

## **Correlate Strategic Planning and the Performance of Hospitality Industry in Abakaliki Metropolis, Ebonyi State Nigeria**

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### **ABSTRACT**

Hotel businesses abound in all nooks and crannies of Abakaliki metropolis with greater number of them remaining moribund, desolate and performing abysmally thereby affecting the prime objectives of the proprietors. This study therefore investigates the relationship between strategic planning and performance of selected hostels of hospitality industry in Abakaliki metropolis, Ebonyi State. Contingency theory was used to underpin the study. Cross-sectional survey technique was adopted whereby data were collected from a population of 110 made up of proprietors, managers and stewards drawn from 13 selected hotels in Abakaliki. Data collected were scaled, analyzed and tested with Spearman's Rank Correlation coefficient using the Statistical Package for Social Sciences software (SPSS) version 23. The result shows that the three strategic planning components (commitment, setting long-term objective and generating strategic option) significantly relate with the three performance indicators, that is quality service delivery, profitability and return-on-investment ( $r=0.521; 0.296; 0.444; p>0.01$ ) respectively for the three hypotheses tested. The study therefore recommends that hotel sector of hospitality industry in Abakaliki, Ebonyi State should adopt strategic planning in all their operations. The implication of the finding is that any hotel that fails to strategically plan backed up with apt implementation and monitoring/evaluation may not achieve the much needed objectives.

**KEY WORDS:** Strategic Planning Performance Hospitality Industry Abakaliki Ebonyi State Nigeria

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### **I. INTRODUCTION**

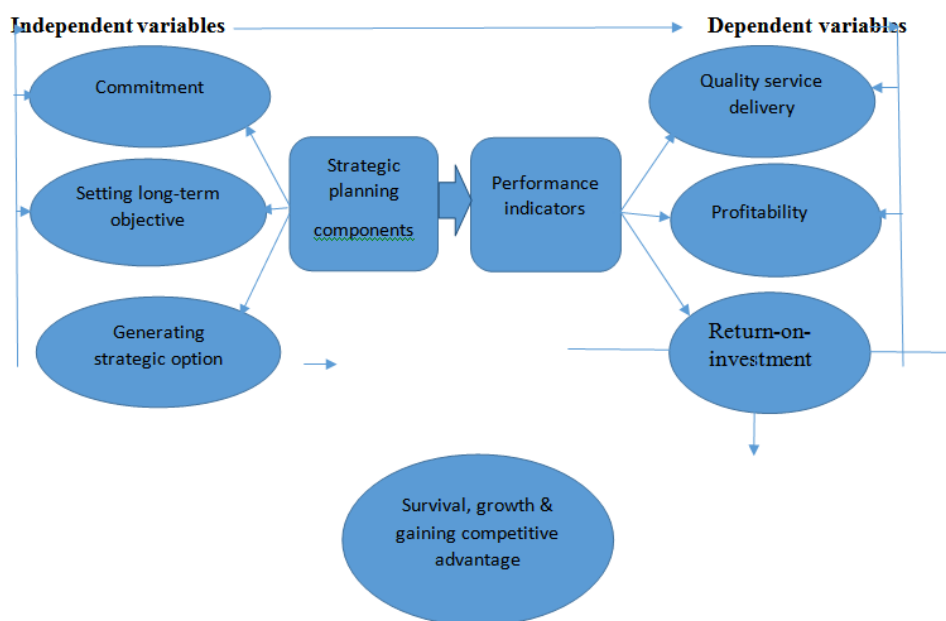
In management, strategic planning was introduced by Ansoff in the early 1970s (Feurer & Chaharbaghi, 1997; Khan & Khalique, 2014) and this has become useful not only that it can realize the vision of the upper management or can mitigate unforeseen risks, but also has more benefits (Vel, Creed, & Narayan, 2012). Strategic and planning exist as a symbiotic relationship when logically combined to demonstrate the strength and synergy of the two words for effective, efficient and incremental resources advantage. Synergy under normal circumstances exists when the value created by the two different units working together exceeds the value that those same different units create working independently (Akpuru-Aja, 2009). It is an investment of additional resources producing a return which is proportionally greater than the sum of the resources invested; sometimes known as "two plus two" is equal to five effect (Cole, 2004). As part of strategic management, strategic planning if unchecked, often strangles strategic thinking to death (Kheng-Hor & Munro-Smith, 2003). This statement underscores the relevance of strategic planning to the development, survival and performance of all businesses, entrepreneurship inclusive.

Strategic planning is a process for creating and describing a better future in measurable terms and the selection of the best means to achieve the desired results (Kaufman, et al., 2003), hence constitutes an important part to successful business operation (Khan & Khalique, 2014). Strategic planning is of great importance to all businesses, and as such hotels like other ventures strategically plan to achieve quality service delivery, profitability, return-on-investment and customer satisfaction earning per share, dividends among other performance measures. These could be achieved through total commitment, setting long-term objective, generating strategic option, mission and vision statements and SWOT analysis. Top management of hotel sector in hospitality industry entrenches strategic planning to proactively overcome and prudently manage the turbulent, dynamic, complex and competitive environment cascading business activities globally.

Hotel business in Nigeria has its origin in the establishment of rest-houses for early Christian missionaries (Olaka, Owate, Okafor&Ulo, 2018). Though this began in the late 19<sup>th</sup> century but has not witnessed desirable development until the 20<sup>th</sup> century (Nwosu, 2016), when some levels of private sector participation in a number of hotel projects sprang up in some major cities in the country (Adepoju 2014; Eruotor 2014, inNwosu 2016). Arising from the return to civilian administration in 1999 by the Nigerian government, consequently after many years of military rules, there arose inflow of investors in hotel businesses across the country. Efiong, et al (2013), Mauzu, Rashid and Zainol (2017) posit that there has been a remarkable growth in hotel sector in Nigeria since the advent of civilian administration and contend that these hotels were mainly established in State capitals and major cities such as Lagos, Abuja, Enugu, Owerri, Calabar, Ibadan, Kaduna.

In Abakaliki metropolis, the Ebonyi State capital, there was no standard hotels prior to the creation of the State in 1996 by late General Sani Abacha as what was available were mainly few bistros or simply eating places distinct from hotels (guesthouses or lodging houses) which is the focus of this study. The subsequent establishment of many hotels in Abakaliki metropolis merely by politicians and few businessmen were triggered off by the creation of Ebonyi State. Presently, there exist over eighty-five hotels in all nooks and crannies of the town which some of them include: Salt Lake, Osborn La-Palm, Salt Spring, Greacecourt hotels & suite, Gene Hotels, Abuson, Crene Hotels, Osborn La-Palm extension, Top View, Gallieni Gardens, Eagle Royal, Ebonyi Hotels, San Diego, MonaBliss Hotels amongst others. These hotels supposedly are expected to be achieving optimal performance in terms of quality service delivery, profitability, and return-on-investment, customer satisfaction, earning per share, etc. by utilizing strategic planning indices such as commitment, setting long-term objective and generating strategic option etc. in their operational activities.

Observation indicates that greater number of hotels in Abakaliki are going moribund, desolate and performing abysmally thereby undermining the profit objective of the proprietors. A decisive question this study set to investigate is: to what extent has strategic planning helped to achieve the objectives of hotel businesses in Abakaliki, Ebonyi State? To effectively address this question, the study utilized strategic planning components which managers employ in the strategic planning process and matched them with performance indicators that will ensure survival, enhance growth and gaining competitive advantage of hotel businesses in the State as demonstrated in figure 1.



**Fig 1. Conceptual framework for linking Strategic Planning (SP) and Performance indicators (PI) in Hospitality industry**

Figure 1 depicts strategic planning (SP), the independent variable decomposed into commitment (C), setting long-term objective (SLTO), and generating strategic option (GSO) while performance indicator (P), the dependent variable is decomposed into quality service delivery (QSD), profitability (P) and return-on-investment (ROI) which are used in the investigating, thus the study correlates strategic planning and performance of selected hotels in Abakaliki metropolis of Ebonyi State.

In an effort to achieve the objective of the study, three hypothetical statements were carefully formulated to guide in the investigation as follows:

Ho<sub>1</sub>: There is no relationship between commitment and quality service delivery in the selected hotels in Abakaliki Metropolis, Ebonyi State.

Ho<sub>2</sub>: There is no relationship between setting long-term objective and profitability in the selected hotels in Abakaliki Metropolis, Ebonyi State.

Ho<sub>3</sub>: Generating strategic option does relate to return-on-investment in the selected hotels in Abakaliki Metropolis, Ebonyi State.

## **II. Review Of Related Literature**

Khan and Khalique (2014) define strategic planning as an organization's process of defining its strategy, or direction, and making composite decisions on how to allocate its resources to pursue the strategy while Eze and Onodugo (2002) sees strategic planning is an orderly process by which top management determines organisation objectives, strategies needed to achieve these objectives, and short-range top-level actions necessary for proper implementation of the strategy. As a process, it has input, activities output and outcomes and constraints. It is a management activity used to set priorities, focus energy and resources, strengthen operations, ensure that employees and other stakeholders are working towards common goals, establish agreement around intended outcomes/results, and assess and adjust the organization's direction in response to a changing environment, ([https://strategy\\_manage.com/resource/strategic](https://strategy_manage.com/resource/strategic), 2018). In quintessence, Imaga (2005) asserts that a good planner is a good winner, while a bad planner is a bad loser. Emphasizing on the relevance of strategic planning,

Robinson and Pearce (1984), Sexton and Van-Auken (1985), Berman et al, (1997), Berry (1998), Orser, Hogarth-Sexton and Riding (2000), Robinson and Pearce (2001) and Beaver (2003) contend that enterprises small and medium may not achieve their full performance and growth potentials when they neglect strategic planning and thus places the survival of SMEs at risk. This assertion buttresses the prominence of strategic planning in every organisations, hence strategy basically confronts challenges (Akpuru-Aja, 2009).

Strategic planning specifies the organization's mission, vision and objectives and then allocates resources to achieve these objectives (Khan & Khalique, 2014). In strategic planning, developing a vision statement is often considered as the first step in the process (Mohamed, et al., 2010 in Khan & Khalique, 2014), therefore, it bridges the gap between where the firm is and where such firm wants to go, and it is essential for better business performance and success (Suklev & Debarliev, 2012). Strategic planning can contribute to firm performance by generating relevant information, reducing uncertainty and creating a better understanding of the important environment (Hodgetts & Kuratko, 2001; Kraus et al., 2006), and these may lead the firm gaining competitive advantage and growth.

Strickland (1996) define strategic planning as a statement outlining an organization's mission and future direction, near-term and long-term performance targets and strategy while Zimmerer & Scarborough, (1996) posit that it is a process that helps to forecast the future, prepares for the future, and can be beneficial for firm's growth. It normally requires broad information gathering, generating and investigation of alternative course of action to enable management achieve the stated organizational objectives. As a process, strategic planning constitutes an important path to successful business operations (Khan & Khalique, 2014). Strategic planning therefore is a process of articulating future blueprint of an organisation to entrenched by top management in order to accomplish the targeted objective by utilizing available resources within a specified period of time.

### **Commitment and Quality Service Delivery in Hotel Business (C & QSD)**

In hotel businesses, proprietors that wants to achieve success must show total commitment to quality service delivery as this improves customer satisfaction and retention. Quality has many descriptions including well-established ones relating it to the production of goods or services with zero defects (Crosby, 1980) and a never-ending cycle of continuous improvement (Deming, 1986). Quality could be in term of manufacturing based, customer based, product based, valued based and transcendent (Daniel, 1992). However, our focus is customer based as is applicable to hotel businesses. It is the totality of features and characteristics of product or service that bear on the ability to satisfy stated or implied needs of customers (Ivancevich, et al., 1994). Quality could be in terms of superiority or worth of the product or services and relative in a special circumstance. Product or service quality has many dimensions such as, courtesy, consistency, convenience, completeness, accuracy and timeless while to Dean and Evans (1994), service quality dimensions include: performance, serviceability, flexibility, durability, conformance, features and perceived quality (Hitt, Hoskisson and Ireland, 2007), and adherence to these may result in superior performance.

In hospitality industry such as hotels, the commitment exhibited by both management and employees invariably result in quality service delivery and customer and employee satisfaction, and increase in market

shares among others. Olaka, Owate, Okafor&Ulo (2018) contend that in hotel business, a service-oriented sector, patronage is crucial to the profitability and sustainability of the business, which derives significantly from innovation and quality service delivery. Quality exists when the firms' goods or services meet or exceed customers' expectations (Hitt, Hoskisson& Ireland, 2007). Without quality, a firm's products or services lack reliability, implying that customers don't consider them as worthwhile alternatives. Hence quality need to be institutionalized and valued by all, employees and managers alike and to be vigilant about continuously finding ways to improve quality product or service (Weick& Sutcliffe, 2001). For customers, quality is all about doing the right things relative to performance measures that are important to them (Kaplan & Norton, 2001). This also applies to hotel sector of the hospitality industry, and to achieve this and improve quality service delivery, a viable and strategic quality control unit need to be put in place to be handled by quality professional managers in the respective hotels. Julian and Scifres (2002) posit that effective quality and strategic controls help firms understand what it takes to be successful. Hence, to improve quality service delivery in businesses, that is meeting the customers' requirements, employees and management must be fully committed and ensure quality control in all phases.

### **Setting Long-term objective and profitability (SLTO & P)**

Long-term objectives usually include specific improvements in the organization's position, employee relations, technology leadership, competitive, profitability, return on investment, productivity and corporate image (businessdictionary.com, 2020). Objective whether short or long-term is usually set to convert managerial statements of business mission and company direction into unambiguous performance targets. This prompts managers to consider what to do now to position the company future to perform well over the longer term period (Strickland, 1996). Setting long-term represents what the firm need to concentrate on in order to make the vision and mission of the organisation. It gives direction, identify long-term goals, sense of purpose and unveil possible roadblock in the course of operation. Setting long-term objectives could be in terms of strategic or financial aspect. Strategic objectives could be to prompt managerial efforts to strengthened a company's overall business and competitive position while financial objectives typically relate to such measures as earnings growth, return-on-investment, cash flow and shareholder returns (Strickland, 1996), all strategies are geared towards improving organisational performance.

In hotel sector of hospitality industry, long-term objective lays down the goals which the hotels seek to achieve over a long period of time which may span for five years or more. Sandberg, Robinson & Pearce (2001) argued that the long term objectives of a firm may normally focus on some or all of the followings: - profitability, competitive position, technological leadership, return-on-investment, employment relationships and public responsibility, employment development, productivity. The long-term objective of the selected hotels in Abakaliki Metropolis, Ebonyi State may be in terms of corporate image, employee relations, and continuous innovation profitability, among many others aimed at retaining and satisfying customers. A satisfied customer will always be retained in an organisation especially where and when there are no strong alternatives, and this will translate to increased profitability. Long-term objective may be continuous innovation and promotional activities which plays important roles in marketing environment for the achievement of industry profitability. Blake (1999), Surply& Quinn, (2004) asserts that what is produced and marketed as new product today becomes obsolete in a twinkle of an eye, and this calls for continuous innovation, retention of corporate image, maintenance of employee relations and proactive promotional activities as strategies to avoid obsolescence.

### **Generating strategic option and return-on-investment in hotel business (GSO & ROI)**

Strategy is flexible and dynamic in nature, and this buttresses the adage which says that the only thing that is constant is change. Generating strategic option involves selecting policies and strategies, which becomes the guiding framework for determining resource commitment, based on the company's long-range objectives (Robock, et al., 1977). Generating strategic option implies the flexibility of strategic planning, and this concept of flexibility was first suggested by Kukalis (1989). Flexibility connotes a contingency analysis in the preparation for response to situation (Eke, 2016). It is the ease with which a firm can change its strategic plan in response to environmental changes as may occasioned by new technology, change in government regulations, emergence of unexpected opportunities, shift in economic conditions (Barringer&Bluedorn, 1999), and this implies generating strategic option. Bruce& Allen (1999) asserts that it is the capacity of a firm's strategic plan to change as environmental opportunities/threats emerge.

In a complex, turbulent and dynamic situations, the ability of management in hotel businesses to generate strategic option becomes unavoidable in order to keep the firm going. This provides a basis for more realistic determination of long-range objectives such as return-on-investment, services to offer, sales, profits, and social commitments. Generating strategic option is competitive and implies making alternative choice among the competing strategies dependent on the prevailing situation. This action will enable firms overcome problems and sustain competitive advantage. A firm is required to have increase return-on-investment which is

one of the profitability ratios determined by dividing the net profit by total assets of the firm as one of the performance indicators (Idam, 2002).

### **Organisational performance**

In all circumstances, performance is relative to the organisation because what is considered performance in one organisation may not be so in another, hence performance is a function of what the organisation produces. Organisational performance comprises the actual results of an organisation as measured against its inputs (Nwonu, 2017). It is an indicator that measures how well an organisation achieves its objectives (Caleb & John, 2015) while Nome (2014) posits that organisation performance increases in direct proportion to increase in efficiency and effectiveness. However, in all cases, there are various explanations of what is meant by performance by different authors; for instance, Jerill (2013) see performance as the nexus between effective cost and realized output as well as the relationship between output and results achieved over a period of time by an organisation. These could be achieved and sustained in the long-run if the structure of the organisation is all-inclusive in creating a management chain that allows for every segment of the organisation to operate within the whims and caprices of their operational framework (Belks&Gilacks, 2017).

Lumpkin and Dess (1996) identified several performance measures to include-sales growth, Market shares, profitability, overall performance and stakeholders' satisfaction. Gabriel, (2016) asserts that performance could be measured in terms of profitability (PR), sales of assets (STs), price-earnings ratio (PER), dividend yield (DiY) return on investment (ROI), return on equity (ROE), and return on assets (ROA), earning per share (EPS) or market shares which have been variously used as measure of firms' performance. In service oriented organisation such as hotels, performance could be viewed in terms of service quality service delivered (QSD), profitability (PR), return-on investment (ROI), customer satisfaction (CS), market share (MS), dividend yield (DiY), and stakeholders' satisfaction (SS) which have been used as a measure of firm's performance. The question is how well have the hotels achieved these performance indicators in their respective hotels.

### **III. THEORETICAL FRAMEWORK**

The theoretical framework upon which this investigation is based is contingency theory propounded by Fiedler in 1967 (Mullins, 1999). Contingency theory emphasizes on the importance of structure as a significant influence on organizational performance. The basic assumption of contingency theory is that there is no one way or single best approach to managing an organisation, other than based on exigency of the situation which emphasizes eclectic strategic approach. In view of this premise, different organisation adopt and applies strategic planning which is wide-ranging in nature and relevant to the circumstances in which the firm is facing at the specific period of time. Specifically, in the process of strategic planning, implementation and monitoring evaluation, this theory is most appropriate and applies to all businesses, hospitality inclusive to assisting managers in making strategic and guided managerial decision. The relevance of this theory to this study is that managers of hotel sector should adopts strategy that is relevant and contingent to the prevailing situations in the industry at the point of strategic planning.

### **IV. EMPIRICAL EVIDENCES**

Evidences abound indicating strong positive relationship between strategic planning and performance or productivity of any business organisation. For instance, Khan and Khalque (2014) conducted a study on strategic planning and performance of small and medium enterprises (SMEs) and large organisations in India. The study was based on the controversial findings on the relationship between strategic planning and firm performance and the differing nature of small and medium enterprises (SMEs) from that of large organisations. For the first time proposed an empirical study which combines strategic planning with that of intellectual capital. Based on the empirical studies reviewed, evidences reveal that most of the results indicate high positive relationship between firms strategic planning and organisational productivity of the firms concerned.

Arasa&K'Obonyo (2012) did a study on strategic planning and performance of firms in Kenya. Pearson Correlation Coefficient was used to analyze the data. The results indicate that there is a strong existence of relationship between strategic planning and firm performance, and further stressed that all the strategic planning steps such as defining firm's corporate purpose, scanning of business environment etc. were found to be positively related to company performance.

Owolabi&Makinde (2012) also conducted a study on strategic planning and corporate performance of employees in Bacocok University, Nigeria. The data was analyzed with Pearson correlation coefficient, and the result revealed that there was a significant positive correlation between strategic planning and corporate performance of the University.

Aldehayyat, Al-khattab and Anchor (2011) on a study on strategic planning and performance of Jordanian hotel in two cities of Petra and Aqaba. Survey method was used and data collected were analyzed with correlation technique. The result indicates that Jordanian hotels engage in strategic planning by using a

number of techniques. The use of strategic planning techniques was related more to the size of the hotels and less to age and ownership type. Hence, there is a positive relationship between the use of strategic planning techniques and the size of hotel.

### V. METHODOLOGY

Cross-sectional survey design whereby thirteen (13) hotels in Abakaliki Metropolis namely: Salt Lake, Osborn La-Palm, Salt Spring, Greacecourt hotels & suite, Gene Hotel, Abuson, Crene Hotels, Osborn La-Palm extension, Top View, Eagle Royal hotels, Ebonyi Hotels, San Diego, MonaBlissHotels were selected based on years of operation, that is (5-24) yrs., staff strength, and size in terms of number of rooms accommodation. The population of the study is one hundred and ten (110). Pilot survey was conducted prior to administration of the questionnaire to determine the reliability of the instrument. The result of Cronbach alpha reliability coefficient of 0.83 was obtained using the SPSS software, hence the reliability of the instrument, thus administered the questionnaires.

One hundred (110) questionnaires were administered on the respondents out of which 90 copies were retrieved and used for analysis. Data collected through the instrument was scaled as presented in appendix B and Spearman's Rank Correlation statistical technique was employed to test the three hypotheses of the study. The aim of using Spearman Rank Correlation method is to test the degree of the relationship between the independent (Strategic planning) variables and the dependent (performance) indicators measured at ordinal scale.

#### Descriptive Statistics

**Table 1: Strategic Planning Indices and the Performance Indicators of Hotels in Abakaliki**

	N	Range	Mean		Std. Deviation	Variance
	Statistic	Statistic	Statistic	Std. Error	Statistic	Statistic
Commitment	90	4.00	3.6889	.11893	1.12823	1.273
Quality Service Delivery	90	4.00	3.7778	.10574	1.00312	1.006
Setting Long-Term Objective	90	3.00	3.7667	.10247	.97208	.945
Profitability	90	4.00	3.8889	.11111	1.05409	1.111
Generating Strategic Option	90	4.00	3.9889	.10890	1.03310	1.067
Return-On-Investment	90	3.00	4.0556	.09914	.94049	.885
Valid N (list wise)	90					

**Source:** Survey Report, 2020

Table 1 shows that the number of observation is ninety (90) from where the range, mean, standard deviation and variance for the respective six (6) correlating variables were determined.

#### Bivariate Analysis

Bivariate analysis was carried out to test the relationship between strategic planning indices and performance indicators as postulated. As two-tailed not directional, the study adopted 95% confidence interval, and a significance level of 0.01 for the acceptance or rejection of the stated hypotheses. Spearman's rank correlational statistical tool was adopted using SPSS software to determine the correlations between the decomposed strategic planning (independent) and performance indicator (dependent) relative to the hotels under investigation.

#### Test of Hypotheses.

##### Hypothesis 1:

Ho<sub>1</sub>: There is no relationship between commitment and quality service delivery in the selected hotels in Abakaliki Metropolis, Ebonyi State.

HA<sub>1</sub>: There is a relationship between commitment and quality service delivery in the selected hotels in Abakaliki Metropolis, Ebonyi State.

**Table 2: Test of Relationship between Commitment and Quality Service Delivery**

			Commitment	Quality Service Delivery
Spearman's rho	Commitment	Correlation Coefficient	1.000	.521**
		Sig. (2-tailed)	.	.000
		N	90	90
	Quality Service Delivery	Correlation Coefficient	.521**	1.000
		Sig. (2-tailed)	.000	.
		N	90	90

Source: SPSS Output. \*\*. Correlation is significant at the 0.01 level (2-tailed).

Table 2 shows the SPSS output of the bivariate analysis for the hypothesized relationship between commitment and quality service delivery (rho: 0.521, *P-value*: 0.000). The result indicates that commitment statistically correlates with quality service delivery based on a  $p < 0.01$  value, the study rejects the null hypothesis, and accept the alternate ( $H_{A1}$ ) which says that there is a significant relationship between commitment and quality service delivery in the selected hotels in Abakaliki, Ebonyi State.

**Hypothesis 2:**

$H_{O2}$ : There is no relationship between setting long-term objective and profitability in theselected hotels in Abakaliki Metropolis, Ebonyi State.

$H_{A2}$ : There is a relationship between setting long-term objective and profitability in theselected hotels in Abakaliki Metropolis, Ebonyi State.

**Table 3: Test of Relationship between Setting Long-Term Objective and Profitability**

			Setting Long-Term Objective	Profitability
Spearman's rho	Setting Long-Term Objective	Correlation Coefficient	1.000	.296**
		Sig. (2-tailed)	.	.005
		N	90	90
	Profitability	Correlation Coefficient	.296**	1.000
		Sig. (2-tailed)	.005	.
		N	90	90

Source: SPSS Output \*\*. Correlation is significant at the 0.01 level (2-tailed).

Shown in Table 3 is the SPSS output of the bivariate analysis for the hypothesized relationship between setting long-term objective and profitability (rho: 0.296, *P-value*: 0.005), though, a positive correlation exists, but a weak one. The result however indicates that is a relationship between setting long-term objective and profitability based on a  $p < 0.01$  value, though a weak correlation, we reject the null hypothesis ( $H_{O2}$ ), and accept the alternate ( $H_{A2}$ ) which says that there is a relationship between setting long-term objective and profitability in the selected hotels in Abakaliki, Ebonyi State.

**Hypothesis 3:**

$H_{O3}$ : Generating strategic option does relate to return-on-investment in the selectedhotels in Abakaliki Metropolis, Ebonyi State.

$H_{A3}$ : Generating strategic option relates to return-on-investment in the selectedhotels in Abakaliki Metropolis, Ebonyi State.

**Table 4: Test of Relationship between Generating Strategic Option and Return-On-Investment**

			Generating Strategic Option	Return-On-Investment
Spearman's rho	Generating Strategic Option	Correlation Coefficient	1.000	.444**
		Sig. (2-tailed)	.	.000
		N	90	90
	Return-On-Investment	Correlation Coefficient	.444**	1.000
		Sig. (2-tailed)	.000	.

**Source:** SPSS Output \*\*. Correlation is significant at the 0.01 level (2-tailed).

Table 4 shows the SPSS output of the bivariate analysis for the conjectured relationship between generating strategic option and return-on-investment ( $\rho: 0.444, P\text{-value}: 0.000$ ). The result indicates that generating strategic option moderately relates with return-on-investment based on a  $p < 0.01$  value, we reject the null hypothesis ( $H_0$ ), and accept the alternate ( $H_A$ ) which says that there is a relationship between generating strategic option and return-on-investment in the selected hotels in Abakaliki Metropolis, Ebonyi State.

## VI. DISCUSSION OF THE RESULTS

The study correlates strategic planning and performance of hospitality industry in Abakaliki, Ebonyi State Nigeria. The SPSS output of the bivariate relations for the conjectured relationship between commitment and quality service delivery ( $\rho: 0.521, P\text{-value}: 0.000$ ) based on  $p < 0.01$  value, hence the alternate ( $H_A$ ) which says that there is a relationship between commitment and quality service delivery is accepted. Also the SPSS result of the bivariate analysis for the hypothesized relationship between setting long-term objective and profitability ( $\rho: 0.296, P\text{-value}: 0.005$ ). This shows that there is a weak correlation between setting long-term objective and profitability based on  $p < 0.01$  value, consequently, the alternate hypothesis ( $H_A$ ) is as well accepted. The SPSS outcome of the bivariate analysis for the postulated relationship between generating strategic option and return-on-investment ( $\rho: 0.444, P\text{-value}: 0.000$ ). This indicates that generating strategic option moderately relates with return-on-investment based on a  $p < 0.01$  value, therefore the study accepts the alternate ( $H_A$ ) which says that generating strategic option relates to return-on-investment in the selected hotels in Abakaliki Metropolis, Ebonyi State.

## VII. CONCLUSION AND RECOMMENDATIONS

Based on the three hypotheses tested, which shows that there is no significant relationship between commitment and quality service delivery; weak relations between setting long-term objective and profitability and moderate relationship between generating strategic option and return-on-investment, the study concludes that strategic planning correlates significantly with performance in the selected hotels in Abakaliki Metropolis, Ebonyi State like other business organisations. The results of this study is in line with other related studies conducted by Khan and Khalque (2014) on strategic planning and performance of small and medium enterprises (SMEs) and large organisations in India; Owolabi & Makinde (2012) on strategic planning and corporate performance of employees in Bacocok University, Nigeria, Arasa and K'Obonyo (2012) on strategic planning and performance of firms in Kenya; and Aldehayyat, Al-khattab and Anchor (2011) on strategic and performance of Jordanian hotel using two cities of Petra and Aqab; This study therefore concludes that there is a statistical correlation between strategic planning and performance of hotels in Abakaliki.

Based on the finding and conclusions made, the study recommends as follows:

- (i) That managers and indeed all the employees of the respective hotels in Abakaliki metropolis should be more committed and entrench quality control measures in all their activities so as to ensure quality service delivery.
- (ii) A combine effort of management and employees is highly required in order to actualize the long-term objective of the respective hotels so as to ensure uninterrupted inflow of customers that will translate to profitability.
- (iii) Management of hotels in Abakaliki should always generate strategic option when the need arises as nothing is constant and this action will help not to compromise the stream of return-on-investment of the hotels.
- (iv) That in the face of dynamic, turbulent and complex business environments, the hotels in Abakaliki metropolis and other allied organisations should pragmatically adopt strategic planning in all their activities so as to achieve optimal performance.
- (v) Finally, the impact of other mediating variables on the relationship between strategic planning and firms' performance not covered here needed to be explored in future researches.

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**APPENDIX A**

**QUESTIONNAIRE**

1. Name of your hotel: .....
2. Position in the hostel: a. Proprietor [] b. Manager [] c. Steward []

**Section B: Research Question Items**

Kindly tick good (✓) the answer of your choice from the following statements using 5 Likert Scale as shown below: (5 = strongly agree; 4 = agree; 3 = undecided; 2 = disagree and 1 = strongly disagree).

S/NO	Commitment and Quality Service Delivery	SA	A	UN	D	SD
3	Management and employee of your hotels show high commitment to enhancing quality service delivery					
4	Lack of commitment is a constraint to quality service					

	delivery in your hotels.					
5	Quality service delivery depends largely on the commitment shown by management and employees					
6	Quality service delivery is been hampered by non-commitment shown by management and employees					
	<b>Setting Long-Term Objective and Profitability</b>	<b>SA</b>	<b>A</b>	<b>UN</b>	<b>D</b>	<b>SD</b>
7	Setting long-term objective in your hotels is designed to enhance profitability of the industry					
8	Profitability relates significantly with setting long-term objective set by your hotels					
9	Your hotels set long-term objective in order to increase profitability in the industry.					
10	Profitability is not improved upon by setting long-term objective your hotels.					
	<b>Generating strategic option and return-on-investment</b>	<b>SA</b>	<b>A</b>	<b>UN</b>	<b>D</b>	<b>SD</b>
11	Generating strategic option is designed by management to ensure steady return-on-investment of your hotels					
12	Return-on-investment of your hotels depends largely on the strategic option generated by the management.					
13	Non-generation of strategic option may affect the return-on-investment of your hotels.					
14	Management of your hotels do not generate strategic option hence return-on-investment is not affected.					

**APPENDIX B**

**Summary of raw data generated and scaled based on the respondents and used to test hypotheses**

Commitment (x) & Quality Service Delivery (y) (C & QSD)			Setting Long-term Objective (x) & customer satisfaction (y) (SLO & CS)		Generating Strategic Option (x) & Profitability (y) (GSO & P)	
S/N	X	Y	X	Y	X	Y
1	5	4	3	5	4	5
2	4	5	5	4	4	3
3	5	4	2	3	3	2
4	2	3	3	4	5	4
5	5	5	4	5	5	5
6	4	3	5	4	2	3
7	4	5	4	5	5	5
8	3	2	2	1	4	5
9	4	5	5	4	4	3
10	2	3	4	4	5	5
11	4	5	4	5	4	5
12	2	3	3	4	3	2
13	5	3	4	4	5	4
14	3	4	5	5	5	5
15	4	5	3	5	4	4
16	3	4	4	5	4	5
17	5	4	3	4	3	3
18	4	5	5	5	5	4
19	2	3	3	2	4	4
20	5	4	4	3	3	5
21	3	3	5	5	5	4
22	2	1	3	4	5	5
23	5	4	2	3	4	5
24	4	3	4	2	5	3
25	2	3	3	4	4	5
26	3	2	5	3	3	2

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27	4	5	5	5	4	5
28	5	3	4	3	5	4
29	1	2	3	5	4	5
30	3	3	5	5	2	3
31	4	5	4	5	5	4
32	3	4	5	4	3	4
33	4	5	4	5	5	5
34	5	4	3	4	4	3
35	2	3	5	4	4	4
36	4	5	4	4	5	5
37	3	4	4	5	4	3
38	5	5	4	3	5	5
39	5	4	3	4	2	3
40	4	5	5	4	5	5
41	1	3	4	5	1	2
42	4	5	3	3	4	3
43	2	3	2	1	5	5

APPENDIX B *Contd.*

44	5	4	5	4	3	2
45	4	3	2	4	2	3
46	3	3	3	2	5	5
47	4	3	5	5	4	4
48	5	4	4	5	5	4
49	4	5	4	4	5	5
50	2	3	3	2	4	3
51	5	5	4	5	4	5
52	4	4	3	2	5	5
53	3	5	5	4	5	4
54	1	2	5	3	4	5
55	4	3	3	4	5	3
56	2	3	2	4	4	5
57	4	5	3	3	3	4
58	4	4	5	4	5	5
59	5	4	4	3	4	4
60	4	4	3	5	3	4
61	3	4	5	4	4	4
62	2	3	4	5	3	4
63	3	3	3	5	5	4
64	5	4	4	5	4	5
65	2	2	2	3	4	4
66	4	4	3	4	5	3
67	3	3	4	4	5	4
68	5	5	5	3	4	5
69	3	2	4	4	2	3
70	5	5	5	4	4	4
71	4	5	4	5	5	5
72	3	2	2	3	3	4
73	5	4	4	3	4	4
74	4	4	4	5	4	5
75	2	3	2	3	4	3
76	4	4	5	5	5	5
77	3	4	5	4	2	3
78	5	3	3	5	5	5
79	4	5	3	2	4	2

*Correlate Strategic Planning and the Performance of Hospitality Industry in Abakaliki..*

80	5	4	4	5	4	3
81	3	4	5	3	2	5
82	5	4	3	2	3	4
83	5	5	4	3	5	4
84	4	5	3	2	4	5
85	5	3	4	5	2	4
86	4	5	5	3	5	4
87	4	3	4	5	5	5
88	5	4	4	4	4	4
89	4	5	3	5	1	3
90	3	2	2	3	4	5

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