

# Effects of Strategic Planning and Innovation on Performance of Mobile Telecommunication Firms in Ghana

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## ABSTRACT

The purpose of this study is to assess the effect of strategic planning and constant innovation strategies on the performance of firms in the telecommunication industry. The study used a quantitative method and cross-sectional survey design with a purposive sampling technique to collect data from the offices of Mobile Telecommunication Networks in Ghana (MTN). The findings indicate strategic planning practices of the telecommunication industry had a significant positive relationship with performance. However, the innovation practices were found to have no significant influence on performance. The study findings reveal that the players in the MTN industry who focus more on strategic planning initiatives receive high performance. The outcome of the study findings indicates the need for the telecommunication industry to focus more attention on strategic planning to enhance performance. The paper provides the pathways to policy makers in the telecommunication industry to communicate effectively with their staff about strategic and innovation decisions to ensure efficiency in performance.

## KEYWORDS

Aligning Initiatives, Communication, Developing Country, Ghana, Mobile Network, Performance Target, Productivity Growth, Telecommunication Industry

## INTRODUCTION

The telecommunication industry contributes significantly to economic growth and development across the globe. The performance of the telecommunication industry in national development has contributed to the economic growth of many nations (Boateng & Owusu, 2013; Ni, 2018; Omayio, 2017). For example, the industry has introduced several services such as international roaming, mobile money, internet facilities, IoT, and teleconferencing facilities in addition to making and receiving

calls (Mahmoud & Hinson, 2012). Notwithstanding this, mobile telecommunication networks in developing countries face interconnectivity and other problems that result in poor performance by some firms in the industry (Ampomah, 2012).

The telecommunication industry has a lot of firms that compete with each other for survival (Alosani et al., 2019). Globally, the firms in the industry strategically seek opportunities and constantly innovate for performance improvements (Ombasa & Nzulwa, 2018). Considering the competitive nature of the firms in the telecommunication industry that moves the firms to devise various strategies to survive, this study assesses the effect of strategic planning and innovation on firms' performance in mobile telecommunication. To overcome the problems and challenges faced by the MTNs the industry players must realign their business strategies, train and empower staff, and monitor and implement actions to overcome cybersecurity, infrastructure, and network challenges (Aivo Conversation AI (2020).

Thus, the purpose of this study is to assess the extent to which strategic planning and innovation influence the performance of the mobile telecommunication network (MTN) aspect of the telecommunication industry. The study also assesses the effect of innovation on the performance of the firms in the mobile telecommunication industry. The study is therefore guided by the question: What are the effects of strategic planning and innovation on firms' performance in the mobile telecommunication industry? There is a lot of literature on the effect of strategic planning and innovation on the performance of the telecommunication industry from the advanced world, but there is a lack of literature about West Africa. The research makes a contribution to the literature in filling the research gap that exists between the advanced economies and the developing world, especially from Ghana in West Africa. This study is to serve as a reference to guide other researchers who will undertake similar studies in the mobile telecommunication industry in the developing world.

## Literature Review

*Strategic planning* is the process of formulating an organization's long-term goals and objectives and determining how to fulfill them within a specified time frame (Alosani et al., 2019; & Mulyaningsih et al., 2023 & Plance, 2015). According to Bryson (2011), strategic planning is concerned with articulating the business' main goals and objectives, seeking the means of fulfilling stakeholder interests, the collective efforts of four essential features: reasonable articulation of the main business goals, recognizable proof of the organization's stakeholder interests, description of the organization's strategic objectives, and advancement of techniques to accomplish the achievement of the goals. Oyedijo (2004) admitted that strategic planning aims at identifying the mission, vision, and goals of an organization, as well as determining actions and resources to accomplish them.

Donkor et al. (2018) argued that an essential aspect of high-performing organizations or organizational adequacy is the practicality of strategic planning, which has been widely acknowledged worldwide. Strategic planning plays a significant role in strategic management implementation (Julian, 2013). According to Arasa and K'Obonyo (2012), strategic planning contains inherent principles that tend to improve organizational performance. Donkor et al. (2018) confirmed this by stating that strategic planning is a vehicle that inspires high organizational performance. It helps organizational members to know the progress of the organization and activities to prioritize (Bryson, 2011). Thus, a key function of strategic planning is to communicate effectively to members of an organization and articulate its vision and the mechanisms and actions needed to attain the vision (Arasa & K'Obonyo, 2012). Strategic planning gives the system of control and helps to coordinate the business of the organization. It empowers goal formulation and ensures performance assessment (Alqershi, 2021; Alzghol et al. (2023).

The OECD defines innovation as "the implementation of a new or significantly improved product (goods or service), or process, a new marketing method, or a new organizational method in business, workplace organization or external relations" (2005, p. 46). Phan (2019) suggested that, for firms to survive the external environment, it is not enough to formulate strategies for implementation but to

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