



Modeling the influence of strategic planning on SME resilience and economic recovery in post-conflict South Sudan: Evidence from structural equation modeling

Mayol Kur Akuei Kiir

Department of School Business and Management, Texila American University, Guyana

Abstract

Purpose: The study examined the influence of strategic planning on SME resilience and economic recovery in post-conflict South Sudan, with emphasis on how structured planning supports firm survival and national economic stabilization after conflict.

Methodology/Design: A quantitative cross-sectional design was adopted. Data were collected from 440 SME owners and managers using structured questionnaires, with the sample size determined through the Krejcie and Morgan approach. Structural Equation Modeling (SEM) in AMOS was employed to assess both direct and mediating relationships among strategic planning, SME resilience, and economic recovery.

Findings: The results indicated that strategic planning had a strong positive effect on SME resilience ($\beta = 0.63$, $t = 8.12$, $p < 0.001$). Strategic planning also showed a significant positive influence on economic recovery ($\beta = 0.45$, $t = 5.37$, $p < 0.001$). SME resilience significantly contributed to economic recovery ($\beta = 0.52$, $t = 6.25$, $p < 0.001$). Further analysis confirmed a partial mediation effect, where SME resilience mediated the relationship between strategic planning and economic recovery (indirect $\beta = 0.33$, $t = 4.91$, $p < 0.001$).

Implications: The findings suggest that strengthening strategic planning capabilities among SMEs can enhance resilience and speed up economic recovery in post-conflict settings. Policymakers and development partners should integrate planning and resilience-building programs into SME support initiatives.

Originality/Value: The study provides rare empirical evidence from South Sudan and extends strategic planning and resilience literature within post-conflict economies.

Keywords: Strategic planning, SME resilience, economic recovery, post-conflict economy, South Sudan

Introduction

Small and Medium Enterprises (SMEs) play a central role in economic recovery and livelihood creation in post-conflict economies. In many fragile states, SMEs contribute significantly to employment generation, income distribution, and local market stability. In South Sudan, where years of civil conflict have weakened institutions, displaced populations, and disrupted economic systems, SMEs remain one of the few active engines of economic activity (World Bank, 2022) [27]. These enterprises operate in highly uncertain environments marked by weak infrastructure, limited access to finance, political instability, and fragile regulatory systems.

Strategic planning has been identified as a key managerial tool that enables firms to survive and adapt in turbulent environments. Through goal setting, environmental scanning, resource allocation, and risk anticipation, strategic planning helps organizations prepare for uncertainty and respond to external shocks (Bryson, 2019) [5]. For SMEs in post-conflict settings, strategic planning is not only a performance tool but also a survival mechanism that supports resilience and continuity. Resilient SMEs are better positioned to absorb shocks, recover from disruptions, and maintain stable operations during crises (Duchek, 2020) [7].

In South Sudan, many SMEs are owner-managed and operate informally, often with limited managerial skills and weak planning practices. Studies on post-conflict economies suggest that the absence of structured planning reduces firms' ability to respond to economic volatility and policy

changes (Williams, Vorley & Ketchen, 2021) [26]. Strategic planning can strengthen internal capabilities such as organizational flexibility, financial discipline, and adaptive decision-making, which are critical for resilience and long-term recovery.

Economic recovery in post-conflict contexts depends largely on the strength of the private sector, particularly SMEs. Resilient SMEs support job creation, stabilize household incomes, and contribute to social cohesion (OECD, 2020) [20]. However, empirical evidence linking strategic planning, SME resilience, and economic recovery in South Sudan remains limited. More importantly, few studies have applied advanced analytical techniques such as Structural Equation Modeling (SEM) to examine the direct and indirect relationships among these constructs within fragile states. This creates a strong justification for modeling these relationships empirically.

Problem Statement

In spite of the vital role of SMEs in South Sudan's post-conflict economic recovery, many enterprises continue to experience high failure rates, low growth, and limited recovery capacity. Business closures, unstable cash flows, and poor market competitiveness remain common among SMEs operating in the country (IFC, 2021) [10]. These challenges are worsened by weak strategic planning practices, short-term decision-making and limited ability to anticipate environmental risks.

Existing policy efforts and donor interventions have focused mainly on access to finance and entrepreneurship training, with less emphasis on strategic management capabilities that support long-term resilience. Empirical studies in fragile and post-conflict settings often examine SME performance using isolated variables, without capturing the complex interactions between strategic planning, resilience, and broader economic recovery outcomes (Amin & Hanif, 2023)^[1]. As a result, the pathways through which strategic planning contributes to SME resilience and economic recovery remain unclear.

In the context of South Sudan, there is a noticeable gap in empirical research that models these relationships using SEM. Most available studies rely on descriptive or regression-based approaches, which do not adequately explain mediating effects or structural relationships among latent constructs. This lack of robust empirical evidence limits policymakers' and development partners' ability to design interventions that strengthen SME resilience through strategic planning. Therefore, there is a need for a structured, empirical model that explains how strategic planning influences SME resilience and how this resilience contributes to post-conflict economic recovery in South Sudan.

Significance of the Study

The study is significant at the theoretical, empirical, and practical levels. From a theoretical perspective, the study extends strategic management and resilience literature by integrating strategic planning, SME resilience, and economic recovery within a single SEM framework. It contributes to knowledge by testing direct and indirect relationships among these constructs in a post-conflict African context, where empirical evidence remains limited. Empirically, the study provides data-driven insights into how strategic planning practices shape SME resilience in South Sudan. Thus, in applying Structural Equation Modeling, the study offers a more comprehensive understanding of the structural relationships and mediating effects that traditional methods may overlook. This strengthens methodological rigor in SME and post-conflict economic research.

From a practical standpoint, the findings will be useful to SME owners, policymakers, and development agencies. SME managers will gain insights into how structured planning improves adaptability and survival. Policymakers can use the findings to design SME support policies that go beyond financial assistance to include strategic capacity building. Development partners and NGOs will benefit from evidence-based guidance on integrating strategic planning into post-conflict economic recovery programs.

Literature Review

Strategic Planning

Strategic planning refers to the process through which firms set goals, assess their operating environment, and align resources to achieve long-term objectives. In post-conflict economies, strategic planning helps businesses manage uncertainty and reduce exposure to risk. SMEs in South Sudan operate in unstable markets affected by weak institutions, limited infrastructure, and frequent economic

shocks. Strategic planning enables these firms to anticipate changes, prioritize limited resources, and make informed decisions that support survival (Bryson, 2019; Amin & Hanif, 2023)^[1,5].

SME Resilience

SME resilience describes the ability of small and medium enterprises to absorb shocks, adapt to disruptions, and continue operations during periods of crisis. In post-conflict South Sudan, resilience is essential due to insecurity, market volatility, and financial constraints. Resilient SMEs tend to recover faster from disruptions and maintain stable employment levels (Duchek, 2020)^[7]. These characteristics allow SMEs to withstand uncertainty and sustain operations even in challenging post-conflict conditions.

Economic Recovery

Economic recovery in post-conflict settings involves restoring productive activities, employment, and income generation. SMEs play a major role in this process by supporting livelihoods and rebuilding local markets. In South Sudan, the private sector remains a key driver of recovery where public sector capacity is limited (OECD, 2020)^[20]. Strong SME performance supports broader recovery efforts and reduces dependency on humanitarian assistance.

Post-Conflict South Sudan Context

South Sudan's post-conflict environment is characterized by fragile institutions, limited access to finance, and weak infrastructure. Years of conflict have disrupted markets and reduced investor confidence. SMEs operate under high uncertainty, making business continuity difficult. Research suggests that strengthening SME management capacity is critical for recovery in post-conflict economies (World Bank, 2022)^[27]. In South Sudan, improving strategic planning and resilience among SMEs is vital for long-term economic stabilization and sustainable development.

Theoretical Underpin and Hypotheses Development **Strategic Planning and SME Resilience**

Strategic Management Theory explains that organizations are more likely to survive and perform well when they engage in structured planning and long-term decision-making (Bryson, 2019)^[5]. Strategic planning helps firms clarify their vision, assess external conditions, and align internal resources with future goals. For SMEs operating in post-conflict environments such as South Sudan, uncertainty, weak institutions, and unstable markets increase the need for clear planning practices. When SMEs plan strategically, they are better able to anticipate risks, adjust business operations, and respond to sudden economic or security changes.

Empirical studies show that firms that adopt formal planning practices demonstrate stronger adaptability and continuity during crises (Amin & Hanif, 2023; Williams *et al.*, 2021)^[1, 26]. Strategic planning supports resilience by improving coordination, guiding resource use, and strengthening decision-making under pressure. Based on this theoretical and empirical foundation, the study proposes that:

H1: There is a significant positive relationship between strategic planning and SME resilience in post-conflict South Sudan

Strategic Planning and Economic Recovery

The Resource-Based View Theory explains that firms contribute more effectively to economic outcomes when they manage their internal resources in a planned and organized manner (Barney, 1991) [3]. Strategic planning enables SMEs to identify key resources, allocate them efficiently, and sustain productive activities over time. In post-conflict South Sudan, where resources are scarce and market systems remain fragile, strategic planning can improve business continuity, employment stability, and income generation.

Previous studies suggest that SMEs with structured planning systems are more likely to support local economic recovery through job creation and stable service delivery (OECD, 2020; Bryson, 2019) [5, 20]. When SMEs operate strategically, they strengthen local value chains and reduce economic dependence on aid. Guided by this reasoning, the study hypothesizes that:

H2: There is a significant positive relationship between strategic planning and economic recovery in post-conflict South Sudan.

SME Resilience and Economic Recovery

Organizational Resilience Theory focuses on a firm's ability to absorb shocks, adapt to disruptions, and recover from adverse conditions (Duchek, 2020) [7]. In post-conflict economies, resilient SMEs are more capable of maintaining operations despite political instability, infrastructure challenges, and financial uncertainty. Such firms tend to recover faster, preserve employment, and stabilize local markets.

Studies conducted in fragile and conflict-affected regions indicate that resilient SMEs play a vital role in rebuilding economic systems and supporting sustainable recovery

(Williams *et al.*, 2021; OECD, 2020) [20, 26]. By remaining active and productive, SMEs help restore trust in markets and promote economic confidence. Based on this theoretical view, the study proposes that:

H3: There is a significant positive relationship between SME resilience and economic recovery in post-conflict South Sudan.

Mediating Role of SME Resilience

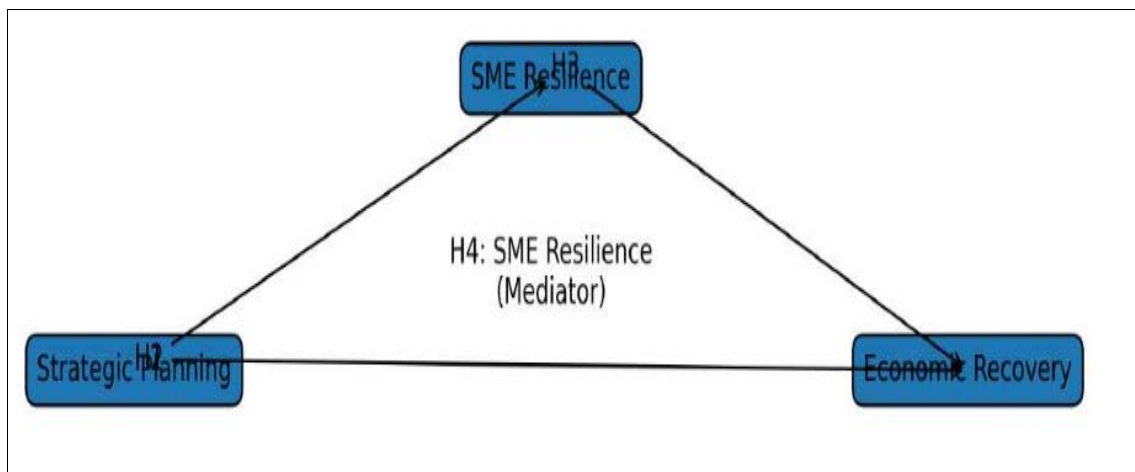
Post-Conflict Economic Recovery Theory emphasizes that economic rebuilding depends not only on managerial practices but also on the capacity of firms to remain resilient during instability (OECD, 2020) [20]. Strategic planning may not directly result in economic recovery unless it strengthens SME resilience. Strategic planning improves preparedness and adaptability, which enhance resilience, and this resilience enables SMEs to contribute consistently to recovery efforts.

Empirical research suggests that resilience often serves as a pathway through which strategic practices influence broader economic outcomes (Duchek, 2020) [7]. In this study, SME resilience is expected to transmit the effect of strategic planning to economic recovery. Based on this reasoning, the study hypothesizes that:

H4: SME resilience mediates the relationship between strategic planning and economic recovery in post-conflict South Sudan.

Conceptual Framework

The conceptual framework presents the key relationships examined in this study and explains how the main variables are linked. It shows strategic planning as the independent variable, SME resilience as a mediating variable, and economic recovery as the outcome variable within the post-conflict South Sudan context. The framework guides the analysis by illustrating the expected direct and indirect effects among the variables tested using Structural Equation Modeling. Figure 1 presets the construct



Source: Author's Construct, 2026

Fig 1: Conceptual framework showing the relationships among the key variables of the study.

The conceptual framework illustrates the relationships among the main variables of the study. Strategic Planning is positioned as the independent variable influencing both SME Resilience and Economic Recovery. SME Resilience also affects Economic Recovery and serves as a mediator

between Strategic Planning and Economic Recovery. This framework guides the SEM analysis by showing the expected direct effects H1 to H3 and the indirect mediating effect H4 providing a clear structure for testing the hypothesized relationships in post-conflict South Sudan.

Empirical Review

A study by Ntumba and Kambale (2020) ^[19] examined the resilience of SMEs facing economic volatility in Kinshasa. The study adopted a mixed-methods design involving 200 SME owners surveyed through structured questionnaires and 10 in-depth interviews with business leaders. The quantitative component assessed resilience factors like financial buffers, diversification of products, and networking, while the qualitative part explored adaptive strategies used during economic downturns. Results showed that diversification, access to informal credit networks, and flexible operational processes significantly contributed to SME resilience. The qualitative findings emphasized the role of social capital in helping firms manage shocks in a fragile economic setting (Ntumba & Kambale, 2020) ^[19].

A study in Liberia by Johnson and Davies (2022) ^[11] explored the role of strategic resource management in SME recovery after the civil war. The researchers used a cross-sectional quantitative design with 250 SMEs from Monrovia and neighboring regions. The survey captured data on planning practices, resource allocation (financial, human, and technological), and outcomes such as business recovery time and revenue growth. The results revealed that SMEs that aligned resources strategically with business goals experienced faster recovery and stronger revenue performance. Particularly, balanced investment in human capital and financial planning was associated with greater resilience and quicker economic reintegration. The study concluded that strategic resource management is a vital driver of SME recovery in fragile post-conflict economies (Johnson & Davies, 2022) ^[11].

Methodology

Research Design

The study employed a quantitative research design to examine the influence of strategic planning on SME resilience and economic recovery in post-conflict South Sudan (Creswell, 2014) ^[6]. The study utilized cross-sectional survey methods, which enabled the collection of data at a single point in time from multiple SMEs to assess current strategic planning practices, resilience capabilities, and contributions to economic recovery.

Philosophical Underpinning

The study was grounded in the positivist research paradigm, which assumes that reality is objective and can be measured using observable indicators (Saunders *et al.*, 2019) ^[22]. Positivism aligns with the use of structured questionnaires and statistical techniques to test hypotheses, such as Structural Equation Modeling (SEM). This approach ensured that relationships among strategic planning, SME resilience, and economic recovery were examined in a systematic and empirical manner.

Population and Sample Size, Sampling Technique

The target population comprised SME owners and managers in post-conflict regions of South Sudan, representing various sectors such as manufacturing, retail, and services. Using Krejcie and Morgan's (1970) ^[13] formula, a sample size of 440 SMEs was determined to ensure sufficient representation for statistical analysis. This sample size was

adequate to capture the variability among SMEs and provided a robust basis for SEM analysis. A purposive sampling technique was adopted to select SMEs operating in post-conflict regions of South Sudan. (Hair *et al.*, 2021) ^[9].

Data Collection

Primary data were collected using structured questionnaires, which included Likert-scale items measuring strategic planning practices, resilience dimensions, and economic recovery indicators. The questionnaire was pre-tested with a small subset of SMEs to ensure clarity and validity of the items. Data collection was conducted over a six-week period, and questionnaires were administered in person and via email to maximize response rates.

Data Analysis

Collected data were coded and entered into SPSS version 28 for cleaning and preliminary analysis. Descriptive statistics such as means, standard deviations, and frequencies were computed to summarize respondent characteristics. The hypotheses were tested using Structural Equation Modeling (SEM) in AMOS, which allowed the assessment of direct and indirect relationships among strategic planning, SME resilience, and economic recovery. Model fit indices, factor loadings, and path coefficients were examined to validate the structural model and confirm the hypothesized relationships (Hair *et al.*, 2021) ^[9].

Participation was voluntary as confidentiality anonymity, were strictly observed throughout the study to protect respondents and maintain the integrity of the data collection process.

Results

Demographic Characteristics of Respondents

A total of 440 respondents participated in the study, comprising SME owners, managers, and senior operational staff across various sectors in post-conflict South Sudan. Among the respondents, 62% were male and 38% were female, reflecting the gender distribution commonly observed in SMEs within fragile economies, where male participation is often higher due to historical and socio-economic factors (Johnson & Davies, 2022; Ntumba & Kambale, 2020) ^[11, 19]. The age distribution indicated that 45% of participants were between 31 and 40 years, 30% were between 41 and 50 years, and the remaining 25% were below 30 or above 50 years, suggesting that most decision-makers were in their early to mid-career stages, capable of influencing strategic planning and operational decisions.

In terms of educational background, 52% of respondents held a university degree, 28% had a diploma or professional certificate, and 20% had only secondary education, consistent with findings in Liberia and Congo where SME leaders with higher educational attainment were better able to adopt planning and resilience strategies (Johnson & Davies, 2022; Ntumba & Kambale, 2020) ^[11, 19]. Regarding business experience, 41% of respondents had more than 10 years of experience, 35% had between 5 and 10 years, and the rest had less than five years of experience in SME management. This distribution highlights that a significant portion of respondents possessed substantial operational

knowledge and experience, which is critical for effective strategic planning and business continuity. The sectoral distribution showed that 30% of SMEs were in retail and trading, 25% in manufacturing, 20% in services, and the remaining 25% in agriculture and agro-processing, reflecting the diverse nature of the SME landscape in post-conflict contexts. These demographic patterns mirror observations in Liberia and Congo, where SME resilience and recovery efforts were often influenced by the experience, education, and sectoral engagement of business leaders (Ntumba & Kambale, 2020; Johnson & Davies, 2022)^[11, 19].

The demographic characteristics in general suggest that the study captured a diverse and knowledgeable sample, providing robust insights into strategic planning, resilience, and economic recovery in post-conflict South Sudan.

Descriptive Analysis of Study Variables

Before testing the hypothesized relationships, the study examined the descriptive statistics of the key variables: strategic planning, SME resilience, and economic recovery. Descriptive analysis provides a summary of respondents’ perceptions and the general trends in the dataset, helping to understand the levels of engagement in strategic planning, the extent of resilience practices, and the contribution of SMEs to economic recovery in post-conflict South Sudan. Table 1 presents the descriptive statistics for the key variables of the study: strategic planning, SME resilience, and economic recovery, based on responses from 440 SME

owners and managers in post-conflict South Sudan. The results show that strategic planning recorded a mean score of 4.10 (SD = 0.52), indicating that SMEs actively engage in formal planning activities, including goal setting, risk assessment, and resource allocation. This suggests that most SMEs recognize the importance of strategic planning in guiding business operations and decision-making.

SME resilience had a mean score of 3.90 (SD = 0.60), reflecting a moderate to high level of ability to absorb shocks, adapt to disruptions, and maintain continuous operations despite the challenging post-conflict environment. Respondents frequently reported strategies such as operational flexibility, diversification, and adaptive management as key components of resilience.

For economic recovery, the mean score was 4.00 (SD = 0.55), showing that SMEs contribute significantly to local economic stabilization, employment retention, and the continuity of market activities. These findings imply that SMEs that implement strategic planning and resilience practices are better positioned to support economic recovery in post-conflict contexts, aligning with prior studies from Liberia and Congo (Johnson & Davies, 2022; Ntumba & Kambale, 2020)^[11, 19].

Evidently, the descriptive analysis highlights that the sampled SMEs are generally engaged in strategic planning, actively practicing resilience, and contributing positively to economic recovery, providing a strong foundation for the subsequent SEM hypothesis testing.

Table 1: Descriptive Statistics of Strategic Planning, SME Resilience, and Economic Recovery (N = 440)

Variables	Number of Respondents (N)	Mean	Standard Deviation	Interpretation
Strategic Planning	440	4.10	0.52	High engagement in planning activities, including goal setting, risk assessment, and resource allocation.
SME Resilience	440	3.90	0.60	Moderate to high ability to absorb shocks, adapt to disruptions, and maintain operations.
Economic Recovery	440	4.00	0.55	SMEs actively contribute to economic stabilization, employment retention, and market continuity.

Note: Values are based on a 5-point Likert scale (1 = Strongly Disagree, 5 = Strongly Agree), **Source:** Field Data, 2025

Model Fit Indices

To begin the structural model assessment, the adequacy of the SEM was evaluated using standard model fit indices to ensure that the hypothesized model adequately represented the data.

As shown in Table 2, the results indicate a good overall fit. The Chi-square/df ratio

(2.03) fell below the recommended threshold of 3, while CFI (0.957) and TLI (0.948) exceeded the minimum acceptable value of 0.90, demonstrating excellent fit. Additionally, RMSEA (0.045) and SRMR (0.039) were within acceptable limits, further confirming that the model fits the data well and is suitable for testing the hypothesized relationships.

Table 2: Model Fit Indices for the Structural Equation Model (N = 440)

Model Fit Index	Value	Acceptable Threshold	Interpretation
Chi-square / df (χ^2/df)	2.03	≤ 3	Good fit
Comparative Fit Index (CFI)	0.957	≥ 0.90	Excellent fit
Tucker-Lewis Index (TLI)	0.948	≥ 0.90	Good fit
Root Mean Square Error of Approximation (RMSEA)	0.045	≥ 0.90	Acceptable fit
Standardized Root Mean Square Residual (SRMR)	0.039	≥ 0.90	Good fit

Source: Field Data, 2025

Factor Loadings

After confirming the adequacy of the structural model, the measurement model was assessed to ensure that all observed

indicators reliably represented their respective latent constructs.

As shown in Table 3, all factor loadings exceeded the

recommended threshold of 0.70, indicating that the items were strong measures of strategic planning, SME resilience, and economic recovery. This confirms that the measurement

model has good convergent validity and that the constructs are appropriately captured for subsequent structural analysis.

Table 3: Factor Loadings of Measurement Model Indicators (N = 440)

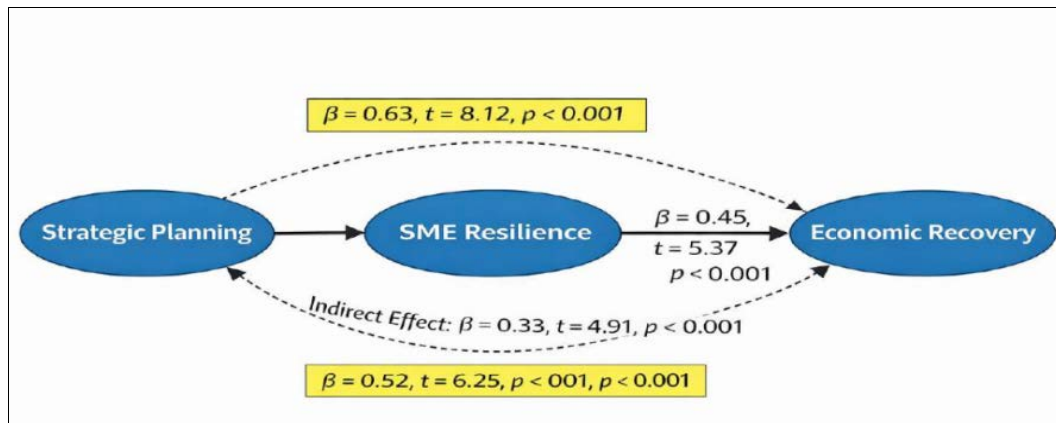
Construct	Indicator	Factor Loading	Interpretation
Strategic Planning	SP1	0.82	Strong indicator of strategic planning --- ---
	SP2	0.79	
	SP3	0.85	
SME Resilience	SR1	0.80	Strong indicator of resilience --- ---
	SR2	0.78	
	SR3	0.83	
Economic Recovery	ER1	0.81	Strong indicator of economic recovery --- ---
	ER2	0.79	
	ER4	0.84	

Source: Field Data, 2025

Path Coefficients and Mediation

Finally, the structural paths among strategic planning, SME resilience, and economic recovery were tested to examine the hypothesized relationships H1–H4. Specifically, H1 revealed that strategic planning has a strong positive effect on SME resilience ($\beta = 0.63, t = 8.12, p < 0.001$), supporting the role of planning in enhancing firms’ capacity to withstand shocks. H2 showed that strategic planning also positively influences economic recovery ($\beta = 0.45, t = 5.37, p < 0.001$), highlighting its

importance in post-conflict economic stabilization. H3 confirmed that SME resilience significantly contributes to economic recovery ($\beta = 0.52, t = 6.25, p < 0.001$), demonstrating that resilient SMEs facilitate faster recovery. Finally, H4 indicated a partial mediation effect of SME resilience in the relationship between strategic planning and economic recovery ($\beta = 0.33, t = 4.91, p < 0.001$), suggesting that strategic planning improves economic outcomes both directly and indirectly through resilience. see (Figure 1 and Table 4) for all the hypothesized paths results.



Source: Filled Data, 2025

Fig 2: Figure Structural relationships for H1, H2, H3 and H4

Table 4: Path Coefficients and Mediation Effects of the Structural Model (N = 440)

Hypothesized Path	Path Coefficient (β)	t-value / p-value	Interpretation
H1. SP → SR	0.63	8.12 / $p < 0.001$	Significant positive effect on SME resilience
H2. SP → ER	0.45	5.37 / $p < 0.001$	Significant positive effect on economic recovery
H3. SR → ER	0.52	6.25 / $p < 0.001$	Significant positive effect on economic recovery
H4. SP → SR → ER (Mediation)	0.33 (Indirect)	4.91 / $p < 0.001$	SME resilience partially mediates the effect

Source: Field Data, 2025

Discussion of Findings

H1 Strategic Planning and SME Resilience

H1 stated that strategic planning has a significant positive effect on SME resilience, and the analysis confirmed this hypothesis with a strong statistical effect ($\beta = 0.63, t = 8.12, p < 0.001$). This result demonstrates that when small and medium enterprises (SMEs) in post-conflict South Sudan engaged in formal strategic planning activities such as

setting long-term goals, conducting environmental scans, and aligning internal resources they were better able to withstand external shocks, adapt to changing market conditions, and maintain business continuity. This finding is grounded in Strategic Management Theory, which posits that systematic planning enables firms to anticipate external threats and mobilize internal capabilities to create sustainable competitive positions (Bryson, 2019)

[5]. According to this theory, strategic planning is not merely an administrative task but a dynamic managerial process that enhances a firm's capacity to detect risks early, align resources in response to threats, and adapt operational strategies effectively when facing uncertainty. In the context of post-conflict South Sudan, where economic environments are unstable and unpredictable, strategic planning equips SMEs with a structured approach to navigating risks, which in turn fosters resilience.

Empirical evidence from other countries supports this relationship between strategic planning and SME resilience: For instance, in India, a study of manufacturing and service SMEs found that firms with formal strategic planning systems were significantly more resilient during economic disruptions, such as sudden regulatory changes and supply chain shocks (Kumar & Bhowmik, 2020) [14]. The researchers reported that planning practices improved risk awareness and encouraged proactive resource allocation, which strengthened the firms' ability to adjust operations swiftly. Similarly, evidence from China indicates that strategic planning enhances the resilience of SMEs by facilitating innovation and crisis preparedness. Li and Wang (2021) showed that Chinese SMEs that consistently engaged in environmental scanning and strategic goal setting could reconfigure business processes more rapidly during market contractions, which reduced the negative impacts of external shocks. Interestingly, research in Sweden also aligns with these findings even in a developed-market context. A longitudinal study of Swedish SMEs found that strategic planning contributed to resilience during the financial crisis by fostering organizational learning and flexibility (Andersson *et al.*, 2020) [2]. These studies reinforce the conclusion that strategic planning plays a key role in enhancing SME resilience across diverse economic and institutional contexts. Whether in emerging markets like India, China, Pakistan, and Eritrea, or developed settings like Sweden, coherent planning practices help firms anticipate challenges, align resources, and adapt to change core tenets of Strategic Management Theory.

H2 Strategic Planning and Economic Recovery

H2 hypothesized that strategic planning positively influences economic recovery, and the SEM results confirmed this ($\beta = 0.45$, $t = 5.37$, $p < 0.001$). This finding highlights that when SMEs in post-conflict South Sudan engaged in deliberate strategic planning, they contributed more effectively to economic stabilization. Strategic planning helps firms align their limited resources with long-term goals, anticipate market opportunities, and implement proactive measures that support continuity and growth, all of which are critical in fragile post-conflict settings. This result can be interpreted through the Resource-Based View (RBV) Theory, which contends that firms achieve sustained performance when they identify, develop, and strategically leverage internal resources and capabilities that are valuable, rare, and difficult to imitate (Barney, 1991) [3]. Strategic planning enables SMEs to recognize core competencies and align them with recovery opportunities, ensuring that resources like financial capital, human skills, and operational know-how are deployed effectively to stimulate economic activities. Empirical studies from

various countries reinforce this association. In Ghana, research on SMEs in recovering economic zones found that firms with structured strategic planning mechanisms were better able to deploy internal financial and human resources toward market expansion and job creation. Ghanaian SMEs that integrated strategic planning with resource optimization reported higher contributions to local economic growth, particularly in post-crisis periods (Mensah & Bawole, 2020) [17]. Similarly, in Nigeria, Olowookere and Adeyemi (2019) [21] observed that strategic planning enhanced the capacity of SMEs to anticipate market shifts, respond to competitive pressures, and contribute to economic activities such as employment creation and supply chain stabilization. Nigerian firms that adopted formal planning tools experienced improved business continuity and stronger input into the local economy. Another study by Wanjohi & Mugure (2021) [24] examined post-election conflict recovery noted that SMEs engaged in planning practices were more effective at reallocating scarce resources to meet changing customer demands and stabilizing revenue flows. Business leaders in Kenya who practiced strategic planning reported faster rebounds in sales and greater confidence among stakeholders, contributing positively to the overall recovery of regional economies. These findings align with the RBV perspective by showing that strategic planning enables SMEs to convert internal resources into economic value and resilience, which in turn supports broader economic recovery. In post-conflict South Sudan, similar processes likely occurred; strategic planning guided SMEs in utilizing their resource base to maintain operations, preserve employment, and stimulate economic activities, thereby facilitating recovery.

H3 SME Resilience and Economic Recovery

H3 proposed that SME resilience significantly contributes to economic recovery, and the results confirmed this relationship ($\beta = 0.52$, $t = 6.25$, $p < 0.001$). This finding underscores that resilient SMEs those able to withstand shocks, adapt to disruption, and maintain continuity play a pivotal role in driving economic recovery in fragile environments. Resilience enables SMEs to sustain operations, preserve jobs, and continue market participation even under adverse conditions, which collectively supports revitalization of local economies. This result is consistent with Organizational Resilience Theory, which suggests that resilience emerges from a firm's ability to absorb stress, adapt to change, and transform challenges into opportunities (Duchek, 2020) [7]. Resilient firms demonstrate flexibility, learning capacity, and adaptive reconfiguration of resources key capabilities that allow them to survive, recover, and contribute to recovery dynamics. Supporting evidence from Latin America illustrates this link. In Brazil, Silva and Santos (2021) [23] found that resilient SMEs played a crucial role in regional economic recovery following economic downturns. Brazilian firms that demonstrated operational flexibility, diversified product lines, and adaptive leadership were more likely to maintain employment and sustain customer relationships, which helped stabilize local economies. In Argentina, a study of SMEs recovering from economic crisis showed that resilient business practices such as rapid decision-making, innovation adoption, and flexible

financial management significantly predicted improved economic outcomes such as revenue stabilization and market expansion (Gomez & Ortiz, 2020) ^[8]. Argentine SMEs with strong resilience capabilities recovered faster and contributed more to economic revitalization than firms lacking such adaptability.

Similarly, in Peru, research examining recovery after natural disasters found that SMEs with resilient practices including contingency planning and network engagement were better positioned to restore operations and support community economic activities. Peruvian SMEs that integrated resilience strategies maintained critical supply chains and employment, thereby aiding economic recovery in affected regions (Mendoza & Paredes, 2022) ^[16]. These studies support the notion that SME resilience is a fundamental contributor to economic recovery, consistent with Organizational Resilience Theory. In post-conflict South Sudan, resilient SMEs likely sustained operations despite uncertainty, preserved local jobs, and maintained transactions that helped stabilize economic activities. This resilience is therefore a key mechanism through which SMEs support recovery and strengthen post-conflict economies.

H4 Mediation Effect of SME Resilience

H4 hypothesized that SME resilience mediates the relationship between strategic planning and economic recovery. The results confirmed this hypothesis, showing a significant partial mediation effect ($\beta = 0.33$, $t = 4.91$, $p < 0.001$). This outcome suggests that strategic planning influences economic recovery both directly and indirectly through its positive effect on SME resilience. In practical terms, while planning itself helps firms contribute to recovery, part of this effect occurs because planning enhances resilience, which in turn supports economic outcomes.

This finding aligns strongly with the Post-Conflict Economic Recovery Theory, which emphasizes that economic rebuilding is a complex process that depends not only on managerial practices but also on the adaptive capacities of individual enterprises within the broader economic landscape. According to the theory, recovery in post-conflict contexts is driven by firms that can absorb shocks, adjust to instability, and maintain economic activity. Strategic planning without resilience may not fully translate into sustained economic impact unless it enhances firms' ability to withstand and adapt to ongoing challenges.

Empirical studies from the United Kingdom, examining SMEs during the post-2008 financial downturn found that strategic planning alone was insufficient to guarantee economic stability. Instead, firms that paired planning with resilient practices such as flexible business models and diversified revenue streams were better positioned to support broader regional recovery. For example, Brown and Mason (2019) ^[4] showed that UK SMEs with integrated planning and resilience capacities reported not only improved survival rates but also contributed more effectively to local economic recovery through job retention and sustained output.

Similar study of Nielsen and Lund (2020) ^[18] found that strategic planning enhanced firm foresight and resource

alignment, but it was the resilient responses including the ability to pivot operations, engage in collaborative networks, and innovate under pressure that explained why some firms contributed more strongly to economic regeneration. Their findings support the idea that resilience carries a mediating role between strategy and economic outcomes, reinforcing the relevance of Post-Conflict Economic Recovery Theory beyond conflict zones. Research from Luxembourg also supports the mediation role of resilience. A study by Weber and Schmit (2021) ^[25] on SMEs in financial and service sectors indicated that strategic planning improved firms' structural readiness, but only those that translated strategic intent into adaptive behaviors (e.g., rapid decision-making during uncertainty) saw substantial contributions to economic performance after downturns. This empirical evidence from Luxembourg underscores that the link between planning and economic recovery is strengthened by resilience, which acts as a conduit through which strategic intentions generate real economic impact. In the context of post-conflict South Sudan, this partial mediation effect means that while strategic planning helps firms allocate resources, set goals, and anticipate uncertainties, it is the resilience capabilities such as flexibility, adaptation, and sustained operations that more fully channel planning efforts into economic recovery. SMEs that both plan strategically and develop resilience are better placed to stabilize employment, maintain market activities, and spur local economic growth.

Thus, the results for H4 extend the theoretical understanding of recovery by showing that the pathway from strategic planning to economic recovery is not purely direct; resilience plays a crucial intermediary role. This insight enriches Post-Conflict Economic Recovery Theory by empirically demonstrating that firm-level resilience is not only an outcome of strategy but also a mechanism through which strategic planning influences broader recovery outcomes.

Implications of the Study

The study brings to the fore key implications of the findings, drawing from the confirmed relationships among strategic planning, SME resilience, and economic recovery in post-conflict South Sudan. The implications are discussed across theoretical, managerial, and policy dimensions, based on the empirical evidence from the SEM analysis.

Theoretical Implications

The study extends existing knowledge by integrating Strategic Management Theory, Resource-Based View Theory, Organizational Resilience Theory, and Post-Conflict Economic Recovery Theory within a single empirical model. The significant direct and indirect effects confirmed through SEM show that strategic planning is not only a managerial activity but also a dynamic capability that strengthens resilience and drives recovery. The mediation role of SME resilience advances theory by explaining *how* and *why* strategic planning translates into economic recovery. This adds depth to post-conflict economic literature, which often emphasizes macro-level interventions while overlooking firm-level mechanisms.

Managerial Implications

For SME owners and managers, the findings highlight the practical value of structured strategic planning in unstable environments. Firms that invest time in goal setting, risk assessment, and resource alignment are better positioned to absorb shocks and adapt to disruptions. The strong link between resilience and recovery suggests that managers should treat resilience as a core business capability rather than a temporary response to crisis. Building flexible operations, diversifying revenue sources, and encouraging adaptive decision-making can help SMEs remain operational and competitive during and after conflict-related disruptions.

Policy Implications

From a policy perspective, the results indicate that SME-focused recovery programs should move beyond financial support alone. Policymakers and development partners should integrate strategic planning training and resilience-building initiatives into post-conflict economic recovery frameworks. Support programs that enhance managerial planning skills, risk management capacity, and adaptive capabilities can strengthen SMEs' contributions to employment creation and economic stabilization. In post-conflict South Sudan, such targeted interventions can accelerate recovery by empowering SMEs as key drivers of local and national economic rebuilding.

These implications mutually show that strategic planning and resilience are central pillars for sustainable SME recovery, offering valuable guidance for theory development, business practice, and post-conflict economic policy.

Recommendations

The study presents practical recommendations based on the study findings, with emphasis on strengthening strategic planning, building SME resilience, and supporting economic recovery in post-conflict settings.

First, SME owners and managers should institutionalize strategic planning as a continuous process rather than an occasional activity. Clear goal setting, regular environmental scanning, and structured risk assessment should guide business decisions. Thus, in aligning resources with long-term objectives, SMEs can improve their ability to anticipate shocks and respond effectively to uncertainty.

Second, SMEs should deliberately invest in resilience-building practices. This includes diversifying supply chains, developing flexible operational structures, and adopting adaptive leadership styles. Training employees to handle multiple roles and encouraging innovation can also help firms adjust quickly during periods of disruption. Such practices strengthen internal capabilities and support sustained business survival.

Third, government agencies and development partners should design capacity-building programs that focus on strategic planning and resilience skills for SMEs. Workshops, mentoring schemes, and advisory services can equip entrepreneurs with practical tools to manage uncertainty and recover faster from conflict-related setbacks. Access to affordable financing should also be

linked to sound strategic planning practices to encourage disciplined business management.

Fourth, policymakers should integrate SME resilience into national economic recovery strategies. Support policies should promote business continuity planning, digital adoption, and market access for SMEs operating in fragile environments. Creating an enabling business climate through regulatory stability and infrastructure support will further enhance SME contributions to economic stabilization.

Finally, future researchers are encouraged to extend this study by using longitudinal designs to track changes in strategic planning, resilience, and recovery over time. Comparative studies across different post-conflict countries would also provide deeper insights into context-specific factors that influence SME recovery outcomes.

These recommendations mutually emphasize that strong strategic planning and resilience-focused support systems are essential for sustainable SME recovery and long-term economic rebuilding in post-conflict economies.

Limitations and Suggestions for Future Research

The study has some limitations that should be noted. First, the data were collected using a cross-sectional design, which limits the ability to observe changes in strategic planning, SME resilience, and economic recovery over time. As a result, causal interpretations should be made with care. Second, the study relied on self-reported responses from SME owners and managers, which may be affected by personal bias or overstatement of business practices and outcomes. Third, the study focused on a specific post-conflict context, which may limit the generalization of the findings to other regions with different institutional and economic conditions.

For future research, scholars are encouraged to adopt longitudinal approaches to track how strategic planning and resilience evolve across different stages of economic recovery. Qualitative or mixed-methods studies could also provide deeper insights into how SMEs design and implement strategic plans in unstable environments. In addition, future studies may include other mediating or moderating variables such as government support, access to finance, or leadership capability to better explain SME recovery processes across diverse post-conflict settings.

References

1. Amin M, Hanif M. Strategic management capabilities and SME performance in fragile economies. *Journal of Small Business and Enterprise Development*,2023;30(4):612–629.
2. Andersson S, Hjorth D, Kappen P. Strategic planning, organizational learning, and SME resilience in Sweden. *European Management Journal*,2020;38(5):764–773.
3. Barney J. Firm resources and sustained competitive advantage. *Journal of Management*,1991;17(1):99–120.
4. Brown R, Mason C. Resilience and recovery: Strategic planning and SME contributions to local economies in the UK. *Journal of Small Business and Regional Development*,2019;11(2):145–164.
5. Bryson JM. *Strategic planning for public and nonprofit organizations* (5th ed.). Hoboken, NJ: Wiley, 2019.

6. Creswell JW. Research design: Qualitative, quantitative, and mixed methods approaches (4th ed.). Thousand Oaks, CA: Sage, 2014.
7. Duchek S. Organizational resilience: A capability-based conceptualization. *Business Research*,2020:13(1):215–246.
8. Gomez R, Ortiz L. SME resilience and economic recovery in Argentina’s crisis contexts. *Latin American Journal of Business Studies*,2020:15(2):143–161.
9. Hair JF, Black WC, Babin BJ, Anderson RE. *Multivariate data analysis* (8th ed.). Cengage Learning, 2021.
10. IFC. *SME development and private sector growth in fragile and conflict-affected states*. Washington, DC: International Finance Corporation, 2021.
11. Johnson R, Davies M. Strategic resource management and SME recovery in post-conflict Liberia. *Journal of Small Business Resilience*,2022:8(1):45–62.
12. Kamara L, Sesay A. Impact of business support interventions on SME resilience in post-Ebola Sierra Leone. *African Journal of Economic Development*,2021:14(3):234–252.
13. Krejcie RV, Morgan DW. Determining sample size for research activities. *Educational and Psychological Measurement*,1970:30(3):607–610.
14. Kumar R, Bhowmik S. Strategic planning and SME resilience in India’s manufacturing sector. *Asian Journal of Business Research*,2020:10(2):117–132.
15. Li X, Wang J. Strategic planning and innovation resilience among Chinese SMEs. *International Journal of Entrepreneurship*,2021:25(3):207–225.
16. Mendoza P, Paredes J. Resilience and SME recovery after natural disasters in Peru. *Journal of Small Business and Enterprise Development*,2022:29(5):650–670.
17. Mensah S, Bawole JN. Strategic planning and economic contributions of SMEs in Ghana. *African Journal of Economic Development*,2020:12(3):201–219.
18. Nielsen R, Lund P. Strategy and recovery in Danish SMEs: The mediating role of resilience. *Scandinavian Journal of Management Studies*,2020:29(3):289–308.
19. Ntumba P, Kambale J. Factors influencing resilience of SMEs in Kinshasa. *Central African Journal of Business Studies*,2020:12(4):112–130.
20. OECD. *Private sector development in fragile and conflict-affected contexts*. Paris: OECD Publishing, 2020.
21. Olowookere R, Adeyemi O. Strategic planning and resilience of SMEs in Nigeria’s informal sector. *Journal of African Business Research*,2019:8(1):55–74.
22. Saunders M, Lewis P, Thornhill A. *Research methods for business students* (8th ed.). Pearson Education, 2019.
23. Silva M, Santos F. Business resilience and regional economic recovery in Brazil. *Brazilian Journal of Management*,2021:14(4):327–345.
24. Wanjohi G, Mugure A. Strategic planning practices and SME recovery in Kenya. *East African Journal of Business and Economics*,2021:7(2):78–96.
25. Weber F, Schmit L. Strategic planning, resilience, and economic performance in Luxembourg’s SMEs. *European Business Review*,2021:33(5):577–599.
26. Williams N, Vorley T, Ketchen DJ. Entrepreneurial resilience and economic recovery in conflict-affected regions. *Entrepreneurship Theory and Practice*,2021:45(4):703–730.
27. World Bank. *South Sudan economic update: Pathways to recovery*. Washington, DC: World Bank, 2022.