Impact of Strategic Planning on Organizational Performance and Survival of Nepalese Commercial Banks

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Abstract

This study investigates the impact of strategic planning on organizational performance and survival of Nepalese commercial banks. Organizational performance is the dependent variable. The selected independent variables are organizational structure, environmental scanning, strategy implementation, strategy formulation, strategy evaluation and control. The primary source of data is used to assess the opinions of the respondents regarding the strategic planning and its impact on survival and performance of commercial banks in Nepal. The study is based on primary data of 16 commercial banks with 125 respondents. To achieve the purpose of the study, structured questionnaire is prepared. The correlation coefficients and regression models are estimated to test the significance and importance of strategic planning on performance and survival of Nepalese commercial banks.

The study showed that organizational structure has a positive impact on organizational performance. It indicates that better organizational structure is associated with sound performance and survival of banks. Similarly, environmental scanning has a positive impact on organizational performance. It implies that prior environmental scanning stimulates the organizational performance. Similarly, strategy implementation has a positive impact on organizational performance. It reveals that proper strategy implementation drives the organizational performance. The study also showed that strategy formulation has a positive impact on organizational performance. It indicates that feasible and suitable strategy formulation stimulates the organizational performance. Furthermore, strategy evaluation and control has positive impact on organizational performance. It indicates that proper and on time strategy evaluation and control drives the organizational performance.

Keywords: organizational structure, environmental scanning, strategy implementation, strategy formulation, strategy evaluation and control, organizational performance

1. Introduction

Strategic planning is the process of determining an organization's direction and making decisions on how to allocate its resources to pursue this strategy. Strategic management is defined as the art and science of formulating, implementing, and evaluating cross-functional decisions that enable an organization to achieve its objectives. Strategic planning is also

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referred to as an organizational management activity that is used to establish priorities, focus efforts and resources, improve operational efficiency, guarantee that stakeholders and employees are working together to achieve common objectives, and evaluate and align an organization's direction with the environment's changing needs (Kabeyi, 2019). Three main stages of strategic management are the formulation, implementation (action stage), and evaluation of strategies. Both correct formulation and effective implementation are crucial to successful business, however, the effective implementation of an ordinary strategy can beat the second rate implementation of an excellent strategy (Sterling, 2003; Heide *et al*., 2002).

The strategy formulation is prone to the wrong identification of internal and external factors. Even developed correctly, any strategy is not considered effective since it requires to be implemented before it can create value for its organization (Kaplan, 2005). According to Mankins and Steele (2005), a strategy can be well developed but fail to be implemented. Indeed, the strategy implementation is the most challenging and difficult stage in strategic management. To effectively implement the strategies, a unique approach that best suits the internal and external challenges is crucial. Adopting the best approach, however, necessitates addressing the issues of the variables affecting the strategy implementation (Slater *et al*., 2010).

Kavale (2012) viewed strategy as the long-term goals and objectives determination, the adoption of courses of action, and associated allocation of resources required to achieve goals. Goldman and Casey (2010) defined strategic planning as logical learning rooted in the unexploited opportunities, which could result in detecting fresh strategies in an organizational setting. Donkor *et al.* (2018) stated firm's adoption of a new strategy could allow it to either improve its performance or regress it through the use of strategic planning. Hence, to outperform its rivals in the face of world change, a firm has to use appropriate strategies in order to keep abreast and to thrive in a changing environment (Yadav *et al.,* 2020). Ocasio and Joseph (2008) defined strategic planning as a form of planning practice intended to formulate strategy. Strategic planning is, therefore, a particular form of strategising, one that involves the application of planning practice. Arasa and Kobonyo (2012) argued the importance of strategic planning can be explained from a variety of perspectives including environmental scanning, strategy formulation, and linking goals to budgets and strategic planning process. Business plan formulation practices, strategic planning and systematic decision making can be considered a key determinant of the survival and success of firms (Brown and Mazzarol, 2009). Khan and Khalique (2014) defined strategic planning as the management process of preparing to use resources more economically and efficiently so that the purpose of the company is achieved. The benefits of strategic planning can be summarized as: enhancing co-ordination by bringing together all business unit strategies within an overall corporate strategy; controlling by reviewing performance and progress toward objectives; identifying and exploiting future marketing opportunities; enhancing internal communication between personnel and encouraging personnel in a favourable attitude to change (Aldehayyat and Twaissi, 2011).

Bryson *et al.* (2011) explained strategic planning as an administrative procedure that joins four essential features: a reasonable articulation of the business's main goal, the recognizable proof of the organization's stakeholders or external constituencies, the description of the organization's strategic objectives and the advancement of techniques to accomplish those. The study also stated that strategic planning helps with giving guidance so that organization members know where the business is heading to and where to spend their main efforts. Strategic planning has been more important for the organization to deal with the changing of so many aspects of life which make strategic planning more crucial for a longer business life and competitiveness (Al-Shaikh, 2001). The study further argued that the benefits of strategic planning are highlighted from various perspectives. Among others are generating information, ensuring thorough consideration of all feasible options, forcing the company to evaluate its environment, stimulating new ideas, increasing motivation and enhancing internal communication and interaction A strategic planning procedure illustrates the mission and vision of the company. It encompasses both the internal and external business contexts upon which the operations of the company are defined (Hervani *et al*., 2005). It is usually drafted and implemented by the managers of the business; and is consequently conveyed to all stakeholders, both primary and secondary. The need for strategic planning becomes greater as the business expands and the market becomes more competitive. Kraus *et al*. (2006) illustrated that "strategic planning is the attempt to prepare for future contingencies and thus to account for environmental dynamics and complexity". In this regard, Miller and Cardinal (1994), claimed that strategic planning is equally beneficial in the SMEs and large companies in term of encouraging for a better performance. Wendy (1997) explained strategic planning as the process of developing and maintaining consistency between the organization's objectives and resources and its changing opportunities. The study further argued that strategic planning aims at defining and documenting an approach to doing business that will lead to satisfactory profits and growth. Ansoff (1991) conceptualized strategic planning as the process of seeking a better match between a firm's product or technology and its increasingly turbulent markets. Berry (1994) defined strategic planning as a management process that combines four basic features; a clear statement of the organization's mission; the identification of the agency's external constituencies or stakeholders, and the delineation of the agency's strategic goals and objectives. Strategic planning is the core of the strategic management process and a managerial tool that enables organizations to deal with future events efficiently and effectively, providing them with greater control over their resources and environmental change response (Flouris and Yilmaz, 2010). Donkor *et al*. (2018) revealed that is a positive relationship between strategic planning and small- and medium-scale enterprise performance in Ghana.

Strategic planning is an effort made by the company in a disciplined and systematic way to build interactions with related functions in setting decisions as a guideline for corporate objectives within a specified period to maintain and enhance the company's competitiveness towards its business environment (Suklev and Debarliev, 2012; Amrollahi and Rowlands, 2017). Strategic planning is an effort to adjust the company's internal strengths and weaknesses relative to the company's external environment (Mosoti and Murabu, 2014). Schwenk and Shrader (1993) defined strategic plan is a written, long-range plan which includes a corporate mission statement, a statement of objectives and strategies to accomplish those objectives and operational planning was distinguished from strategic planning in the way that the setting of short-term objectives for specific functional areas such as finance, marketing and personnel.

Different studies have been devoted to examining strategic planning in countries with unique cultural practices, such as Yemen and those of the Middle East, so this is an interesting topic for further investigation (Al-Shammari and Hussein, 2008). However, AlQershi (2021) examined strategic planning in the services and showed that strategic thinking, strategic planning and strategic innovation have a significant effect on organization performance. Obaid (2019) indicated that strategic planning has a strong positive impact on organizational performance. Sitanggang (2018) demonstrated a positive relationship between strategic planning and performance management to business and production process. Kisilu *et al.* (2019) findings revealed that strategic planning had an effect on financial performance and the study thus concluded that strategic planning practices had an effect on net profits of SMEs in Makueni County. Sandada *et al.* (2014) confirmed that strategic planning has a positive association and predictive relationship with the performance of SMEs. Aldehayyat and Twaissi (2011) found a strong positive relationship between strategic planning and corporate performance in Jordanian small industrial publicly quoted firms. Ghobadian *et al.* (2008) in a study of UK's manufacturing SMEs found that firms with written strategic plans, performed better than firms without a written strategic plan. Glaister *et al.* (2008) found a strong and positive relationship between formal strategic planning and firm performance in a study of Turkish manufacturing companies. Glen and Weerawardena (1996) found a positive relationship between strategic planning sophistication and performance. Kargar and Parnell (1996) examined the relationship between strategic planning and performance in small banks was measured seven characteristics of planning and two dimensions of performance as explained earlier. Findings of the study concluded that there was a significant positive relationship between each planning characteristic and each dimension. Tarigan and Siagian (2021) showed that strategic planning positively affects operational performance. Dahlgaard and Ciavolino (2007) showed leaders have to study factors which assure high impact on organizational performance. Kraus *et al.* (2012) found a significant positive impact on organizational performance. Gica and Negrusa (2011) revealed the relationship between components of strategic planning with the performance of small and medium enterprises. Wijethunge and Pushpakumari (2014) revealed that the small and medium enterprises are moderately engaged in strategic planning process and there is a positive relationship between strategic planning and business performance. Lawal *et al.* (2012) found evidence that adoption of strategic management techniques improved the performance and relative standing of organization that are with different societal and political issues.

In the context of Nepal, Bastola (2022) stated that every organization has its own goal to be achieved. To reach that goal there must be a suitable strategic plan. Strategy should be thoroughly studied as it is one of the outstanding aspects of management. Krishna Shrestha and Ram Gnyawali (2013) examined how managers in Nepalese business organizations and non-profit non-government organizations understand and practice strategic management and to what extent such understanding and practices differ from those in western countries. The findings of the study revealed that managers believe that strategic management is important as it pushes them to be more systematic in analyzing the environment, developing goals and strategies, and implementing those strategies. Further, managers believe that adoption of strategic management practices help them in realizing better outcomes. Moreover, Sthapit (2012) investigated the strategic HRD factors affecting the evaluation of induction training effectiveness in Nepali banks. The study found significant impact of strategic factors on training effectiveness, and that the regression model fits the data well to emphasize strategic HRD factors influence induction training evaluation.

The above discussion shows that the empirical evidence varies greatly across the studies on the impact of strategic planning on organizational performance and survival of commercial banks. Though there are above mentioned empirical evidence in the context of other countries and in Nepal, no such findings using more recent data exist in the context of Nepal. Therefore, in order to support one view or the other, this study has been conducted.

The main purpose of the study is to analyze the impact of strategic planning on organizational performance and survival of Nepalese commercial banks. Specifically, it examines the impact of Organizational structure, environmental scanning, strategy implementation, strategy formulation, strategy evaluation and control with organizational performance in Nepalese commercial banks.

The remainder of this study is organized as follows. Section two describes the sample, data and methodology. Section three presents the empirical results and the final section draws the conclusion.

2. Methodological aspects

The study is based on the primary data. The data were gathered from 125 respondents through questionnaire. The respondents' views were collected on organizational structure, environment scanning, strategy formulation, strategy implementation, strategy evaluation and strategy control and level of organizational performance and survival of commercial banks. The study is based on descriptive and causal comparative research designs.

The model

The model estimated in this study assumes that organizational performance depends on organizational structure, environment scanning, strategy formulation, strategy implementation, strategy evaluation and control. Therefore, the model takes the following form:

Organizational performance = *f* (organizational structure, environmental scanning, strategy implementation, strategy formulation and strategy evaluation and control)

More specifically;

$ROA = \beta_0 + \beta_1 OS + \beta_2 E + \beta_3 SI + \beta_4 SF + \beta_5 SE + e$

$ROE = \beta_0 + \beta_1 OS + \beta_2 E + \beta_3 SI + \beta_4 SF + \beta_5 SE + e$

Where,

OS = Organizational structure

E = Environmental scanning

SI = Strategic implementation

SF = strategic formulation

SE = Strategic evaluation and strategic control

OP = Organizational performance

Organizational structure was measured using a 5-point Likert scale where the respondents were asked to indicate the responses using 1 for strongly disagree and 5 for strongly agree. There are 5 items and sample items include "Do you trust the person above you'', "Do you trust him/her under your supervision" and so on. The reliability of the items was measured by computing the Cronbach's alpha ($\alpha = 0.870$).

Environment scanning was measured using a 5-point Likert scale where the respondents were asked to indicate the responses using 1 for strongly disagree and 5 for strongly agree. There are 5 items and sample items include "Our organization would rate its environment scanning function as highly effective (proactive and able to shape the future of enterprise", "Our enterprise believes there are not perceived beliefs from environment scanning" and so on. The reliability of the items was measured by computing the Cronbach's alpha ($\alpha = 0.904$).

Strategy formulation was measured using a 5-point Likert scale where the respondents were asked to indicate the responses using 1 for strongly disagree and 5 for strongly agree. There are 5 items and sample items include "Strategy formulation has led to organization performance", "Strategy formulation involves establishing mission and vision for organization" and so on. The reliability of the items was measured by computing the Cronbach's alpha ($\alpha = 0.890$).

Strategy implementation concern was measured using a 5-point Likert scale where the respondents were asked to indicate the responses using 1 for strongly disagree and 5 for strongly agree. There are 5 items and sample items include "Strategy Implementation involves the design and management of systems to achieve best integration of people and resources", "It's important to establish information, communication and operating systems that enable to managers and members to carry out their strategic roles effectively" and so on. The reliability of the items was measured by computing the Cronbach's alpha ($\alpha = 0.886$).

Strategy evaluation and control was measured using a 5-point Likert scale where the respondents were asked to indicate the responses using 1 for strongly disagree and 5 for strongly agree. There are 5 items and sample items include "Strategic management is aimed at improving performance", "Successful strategic management requires the development and dissemination of information" and so on. The reliability of the items was measured by computing the Cronbach's alpha ($\alpha = 0.882$).

The following section describes the independent variables used in this study along with the hypothesis formulation.

Organizational structure

Organizational structure is defined as the formal system of authority relationships and tasks that control and coordinate employee actions and behavior to achieve goals in organizations. Hao *et al.* (2012) revealed organizational structure determine their firms performance and improve through innovation. Pertusa-Ortega *et al*. (2010) argued that organizational structure does not exert a direct influence on performance, but has an indirect influence through competitive strategy. Abdullah and Siam (2014) revealed that organizational structure and organizational culture are significantly related to the performance of higher educational institutions in Palestine. Tran and Tian (2013) found a positive relationship between organizational structure and firm performance. Nene and Pillay (2019) demonstrated that organizational structure negatively affected the performance of the department. Based on it, this study develops the following hypothesis:

H_1: There is positive relationship between organizational structure and organizational performance.

Environment scanning

Environmental scanning is defined as the managerial activity of learning about events and trends in the organization's environment, conceiving it as the first step in the ongoing chain of perceptions and actions leading to an organization's adaptation to its environment. Babatunde and Adebisi (2012) revealed that there is a positive relationship between strategic environmental scanning and organization performance. Kumar *et al.* (2001) stated that there is a positive relationship between environmental scanning and organizational performance. Aldehayyat (2015) revealed a positive relationship between environment scanning and organizational performance. Fahey and King (1977) confirmed that effective environmental scanning improve firm's performance. Based on it, this study develops the following hypothesis:

H_2: There is a positive relationship between environmental scanning and organizational performance.

Strategy formulation

Strategy formulation is the development of long-range plans for effective management of opportunities and threats in light of corporate strengths and weaknesses. It includes defining corporate mission, specifying achievable objectives, developing strategies and setting policy guidelines (Stevenson, 2012). Ugwu *et al.* (2020) concluded that there is a relationship between strategy formulation and firm performance in Enugu state. Arasa and kobonyo (2012) revealed strategic formulation steps (defining firm's corporate purpose, scanning of business environment, identification of firm's strategic issues, strategy choice and setting up of implementation, evaluation and control systems) were found to be positively related to organizational performance. Mailu *et al*. (2018) revealed that there exists a positive relationship between strategy implementation and organizational performance. Bisbe and Malagueño (2012) revealed a positive association between strategic measurement system and organizational performance. Moreover, Segev (1987) demonstrated that stategy-making has a significant effect on organizational performance. Slevin and Covin (1997) found that planned strategies formulation are positively related to with mechanistic structures and operating in hostile environments. Based on it, this study develops the following hypothesis:

H_3: There is a positive relationship between strategy formulation and organizational performance.

Strategy implementation

Strategy implementation is defined as the sum total of the activities and choices required for the execution of a strategic plan to accomplish the objectives of the organization. Njagi and Kombo (2014) revealed that there is a moderately strong relationship between strategy implementation and organizational performance. Ogunmokun *et al.* (2005) revealed significant relationship between strategy implementation and organizational performance. Kraus *et al.* (2012) revealed that participative strategic planning positively affects personnel commitment to strategy implementation, which thereby increases company performance. Luhangala and Anyieni (2019) showed a positive relationship between strategy implementation and performance of public secondary schools. Nkemchor and Ezeanolue (2021) demonstrated that strategy implementation has a significant positive effect on organizational performance in tertiary institution Delta state, Nigeria. Based on it, this study develops the following hypothesis:

H_4: There is significant relationship between strategy implementation and organizational performance.

Strategy evaluation and control

Strategic control is concerned with tracking the strategy as it is being implemented, detecting problems or changes when deemed necessary and making the necessary adjustments (Pearce and Robinson, 2008). According to Ugwu *et al.* (2020), there is a positive relationship between strategy evaluation and firm performance in firms in Enugu. Nkemchor and Ezeanolue (2021) demonstrated that strategic evaluation has a significant positive effect on organizational performance of tertiary institution in Nigeria. Similarly, Chepkwony (2016) revealed that strategy implementation, evaluation and control have a significant influence on organization performance on achieving improved service delivery and efficiency in utilization of resources. Hyvönen (2007) identified that customer-focused strategy evaluation and financial performance measures improves customer performance. Pearce and Robinson (2008) revealed that strategic planning, in the form of employee participation, implementation incentives, and its evaluation and control, influences business performance in a significant way. Lenz (1981) found a significant relationship of strategy evaluation and control with organizational performance. Based on it, this study develops the following hypothesis:

H_5: There is positive relationship of strategy evaluation and control with organizational performance.

3. Results and discussion

Correlation analysis

On analysis of data, correlation analysis has been undertaken first and for this purpose, Kendall's Tau correlation coefficients along with means and standard deviations have been computed, and the results are presented in Table 1.

Table 1

Kendall's Tau correlation coefficients matrix

This table presents Kendall's Tau correlation coefficients between dependent and independent variables. The correlation coefficients are based on 125 observations. The dependent variable are ROA (Return on assets) and ROE (Return on equity). The independent variables are ES (Environmental scanning), SF (Strategy formulation), SI (Strategy implementation), OS (Organizational structure), and SC (Strategy evaluation and control).

Variables	Mean	SD	ROA	ROE	ES	SF	SI	OS	SC
ROA	3.458	1.153	1						
ROE	3.443	1.149	0.168*	1					
ES	3.421	1.124	0.006	0.050	1				
SF	3.456	1.073	0.021	0.013	0.721**	1			
SI	3.437	1.092	0.007	0.001	0.684**	0.758**	1		
OS	1.162	0.283	0.013	0.010	0.674**	0.771**	0.713**	1	
SC	16.163	3.856	0.005	0.011	0.603**	0.701**	0.655**	0.778**	1

Note: The asterisk signs (**) and (*) indicate that the results are significant at one percent and five percent levels respectively.

The study reveals that environmental scanning is positively related to return on assets. It indicates that proper environmental scanning leads to increase in return on assets. Similarly, strategic formulation has a positive relationship with return on assets. This indicates that better strategic formulation leads to increase in return on assets. In addition, strategic implementation has a positive relationship with return on assets. It reveals that effective strategic implementation leads to increase in return on assets. Furthermore, organizational structure is positively related to return on assets. It implies that higher the level of organizational structure in the organization, higher would be the return on assets. Likewise, strategic evaluation and control has a positive relationship with return on assets. It indicates that proper strategic evaluation and control leads to increase in return on assets of Nepalese commercial banks.

On the other hand, environmental scanning is positively related to return on equity. It indicates that proper environmental scanning leads to increase in return on equity. Similarly, strategic formulation has a positive relationship with return on equity. This indicates that better strategic formulation leads to increase in return on equity. In addition, strategic implementation has a positive relationship with return on equity. It reveals that effective strategic implementation leads to increase in return on equity. Furthermore, organizational structure is positively related to return on equity. It implies that higher the level of organizational structure in the organization, higher would be the return on equity. Likewise, strategic evaluation and control has a positive relationship with return on equity. It indicates that evaluating and controlling of strategies leads to increase in return on equity of Nepalese commercial banks.

Regression analysis

Having analyzed the Kendall's Tau correlation coefficients matrix, the regression analysis has been carried out and the results are presented in Table 2. More specifically, it presents the regression results of organizational structure, environment scanning, strategy formulation, strategy implementation, strategy evaluation and strategy control on organizational performance.

Table 2

Estimated regression results of environmental scanning, strategic formulation, strategic implementation, organizational structure, strategic evaluation and control on return on assets

The results are based on 125 observations using linear regression model. The model is ROA = $\beta_0 + \beta_1$ ES + β_2 SF + β_3 SI + β_4 OS + β_5 SC + e where, the dependent variable is ROA (Return on assets). The independent variables are ES (Environmental scanning), SF (Strategy formulation), SI (Strategy implementation), OS (Organizational structure) and SC (Strategy evaluation and control).

Models	Intercepts	Regression coefficients of					Adj. R_bar2	SEE	F-value
		ES	SF	SI	OS	SC			
1	1.152 (14.315)**	0.003 (0.133)					0.008	0.284	0.018
2	1.141 (14.185)**		0.006 (0.272)				0.008	0.284	0.074
3	1.141 (13.985)**			0.006 (0.273)			0.008	0.284	0.074
4	1.141 (13.290)**				0.006 (0.255)		0.008	0.284	0.065
5	1.156 (13.742)**					0.002 (0.077)	0.008	0.295	0.006
6	1.145 (13.668)**	0.007 (0.180)	0.012 (0.298)				0.016	0.284	0.053
7	1.143 (13.344)**	0.009 (0.206)	0.008 (0.153)	0.006 (0.121)			0.024	0.285	0.040
8	1.143 (12.834)**	0.009 (0.205)	0.008 (0.126)	0.006 (0.108)	0.001 (0.013)		0.032	0.286	0.030
9	1.149 (12.629)**	0.010 (0.229)	0.011 (0.173)	0.006 (0.106)	0.015 (0.209)	0.018 (0.350)	0.040	0.287	0.048

Notes:

i. Figures in parenthesis are t-values

ii. The asterisk signs (**) and (*) indicate that the results are significant at one percent and five percent levels respectively.

iii. Return on assets is the dependent variable.

The regression result shows that the beta coefficients for environmental scanning are positive with return on assets. It indicates that environmental scanning has a positive impact on return on assets. This finding is not similar to the findings of Babatunde and Adebisi (2012). Similarly, the beta coefficients for strategic formulation are positive with return on assets. It indicates that strategic formulation has a positive impact on return on assets. This finding is consistent with the findings of Bisbe and Malagueño (2012). Likewise, the beta coefficients for strategic implementation are positive with return on assets. This means that strategic implementation has a positive impact on return on assets. This finding is also consistent with the findings of Njagi and Kombo (2014). Furthermore, the beta coefficients for organizational structure are positive with return on assets. It implies that organizational structure has a positive impact on return on assets. This finding is similar to the findings of Hao (2012). Likewise, the beta coefficients for strategic evaluation and control are positive with return on assets. It indicates that has strategic evaluation and control a positive impact on return on assets. This finding is consistent with the findings of Ugwu *et al.* (2020).

Table 3 shows the estimated regression results of environmental scanning, strategic formulation, strategic implementation, organizational structure, strategic evaluation and control on return on equity of Nepalese commercial banks.

Table 3

Estimated regression results of environmental scanning, strategic formulation, strategic implementation, organizational structure, strategic evaluation and control on return on equity

The results are based on 125 observations using linear regression model. The model is ROE= $\beta_0 + \beta_1 ES + \beta_2 SF + \beta_3 SI + \beta_4 OS + \beta_5 SC$ + e where, the dependent variable is ROE (Return on equity). The independent variables are ES (Environmental scanning), SF (Strategy formulation), SI (Strategy implementation), OS (Organizational structure) and SC (Strategy evaluation and control).

Models	Intercepts	Regression coefficients of					Adj. R_bar2	SEE	F-value
		ES	SF	SI	OS	SC			
1	16.921 (15.440)**	0.219 (0.729)					0.004	3.863	0.532
2	16.401 (14.936)**		0.069 (0.228)				0.008	3.871	0.052
3	16.459 (14.784)**			0.087 (0.280)			0.007	3.870	0.078
4	16.283 (13.893)**				0.035 (0.107)		0.008	3.871	0.011
5	16.588 (14.459)**					0.124 (0.035)	0.007	3.869	0.151
6	16.703 (14.663)**	0.561 (0.998)	0.406 (0.720)				0.008	3.871	0.524
7	16.680 (14.319)**	0.577 (0.985)	0.357 (0.489)	0.073 (0.105)			0.016	3.886	0.350
8	16.555 (13.682)**	0.598 (1.012)	0.189 (0.224)	0.031 (0.042)	0.327 (0.399)		0.023	3.900	0.301
9	16.711 (13.540)**	0.627 (1.056)	0.272 (0.317)	0.034 (0.046)	0.710 (0.714)	0.482 (0.680)	0.028	3.909	0.332

Notes:

i. Figures in parenthesis are t-values
ii. The asterisk signs (**) and (*) indicate that the results are significant at one percent and five percent levels respectively
iii. Return on equity is the dependent variable.

The regression result reveals that the beta coefficients for environmental scanning are positive with return on equity. It indicates that environmental scanning has a positive impact on return on equity. This finding is similar to the findings of Aldehayyat (2015). Similarly, the beta coefficients for strategic formulation are positive with return on equity. It shows that strategic formulation has a positive impact on return on equity. The finding is consistent with the findings of Mailu *et al*. (2018). Likewise, the beta coefficients for strategic implementation are positive with return on equity. This implies that strategic implementation has a positive impact on return on equity. This finding is also consistent with the findings of Nkemchor and Ezeanolue (2021). Furthermore, the beta coefficients for organizational structure are positive with return on equity. It indicates that organizational structure has a positive impact on return on equity. This finding is similar to findings of Pertusa-Ortega *et al*. (2010). Likewise, the beta coefficients for strategic evaluation and control are positive with return on equity. It indicates that strategic evaluation and control has a positive impact on return on equity. This finding is also consistent with the findings of Nkemchor and Ezeanolue (2021).

4. Summary and conclusion

Strategic planning and management is the way to go for organizations to prepare themselves to sustain and overcome competition in market places. It is important to all organizations in private sector, private sector and nonprofit organizations. It is a process that begins with self-assessment and realization and then reorganization to compete in a business environment. Business strategies form the basis of survival in a competitive environment and should therefore be well developed by the right people and the right organizational levels. Strategy formulation and implementation should be linked by an evaluation strategy to realize strategy success otherwise the strategies remain useless paperwork. Strategy implementation challenges include political interference, limited resources and global economic situations that may be beyond the organizations' control and so organizations should monitor the internal and external environment and make changes or adjustments to prevent strategy failure. This can be realized by effectively evaluating strategy implementation process. A good strategic plan will give significant benefits to organizations like increased profitability and better corporate governance.

This study attempts to examine the impact of strategic planning on organizational performance and survival of Nepalese commercial banks. The study is based on primary data with 125 observations.

The study concludes that environment scanning, strategic formulation, strategic implementation, organizational structure and strategy evaluation and control have a positive impact on the performance of Nepalese commercial banks. The study further concludes that environment scanning followed by strategic evaluation and control are the most influencing factors that affect the organizational performance in terms of return on equity of Nepalese commercial banks.

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