

Impact of strategic planning on the business performance in Apparel Industry in North Central Province in Sri Lanka

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Abstract

Business firms tend to consider financial factors in evaluating their performance. However sustainable growth and development of a firm is determined by financial and non-financial factors. This study aims to examine the effect of strategic planning on business performance of apparel sector in North Central Province in Sri Lanka. In this study, business performance was considered as the dependent variable and strategic planning, financial perspective, customer perspective, internal business process perspective and learning and growth perspective were considered as the independent variables. For the purpose of evaluating strategic planning the study addressed the widely used method of Balanced Scorecard introduced by the Robert Kaplan and David Norton. A sample of 100 executives was selected through purposive sampling. Data were collected using a structured questionnaire directing to the selected group of executives. Likert type five scale items were used in measuring key variables of the study. Statistical techniques such as descriptive statistics, T-test, ANOVA test, correlation analysis and multiple regression analysis were employed in data analysis. Internal consistency of the instruments was measured with Cronbach's Alpha. Result indicates that there is a positive relationship between strategic planning, financial perspective, customer perspective, internal business process perspective and learning and growth perspective with business performance. Therefore the study stresses the importance of considering strategic planning, financial perspective, customer perspective, internal business process perspective and learning and growth perspective in sustaining business performance overtime.

Keywords: *Apparel Industry, balanced scorecard, business performance.*