of determination which is the R^2. The R^2 in this study is 0.117. The coefficient of determination explains the extent to which changes in the dependent variable can be determined by the changes in the independent variables. It further indicates the percentage of variation in the dependent variable ‘performance of Hormuud telecommunications as used in the study that is explained by independent variable in the study, which are strategy evaluation, business operations, strategy formulation, and strategy implementation. The study findings indicate that 11.7% of performance of Hormuud telecommunication is influenced by combination of all four independent factors investigated in this study. The study further indicated that the remaining factors not mentioned or used as independent variable in the research attributed to 88.3%.

Table 6: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error
1	.343[a]	.117	.106	.43895

a. Predictors: (Constant), strategy evaluation, business operations, strategy formulation, strategy implementation

ANOVA

Analysis of Variance also known to as (ANOVA) was used in the study to establish the significance of the regression model from which f-significance value of p should be less than 0.05 (<0.05). From table 7 it was clear that significant level of the study was 0.00 which was <0.05. The model was statistically significant in predicting the role of strategic planning in organizational performance: a case of Hormuud telecom Mogadishu Somalia. The regression model had a probability of less than 0.05 of giving a wrong prediction. The regression model had a confidence level of above 95% hence high reliability of the results obtained. It further indicated that the study was statistically proven.

Table 7: ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	7.964	4	1.991	10.333	.000[b]
	Residual	59.922	311	.193		
	Total	67.886	315			

a. Dependent Variable: performance

b. Predictors: (Constant), strategy evaluation, business operations, strategy formulation, strategy implementation

Multiple Regressions

Table 8: Multi linear Regression Analysis

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.579	.487		7.352	.000
	strategy formulation	.096	.071	.074	1.344	.180
	business operations	.133	.074	.100	1.812	.071
	Strategy implementation	.280	.075	.213	3.721	.000
	strategy evaluation	.419	.079	.299	5.338	.000

a. Dependent Variable: performance

Multiple regression analysis was conducted to determine the relation between the independent variable and the dependent variable. As shown in Table 8 the study regression equation was

$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon.$

Where Y = Organization Performance (dependent variable)

β_0 = Constant of Regression

β = The Beta coefficients for the corresponding X (independent) terms, representing the net effect the variable has on the dependent variable, as X's in the equation remain constant.

X_1 = Strategy Formulation

X_2 = Business Operations

X_3= Strategy implementation

X_4= Strategy Evaluation

ε = Error of term

Therefore the regression equation will be

$3.579Y = \beta_0 + 0.096 X_1 + 0.133 X_2 + 0.280 X_3 + 0.419 X_4 + \varepsilon.$

This also indicates that taking all factors constant at zero Organization Performance will be at value of α: =3.579. The findings show that taking all independent variables at zero, a unit increase as a result of strategy Formulation will give a value of 0.96 increases in performance of Hormuud telecom. It also indicates that a unit increase as a result of business operations will lead to a value of 0.133 increases in performance of Hormuud telecom. A unit increase on strategy implementation will give a value of 0.280 increase on performance of Hormuud telecommunication company. The study also showed that a unit increase of strategy evaluation will give an increase of 0.419 on performance of Hormuud telecommunication.

The study shows that there was a positive and significant relationship between strategy implementation and organization performance where the significant value was 0.000 which is below the required value of significance 0.05.There was also a significant relationship between strategy evaluation and performance of Hormuud telecommunications company with the value of 0.000 which is > 0.05 the significance level. However there was an insignificant relationship between strategy formulation and performance of

Hormuud business operations with performance of Hormuud telecommunication twhre the significant value was more than 0.05.

CONCLUSIONS

In conclusion, the study has established strategic planning practices were significant both to individual and to the organization. The study concluded that in Hormud telecommunication had benefited greatly by using strategic planning practices in the management of its core business. The study further found out that strategic planning activities could be useful in understanding where an organization is at a particular time, where it is headed and what are the future opportunities it can explore.

RECOMMENDATIONS

The study therefore recommends the following

- Hormuud Telecommunication Company can have a competitive edge if it formulates sustainable and practical strategies.
- The organization need to train its staff on strategy implementation. This will enable the organization have best practices implemented and thus the effect of the formulated strategy be felt.
- While carrying out its daily business, the organization has to streamline all its business operations alongside the set strategies in order to meet the set goals and objectives.
- It is recommended that Hormuud Telecommunication Company should widely invest on telecommunication as a way to innovate and have customer care services well executed.
- The study further recommends that the management should always evaluate the set organization strategies in order to review and have the best in practice while work on those that are not meeting the organization goal and objective.

SUGGESTION FOR FURTHER STUDIES

The study aimed at identifying the role of strategic management practices in telecommunication companies in Mogadishu Somalia. The same study can be done using a deferent domain for example government entities in Somalia. The study variables can be further explored since they only gave an effect of 11.7 meaning that 88.3 of the effect are not considered in this study. Further a study on strategic management and financial or marketing performance can be done to ascertain the financial performance of an organization with respect to strategic management.

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