

## **The Relationship between strategic planning and firm performance**

### **Abstract:**

Organizations from both the private and public sector are increasingly embracing the practice of strategic planning in anticipation that this will translate to improved performance. Past studies have mainly focused on the direct relationship between strategic planning and performance and did not give attention to the specific steps that make up the strategic planning process. The manner and extent to which each of the steps is practiced could have implications on the expected strategic planning results. This study examined the relationship between strategic planning and firm performance giving attention to the strategic planning steps. Correlation analysis results indicate the existence of a strong relationship between strategic planning and firm performance. Further, all the strategic planning steps (defining firm's corporate purpose, scanning of business environment, identification of firm's strategic issues, strategy choice and setting up of implementation, evaluation and control systems) were found to be positively related to company performance