Chapter 4: Findings

The chapter seeks to collate the researcher's findings during the period of research through presenting, analysing and interpreting for meaning and implications. The results of the research would be discussed stating the outcome of the research and the key findings leading to the appropriate recommendations which are detailed in the next chapter. As a means to that end, the chapter was divided into several sections covering all the main subject areas or sections as presented in the questionnaire. Each section is introduced, analysed and the key findings are then detailed and finally discussed. The presentation takes the form of illustrations, pie charts, graphs, diagrams and tables. The aim was to simplify the data for easier interpretation and understanding. While the SPSS tool was used to undertake the calculations the results of which have been used in the chapter, data were collated and reports were produced accordingly. The total number of questionnaires distributed to respondents was 390, out of which 372 were returned after they were duly completed. This constituted 95.4% response rate which by Kothari's (2004) standard proved to be quite successful and this left 4.6% of the questionnaires not having been returned to researcher, by the time the report was prepared.

Table 4.1. Questionnaire Response Rate

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Returns	372	95.4	95.4	95.4
	Non-Returns	18	4.6	4.6	100.0
	Total	390	100.0	100.0	

The high response rate of 372(95.4%) as compared to the non-returned questionnaires 18(4.6%), was achieved through working closely with the SME association and strictly following through on all distributed questionnaires. The issue of the scholar being a known member of the association of SMEs could have influenced the high response rate. According to the calculated sample size as averred by Krejcie and

Norman (1970), a total of 370 had been determined as the appropriate number of samples from the 10000 population of SMEs members. The actual number of responded questionnaires was 2 above the determined sample size. This would work to place greater reliability and credibility on the findings and on any generalizations that can emanate from the conclusion.

Table 4.2. Age of Respondent

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less than 25yrs	33	8.9	8.9	8.9
	25-30yrs	111	29.8	29.8	38.7
	30-40yrs	190	51.1	51.1	89.8
	Above 40	38	10.2	10.2	100.0
	Total	372	100.0	100.0	

The age distribution shown in Figure 4.2 reveal that 33(8.9%) of the respondents were below the age of 25 years, 111(29.8%) were between 25 to 30 years, 190(51.1%) were between 30 and 40 years and 38 (10.2%) were above 40 years of age. Generally, the players in the SME sector are young below the age of 40 years. The picture painted here shows that those who enter SME sector who want to be economically independent are generally young who are entrepreneurial and innovative, they still lack the basics of life and therefore risk tying and investing in the SME sector to improve their economic fortunes. It also shows a reflection of what was happening in the general economy where the young ones coming out of universities have no formal employment and therefore find themselves in the various SME sectors.

Table 4.3: Designation of Respondents

		Frequency	**Percent**	**Valid Percent**	**Cumulative Percent**
Valid	Owner	41	11.0	11.0	11.0
	Manager	176	47.3	47.3	58.3
	Supervisor	106	28.5	28.5	86.8
	Non-Manager	49	13.2	13.2	100.0
	Total	372	100.0	100.0	

The designation of respondents as given in the figure 4.3 shows that owners of the SMEs were 41(11%), managers in the SMEs were 176 (47.3%), while supervisors made up 106(28.5%) and non-manager were 49 (13.2%) of the full sample of 372(100%). SMEs, by definition, have less than 50 employees and this distribution shows a relatively high proportion of owner-managers at 217(58.3%) which supports the high numbers of those who control the ventures and are therefore involved in strategic planning in the SMEs if at this stage we assume that the process is actually done. The number of supervisors was also relatively higher and instances were a worker would be called a supervisor even if the person had no one reporting to him was explained by the fact that the "supervisor" was responsible for interacting with the customers and other workers from other SMEs. The title revealed the extent of this responsibility and not necessarily that the person had subordinates.

Table 4.4: Education Level of Respondents to the Questionnaires

	Frequency	Percent	Valid Percent	Cumulative Percent

The level of education was an important factor since the higher the level of education the better it was for the research questions to be understood and to be well responded. Figure 4.4 revealed that secondary school was 31(8.3%), certificate holders were 75(20.2%), 149(40.1%) were holders were of diplomas and a staggering 117(31.5%) were holders of various degrees from universities. That position revealed that more than 92% were qualified in a certain area and held either a certificate, diploma or degree and this was thought to translate into improved ways of carrying out work in the SMEs, elements of professionalism and an understanding of the need to plan strategically for the growth and enhancement of the SME organisation.

Table 4.5: Gender of Respondents to the Questionnaires

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	287	77.2	77.2	77.2
	Female	85	22.8	22.8	100.0
	Total	372	100.0	100.0	

The gender distribution for the respondents revealed that 287 (77%) were males and 85(22.8%) were females. This was a reflection of the nature of the SMEs that were investigated such as engineering, mining, agriculture which were male-dominated and SMEs in the retail, buying and selling of food and second-hand clothes were dominated by females. However, the most important aspect to note was that the percentage of the females in SMEs was higher as would have compared to the years just after independence where the females would be confined to the home. Females had to come out of the home start fending for their families and the SMEs were a good starting point.

Table 4.6: Number of Years with the Organisation

		Frequency	**Percent**	**Valid Percent**	**Cumulative Percent**
Valid	Less than 5yrs	115	30.9	30.9	30.9
	5-10yrs	190	51.1	51.1	82.0
	Above 10yrs	67	18.0	18.0	100.0
	Total	372	100.0	100.0	

The years of service of respondents in the organisation was also important in the sense that it afforded shedding light on the years of existence of the entity and how much knowledge the respondent wielded to understand the questionnaires relating to the sector in question. Figure 4.6 has revealed that 115(30.9% had been in the sector for less than 5 years, 190 (51.1%) had spent between 5 and 10 years in the organisation while 67(18%) had spent just over 10 years in the organisation. It was clear that that the bulk of the respondents 305(81%) were relatively new to the sectors that they were involved in having spent less than 10 years there. However, these were good enough to assist in judging their involvement and knowledge in carrying out strategic planning for the SMEs.

Table 4.7 SMEs Sector of the Economy (Primary Data, 2017)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Manufacturing	56	15.1	15.1	15.1
	Agriculture	20	5.4	5.4	20.4
	Transport	41	11.0	11.0	31.5
	Retail	117	31.5	31.5	62.9
	Construction	59	15.9	15.9	78.8
	Other(Telecomms,Real Estate, Mining etc)	79	21.2	21.2	100.0
	Total	372	100.0	100.0	

The SMEs which were investigated by the research included five major sectors which were manufacturing contributed 56(15.1%), agriculture 20(5.4%), transport 41(11%), retail 117(31.5%), while construction contributed 59(15.9%) and others (telecoms, mining, real estate et cetera) were 79(22.2%). The retail, construction and manufacturing dominated the SMEs in terms of popularity. The retail was dominated more by the females because it appeared easier to start and run without too many complicated sub-processes. However, the retail sector in the sample excluded the vendors that is a different sector on its own.

A five point Likert scale was used for measurements that assigns a weighted value to the level of agreement or disagreement for a factor as shown below;
1--- *Strongly Agree,* ***2*** *– Agree,* ***3*** *--- Neutral,* ***4*** *--- Disagree,* ***5*** *--- Strongly Disagree,*

The Kaiser-Meyer-Olkin (KMO) Measure of sampling adequacy (Kaiser, 1970) was used to ensure that the factor analysis was appropriate for the data set and only the factors with eigenvalue equal to or greater than one were considered significant. Eigenvalue, significance of factor loading, percentage of variance analysis and factor structure analysis were considered as the criterion for factor extraction. The KMO test

should be greater than 0.5 if the sample is to be adequate (Kaiser, 1970) and the test confirmed that as shown in table 4.8.

Table 4.8 KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.677
Bartlett's Test of Sphericity	Approx. Chi-Square	709.828
	Df	15
	Sig.	.000

Internal reliability consistency was established by calculating the Cronbalch's alpha coefficient (Cronbach, 1951). Cronbach's alpha is most commonly used to see if questionnaires with multiple Likert scale questions are reliable and a score of more than 0.7 is considered acceptable (Tavakol & Dennick, 2011). Six factors with 56 items were considered for the calculation of the Cronbach's alpha in the study. Tavakol and Dennick (2011) provide the rule of thumb for interpreting alpha for dichotomous questions (i.e. questions with two possible answers) or Likert scale questions as indicated below:

Table 4.9 Cronbach's alpha Interpretation (Tavakol and Dennick(2011)

Cronbach's alpha	Internal consistency
$\alpha \geq 0.9$	Excellent
$0.9 > \alpha \geq 0.8$	Good
$0.8 > \alpha \geq 0.7$	Acceptable
$0.7 > \alpha \geq 0.6$	Questionable
$0.6 > \alpha \geq 0.5$	Poor
$0.5 > \alpha$	Unacceptable

Table :4.10 Case Processing Summary for reliability test

		N	%
Cases	Valid	370	99.5
	Excluded[a]	2	.5
	Total	372	100.0

a. Listwise deletion based on all variables in the procedure.

Table: 4.11. Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardised Items	N of Items
.951	.961	56

Tables 4.4 and 4.5 provide proof to the fact that the instrument used by the researcher was reliable 56 items which made up the questionnaires were tested using the Cronbbalch's Alpha test and a 0.951 coefficient alpha was obtained and this is considered highly reliable and excellent as reflected in the Cronbalch's alpha interpretation table 4.3.

The researcher utilised both descriptive and inferential statistics in analysing data. Data were summarised numerically, graphically and factor analysis, correlation and regression analysis were carried out. In the study seven hypotheses were stated and objectives were formulated accordingly. The following results are presented around the objectives of the study which are linked to the Hypotheses.

H1: Strategic planning has a bearing on the performance of SMEs.

The main objective of the study was to investigate the impact of strategic planning on the organisational performance of SMEs. In this regard the researcher sought to find out the perception of the respondents on the criticality of strategic planning on survival of SMEs and the results are presented statistically in the table and the figure below.

Table 4.12 Strategic Planning is Critical in the survival and performance of an organisation (Primary Data, 2017)

						N Valid	372
						Missing	0
		Frequency	%	Valid %	Cumulative %	Mean	1.21
Valid	Strongly Agree	293	78.8	78.8	78.8	Median	1.0
	Agree	79	21.2	21.2	100.0	Mode	1
	Total	372	100.0	100.0		Std Deviation	410

In terms of understanding the criticality of strategic planning to the performance of the SME sector, Figure 4.8 reveal that 293 (79%) strongly agree with that position while 79(21%) agreed with that position, essentially therefore all the 372(100%) of the respondents agree that strategic planning plays a very critical role in the survival and successful performance of the SME sector.

The study went further on the objective and tested the hypothesis (H1) by conducting a correlation, regression and ANOVA analysis on the factors of strategic planning which were constructed as critical in achieving organisational performance. The results are discussed and presented below.

The researcher ascertained the bivariate relationship between the six factors of strategic planning and organisational performance using Spearman rho correlation coefficient in the IBM SPSS system. Spearman rho is used when data are not normally distributed (Griffin, 2009) and this was the case in the computed outcome. The relationship between strategic planning and organisational performance is presented in table 4.13.

Table: 4.13 Correlations and Reliabilities-Strategic planning and Organisational Performance

			SPOP	FS	FO	RA	IRP	EP	ES
Spearman's rho	Strategic Planning affects Organisational Performance (**SPOP**)	Correlation Coefficient	1.000	.477**	.422**	-.131*	.407**	.046	.191**
		Sig. (2-tailed)	.	.000	.000	.011	.000	.373	.000
		N	372	372	372	372	372	372	372
	Firm's Structure is important to strategic planning process (**FS**)	Correlation Coefficient	.477**	1.000	.569**	.372**	.200**	.343**	.723**
		Sig. (2-tailed)	.000	.	.000	.000	.000	.000	.000
		N	372	372	372	372	372	372	372
	Firm's Objective is important to strategic planning process (**FO**)	Correlation Coefficient	.422**	.569**	1.000	.276**	.240**	.300**	.505**
		Sig. (2-tailed)	.000	.000	.	.000	.000	.000	.000
		N	372	372	372	372	372	372	372
	Resource Allocation affects strategic planning process (**FA**)	Correlation Coefficient	-.131*	.372**	.276**	1.000	.070	.583**	.291**
		Sig. (2-tailed)	.011	.000	.000	.	.180	.000	.000
		N	372	372	372	372	372	372	372
	Implementation and Review of Plans is critical to strategic planning process (**IRP**)	Correlation Coefficient	.407**	.200**	.240**	.070	1.000	-.109*	.150**
		Sig. (2-tailed)	.000	.000	.000	.180	.	.036	.004
		N	372	372	372	372	372	372	372
	Employee Participation contributes to the process of strategic planning (**EP**)	Correlation Coefficient	.046	.343**	.300**	.583**	-.109*	1.000	.186**
		Sig. (2-tailed)	.373	.000	.000	.000	.036	.	.000
		N	372	372	372	372	372	372	372
	Strategic planning process is affected by Environmental Scanning (**ES**)	Correlation Coefficient	.191**	.723**	.505**	.291**	.150**	.186**	1.000
		Sig. (2-tailed)	.000	.000	.000	.000	.004	.000	.
		N	372	372	372	372	372	372	372

***. Correlation is significant at the 0.01 level (2-tailed). *. Correlation is significant at the 0.05 level (2-tailed).*

The results in table 4.13 reveal that the relationship between most factors of strategic planning is positive; Firm's structure 0.477, Firm's objective -0.422, Implementation and Review of Plans, 0.407, Employee participation 0.046 and environmental scanning 0.191 except for Resource Allocation which is -0.131(negative) that however does not carry a strong significance on the general outcome of the results in view of the descriptive statistics which reflected that many respondents believed that resource allocation is a vital factor of strategic planning. The findings of the study presents that strategic planning is positively related to organisational performance. The study by Sandada *et al*. (2014) also reveals that strategic planning is highly relayed to organisational

performance. The results are further corroborated in the Analysis of Variance Table 4.14.

Table: 4.14 ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	132.272	6	22.045	53.423	.000[b]
	Residual	150.620	365	.413		
	Total	282.892	371			

a. Dependent Variable: Organisational Performance

b. Predictors: (Constant), Strategic planning process is affected by environmental scanning, implementation and review of plans is critical to strategic planning process, employee participation contributes to the process of strategic planning, Firm's objective is important to strategic planning process, resource allocation affects strategic planning process, Firm's structure is important to strategic planning process

After computing and establishing the weight of the correlations between the variables, the researcher also conducted a regression analysis using SPSS tool to determine the predictive relationship between the variables. The correlation analysis only measures the strength between variables. The regression analysis was carried out to test the predictive relationship between the two main variable; Strategic planning and organisational performance. The factors of strategic planning (firm's structure, firm's objective, resource allocation, Implementation and review of plans, employee participation and environmental scanning) were computed and used as independent variables and organisational performance as the dependent variable. The table below presents the findings on regression analysis.

Table: 4.15 Regression Analysis between Strategic planning factors and organisational performance

Coefficients[a]

Model		Unstandardised Coefficients		Standardised Coefficients	t	Sig.	Correlations		
		B	Std. Error	Beta			Zero-order	Partial	Part
1	(Constant)	.648	.169		3.828	.000			
	Firm's structure is important to strategic planning process	.496	.072	.418	6.887	.000	.376	.339	.263
	Firm's objective is important to strategic planning process	.593	.083	.351	7.104	.000	.446	.349	.271
	Resource Allocation affects strategic planning process	-.653	.085	-.370	-7.666	.000	-.196	-.372	-.293
	Implementation and review of plans is critical to strategic planning process	.405	.060	.277	6.714	.000	.406	.332	.256
	Employee Participation contributes to the process of strategic planning	-.133	.088	-.076	-1.512	.131	-.094	-.079	-.058
	Strategic planning process is affected by environmental scanning	-.229	.071	-.182	-3.225	.001	.212	-.166	-.123

a. Dependent Variable: Organisational Performance

While R2 Value of 0.76 is revealed and meaning that the strategic planning factors in the study carry a 76% weight on organisational performance, some of the factors revealed a negative Beta coefficient which, however, do not say anything about significance. Instead, a lot of literature supports environmental scanning (Sandada *et al.,* 2014), employee participation (Sandada *et al*., 2014) and resource allocation (Akio, 2005) as critical factors of strategic planning. The negative figures could be as a result of errors which would require more time to investigate. Generally, the respondents revealed that each of the factors mentioned above had an influence towards SMEs undertaking of strategic planning although to varying degrees. Environmental scanning

was identified as key in availing strategic planning information at the beginning of the process and helped in understanding political, economic, social, economic, technological, ecological, legal but most importantly to identify and tell competitor actions and strategies. By its very nature environmental scanning is unstructured and informally but provides rich data to businesses and it is most suitable to SMEs who always think of saving costs as their budgets are always limited. Each of these factors is discussed and analysed in the next sections.

Affirming the positive relationship between strategic planning and its effects on organisation performance, a further extraction of descriptive data was done from SPSS and results are show in diagrams as below.

Table 4.16 Strategic Planning affects Organisational Performance

		Frequency	Percent	Valid Percent	Cumulative %
Valid	Definitely Yes	275	73.9	73.9	73.9
	Probably Yes	68	18.3	18.3	92.2
	Probably No	26	7.0	7.0	99.2
	Definitely No	3	.8	.8	100.0
	Total	372	100.0	100.0	

Source: Primary Data (2017)

In terms of the effect of strategic planning on performance of SMEs 275(73,1%) of the respondents expressed 'definitely Yes' the view that strategic planning was indeed a factor in determining the performance of an SME. Another 68 (18.3%) expressed 'Probably Yes' while 26(7%) and 3(0.8%) indicated 'Probably No' and 'Definitely No' to give the total of 372 (100%). The importance of strategic planning was highlighted as key and critical to the growth and profitability of the business. Strategic planning helps in availing direction and in making the SMEs actions predictable. The meaning of this is that strategic planning has a huge bearing on the economic performance of the SME which is one of its primary core reasons for existence to create a return for its shareholders

consistent with the Stakeholder Theory (Mashavira and Jubenkanda, 2006). Organisational performance is expressed by several performance metrics such as annual profit, return on investment (ROI), return on assets (ROA) or even return on capital employed (ROCE). Other measures include efficiency, effectiveness and achievement of desired quality by the customers.

H2 *Well-articulated organisational objectives directly influence the overall performance of the organisation*.
Relating to this objective and hypothesis, the importance of organisational objectives was investigated in this question by measuring the factor importance from the respondents and the results are presented in table 4.17.

Table 4.17 Organisational Objectives importance (Primary Data, 2017)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not important	6	1.6	1.6	1.6
	Less Important	32	8.6	8.6	10.2
	Necessary	44	11.8	11.8	22.0
	Important	55	14.8	14.8	36.8
	Very Important	33	8.9	8.9	45.7
	Very Very Important	202	54.3	54.3	100.0
	Total	372	100.0	100.0	

The results in the table above reveals that 6(1.6%) of the respondents regarded as Not important, 32(8.6%) as Less Important, 44(11.8%) as Necessary, 55 (14.8%), 33(8.9%) as Very Important and finally 202(54.3%) as very important. The second hypothesis (H2) of the study was tested on whether organisational objectives contributed to the performance of the organisation in the SMEs sector. In this regard a factor analysis was carried out using SPSS tool and results are presented as below. Categorical principal component analysis was used for extraction.

Table:4.18 Total Variance Explained : Organisational Objectives and Performance

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.652	60.869	60.869	3.652	60.869	60.869
2	.859	14.311	75.180			
3	.610	10.171	85.351			
4	.452	7.530	92.881			
5	.283	4.711	97.591			
6	.145	2.409	100.000			

Extraction Method: Principal Component Analysis.

Table 4.18 reveals six critical components extracted from the data which measured the firm's objectives on organisational performance and has a total of 97.591% of the variation explained. As shown in the table Component 1 has a total contribution of 61% to the variation explained which constituted the biggest single contribution. However, a closer analysis of the results in the table shows that the remaining 39% is shared between component 2-6 and the sum total of contribution remains very significant at 39%. Data presented in the table above are further collaborated by the scree plot on Figure 4.10.

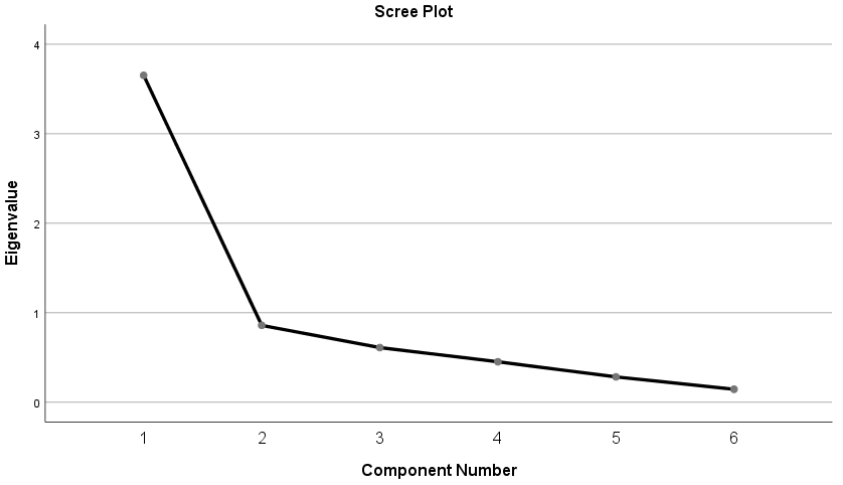

Figure 4.10: Scree Plot: Organisational Objectives and Performance

The scree plot above provides a better analysis of the data by showing that at least all the components' contribution has an Eigenvalue that is above zero (0) meaning that all the 6 measured components of firm's objective do have an effect on organisational performance.

Table 4.19: Component Matrix: Firm's Objective and Organisational Performance

Items Measured	**Component 1**
I am aware of my company's objectives	.819
The company's objectives are specific	.855
The firm's objective is measurable	.680
Our objectives are attainable	.670
The company's objectives are realistic	.838
The objectives are timely	.798

Extraction Method: Principal Component Analysis.
a. 1 components extracted.

The component matrix table 4.19 was obtained from SPSS tool and a critical analysis of the data in the table reveals that the component has scored at least above 0.7 which suggests that the component is of great value in terms of contribution. Scores in the table reveal that awareness of company's objectives, specific company objectives, and timeliness of company's objectives and that company's objectives are realistic which all scored above 0.7 are the biggest contributors to the measurement of the importance of company's objective on organisational performance. In general, the outcome of the measurement of firm's objective as tested in SPSS prove that firm's objective plays a critical role in the performance of the organisation and more specifically the performance of SMEs. This is further supported by the literature reviewed in the study earlier on (Jurevicius, 2013; Kaplan, 2005).

H3 The way how an organisation is structured influences its performance.
In view of the stated objective and hypothesis, organisational structure importance was explored and the hypothesis tested accordingly by

measuring the factor importance from the respondents' views and the descriptive results are presented in table 4.20.

Table 4.20: Firm's Structure importance

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not important	47	12.6	12.6	12.6
	Less Important	37	9.9	9.9	22.6
	Necessary	17	4.6	4.6	27.2
	Important	111	29.8	29.8	57.0
	Very Important	131	35.2	35.2	92.2
	Very Very Important	29	7.8	7.8	100.0
	Total	**372**	**100.0**	**100.0**	

The results in the table above reveals that 47(12.6%) of the respondents regarded as Not important, 37(9.9%) as Less Important, 17(4.6%) as Necessary, 111 (29.8%), 131(35.2%) as Very Important and finally 29(7.8%) as Very Very Important. The statistics summary reveals that organisational structure is regarded as important by SMEs in view of organisational performance. Therefore, the third hypothesis (H3) of the study sought to establish whether the firm's structure is related to the performance of the organisation and a factor analysis was carried out using SPSS tool and results are presented as on Table 4.21. Categorical principal component analysis was also used for extraction.

Table: 4.21 Total Variance Explained: Firm's Structure and Organisational Performance

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.930	73.246	73.246	2.930	73.246	73.246
2	.471	11.778	85.024			
3	.354	8.858	93.882			
4	.245	6.118	100.000			

Extraction Method: Principal Component Analysis.

Table 4.21 reveals four critical components extracted from the data which measured the firm's structure on performance. As shown in the table Component 1 has a total contribution of 73% to the variation explained which constituted the biggest single contribution. Further analysis of the results in the table shows that 27% is shared between component 2-4 and the sum total of contribution remains significant to influence performance of the organisation in SMEs. Data presented in table 4.21 is further analysed by the scree plot on Figure 4.11.

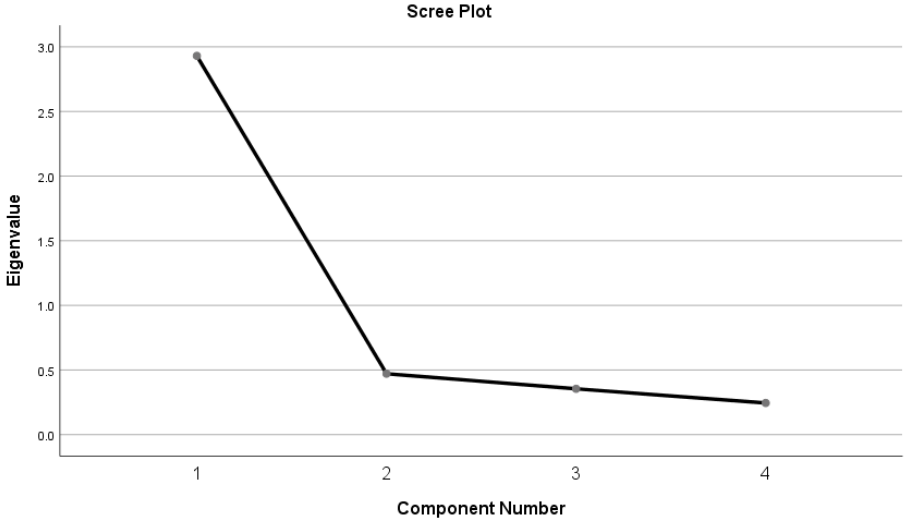

Figure 4.11: Scree Plot: Firm's Structure and Performance

The scree plot of Figure 4.11 provides a further and clear analysis of the data by showing that all the components' contribution has an Eigenvalue that is above zero (0) meaning that all the 4 measured components of firm's structure do have a considerable effect on organisational performance.

Table: 4.22 Component Matrix: Firm's Structure and Organisational Performance

Items measured	Component 1
There is a clear hierarchy in my organisation	.861
My organisation has clear reporting structures	.866
We follow a defined set of procedures in our strategic planning	.829
I understand my fit within the rest of the organisation	.866

Extraction Method: Principal Component Analysis.

a. 1 components extracted.

SPSS tool computed table 4.22 component matrix and a critical analysis of the data in the table reveals that a single component has scored above 0.8 which suggests that the component is of great value in terms of contribution. Scores in the table reveal that all the items measured provide great contributions to the measurement of the importance of company's structure on organisational performance. In general, the outcome of the measured of firm's structure as tested in SPSS prove that firm's structure plays a critical role in the performance of the organisation. Jurevicius (2013) and other various authors support the importance and influence of the firm's structure on organisational performance.

H4: *Organisational performance is influenced by the existence of a plan for the allocation and utilisation of resource*.

The study also sought to investigate the impact of resource allocation planning on organisational performance as measured by the chief component of availability of enough financial resources in an organisation and table 4.23 reveals the level of agreement on the item which is a critical resource.

Table 4.23: Enough financial resources in the organisation (Primary Data, 2017)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	57	15.3	15.3	15.3
	Agree	105	28.2	28.2	43.5
	Disagree	105	28.2	28.2	71.8
	Disagree	98	26.3	26.3	98.1
	Strongly Disagree	7	1.9	1.9	100.0
	Total	372	100.0	100.0	

The issue of resources is long been realised by the architects of strategy such as Henry Mintzberg as highlighted by Pitt and Koufopoulos (2013) who stress the fact that it is asserted that in the absence of an adequate allocation of resources, many strategic plans remain simply good blue prints but which bear no resemblance to reality. Figure 4.19 revealed that of the respondents 57 (15.3%) strongly agreed, while another 105(28.2%) agreed, with another 98(26.3%) disagreeing and the last 7 (1.9%) of the respondents strongly disagreed to give the total 372(100.0%). Financial resources by the SMEs are required for capital plant, equipment, tools and for working capital purposes. The respondents, who indicated disagreement said that the financial resources were inadequate, referred to financial misuse by the SME owners and managers who quickly wanted to live large even before the SME grew to reasonable revenue. Indications were that the financial resources were obtained from various sources such as bank loans, revenue from operations and supplies of inputs on credit. There was also reference to workers who had gone for months without receiving their wages and salaries. However, this had become the order of the day in the rest of the economic sectors not just in the SMEs sector. Several factors were also used to measure the issue of resource allocation on the performance of SMEs. Table 4.24 gives the details to that:

Table 4.24: Statistics: Resource Allocation and Organisational Performance

		We have enough financial resources in our organisation	There is enough human resource at our organisation	The right allocation is made in terms of financial resources	Resources are allocated on time	Management consults during the time of resource allocation	The right allocation is made in terms of human resources
N	Valid	372	372	372	372	372	372
	Missing	0	0	0	0	0	0
Mean		2.71	2.75	2.57	3.17	2.70	2.69
Median		3.00	3.00	2.00	3.00	3.00	3.00
Mode		2[a]	2	2	4	2	3
Std. Deviation		1.074	1.107	.939	.962	.928	1.019
Sum		1009	1022	955	1180	1006	1002

Multiple modes exist. The smallest value is shown

The results in table 4.24 reveal a small standard deviation of between 0.928 and 1.107 from the mean of between 3.17 and 2.57 on all items measured and this reflect a positive confirmation of the hypothesis that resource allocation planning influences organisation performance.

Diagrams supporting the important consideration given to resource allocation were also obtained from SPSS as they revealed the level of agreement per item relating to resource allocation

Figure 4.13 Availability of enough Human resource

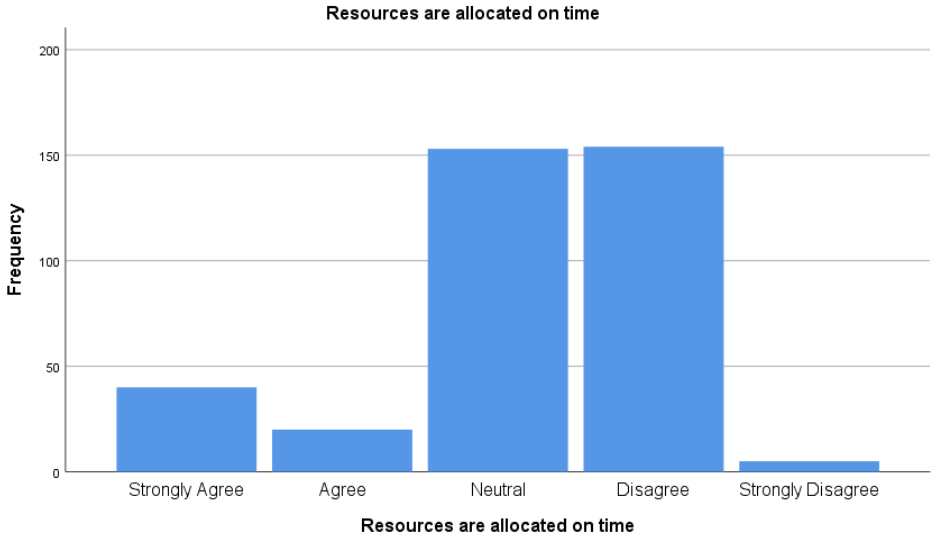

Figure 4.14 Allocation of Resources on Time

A critical analysis of the results obtained from SPSS on resource allocation generally indicates a positive relationship between resource allocation planning and organisational performance and this has also been supported by literature in the study (Akio, 2005; Barney, 1991; Greene *et al.,* 2015) thus further confirming the formulated hypothesis.

H5: An effective plan for implementation and review is necessary for the good performance of the organisation

Regarding the above formulated objective and hypothesis, the importance of implementation and review of Plans on Performance was established and the hypothesis tested. The fifth hypothesis (H5) sought to measure and ascertaining the relationship between implementation and review of plans and Organisational performance and it was highlighted as one of the objectives of the study. Table 4.25 shows the critical components and the loading factors extracted using the SPSS tool.

Table: 4.25. Total Variance Explained: Implementation and review of Plans

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.071	76.777	76.777	3.071	76.777	76.777
2	.556	13.912	90.689			
3	.208	5.206	95.895			
4	.164	4.105	100.000			

Extraction Method: Principal Component Analysis.

Table 4.25 shows 3 critical components extracted out the data which measures the effect of implementation and review of plans on performance of an organisation. The total contribution of the 3 components is 95.895% to the variation explained. A closer analysis of the data shows that 1 component had the contribution of 76.777%. The scree plot on Figure 4.15 shows that only component 1 has a value greater than 1.

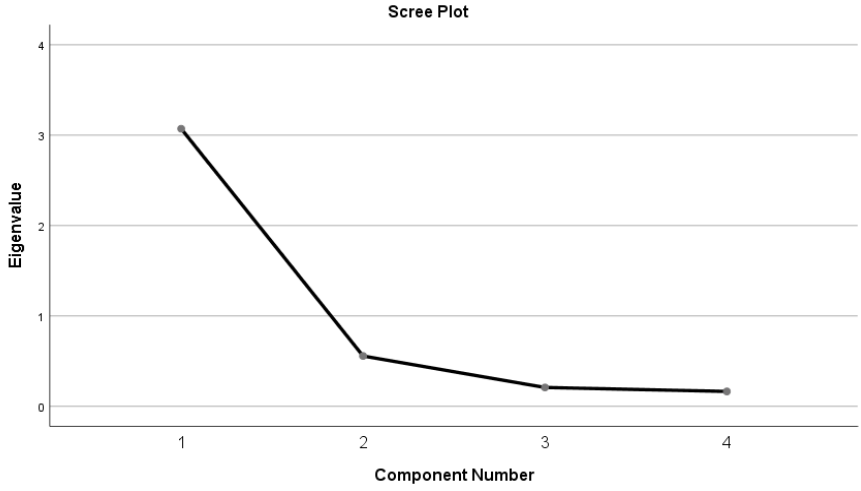

Figure: 4.15. Scree Plot: Implementation and review of plans and Performance

The Scree plot obtained through IBM SPSS reveals that one item contributes a greater value (above 1) to the variability of the data with at least 76.777% of the squared loadings as shown on the principal components matrix Table 4.25. Table 4.26 shows the components matrix which extracted one critical component and it is important to know the questions which measured the implementation and review of plans as presented in table 4.26.

Table: 4.26. Component Matrix: implementation and Review of Plans

Items Measured	**Component** 1
My organisation makes strategic decision based upon the strategic plan	.932
There is a clear assignment of responsibility for action plan to a person or team	.902
We have clearly defined performance standards for each plan element	.915
There is a performance monitoring system on our standards	.743

Extraction Method: Principal Component Analysis.

a. 1 components extracted.

H6: Effective environmental scanning is critical for organisational performance

In view of table 4.26 stated objective and hypothesis, the importance of environmental scanning on performance was determined and the hypothesis tested thereof. The sixth hypothesis (H6) measured and ascertained the relationship between environmental scanning and Organisational performance. Table below shows the critical components and the loading factors extracted using the SPSS tool in determining the importance of environmental scanning. The Principal Component Analysis method was used.

Table: 4.27. Total Variance Explained: Environmental Scanning and Organisational Performance

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	6.539	65.394	65.394	6.539	65.394	65.394
2	1.228	12.277	77.671	1.228	12.277	77.671
3	.843	8.425	86.097			
4	.431	4.305	90.402			
5	.390	3.897	94.299			
6	.203	2.032	96.331			
7	.157	1.569	97.900			
8	.116	1.163	99.063			
9	.052	.516	99.579			
10	.042	.421	100.000			

Extraction Method: Principal Component Analysis.

The results in table 4.27 shows 9 critical components extracted out the data which measures the effect of environmental scanning organisation performance. The total contribution of the 9 components stands at 99.579% to the variation explained. A closer analysis of the data shows that 2 components had the biggest combined contribution of 77.671% with component 1 individually contributing 65.394%. The scree plot on Figure below shows that only components 1 and 2 have values greater than 1.

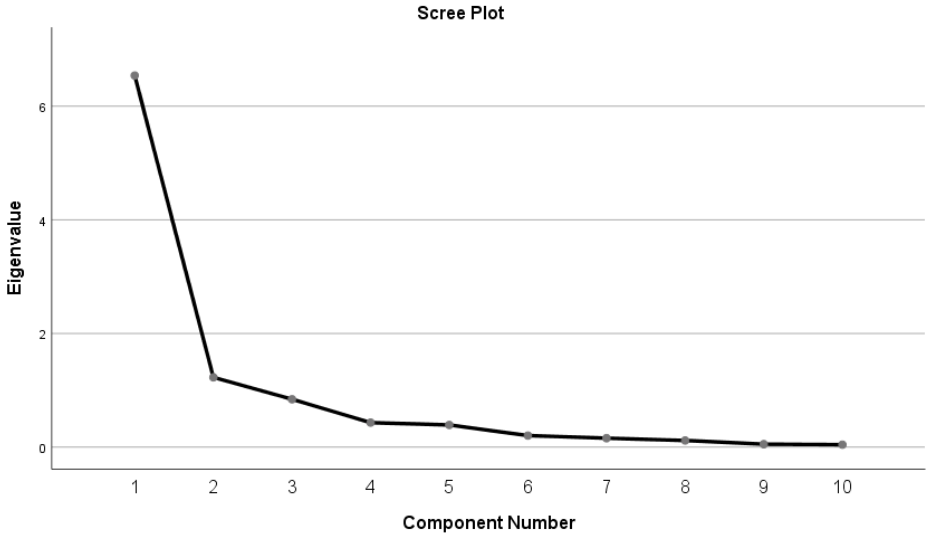

Figure: 4.16 Scree Plot: Environmental Scanning and Organisational Performance

The Scree plot Figure 4.19 reveals that two items contribute a greater value (above 1) to the variability of the data with at least 77% of the squared loadings as shown on the principal components matrix Table above. The table below shows the components matrix which extracted two critical components and it is important to know the questions which measured Environmental Scanning as presented in table 4.28.

Table: 4.28. Component Matrix Environmental scanning and Organisational performance

	Component	
	1	2
My organisation does analyse its own business objectively	.925	-.174
My organisation determines its strengths and weaknesses	.804	-.397
The organisation knows its internal capabilities and competencies	.898	-.165

My organisation considers the long-term and short-term impacts of its strengths and weaknesses	.667	-.039
Management and employees participate in identifying the firm's strength and weaknesses	.838	-.186
My organisation periodically gathers and analyses data about market and other external factors which affect business	.868	.092
My organisation assesses the industry as a whole in terms of new competitors and concepts.	.964	-.009
The organisation identifies the behaviours and preferences of customers	.706	.531
The organisation examines the external environmental threats and opportunities	.432	.828
Management and employees participate in identifying threats and opportunities of the external environment	.846	.007

Extraction Method: Principal Component Analysis.

a. 2 components extracted.

The combined analysis of the results as reflected by the items measured in the table 4.28 affirm to the effect that indeed environmental scanning as a strategic planning tool play a critical role in the performance of an organisation and this can be further supported by the literature reviewed in the study hence the relationship between environmental scanning and organisational performance is positive as proven by tests

H7: Employee participation in planning influences the performance of SMEs in Zimbabwe.

The final objective of the study sought to understand the effect of employee participation in the SMEs organisational performance. Statistics obtained from SPSS revealed that employee participation considered several facets of participation in the strategic planning

process 80(21.5%) strongly agree, 168(45.2%) agree, 98(26.3%) were neutral while 26(7.0%) disagreed with the position that their organisation fully provides adequate support during participation in strategic planning. This position is consistent with the other views where employees actually express their lack of understanding and absence of enthusiasm for participation and their fit within the organisation, in an environment where the supervisors does not encourage employee participation , participation is actually rewarded and while it was thought to be beneficial to both the individual employees and to the organisation, many SMEs were actually found wanting in this area which was thought to offer the most significant benefits to both parties. The seventh hypothesis (H7) was measured and the relationship between employee participation and Organisational performance was ascertained by measuring the employee participation factor importance from the respondents' views and the descriptive results are presented in table 4.29.

Table: 4.29. Employee Participation importance

		Frequency	**Percent**	**Valid Percent**	**Cumulative Percent**
Valid	Not important	61	16.4	16.4	16.4
	Less Important	60	16.1	16.1	32.5
	Necessary	109	29.3	29.3	61.8
	Very Important	43	11.6	11.6	73.4
	Very Very Important	99	26.6	26.6	100.0
	Total	372	100.0	100.0	

The results in table 4.29 reveals that 61(16.4%) of the respondents regarded as Not important, 60(16.1%) as Less Important, 109(29.3%) as Necessary, 43 (11.6%) as Very Important and finally 99(26.6%) as Very Very Important. The statistics summary reveals that employee

participation is regarded as important by SMEs in view of organisational performance. Therefore, the seventh and final hypothesis (H7) of the study sought to understand whether employee participation is related to the performance of the organisation and a factor analysis was carried out using SPSS tool and results are presented as below. Categorical principal component analysis was also used for extraction. Table 4.31 shows the critical components and the loading factors extracted using the SPSS tool in determining the importance of employee participation.

Table: 4.31. Total Variance Explained-Employee Participation

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.909	65.148	65.148	3.909	65.148	65.148
2	1.040	17.331	82.479	1.040	17.331	82.479
3	.480	7.998	90.477			
4	.342	5.706	96.183			
5	.143	2.388	98.572			
6	.086	1.428	100.000			

Extraction Method: Principal Component Analysis.

Factors which measure employee participation and its effect on organisational performance in SMEs were extracted using the Categorical Principal component an analysis. A total of six items were used to measure this construct. The output from the analysis extracted two components with a combined effect of 82.479%. This implies that the total variation attributed to these factors 82.479%.

A scree plot has been extracted to further confirm the results presented on table 4.31.

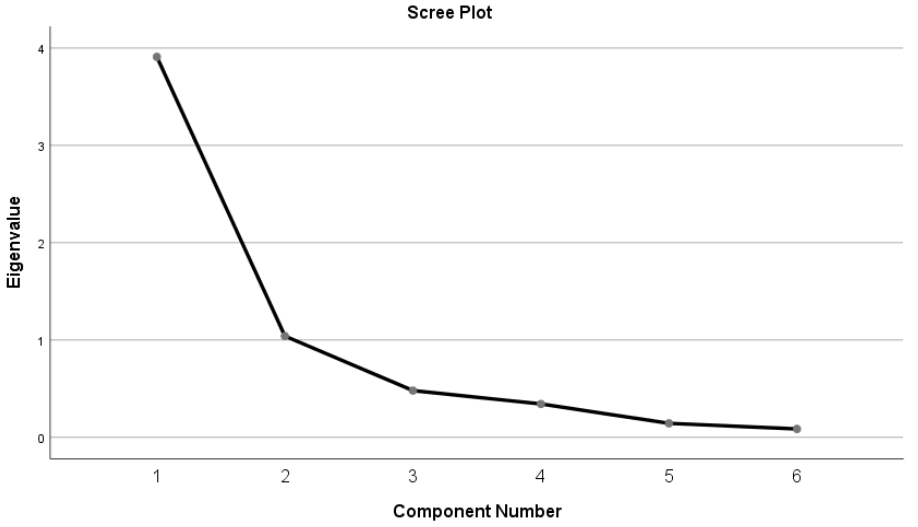

Figure: 4.20. Scree Plot- Employee participation

Table: 4.32. Component Matrix: Employee Participation

Item Measured	Component	
	1	**2**
I understand my fit within the organisation	.763	-.393
My supervisor encourages me to participate	.849	.112
I am enthusiastic about participation in our organisation	.930	-.125
I understand the benefits of active participation	.916	-.100
I expect to be rewarded after participation	.303	.908
My organisation provides adequate support during participation	.901	.152

Extraction Method: Principal Component Analysis.
a. 2 components extracted.

The results in table 4.32 shows several factor loadings contributing greatly to component 1. Apart from the expectation of being rewarded after participation with a factor loading of 0.303, all other items measured do carry a factor loading of at least 0.7 which is a good result

revealing confirming the positive relationship between employee participation and organisational performance.

On organisational performance, many items were identified for measurement of performance in relation to the responses on various factors of strategic planning. One key item which the study found out to be instrumental was the meeting of set targets in SMEs organisation and the result of the component after computed into SPSS is given as table 4.33.

Table: 4.33. Meeting Set Targets

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	7	1.9	1.9	1.9
	Agree	128	34.4	34.4	36.3
	Neutral	105	28.2	28.2	64.5
	Disagree	110	29.6	29.6	94.1
	Strongly Disagree	22	5.9	5.9	100.0
	Total	372	100.0	100.0	

Results shown in table 4.33 reveal that 1.9 %(7) strongly agreed on meeting targets while 34.4 % (128) agreed, 28.2% (105) were neutral, 29.6 (110) disagreed on meeting targets and finally 5.9 %(22) strongly disagreed. These results reveal that less than 50% of SMEs Organisations who had their participants questioned were not performing as per expectations. While much respondents agreed to the importance of strategic planning on organisational performance, key answers provided on the items measuring the actual practice revealed that most SMEs where not putting strategic planning into practice hence performing below par.

The other item used to measure performance was the question on profitability of business and a mixed reaction was obtained from the respondents with data presented as in table 4.34:

Table 4.34. Our business is profitable (Primary Data, 2017)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	93	25.0	25.0	25.0
	Agree	228	61.3	61.3	86.3
	Disagree	49	13.2	13.2	99.5
	Disagree	2	.5	.5	100.0
	Total	372	100.0	100.0	

In terms of the performance of the business which is affected by several factors, in the Figure 4.19 reveal that 93(25%) of the respondents strongly agreed that the SME business is profitable, 228(61.3%) expressed agreement to the same notion, while 49(13.2%) disagreed and finally 2(0.5%) strongly disagreed, expressing the view that their SMEs were not profitable at all. This picture portrays a mixture of fortunes with in the SMEs sector where some performed well and others performed dismally. One of the reasons some of the SMEs were thought to be profitable was not actually that they were doing well but the absence of proper maintenance of books of accounts as revealed during follow-up personal interviews coupled with the lavish styles of living displayed by some of the SME owners portrayed a picture of well-to-do business owners. It was further revealed that some SMEs were able to access loans from certain sources such as the Ministry of SMEs and SEDCO and immediately converted those loans into posh cars and lavish spending. The other metrics measured to determine SME success included the capacity of the SME to meet its target, the growth in market share of the business, fair rewards to employees from the business proceeds, full utilisation of resources and the SME's ability to manage and contain costs of running the business. Again, these metrics statistically showed a mixture of performance which is sometimes quite confusing due to the extremity of the displayed metrics. However, the indication on business

profitability showed a huge potential by the SMEs to contribute to the creation of wealth for the owners which also accrue to the society at large through employment creation and contribution of the SME towards the government taxation.

As given in the sections contained in the chapter two major gaps have been identified which affect SME Strategic Planning and control and the gaps exit in:

- Employee participation and
- Resource allocation

The owners and managers of SMEs who must undertake strategic planning and control have not been fully using and exploiting the potential of their employees through lack of invitation to participate or contribute in any way possible towards the successful formulation of and implementation of strategic planning within these SME sectors. This lack of invitation and involvement has implications in the actual quality of the strategic plans, their efficient use to enhance SME businesses and in allowing the actual achievement of the business objectives. Employee participation is important given the current knowledge economy that we are in and also the general levels of education that has been attained by the bulk of the employees who through lack of participation feel disenfranchised and instead may end up pursuing other goals while engaged with these SMEs.

The lack of employee participation can manifest itself through lack of buy-in which can cause economic projects to suffer death prematurely. Such employees can half-heartedly render unsatisfactory service to clients and customers in a way that dents the relationship between the SME and that client or customer. Business succeeds from repeat purchases of products and services and as Kotler and Keller (2010) show, an unhappy customer can bad mouth the SME and that customer's business is taken elsewhere.

Employee participation can take the form of joint brainstorming between the employees and the owners and managers. It can also take the form of joint decision-making such as at business strategic planning meetings at which the employees participate on a routine basis. This participation can also take the form of partnered problem-solving between management and the employees such as when there is a managerial crisis or threats that the SME is facing or still when there is a potential opportunity to be exploited by the SME. In a knowledge economy coupled with the advent of globalization successful strategic planning needs everyone's contribution so that the business can benefit from the many sources of valuable business information such as the employees through their participation and contribution. Marketing intelligence, environmental scanning and informal market surveys are tools for obtaining information by any member of the SME and such information can assist in strategic planning because the strategic planning itself needs relevant information about many other disciplines such as political, social, economic, technological, ecological, legal and internationalization (PESTELI). Information classified under Porter's five forces model (Peter & Donnelly, 2009) such as on suppliers, customers and competition is also required and the participation of learned employees in the strategic planning process can be very rewarding just from the perspective of availing the necessary information for such strategic plans.

Resource allocation has also been identified to be s critical issue of success in strategic planning for SMEs. Due to lack of exposure to strategic planning SME owners and managers have been observed to craft strategic plans that lack implementation aspects particularly the very important aspect of resource allocation. Within the SME sector resource allocation can take many different forms such as diverting business funds towards sustaining a higher life for the owners and the managers at the expense of the business itself which then suffers from lack of working capital which itself leads to failure by the business to meet order requirements, pay for obligations, pay suppliers for

continued inputs supply and failure to pay wages and salaries to workers on time. Some SMEs have also failed to remit corporate taxes to authorities such as ZIMRA resulting in garnish orders which have culminated in the collapse of the SME businesses.

In cases where the SME businesses managed to get loans from the banks there have been many cases of funds diversion from the business cause to personal that is a sign of failure to separate the business from the owners and managers. Many SME owners have been observed living large while their businesses were suffering from severe shortage of recapitalization and working capital funds. In the years leading to 2017 many SMEs have not been religiously paying their employees, in some instances those low wages and to be reduced drastically and even still, those low wages have not been paid in many months resulting in serious disgruntlement by the employees who go for months without their deserved wages while the SME owners and managers are even getting new cars and going away on holiday with their families. SMEs have also been observed to use old antiquated equipment which is homemade or which was rejected or even scrapped by other players. Such equipment, tools or plant are always on breakdown and the maintenance costs are very high causing the funds allocation from the business to be used by the maintenance of the plant and equipment causing the SME business to fail to control and contain its costs (Pitt & Koufopoulos, 2012). Without adequate resource allocation to support the strategic planning the SMEs are unlikely to succeed in growing those SME businesses as rapidly as possible

The questionnaire response rate at 95.4% was deemed very good to yield generalizable findings. The SME sector was regarded by the respondents as an important contributor to the economy and as such also needed to apply strategic planning and decision making to the same extent as the bigger corporates. The research findings were that the SME sector lacked in the area of resource allocation and employee participation. Whereas

the chapter dwelt on the presentation and discussion of the findings, the next chapter will discuss the summary, conclusions and recommendations.