

**THE RELEVANCE OF STRATEGIC PLANNING ON  
ORGANIZATIONAL GROWTH IN THE PUBLIC SECTOR: THE  
CASE STUDY OF GHANA SHIPPERS' AUTHORITY**

By

KNUST

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**COMMONWEALTH EXECUTIVE MASTERS OF PUBLIC  
ADMINISTRATION**

**JULY, 2012**

## DECLARATION

I hereby declare that this submission is my own work towards the Executive Masters of Public Administration and that, to the best to my knowledge, it contains no material previously published by another person nor material which has been accepted for the award of any other degree of the University, except where due acknowledgement has been made in the text.

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## **ABSTRACT**

The study sought to examine the relevance of strategic planning on organizational growth in the public sector. Business organizations operate in constantly changing and competitive environment. To survive, organizations must respond and adjust to the social, economic, and political environmental changes that occur. Unfortunately, in most organizations especially in the public sector, strategic plans are not carried out and implemented properly due to lack of appreciation and knowledge of the relevance of strategic planning on organizational growth. The question that arises is; why is strategic planning relevant to the growth of organizations in the public sector? To answer this question, 50 questionnaires were administered to 50 staff of the Ghana Shippers' Authority, randomly selected from the Head office in Accra and Tema branch office. Microsoft Excel and simple statistical methods like frequency distribution tables and charts were used to analyze the data collected. The findings of the study revealed that, in the country organization in the public sector have seen the need to formulate and implement strategic plans. The process of formulation and implementation of strategic plans in the public sector is similar to the existing process of setting objectives, scanning, selecting strategies, implementation and evaluation in the private sector. The study found that organizations in the public sector face challenges in the implementation of their strategies due to long processes of approval by the approving authorities, the delay in release of funds, the shortage of skilled staff in some specialized areas, the lack of commitment from officials, strict adherence to procurement process. The findings of the study thus, lead to the overriding conclusion that strategic planning was relevant and had a positive impact on the growth of organizations in the public sector

## DEDICATION

This work is dedicated to the Almighty God for His strength and guidance that I continue to receive from him. It is also dedicated to my parents Naa Abu Mumuni Ahmed and Mrs Salamatu Alhassan, my wife Latifa Ibrahim and to my dear son Bortaa Abu Ahmed.

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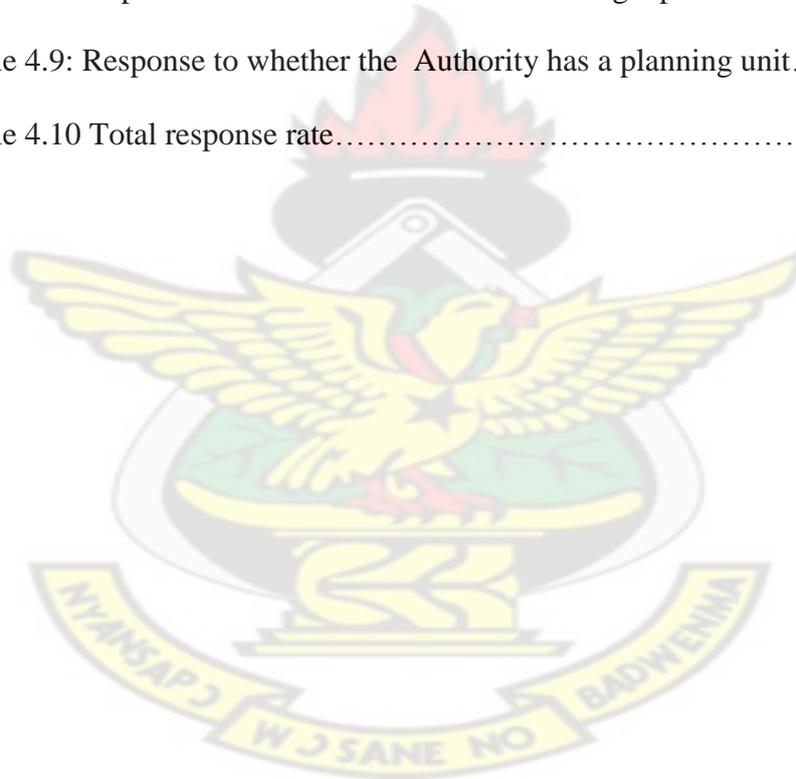
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## **CHAPTER ONE**

### **INTRODUCTION**

#### **1.1 BACKGROUND TO THE STUDY**

Every organization wants to survive and grow in a constantly changing and competitive environment. To do so, it must respond and adjust to the social, economic and political environmental changes that occur.

The environments of public organizations according to (Bryson, 2004) have become not only increasingly uncertain in recent years but also more tightly interconnected; thus changes anywhere in the system reverberate unpredictably, and often chaotically and dangerously throughout the environment. This increased uncertainty and interconnectedness requires a fivefold response from public organizations. First, these organizations must think strategically as never before. Second, they must translate their insights into effective strategies to cope with their changing circumstances. Third, they must develop the rationale necessary to lay the ground work for the adoption and implementation of their strategies. Fourth, they must build coalitions that are large enough and strong enough to adopt desirable strategies and protect themselves during implementation. And finally, they must build capacity for ongoing management of the strategic change.

Strategic planning can help leaders and managers of public organizations to think, learn and act strategically, (Bryson, 2004). The idea of strategic planning emerged in corporations that wanted to have a strategy as to how to maximize their profits. Today, the motivation is manifold and differs according to the type of organization.

The need for an organization to proactively respond to environmental challenges has now become imperative, as it offers the organization a competitive edge in today's business world. Thus, every organization regardless of its size must have some form of a strategic plan.

The public sector have increasingly gained the attention of various developmental strategies especially in developing countries as a key sector for the advancements needed in the socio-economic emancipations of countries in Africa. The role of the state and its institutions has been identified as a key partner to the private sector in carrying out the developmental agenda. Indeed the public sector has been under scrutiny to adopt the approaches of the private sector towards growth and development in all sectors of the economy.

The public sector, in developing countries, can no longer approach developmental issues as before, especially, given the advancements in business management made in the world and the expected fast growths needed for quicker transformation in their economies. As a result, various development experts have now resolved to impress on governments to strategically plan and roll out a coordinated and comprehensive strategy to harness their business potential as a pivot for growth.

In recent times Government of Ghana has embarked on public sector management reforms with the view to improving their operations and creating value for their operations. As a result, a Ministry of Public Sector Reforms was created to drive this agenda and work closely with the National Development Planning Commission (NDPC) mandated to coordinate the development framework of the Country.

The Ghana Shippers' Authority (GSA), one of Ghana's public institutions in the maritime industry has over the years adopted strategic planning, to give it direction for growth.

Currently it has developed a strategic plan for the period 2009-2013. The objective of the plan takes its source from its mandate of effective and efficient management of commercial shipping with a view to promoting and protecting the interest of the shipper in relation to port, ship, inland transportation problems and provision of ancillary services.

### **1.1.1 PROFILE OF THE GHANA SHIPPERS' AUTHORITY**

The Ghana Shippers' Authority formally the Ghana Shippers' Council has been at the frontline of Ghana's Maritime Industry since its establishment in 1974 by NRCD 254. It has over the years collaborated with the private and public organizations in the Maritime Industry to pursue its primary objective of protecting and promoting the interest of Ghanaian shippers in relation to port, ship and inland transport problems in order to ensure safe, reliable and cost effective cargo handling.

For over 35 years, the Ghana Shippers' Authority operated under the corporate name- Ghana Shippers' Council which by virtue of The Laws of Ghana (Revised Edition) Act, 1998, Act 562, was changed to Ghana Shippers' Authority. The change in name takes care of the transformation that the council has seen over the years and brings it in tune not only with the constitution of the Republic of Ghana but also in accord with the dynamics of modern shipping practice as far as the demand side of shipping is concerned. It has a Governing Board which is made up of institutional representation of various importers and exporters as well as government agencies responsible for maritime trade and transport.

The Ghana Shippers' Authority operates under the Ministry of Transport.

## **1.2 STATEMENT OF THE PROBLEM**

In view of the many challenges that business organizations are exposed to, it is imperative for them, both profit and nonprofit organizations, to anticipate challenges, identify their strengths to meet anticipated challenges and take control of available opportunities to obtain maximum productivity.

Unfortunately, in most organizations, especially in the public sector, strategic plans are not carried out and implemented properly. Some public organizations do not attach any importance to strategic planning and therefore do not have strategic plans for their organizations. This could be borne out of lack of appreciation and knowledge of the relevance of strategic planning to organizational growth.

In an attempt to address this unfortunate development, there is the need to critically assess the relevance of strategic planning on organizational growth in the public sector to enable management appreciate its worth in gaining competitive advantage at the market place.

## **1.3 OBJECTIVES OF THE STUDY**

The general objective of the study is an attempt to critically assess the relevance of strategic planning on organizational growth in the public sector with particular reference to the Ghana Shippers' Authority under the Ministry of Transport.

Specifically, the objectives of the study are as follows. To:

- (i) Examine the practices of organizations with regard to strategic planning using the Ghana Shippers' Authority.
- (ii) Critically assess the relevance of strategic planning on the growth of public sector organizations.

- (iii) Examine the challenges in the implementation of strategic plans and ways of meeting the challenges.
- (iv) Make suggestions for the formulation and implementation of strategic plans in public institutions.

#### **1.4 RESEARCH QUESTIONS**

- (i) What is the existing practice regarding strategic planning in the Ghana Shippers' Authority?
- (ii) Why is strategic planning relevant to the growth of the Ghana Shippers' Authority?
- (iii) What, if any, are the challenges in the implementation of strategic plans in the Ghana Shippers' Authority?
- (iv) How if any does the Ghana Shippers' Authority formulate and implement its strategic plans?

#### **1.5 RELEVANCE OF THE STUDY**

The thrust of the study is aimed at contributing to knowledge with regard to strategic planning and its relevance on organizational growth in the public sector.

The findings of this study will be of great value to management and staff of Ghana Shippers' Authority and its stakeholders, and by extension other organizations in the Public Sector, as it will assess the relevance of strategic planning on organizational growth, clarify the challenges and the ways to meet them. Student researchers in related areas will also find the study a useful literature for reference.

The study will make contributions in that regard to encourage managers in public sector to adopt strategic planning in the management of their entities in order to have competitive advantages in their industry.

### **1.6 SCOPE/LIMITATION OF STUDY**

The public sector in Ghana is big. It comprises all ministries, departments and agencies. However, because of limited time, lack of resources, and access to information, the study is limited to the Ghana Shippers' Authority. This means that the research will not benefit much from primary information from other Public Sector organizations. In spite of this the thorough work with the Ghana Shippers' Authority will give a clear view of what is happening in other organizations.

### **1.7 METHODOLOGY**

The research is based on information from both primary source as well as secondary sources of data. Chapter three of the research discusses the details of the research methodology.

### **1.8 ORGANIZATION OF THE STUDY**

The Study Comprises Five Chapters. Chapter one: deals with introduction and gives an overview of the study which serves as an introductory chapter to the entire research. Chapter Two: covers a review of relevant literature on the research topic. It deals with thorough discussions of existing literature and research relevant to the study and therefore provides the conceptual framework for this research. Chapter Three: explains the research methodology and discusses the data collection methods and justification of selected research techniques. Chapter Four: presents, analysis and evaluation of collected data.

Chapter Five: the final chapter draws information from previous chapters to provide findings, conclusions and recommendations.

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## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.0 INTRODUCTION**

This chapter covers a review of relevant literature which acts as a foundation to the rest of the study. It explores areas that are pertinent to the study. It provides the conceptual framework for this study and to guide readers to understand the concepts and principles of strategic planning and other related concepts.

#### **2.1 DEFINITION OF SOME RELEVANT TERMS**

To begin with, there is the need to define some key terms used in the research topic.

##### **2.1.1 RELEVANCE**

“Something (A) is relevant to a task (T) if it increases the likelihood of accomplishing the goal (G), which is implied by (T)” (Hjorland and Christensen, 2002). A thing might be relevant, a document or a piece of information may be relevant. The basic understanding of relevance does not depend on whether we speak of “things” or “information”.

##### **2.1.2 STRATEGIC PLANNING**

According to Kotler (1991) Strategic planning is a managerial process of developing and maintaining a viable fit between an organization’s objectives and its changing market opportunities. Strategic planning also deals with making long-term decisions that enable organizations to respond to changing environments.

### **2.1.3 ORGANISATION**

For the purpose of this study, we will accept the definition of a formal organization as a social entity formally established, operated and sustained by a group of people working cooperatively towards the achievement of a specific set of goals. The activities of the entity are normally structured and coordinated (Bateman and Zeithmal, 1993:11-12). There are formal organizations of varying size and complexity. Government sector, ministries, departments and agencies, private corporations and businesses, labor unions, schools, political parties and nonprofit making organizations are examples.

### **2.1.4 GROWTH**

The Long Man Dictionary of Contemporary English defines growth as an increase in amount, number, or size. In the business or economic sense it means an increase in the value of goods or services produced and sold by a business or country. Growth for the purpose of this study is related to growth strategy. According to Wheelen and Hunger (2004), growth strategies are very essential mainly for two reasons-Growths based on increasing market demand and a growing firm offers more opportunities for advancements, promotion, and interesting jobs.

### **2.1.5 PUBLIC SECTOR**

According to Lane (1995) the public sector, sometimes referred to as the state sector or the government sector, is a part of the state that deals with either the production, ownership, sale, provision, delivery and allocation of goods and services by and for the government or its citizens, whether national, state or local. Example of public sector activities ranges from delivering social security, administering urban planning, and organizing national defense.

According to the 1992 constitution of the republic of Ghana, the public service shall include- (a) the Civil Service, the Judicial Service, the Audit Service, the Education Service, the Prisons Service, the Parliamentary Service, the Health Service, the Statistical Service, the National Fire Service, the Customs, Excise and Preventive Service, the Internal Revenue Service, the Police Service, the immigration Service, and the Legal Service; (b) public corporations other than those set up as commercial ventures; (c) public services established by the constitution; and (d) such other public services as parliament may by law prescribe.

#### **2.1.5.1 PUBLIC ENTERPRISES IN GHANA**

Ayee (1986) defines a state enterprise as “an economic undertaking especially an industrial, agricultural or a commercial concern which is owned wholly or in part by the state” A. H. Hanson also defines a state as follows: An institution operating services of an economic and social character on behalf of the government but enjoying an independent legal entity; it is largely autonomous in its management through responsiveness to the public through government and subject to some direction by the government; it is equipped, on the other hand, with independent separate funds and the legal and commercial attributes of commercial enterprise.

According to A. H. Rweyemanu state enterprises, irrespective of their legal status can be of variety of functional types. These can be roughly classified into three categories; First, there is the business-type enterprises that are expected to compete and show a profit either to re-invest into furthering the enterprise, itself, or as a source of revenue for public sector as a whole, example, commerce ,industry, mining, and related minerals extraction and manufacturing. This group includes the Ghana National Trading Corporation, State Gold Mining Corporation, State Hotels Corporation and State Diamond Corporation.

The second type of state or public enterprises Rweyemanu identified is the infrastructural organizations that undertake to provide the basic services needed by the nation to develop, example transportation, insurance, banking, communications and public utilities, like water and electricity, construction etc. These according to Rweyemanu may or may not be expected make profit depending on their assigned functions and objectives. This category also includes the Post and Telecommunications Corporations, Electricity Corporation of Ghana, Ghana Water and Sewerage Corporation, State Construction Corporation, Cocoa Marketing Board, Volta River Authority, State Insurance Corporation and Bank of Ghana.

The third type identified is service organizations that are expected to deliver services to the public, thereby playing crucial roles in the cultural and educational life of the people where profits are not expected to be made. These service organizations are active in Science, learning, sports, and libraries, health, arts, entertainment, and the preservation of historical buildings and the collection of relics of national importance. The Universities, Sports Council, Ghana Library Board, Arts Council, Ghana Broadcasting Corporation as well as the Graphic and New Times Corporation are indicative of public agencies that operate in Ghana.

It is important to note that, even though some of these state enterprises are defunct, there has been the creation of more state or public agencies over the years established by acts of parliament and some public enterprises have also undergone transformation such as changes in their names and so on.

## **2.2 DEFINITION AND CONCEPT OF STRATEGIC PLANNING**

There are numerous definitions of strategic planning, and there are many different approaches that can be used to undertake strategic planning. Olsen and Eadie (1982)

define strategic planning as a disciplined effort to produce fundamental decisions and actions that shape and guide what an organization is, what it does, and why it acts as it does. Strategic planning usually requires broad-scale information gathering, generation and exploration of alternative courses of action, and emphasis on the future implications of near-term decisions (Olsen and Eadie, 1982)

Strategic planning according to Stoner and Fry (1987) is a management tool designed to enable organizations competitively adapt to anticipated or future changes in the environment. The process provides an overview and analysis of the business and its relevant environment. That is describing the firm's current conditions and recognizing the key external factors affecting its success. The process then describes an action plan of how the business will proceed to capitalize on its strengths while minimizing or avoiding threats.

Kotler (1991) describes strategic planning as a managerial process of developing and maintaining a viable fit between the organization's objectives and resources and its changing market opportunities. The aim of strategic planning is to shape and reshape the company's business and products or services so that they combine to produce satisfactory profits and growth.

Strategic planning is often defined as an integrated system or process included in the strategic management process, which ranges from formulation to implementation (Ansoff, 1965). Strategic planning is a process itself by which the members of an organization envision the future and develop the procedures to achieve the future (Pfeiffer, et al, 1989).

Strategic planning according to Bryson (1995 p.ix) is based on the premise that leaders and managers of public and nonprofit organizations must be effective strategists if their

organization are to fulfill their missions, meet their mandates, and satisfy constituents. Bryson also states that, strategic planning is an excellent method for an organization-a governmental or quasi-governmental one- to contend with fluctuating situations and circumstances. He argues that strategic planning's aim is to think and act strategically.

Although many authors define the concept of strategic planning differently, the various definitions above, nevertheless share a common theme; the future prosperity and survival of an organization in its environment.

### **2.3 THE STRATEGIC PLANNING PROCESS**

Different authors in the field of strategic planning offer different models of strategic planning. In spite of the differences, the concepts and features are basically the same in most literature. Here are three optional processes from various important authors:

Byars (1984) proposes a five-step process, which includes:

1. Defining the organization's mission;
2. Environmental analysis;
3. Establishing objectives;
4. Identifying strategic objectives; and
5. Selecting a strategy.

Wheelen and Hunger (1980) propose a six- step process which includes:

1. Evaluating current performance results and current mission, objectives, strategies and policies;
2. Reviewing strategic documents;

3. Scanning external environment;
4. Scanning internal environment;
5. Analyzing strategic factors, reviewing and revising objectives and missions; and
6. Generating, evaluating and selecting best alternatives

Bryson (2004) specialized in strategic planning for public department and proposes an eight-step process:

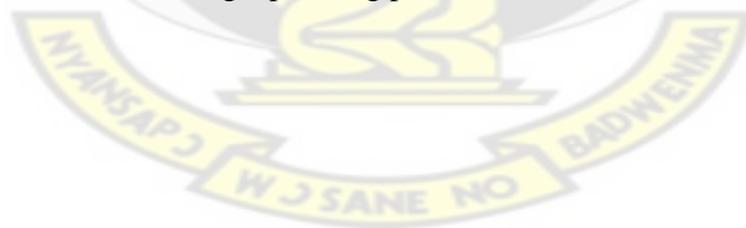
1. Initiating and agreeing on a strategic planning process;
2. Identifying organizational mandates;
3. Clarifying organizational mission and values;
4. Assessing the external and internal environments;
5. Identifying the strategic issues facing the organizations;
6. Formulating strategies to manage the issues;
7. Reviewing and adopting the strategies or strategic plan; and
8. Establishing an effective organizational vision.

One would observe that these three strategic planning processes have similarities. All three have a reviewing phase, an environmental analysis phase and a formulation phase. Mintzberg et al (1976) also identified in their research three phases and sub-phases in most strategic planning process clearly summarizes all the various processes available for practitioners:

1. The identification phase which includes:

- (a) The Decision Recognition Routine: Opportunities, problems and crises; and
  - (b) The Diagnosis Routine: Information relevant to opportunities, problems, and crises are collected and problems are identified.
2. The Development phase which includes:
- (a) The search Routine: Organizational decision makers go through a number of activities to generate alternative solutions to problems;
  - (b) The Design Routine; Ready-made solutions, which have been identified are modified to fit the particular problem or new solutions are designed.
3. The selection phase which includes:
- (a) The Screen Routine: Identifies more alternatives to evaluate;
  - (b) The Evaluation-Choice Routine: selections of alternatives; and
  - (c) The Authorization Routine: the decision is authorized.

A simplified view of the strategic planning process is shown the following diagram.



## The Strategic Planning Process

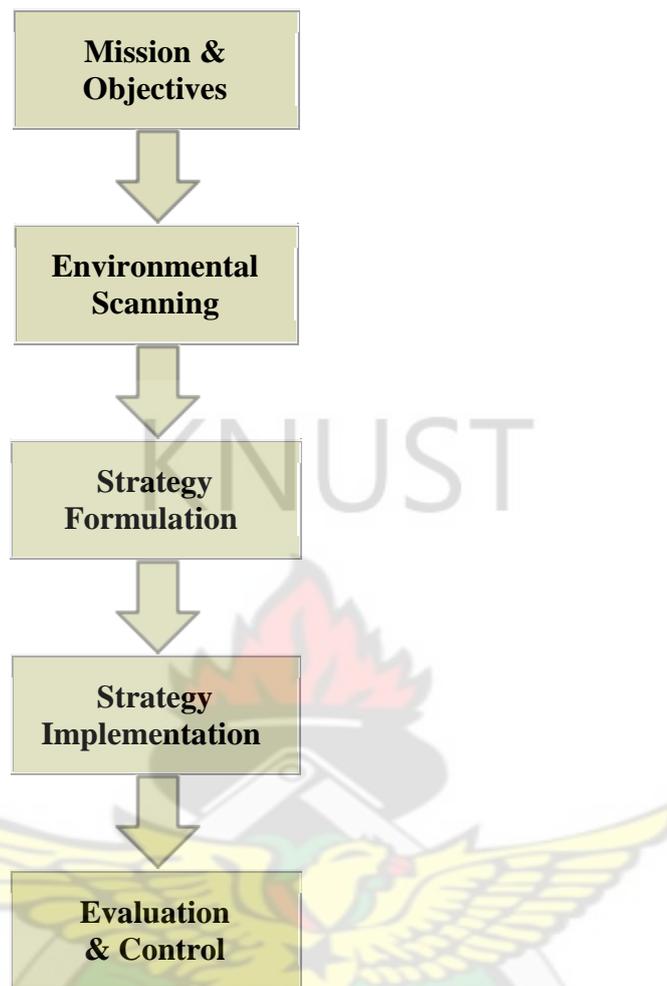


Figure 2.1: Strategic Planning Process

Source: (Available at [quickmba.com](http://quickmba.com))

### 2.4 STRATEGIC PLANNING CHARACTERISTICS

Duton and Duncan (1987) claim that there are different planning characteristics such as planning focus, planning formality, planning diversity and planning intensity. Their research summarizes the important characteristic of the planning process:

1. **Planning Focus:** this strategic planning characteristic is either a bottom-up or top-down planning process. In the bottom-up focus, lower level managers are

involved in the strategic planning process and it could also be described as a more participative focus. The top-down approach is the opposite in that the strategic levels of the organization or executives are the ones involved in the strategic planning process and participation is limited.

2. **Planning Formality:** this strategic planning characteristic is the extent to which the strategic planning process is described in documents and plans.
3. **Planning Diversity:** this characteristic deals with the variety of individuals who are involved in the strategic planning process. To differentiate this characteristic from planning focus, it is important to clarify that Dutton and Duncan are discussing the variety in horizontal involvement and not vertical.
4. **Planning Intensity:** this characteristic is the frequency of contact between the participants involved in the strategic planning process.

## 2.5 AIMS OF STRATEGIC PLANNING

Koteen (1989) has identified the following as some of the aims of strategic planning:



<b>AIM</b>	<b>DEFINITION</b>
Provide strategic direction	In setting direction, three purposes stand out: (1) Strategic planning set goals on where an organization wants to go. (2) It indicates where resources are to be concentrated; and (3) It gives priority and attention to strategic goals.
Guide priority use of resources	Resources are scarce and limited. Strategic planning allows for sound and pointed allocation of resources – human, financial and material.
Set standards of excellence	Strategic planning allows an organization to establish shared values and standards excellence.
Cope with Environmental uncertainty and change	Strategic planning aims to be flexible and provide contingency for uncertainty and change.
Provide objective basis for control and evaluation	Strategic planning allows for making success and failure. Performance measurement or tracking of strategic objectives and action plans are significance and serve as basis for control.

**Figure 2.2 Aims of Strategic Planning**

**Source: (Jack Koteen (1989) Strategic management in public and nonprofit organizations. New York, NY: Praeger Publishers, pp25-26.)**

## **2.6 RELEVANCE/ BENEFITS OF STRATEGIC PLANNING**

While there are a number of potential benefits associated with strategic planning, a number of arguments or criticisms have been leveled against it. Notable among the critics are Peters and Waterman (1982) in the USA, and Stacey (1991) in the United Kingdom (UK). Despite some criticisms, some other authors like (Byars, et al, 1996) have argued the need for strategic planning. Bartol and Martin, (1998), and other scholars also agree

that strategic planning has relevance for organizations. Some benefits or relevance of strategic planning as advanced by Byars et al, (1996) are as follows:

First, strategic planning enables management, staff, and other stakeholders to reflect on the nature of the organization, the present and future needs of its customers, and possible changes in the environment including technology, social trends, and economic forces. A systematic and objective assessment of the forces enables management to come to terms with unique strength of the organization. In this regard, the required strategic decisions can be taken.

Second, strategic planning can provide opportunity to involve the various levels of management in the process. As different levels of management participate in strategy formulation, they get a clearer sense of where the organization wants to go. This to a very large extent facilitates the integration of employees and management to the goal and objectives of the organization thereby assuring higher performance.

Third, strategic planning ensures that all the different units of the organization work together towards achieving the same objectives. Without a strategic plan, the organic units of the organization will slew off track. Strategic planning therefore provides an integrative mechanism for all organizational units to work together.

Fourth, through strategic planning, an organization is able to have a sense of direction or 'road map' that enables it to clearly see where it is going and where the future will lead it. Without a sense of direction, an organization will spend its time reacting to problems thus, taking hasty and uninformed decisions that may be very costly.

Fifth, strategic planning enables organizations to understand how the expectations of stakeholders (e.g. government, customers, shareholders and employees) and the

environmental forces that impact it (e.g. political-legal, economic, socio-cultural, and technological) affect the organization's growth in the changing world.

Sixth, strategic planning also nurtures in management the habit of periodically appraising the competitive position of their organizations. This compels management to be more proactive and conscious of the environment in which their organizations are operating.

Seventh, strategic planning clearly defines the purpose of the organization and establishes realistic goals and objectives consistent with that mission in a defined time frame within the organization's capacity for implementation.

Eighth, strategic planning enables management to communicate the organization's goals and objectives to the organization's constituents. There is the need to get employees informed or oriented about the mission, goal, and objectives of the organization in order to encourage them to work towards achieving the goal of the organization.

Ninth, strategic planning develops a sense of ownership of the plan and therefore ensures the most effective use is made of the organization's resources by focusing the resources on the key priorities.

Finally, strategic planning provide a base from which progress can be measured and establish a mechanism for informed change when needed.

As in the case of strategic management, strategic planning is known for improving communication, and participation within an organization, reducing conflicts related to the distribution of resources and promoting appropriate decision-making (Bryson, 2004).

Bryson again emphasizes that strategic planning is no substitute for strategic thinking and action but promotes it. Strategic thinking requires a serious commitment to analyzing a given situation, making an environment assessment, and coming up with a list of

requirement. Strategic action is how to implement this plan in the most efficient and productive way. Together these lead to a systematic information gathering about the organization's internal and external environment.

Although strategic planning can provide all these benefits, there is a great need for commitment for them to be realized. Indeed, it is highly unlikely that any organization would experience all or even most of the benefits of strategic planning the first time through or perhaps even after several cycles of strategic planning, without a great effort.

## **2.7 CHALLENGES IN THE IMPLEMENTATION OF STRATEGIC PLAN**

According to a study by Michael Beer and Russell A. Eisenstat, published in the summer 2000 issue of "Sloan Management Review," the six silent killers of strategy implementation are top-down or complacent upper management, unclear strategy and conflicting priorities, ineffective senior management team, poor vertical communication, poor coordination across the enterprise and inadequate middle-manager and supervisor management skills.

Kessler and Kelley (2000) contend that, implementing business strategy is difficult and challenging. Various obstacles have been discussed by these authors to alert public sector managers to the level of difficulty involved in operating programs in a result-oriented fashion. By recognizing the complexity and magnitude of business strategy implementation, managers can approach the challenge with realistic expectations. According to Kessler and Kelley, there are significant challenges that could inhibit success unless dealt with aggressively and effectively. They include cultural issues, pessimism and skepticism, false support, passive resistance, preretirement lethargy, mismatches between strategy and structure, lack of funds, information technology constraints, communication gaps, and influence of unions and organized labor. Success

requires senior management sincerity, support, and involvement. Without these critical ingredients, ambitious goals are unlikely to be achieved. It also requires involvement of all managers at all levels to work effectively (Kessler and Kelley, 2000)

## **2.8 GUIDELINES TO ENSURE SUCCESSFUL STRATEGIC PLANNING AND IMPLEMENTATION**

Richard A Mittenthal, President of the TCC group in a publication in 2002, identified ten (10) keys to successful strategic planning. These can be summarized as follows:

### **1. A clear and Comprehensive grasp of external opportunities and challenges:**

No organization exists in a static environment. Social, political and economic trends continually impact the demand for its offerings and services. Even as advances in technology present new opportunities, they also generate new expectations. Needs and community demographics are all subject to change. So too are methods for delivering programs and services. It is thus essential that a strategic plan reflect the external environment. Programs, services and operations should be reexamined and reshaped in the light of current realities and future projections.

### **2. A realistic and comprehensive assessment of the organization's strengths and limitation:**

The bedrock of any successful strategic plan is a warts-and-all consideration of capabilities and strengths, weaknesses and limitations. Information, both objective and subjective, must be gathered from a wide array of sources, including staff and board members, clients, community leaders, funders and partner organizations among others.

### **3. An inclusive approach:**

At one point or another, all important stakeholder groups should have a voice in the planning effort. At a minimum, that includes staff, current and incoming board members, clients, funders and partner organizations. To be sure all views will not be weighted equally, nor will every staff member be involved at every stage, it is possible to be inclusive without falling into the too-many-cooks trap. But a strategic plan should not become the exclusive responsibility of a small cadre of stakeholders. If the planning process is to succeed, It must incorporate the views of all the constituencies that will be affected by the plan or have role in its implementation.

### **4. An empowered planning committee:**

Strategic planning should be a participatory undertaking-but not an anarchic one. As a matter of practical necessity, the core work will generally be entrusted to a small planning committee with sufficient decision making authority to keep the project moving forward

### **5. Involvement of senior leadership:**

Some executive directors and board members are inclined to take a hands-off approach when it comes to strategic planning. They may simply lack the necessary time or interest to get involved. Or they may underestimate the significance of the task at hand and its potential impact on the organization.

### **6. Sharing of responsibility by board and staff members:**

An effective plan takes multiple elements into account; the funding climate, the expectations of clients and other stakeholders, the competitive landscape and the exigencies of operations and programs. Neither board nor staff, acting on its own,

has a full grasp of all those areas, hence the need to ensure that both are fully involved.

### **7. Learning from best practices:**

Clearly, each organization has its own individualized mission, client base and operating culture. Thus, each must map a strategy, incorporating goals and action steps carefully customized to its needs. A plan that is appropriate in one setting won't necessarily be appropriate in another, no matter how similar the organizations. Nonetheless, it is possible to learn from successes, failures and mistakes of others.

### **8. Clear priorities and an implementation plan:**

While missions and visions are essential to inspiring commitment to your organization, they may be seen as hollow unless accompanied by an organized description of activities needed to fulfill desired aims. Developing a workable strategic plan means dissecting the organization's objectives and strategies and determining which take precedence.

### **9. Patience**

For small and mid-size organizations, strategic planning often moves forward on a speedy timetable. But for larger organizations with many constituencies, the process may advance much less quickly. When an organization is making major changes and needs extensive buy-in, the process may not be perfectly linear. As information is gathered, sifted and analyzed, assumptions are rethought, new ideas advanced and old ones revamped or discarded. It is important to keep things on course and maintain momentum, but rushing is counterproductive.

## **10. A commitment to change**

No matter how relevant its original mission, no organization can afford to shackle itself to the same goals, programs and operating methods year after year. As client's needs, market conditions and funding criteria change, strategies need to be revisited regularly. Sometimes all that's needed is fine-tuning; other times a more fundamental rethinking of goals and opportunities may be required. If they are to remain viable and effective, organizations must be prepared to change extensively as conditions require.

## **2.9 STRATEGIC MANAGEMENT**

The term strategic management according to Thompson and Strickland (2003) refers to the managerial process of forming a strategic vision, setting objectives, crafting a strategy, implementing and executing the strategy, and then over time initiating whatever corrective adjustment in the vision, objectives, strategy, and execution are deemed appropriate.

Taylor et al (2005) define strategic management as consisting of the analysis, decisions, and actions an organization undertakes in order to create and sustain competitive advantage. This definition according to Taylor and others captures two main elements that go to the heart of the field of strategic management. First, the strategic management of an organization entails three ongoing processes; analysis, decisions, and actions. That is strategic management is concerned with the analysis of strategic goals (vision, mission, and strategic objectives) along with the analysis of internal and external environment of the organization. Second, the essence of strategic management is the study of why some

firms outperform others. Thus managers need to determine how a firm is to compete so that it can obtain advantages that are sustainable over a lengthy period of time.

Daft (1993) defines strategic management as the set of decisions and actions used to formulate and implement strategies that will provide a competitively superior fit between the organization and its environment so as to achieve organizational objective.

### **2.9.1 THE FIVE TASKS OF STRATEGIC MANAGEMENT**

The strategy-making process according to Thompson and Strickland (2003) consists of five interrelated managerial tasks namely;

1. Forming a strategic vision of where the organization is headed- so as to provide long-term direction, deliberate what kind of enterprise the company is trying to become, and infuse the organization with a sense of purposeful action.
2. Setting objectives- converting the strategic vision into specific performance outcomes for the company to achieve.
3. Crafting a strategy to achieve the desired outcomes.
4. Implementing and executing the chosen strategy efficiently and effectively.
5. Evaluating performance and initiating corrective adjustment in vision, long-term direction, objectives, strategy, changing conditions, new ideas and new opportunities.

The above tasks is referred to as the strategic management process and is the same process adopted in crafting a company's strategic plan (strategic planning process).

### **2.10 STRATEGY**

There are many definitions of strategy as there are experts and commentators in the field.

Some definitions of strategy by various authors are given below;

A company's strategy according to Thompson and Strickland (2003) consists of the competitive efforts and business approaches that managers employ to please customers, compete successfully, and achieve organizational objectives.

Strategy according to Ackoff, (1974, p.29) is concerned with long term objectives and ways of pursuing them, that affect the system as a whole. Schendel and Hatten, (1974) define strategy as the basic goals and objectives of the organization, the major pattern of resource allocation use to relate the organization to its environment.

Strategy provides directional cues to the organization that permits it to achieve its objectives, while responding to the opportunities and threats in its environment (Schendel and Hofer, 1979). Although many authors define the term strategy in different ways, their definitions however share the same theme that is the growth and survival of the organization in its environment.

### **2.10.1 STRATEGY AND COMPETITIVE ADVANTAGE**

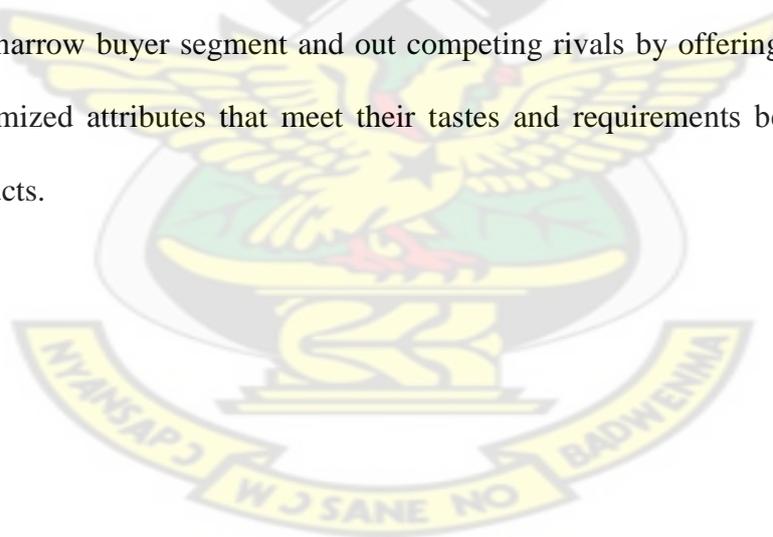
Winning business strategies are grounded in sustainable competitive advantage. According to Thompson and Strickland (2003) a company has competitive advantage whenever it has an edge over rivals in attracting customers and defending against competitive forces.

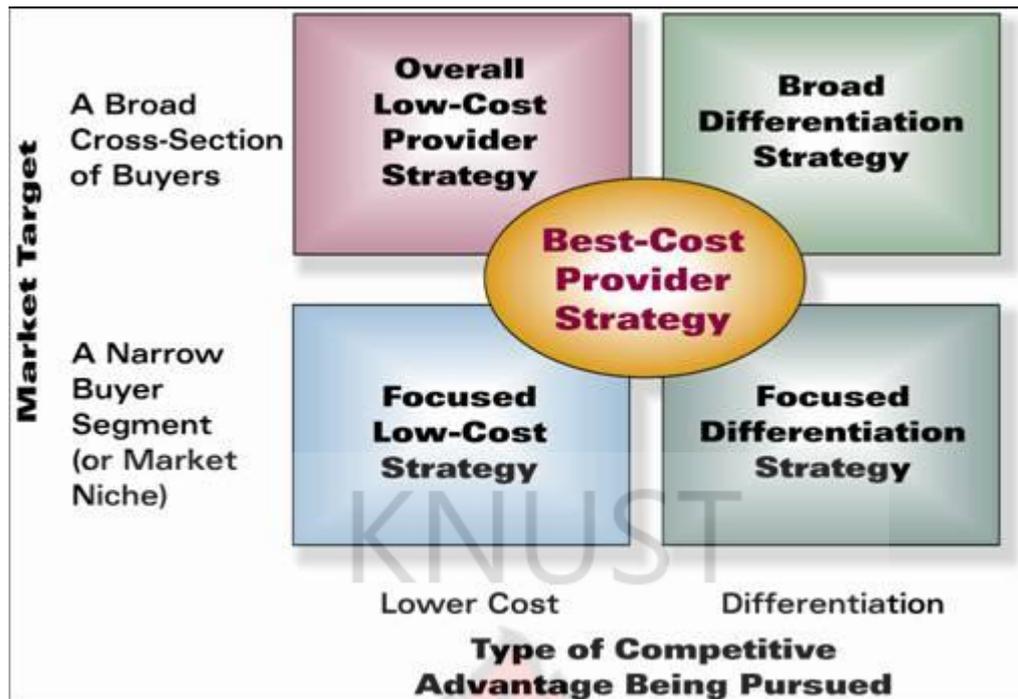
### **2.10.2 THE FIVE GENERIC COMPETITIVE STRATEGIES**

Thompson and Strickland (2003) states that competitive strategies deals exclusively with management's action plan for competing successfully and providing superior value to customers.

Porter, (1980) identified five distinct competitive strategy approaches and they stand out as follows:

1. **A low-cost provider strategy:** appealing to a broad spectrum of customers based on being the overall low-cost provider of a product or service.
2. **A broad differentiation strategy:** seeking to differentiate the company's product offering from rivals' in ways that will appeal to a broad spectrum of buyers.
3. **A best –cost provider strategy:** giving customers more value for money by incorporating good-to-excellent product attributes at a lower cost than rivals; the target is at lowest (best) costs and prices compared to rivals offering products with comparable upscale attributes.
4. **A focused (or market niche) strategy:** strategy based on lower- cost- concentrating on a narrow buyer segment and out competing rivals by serving niche members at lower cost than rivals.
5. **A focused (or market niche) strategy based on differentiation:** concentrating on a narrow buyer segment and out competing rivals by offering niche members customized attributes that meet their tastes and requirements better than rivals' products.



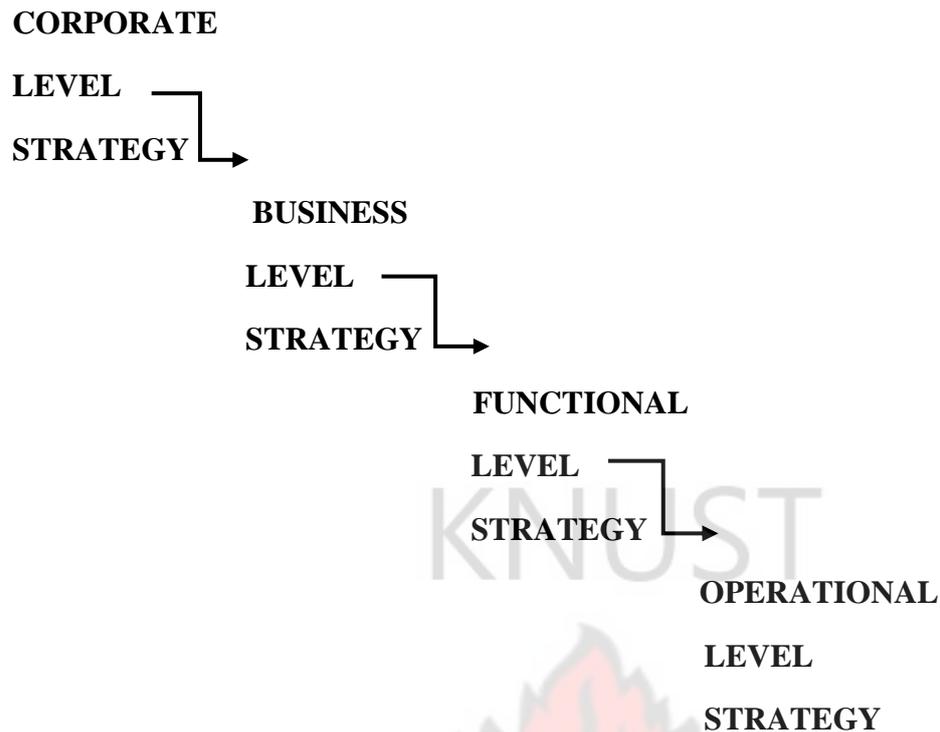


**Figure 2.3 The Five Generic Competitive Strategies**

Source: (Available at [satx.sa.wbu.edu](http://satx.sa.wbu.edu))

## 2.11 ORGANISATIONAL STRATEGY

According to Wheelen and Hunger (2004), organizational strategy is a systematic plan of action adopted by organizations and/or individuals to achieve defined goals and objectives. Four levels of strategy may be isolated. These include: Corporate level; Business level; Functional level; and operational level. The corporate level is the highest of these levels gives direction to corporate values, corporate culture, corporate goals and corporate mission.



**Figure 2.4: Hierarchy of Organizational Strategy**

**Source: (Adopted from Wheelen Thomas, L. and Hunger David J. (2004))**

### **2.11.1 CORPORATE LEVEL STRATEGY**

Corporations are responsible for creating value through their businesses. They however, do so by developing corporate strategies for managing their portfolio of businesses, ensuring that the businesses are successful over the long-term, developing business units, and also ensuring that each business is compatible with others in the portfolio.

Corporate strategy therefore, involves the direction an organization takes with the objective of achieving business success in the long term. Corporate level strategy is fundamentally concerned with the selection of businesses in which the company should compete and the development and coordination of that portfolio of businesses.

According to Wheelen and Hunger (2006), corporate strategies deal with three key issues facing the corporation as a whole:

- The firm's overall orientation toward growth, stability, or retrenchment (directional strategy).
- The industries or markets in which the firm competes through its products and business units (portfolio strategy).
- The manner in which management coordinates activities and transfers resources and cultivates capabilities among product lines and business units (parenting strategy).

For the purpose of this study, emphasis will be on the firm's overall orientation towards Growth, Stability, and Retrenchment (directional strategies).

## **2.11.2 FORMULATING CORPORATE – LEVEL STRATEGY**

### **2.11.2.1 PORTFOLIO STRATEGY**

Portfolio strategy according to Daft (1993) pertains to the mix of business units and product lines that fit together in a logical way to provide synergy and competitive advantage for the corporation. For example an individual way wish to diversify in an investment portfolio with some high- risk stocks, some low- risk stocks, and perhaps a few income bonds.

In much the same way, corporations like to have a balanced mix of business divisions called strategic business units (SBU). Daft (1993) again, defines Strategic Business Unit (SBU) as a division of the organization that has a unique business mission, product line, competitors, and markets relative to other SBUs in the same corporation. Executives in charge of the entire corporation generally define the grand strategy and then bring

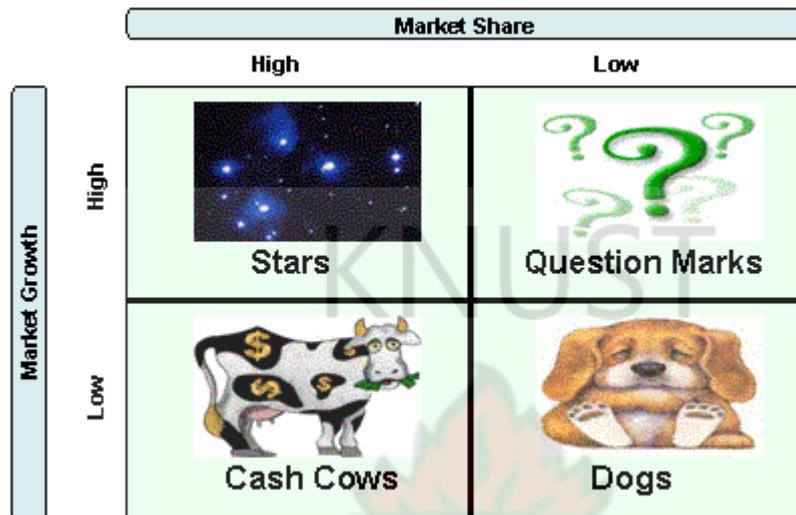
together a portfolio of strategic business units to carry it out. The BCG matrix is a use full way to think about portfolio strategy.

### 2.11.2.2 THE BCG MATRIX

The BCG Matrix is a concept developed by the Boston Consulting Group that evaluates SBUs with respect to the dimensions of business growth rate and market share. The BCG (Boston Consulting Group) matrix organizes business along two dimensions- business growth rate and market share (Daft, 1993).

- **Business growth rate:** Pertains to how rapidly the entire industry is increasing.
- **Market share:** defines whether a business unit has a larger or smaller share than competitors. The combinations of high and low market share and high and low business growth provide four categories for a corporate portfolio:
  1. **The star:** has a large market share in a rapidly growing industry. The star is important because it has additional growth potential, and profits should be plowed into this business as investment for future growth and profits. The star is visible and attractive and will generate profits and positive cash flow even as the industry matures and market growth slows.
  2. **The cash cow:** is a mature, slow- growth industry but is a dominant business in the industry, with a large market share. Because heavy investments in advertising and plant expansion are no longer required, the corporation earns a positive cash flow. It can milk the cash cow to invest in other, riskier businesses.
  3. **The question mark:** exists in a new, rapidly growing industry but has only a small market share. The question market business is risky; it could become a star, but it could also fail. The corporation can invest the cash earned from cash cows in question marks with the goal of returning them into future stars.

4. **The dog:** is a poor performer. It has only a small share of a slow-growth market. The dog provides little profit for the corporation and may be targeted for divestment or liquidation if turnaround is not possible.



**Figure 2.5 The BCG Matrix Diagram**

Source: (Available at [tutor2u.net](http://tutor2u.net))

### 2.11.3 BUSINESS LEVEL STRATEGY

According to Wheelen and Hunger (2004), business level strategy refers to the aggregated strategies of single business firm or a strategic business unit (SBU) in a diversified corporation. According to Michael Porter, a firm must formulate a business strategy that incorporates Cost Leadership, Differentiation or Focus (Niche), in order to achieve a sustainable competitive advantage and long-term success in its chosen areas or industries.

At the business level, the strategy formulation phase deals with:

- Positioning the business against rivals
- Anticipating changes in demand and technologies and adjusting the strategy to accommodate them.

- Influencing the nature of competition through strategic actions such as vertical integration and through political actions such as lobbying.

There are two main models of formulating strategy at the business divisions. These are the Porter's competitive strategies and the product life cycle. Each provides a framework for business unit competitive action. The two are discussed as follows:

### 2.11.3.1 PORTER'S COMPETITIVE FORCES AND STRATEGIES

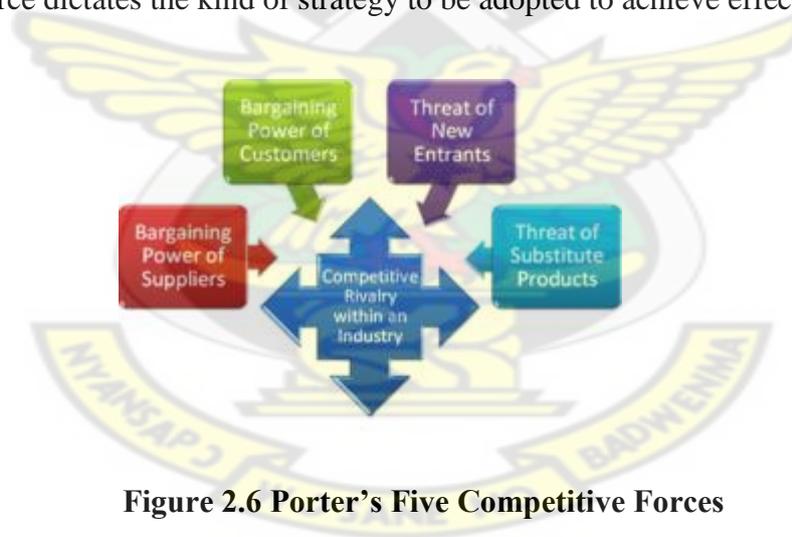
Michael E. Porter studied a number of business organization and proposed that business-level strategies are the result of five competitive forces in the company's environment.

1. **Potential new entrants:** capital requirements and economies of scale are examples of two potential barriers to entry that can keep out new competitors. It is far more costly to enter the Automobile industry, for example, than to start a specialized mail-order business.
2. **Bargaining power of buyers:** Informed customers become empowered customers. As advertising and buyer information educates customers about the full range of price and product option available in the market place, their influence over a company increases.
3. **Bargaining power of supplies:** The concentration of suppliers and the availability of substitute suppliers are significant factors in determining supplier power. The sole supplier of engines to a manufacturer of small airplanes for example will have great power. Other factors include whether a supplier can survive without a particular purchaser, or whether the purchaser can threaten to self-manufacture the needed supplies.
4. **Threat of substitute products:** the power of alternatives and substitutes for a company's product may be affected by cost changes or trends such as increased

health consciousness that will deflect buyer loyalty to companies. For example companies in the sugar industry suffered from the growth of sugar substitutes; manufactures of aerosol spray cans cost business as environmentally conscious consumers chose other products.

5. **Rivalry among competitors:** The scrambling and jockeying for position is often exemplified by what Porter called the “advertising slugfest”. A famous example of competitive rivalry in the battle between Pepsi and Coke. In the fountain war, for example, Pepsi used a three- page ad in a 1991 trade journal to report that Coke’s pricing policies allowed price breaks to McDonald’s, requiring other fast food chain purchasers of coke to subsidize the operations of the largest competitor (Daft ,2005).

Each force dictates the kind of strategy to be adopted to achieve effective results.



**Figure 2.6 Porter’s Five Competitive Forces**  
**Source: (en.wikipedia.org)**

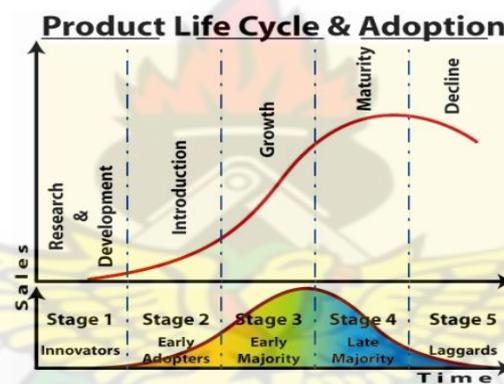
### 2.11.3.2 PRODUCT LIFE CYCLE

These are stages through which the sale of a product or service goes. The product life cycle is a series of stages that the product goes through in its market acceptance. For example, a product is developed within the laboratories of selected companies and then introduced into the market place. If the product succeeds, it enjoys rapid growth as

consumers accept it. Next is the maturity stage in which widespread product acceptance occurs but growth peaks. Gradually the product grows out of favor or fashion and enters the decline stage. The life cycle concept also applies to service in other sectors like the banking, public enterprises, and so on. The two models that describe business-level strategies contain similarities.

Studying the various stages of the product life- cycle enables the strategic planners know the factors that need to be considered in the formulation of an effective strategy.

Below is a diagram of a product life- cycle;



**Figure 2.7 The Product Life- Cycle**

**Source: (Available at [beasuccessfulentrepreneur.com](http://beasuccessfulentrepreneur.com))**

#### **2.11.4 FUNCTIONAL LEVEL STRATEGY**

Bennett (2002) states that, functional level strategies include marketing strategies, new product development strategies, human resource strategies, financial strategies, legal strategies, supply-chain strategies, and information technology management strategies among others. The emphasis is on short and medium term plans and is limited to the domain of each department's functional responsibility. Each functional department

attempts to do its part in meeting overall corporate objectives, and hence to some extent their strategies are derived from broader corporate strategies.

#### **2.11.5 OPERATIONAL LEVEL STRATEGY**

According to Bennett (2002), operational level strategy was encouraged by Peter Drucker in his theory of management by objectives (MBO). It is very narrow in focus and deals with day-to-day operational activities such as overtime and scheduling criteria. It must operate within a budget but is not at liberty to adjust or create that budget. Operational level strategies are informed by business level strategies which, in turn, are informed by corporate level strategies.

#### **2.12 TYPES OF CORPORATE DIRECTIONAL STRATEGY**

A corporation's directional strategy is composed of three general orientations (grand strategies), that is, **Growth Strategies** – which expands the company's activities; **Stability Strategies** - which makes no change to the company's current strategies; and **Retrenchment Strategies** – which reduces the company's level of activities.

Each of these three directional strategies has several more specific strategies as shown below:

## Three Grand Strategies

• GROWTH	• STABILITY	• RETRENCHMENT
<b>Concentration</b> Vertical Growth Horizontal Growth	Pause/Proceed with Caution No Change Profit	Turnaround Captive Company Sell-Out/Divestment Bankruptcy/Liquidation
<b>Diversification</b> Concentric Conglomerate		

Source: Thomas L. Wheelen and J. David Hunger (2006), *Strategic Management and Business Policy*

**Figure 2.8: Three Grand Strategies**

### 2.12.1 GROWTH STRATEGIES

Wheelen and Hunger (2004) mentioned that, Growth strategies are very essential mainly for two reasons:

1. Growth based on increasing market demand may mask flaws in a company – flaws that would be immediately evident in a stable or declining market.
2. A growing firm offers more opportunity for advancement, promotion, and interesting jobs. Growth itself is exciting and ego-enhancing to most Chief Executives. Moreover, large firms are difficult to acquire than small ones; thus executives' jobs in large firms tend to be more secured.

Wheelen and Hunger (2004), also postulates the following two basic growth strategies:

1. **Concentration:** - this involves the firm concentrating enough resources on its current product lines based on their growth potential. Concentration strategy may be vertical or horizontal. **Vertical growth** is achieved by taking over a function previously provided by a supplier or distributor. This may be done to reduce costs, gain control

over a scarce resource, guarantee quality of key inputs, or obtain access to potential customers. **Horizontal growth** is achieved when a firm expands its products into other geographical locations by increasing the range of products and services it offers to current markets.

2. **Diversification:** - when an industry consolidate and becomes mature, firms may have to diversify into different industries if they want to continue to grow.
3. The two diversification strategies are Concentric and Conglomerate. **Concentric diversification** involves growth in a related industry where the firm has a strong competitive position but the industry attractiveness is low.

**Conglomerate diversification** involves diversifying into unrelated industry. Risk Averse managers usually prefer this strategy especially when they can transfer their excellent management system into less well-managed acquired firm.

From international business perspective, corporations may also adopt any of the following entry strategies: franchising, joint ventures, acquisitions green-field development, management contracts, product sharing, and BOT-Concept (Build, Operate, and Transfer).

### 2.12.2 STABILITY STRATEGIES

According to Lynch (1997), corporations may choose stability over growth by continuing its current activities without any significant change in direction. These strategies are preferable in relatively predictable environment. They include: Pause / Proceed-with-caution strategy, No change strategy and Profit strategy. The **Pause/Proceed-with-caution Strategy** is an opportunity to rest before continuing a growth or retrenchment strategy. It is a deliberate attempt to make only incremental improvements until a particular situation changes.

The **No-Change Strategy** is a decision to do nothing new. It involves a choice to continue current operations and policies for the next foreseeable future. The **Profit Strategy** is a decision to do nothing new in a worsening situation but instead to act as though the company's problems are just temporal.

### 2.12.3 RETRENCHMENT STRATEGIES

Bennett (2002), states that, a company may pursue retrenchment strategies when it has a weak competitive position in some or all of its product lines, resulting in poor performance.

In an attempt to eliminate the weaknesses that are dragging the company down, management may follow one of several retrenchment strategies including: Turnaround strategy, Captive company strategy, Sell-out / Divestment strategy, Bankruptcy / liquidation strategy.

The **Turnaround Strategy** emphasizes the improvement of operational efficiency and is probably most appropriate when a corporation's problems are pervasive but not yet critical. Turnaround strategy may be in the form of **Contraction**, which involves an initial effort to "stop bleeding" with a general cutback in size and cost, or **Consolidation**, which implements a program to stabilize the corporation.

The **Captive Company Strategy** involves giving up independence in exchange for security. A company with a weak competitive position may not be able to engage in a full turnaround strategy.

The **Sell-out Strategy** involves selling the entire company to another firm. Managers must always ensure they obtain a good price for shareholders as well as guarantee employee's job security. **Divestment Strategy** in contrast, involves the firm selling off

division(s) with low growth potential. Whiles **Bankruptcy Strategy** involves giving up management of the firm to the courts in return for some settlement of the corporation's obligations; **Liquidation Strategy** is the complete termination of the firm and its activities.

### **2.13 CORPORATE STRATEGY FORMATION**

According to Johnson et al, (2008), corporate strategy formation involves a combination of three main processes which are as follows:

1. Performing a situation analysis, self-evaluation and competitor analysis: both internal and external; both micro-environmental and macro-environmental.
2. Defining overall organizational direction. This involves crafting vision statements (long term view of a possible future), mission statements (the role that the organization gives itself in society), overall corporate objectives (both financial and strategic), strategic business unit objectives (both financial and strategic), and tactical objectives.
3. Developing a strategic plan in the light of the overall organizational direction. The plan provides the details of how to achieve the objectives.

### **2.14 STRATEGY IMPLEMENTATION AND EXECUTION**

Strategy implementation according to Thompson and Strickland (2003) concerns the managerial exercise of putting a freshly chosen strategy into place, whiles strategy execution deals with the managerial exercise of supervising the ongoing pursuit of strategy, making it work, improving the competence with which it is executed, and showing measurable progress in achieving the targeted results.

Managing the strategy execution process as indicated by Thompson and Strickland is primarily a hands-on, close-to the scene administrative task that includes the following principal aspects:

1. Building an organization capable of carrying out the strategy successfully;
2. Allocating company resources so that organizational units charged with performing strategy-critical activities and implementing new strategic initiatives have sufficient people and funds to do their work successfully;
3. Establishing strategy-supportive policies and operating procedures;
4. Motivating people in ways that induce them to pursue the target objectives energetically and, if need be, modifying their duties and job behavior to better fit the strategy requirements of successful execution;
5. Tying the reward structure to the achievement of targeted results;
6. Creating a company culture and work climate conducive to successful strategy implementation and execution;
7. Installing information, communication, and operating a system that enable company personnel to carry out their strategic roles effectively day in, day out;
8. Instituting best practices and programs for continuous improvement and;
9. Exerting the internal leadership needed to drive implementation forward and to keep improving on how the strategy is being executed.

## **2.15 CORPORATE STRATEGY EVALUATION**

Johnson et al (2008) also stated that, corporate strategy can be evaluated based on the following three key success criteria:

**Suitability:** which deals with the overall rationale of the strategy? The key point to consider is whether the strategy would address the key strategic issues underlined by the organization's strategic position. Tools that can be used to evaluate suitability include:

- Ranking strategic options
- Decision trees

**Feasibility:** which is concerned with whether the resources required to implement the strategy are available, can be developed or obtained. Resources include funding, people, time and information. Tools that can be used to evaluate feasibility include:

- Cash flow analysis and forecasting
- Break-even analysis
- Resource deployment analysis

**Acceptability:** which is concerned with the expectations of the identified stakeholders (mainly shareholders, employees and customers) with the expected performance outcomes, which can be returns, risk and stakeholder reactions. **Returns,** deals with the benefits expected by the stakeholders; **Risk,** deals with the probability and consequences of failure of a strategy (financial and non-financial); and **Stakeholder Reactions,** involves anticipating the likely reaction of stakeholders.

## 2.16 THE FACTORS THAT SHAPE A COMPANY'S STRATEGY

Many situational considerations enter into crafting strategy. Thompson and Strickland (2003) identified the following factors that can shape a company's strategy crafting;

1. **Societal, Political, Regulatory, and Citizenship considerations:** All organizations operate within the broader community of society. What an enterprise can and cannot do strategy wise is always constrained by what is legal, by what complies with government policies, and regulatory requirements, by what is considered ethical, and by what is in accord with societal expectations and standard of good community citizenship.

2. **Competitive Conditions and Overall Industry Attractiveness:** An industry's competitive conditions and overall attractiveness are big strategy-determining factors. A company's strategy has to be tailored to the nature and mix of competitive factors in play- price, product quality, performance features, service, warranties, and so on.
3. **The Company's Market Opportunities and External Threats:** The particular business opportunities open to a company and the threatening external developments that it faces are key influences on strategy. Both point to the need for strategic action. A company's strategy needs to be deliberately aimed at capturing its best growth opportunities, especially the ones that hold the most promise for building sustainable competitive advantage and enhancing profitability.
4. **Company Resource Strengths, Competences, and Competitive Capabilities:** One of the most pivotal strategy-shaping internal considerations is whether a company has or can acquire the resources, competencies, and capabilities needed to execute a strategy proficiently. These are the factors that can enable an enterprise to capitalize on a particular opportunity, give the firm a competitive edge in the market place, and become a cornerstone of the enterprise's strategy.
5. **The Personal Ambitions, Business Philosophies, and Ethical Beliefs of Managers:** Managers do not dispassionately assess what strategic course to steer. Their choices are typically influenced by their own vision of how to compete and how to position the enterprise and by what image and standing they want the company to have. Both casual observation and formal studies indicate that manager' ambitions, values, business philosophies, attitudes towards work, and ethical beliefs have important influences on strategy.

**6. The Influence of Shared Values and Company Culture on Strategy:** An organization's policies, practices, philosophical beliefs, and ways of doing things combine to create a distinctive culture. Typically, the stronger a company's culture, the more that culture is likely to shape the company's strategic actions, sometimes even dominating the choice of strategic moves. This is because culture-related values and beliefs are so embedded in management's strategic thinking and action that they condition how the enterprise does business and responds to external events. Such firms have a culture-driven bias about how to handle strategic issues and what kinds of strategic moves it will consider or reject.

## **2.17 IMPACT OF STRATEGIC PLANNING ON ORGANIZATIONAL GROWTH: A CRITIQUE**

During the period between 1960 and early 1970, a number of researchers set out to investigate whether or not planning pays. Most of the studies were conducted in the United States of America (USA) using a sample of American companies. Indeed, strategies of organizations at the time were merely mathematical computations of past performance. However, factors such as deregulation, increasing technological change and globalization made meaningless this approach to long-range planning. Organizations were therefore compelled to put in place a systematic approach of proactively dealing with environmental threat and opportunities as related to organizations weaknesses and strengths. Thus organizations recognized the importance of strategic thinking and planning (Hart, et al, 1994:251-269).

There is a growing body of literature examining the impact of formal strategic planning on the financial performance of small firms (e.g. Robinson, et al, 1989). There are also numerous fields of study examining the impact of various forms of strategic and

operational planning activities on a variety of financial performance measures for both large and small firms (Robinson, et al, 1994). Researchers who have undertaken these studies, especially those of small firms, have drawn conflicting conclusions: some claim that formal strategic planning provides structure for decision making, helping small business managers take a long-term view, and in general, benefit small firms; others conclude that formal strategic planning has no potential payoff for small firms because it is a heady, high-level, conceptual activity suited solely to large firms and therefore has no effect on the financial performances of small firms. This controversy is interesting and there is much to be gained from it.

Ansoff and his colleagues (Ansoff, et al, 1970) published a study of 93 manufacturing firms in the United States of America. In the study, it was realized that firms engaging in acquisition activity in a “systematic Planned” way achieved high performance and growth.

In 1975, Malik and Karger also undertook a study on the relationship between strategic planning and business growth on sampled American firms and came to the conclusion that, there is a favorable relationship.

In a 1986 study of small firms in a ‘stable, mature environment,’ Bracker and Pearceon found that higher growth performance (in terms of sales volumes and return on equity) was associated with those firms that had a strategic plan.

Rule (1987), a Canadian consultant, carried out a study and found that the self-rated effective planners earned a higher return on equity. Invariably, Rule argued that strategic planning is a vital framework for enhancing organizational performance and future growth.

In 1988, an article by Bracker et al about “planning process sophistication” and performance of small firms in a growth industry claimed to support the results of previous research that “opportunistic entrepreneurs who employ structured strategic planning processes may be better prepared to develop a framework for anticipating and coping with change”.

In a similar vein, Greenley (1989) conducted a review of nine previous studies on manufacturing firms in the USA and UK. One of the studies Greenley reviewed was conducted by Karger and Malik. The study involved a sample of nine companies; they compared those companies that were ‘planners’ with a pair of ‘non-planners. The comparisons were made on the basis of variables such as sales volumes, sales per shares, earning per share, and net income. Greenley’s finding was that, firms that had a formalized strategic plan performed better than those without strategic plan.

Gomer (1976), a Swedish, who was particularly interested in the role of planning system in response to the energy crisis in 1973-and the drastic rise in oil prices due to the creation of the OPEC cartel, studied three firms in his country (one in insurance, a second diversified from a base in primary industry, and a third manufacturing equipment for mining and other industries). In the end, Gomer concluded that “formal planning lent some evaluative support to problem-solving activities related to crisis, but did not provide ‘early warning’ or otherwise, make the organization more sensitive to environmental changes”.

Javidan (1985) also surveyed managers of fifteen firms on how satisfied they were with the performance of their planning staff. “Not Very” was the short answer. None considered them “very successful,” but a few Chief Executives considered them “some

what successful.” Many of the respondents considered planning to have a “negative effect” on firm’s strategic decisions and on its managerial innovativeness.

In an article The Economist (1987) Michael Porter commented that” the criticism of strategic planning was well deserved. Strategic planning in most organizations has not contributed to strategic thinking.” His solution: planning needs to be rethought.”

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## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.0 INTRODUCTION**

The purpose of this chapter is to describe the methodology or procedure that was used in the study. The chapter consists of the following: the sources of data for the study, sample methods, sample population, data analysis and measurement of the study. The limitations or constraints of the research methodology are also outlined.

#### **3.1 RESEARCH SCOPE**

The proposed area of study is the Ghana Shippers' Authority and within the scope of strategic planning and its relevance on organizational growth.

#### **3.2 RESEARCH DESIGN**

In this research a single approach was used, that was the survey research which is one of the most common types of quantitative in social science research. Survey research is a method used to obtain information needed by giving out questionnaires to the related population.

#### **3.3 POPULATION AND SAMPLE SIZE**

The staff of Ghana Shippers' Authority in the Head Office (Accra) and Tema, constituted a population of eighty-five (85). This excluded temporary and contract staff. A sample of 50 personnel which constituted 59% of the population was selected at random and this constituted the sample size of the study.

The break-down is as follows:

- Management staff      5

- Senior staff                    20
- Other Officers                 25

Indeed, all 50 were effectively reached and used for the study. The number however represents 100% coverage which was very impressive. In designing the study, a purposive sampling was also adopted to select some management staff because of the critical role they play in the formulation and implementation of the strategic plan. A purposive sampling is a sample selected in a deliberative and non-random fashion to achieve a certain goal.

### **3.4 SAMPLING TECHNIQUE**

The sample size for the study was 50 and the researcher employed a simple random sampling and purposive sampling techniques. The choice of the simple random sampling technique was to ensure that staff of Ghana Shippers' Authority across all units, or departments had equal chance of being part of the study while purposive sampling was used to select some management staff because of the important role they play in strategy formulation. Purposive sampling is a sample selected in a deliberate fashion to achieve a certain goal.

### **3.5 DATA GATHERING INSTRUMENTS**

To achieve the objective of the study, a structured questionnaire was used as the instrument for data collection. For easy understanding and reading, the questionnaire was divided into three parts. The first part of questionnaire took into consideration the demographic data of respondents. The second part of the questionnaire looked at background and practice of strategic planning in the Ghana Shippers' Authority. The third part looked at the relevance of strategic planning on organizational growth in public organizations. The instrument contained 20 questions. Fifty sets of questionnaire were distributed to all

50 respondents. The items in the questionnaire contained ‘Yes’ or ‘No’ questions making it easier for respondents to understand and answer. Besides, it facilitated the interpretation of data.

### **3.6 SOURCES OF DATA**

The study collected data from both primary and secondary sources.

#### **3.6.1 PRIMARY DATA**

Primary data were collected through the distribution of questionnaire to (50) staff of Ghana Shippers’ Authority.

#### **3.6.2 SECONDARY SOURCES**

Secondary sources of information were collected from various Journals on Strategic Planning, Strategic Management and Corporate Strategy. Some relevant handouts and course books were also consulted as well as Journals of the Ghana Shippers’ Authority and its official website. The various sources of materials for the study have been cited in the bibliography.

### **3.7 ANALYSIS AND PRESENTATION OF DATA**

Data for the analysis was extracted from the field survey. Each specific statement on the questionnaire was scored. Simple statistical methods like the frequency distribution table, and charts were used to analyze each statement. After determining the absolute figure for the various responses, percentage scores were also determined for each statement.

### **3.8 LIMITATION OF METHODOLOGY**

The study was restricted to staff of the Ghana Shippers’ Authority. The study was constrained by some major challenges. One challenge the researcher encountered was the slow rate of response from a few respondents who during the period were in the field for

other official assignments, while some were on leave. Indeed, another major challenge encountered in this study was the need to obtain a balance between the triple constraints of work demands; preparation for exam; and conducting the study. These constraints notwithstanding, the study was successfully conducted.

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## **CHAPTER FOUR**

### **ANALYSIS AND DISCUSSION OF DATA**

#### **4.0 INTRODUCTION**

This chapter discusses the results of the structured questionnaire responded to by the 50 member sample size from Ghana Shippers' Authority. It presents details of the data collected from the study as well as the relevant discussion thereon. The data is categorized under three constructs: the demographic characteristics of respondents; strategic planning in Ghana Shippers' Authority; and assessment of the relevance of strategic planning in the Ghana Shippers' Authority. After presenting the tables and graphs on the responses, a brief interpretation or discussion is provided to facilitate an understanding of the data.

#### **4.1 DEMOGRAPHIC CHARACTERISTICS OF RESPONDENTS**

This is concerned with characteristics of respondents. It covers areas such as sex, level of education, current department and current position. The tables below illustrate the demographic characteristics of respondents:

##### **4.1.1 GENDER OF RESPONDENTS**

Table 4.1 below, shows the sex composition of respondents. Of the 50 respondents, 37 or (74%) were male, while 13 or (26%) were female.

From the foregoing, the gender composition of the sample is somewhat balanced. Though dominated by male, who constituted over 74% of the sample, a substantial number of female were also included. This however reflects the proportion of females in Ghana Shippers' Authority.

**Table 4.1: Sex Composition of Respondents**

Sex	Frequencies	
	Absolute	Percentage (%)
Male	37	74
Female	13	26
<b>TOTAL</b>	<b>50</b>	<b>100%</b>

**Source: Field Research, April 2012**

#### **4.1.2 EDUCATIONAL LEVEL OF RESPONDENTS**

Table 4.2 below shows the educational levels of respondents. Out of the total of 50 respondents, none had qualification below first degree. However, 38 or (76%) had first degrees, while 12 or (24%) had higher degrees. From the data over 70% of the respondents had a minimum of First Degree. This clearly demonstrates that the Ghana Shippers' Authority has highly qualified and educated personnel which greatly impacted on the study. In a study of this nature, especially with respect to strategic planning, a certain level of thinking is required from respondents. To this end, the respondents' level of education was quite useful.

**Table 4.2: Educational Level of Respondents**

Educational Level	Frequencies	
	Absolute	Percentage (%)
Pre-University Studies	0	0
Diploma	0	0
First Degree	38	76
Higher Degree	12	24
<b>TOTAL</b>	<b>50</b>	<b>100%</b>

**Source: Field Research, April 2012**

#### **4.1.3 DEPARTMENTS OF RESPONDENTS**

Table 4.3 below, provides details about departmental distribution of respondents. The departmental composition of respondents is outlined as follows: 8 or (16%) were from Human Resource and Administration; 3 or (6%) from Legal; 4 or (8%) from Audit; 5 or (10%) from MIS; 7 or (14%) from Shipper Services; 6 or (12%) from Finance; 6 or (12%) from Freight and Logistics; 4 or (8%) from Public Relation and 7 or (14%) from Research and Development.

All the departments of Ghana Shippers' Authority were fairly represented in the sample. The fair representation from all the departments was relevant because there was always the need to consider a wide range of opinions across all organizational units and members in order to make effective decisions and judgement.

Moreover, the sampling technique used was meant to guarantee equal chance of inclusion to all members across all units or departments.

**Table 4.3: Departmental Distribution of Respondents**

Department	Frequencies	
	Absolute	Percentage (%)
HR/Administration	8	16
Legal	3	6
Audit	4	8
MIS	5	10
Shipper Services	7	14
Finance/Accounts	6	12
Freight & Logistics	6	12
Public Relation	4	8
Research & Development	7	14
<b>TOTAL</b>	<b>50</b>	<b>100</b>

**Source: Field Research, April 2012**

#### **4.1.4 CURRENT POSITIONS OF RESPONDENTS**

Following is Table 4.4, which shows details about respondents' current positions. 5 or (10%) were Management Staff; 20 or (40%) were Senior Officers; and 25 or (50%) were Other Officers.

**Table 4.4: Data on Respondents Current Position**

Current Position	Frequencies	
	Absolute	Percentage (%)
Management	5	10
Senior Officers	20	40
Other Officers	25	50
<b>TOTAL</b>	<b>50</b>	<b>100%</b>

**Source: Field Research, April 2012**

From the above, 40% of the respondents were Senior Level Staff; while 50% were Other Staff, comprising Assistant Officers. These two categories of staffs were quite relevant to the study particularly because of their peculiar roles in strategy formulation and implementation.

The 10% of management staff who were captured in the sample was quite relevant since they constitute the policy formulators of the organization. Their peculiar role in leading the strategy formulation impacts the implementation process as they also supervise that process.

#### **4.2 STRATEGIC PLANNING IN GHANA SHIPPERS' AUTHORITY**

This sub-section presents data on the practice of strategic planning in Ghana Shippers' Authority. Specific questions asked included whether strategic planning was relevant in Ghana Shippers' Authority; whether formulation and implementation of strategic plans was effective in Ghana Shippers' Authority; whether the Ghana Shippers' Authority had a strategic plan and if so, whether staff had access or copies of the Authority's strategic

plan document, and the challenges in the implementation of strategic plans in the Ghana Shippers' Authority.

#### 4.2.1 Response to whether the Ghana Shippers' Authority has a strategic plan

Table 4.5 below shows response to whether the Ghana Shippers' Authority has a Strategic plan. From the table, all 50 respondents representing 100% agreed that the Ghana Shippers' Authority had a Strategic Plan. The Ghana Shippers' Authority does strategic planning and currently has in place a 5 year strategic plan for the period 2009-2013.

**Table 4.5: Response to whether the Ghana Shippers' Authority has a strategic plan**

Response	Frequencies	
	Absolute	Percentage (%)
YES	50	100
NO	0	0
<b>TOTAL</b>	<b>50</b>	<b>100%</b>

Source: Field Research, April 2012

#### 4.2.2 Response to the relevance of strategic planning to Ghana Shippers' Authority

Table 4.6 below, illustrates responses regarding the relevance of Strategic Planning in Ghana Shippers' Authority. All 50 respondents, representing a 100% response, affirmed that strategic planning was relevant in Ghana Shippers' Authority. The result from the table indicates that all the respondents were conversant with the concept of Strategic Planning and its relevance to organizations especially public organizations. The plan of the Authority for example outlines the goals and objectives to be achieved within a period. By the end of the planning period, these objectives had been achieved in accordance with the plan. That is the construction of warehouses at prime locations in

Tema and Takoradi harbours to be rented to companies engaged in the oil and gas industry were executed. This provided quality warehousing services through the provision of cargo handling and haulage services to facilitate movement of goods and reduce congestion. Under the guide of the plan implementation of the Cargo Tracking Note (CTN) system in Ghana to improve the ability to monitor the flow of goods to and from the ports and create a more efficient system, was completely achieved. This saves time and cost while improving the quality of cargo handling and checking on illegal smuggling of goods. Under the plan a MOBISHIP facility which enables importers to access ship arrival dates on their mobile phones, was introduced to improve on service delivery to shippers and importers. This has increased its revenue.

**Table 4.6: Response to the relevance of strategic planning in the Ghana Shippers' Authority**

Response	Frequencies	
	Absolute	Percentage (%)
YES	50	100
NO	0	0
<b>TOTAL</b>	<b>50</b>	<b>100%</b>

Source: Field Research, April 2012

#### **4.2.3 Response to whether staff had access to or copies of the strategic plan document**

From table 4.7 below, as much as 94% of the respondents affirmed that they had access and copies of the Authority's strategic plan document. Management of the Ghana Shippers' Authority recognizes that, allowing staff to have access to the Authority's Plan

document and having personal copies was relevant as it would serve as a guide and a reference material to all staff. This ensures commitment and motivation from staff in the plan implementation.

**Table 4.7: Response to whether staff had access or copies of the Authority’s strategic plan document**

Response	Frequencies	
	Absolute	Percentage (%)
YES	47	94
NO	3	6
<b>TOTAL</b>	<b>50</b>	<b>100%</b>

**Source: Field Research, April 2012**

#### **4.2.4 Response to whether the strategic plan of the Ghana Shippers’ Authority was effective**

Table 4.8 below shows that, all 50 or (100%) respondents answered ‘YES’ in response to whether the implementation of the Ghana Shippers’ Authority’s strategic plan was effective. The 100% affirmation indicates the Ghana Shippers’ Authority’s commitment to ensuring effective program implementation. The Authority through the implementation of its strategic plan was able to achieve its objectives of improving on its service delivery by avoiding delays. It increased its revenue mobilization, and improved on its monitoring of goods to and from the ports. The quality of cargo handling improved while smuggling has been reduced. The MOBISHIP facility in collaboration with Ghana Community Network (GCNet) which enables importers access ship arrival through phones to avoid delays and to reduce the time of service delivery. The construction of warehousing facilities at prime locations in Tema and Takoradi harbours been rented to companies

engaged in the oil and gas industry and importers to generate revenue, was completed under the plan. In addition the implementation of the Cargo Tracking Note (CTN) system in Ghana which has improved on the ability to monitor the flow of goods to and from the ports has created a more efficient system that saves time and cost while improving the quality of cargo handling. All these were concurrently achieved as a result of the formulation and implementation of the plan.

**Table 4.8: Response of staff opinion to whether Ghana Shippers' Authority's strategic plan was effective**

Response	Frequencies	
	Absolute	Percentage (%)
YES	50	100
NO	0	0
<b>TOTAL</b>	<b>50</b>	<b>100%</b>

Source: Field Research, April 2012

#### **4.2.5 Response to whether the Ghana Shippers' Authority has a strategic planning unit**

Table 4.9 below, presents details of responses to whether the Ghana Shippers' Authority had a Strategic Planning Unit. Interestingly, all 50 respondents, representing a 100% response indicated that the Ghana Shippers' Authority had no strategic planning unit.

All respondents were unanimous that a Strategic Planning Unit did not exist in the Ghana Shippers' Authority. This response is quite interesting because the custodianship of the organization's strategic plan is not really known. Management only sets up a strategic planning committee as and when necessary and dissolves it when the work is over. This

approach is a common phenomenon in most organizations where planning unit does not exist, but custodianship of the plan resides with senior management.

**Table 4.9: Response to whether Ghana Shippers' Authority had a strategic planning unit**

Response	Frequencies	
	Absolute	Percentage (%)
YES	0	0
NO	50	100
<b>TOTAL</b>	<b>50</b>	<b>100%</b>

Source: Field Research, April 2012

#### 4.2.6 Strategic planning process in Ghana Shippers' Authority:

The strategic planning process in the Ghana Shippers' Authority is not different from the general practice in other authoritative books. The following are the processes Ghana Shippers' Authority goes through in formulating its strategic plan;

- The board of directors identifies the strategic needs of the Ghana Shippers' Authority;
- The board selects a sub-committee together with the management team to identify relevant stakeholders;
- The committee collates the views of all stakeholders and compiles a draft strategic report;
- The entire board reviews the draft report and recommends relevant changes;
- The final draft is then compiled and submitted for the board's approval, after all relevant changes have been effected;

- The approved strategic plan (report) is then launched and followed by an orientation for all stakeholders.

These steps are quite consistent with the general practice in most organizations. The interesting aspect of the process is that it starts with a need identification, which emphasizes the reasons behind undertaking such a project. The process also ends with a comprehensive document that shows the desired direction of Ghana Shippers' Authority and how it hopes to achieve it.

#### **4.2.7 Response to the challenges in the implementation of strategic plans in the Ghana Shippers' Authority.**

Regarding the question on the challenges faced by the Ghana Shippers' Authority in implementing its strategic plans, the following were some of the challenges identified;

- (i) Inadequate funding for the implementation of strategic plans as a result of incessant draw downs and Government interference in the Authority's finances;
- (ii) Short age of skilled staff in some specialized areas. (agencies are not allowed to recruit unless they get special permits from treasury);
- (iii) Long process of approval of plans and programs which results in delays in implementation;
- (iv) Strict adherence to procurement act by regulating officials leading to delays and sometimes plans and programs not implemented;
- (v) Lack of commitment from some officials and sometimes from Board.

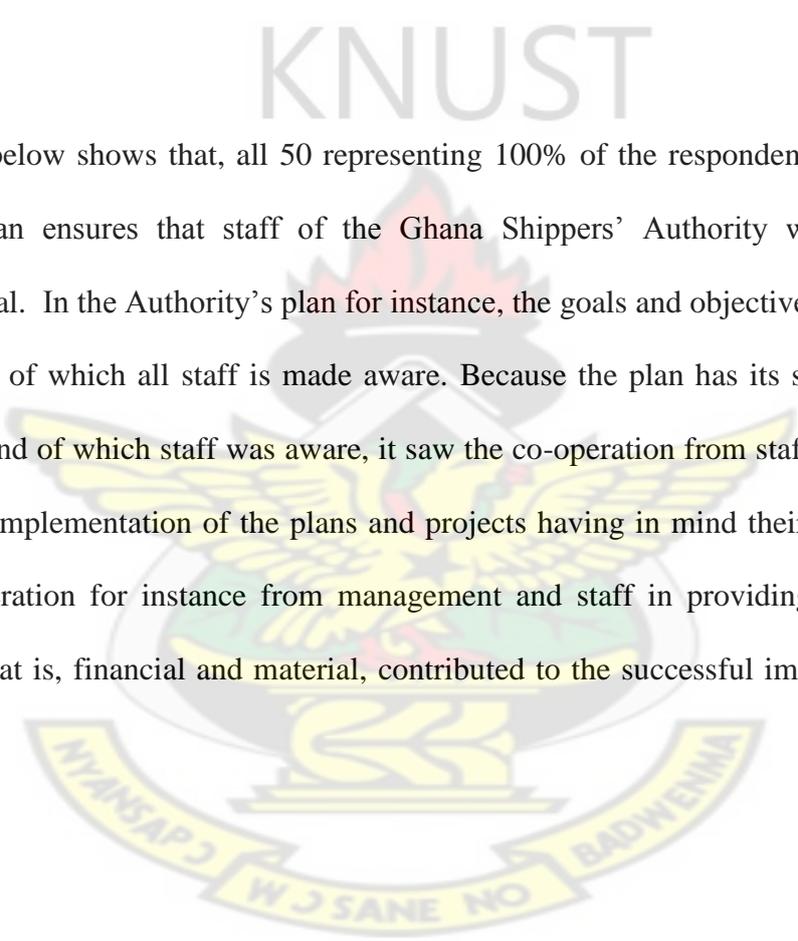
These challenges are not unique to the Ghana Shippers' Authority as Kessler and Kelley (2000) contend that implementing business strategy in the public sector is difficult and challenging. The challenges identified by Kessler and Kelley are not different from the challenges confronted by the Ghana Shippers' Authority.

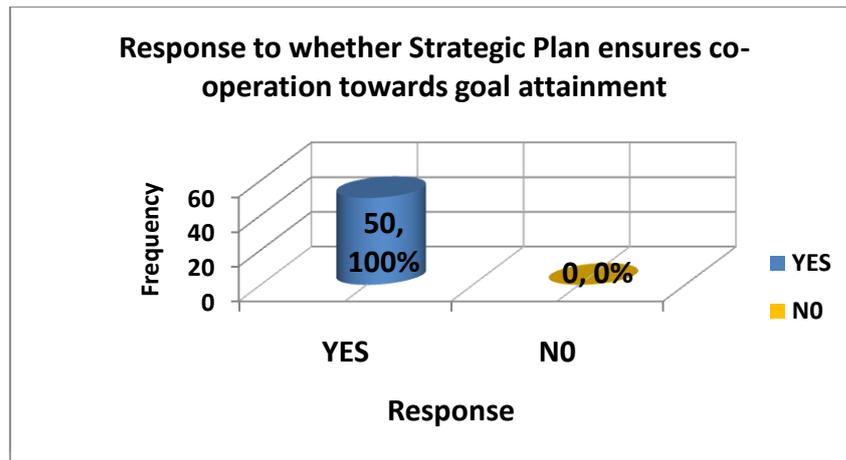
### **4.3 THE RELEVANCE OF STRATEGIC PLANNING IN THE GROWTH OF GHANA SHIPPERS' AUTHORITY**

This sub-section presents responses on the relevance of strategic planning in the growth of Ghana Shippers' Authority. Various charts were used in the illustrations as outlined below:

#### **4.3.1 Response to whether strategic plan ensures co-operation towards a common goal**

The chart below shows that, all 50 representing 100% of the respondents affirmed that strategic plan ensures that staff of the Ghana Shippers' Authority work towards a common goal. In the Authority's plan for instance, the goals and objectives for the period are outlined of which all staff is made aware. Because the plan has its stated goals and objectives and of which staff was aware, it saw the co-operation from staff as they rallied behind the implementation of the plans and projects having in mind their common goal. This co-operation for instance from management and staff in providing the necessary resources that is, financial and material, contributed to the successful implementation of the plan.



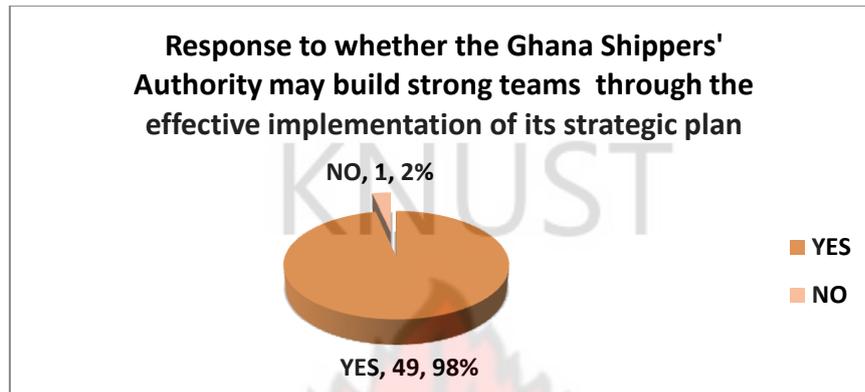


**Figure 4.1**  
**Source; Field Research, April 201**

**4.3.2 Response to whether strong teams can be built through the implementation of the Authority’s strategic plan:**

From the pie chart below, while 49 or 98% of the respondents affirmed that the Authority built strong teams through the implementation of its strategic plan, 1 or 2% disagreed. In order to ensure the achievement of their strategic objectives, the Ghana Shippers’ Authority put in place various teams including a monitoring and inspection team responsible for monitoring of the activities of shippers and importers and the movement of goods to and from the ports, in order to ensure safety and other regulatory compliance. They also monitor the operations of the Cargo Tracking Note (CTN) system, the warehousing facilities and the inspection and monitoring of contents in cargo to ensure that the appropriate revenues were paid. This however is done through the collaboration of other agencies like Ghana Maritime Authority, (GMA) Ghana Ports and Harbours Authority, (GPHA) Ghana Institute of Freight Forwarders (GIFF) which had been identified during the environmental scanning as the main collaborators of our operations. Indeed tasks and assignments are assigned to staff in teams, in line with the

strategic direction of the Authority's plan. The relevance of this response cannot be overemphasized as team building is a prerequisite to ensuring effective implementation of an organization's strategic plan.



**Figure 4.2**

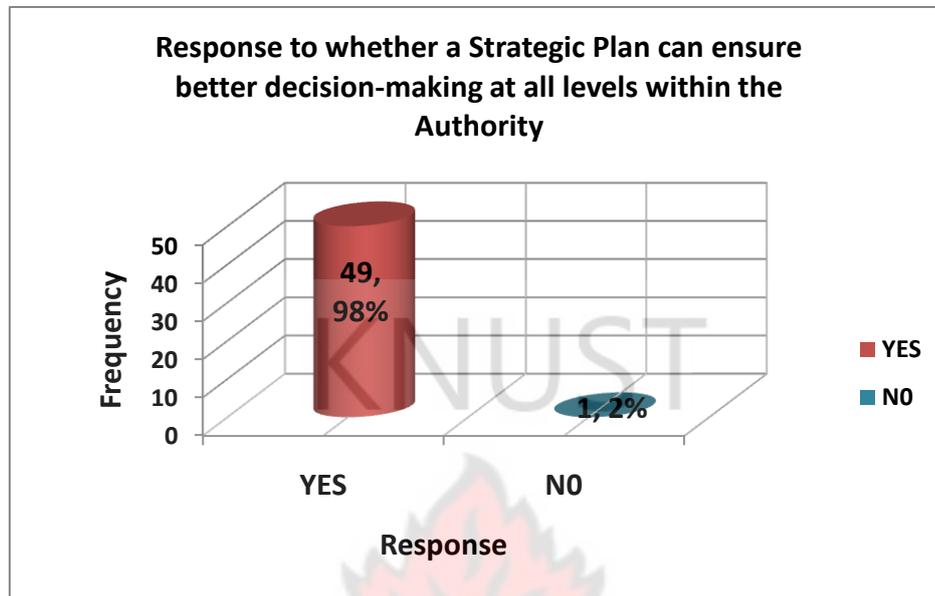
**Source: Field Research, April 2012**

#### **4.3.3 Response to whether through a strategic plan the Ghana Shippers' Authority can ensure better decision making at all levels within the Authority:**

The chart below shows that, 49 or 98% of respondents agree that public organizations can ensure better decision making through their strategic plan while 1 or 2% disagreed.

The overwhelming endorsement on the ability of a strategic plan to ensure better decision making also indicates the level of involvement of the staff of the Ghana Shippers' Authority in the implementation of the organization's strategic plan. The plan for instance has stated goals and objectives and a purpose and therefore guides management such that decisions at any level are not taken outside the focus of the plan. For instance management of the Ghana Shippers' Authority through its plan had taken some strategic

decisions which had benefited the Authority. For instance funds were sought and set aside for the programs and released at specified times for the plan implementation.



**Figure 4.3**

**Source: Field Research, April 2012**

**4.3.4 Response to whether effective communication may be derived through the implementation of the Authority’s strategic plan:**

The chart below shows that, 50 or 100% of respondents confirm that, effective communication can be derived through the implementation of an organization’s strategic plan whiles none disagreed.

All respondents indicated that a strategic plan enhances effective communication within the organization. The Authority’s plan document itself is a communication tool since it catalogues clearly what is to be done. Management uses it to explain or educate stakeholders about the Authority’s goals and objectives as well as its planned activities. Effective communication involves sending out the right information through the right medium at the right time and for the right purpose. This undoubtedly promotes effective

participation and co-operation during the implementation of the strategic plan. To this end, the respondents emphasized that, departmental responsibilities were clarified; periodic assessments were carried out; and relevant decisions were communicated.

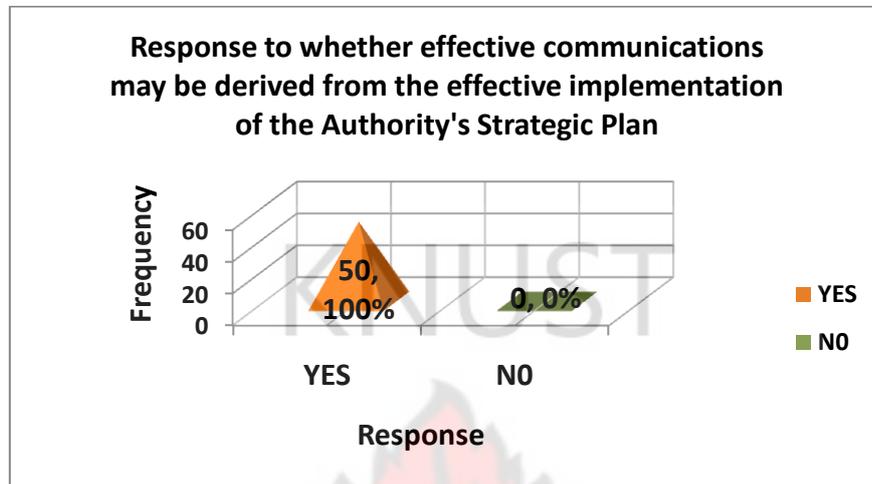


Figure 4.4

Source; Field Research, April 2012

#### 4.3.5 Response to whether respondents think strategic roles may be clarified through the strategic plan of the Authority:

The chart below shows that, 49 or 98% of the respondents agree that strategic roles can be clarified through the implementation of an organization’s strategic plan whiles 1 or 2% disagreed. Indeed, the action plan of the strategic plan clearly defines “who does what”, “at what time”, “at what cost” and “whom to report to”. For instance in designing and implementing the MOBISHIP facility and Cargo Tracking Note (CTN) system for the Authority, the task of designing the software was assigned to the Management Information System Department (MIS), who are IT oriented because the technology involved was IT based. The Research and Development Unit was responsible for providing the necessary data from their environmental scanning and relevant information

to support the MIS department. The plan for example spells out the roles of each department in the implementation of their projects. The MOBISHIP facility and the Cargo Tracking Note (CTN) system for example are being managed and operated by Management Information System (MIS) department with support from other staff, while the warehousing facilities are managed and operated under the Freight and Logistics Department.



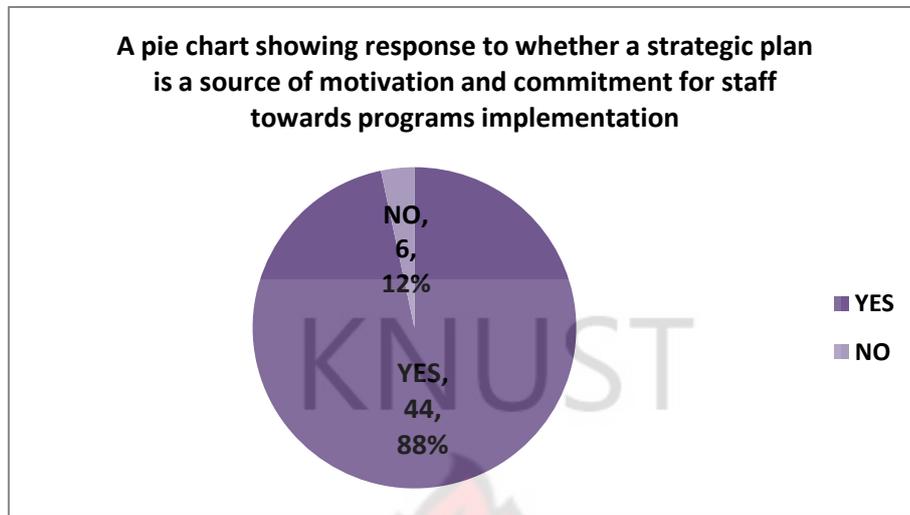
**Figure 4.5**

**Source: Field Research, April 2012**

**4.3.6 Response to whether a strategic plan is a source of motivation and commitment for staff towards programs implementation:**

The chart below shows that, as much as 44 or 88% of the respondents affirmed that, strategic plan is a source of motivation and commitment for staff towards the implementation of programs while 6 or 12% disagreed. Majority of the respondents affirmed that, the strategic plan document is a source of commitment and motivation for all the members of the organization because the plan has well outlined programs and projects of which staff is eager to be a part of the implementation and ensure its success. This response is a widely shared view in most of the literature as a number of authorities

have indicated that, if there is any document that generates excitement and commitment from organizational members, then it is a strategic plan of the organization.



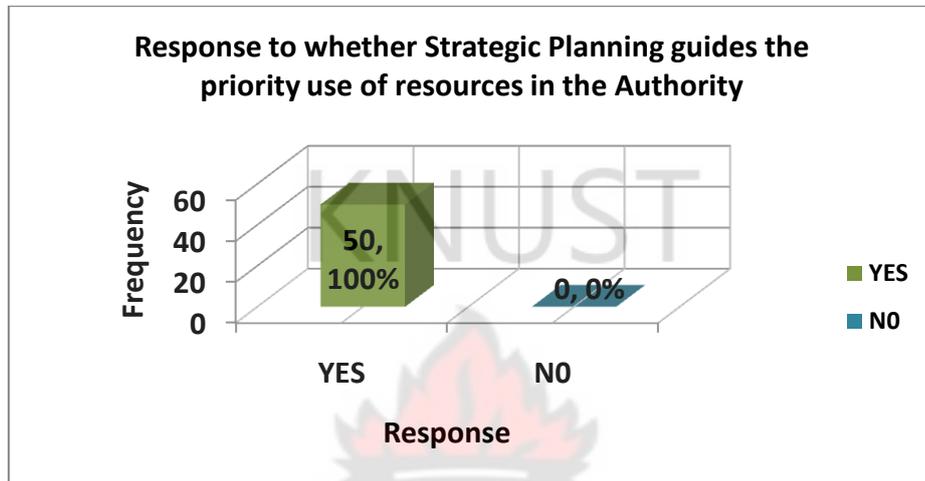
**Figure 4.6**

**Source: Field Research, April 2012**

#### **4.3.7 Response to whether strategic planning guides priority use of resources in the Ghana Shippers' Authority**

The chart below shows that, all 50 or 100% of respondents affirmed that, strategic planning guides priority use of resources in the Ghana Shippers' Authority, while none disagreed. Management understands that resources are scarce and limited. The plan allows for sound and pointed allocation of resources –human, financial and material. The priority of management was to ensure the effective implementation of the MOBISHIP facility, the Cargo Tracking Note (CTN) system and the construction of warehousing facilities. Management had to direct all resources and energies that are financial, logistics and human towards the implementation of the projects. The motivation was that, these projects would improve on the service quality of the Authority and thereby increase revenue. The monitoring and inspection team for example was effectively resourced with

vehicles, communication gadgets and well trained technical staff in line with the Authority’s strategic objective of ensuring safety and other regulatory compliance by vessels and freight forwarders. Indeed, material, financial and human resources are strategically matched in order to ensure effective implementation of the plan.



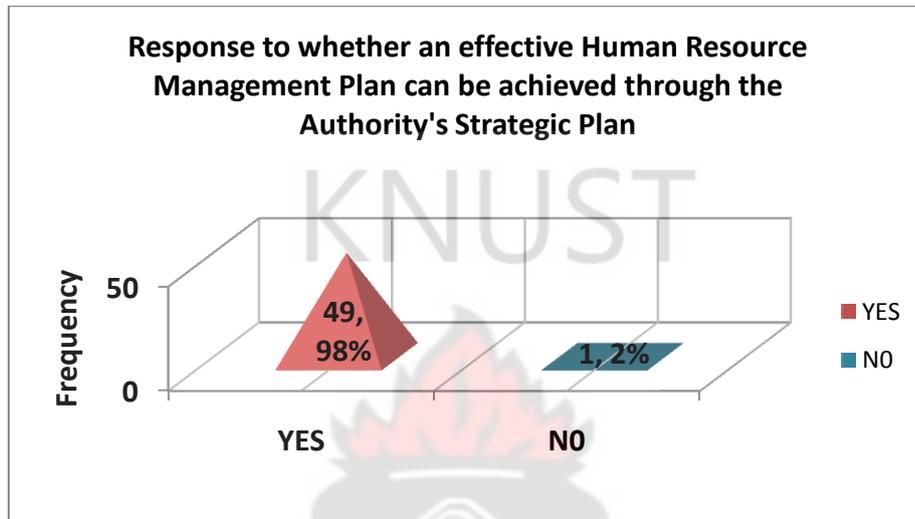
**Figure 4.7**

**Source: Field Research, April 2012**

**4.3.8 Response of respondents’ opinion to whether an effective Human Resource management can be achieved through the Authority’s strategic plan:**

The chart below shows that 49 or 98% of respondents affirmed that an effective human resource management can be achieved through the Authority’s strategic plan whiles 1 or 2% disagreed. The plan outlines the programs and projects to be implemented and specifically outlines the type and number of resources (human) required in accomplishing those projects. The implementation of new strategies and programs in the Ghana Shippers Authority called for new human resource management priorities and different utilization of personnel. Because of the cost and resources involved in hiring new personnel for new projects, and once the plan outlines the type of programs and projects to be implemented and in knowing the specific skills required, management of the Ghana Shippers’

Authority was able to plan and organize training and workshops for existing employees who needed to acquire new skills for the projects implementation. This in turn reduced the cost and time that would have been used in hiring new personnel to implement the projects.



**Figure 4.8**

**Source: Field Research, April 2012**

#### **4.3.9 Response to whether growth can be achieved through the implementation of the strategic plan of the Authority**

Figure 4.9 below shows response on whether growth can be achieved through the implementation of the Authority's strategic plan.

Overall, all 50 or 100% of the respondents have affirmed that in doing and implementing the strategic plan the Authority can attain growth in a planned and easy way. During the environmental scanning stage in the planning process, management of the Authority identified delays and long processes in service delivery as hampering its revenue generation, inefficient monitoring of goods to and from the ports leading to high rate of smuggling and careless handling of cargo and challenges faced by importers and shippers

in storing their goods. As a result of these, and through its strategic plan the Ghana Shippers' Authority has been able deal with these challenges by implementing the following projects; implementation of the MOBISHIP facility and in collaboration with the Ghana Community Network (GCNet) have introduced online facilities which now enables importers to access the arrival dates of their cargo either by sea, rail, road, or air. The GCNet facility for example now links the major players in the clearing process and now enables quick processing of all clearance documentation online to facilitate clearance of goods from ports. Importers no longer need to walk into the offices of the Authority to make enquiries of their cargo, but can now do that on their mobile phones through the MOBISHIP facility. Clients can now clear their goods in a matter of two working days instead of weeks or a month as it was previously. These facilities have also increased the speed and transparency in the clearing process and now ensure that the right revenues accruing to the Authority and Government are realized. The Authority again through its strategic plan has constructed six large warehouses at prime locations at the Tema and Takoradi harbours to provide warehousing facilities to shippers. This has helped reduced the congestions in the ports as well as a source of revenue mobilization for the Authority. The Authority has also through its strategic plan implemented the Cargo Tracking Note (CTN) system which has now improved the ability to monitor the flow of goods to and from the ports and have created a more efficient system that saves time and cost whiles improving the quality of cargo handling. The resulting growth comes in greater transaction per day, reduction in losses, increase in revenue generation and increase in customer satisfaction.

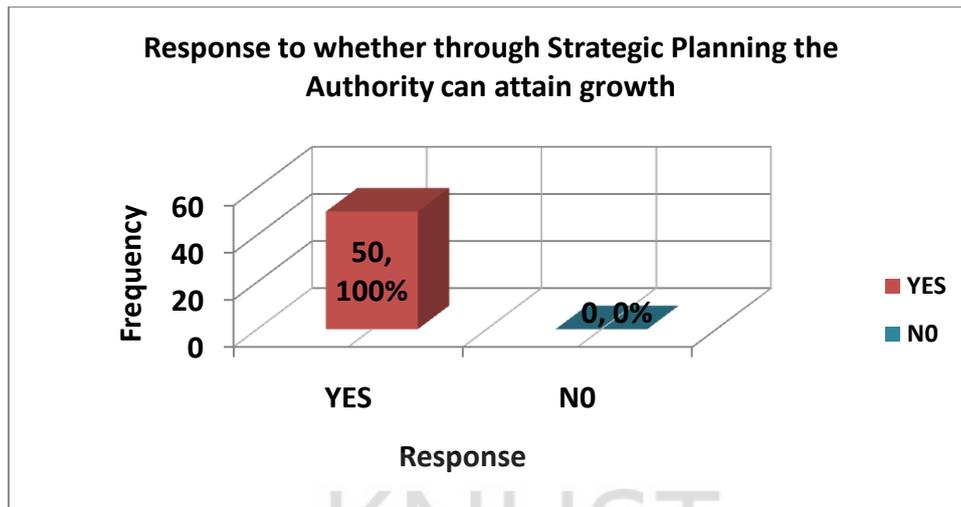


Figure 4.9

Source: Field Research, April 2012

#### 4.4 TOTAL RESPONSE AND NON-RESPONSE RATE

The response or non-response rate in the field survey is expressed in table 4.12 below. All 50 set of questionnaires were retrieved giving a response rate of 100%. This is very impressive considering the busy schedules of most management staff at the time of the study. This therefore demonstrates a high level of commitment and importance the staff of Ghana Shippers' Authority associated with the study.

Table 4.12: Response and Non-Response Rate

Response and Non-Response Rate	Frequencies	
	Absolute	Percentage (%)
Response	50	100
Non-Response	0	0
<b>TOTAL</b>	<b>50</b>	<b>100%</b>

Source: Field Research, April 2012

## **CHAPTER FIVE**

### **FINDINGS, CONCLUSION AND RECOMMENDATIONS**

#### **5.0 INTRODUCTION**

This chapter outlines the findings of the study, draws conclusions and made recommendations for future research.

#### **5.1 SUMMARY OF FINDINGS**

After a thorough study of the operations of the Ghana Shippers' Authority, the following findings were made that;

In the country organizations in the public sector have seen the need to formulate and implement strategic plans. The process of formulation and implementation of strategic plans is similar to the existing process of setting objectives, scanning, selecting strategies, implementation and evaluation.

The study revealed that highly qualified staff makes it easier for the formulation and implementation of strategic plan and demands commitment and sacrifices from management and staff. The involvement of staff facilitates easy implementation of the plan. Success requires senior management sincerity, support, and involvement. Without these critical ingredients, goals and objectives are unlikely to be achieved.

Public organizations face challenges in the implementation of their strategic plans due to the long processes of approval, release of funds, shortage of skilled staff in specialized areas, and lack of commitment from officials, strict adherence to procurement processes leading to delays in implementation.

Strategic plan serves as a rallying point for all staff and a common guide for the achievement of goals. It ensures that all the different units of the organization work together towards achieving the same goal. Without a strategic plan the organic units of the organization will slew off track and strategic planning therefore provides an integrative mechanism for all organizational units to work together.

Strategic plans involve allocation of resources and occur at all levels of the organization. Thus it ensures the most effective use is made of the organization's resources by focusing the resources on the key priorities.

Clarifies the ways of doing things in the organization and provides a common focus. An organization is able to have a sense of direction or 'road map' that enables it to see where it is going and where the future will lead it.

Overall Strategic planning gives an organization competitive advantage. Organizations operate in constantly changing and competitive markets and in planning strategically management can periodically appraise the competitive position of the organization compelling them to be more proactive and conscious of the environment in which their organizations are operating.

These findings are in tandem with the aims of strategic planning identified by Koteen (1989) "that Strategic planning provide strategic direction, guide priority use of resources, set standard of excellence, enables organization to cope with environmental uncertainty and change, and provide objective basis for control and evaluation".

## 5.2 CONCLUSION

The study was conducted with the intention of assessing the relevance of strategic planning on organizational growth in the public sector and the main focus was the Ghana Shippers' Authority. This was done through the administration of questionnaire to sampled staff of the Ghana Shippers' Authority.

What emerges from the findings is that public organizations have realized the need to adopt the ideas of corporate-style or private sector management practices in their operations. One conclusion that can be drawn from the findings of the study is that, the strategic management or planning approaches adopted by public organizations regarding strategic planning formulation processes and implementation approaches are not different from the general practices in corporate or private sector. The variations probably may be in the challenges public organizations face due to inadequate funds to implement strategies, long processes of approval as well as delays in implementation due to strict adherence to procurement processes.

The overriding conclusion is that, Strategic Planning is relevant and positively impacts on the growth of organizations in the public sector. The relevance of strategic planning on the growth of an organization in this regard includes ensures co-operation towards a common goal; build strong teams; make better decisions; ensures effective communication; clarifies strategic roles especially during implementation; a source of motivation and commitment for organization members; priority use of resources; ensuring an effective human resource management; and overall, ensures growth of the organization. This supports the assertion by authors like Gladwell and others that, "Doing strategic planning has become accepted practice and indeed when done well, is an intelligent practice".

In conducting this study, the researcher also observed that respondents were quite enthusiastic as they participated in the study. For most of them, it was an opportunity to take stock of what they have been involved in over the period.

Indeed, the major challenge encountered in this study was the need to obtain a balance between the triple constraints of work demands; preparation for exam; and conducting the study. These constraints notwithstanding, the study was successfully carried-out.

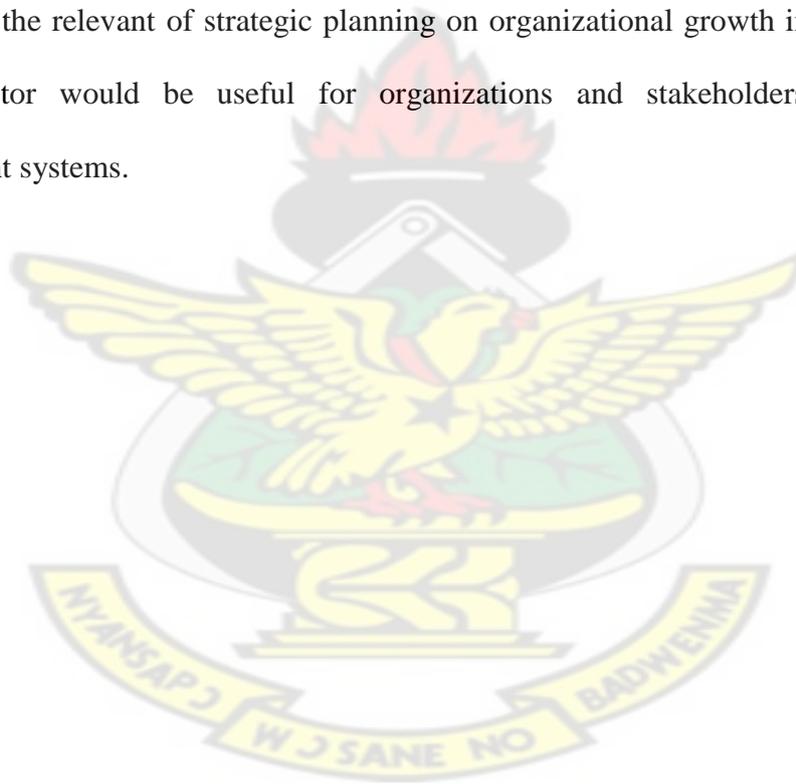
### 5.3 RECOMMENDATIONS

In view of the findings from the study, the following recommendations are made for the consideration of the Ghana Shippers' Authority and other stakeholders:

- 1) All public sector organizations must adopt the culture of strategically planning their operations.
- 2) The Government and for that matter the governing authority should be part of the exercise and ensure timely approval and release of resources for the formulation and implementation of strategic plans.
- 3) In drawing plans, firms must adopt both the bottom-up and top-down approaches for effective formulation of the plan.
- 4) Staff must be well equipped to participate in the planning exercise.
- 5) All objectives must live up to its acronym SMART (Specific, Measurable, Achievable, Realistic and Timely), so that the exercise would be fruitful.
- 6) The implementation of strategic plans must be well monitored to ensure adherence to set of systems and procedures.
- 7) All staff must be made to focus on plan principles.

#### **5.4 DIRECTIONS FOR FUTURE RESEARCH**

Many recommendations could be made for future research relating to the relevance of strategic planning on organizational growth in the public and private organizations. Different organizations adopt different approaches or tactics in their strategic planning processes and many researchers have based their studies on the relevance of strategic planning on organizational growth in the public or private sector and not based on comparative studies. There is the need to compare the approaches and tactics adopted by different organizations in the public and private sectors and therefore, a comparative research of the relevant of strategic planning on organizational growth in the public and private sector would be useful for organizations and stakeholders implementing management systems.



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# KNUST



**APPENDIX 1: SURVEY QUESTIONNAIRE**

**RESEARCH QUESTIONNAIRE**

**TOPIC: THE RELEVANCE OF STRATEGIC PLANNING ON ORGANIZATION  
GROWTH IN THE PUBLIC SECTOR**

**A CASE STUDY OF THE GHANA SHIPPERS' AUTHORITY (GSA)**

**PART 1: DEMOGRAPHIC DATA (Tick Appropriately)**

1. Sex:  M  F
2. What is your level of Education? a. Pre-university  b. Diploma  c. Degree  d. Higher Degree (Postgraduate/Master's/PhD)
3. What department do you work in? .....
4. What is your current position or level? a. Director  b. Deputy Director   
c. Manager  d. senior officer   
d. Other (specify).....

**PART II: STRATEGIC PLANNING IN YOUR ORGANISATION**

1. Does the Ghana Shippers' Authority have a strategic plan? YES  NO

**NOTE :( If your answer is YES, then answer the following questions)**

2. Do you think strategic planning is relevant in public organizations? YES  NO
3. Do you have access to or copies of the Authority's strategic plan document? YES   
NO
4. Do you think strategic planning is effective in the Ghana Shippers' Authority? YES   
NO

5. Does the Ghana Shippers' Authority have a strategic planning unit?

YES  NO

6. What is the planning process in your organization? Briefly indicate below.

.....  
.....  
.....  
.....

7. What are some of the challenges faced by the Authority in implementing its strategic plan?

.....  
.....  
.....  
.....

**PART III: THE RELEVANCE OF STRATEGIC PLANNING IN THE GROWTH OF YOUR ORGANISATION**

1. Do you think a strategic plan can ensure that staff of the organization work towards a common goal? YES  NO

2. In your opinion, can the Authority build strong teams among its members through the implementation of a strategic plan? YES  NO

*If yes give any example(s) if any with respect to your organization.*

.....  
.....  
.....  
.....

3. Can the Authority through its strategic plan ensure better decision making at all levels within the organization? YES  NO

*If yes why do you think so?*

.....  
.....  
.....  
.....

4. Is it possible that, effective communication can be derived from the Authority's strategic plan? **YES**  **NO**

*How does it help in effective communication in your organization?*

.....  
.....  
.....  
.....

5. Do you think strategic roles may be clarified through the strategic plan of the Authority? **YES**  **NO**

*Any examples?*

.....  
.....  
.....  
.....

6. Can the strategic plan be a source of motivation and commitment for staff towards programs implementation? **YES**  **NO**

*If yes can you briefly explain?*

.....  
.....  
.....  
.....

7. Do you think a Strategic plan can guide priority use and allocations of resources (human, financial, or material) in the Authority? **YES**  **NO**

*If yes any example*

.....  
.....  
.....  
.....

8. Is it possible to have an effective Human resource management through the Authority's overall strategic plan? **YES**  **NO**

9. Overall, do you think strategic planning or the Authority's strategic plan can help the organization to attain growth? **YES**  **NO**

*Any example if yes with respect to GSA*

.....  
.....