

THE CURRENT STRATEGIC PLANNING OF SOUTH ETHIOPIAN MALE PREMIER LEAGUE FOOTBALL CLUBS: IMPLICATION ON BUSINESS SUCCESS

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How to cite this article: Getu, S., Khan, A., & Taye, H. (June, 2017). The current strategic planning of south Ethiopian male premier league football clubs: implication on business success. *Journal of Physical Education Research*, Volume 4, Issue II, 68-79.

Received: October 11, 2016

Accepted: April 13, 2017

ABSTRACT

The purpose of the study was to identify the effects of implication of strategic planning exercises on the business success of football clubs in the south Ethiopian male premier league football clubs. The study adopted a cross-sectional research design. To work on the purpose of the study 140 players were selected by using simple random sampling as well as 2 coaches and 2 club administrator from each club were selected by using purposive sampling technique. So total 20 ($2+2=4 \times 5=20$) coaches and administrative officials were taken as the subject. The result showed in coefficient table that strategic planning management, strategic planning thinking, strategic planning formulation and strategic planning choice and strategic planning implementation has positive significant relationships but strategic planning challenge negative significant relation. The R-square value shows that 0.40 (40.9%) strategic planning effect on business success. The aim was to tackle major challenges of inadequate resource, training, and shortage of qualified personnel and lack of commitment by top management to enhance the full potential of strategic planning on business success of south Ethiopia male premier league football.

Keywords: *Strategic planning, Premier league, Football, Business.*

1. INTRODUCTION

Sport is a hobby or leisure time activity for most people. However, it is also increasingly established that sport is also a business (Chadwick & Arthur, 2008). In this research assignment the emphasis is on the football industry. In the sport of football an important transformation took place. In general, football clubs have

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originated since the 1850s and the majority of European clubs are about 100 years of age. When the game attracted spectators and players became financially compensated, business practices developed into the clubs that were until then just sporting associations. Thus, to a certain extent business has always been a part of sports. However, since the 1980s there has been a large economic development in the sport with an involvement of corporations and other business institutions. During these last decade business in football has grown enormously and football clubs have commercialized largely.

While the finances of professional football clubs have increased massively and attitudes have changed, the fans among others have experienced important changes in the cultural organization of the sport (Goldman, 2012). Often there is a change of culture and some traditions are lost among clubs that have commercialized. Furthermore, an interesting situation in the football industry is that a minority of clubs are owned by their supporters. Many studies have suggested that business failure is due largely to an organization's failure to plan. As Norman and Thomas (2003) noted, "without a clearly defined strategy, a business has no sustainable basis for creating and maintaining a competitive edge in the marketplace." This view is shared by numerous empirical studies that reveal a link between strategic planning and corporate business success (e.g. Bracker, Keats, & Pearson, 1988; Schwenk & Shrader, 1993). Strategic planning is therefore a very important research topic for organizational success. Studies have shown that the high failure rate among small firms, particularly among start-ups, can be attributed to the lack of formal business planning (Castrogiovanni, 1996).

The benefits of strategic planning to organizations are varied. These may include; providing a structured means of analysis and thinking to management, encourage management to question the premises that their corporate strategies are based on, encouraging a longer term view and providing a means of coordination (Johnson, Scholes, & Whittington, 2005). Many of the contributing factors to business failures may be predicted and effectively address during the infancy of small business development when strategic planning is employed, thereby decreasing the failure rate for small business. Where strategic planning has been adopted, businesses usually report that it benefits them (Baker *et al.*, 1993).

The studies that examined the nature of business planning activities undertaken by small firms suggest that a relationship exists between enhanced sales growth and the implementation of sophisticated business planning techniques (Berman, Gordon, & Sussman, 1997). The empirical literature widely assumes that strategic planning is a substantial success factor for small or new ventures. Accordingly, strategic planning increases not only the rate, but also the extent of success. Meta-analyses conducted by Schwenk and Shrader (1993)

showed that the existence of strategic planning is significantly positively correlated with the success of an enterprise. Small firms can benefit from strategic planning particularly if it involves long-range thinking and systematic screening of opportunities (Schwenk & Shrader, 1993). Strategically planning enterprises achieve better financial results. This implies that expenditures related to planning activities would be compensated financially. Further positive relationship between strategic planning and financial performance was discovered.

2. METHODS AND MATERIALS

2.1 Sample Size and Sampling Techniques

One hundred forty (140) football players were selected by using simple random sampling and 2 (two) coaches and 2 (two) club administrator from each clubs were selected by using purposive sampling technique. So total $2+2=4 \times 5=20$ coaches and administrative were taken as the subject.

2.2 Instrument

The questionnaires that measure document analysis in business success was adopted from research work done by Bibi Zaheenah Chummu (2012). The researcher modified few questioners according to the title of this study.

2.3 Data Collection

Before administration of the questionnaire the consent was acquired from the respondents. Then, the adopted questionnaire was distributed to the subjects of the study. Proper instructions were given to them for responding on the questionnaire. They were assured their responses will keep secret and it will be only used for this research. Filled questionnaire were recollected for further analysis.

2.4 Data Analysis

The analysis of the data was performed by using descriptive statistics, such as standard deviation, mean, frequency counts used to describe strategic planning. In addition to this, Spearman's rank order correlation coefficient used to show the relationship between strategic planning and business success of football clubs.

3. RESULTS

Table 1: Descriptive statistics of strategic planning and business success

Name of the clubs		SPC	SPM	SPT	SPF	SPCH	SPI
Hawassa City FC	Mean	2.25	2.50	3.50	2.75	2.50	3.75
	N	32	32	32	32	32	32
	SD	1.25	1.73	1.00	1.50	1.29	0.50
Sidama Buna FC	Mean	3.13	3.63	3.72	3.34	3.25	2.63
	N	32	32	32	32	32	32
	SD	1.60	1.24	1.30	1.40	1.21	1.28
Wolayita Dicha FC	Mean	3.46	3.07	3.46	3.39	2.71	3.39
	N	32	32	32	32	32	32
	SD	1.26	1.38	1.20	1.39	1.43	1.39
Areba Minch City FC	Mean	3.50	3.47	5.00	1.50	2.00	3.50
	N	32	32	32	32	32	32
	SD	2.12	1.36	0.00	0.70	1.41	2.12
Hadiya Hosanna FC	Mean	3.33	3.50	3.52	1.39	1.40	1.58
	N	32	32	32	32	32	32
	SD	1.87	1.42	1.65	1.39	1.40	1.58
Total	Mean	3.24	3.30	3.52	3.27	2.88	3.01
	N	160	160	160	160	160	160
	SD	1.49	1.41	1.33	1.39	1.34	1.40

SPC=Strategic Planning Challenge, SPM=strategic planning management, SPT, strategic planning thinking, SPF, strategic planning formulation, SPCH, strategic planning choice, SPI, strategic planning implementation

Table 2: Correlation (*r*) for the relationship between category of strategic planning and business success

	Business success
Strategic planning challenge	0.595*
Strategic planning management	0.485*
Strategic planning thinking	0.610*
Strategic planning formation	0.608*
Strategic planning choice	0.604*
Strategic planning implementation	0.603*

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

Table 2 shows that a strong positive correlation was found among business and all other strategic planning variables.

Table 3: Model summary of multi variant regression analysis and interpretation

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
Strategic planning challenge	0.565 ^a	0.319	0.319	1.399
Strategic planning management	0.455	0.207	0.206	1.511
Strategic planning thinking	0.584	0.342	0.341	1.376
Strategic planning formulation	0.584	0.341	0.341	1.376
Strategic planning choice	0.570	0.325	0.325	1.393
Strategic planning implementation	0.574	0.329	0.329	1.389

It is showed from Table 3 that the R square value of strategic planning challenge is 0.319. This implies that strategic planning challenge accounts for 31.9 Percent of business success of clubs. The remaining 68.1 percent are as a result of other factors not considered and the error term. A value of 1.399 or the standard error of the estimate indicates a 139.9 percent deviation.

The R square value was for strategic planning management is 0.207. This implies that strategic planning management accounts for 20.7 percent of business success of clubs. The remaining 79.3 percent are as a result of other factors not considered and the error term. A value of 1.511 or the standard error of the estimate indicates 151.1 percent deviation.

The R square value for strategic planning thinking is 0.342. This implies that strategic thinking accounts for 34.2 percent of business success of clubs. The remaining 65.8 percent are as a result of other factors not considered and the error term. A value of 1.376 or the standard error of the estimate indicates a 137.6 percent deviation.

In case of strategic planning formulation, the R square value is 0.341. This implies that accounts for 34.1 percent of business success of clubs. The remaining 65.9 percent are as a result of other factors not considered and the error term. A value of 1.376 or the standard error of the estimate indicates a 137.6 percent deviation.

The R square value for strategic planning choice is 0.325. This implies that strategic planning choice accounts for 32.5 percent of business success of clubs. The remaining 67.5 percent are as a result of other factors not considered and the error term. A value of 1.393 or the standard error of the estimate indicates a 139.3 percent deviation. The R square value for strategic planning implementation is 0.329. This implies that strategic planning implementation accounts for 32.9 percent of business success of clubs. The remaining 41.6

percent are as a result of other factors not considered and the error term. A value of 1.389 or the standard error of the estimate indicates a 138.9 percent deviation.

Table 4: ANOVA of multi variant regression analysis and interpretation

Model	Sum of Squares	df	Mean Square	F	Sig.
Strategic challenge	Regression	1	2933.090	2933.090	.000b
	Residual	3197	1.959	1.959	
Strategic planning management	9194.428	1	1899.5	832.463	.000
	1899.515	3197	2.282		
Strategic planning thinking	3140.224	1	3140.224	1658.235	.000
	6054.204	3197	1.894		
Strategic planning formulation	9194.428	1	3138.295	1656.689	.000
	3138.295	3197	1.894		
Strategic planning choice	6056.133	1	2987.003	1538.391	.000
	9194.428	3197	1.942		
Strategic planning implementation	2987.003	1	3027.757	1569.687	.000
	6207.425	3197	1.929		
	9194.428	3198			
	3027.757	1	3027.757	1569.687	.000
	6166.671	3197	1.929		
	9194.428	3198			

As seen in the above ANOVA table model, the F value of 1497.617 reflected strategic planning challenge is a significance level of 0.000b, which in turn means that the test statistic is significant at that level. In case of strategic planning formulation, the F value of 832.463 reflected strategic planning management is a significance, which in turn means that the test statistic is significant at that level. As seen in the ANOVA table the model, the F value of 1658.235 reflected strategic planning thinking is a significance level of 0.000, which in turn means that the test statistic is significant at that level. As seen in the table, the model the F value of 1656.689 reflected the strategic planning formulation is a significance level of .000, which in turn means that the test statistic is significant at that level. The F value of 1538.391 reflected strategic planning choice is significant, which in turn means that the test statistic is significant at that level. The F value of 1569.687 reflected strategic planning choice is significant, which in turn means that the test statistic is significant at that level.

4. DISCUSSION

Pertaining to the results it is observed that the strategic planning challenge on business success has negative significant on business success. In multivariate regression analysis of model summary, the value of strategic planning management shows that 65.5% effects on business success. This implies that strong association of strategic planning challenge on business success due to many factors affecting strategic planning challenge on business success. In the statements of the respondents were to respond to, we learnt that development of the football club was the major problem that strategic planning challenge is major problem like lack of trained personnel, lack of awareness, lack of sufficient tanning, lack of using modern technology, lack of business plan affect to the practice of strategic planning on business success. The coefficients table also revealed that strategic planning challenge had a fairly negative significant relationship to business success. This result confirmed similar study from previous study Kitangita, (2007) state that challenges to strategy development will always be present, even in the most organized organizations. Management must anticipate challenges so as when they eventually occur, they are not caught uniform footed. Further, to affect his, adequate resources both financial and non-financial must be availed to address anticipated challenges. Thomason and Strickland (1999), notes that every organization has its own unique culture-one made distinctive by its own business philosophy and principles its own ways of approaching problems and conducting activities, its own mix of managerial personalities and styles, its own patterns of “how we do things here”, its own set of war stories and heroes. Probst and Buchel (1997) contend that all management activity, including strategic planning, cannot be considered independently of culture because it is culture which sets organizational behavior, both at institutional and individual levels. Similarly, Thomason and Strickland (1999) assert that a strong culture is a valuable asset when it matches the requirements for good strategy execution and a dreaded liability when it does not.

Strategic planning management and business success has positive strong relationship in multivariate regression analysis of model summary the value of strategic planning management R-square (0.455) this means that 45.5% effects on business success. This implies that weak association of strategic management on business success due to many factors affecting strategic planning management on business success. As study by Hajara (2011) states that there are still many challenges for strategic management in the modern business society. When the globalization, e-commerce and many other changes emerged in the business society, business has become hyper competitive. If you are not using proper competitive strategy, the organization cannot survive any longer have less effect.

The process of strategic management can help to generate competitive intelligence, foresee the next moves of rivals and build the competitive strategy to defeat competitors in the tough battle (Hajara, 2011). In case of this study there is weak practicing of strategic management in business activity and lack of connecting with globalization, lack of awareness on business become hyper competitive and proper competitive strategy.

A study by Mintzberg (1990) in business context, suggesting that effective strategic thinking leads to competitive advantage: Strategic thinking is an individual thinking activity that benefits organizations. Its purpose is to discover competitive strategies to position the organization significantly differently from the present. Thinking strategically on business which details tactics to be taken to achieve goals and objectives. Strategic thinking is thinking that contributes to broad, general, overarching concepts that focus the future direction of an organization based on anticipated environmental conditions. This study in line with study shown that strategic planning thinking positive significant relationship between with business success. Goldman (2012) stated that the “three reasons for the strategic thinking gap have been suggested: a lack of understanding of the concept overall; constant practitioner and theoretician confusion of the term “strategic thinking” with “strategic planning” as well as other strategic management terms; and limited development of strategic thinking among organizational leaders”. He stated that the knowledge gap between strategic thinking and strategic planning among top level managers hampers strategic thinking. “Strategic thinking is an individual experience and takes place informally and without any decision or action necessarily following. Similarly, this study revealed that challenge of strategic thinking on business success were lack of understanding of concept of strategic thinking with strategic planning in business activity, confusion on strategic thinking and limited development and hampers of business strategic thinking of among clubs administrative. These findings support our study that in multivariate regression analysis of model summary the value of strategic planning thinking R-square (0.584) this means that 58.4% effects on business success. This implies that moderate association of strategic formulation on business success due to many factors affecting strategic planning thinking on business success.

In multivariate regression analysis the value of strategic planning formulation R-square (0.342) this means that 34.2% effects on business success. This implies that weak association of strategic formulation on business success due to many challenges affecting strategic planning formulation on business success. A study shown by (Kitangita, 2007) state that Challenges to strategy formulation are always present, even in the most organized organizations. Management must anticipate challenges so as when they eventually occur they

are not caught flat footed. Further, to this, adequate resources both financial and nonfinancial must be availed to address anticipated challenges. Environmental factors that affects external agents such as national culture, national economic conditions and industry conditions. It examined factors such as set laws within the sector, set standardizations policies, to what extent one should consider the local community, the prevailing political conditions, strategic positioning, mergers and partnerships and the impact of the organization's presence on nature and its wellbeing. Huang, Abu-Salih, and Megdadi (2013) stated that "business managers can't ignore the political policies, laws and regulations of the country from which they conduct international marketing transactions. Decision-specific factors can include time, risk, complexity and politics within the organization; it is in tandem with having a good mix that would help the organization to come up with appropriate decisions and in a timely manner. They are required to understand the country in which the businesses will operate and work within the existing parameters and anticipate and plan for changes that may occur. Demographic factors and changes can affect business opportunities for marketing innovation as far as consumer income, age, standard of living, occupation, educational level". Similar to this study many challenges that affect strategic planning formulation on business success like demographic factors, decision specific factors include time, risk, complexity and politics in clubs, environmental factors indicating in south Ethiopia male premier league football clubs.

In the study it is showed that strategic planning choice and business success have significant positive relationship. In multivariate regression analysis the value of strategic planning choice R-square (0.570) this means that 57.0% effects on business success. This implies that weak association of strategic choice on business success due to many factors affecting strategic planning formulation on business success. But the effect is weak on business success due to the challenges of strategic choice on business success. So the finding of this study are supported by the finding of Liedtka (1998) revealed that bias and favoritism also played a role in selecting strategic choices. This was normally with regards to infighting among directors or managers, based on choice of preference when selecting which strategic choices the organization should undertake that a holistic view of how the firm operates helped the management see how it can merge all its processes and procedures so as to have an integrated system that functions optimally. This helped to ensure that all the interests of all managers and other stakeholders were taken into account and thus it aided in ensuring appropriate strategic choices are made in a timely manner (Hodgkinson, 2007). Most business situations are however not zero sum games and also involve more than two players each having their own set of strategic alternatives. In the context of

the business environment, the strategic choice results not only from an analysis of the contingencies of the social, economic, technological and legal environment, and awareness about the likely strategic choices of the competitor but also by seeking out bold new vision and inspired courses of action hitherto unknown. The core assumption that business environment factors can always be objectively assessed by the analytical tools and techniques of strategic management does not stand up to empirical scrutiny. In similar to this finding challenges that hinder practicing strategic choice on business success are lack of inspire club vision and mission, absent of strategic management practice, social, economic and technological factors.

In the study shown that strategic planning implementation and business success have significant positive relationship. In multivariate regression analysis the value of strategic planning implementation R-square (0.570) this means that 57.0% effects on business success. This implies that weak association of strategic implementation on business success due to many factors affecting strategic planning implementation on business success. But the effect is weak on business success due to the challenge of strategic implementation on business success. In considering to strategic planning implementation on business success in context of south Ethiopia male premier league football club the practice is weak due to many factors. There is significant relation between strategic planning and business success, but the result show that strategic planning implementation have weak effect on business success in south Ethiopia male premier league football clubs. As Olson, Slater and Hult (2005) study say it, 'doing is harder than dreaming'. Organizations invest a lot of time and resource in the planning of strategy, but very little of it will get successfully implemented. Research in this field will lead to a better understanding what can go wrong and why, but also what will foster success. Organizations that fail to develop its strategy may fail on the long run. In similar to this study in south Ethiopia male premier league football clubs their initial stage or weak practicing of strategic planning on business success but there is with little implementation.

As Aaltonen and Ikavalko (2002) study realized today much is known about the important factors in the planning phase of strategy. Furthermore, problems, which appear during the implementation phase, are known. Some approaches and methods have been developed by researchers to ensure a structured processing; the most important factors of them will be introduced, summarized and connected during the paper. But a gap still exists between knowing what to do and actually doing it. Thus there is little systematic knowledge about how to implement a well-conceived strategy on paper in the real day-to-day business of an organization. Without effective implementation "even the most superior strategy is useless". In similar to this study major

problem like lack of trained personnel, lack of awareness, lack of sufficient tanning, lack of using modern technology, lack of business plan indicated in south Ethiopia male premier league football clubs are lack of systematic knowledge about how to implement strategy plan in the business success of football clubs. In general, as result show that south Ethiopian male premier league football clubs weak practice of strategic planning on business success, due to many factors also this factors are discussed by many authors for weak association of strategic planning management, strategic choice, strategic formulation, strategic thinking and implementation on business success.

5. CONCLUSIONS

On the bases of the finding of this study it is concluded that the strategic planning on business success is important for football clubs by formulating club business vision, mission and long term plan. In univariate summary model it observed that strategic planning does weak effect on business success or strategic planning affects business success 0.409 level in percent 40.9%. Due to the relevance of the relation between strategic options and business success it could be useful to get a little more deeply in the concept of business model. The result of the findings indicates that weak effects of strategic planning implication on business success. Challenges affect the practice of strategic planning management, strategic planning thinking, strategic planning formulation, strategic planning choice and strategic planning implementation on business success, faller to plan strategic plan, club structures, and lack of using technology, experience sharing, lack of education level, commercialization, potential sponsors, training and workshop.

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