FACTORS AFFECTING THE PERFORMANCE OF NON-GOVERNMENTAL ORGANIZATIONS IN KENYA: A CASE OF ACTION AID INTERNATIONAL

BY

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UNITED STATES INTERNATIONAL UNIVERSITY

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A Project Report Submitted to Chandaria School of Business in Partial Fulfillment of the Requirement for the Degree of Masters in Business Administration (MBA)

UNITED STATES INTERNATIONAL UNIVERSITY

SUMMER 2014
STUDENT'S DECLARATION

I, the undersigned, declare that this is my original work and has not been submitted to any other college, institution or university other than the United States International University in Nairobi for academic credit.

Signed: ____________________ Date: ________________

Musyula Praxides Adera (618049)

This project has been presented for examination with my approval as the appointed supervisor.

Signed: ____________________ Date: ________________

Dr. Timothy Okech (PHD)

Signed: ____________________ Date: ________________

Prof: George Achoki Dean, School of Business

Signed: ____________________ Date: ________________

Deputy Vice Chancellor, Academic Affairs
ABSTRACT

The purpose of this study was to establish the factors affecting the performance of Non-Governmental Organizations in Kenya, using a case of Action Aid International. The specific objectives of the study included: establishing the effect of strategic plans, governance practices, staffing strategies and financial stability strategies on the performance of NGO’s. The study findings will be of values to the management and board of Action Aid International, Kenya, donors and individual supporters financing Non-Governmental Organizations, NGO’s bureau and the NGO’s council and the government who will be able to understand and appreciate the strategic factors that affect NGO performance and addressing any areas of weakness so as to ensure sustainability and continuity of programmes. The study will provide information to academicians and researchers who will want to carry out further research in this area. The study adopted descriptive survey research design targeting forty nine employees from ActionAid International Kenya. The study used census survey which involved the use of the entire population of forty nine (49) as a sample. Primary data was collected using a questionnaire. The study made use of descriptive, correlation and regression statistics in analyzing the data that was collected with the aid of Statistical Package for Social Sciences (SPSS17.0).

The study found that there was a significant positive relationship between strategic plans; governance, staff management, financial stability and performance of NGOs. This was reflected in the relationships between the strategic plans and other factors of performance of NGO such as effective board management, effective staff management, and financial stability. The board of directors has facilitated defensible decision making concerning the affairs of the organization; facilitated continuous improvement in relation to strategy, performance, compliance and accountability and consultation with key stakeholders which all promotes the performance of the organization. The organization has adequate skills level required for effective organization performance; has put in place innovative human resource management strategy that links organization objectives and HR support activities thereby creating value and customer satisfaction. Financial stability positively influences other
aspects of performance such as meeting organizational objectives, board and management effectiveness Staff retention and beneficiaries reached.

There is need for managers to enhance the participation of key stakeholders in the strategic planning through intense consultation and communication so as to create awareness and appreciation of the importance of strategic plans on the performance of the Non-Governmental Organizations. There is need for the NGO management to take advantage of their sources of competitive advantage by consolidating corporate-wide technologies and skills into competencies that empower the organization to adapt quickly to changing opportunities thus enhancing corporate performance. It is important to establish an effective process and mechanism to ensure effective monitoring of compliance with governance related responsibilities including fulfillment of contractual obligations.
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I would also like to thank my family members; my parents and siblings for their encouragement and moral support.

Special gratitude to my husband Richard Orengo, for the support, cheering me up and encouraging me to complete the work
DEDICATION

This project work is dedicated to my daughter Evita Adikinyi Orengo
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ABBREVIATIONS AND ACRONYMS

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<th>Description</th>
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<tr>
<td>COMESA</td>
<td>Common Markets for East and South Africa</td>
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<td>HR</td>
<td>Human Resources</td>
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<tr>
<td>HRM</td>
<td>Human Resource Management</td>
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<td>INGO</td>
<td>International Non-Governmental</td>
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<td>NGO</td>
<td>Non-Governmental Organization</td>
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<td>United Nations</td>
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CHAPTER 1: INTRODUCTION

1.1. Background to the Study

NGOs include many groups and institutions that are entirely or largely independent of government and that have primarily humanitarian or cooperative rather than commercial objectives (DeMars, 2005). In other words, any institution, organization or agency that is established voluntarily to pursue altruistic goals, without a profit motive and is based largely outside the control or operation of the government structure roughly describes an NGO (Stoddard, 2006). They are private agencies; indigenous groups organized regionally or nationally; and member-groups in villages that support development. NGOs include charitable associations, trusts and foundations, independent cooperatives, community associations, societies, trade associations, professional societies, consumer groups, and faith associations that mobilize private funds for development, distribution of food and family planning services and the promotion of community organization (O’Dwyer & Unerman, 2008).

Globally, there are large numbers of NGO activities and programs. The number of internationally operated NGOs is estimated at 40,000 (Anheier et al., 2006). National numbers are higher. Russia has more than 400,000, China has almost 280,000 NGOs registered with the government, and perhaps twice that number unregistered. India has more than 500,000 working NGOs. The United States has more than one million, twice as many as in 2000. They employ 10.2 million people, 7 percent of our workforce (Clinton, 2007). Non-Governmental Organizations (NGOs) play an increasingly important role in the development of communities especially in the rural areas where the level of poverty is estimated to be high (Benjamin, 2007).

Scholte (2004) noted that NGOs are distinguished according to the focus of their work, while some are classified according to the level at which they operate, whether they collaborate with self-help organizations (i.e. community-based organizations), whether they are federations of such organizations or whether they are themselves a self-help organization. They can also be classified according to the approach they undertake, whether they operate projects directly or focus on tasks such as advocacy and networking. In fact the UN has categorized the fields of NGOs’ activities into listed different areas, and they include:
Disarmament/peace, economics, education, the environment, food, health, human rights, human settlements, humanitarian affairs, population, rights of the child, rights of women, social issues, and technical cooperation (UNOG, 2007). Some NGOs are organized around specific issues such as human rights, the environment, or Health and differ depending on their mission, vision, goals, and their mandate (Stoddard, 2006).

Research into this area has produced a number of common problems and dilemmas that NGOs experienced. One of the most mentioned was that of the decision-making processes. Tensions often occurred between staff and senior managers because of the staff expectations that they would be equal partners in the decision-making process (Mukasa, 2006).

Another common problem was to do with the governance of the organizations and the relations between board members and staff. These stemmed largely from the boards’ inability or unwillingness to carry out their responsibilities of governing the organizations. Board members often lacked the time or the expertise to be able to carry out these responsibilities effectively. As a result, senior staffs were often left to make policy decisions with little or no support from board members (Mukasa, 2006).

Governance and decision making; The governance picture of many NGOs is quite complex. Most nonprofits are governed by self-perpetuating, largely self-appointing boards of directors. “Though trustees are not elected by society at large, their essential purpose is to hold an organization in trust for the benefit of society, as specified in its papers of incorporation and grants of tax exemption” (Lewis, 2005).

Other problem is about staff; such as; recruitment, assignment and layoff as well as human resources development and administration and finally everyday management of staff (Vilain, 2006). NGOs were found to be weak at staff career development. Often organizations lacked a career structure in which staff could develop. In addition they were not good at budgeting for staff training.

The evaluation problem; this is most immediately a problem for donors, but failure to resolve it reflects back on NGOs eventually, and should be perceived as their problem. Many,
including many development NGOs, are very different: their activities are experimental rather than routine; their goals are often intangible (such as changing the consciousness of clients or the opinions of policymakers); they may be operating in the face of official obstruction and hostility; and it may be difficult to find other organizations with which their performances can usefully be compared in any quantitative sense (Moore & Stewart, 1998).

Mission, effectiveness, and accountability; for NGOs to thrive, it must fulfill a mission that is valued by the community, staff, board, and founders. NGOs must create value within operational and environmental constraints that are at once more complex than those faced by corporations and more opaque than those confronted by government (Lewis, 2005).

Owing to increasing awareness and an acknowledgement that the Nongovernmental organizations (NGOs) sector is better positioned to understand, empathize and articulate the needs and aspirations of the more vulnerable proportion of the population and have demonstrated ability to reach poor people, work in inaccessible areas, innovate, or in other ways achieve things better than by official agencies. They bridge the gap between government and the community and are essential in organizing poor people, taking collective action, fighting for their rights, and representing the interests of their members in dialogue with the government. NGOs are better at facilitating the supply of inputs into the management process, mediating between people and the wider political party, networking, information dissemination and policy reform (Shah, 2005). Thus they have increasingly assumed prominence as major development partners whose activities greatly complement the efforts of government (Stephenson, 2005). In essence NGOs have served as the major conduit for disseminating western aid, for instance, the US government channels about 40% of its aid programs through NGOs to Africa. Together, the NGOs operating in Africa account for the distribution of between 10% and 20% of all aid transferred to Africa (Njoku, 2006).

NGOs are the recipients of billions of dollars (Bendell, 2006; Wood, Apthorpe, & Borton, 2001). The assessment of NGOs’ performance is necessary to address the question of “upwards accountability to donors or governments, or others with power over them, and downwards accountability to those affected by them” (Bendell, 2006). Thus the performance
of such organizations determines to a large extent their ability to attract new funding and continued funding and support from sponsors and development partners (Togbolo, 2005). Failure to account for and assess performance can result in less efficient programs.

Donors, governments, corporations, international agencies, and the UN are concerned about the role and accountability of NGOs. NGOs themselves are recognizing the need to ensure good practices and are supporting different measures for the assessment of positive outcomes to improve the accountability of organizations to the people they are serving (DPI, 2007; UNOG, 2007).

Funding large budgets demands significant fundraising efforts on the part of most NGOs. Major sources of NGO funding include membership dues, the sale of goods and services, grants from international institutions or national governments, and private donations. Even though the term 'non-governmental organization' implies independence of governments, some NGOs depend heavily on governments for their funding (Mukasa 2006).

The most commonly identified weaknesses of the sector include; limited financial and management expertise, limited institutional capacity, low levels of self-sustainability, isolation/lack of inter-organizational communication and/or coordination, lack of understanding of the broader social or economic context (Malena, 1995).

However, there are a number of factors that influence NGOs’ performance such as organization culture which they must reshape for operational efficiency and effective performance (Reiman & Oedewald, 2002). Limited technical capacities and relatively small resource bases may characterize some NGOs. NGOs sometimes may have limited strategic perspectives and weak linkages with other actors in development. NGOs may have limited managerial and organizational capacities. In some countries, the relationship between NGOs and government may involve political, legal, ideological, and administrative constraints. Because of their voluntary nature, there may be questions regarding the legitimacy, accountability, and credibility of NGOs and their claims as to mandate and constituencies represented. Questions sometimes arise concerning the motivations and objectives of NGOs, and the degree of accountability NGOs accept for the ultimate impact of policies and positions they advocate. Clear hostility from many non-democratic regimes has been part of
more general opposition to any initiatives to support organizations beyond the control of the state.

There are three main areas of accountability for which NGOs can be held accountable by their stakeholders pertaining to their effectiveness, their organizational reliability and their legitimacy (Jordan 2005).

NGOs can be held accountable for the effectiveness in fulfilling their mandate and the quantity, quality, impact and value for moneys of their operations, as well responsiveness to the beneficiaries. NGOs can also be held accountable for the independence and reliability of their organizational structures, with criteria such as the role and composition of the board, financial and management structures, human resource management policies and practices, etc. Last but not least, they also need to answer legitimacy issues such as their constituency, adherence to their mission, ties to the public/beneficiaries etc. (Jordan 2005).

The NGO sector in Kenya has made enormous contributions to the development process. NGOs are in all development sectors of the economy providing basic services that include education, economic employment, environment and natural resource conservation, agriculture, health, training and credit facilities, technical co-operation, training and awareness. Kameri-Mbote (2002) reported that NGOs agenda and existence has been multifaceted and the following specific societal changes have spurred the formation, growth and development of NGOs: worldwide economic recessions, emergence of new diseases, recurrence of armed conflict, environmental degradation and climate change and dwindling job opportunities due to population explosion.

Jillo and Kisinga (2008) agreed that NGOs have experienced increased economic importance in Kenya as providers of health, educational, social and environmental services. In addition Fowler (1997) agrees that NGOs have a lot of potential that had been exploited and unexploited.

Although NGOs have become established organizational actors within development policy and practice, critical questions are increasingly being asked of their performance and accountability. In general, the roles and activities of NGOs have been relatively well covered
in the literature, but there is far less systematic research on internal organizational processes and management (Lewis & Madon, 2004).

The issue of downward accountability of NGOs towards their beneficiaries is typically neglected. NGOs dealing with service delivery have developed some experience with such accountability by promoting greater participation of the beneficiaries and target groups in the programme implementation.

These problems reveal a clear gap between the values that NGOs espouse and what actually happens in practice. Balancing the needs of the different stakeholders who each feel they have an equal right to the decision-making process has created a number of management problems for these organizations. (Mukasa, 2006)

NGOs have had to make strategic choices between confrontational, complementary or collaborative strategic relationships with government. The process of making these strategic choices gives rise to internal tensions concerning expenditure priorities, the conflicting demands of clients and donors, which result in disagreements over an appropriate balance between quality services and meeting fundraising targets. Service-deliverers are pulled towards clients and fund-raisers towards donors. The result can be a split within the organization, which can be resolved by the voluntary organization acting as a mediator or bridge between donor and client (Norrell, 2006)

Focus has also been put on fostering the participation of all sectors of society in decision-making. To develop the organization, individuals have to be able to contribute in the decision making process and they need to learn. All participants need to understand their responsibility to represent their particular stakeholders and to support the implementation activities (Inglis & Minahan, 2006).

The International Non-Governmental (INGO) Accountability Charter was launched in 2006 by eleven leading international NGOs (including Amnesty International, CARE, ActionAid, CIVICUS, Greenpeace, OXFAM, and Transparency International) as a voluntary self-regulating initiative that defines common values, policies and practices. It is considered one of the strongest initiatives in terms of assurance mechanism (Obrecht, Hammer and Laybourn 2012).
The charter is a statement of principles that promote accountability both internally and externally through a number of provisions that cover issues such as respect of human rights, political and financial independence, responsible advocacy, participatory and effective programmers, nondiscrimination, transparency in reporting activities, accuracy of information, good governance, professional and ethical fundraising. (Chene, Marie 2009)

There are many positive changes in development policy and practice that can be associated with the increased role and profile of NGOs. They include the growth of participatory planning techniques, the integration of gender concerns into mainstream development thinking, and the continuing advocacy of human rights and environmental concerns. There is every reason to believe that NGOs of various kinds will continue to play important roles as actors in development processes (Lewis & Madon, 2004).

1.2 Statement of the Problem

Armstrong (2006) identified several strategic management factors that have been adopted by various organizations to enhance their performance. These management practices include strong visionary leadership from the top, powerful management team and effective teamwork, well-motivated, committed, skilled and flexible workforce; optimal organizational structure; clearly defined mission, vision and objectives, and a sound financial base (Armstrong, 2006). Sababu (2007) argues that, these organizations have in place well functioning governance structures with properly functioning boards independent of management with ability to provide oversight to the management of the organization.

Pearce and Robinson (1999) add that to ensure continued performance, the organizations also have strategic directions guided by clearly defined mission, vision and objectives. Good sustainable fundraising strategies are important to ensure organizations have sound financial base, coupled with good financial management systems have also ensured the long term existence of the organizations. A highly qualified and motivated staff force have also contributed to the day-to-day achieving the organizations objectives. Organizations have been able to adapt to technological changes and make use of the opportunities provided by such changes to their advantage (Armstrong, 2006). However, the above analysis by Armstrong (2006) is not specific to NGOs but rather pointed towards profit making organizations and does not relate to the Kenya context.
Lekorwe and Mpabanga (2007) identified several lessons and made various suggestions for successful management to ensure good performance of NGOs in Botswana but this study is not based on Kenyan context and there are no two states which can be same in their governance or political climate.

Within the Kenyan context, some NGOs have demonstrated sound management practices characterized by good governance practices, quality staff, having clear visions and missions, financial stability among other factors (Kenya NGOs Management Policy, 2004). However, a good number of NGOs have not been able demonstrate similar characteristics and are facing management related problems or have closed down (Kenya NGOs Coordination Board, 2008). Further, most of them are faced with the possibility of collapse from the effects of changing economic environment in the donor countries which calls for effective management and governance practices to ensure survival if not stability or growth (Anan, et al, 2008). However there seem to be no study on the effects of strategic management practices on the performance of NGOs in Kenya. It is on this background that this study seeks to establish the effects of strategic management practices on the performance of NGOs in Kenya.

1.3 General Objective
The general objective of this study to establish the factors affecting the performance of Non-Governmental Organizations in Kenya, using a case of Action Aid International.

1.4 Specific Objectives

1.4.1 To examine the existence of strategic plans and how they affect the performance of Non-Governmental Organizations.

1.4.2 To establish the governance practices in place and how they affect the performance of Non-Governmental Organizations.

1.4.3 To determine the staffing strategies in place and how they affect the performance of Non-Governmental Organizations.

1.4.4 To assess the financial stability strategies in place and their role on the performance of Non-Governmental Organizations.
1.5 Importance of the Study

1.5.1. Management and Board of Action Aid International

The findings and recommendations of this study are intended to benefit the management and board of Action Aid International, Kenya in understanding the strategies and addressing any areas of weakness.

1.5.2. NGO Donors and Sponsors

The study finding will enhance NGO donors and sponsors understanding of the strategic factors that influence the management of Non-Governmental Organizations so as to ensure sustainability and continuity of programmes.

1.5.3. Staff of Action Aid International, Kenya

The study will be of significance to the staff of Action Aid International, Kenya as it will facilitate them to adopt best practices that will steer the organization in the right direction.

1.5.4. NGO’s Bureau, NGO’s Council and the Government

The study will be of value to the NGO’s bureau, NGO’s council and the government will find this study useful in formulating policies affecting the management of Non-Governmental Organizations in Kenya.

1.5.5. Researchers and Academician

Researchers and other students studying in this area will also find it easier to learn from the findings of this study. The researcher, being a practitioner in this sector will also find the finding and recommendations useful in ensuring effective strategic management practices to ensure performance of the organization she works for, Action aid Kenya.

1.6 Scope of the study

The study was limited to investigating strategic factors affecting the performance of non-governmental organizations in Kenya with particular reference to Action Aid International, Kenya located along Waiyaki way in Westlands area of Nairobi. This
study examined four strategic management factors while excluding all other factors outside the area of strategic management. The research targeted 15 members of senior Management and 34 members of staff who are not in management.

1.7 Definition of Terms.

1.7.1 Financial Stability

Refers to the manner in which an organization operates in a fiscally responsible manner in acquiring, managing and allocating financial resources so as to promote its long term objectives (Lekorwe & Mpabanga, 2007)

1.7.2 Governance

Refers to the way an organization governs and manages itself in order to achieve its strategic and organizational goals. It is generally understood to encompass structure of the organization, authority, accountability, stewardship, leadership, direction, processes and strategies implemented to ensure that accountability is maintained throughout the organization control. (Lekorwe & Mpabanga, 2007)

1.7.3 International NGO

A non-Governmental Organization constituted outside Kenya and therefore having its headquarters outside Kenya but is registered and having operations in Kenya as well as having a presence in other countries. (Kenya NGO’s management policy 2004)

1.7.4 Non-Governmental Organizations

A voluntary organization or grouping of individuals or organizations which is autonomous and not-for-profit (Kenya NGO’s management policy, 2004)

1.7.5 NGO’s Performance

Refers to the competency of an organization to transform the resources within the firm in an efficient and effective manner to achieve organizational goals and to contribute to other people’s efforts to improve their lives and society’s (Paton 2003)
1.7.6 Planning

Planning is a process which is concerned with deciding in advance what, when, why, how, and who shall do the work. Generally, planning involves establishment of organizational objectives and policies; identification of alternative courses of action and programs and selecting the best course of action and programme (Burke, 2003)

1.7.7 Staffing

Refers to the process of acquiring, deploying and retaining a workforce of sufficient quantity and quality to create positive impact on the organization performance (Lekorwe & Mpabanga, 2007)

1.7.8 Strategic Management

Process of developing a vision and mission, setting objectives, Crafting a strategy implementing the strategy and evaluating performance by reviewing the situation. (Strickland 1993)

1.8 Chapter Summary

This chapter looked into the background and the necessity of the study by examining various aspects of the entire discussion. Among the topics that have been looked into in this chapter include research objectives, research questions, justification of the study, and importance of the study and scope of the study.

Chapter two presents a review of literature on concept of strategic management and previous studies on strategic management practices. More specifically it reviews the practice of strategic management in Non-Governmental Organizations and how this has had effects on the performance of these organizations with a view to identify any gaps from previous studies which this study intends to fill. Chapter three will describe the research design and target population. The chapter will also explore the sampling design in terms of technique and sample size, data collection procedures and instruments and data analysis methods.
CHAPTER 2: LITERATURE REVIEW

2.1 Introduction
This chapter presents a review of literature on concept of strategic management and previous studies on strategic management practices. More specifically it reviews the practice of strategic management in Non-Governmental Organizations and how this has had effects on the performance of these organizations with a view to identify any gaps from previous studies which this study intends to fill.

2.1.1 Strategic Planning and performance of NGO’s

2.1.1.1. Strategic Planning
Strategic planning is a backbone support to strategic management and it is a major process in the conduct of strategic management. According to Wagner (2006) the importance of strategic planning can be explained from four points of view including environmental scanning, strategy formulation, and linking goals to budgets and strategic planning as a process. For strategic planning to be effective and useful, there must be commitment and involvement across all levels of the organization, overcome inherent problems such as; rivalry among departments, projects, resistance to change, resource requirement, resources allocation and so on. The strategy initiatives and directions set up by firm management in the form of mission and vision statements and targets for cost saving, debt/equity ratios embodied as argued by Grant (2006) “a framework of constraints and objectives that bounded and directed strategic choices.”

Over time the concept and practice of strategic planning has been embraced worldwide and across private and public sectors because of its perceived contribution to organizational effectiveness and to fast track performance. Strategic planning is arguably important ingredient in the conduct of strategic management. Porter (1985) noted that despite the criticism levelled against strategic planning during the 1970s and 80s it was still useful and it only needed to be improved and recasted. Greenly (1986) noted that strategic planning has potential advantages and intrinsic values that eventually translate into improved firm performance. It is therefore a vehicle that facilitates improved firm performance. Strategic planning can be considered from content or a process viewpoint. The content relates to the
distinct elements of the strategic plan which differ from firm to firm. Process relates to the mechanisms for the development of the strategic plan and its subsequent deployment. Grants (2003) notes that empirical research is strategic planning systems has focused on two areas: the impact of strategic planning on firm performance and the role of strategic planning in strategic decision making. The latter area of research explored the organizational process of strategy formulation.

Berry (1994) defines 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, typically in a 3-5 year plan; and the development of strategies to achieve them. Perhaps the most definitive description of the strategic planning consists of eight widely recognized steps; an initial agreement or “plan for planning”; identification and clarification of mandates; mission formulation; external environmental assessment; internal resource assessment; strategic issue identification; strategy development, and; development of a description of the organization in the future – its “vision of success” (Byrson, 1989).

2.1.1.2. Factors that affect Strategic Planning

There are many factors listed in the literature that influence strategic planning process. Environmental uncertainties hampers the development of long range plans; scarce resource-strategic planning should be aligned to use scarce resources effectively; legal forces legislative changes introduce new dynamics in an industry thus affecting strategic planning; size and complexity of an organization – as size and complexity of an organization increases, so does the degree of formulating of planning activities; the extent of involvement in operating issues compromises the attention paid to management functions; the implementation gap – this is the inability of the top management and the planners to effectively communicate with the planners; the lifecycle of the organization – as organizations move through different phases, the competitive environment changes and influences the way they plan and execute strategy (Thompson, et al, 2007). Organizations need to plan for a number of reasons. These are; to reorient the organization or institution to the needs of the community; another serious consideration is that when people plan for expansion, a certain level of minimum standard must be observed. This will guarantee a
certain level of minimum quality performance. Effective strategic planning initiatives make organizations more responsive and viable instrument for socio-economic development (Robinson and Pearce, 1983). Strategic planning is a continuous process that requires constant feedback about how the current strategies are working.

### 2.1.2 Organizational Performance

Organizational performance comprises the actual output or results of an organization as measured against its intended outputs (or goals and objectives). Specialists in many fields are concerned with organizational performance including strategic planners, operations, finance, legal, and organizational development. In recent years, many organizations have attempted to manage organizational performance using the balanced scorecard methodology where performance is tracked and measured in multiple dimensions such as: financial performance (e.g. shareholder return); customer service; social responsibility (e.g. corporate citizenship, community outreach); employee stewardship (Thomson and Strickland, 1993)

In management, both for commercial organizations and NGOs, the ultimate measure of management's performance is the metric of management effectiveness which includes: execution, or how well management's plans are carried out by members of the organization; leadership, or how effectively management communicates and translates the vision and strategy of the organization to the members; delegation, or how well management gives assignments and communicates instructions to members of the organization; return on investment, or how well management utilizes the resources (financial, physical, and human) of the organization to bring an acceptable return to shareholders; conflict management, or how well management is able to utilize confrontation and collaboration skills; management's ability to be flexible and appeal to common interests; motivation, how management attempts to understand the needs of others and inspires them to perform (Bryson, 1995)

Bryson (1995) further explains that performance improvement is the concept of measuring the output of a particular process or procedure, then modifying the process or procedure in order to increase the output, increase efficiency, or increase the effectiveness of the process or procedure. The concept of performance improvement can be applied to either individual
performance such as an athlete or organizational performance such as a racing team or a commercial enterprise.

In Organizational Development, performance improvement is the concept of organizational change in which the managers and governing body of an organization put into place and manage a programme which measures the current level of performance of the organization and then generates ideas for modifying organizational behavior and infrastructure which are put into place in order to achieve a better level of output. The primary goals of organizational improvement are to improve organizational effectiveness and organizational efficiency in order to improve the ability of the organization to deliver its goods and/or services and prosper in the marketplaces in which the organization competes. A third area of improvement which is sometimes targeted for improvement is organizational efficacy which involves the process of setting organizational goals and objectives (Bryson, 1995). Further, Bryson (1995) adds that performance is a measure of the results achieved. Performance efficiency is the ratio between effort expended and results achieved. The difference between current performance and the theoretical performance limit is the performance improvement zone.

Another way to think of performance improvement is to see it as improvement in four potential areas. First, is the resource input requirements (e.g., reduced working capital, material, replacement/reorder time, and set-up requirements). Second, is the throughput requirements, often viewed as process efficiency; this is measured in terms of time, waste, and resource utilization. Third, output requirements, often viewed from a cost/price, quality, functionality perspective. Fourth, outcome requirements, did it end up making a difference (Brinkerhoff, 1991).

There are two main ways to improve performance: improving the measured attribute by using the performance platform more effectively, or by improving the measured attribute by modifying the performance platform, which in turn allows a given level of use to be more effective in producing the desired output. Performance improvement can occur at different levels: an individual performer; a team; an organizational unit and; the organization itself. Business performance management and improvement can be thought of as a cycle: Performance Planning where goals and objectives are established, then, performance
Coaching where a manager intervenes to give feedback and adjust performance and performance appraisal where individual performance is formally documented and feedback delivered (Drucker, 1990).

NGOs performance can be measured in terms of how well it is governed and management processes. It implies that the effective management of an NGO’s resources is done in a manner which is transparent, accountable, equitable and responsive to the needs of the people. Since NGOs aim at becoming sustainable, then good governance is critical to their existence. In many developing countries NGOs often lack the institutional capacity and resources to operate. Also, funds from donors are sometimes poorly managed. Thus, in order to ensure effective and proper management of resources, good governance becomes an important aspect of every NGO. One of the key requirements for good governance is accountability (Drucker, 1990).

Drucker (2007) also suggests that NGOs can improve their performance by improving their governance and management. There are a number of ways in which NGOs can improve on their governance and management operations. These include the following: Stating their mission, values and objectives clearly and ensuring that these strategies are followed; better human resources development and training for their managers and staff including board members and volunteers; better management processes as well as financial management, accounting, and budget systems.

2.1.2.1 Link between Strategic Planning and Performance

It is conceptualized that firms that have effectively embraced strategic planning, record better performance compared to those that have not. David (1997) argues that firms’ record improved performance once they effectively embrace strategic planning. Carrying out the various steps in the strategic planning process is expected to facilitate the realization of organizational effectiveness. The linkage between strategic planning and organizational performance needs analysis to get a better understanding how strategic planning is applied in practice and will improve organizational performance. Strategic planning often fails due to problems or barriers encountered at the implementation stage. Mixed evidence about the
relationship between strategic planning and organizational performance makes the debate about its effectiveness as a tool of strategic management an ongoing one (Wagner, 2006).

Byrson (1989) argue that strategic planning assists in providing direction so organization members know where the organization is heading to and where to expend their major efforts. It guides in defining the business the firm is in, the ends it seeks and the means it will use to accomplish those ends. The process of strategic planning shapes a company’s strategy choice through the use of systematic, logical and rational approach. It reveals and clarifies future opportunities and threats and provides a framework for decision making. Strategic planning looks ahead towards desired goals. Strategic plan defines performance to be measured, while performance measurement provides feedback against the planed target (Dusenbury, 2000).

Strategic planning applies a system approach by looking at a company as a system composed of subsystems. It permits managers to look at the organization as a whole and the interrelationships of parts. It provides a framework for coordination and control of organization’s activities, decision-making throughout the company and forces the setting of objectives, which provides a basis for measuring performance (Arasa and K’Obonyo, 2012). (Kotter 1996) argues that the strategic planning process can be used as a means of repository and transforming the organization. Thompson, Strickland and Gamble (2007) postulate that the essence of good strategy making is to build a strong enough market position and an organization capable to produce successful performance despite unforeseeable events, potent competitive and internal difficulties.

2.2 Governance and the Performance of NGOs
Over time, organizations and business entities have been known to be pre-occupied with the pursuit of economic activities to fulfil the objectives of shareholders, commonly known as shareholder wealth maximization. This could have found strong explanation on the argument that business growth requires capital which is sourced from outsiders, both individual and institutional investors, who then become owners. Within this thinking, Chandler (1977) claimed that increasing capital needs associated with growth of enterprise leads to separation of ownership and control and the dispersal of ownership. Enterprise founders cede control
top professional managers as businesses grow. Further growth causes complexity, reducing owners ‘internal control and the need for cheaper funds from a variety of sources.

Within this context, organizations emerge as networks of varied interests, hence a move from shareholders to stakeholders. Consequently, the concern for all stakeholders’ interests takes center stage, both the insiders and outsiders (Shahid, 2001). These issues border on the subject of corporate governance (CG), which has received close attention after the entry of professional managers who wielded power over investors’ resources (King Commission, 2002). The concept of corporate governance has been accorded various definitions mostly by corporate regulatory agencies and/or commissions. The Cadbury Committee (1992) defined CG as a system by which companies are directed and controlled.

A broader view of Corporate Governance is given by the Organization for Economic Co-operation and Development (OECD) (1999, 2004) which defined corporate governance as the system by which business corporations are directed and controlled. According to OECD, the corporate governance structure specifies the distribution of rights and responsibilities among different participants in the corporation, such as the board, managers, shareholders and other stakeholders, and spells out the rules and procedures for making decisions on corporate affairs. By doing this, it also provides the structure through which organizational objectives are set, and the means of attaining those objectives and monitoring performance. The King Commission on Corporate Governance (2002) in South Africa advocated for an integrated approach to good governance in the interest of a wide range of stakeholders having regard to the Fundamental principles of good financial, social, ethical and environmental practice. The Kenya Private Sector Governance Trust (1999) defined governance as the manner in which power is exercised in the management of economic and social resources for sustainable human development. All these definitions underscore the fact that CG is concerned with directing organizations towards realizing desired results in the right way.

Corporate governance is applicable to all organizations: for-profit, private, public, not-for-profit, small, medium, and large in order to ensure that organizational goals and mission are realized through good stewardship of resources. Onyango (2009) acknowledged that
organizations operate in complex and dynamic business environments that require complex, but flexible, governance regulation reflecting the uniqueness of each situation arising from specific factors such as legal and financial systems, culture, corporate ownership structures and economic conditions. No single set of governance rules fits all firms and situations, governance should be understood in different contexts.

In for profit organizations, shareholders incur agency costs (Jensen and Meckling, 1976) including monitoring, bonding and residual losses to control activities of managers. Agency contracts provide for performance related financial rewards to encourage managers to act in the interests of shareholders. Kingoro and Bujra (2009) established that members’ assembly is “rarely functional” in non-profits, and boards are mainly comprised of family and friends. Donors and the government also incur costs to ensure good governance and performance. Tools used to enforce accountability include performance assessment, evaluation, reporting requirements, laws and self-regulation.

At the core of good corporate governance are the corporate governance structures, which are important for the realization of an organization’s mission and accountability to its stakeholders. They also specify the distribution of rights and responsibilities among different participants in the corporation including the board, managers, shareholders and other stakeholders, and the rules and procedures for making decisions on corporate affairs. Governance provides the structure through which the company objectives are set, the means of attaining those objectives and monitoring performance. Corporations must have a governing body accountable to owners or shareholders in for profits and the public for non-profits (OECD, 2004).

Good governance practice demands a separation of roles between the board and management to enhance appropriate oversight and supervision (Kingoro and Bujra, 2009). This separation of roles is critical to avoid conflict and ensures clear accountability of an organization’s performance. In strategic management, an organization’s financial performance is a subset of organizational effectiveness (Venkatraman and Ramanujam, 1986). Organizational effectiveness is related to achievement of intended outcomes while organizational performance is the use of outcome based financial indicators to reflect the
fulfilment of the economic goals of the firm. The performance of an organization originates in what the firm does, in its activities or routines. These activities give rise to costs, but they also generate revenues in excess of costs to the extent that the products and services add value for customers (Meyer, 2002).

Good governance provides a firm basis for setting performance measures and an enabling environment for the organization to achieve its objectives (Lekorwe and Mpabanga, 2007). It implies that the effective management of an NGO’s resources is done in a manner which is transparent, accountable, equitable and responsive to the needs of the people. Since NGOs aim at becoming sustainable, then good governance is critical to their existence. In many developing countries NGOs often lack the institutional capacity and resources to operate. Also, funds from donors are sometimes poorly managed. Thus, in order to ensure effective and proper management of resources, good governance becomes an important aspect of every NGO.

2.2.1 Accountability

Lekorwe and Mpabanga (2007) explain further that one of the key requirements for good governance is accountability. The issue this creates is to whom are NGOs accountable? At first this question may appear to have an easy answer. Obviously they are expected to account for the use of resources to the donors. However, the ability to ensure that accountability exists, among the NGOs and to all those concerned, remains debatable. NGO staff members are not elected and ordinary people have no mechanisms for bringing them to account for their actions. Unlike governments, who have to get elected and can only avoid accountability through violence or coercion and in business where consumers can decide where to spend their money, NGOs have no obvious accountability structures. NGOs themselves see the need to take this issue seriously as there is a growing emphasis on the need for proper monitoring.

2.2.2 Management and Leadership

There are a number of ways in which NGOs can improve on their governance and management operations. These include the following, stating their mission, values and
objectives clearly and ensuring that these strategies are followed; better human resources
development and training for their managers and staff including board members and
volunteers; better management processes as well as financial management, accounting, and
budget systems (Chimainikire, 2002)

Lekorwe and Mpaganga (2007) argue that in order for these systems to be implemented,
committed staff and leadership within the NGOs themselves are required. Sometimes NGOs
do not have effective governance structures. Some NGOs do not have boards or have boards
that do not function properly or have wrangles. Some boards are also not competent enough
to provide necessary leadership (KNGOP, 2004). This study aims at establishing the
characteristics a well functioning board and how such board affects the performance of
NGOs in Kenya.

2.3 Staffing Strategies and the Performance of NGOs
The term staffing is synonymous with human resource management (HRM) which is the
strategic and coherent approach to the management of an organization’s most valued assets -
the people working there who individually and collectively contribute to the achievement of
the objectives of the business. Its features include organizational management, personnel
administration, personnel management, manpower management, industrial management
(Legge, 2004).

Lekorwe et al (2007) also explain that the theoretical discipline is based primarily on the
assumption that employees are individuals with varying goals and needs, and as such should
not be thought of as basic business resources, such as trucks and filing cabinets. The field
takes a positive view of workers, assuming that virtually all wish to contribute to the
enterprise productively, and that the main obstacles to their endeavors are lack of knowledge,
insufficient training, and failures of process. Legge (2004) suggests that HRM relates to
"......those decisions and actions which concern the management of employees at all levels in
the business and which are related to the implementation of strategies directed towards
creating and sustaining competitive advantage"

The goal of human resource management is to help an organization to meet strategic goals by
attracting, and maintaining employees and also to manage them effectively. The key word
here perhaps is "fit", that is, a HRM approach seeks to ensure a fit between the management of an organization's employees, and the overall strategic direction of the company (Legge, 2004). One widely used scheme to describe the role of HRM, developed by Willet (2002), defines four fields for the HRM function, strategic business partner, change management, employee champion, and administration.

However, many HR functions these days struggle to get beyond the roles of administration and employee champion, and are seen rather more reactive than strategically proactive partners for the top management. In addition, HR organizations also have the difficulty in proving how their activities and processes add value to the company. Only in the recent years HR scholars and HR professionals are focusing to develop models that can measure if HR adds value (Willet, 2002).

According to Lekorwe (1999), NGOs generally do not have control over the quality of labor they obtain. Their staffing levels are determined by those who volunteer their services and whether or not they have time available. Some of the personnel used to run the affairs of NGOs are not well trained to effectively carry out their duties. A lack of well trained and experienced HR limits the extent to which NGOs are able to manage their daily affairs and their capacity to effectively plan, appraise, implement, and monitor their projects and programs. The other issue is the fact that the most knowledgeable and experienced volunteers do not normally provide adequate support for NGOs’ activities partly because they are not allowed, by law, to be actively involved and partly because of the limited time they have to render their services (Lekorwe, 1999).

Despite these many studies there seems to no study directly linking strategic human resource management practices to the performance of NGOs especially in Kenya. This study intends to establish whether having a strategically managed HR function with strategic objectives and well defined policies has any effects on the performance of the NGOs in Kenya.

2.4 Financial Stability strategies and the Performance of NGOs
According to Lekorwe and Mpabanga, (2007) one of the major factors impacting the effective management and sustainability of NGOs is the nature of their dependability on donor funding. A majority of civil society organizations in developed and developing
countries were established in order to complement and supplement governments’ developmental and service delivery efforts. Multilateral organizations such as the United Nations, World Bank, Commonwealth Secretariat, as well as regional organizations such as the European Union, African Union and COMESA have funded NGOs’ programs and activities. Funds were channeled through the civil society organizations to foster development and improve service delivery at the grassroots level.

Kiggundu (1996) suggests that financial management serves organizational goals in the following ways: obtain funding for programs; have contented employees. This depends on the wage/salary level and other benefits provided by the organization to its employees. Satisfy clients by the quality of service rendered to them. Fairly deal with suppliers e.g. creditors and financial institutions by paying the amounts due to them as soon as they are due. Improve social welfare. All the resources of the organization must be optimally allocated such that they will lead to the best possible social impact. Act according to the law and government requirements. It is a duty of an organization to follow all labor laws and financial management regulations in order to achieve economic stability and civil order.

Kiggundu (2006) further argues that the goals of financial management can conflict with organizational goals when: Heading for a stronger assets position may mean reducing employee welfare or delivering less service to clients. Satisfying clients may require more expenditure, leaving less money available for improving the asset position and employee welfare. Quick payments to suppliers sometimes may lead to liquidity problems, which affect employees and may lead to failure in satisfying clients. Obeying all the laws, especially tax laws, may oppress employees.

Accounting can help organizations achieve their goals in many ways including providing figures for planning compromise positions, facilitating controls, provides information on the financial standing, provides information on the funding trends and provides information on expenditure trends. Financial information is used by management of the organization, board of the organization, debtors, clients, creditors, suppliers, development partners, donors, government, employees, financial lending institutions and the general public, Molomo et al, (1999).
According to Lekorwe and Mpabanga (2007), most NGOs in Africa lack clearly defined structures in terms of organizational charts, buildings, facilities, equipment and human resources. The major contributory factor to this is the constraint that limited financial resources places on the ability of NGOs to enable, plan, organize, and design clearly defined structures as well as equip their offices with adequate equipment and facilities. As noted by Molomo et al (1999), the key weakness of NGOs in Africa is the inappropriate organizational structures which impact the manner in which NGOs carry out their core business.

Financial stability offers important tools that help organizations determine their current conditions and plan for its future. Accounting and financial analysis aid in making sure that an organization has what it needs to operate successfully. Budgeting allows managers to plan, make proper choices, and decide on the mission and direction of an organization (Rosilyn, 2007). However, while plans and strategies are often stated in a number of elements, resource allocation has always remained the principal means of implementing them. Consequently, an organization’s budget, which embodies its resource allocation decisions, has become the only visible manifestation of its strategic process (Willoughby & Julia, 2001). Financial stability is critical to the success of any organization. It provides the business plan with rigor, by confirming that the objectives set are achievable from a financial point of view. It also helps the CEO to set financial targets for the organization, and reward staff for meeting objectives within the budget set (Rubin, 2000).

Financial stability facilitates managers to assess the financial resources that will be required to implement the programmes and activities to achieve the goals and targets of the plan, to ensure that funding is available as and when needed, and to monitor the efficient use of resources and of progress towards reaching the goals and targets (Rosilyn, 2007). Financial stability helps to focus the attention of the managers and subordinates towards organizational objectives. It predetermines the objectives and defines line of action to complete the work. Thus, good management is the management by objectives. Financial stability serves as the blue print of the course of action and eliminates the unnecessary and useless activities. It focuses to priorities and facilitates to take right decision at the right time (Kathryn, Jennings & Allen 2002).
The processes employed in the allocation of resources serve as a means for dealing with complex, competing objectives in a manner that ensures organizational success and growth (Finkler, 2005). Of all the procedures used to make organizational decisions, those employed in the allocation of resources are perhaps the most powerful; whether in the private or the Public sectors, the processes used for the allocation of resources deal comprehensively with the organization as a whole, its component units, and the Organizations and people it services. Plans and strategies are often stated in a number of elements, resource allocation has always remained the principal means of implementing them (Ellingson & Jaco, 2001). Consequently, an organization’s budget, which embodies its resource allocation decisions, has become the only visible manifestation of its strategic planning process (Hendrick, 2000).

The budget embodies a plan articulated in financial terms or allocation of funds for execution of projects and programs of organizations within a given time frame in order to achieve predetermined program objective(s) (Willoughby & Julia, 2001). Budgets establish the amount of resources that are available for a specific activity (Rubin, 2000). As managers manipulate monies to accomplish specific goals, they are declaring where the values of the organization lie. Denhardt (2006) argues that in public organizations, “The budget is, essentially, a measure of support (or lack of support) for specific programs. “Budgets reflect choices about what organizations will and will not do. They reflect general public consensus about what kinds of services organizations should provide and what citizens are entitled to as members of society” (Stillman, 2000).

Effective financial stability encourages managers to think about new knowledge, idea, procedures, technique and strategy for the completion of work. It also helps to create new modified course of action. This is essential for the growth and expansion of working areas of the business (Kenneth, 2010). Financial stability is the basis of control and defines the minimum standard of work to be achieved and time to complete the job. It is helpful to compare the actual performance achieved with that of predetermined or standard fixed. The manager evaluates the actual achievement of work interval of time. This is helpful to identify the deviation, if any, between actual and planned performances (Awino, Muturia and Oeba, 2011). Risk monitoring and control is the processes of keeping track of the identified risks, monitoring the residual risks and identifying new risks. This process should also ensure the
execution of the risk plan and continually evaluate the plan’s effectiveness in reducing risk (Finkler, S.A. (2005). Resource allocations can also be monitored as these too will have been pre-planned and, where appropriate, allocated to the agreed actions (Hendrick, 2000).

According to Drago (1990) common financial performance and stability indicators include: sales growth, return on investment (ROI), return on sales, return on equity (ROE), and earnings per share. However, the popular ratios that measure organizational performance can be summarized as profitability and growth: return on asset (ROA), return on investment (ROI), return on equity (ROE), return on sale (ROS), revenue growth, market shares, stock price, sales growth, liquidity and operational efficiency (Thomas & Ramaswamy, 1996). In more recent research by Delery and Doty (1996), return on average assets (ROA) and return on equity (ROE) were used as financial measures in the banking industry.

According to Dyer and Reeve (1995) organizational outcome measurements included productivity, quality and service. Huselid et al. (1997) defined employee productivity as the net sales (revenue) per employee. This definition was consistent with prior empirical work and tends to reflect employees’ efforts (Delery & Doty, 1996; Huselid et al., 1997). However Huselid et al. (1997) considered the productivity indicator as an incomplete measure of a firm’s overall profitability and therefore needed to be considered with other financial measurements. Instead of productivity indicators, Delany & Huselid (1996) chose perceptual measures of the organizations’ performance in their study. They selected perceived organizational performance such as product quality, customer satisfaction and new product development. Although perceptual data introduces limitations through increased measurement error and the potential for mono-method bias, it was not unprecedented to use such measures (Delany & Huselid, 1995).

Fiscal measures embodied in financial stability enable organizations by means of its aggregate expenditures and taxation to influence and shape incomes, production and employment in desired directions (Rahaman, 2010). The financial plan can indeed have far reaching economic and development implications and so has come to be used as a tool for economic planning, regulating aggregate expenditure and taxation levels, volume of production, income levels, and consequently savings and investment levels and employment. Organizations can, and often do use a well-coordinated revenue, expenditure and debt
programs to influence not only the national economy but also to stimulate development (Rubin, 2000).

Financial stability entails anticipating problems and information needs; helps to identify solutions without trial-and-error learning; manage resource supply and demand; identify when to focus effort and attention in different areas, facilitating the identification of appropriate sequences; helps to make people’s expectations for the timing of activities more concrete (Willoughby & Julia, 2001). Planning helps to turn broad goals into action steps and helps to create timetables for how long tasks should take, to transfer founder’s vision to those acting on it, to avoid side-tracking of efforts and helps to correct deviation from objectives (Kenneth, 2010).

2.5 Chapter Summary
Strategic planning is a backbone support to strategic management and it is a major process in the conduct of strategic management. The importance of strategic planning can be explained from four points of view including environmental scanning, strategy formulation, and linking goals to budgets and strategic planning as a process. Corporate governance structure specifies the distribution of rights and responsibilities among different participants in the corporation, such as the board, managers, shareholders and other stakeholders, and spells out the rules and procedures for making decisions on corporate affairs. Human resource management helps organizations to meet strategic goals by attracting, and maintaining employees and also to manage them effectively.

The next chapter (chapter three) will focus on the research methodology which contains the procedures and methods used to collect and analyze (obtain and process) data. The chapter will look at study area, study design, target and study populations, sampling frame & techniques, research instruments, ethical considerations, data collection, data quality control, data management and analysis.
CHAPTER 3: RESEARCH METHODOLOGY

3.1 Introduction
This chapter focuses on the research methodology which contains the procedures and methods used to collect and analyze (obtain and process) data. The chapter looks at study area, study design, target and study populations, sampling frame & techniques, research instruments, ethical considerations, data collection, data quality control, data management and analysis.

3.2 Research design
A research design is defined as the blue print and a detailed plan of how a research study is to be conducted (Neuman, 2006). The study used descriptive design because it has been successfully used in other related management studies. Descriptive research portrays an accurate profile of people’s events or situations Robson (2002). The major purpose of descriptive research is to provide information on characteristics of a population or phenomenon. Accuracy is particularly important in descriptive research. A descriptive study tries to discover answers to who, what, when, where and sometimes how questions (Cooper & Schindler, 2003).

3.3 Population and Sampling Design

3.3.1. Target Population
A target population is the collection of elements about which we wish to make some inferences (Cooper & Schindler, 2008). The target population was drawn from ActionAid International, Kenya. The study population consisted of fifteen (15) management staff and (34) members of staff making it a total of forty nine (49) respondents as shown on table 3.1 below.
Table 3.1: Target Population

<table>
<thead>
<tr>
<th>Category</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management</td>
<td>15</td>
<td>30.6</td>
</tr>
<tr>
<td>Staff</td>
<td>34</td>
<td>69.4</td>
</tr>
<tr>
<td>Totals</td>
<td>49</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Author (2014)

3.3.2. Sampling Design

According to Trochim (2005), sampling is the process of selecting units (people, organizations) from a population of interest so that by studying the sample we may fairly generalize our results back to the population from which they were chosen. Sampling design is a working plan or structure, which specifies the population frame, sample size and sample selection and how the sample size is estimated. The aim of the sampling design is to identify the characteristic of the population (Kombo & Tromp, 2006).

3.3.2.1. Sampling Frame

Denscombe (2007) defines a sample frame as “an objective list of the population from which the researcher can make his or her selection.” A sample frame must thus contain an up-to-date list of all those that comprise the target population. Cooper and Schindler (2008) add that a sampling frame should be a complete and correct list of population members only. The sampling frame for this study was obtained from the Human Resource Department of ActionAid International Kenya consisting of management and staff.

3.3.2.2. Sampling Technique

Sampling technique is the procedure a researcher uses to gather people, places or things to study (Orodho & Kombo, 2002). And in this case it refers to the procedure the researcher uses to select the final sample to study. A sample is part of the target (or accessible) population that has been procedurally selected to represent it and whose properties are studied to gain information about the whole. The sampling technique used for this study was
census survey which involved the use of the entire population as a sample. According to Kothari (2003) census sampling design is attractive for small populations, eliminates sampling error and provides data on all the individuals in the population.

### 3.3.2.3. Sample Size

The study used census sampling procedure which will involve the population of sixty nine (49) as a sample. A census is attractive for small populations. A census eliminates sampling error and provides data on all the individuals in the population (Kothari, 2003).

### 3.4 Data Collection methods

Data is anything given or admitted as a fact on which a research inference was based, (Oso & Onen, 2009). Both primary and secondary data was collected. Primary data was collected through the use of a questionnaire, while Secondary data was collected through reviewing records of the study relevant to the subject.

Quantitative and qualitative data was collected using structured questionnaire containing closed and open ended questions. Kuter and Yilmaz (2001) define a questionnaire as a method for the elicitation, recording and collecting of information. Kothari (2003) argues that questionnaires generate data in a very systematic and ordered fashion.

The questionnaire used for data collection was pre-tested to determine whether questions and directions are clear to subjects and whether they understand what is required from them. This enabled the researcher to fine tune the questionnaire for objectivity and efficiency of the process. Initially, expert views and suggestions of the supervisors were incorporated in the questionnaires, thereafter the research instruments was pretested on 10 respondents from Action Aid International, Kenya to ascertain the thinking behind the answers so that the researcher can accurately assess whether the questionnaire will be filled out properly, whether the questions will be actually understood by respondents, and whether the questions are what the researcher intents. Pre-testing also helped to assess whether respondents are able and willing to provide the needed information. Pre-testing was conducted in circumstances that were similar as possible to actual data collection and on population members as similar as possible to those that were sampled. As a result of the pilot test, changes in the research instrument were made.
3.5 Research Procedure
The researcher used email to send out the questionnaires to the respondents. Each respondent received the same set of questions in exactly the same way. The questionnaires were also attached to a cover letter from the researcher explaining the purpose of the study. The respondents were informed that all responses were anonymous and confidential and that data and findings would be reported in a way that does not identify a particular response with any given respondent.

3.6 Data Analysis
Data analysis refers to examining what has been collected in a survey or experiment and making deductions and inferences (Kombo and Tromp, 2006). According to Denscombe (2003) quantitative Analysis involves the process of presenting and interpreting numerical data which contains descriptive statistics and inferential statistics. Qualitative analysis involved gathering an in-depth understanding of the research study and the basis of the same, while investigating the why and how of decision making, not just what, where, when (Cohen, Manion & Morrison, 2000). For this study, both qualitative and quantitative techniques were used.

Data collected by use of the questionnaire was initially thoroughly edited and checked for completeness and comprehensibility; summarized; coded for easy classification and tabulated. The tabulated quantitative data was then analyzed by using SPSS Software which facilitated the establishment of patterns, trends and relationships using both descriptive and inferential statistics such as frequencies and means, regression and correlation respectively making it easier for the researcher to understand and interpret the implications of the study. Correlation analysis helped in detecting any significance concerning which factors are related to one another, while regression analysis helped in modeling the relationships among the variables and in testing the relationships between the variables (Montgomery, 2007).

Qualitative analysis involved coding and organizing collected data into themes and concepts that address the research questions, and then analyzing using content analysis. Presentation of quantitative data was in form of tables, which provided successful interpretation of the findings, while qualitative data was presented in form of explanatory notes.
3.7 Summary of the Chapter
The study used a descriptive design in collecting data from the respondents because it portrays an accurate profile of people’s events or situations. The target population consisted of forty nine (49) respondents drawn from Action Aid International, Kenya. The study used census sampling procedure to select a sample that represents the entire population. The primary data for the study was collected using the questionnaires and complemented by desk research. Quantitative data was analyzed using regression and correlation with the aid of Statistical Package for Social Sciences (SPSS17.0), while qualitative data was analyzed through content analysis.

The next chapter analyzed data based on the research objectives and questionnaire items pertaining to planning, corporate governance, staffing practices and financial stability strategies and the implication on the performance of non-governmental organizations in Kenya using statistical tools like descriptive and inferential statistics such as correlation and regression and presented using frequency tables.
CHAPTER 4: RESULTS AND FINDINGS

4.1 Introduction
This chapter presents the analysis of study findings on the effects of strategic management practices on the growth and sustainability of non-governmental organizations in Kenya. This chapter analyses the variables involved in the study and estimates of the model presented in the previous chapter.

Out of the 49 issued questionnaires, 44 questionnaires representing 89.7% of the total questionnaires distributed were returned fully completed, while 5 questionnaires were not returned representing 10.3% of the total questions distributed to the respondents. It can be inferred that the response rate was good. According to Mugenda and Mugenda (2003) a response rate of 70% and over is excellent for analysis and reporting on the opinion of the entire population.

Table 4.1: Response Rate

<table>
<thead>
<tr>
<th>Response</th>
<th>Frequency</th>
<th>Percentage %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Filled in questionnaires</td>
<td>44</td>
<td>89.7</td>
</tr>
<tr>
<td>Unreturned questionnaires</td>
<td>5</td>
<td>10.3</td>
</tr>
<tr>
<td>Total</td>
<td>49</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field Data, (2014)
4.1.1 Demographic Characteristics

4.1.1.1 Category of Employment

The study on table 4.2 below shows the staff category of the respondents. Based on the study majority, (4.5%) (22.8%) and (72.7%) of the respondents indicated respectively that they were between senior level management, middle management and other level management respectively.

<table>
<thead>
<tr>
<th>Category of Employment</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior Management</td>
<td>2</td>
<td>4.5</td>
</tr>
<tr>
<td>Middle Management</td>
<td>10</td>
<td>22.8</td>
</tr>
<tr>
<td>Other level</td>
<td>32</td>
<td>72.7</td>
</tr>
</tbody>
</table>

Source: Field Data, (2014)

4.1.1.2 Gender

Results of the study on table 4.3 below show the gender of the respondents. Based on the study majority, 43.2% of the respondents indicated that they were male while 56.8% stated they were female.

<table>
<thead>
<tr>
<th>Gender</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>19</td>
<td>43.2</td>
</tr>
<tr>
<td>Female</td>
<td>25</td>
<td>56.8</td>
</tr>
</tbody>
</table>

Source: Field Data, (2014)
4.1.1.3 Highest Level of Education

Table 4.4 below represents the level of education of the respondents. 9.1% of the respondents have a postgraduate degree, 29.5% indicates respondents holding a postgraduate diploma while 47.7% are respondents who have an undergraduate degree.

Table 4.4: Highest Level of Education

<table>
<thead>
<tr>
<th>Highest Level of Education</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Postgraduate degree</td>
<td>4</td>
<td>9.1</td>
</tr>
<tr>
<td>Postgraduate diploma</td>
<td>13</td>
<td>29.5</td>
</tr>
<tr>
<td>Undergraduate degree</td>
<td>21</td>
<td>47.7</td>
</tr>
<tr>
<td>Others</td>
<td>6</td>
<td>13.6</td>
</tr>
</tbody>
</table>

Source: Field Data, (2014)

4.1.1.4 Years of operation

Table 4.5 below indicates the years that the organization has been in operation. 40.9% of the respondents stated that the organization had been in operation for 6-9 years, 22.7% said that it had been less than a year, 20.5% indicated 1-5 years while 15.9% replied 10 years and above.

Table 4.5: Years of Operation

<table>
<thead>
<tr>
<th>Years of operation</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than one year</td>
<td>10</td>
<td>22.7</td>
</tr>
<tr>
<td>1 – 5 years</td>
<td>9</td>
<td>20.5</td>
</tr>
<tr>
<td>6 – 9 years</td>
<td>18</td>
<td>40.9</td>
</tr>
<tr>
<td>10 years and above</td>
<td>7</td>
<td>15.9</td>
</tr>
</tbody>
</table>

Source: Field Data, (2014)
4.1.1.5 Period worked

Results on table 4.6 indicate the number of years the respondents have worked at ActionAid Kenya. Majority of the respondents had worked in the organization for between 1-5 years represented by 38.6%, 22.7% had worked for 6-9 years, 20.5% for 10 years and above while 18.2% of the respondents had worked for less than one year. It can be inferred that most of the respondents were familiar with the organization having worked there for a while.

<table>
<thead>
<tr>
<th>Period worked</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than one year</td>
<td>8</td>
<td>18.2</td>
</tr>
<tr>
<td>1 – 5 years</td>
<td>17</td>
<td>38.6</td>
</tr>
<tr>
<td>6 – 9 years</td>
<td>10</td>
<td>22.7</td>
</tr>
<tr>
<td>10 years and above</td>
<td>9</td>
<td>20.5</td>
</tr>
</tbody>
</table>

Source: Field Data, (2014)

4.1.1.6 Organization Website

Table 4.7 shows the response on whether the organization has a website. 61.4% of the respondents indicated that the organization has a website while 38.6% stated that the organization does not have a website.

Table 4.7: Organization Website

<table>
<thead>
<tr>
<th>Organization Website</th>
<th>Frequency</th>
<th>Percentage %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>27</td>
<td>61.4</td>
</tr>
<tr>
<td>No</td>
<td>17</td>
<td>38.6</td>
</tr>
</tbody>
</table>

Source: Field Data, (2014)

4.1.1.7 Annual budget

Results on table 4.8 below indicate the annual budget for the organization. According to majority of the respondents (40.9%) is $1-$4.9 million, 36.4% said their annual budget is $5-
$10 million while 11.4% of the respondents the budget is less than $1 million and above $10 million.

Table 4.8: Annual budgets

<table>
<thead>
<tr>
<th>Annual budget</th>
<th>Frequency</th>
<th>Percentage %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less $1 million</td>
<td>5</td>
<td>11.4</td>
</tr>
<tr>
<td>$1 – $4.9 million</td>
<td>18</td>
<td>40.9</td>
</tr>
<tr>
<td>$5 – $10 million</td>
<td>16</td>
<td>36.4</td>
</tr>
<tr>
<td>above $10 million</td>
<td>5</td>
<td>11.4</td>
</tr>
</tbody>
</table>

Source: Field Data, (2014)

4.1.1.8 Number of employees on average

The findings on table 4.9 below sought to find out the number of employee in the organization on average. 22.7% of the respondents indicated the least number of employees which is less than ten, while 11.4% of respondents indicated the most number of employees which was above thirty.

Table 4.9: Average number of employees

<table>
<thead>
<tr>
<th>Number of employees on average</th>
<th>Frequency</th>
<th>Percentage %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 10</td>
<td>10</td>
<td>22.7</td>
</tr>
<tr>
<td>between 11 and 20</td>
<td>9</td>
<td>20.5</td>
</tr>
<tr>
<td>Between 21 and 30</td>
<td>20</td>
<td>45.5</td>
</tr>
<tr>
<td>Above 30</td>
<td>5</td>
<td>11.4</td>
</tr>
</tbody>
</table>

Source: Field Data, (2014)

4.2 Organizational Performance

4.2.1 Measure of Organizational Performance
The table 4.10 below shows what the respondents thought about how the organization has performed in the last five years. 50.0% of the respondents thought the organizations fully meet its objectives while only 22.7% thought the organization did not meet its objectives.

**Table 4.10: Meeting organizational objectives**

<table>
<thead>
<tr>
<th>Measurement</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fully meets its objectives</td>
<td>22</td>
<td>50.0</td>
</tr>
<tr>
<td>Partly meets its objective</td>
<td>12</td>
<td>27.3</td>
</tr>
<tr>
<td>Does not meet its objectives</td>
<td>10</td>
<td>22.7</td>
</tr>
</tbody>
</table>

**4.2.2 Effectiveness of the national board**

Results on table 4.11 indicate the effectiveness of the national board. Majority of the respondents, 61.4%, thought that the national board was effective, while minority of the respondents, 18.2%, thought that it was very effective. From the study it can be concluded that though not very effective the national board is at least effective in its service deliver

**Table 4.11: How effective do you consider the national board**

<table>
<thead>
<tr>
<th>Measurement</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very effective</td>
<td>8</td>
<td>18.2</td>
</tr>
<tr>
<td>Effective</td>
<td>27</td>
<td>61.4</td>
</tr>
<tr>
<td>Not effective</td>
<td>9</td>
<td>20.5</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>(n=44)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Source: Field Data, (2014)</td>
</tr>
</tbody>
</table>
4.2.3 Strategic Plans

4.2.3.1 Organization’s vision and mission
Results on table 4.12 below indicate whether the organization had a vision and mission. An overwhelming majority represented by 93.2\% of the respondents stated that the organization had a vision and mission while a paltry 6.8\% organization did not have.

<table>
<thead>
<tr>
<th>Measurement</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>41</td>
<td>93.2</td>
</tr>
<tr>
<td>No</td>
<td>3</td>
<td>6.8</td>
</tr>
</tbody>
</table>

Table 4.12: Vision and a Mission
Source: Field Data, (2014)

4.2.3.2 Organization have a strategic plan?
Table 4.13 shows the results on whether the organization has a strategic plan. 72.7\% of the respondents responded that the organization had a strategic plan while 27.3\% stated that the organization did not have one. From the study it can be seen that the organization has a strategic plan.

<table>
<thead>
<tr>
<th>Measurement</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>32</td>
<td>72.7</td>
</tr>
<tr>
<td>No</td>
<td>12</td>
<td>27.3</td>
</tr>
</tbody>
</table>

Table 4.13: Strategic Plan
Source: Field Data, (2014)
4.2.3.3 Period of time covered by strategic plan

Results on table 4.14 show how long the strategic plan cover. 47.7%, 40.9% and 6.8% of respondents indicated that strategic plan covers the period of over 5 years, 2-4 years and less than 2 years respectively.

Table 4.14: Period of time covered by strategic plan

<table>
<thead>
<tr>
<th>Measurement</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 – 2 years</td>
<td>3</td>
<td>6.8</td>
</tr>
<tr>
<td>2 – 4 years</td>
<td>18</td>
<td>40.9</td>
</tr>
<tr>
<td>5 and over</td>
<td>21</td>
<td>47.7</td>
</tr>
<tr>
<td>N/A</td>
<td>2</td>
<td>4.5</td>
</tr>
<tr>
<td></td>
<td>44</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field Data, (2014)

4.2.3.4 Strategic Plan Review

Table 4.15 represents the results on how often the organization reviews its strategic plans. 38.6% stated that the organization reviews its strategic plan annually, 31.8% indicated after 5 years, 18.2% said after every two years while 11.4% of the respondents stated that the organization never reviews its strategic plan. From this study it can be seen that the organizations reviews its strategic plan annually.

Table 4.15 Strategic Plan Review Schedule

<table>
<thead>
<tr>
<th>Measurement</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annually</td>
<td>17</td>
<td>38.6</td>
</tr>
<tr>
<td>Every two years</td>
<td>8</td>
<td>18.2</td>
</tr>
<tr>
<td>Every five years</td>
<td>14</td>
<td>31.8</td>
</tr>
<tr>
<td>Never reviewed</td>
<td>5</td>
<td>11.4</td>
</tr>
<tr>
<td></td>
<td>44</td>
<td>100</td>
</tr>
</tbody>
</table>
4.2.3.5 Strategic Plans and Organizational Performance

The findings on table 4.16 below shows to the extent to which strategic plans affect organizational performance. The results were skewed towards most effect with board and management effectiveness being represented by a mean of 2.43 and standard deviation of 0.925 while staff retention had a mean of 1.98 and standard deviation of 0.952.

Table 4.16: Extent of Effect of Strategic Plans

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Mean</th>
<th>S.D.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Meeting organizational objectives</td>
<td>44</td>
<td>2.09</td>
<td>1.030</td>
</tr>
<tr>
<td>Board and management effectiveness</td>
<td>44</td>
<td>2.43</td>
<td>.925</td>
</tr>
<tr>
<td>Staff retention</td>
<td>44</td>
<td>1.98</td>
<td>.952</td>
</tr>
<tr>
<td>Financial stability</td>
<td>44</td>
<td>2.23</td>
<td>.961</td>
</tr>
<tr>
<td>Beneficiaries reached</td>
<td>44</td>
<td>2.39</td>
<td>.970</td>
</tr>
</tbody>
</table>

Source: Field Data, (2014)

4.2.3.6 Correlation between Strategic Plans and Organization Performance

The study shown on table 4.17 below involves correlation between strategic plans and Performance of NGOs. Study findings was based on correlation coefficient (r) value at between plus and minus one (-1.00 and +1.0); significance level of .05. (95%) and two-tailed test.

The Findings shown on table 4.17 below indicate, correlation coefficient (r) = (.338) for meeting organizational objectives; (.332) for board and management effectiveness; (.450) for Staff retention; (.450) for financial stability, (.585) for beneficiaries reached. This shows that there is a positive relationship between performance of NGOs and achievement of organizational objectives; board and management effectiveness; staff retention; financial stability, and beneficiaries reached.
The study results also shows coefficient of determination \( r^2 = (.114), (.110), (.203) (.104), \\
and (.342) \) respectively indicating that: 11.4\%, 11.0\%, 20.3\%, 10.4\%, and 34.2\% of 
performance of NGOs is influenced by organizational objectives achievement; board and 
management effectiveness; staff retention; financial stability, and beneficiaries reached

**Table 4.17: Pearson’s Correlation Coefficients**

<table>
<thead>
<tr>
<th>Strategic Plans</th>
<th>Performance of NGOs</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>( r )</td>
</tr>
<tr>
<td><strong>Pearson Correlation</strong></td>
<td></td>
</tr>
<tr>
<td>Constant</td>
<td>0.000</td>
</tr>
<tr>
<td>Meeting organizational objectives</td>
<td>.338*</td>
</tr>
<tr>
<td>Board and management effectiveness</td>
<td>.332*</td>
</tr>
<tr>
<td>Staff retention</td>
<td>.450*</td>
</tr>
<tr>
<td>Financial stability</td>
<td>.323*</td>
</tr>
<tr>
<td>Beneficiaries reached</td>
<td>.585</td>
</tr>
</tbody>
</table>

**significance level of: 0.005 * 2 tailed Test**

**Source: Field Data, (2014)**

**4.2.3.7 Effect of strategic plans on organizational performance**

Table 4.18 indicates the results of the study on how strategic plans affect the factors of 
organizational performance. The results show a strong tendency towards partially agrees with 
effective board and management having a mean of 2.39 and standard deviation of 1.039 
while effective staff management had 2.45 and 0.999 as mean and standard deviation 
respectively.
Table 4.18: Effect of strategic plans

<table>
<thead>
<tr>
<th></th>
<th>(n=44)</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>N</td>
<td>Mean</td>
<td>S.D.</td>
<td></td>
</tr>
<tr>
<td>Effective board and management</td>
<td>44</td>
<td>2.39</td>
<td>1.039</td>
</tr>
<tr>
<td>Effective staff management</td>
<td>44</td>
<td>2.45</td>
<td>.999</td>
</tr>
<tr>
<td>Financial stability</td>
<td>44</td>
<td>2.43</td>
<td>1.043</td>
</tr>
</tbody>
</table>

Source: Field Data, (2014)

4.2.3.8 Correlation between strategic plans and other factors of organizational performance

The study shown on table 4.19 below involves correlation of strategic plans and other factors of performance of NGOs. The results shown on table 4.19 below indicate that Correlation coefficient (r) = (.421) for effective board and management; (.472) for effective staff management and (.363) for financial stability respectively. This shows that there is a positive relationship between performance of NGOs and effective board and management; effective staff management and financial stability. In addition Coefficient of determination (r2) = (.177) for effective board and management; (.222) for effective staff management; (.132) for financial stability indicating that 17.7%, 22.2% and 13.2% of performance of NGOs is influenced by effective board and management; effective staff management and financial stability.
Table 4.19: Pearson’s Correlation Coefficients

<table>
<thead>
<tr>
<th>Other Factors</th>
<th>Performance of NGOs</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>r</td>
</tr>
<tr>
<td>Pearson Correlation</td>
<td>Constant</td>
</tr>
<tr>
<td>Effective board and management</td>
<td>.421*</td>
</tr>
<tr>
<td>Effective staff management</td>
<td>.472*</td>
</tr>
<tr>
<td>Financial stability</td>
<td>.363*</td>
</tr>
</tbody>
</table>

**Significance level of: 0.005 * 2 tailed Test

Source: Field Data, (2014)

4.3 Governance

4.3.1 Presence of a national board

Results on table 4.20 show whether the organization has a national board in place; majority of the respondents, 61.4% stated that the organization has a national board in place while 38.6% stated that the organization does not.

Table 20: Response on whether there is a national board in place

<table>
<thead>
<tr>
<th>Measurement</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>27</td>
<td>61.4</td>
</tr>
<tr>
<td>No</td>
<td>17</td>
<td>38.6</td>
</tr>
</tbody>
</table>

Source: Field Data, (2014)
4.3.1.1 Board Functions

Findings on table 4.21 shows whether the board is well functioning. The results of the study was biased towards agreeing that the national board has an elected chair represented by a mean of 1.64 and standard deviation of 0.487 while the national board meets regularly had a least mean of 1.36 and standard deviation of 0.487.

**Table 4.21: Whether the board is well functioning**

<table>
<thead>
<tr>
<th></th>
<th>(n=44)</th>
<th>N</th>
<th>Mean</th>
<th>S.D.</th>
</tr>
</thead>
<tbody>
<tr>
<td>The national board has an elected chair</td>
<td></td>
<td>44</td>
<td>1.64</td>
<td>.487</td>
</tr>
<tr>
<td>The national board holds elections regularly</td>
<td></td>
<td>44</td>
<td>1.48</td>
<td>.505</td>
</tr>
<tr>
<td>The national board is distinct from management</td>
<td></td>
<td>44</td>
<td>1.57</td>
<td>.501</td>
</tr>
<tr>
<td>The national board meets regularly</td>
<td></td>
<td>44</td>
<td>1.36</td>
<td>.487</td>
</tr>
<tr>
<td>The board supervises management</td>
<td></td>
<td>44</td>
<td>1.55</td>
<td>.504</td>
</tr>
<tr>
<td>The board approves strategic plans and budgets</td>
<td></td>
<td>44</td>
<td>1.52</td>
<td>.505</td>
</tr>
</tbody>
</table>

*Source: Field Data, (2014)*

4.3.1.2 Extent of effect of governance on organizational performance

Table 4.22 shows to what extent governance affects organizational performance. From the results most of the respondent a leaned towards agreeing that governance affects NGOs financial stability with a mean of 2.20 and standard deviation of 0.002, while least respondents agreed that governance affects organizational performance with a mean of 1.80 and standard deviation of 0.904.
Table 4.22: Extent of effect of governance

<table>
<thead>
<tr>
<th></th>
<th>(n=44)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>N</td>
</tr>
<tr>
<td>Meeting organizational objectives</td>
<td>44</td>
</tr>
<tr>
<td>Board and Management effectiveness</td>
<td>44</td>
</tr>
<tr>
<td>Staff retention</td>
<td>44</td>
</tr>
<tr>
<td>Financial stability</td>
<td>44</td>
</tr>
<tr>
<td>Beneficiaries reached</td>
<td>44</td>
</tr>
</tbody>
</table>

Source: Field Data, (2014)

4.3.1.3 Correlation between Governance and performance of NGOs

The study shown on table 4.23 below involves correlation between governance and performance of NGOs. The Findings shown on table 4.10 below indicate, correlation coefficient \( r = (0.679=\text{meeting organizational objectives}); \ (0.519=\text{board and management effectiveness}); \ (0.321=\text{staff retention}); \ (0.363=\text{financial stability}) \) and \( (0.446=\text{beneficiaries reached}) \). This shows that there is a positive relationship between performance of NGOs and governance evidenced by the positive correlation coefficients of achievement of organizational objectives; board and management effectiveness; staff retention; financial stability, and beneficiaries reached.

In addition the findings indicate the coefficient of determination \( r^2 = (0.461), (0.269), (0.103) \) \( (0.132) \) and \( (0.199) \) respectively for achievement of organizational objectives; board and management effectiveness; staff retention; financial stability, and beneficiaries reached indicating that (46.1%), (26.9%), (10.3%), (13.2%) and (19.9%) of performance of NGOs is influence by governance supported by achievement of organizational objectives; board and management effectiveness; staff retention; financial stability, and beneficiaries reached.
Table 4.23: Pearson’s Correlation Coefficients

<table>
<thead>
<tr>
<th>Governance</th>
<th>Performance of NGOs</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>r</td>
</tr>
<tr>
<td>Pearson Correlation</td>
<td>0.000</td>
</tr>
<tr>
<td>Constant</td>
<td></td>
</tr>
<tr>
<td>Meeting organizational objectives</td>
<td>.679*</td>
</tr>
<tr>
<td>Board and Management Effectiveness</td>
<td>.519*</td>
</tr>
<tr>
<td>Staff retention</td>
<td>.321*</td>
</tr>
<tr>
<td>Financial stability</td>
<td>.363*</td>
</tr>
<tr>
<td>Beneficiaries reached</td>
<td>.446*</td>
</tr>
</tbody>
</table>

**significance level of: 0.005 * 2 tailed Test

Source: (Research Data, 2014)

4.3.1.4 Impact of Effective governance
The study results on table 4.24 show the effect of effective governance. Majority of the respondents were biased towards agreeing that governance affects strategic plan effectiveness with a mean of 2.48 and 0.936 standard deviation represented strategic plans effectiveness while they least agreed that governance affects staff management with a mean of 2.09 and standard deviation of 1.044
Table 4.24: Impact of Effective governance

<table>
<thead>
<tr>
<th></th>
<th>(n=44)</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>N</td>
<td>Mean</td>
<td>S.D.</td>
</tr>
<tr>
<td>Strategic plans effectiveness</td>
<td>44</td>
<td>2.48</td>
<td>.936</td>
</tr>
<tr>
<td>Effective staff management</td>
<td>44</td>
<td>2.09</td>
<td>1.044</td>
</tr>
<tr>
<td>Financial stability</td>
<td>44</td>
<td>2.45</td>
<td>1.151</td>
</tr>
</tbody>
</table>

Source: Field Data, (2014)

4.3.1.5 Correlation between Governance and other aspects organizational performance

The study shown on table 4.25 below involves correlation between Governance and other aspects performance of NGOs. Results of the study indicated, correlation coefficient (r) of: (Strategic plans effectiveness = .557), (effective staff management=.650), (Financial Stability =.509) respectively. Since the correlation of coefficient is positive it can be concluded that there is a positive relationship between performance of NGOs and governance as supported by Strategic plans effectiveness, effective staff management and financial stability. The results also show the coefficient of determination (r2) of: (Strategic plans effectiveness = .310), (effective staff management=.423) and (Financial Stability=.259), respectively indicating that (31.0%), 42.3% and 25.9%, of performance of NGOs is influence by other factors of governance (Strategic plans effectiveness, effective staff management and financial stability respectively.)
### Table 4.25: Pearson’s Correlation Coefficients

<table>
<thead>
<tr>
<th>Other Factors of Governance</th>
<th>Performance of NGOs</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>R</td>
</tr>
<tr>
<td>Pearson Correlation</td>
<td>0.000</td>
</tr>
<tr>
<td>Constant</td>
<td></td>
</tr>
<tr>
<td>Strategic plans effectiveness</td>
<td>.557&lt;sup&gt;a&lt;/sup&gt;</td>
</tr>
<tr>
<td>Effective staff management</td>
<td>.650&lt;sup&gt;a&lt;/sup&gt;</td>
</tr>
<tr>
<td>Financial Stability</td>
<td>.509&lt;sup&gt;a&lt;/sup&gt;</td>
</tr>
</tbody>
</table>

**significance level of: 0.005 * 2 tailed Test

#### 4.4 Staffing

**4.4.1 Organizations has a Well Functioning HR Department**

Results on table 4.26 indicate whether the organization has a well functioning HR department. The findings showed a bias towards agreeing that true. The organizational culture has ensured healthy staff a relation resulting in high productivity was typified by mean of 1.57 and standard deviation of 0.501 while 1.43 and 0.501 expressed the performance of the organization has been affected by the motivational levels of staff.
Table 4.26: Well Functioning HR Department

<table>
<thead>
<tr>
<th></th>
<th>(n=44)</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>N</td>
<td>Mean</td>
<td>S.D.</td>
</tr>
<tr>
<td>HR roles are managed by a department</td>
<td>44</td>
<td>1.48</td>
<td>.505</td>
</tr>
<tr>
<td>organization has well defined staffing policies</td>
<td>44</td>
<td>1.55</td>
<td>.504</td>
</tr>
<tr>
<td>Effective recruitment and retention strategies</td>
<td>44</td>
<td>1.48</td>
<td>.505</td>
</tr>
<tr>
<td>Leadership style of senior management</td>
<td>44</td>
<td>1.50</td>
<td>.506</td>
</tr>
<tr>
<td>Staff management strategies</td>
<td>44</td>
<td>1.52</td>
<td>.505</td>
</tr>
<tr>
<td>motivational levels of staff</td>
<td>44</td>
<td>1.43</td>
<td>.501</td>
</tr>
<tr>
<td>Organizational culture</td>
<td>44</td>
<td>1.57</td>
<td>.501</td>
</tr>
</tbody>
</table>

Source: Field Data, (2014)

4.4.1.1 Extent of Effect of Staff Management on Organizational Performance

The study on table 4.27 shows the effects of staff management on aspects of organizational performance. The results indicate that majority indicated agreement by a mean of 2.27 and standard deviation of 1.065 that beneficiaries reached indicated the effect of staff management on organization performance, while the least of the respondents indicated by a mean of 1.84 and 0.987 for staff retention.

Table 4.27: Extent of Effect of Staff Management

<table>
<thead>
<tr>
<th></th>
<th>(n=44)</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>N</td>
<td>Mean</td>
<td>S.D.</td>
</tr>
<tr>
<td>Meeting organizational objectives</td>
<td>44</td>
<td>2.11</td>
<td>.813</td>
</tr>
<tr>
<td>Board and Management effectiveness</td>
<td>44</td>
<td>2.14</td>
<td>1.025</td>
</tr>
<tr>
<td>Staff retention</td>
<td>44</td>
<td>1.84</td>
<td>.987</td>
</tr>
<tr>
<td>Financial stability</td>
<td>44</td>
<td>2.20</td>
<td>.795</td>
</tr>
<tr>
<td>Beneficiaries reached</td>
<td>44</td>
<td>2.27</td>
<td>1.065</td>
</tr>
</tbody>
</table>

Source: Field Data, (2014)
4.4.1.2 Correlation between staff management and organizational performance

The study shown on table 4.28 below involves correlation of staff management and Performance of NGOs. Results of the study indicated, correlation coefficient (r): (achievement of organizational objectives= .510), (board and management effectiveness; =.413), (staff retention =.490); (financial stability=.407) and (beneficiaries reached. = .522) respectively. Since the correlation of coefficient is positive it can be concluded that there is a positive relationship between performance of NGOs and staff management aspects relating to the achievement of organizational objectives; board and management effectiveness; staff retention; financial stability, and beneficiaries reached.

The coefficient of determination (r2) (Achievement of organizational objectives=. 260), (board and management effectiveness=1.70), (staff retention=.240), (financial stability=.166) and (beneficiaries reached. = .272) respectively indicating that (26.0%), 17.0%, 24.0%, 16.6% and 27.2.9% of performance of NGOs is influence by staff management aspects such as: achievement of organizational objectives; board and management effectiveness; staff retention; financial stability, and beneficiaries reached.

Table 4.28: Pearson’s Correlation Coefficients

<table>
<thead>
<tr>
<th></th>
<th>Performance of NGOs</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>r</td>
<td>r²</td>
<td>df</td>
<td>Sig.</td>
</tr>
<tr>
<td>Pearson Correlation</td>
<td>Constant</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
</tr>
<tr>
<td></td>
<td>Meeting organizational objectives</td>
<td>.510&lt;sup&gt;a&lt;/sup&gt;</td>
<td>.260</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>Board and Management Effectiveness</td>
<td>.413&lt;sup&gt;a&lt;/sup&gt;</td>
<td>.170</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>Staff retention</td>
<td>.490&lt;sup&gt;a&lt;/sup&gt;</td>
<td>.240</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>Financial stability</td>
<td>.407&lt;sup&gt;a&lt;/sup&gt;</td>
<td>.166</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>Beneficiaries reached</td>
<td>.522&lt;sup&gt;a&lt;/sup&gt;</td>
<td>.272</td>
<td>5</td>
</tr>
</tbody>
</table>

**significance level of: 0.005 * 2 tailed Test
4.4.1.3 Effect of staff management on organizational performance

Table 4.29 shows how staff management affects organizational performance. The results were bent towards fully agrees as shown by a mean of 2.57 and standard deviation of 1.087 for financial stability and 2.25 and 1.087 for effective staff management.

<table>
<thead>
<tr>
<th>(n=44)</th>
<th>N</th>
<th>Mean</th>
<th>S.D.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic plans effectiveness</td>
<td>44</td>
<td>2.25</td>
<td>1.059</td>
</tr>
<tr>
<td>Effective staff management</td>
<td>44</td>
<td>2.39</td>
<td>.920</td>
</tr>
<tr>
<td>Financial stability</td>
<td>44</td>
<td>2.57</td>
<td>1.087</td>
</tr>
</tbody>
</table>

Source: Field Data, (2014)

4.4.1.4 Correlation between staffing and other aspects organizational performance

The study shown on table 4.30 below involves correlation of other measures of NGOs performance and staffing. The findings indicated, correlation coefficient (r) of (.572= strategic plans effectiveness); (.443= effective staff management) and (.521= financial stability). Since the correlation of coefficient is positive it can be concluded that there is a positive relationship between performance of NGOs and other organizational factors relating to Strategic plans effectiveness, effective staff management and financial stability. The study results also shows coefficient of determination (r2) of: (.327), (.196) and (.271) respectively for strategic plans effectiveness, effective staff management and financial stability indicating that (32.7%), (19.6%) and (27.1%) of performance of NGOs is influence by the other organization factors relating to strategic plans effectiveness, effective staff management and financial stability.
Table 4.30: Pearson’s Correlation Coefficients

<table>
<thead>
<tr>
<th>Other Factors of Staffing</th>
<th>Performance of NGOs</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>r</td>
</tr>
<tr>
<td>Constant</td>
<td>0.000</td>
</tr>
<tr>
<td>Strategic plans effectiveness</td>
<td>.572*</td>
</tr>
<tr>
<td>Effective staff management</td>
<td>.443*</td>
</tr>
<tr>
<td>Financial Stability</td>
<td>.521*</td>
</tr>
</tbody>
</table>

**Significance level of: 0.005 * 2 tailed Test

Source: (Research Data, 2014)

4.5 Financial Stability

4.5.1 Effective Financial Stability Strategy

The study on table 4.31 shows whether the organization has an effective financial stability strategy. The results leaned towards agree with a mean of 1.59 and standard deviation of 0.497 for Effective financial management practices have ensured the overall organizational performance and 1.43 and 0.501 representing the organization subscribes to IFR standards.
Table 4.31: Effective Financial Stability Strategy

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Mean</th>
<th>S.D.</th>
</tr>
</thead>
<tbody>
<tr>
<td>N=44</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organization has a Finance department</td>
<td>44</td>
<td>1.45</td>
<td>.504</td>
</tr>
<tr>
<td>Organization subscribes to International Financial Reporting</td>
<td>44</td>
<td>1.43</td>
<td>.501</td>
</tr>
<tr>
<td>Organization has well defined financial management policies</td>
<td>44</td>
<td>1.45</td>
<td>.504</td>
</tr>
<tr>
<td>Effective financial management practices</td>
<td>44</td>
<td>1.59</td>
<td>.497</td>
</tr>
<tr>
<td>Organization has effective fundraising function</td>
<td>44</td>
<td>1.52</td>
<td>.505</td>
</tr>
<tr>
<td>Fundraising strategies ensure availability of funds</td>
<td>44</td>
<td>1.45</td>
<td>.504</td>
</tr>
<tr>
<td>Availability of adequate funds ensures good performance of the</td>
<td>44</td>
<td>1.52</td>
<td>.505</td>
</tr>
<tr>
<td>organization</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organization sources funds from diverse sources</td>
<td>44</td>
<td>1.57</td>
<td>.501</td>
</tr>
</tbody>
</table>

Source: Field Data, (2014)

4.5.1.1 Extent of Effect of Financial Stability on Organizational Performance

The results shown on Table 4.32 below indicate the extent of effect of financial stability on organizational performance means and standard deviation of Board and Management effectiveness and meeting organizational objectives represented by (mean) 1.95, (SD.) 0.97 and mean), (SD) 0.800 respectively.
Table 4.32: Extent of Effect of Financial Stability (n=44)

<table>
<thead>
<tr>
<th>Measures</th>
<th>N</th>
<th>Mean</th>
<th>S.D.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Meeting organizational objectives</td>
<td>44</td>
<td>2.32</td>
<td>.800</td>
</tr>
<tr>
<td>Board and Management effectiveness</td>
<td>44</td>
<td>1.95</td>
<td>.987</td>
</tr>
<tr>
<td>Staff retention</td>
<td>44</td>
<td>1.98</td>
<td>.821</td>
</tr>
<tr>
<td>Financial stability</td>
<td>44</td>
<td>2.16</td>
<td>.888</td>
</tr>
<tr>
<td>Beneficiaries reached</td>
<td>44</td>
<td>2.16</td>
<td>1.055</td>
</tr>
</tbody>
</table>

Source: Field Data, (2014)

4.5.1.2 Correlation between financial stability and organizational performance

The study shown on table 4.33 below involves correlation between measures of NGOs performance and financial stability. Results of the study indicated, positive correlation of coefficients (r) hence it can be concluded that there is a positive relationship between performance of NGOs and financial stability as shown by the coefficients of correlation coefficient (r) of: (achievement of organizational objectives = .629), (board and management effectiveness = .683), (staff retention=.735); (financial stability = .572) and (beneficiaries reached = .728) respectively.

The results also shows coefficient of determination (r²) of: (achievement of organizational objectives = .396), (board and management effectiveness effective=.466), (staff retention=.540), (financial stability=.327) and (beneficiaries reached = .529) respectively. This implies that: 39.6%, 46.6%, 54.0%, 32.7% and 52.9% of performance of NGOs pension scheme is influence by: financial stability as evidenced by coefficients of achievement of organizational objectives; board and management effectiveness; staff retention; financial stability, and beneficiaries reached.
Table 4.33: Pearson’s Correlation Coefficients

<table>
<thead>
<tr>
<th>Financial Stability</th>
<th>Performance of NGOs</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>r</td>
</tr>
<tr>
<td>Pearson Correlation Constant</td>
<td>0.000</td>
</tr>
<tr>
<td>Meeting organizational objectives</td>
<td>.619 a</td>
</tr>
<tr>
<td>Board and Management Effectiveness</td>
<td>.481 a</td>
</tr>
<tr>
<td>Staff retention</td>
<td>.469 a</td>
</tr>
<tr>
<td>Beneficiaries reached</td>
<td>.417 a</td>
</tr>
</tbody>
</table>

**Significance level of: 0.005 * 2 tailed Test

Source: Field Data, (2014)

4.5.1.3 Effect of financial stability strategy on organizational performance

Findings on table 4.34 indicate financial stability affects other factors of organizational performance. The results indicate a skew toward partially agrees proven by a mean of 2.25 and standard deviation of 1.059 for Strategic plans effectiveness and least agreed that strategic plans effectiveness with a mean of 2.25 and standard deviation of 2.25

Table 4.34: Effect of financial stability strategy

<table>
<thead>
<tr>
<th>(n=44)</th>
<th>N</th>
<th>Mean</th>
<th>S.D.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic plans effectiveness</td>
<td>44</td>
<td>2.25</td>
<td>1.059</td>
</tr>
<tr>
<td>Effective staff management</td>
<td>44</td>
<td>2.39</td>
<td>.920</td>
</tr>
<tr>
<td>Financial stability</td>
<td>44</td>
<td>2.57</td>
<td>1.087</td>
</tr>
</tbody>
</table>

Source: Field Data, (2014)
4.5.1.4 Correlation between financial stability and other factors of organizational performance

The study shown on table 4.35 below involves correlation of financial stability and other measures of NGOs Performance. The Findings shown on table 4.35 below indicate, correlation coefficient (r) of (.483= strategic plans effectiveness); (.527= effective staff management) and (.503= effective staffing). Since the correlation of coefficient is positive it can be concluded that there is a positive relationship between performance of NGOs and other organizational factors relating to strategic plans effectiveness, effective staff management and effective staffing. The coefficient of determination ($r^2$) = (.233), (.278) and (.253) respectively for strategic plans effectiveness, effective staff management and effective staffing indicating that (23.3%), (27.8%) and (25.3%) of performance of NGOs is influence by other organizational factors (strategic plans effectiveness, effective staff management and effective staffing).

<table>
<thead>
<tr>
<th>Table 4.35: Pearson’s Correlation Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other Factors</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>----------------</td>
</tr>
<tr>
<td>Pearson Correlation Constant</td>
</tr>
<tr>
<td>Strategic plans effectiveness</td>
</tr>
<tr>
<td>Effective staff management</td>
</tr>
<tr>
<td>Effective Staffing</td>
</tr>
</tbody>
</table>

**significance level of: 0.005 * 2 tailed Test

Source: Research Data, (2014)

4.6 Relationship between independent Variables and Dependent Variables

The study sought to establish the significance of the relationship between dependent and independent variables. Hence the study performed a regression between Performance of Non-Governmental Organizations (PNGO) as dependent variable against Strategic Plans (SP),
Governance Practices (GP), Staffing Strategies (SS) and Financial Stability Strategies (FS) as independent variables, using the model below

\[ Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \epsilon \]

Where:

\( \alpha \) = constant term

\( \beta_1-4 \) = Regression Coefficients

\( \epsilon \) = Error Term.

\( X_1 \) = Variables

The results of the study equation became:

\[ \text{PNGO} = \alpha + \beta_1 \text{SP} + \beta_2 \text{GP} + \beta_3 \text{SS} + \beta_4 \text{FS} + \epsilon \]

Hence:

\[ \text{PNGO} = 2.132 + 1.204 \text{SP} + 1.019 \text{GP} + 1.109 \text{SS} + 1.033 \text{FS} + \epsilon \]

Findings on table 4.37 below shows the significance of the relationship between strategic plans, governance practices, staffing strategies and financial stability strategies and performance of non-governmental organizations. The results indicate that the computed t-values of (t=2.003) for strategic plans; (t=2.009) for governance practices; (t=2.020) for staffing strategies and (t=2.025) for financial stability strategies are smaller than the critical t-value of (t=2.571) based on the degree of freedom (df=5). This shows that there is a significant relationship between the dependent and independent variables. This is further reinforced by the p-value of = (.001) for strategic plans, (.007) for governance practices; (.003) for staffing strategies and (.004) for financial stability strategies are smaller than the significance level of 0.05. This therefore indicates that there is a significant relationship between strategic plans, governance practices, staffing strategies and financial stability strategies and performance of non-governmental organizations.
Results on table 4.36 below indicate how well the statistical model was likely to predict future outcomes. The coefficient of determination, $r^2$ is the square of the sample correlation coefficient between outcomes and predicted values. As such it explains the contribution of the four independent variables (strategic plans, governance practices, staffing strategies and financial stability strategies) to the dependent variable (performance of non-governmental organizations). All the four independent variables that were studied, explain 38.5% of performance of non-governmental organizations as represented by the adjusted $r^2$.

Table 4.36: Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.633a</td>
<td>.401</td>
<td>.38.5</td>
<td>0.492</td>
</tr>
</tbody>
</table>

b. Performance of NGOs

Source: Field Data, (2014)
Table 4.37: Coefficientsa

<table>
<thead>
<tr>
<th>Variables</th>
<th>Coefficientsa</th>
<th></th>
<th></th>
<th>t</th>
<th>Sign</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>β</td>
<td>Standard Error</td>
<td>Beta</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Constant)</td>
<td>2.132</td>
<td>.521</td>
<td>.000</td>
<td>4.092</td>
<td>.000</td>
</tr>
<tr>
<td>Strategic Plans</td>
<td>1.204</td>
<td>.601</td>
<td>.189</td>
<td>2.003</td>
<td>.001</td>
</tr>
<tr>
<td>Governance Practices</td>
<td>1.019</td>
<td>.507</td>
<td>.020</td>
<td>2.009</td>
<td>.007</td>
</tr>
<tr>
<td>Staffing Strategies</td>
<td>1.109</td>
<td>.549</td>
<td>.120</td>
<td>2.020</td>
<td>.003</td>
</tr>
<tr>
<td>Financial Stability Strategies</td>
<td>1.033</td>
<td>.510</td>
<td>.037</td>
<td>2.025</td>
<td>.004</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Performance of NGOs

Source: Field Data, (2014)

4.7 Summary

Data analysis was done by editing and coding with the goal of highlighting useful information, suggesting conclusions, and supporting interpretations. It involved breaking down factors identified through the data collected into simpler coherent parts in line with the objectives of the study in order to derive meanings. The tabulated data was analyzed quantitatively and the data analysis established existence of a relationship between performance of non-governmental organizations and strategic plans governance practices, staffing strategies and financial stability strategies.
CHAPTER 5: DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction
The purpose of this chapter is to discuss and draw conclusions and recommendations on the findings of the main objective of the study which was to examine the factors affecting the performance of non-governmental organizations in Kenya based on the specific objectives and answers to research questions pertaining to the influence of organizational governance, strategic plans, staffing strategies and financial stability.

5.2 Summary
The objective of this study was to establish the factors affecting the performance of non-governmental organizations in Kenya. Specifically the study sought to determine the influence of organizational governance, strategic plans, staffing strategies and financial stability on the performance of NGO’s in Kenya. The study used a descriptive survey approach in collecting data from the respondents because it ensured complete description of the situation, making sure that there is minimum bias in the collection of data. The target population consisted of the management and staff drawn from Action Aid International (Kenya). The study population will consist of fifteen (15) management staff and (34) members of staff. The study used census survey which involved taking the entire target population as a sample.

The primary data for the study was collected using the questionnaires and complemented by desk research. The questionnaires were self-administered and contained both closed and open ended questions. Quantitative data was analyzed using descriptive, correlation and regression statistics with the aid of Statistical Package for Social Sciences (SPSS17.0); while qualitative data was analyzed through content analysis.

The study found that NGOs had strategic plans and that there was a significant positive relationship between strategic plans and performance of NGOs. This was reflected in the relationships between the strategic plans and other factors of performance of NGO such as effective board management, effective staff management, and financial stability. However on the strength of the study established that strategic plans have greater influence on board and management. The study established that strategic plans: helps focus the organization efforts
and activities; improves the quality of decisions made by managers as it focuses attention
towards the critical challenges facing the organization; provides a systematic way for the
organization to address the opportunities or threats; and facilitates the organization to make
the best use of available resources

The study established that there is a significant positive relationship between governance and
performance of NGOs. The study findings indicated that governance influence performance
aspects such as meeting organizational objectives, board and management effectiveness Staff
retention, financial stability and beneficiaries reached. However the study found a strong
governance influence on strategic plans effectiveness and financial stability. The board of
directors has facilitated defensible decision making concerning the affairs of the
organization; facilitated continuous improvement in relation to strategy, performance,
compliance and accountability. The board and management and that the board has facilitated
consultation with key stakeholders enabling them to understand the organization’s objectives
and strategies which all promotes the performance of the organization

From the study it was found that most NGOs have functioning HR departments and positive
organization culture which has promoted healthy staff relationship resulting in high
productivity. The study established the existence of a significant positive relationship
between staff management and performance of NGOs. It also found that staff management
positively influence aspects of NGOs performance such as meeting organizational objectives,
board and management effectiveness Staff retention, financial stability and beneficiaries
reached. However, relative to other performance aspects, the study established a strong
relationship staff management and financial stability and staff retention. The study found out
that the organization has adequate skills level required for effective organization
performance; has put in place innovative human resource management strategy that links
organization objectives and HR support activities thereby creating value and customer
satisfaction.

The organization has an effective financial stability strategy arising from effective financial
management practices which have enhanced the overall organizational performance. The
study found a significant positive relationship between performance of NGOs and financial
stability. It also established that financial stability positively influence other aspects of performance such as meeting organizational objectives, board and management effectiveness, Staff retention and beneficiaries reached. However financial stability had a strong relationship with board and management effectiveness and meeting organizational objectives.

5.3 Discussion

5.3.1. Strategic Plans and performance of NGO’s

The study found that there was a significant positive relationship between strategic plans and performance of NGOs. The results of the study are in line with the views expressed by David (1997) that firms’ record improved performance once they effectively embrace strategic planning. Carrying out the various steps in the strategic planning process is expected to facilitate the realization of organizational effectiveness. The results of the study also concurs with the views expressed by Thompson, Strickland and Gamble (2007) that the essence of good strategy making is to build a strong enough market position and an organization capable to produce successful performance despite unforeseeable events, potent competitive and internal difficulties.

The study established that strategic plans have greater influence on board and management due to the fact that strategic planning is aboard driven initiative. This enriches the views of Byrson, (1989) that strategic planning consists of identification and clarification of mandates; vision, mission formulation; external environmental assessment; internal resource assessment; strategic issue identification; strategy development and implementation which are all guided by the board.

The study also found out that the positive relationship between strategic planning and organization performance was reflected in the relationships between the strategic plans and other factors of performance of NGO such as effective board management, effective staff management, and financial stability. The findings of the study concur with the observations of Arasa and K’Obonyo, (2012) that strategic planning permits manager to look at the
organization as a whole and the interrelationships of parts. It provides a framework for coordination and control of organization’s activities, decision-making throughout the company and forces the setting of objectives, which provides a basis for measuring performance.

The study also established that strategic plans: helps focus the organization efforts and activities; improves the quality of decisions made by managers as it focuses attention towards the critical challenges facing the organization; provides a systematic way for the organization to address the opportunities or threats; and facilitates the organization to make the best use of available resources. The findings add to the views of Dusenbury, (2000) that strategic planning looks ahead towards desired goals by defining performance to be measured, providing feedback against the planned target.

The study findings established that strategic plans focuses the organization efforts and activities; improves the quality of decisions made by managers as it focuses attention towards the critical challenges facing the organization. This complements the study by Greenly (1986) who indicated that strategic planning has potential advantages and intrinsic values that eventually translate into improved firm performance. It is therefore a vehicle that facilitates improved firm performance. Strategic planning can be considered from content or a process viewpoint. The content relates to the distinct elements of the strategic plan which differ from firm to firm. Process relates to the mechanisms for the development of the strategic plan and its subsequent deployment.

The study established that strategic planning provides a systematic way for the organization to address the opportunities or threats; and facilitates the organization to make the best use of available resources. This also enriches the Berry (1994) which defines 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, and the development of strategies to achieve them.
5.3.2. Governance and performance of NGO’s

The study established that there is a significant positive relationship between governance and performance of NGOs. The study findings supports the views of Lekorwe and Mpabanga, (2007) that good governance provides a firm basis for setting performance measures and an enabling environment for performance and is key to the functioning of NGOs. It also supports the observations of Lekorwe and Mpabanga, (2007) that governance provides a firm basis for setting performance measures and an enabling them to achieve set performance objectives and that issue of good governance is the key to the functioning of NGOs as it facilitates effective management of NGO’s resources in a manner which is transparent, accountable, equitable and responsive to the needs of the people.

The study findings indicated that governance influence performance aspects such as meeting organizational objectives, board and management effectiveness Staff retention, financial stability and beneficiaries reached. This finding is consistent with the views of OECD, (2004) which indicated that Governance provides the structure through which the company objectives are set, the means of attaining those objectives and monitoring performance.

The study found a strong governance influence on strategic plans effectiveness and financial stability. The findings are in line with those of OECD, (2004) that established that governance provides the structure through which the company objectives are set, strategic plans are formulated and implemented and objectives, plans and strategies are monitored to ensure that the organization is on course to achieving the set performance targets.

The study found out that the board of directors facilitates decision making concerning the affairs of the organization; continuous improvement in relation to strategy, performance, compliance and accountability. The results are in concurrence with the observations of Chimainikire, (2002) that indicated that in order for the board of directors to improve the performance of NGOs they need ensure that they has stated their mission, values and objectives clearly and ensuring that these strategies are followed; better human resources development and training for their managers and staff including board members and volunteers; better management processes as well as financial management, accounting, and budget system.
The study established that most NGO boards facilitate consultation with key stakeholders enabling them to understand the organization’s objectives and strategies which all promotes the performance of the organization in a dynamic environment characterized by threats and opportunities. This supports the views of Onyango (2009) who acknowledged that organizations operate in complex and dynamic business environments that require complex, but efficient governance structures that drive the performance of organizations while reflecting the uniqueness of each organization.

5.3.3. Staff management and performance of NGO’s

The study established that there exist a significant positive relationship between staff management and performance of NGOs. The findings support Legge, (2004) views that the goal of human resource management is to help an organization to meet strategic goals by attracting, and maintaining employees and also to manage them effectively.

From the study it was found that most NGOs have functioning HR departments and positive organization culture which has promoted healthy staff a relation resulting in high productivity. The findings are in line with the views of Willet (2002), who noted that HRM function facilitate organization strategic business decisions and performance delivery partner

The study also found that staff management positively influence aspects of NGOs performance such as meeting organizational objectives, board and management effectiveness staff retention, financial stability and beneficiaries reached. These study findings add to the existing observations by Legge, (2004) that the goal of human resource management is to help an organization to meet strategic goals by attracting, and maintaining employees and also to manage them effectively and that HRM approach seeks to ensure a fit between the management of an organization's employees, and the overall strategic direction of the company.

From the study it was found that most NGOs have functioning HR departments and positive organization culture which has promoted healthy staff relationship resulting in high employees productivity hence organization performance however they are constrained by
the required skill levels and the requisite staff numbers. This is in line with the views of Lekorwe (1999), who noted that NGOs generally do not have control over the quality of labor they obtain. Their staffing levels are determined by those who volunteer their services and whether or not they have time available. Some of the personnel used to run the affairs of NGOs are not well trained to effectively carry out their duties.

The study established the existence of a significant positive relationship between staff management and performance of NGOs. However, this diverges from Lekorwe (1999) views that NGOs lack well trained and experienced HR and this limits the extent to which they are able to manage their capacity to effectively plan, appraise, implement, and monitor their projects and programs.

The study found out that the organization has adequate skills level required for effective organization performance; has put in place innovative human resource management strategy that links organization objectives and HR support activities thereby creating value and customer satisfaction. These findings are in contrast with the findings of Lekorwe (1999) who established that NGOs generally do not have control over the quality of labor they obtain. Their staffing levels are determined by those who volunteer their services and that the most knowledgeable and experienced volunteers do not normally provide adequate support for NGOs’ activities partly because they are not allowed, by law, to be actively involved and partly because of the limited time they have to render their services.

5.3.4. Financial Stability and performance of NGO’s

The study found a significant positive relationship between performance of NGOs and financial stability. The findings concur with the views of Lekorwe and Mpabanga, (2007) that financial stability is one of the major factors impacting the effective management and sustainability of NGOs. The study is further in line with the observations of Kathryn, Jennings and Allen (2002) that financial stability helps to focus the attention of the managers and subordinates towards performance objectives; predetermines the objectives and defines
line of action to complete the work thus eliminating the unnecessary activities by focusing on priorities

The study established that the organization has an effective financial stability strategy arising from effective financial management practices which have enhanced the overall organizational performance. The results of the study concurs with the views of Kenneth, (2010) that financial stability encourages managers to think about new knowledge, idea, procedures, technique and strategy for the completion of work, becomes the basis of control and defines the minimum standard of work to be achieved and time to complete

The study established that the organization has an effective financial stability strategy arising from effective financial management practices which have enhanced the overall organizational performance. The findings of the study agree with those of Molomo et al, (1999) that organizations achieve their goals in many ways including providing finances for planning, staffing positions, procurement, establishing monitoring and controls mechanisms, information sharing, funding projects and programs, advocacy and research.

It also established that financial stability positively influence other aspects of performance such as meeting organizational objectives, board and management effectiveness, staff retention and beneficiaries reached. This concurs with the views of Kiggundu (1996) that financial stability ensure that the organization has contented employees as it determines the wage/salary level and other benefits provided by the organization to its employees; facilitate clients satisfaction by enhancing the quality of service rendered to them; facilitate the payment of creditors and financial institutions by as soon as they are due.

The study established that financial stability had a strong relationship with board and management effectiveness and meeting organizational objectives due to the fact that the board approves budget which deal with allocation of financial resources which are in turn used to ensure that the organization meets its own business objectives. This concurs with the views of Kenneth, (2010) that planning helps to turn broad goals into action steps and helps to create timetables for how long tasks should take, to transfer founder’s vision to those acting on it, to avoid side-tracking of efforts and helps to correct deviation from objectives. The results of the study also concurs with the views of Rosilyn, (2007) that financial stability
facilitates managers to assess the financial resources that will be required to implement the programmes and activities to achieve the goals and targets of the plan, to ensure that funding is available as and when needed, and to monitor the efficient use of resources and of progress towards reaching the goals and targets.

5.4 Conclusions

5.4.1. Strategic Plans and performance of NGO’s

There is a significant positive relationship between strategic plans and performance of NGOs. This was reflected in the relationships between the strategic plans and other factors of performance of NGO such as effective board management, effective staff management, and financial stability. The study established that strategic plans: helps focus the organization efforts and activities; improves the quality of decisions made by managers as it focuses attention towards the critical challenges facing the organization; provides a systematic way for the organization to address the opportunities or threats; and facilitates the organization to make the best use of available resources.

5.4.2. Governance and performance of NGO’s

Governance influences performance aspects such as meeting organizational objectives, board and management effectiveness, staff retention, financial stability and beneficiaries reached. The board of directors has facilitated defensible decision making concerning the affairs of the organization; facilitated continuous improvement in relation to strategy, performance, compliance and accountability. The board and management have facilitated consultation with key stakeholders enabling them to understand the organization’s objectives and strategies which all promotes the s performance.

5.4.3. Staffing and performance of NGO’s

There is a significant positive relationship between staff management and performance of NGOs strengthened by functioning HR departments and positive organization culture. This has promoted healthy staff relations resulting in high productivity. Staff management positively influence aspects of NGOs performance such as meeting organizational objectives, board and management effectiveness Staff retention, financial stability and beneficiaries
reached. Furthermore, the organization has adequate skills level required for effective organization performance; has put in place innovative human resource management strategy that links organization objectives and HR support activities thereby creating value and customer satisfaction.

5.4.4. Financial stability and performance of NGO’s

The organization has an effective financial stability strategy arising from effective financial management practices which have enhanced the overall organizational performance. Financial stability positively influences other aspects of performance such as meeting organizational objectives, board and management effectiveness, Staff retention and beneficiaries reached. However, financial stability had a strong relationship with board and management effectiveness and meeting organizational objectives.

5.5 Recommendations

5.5.1. Recommendations for Improvement

5.5.1.1. Strategic Planning

There is need for managers to enhance the participation of key stakeholders in the strategic planning through intense consultation and communication so as to create awareness and appreciation of the importance of strategic plans on the performance of the Non-Governmental Organizations. The participation of beneficiaries in strategic planning can also be enhanced by ensuring that planning process based upon beneficiaries needs. To further enhance the performance and sustainability of NGOs there is need for managers to identify their strengths and weaknesses to better position themselves to take advantage of all opportunities that may arise, while developing strategies to minimize the consequences of any external threats.

5.5.1.2. Governance practices

It is important to ensure that each NGO puts in place a board charter that addresses board responsibilities, board composition, board member selection, board leadership, board member compensation, board meeting procedures, board performance, committees and board
relationships creates a favorable environment for the execution of the NGO management functions and this greatly contributes towards realization of increased NGO performance.

5.5.1.3. Staffing strategies
There is need for the NGO management to take advantage of their sources of competitive advantage by consolidating corporate-wide technologies and skills into competencies that empower the organization to adapt quickly to changing opportunities thus enhancing corporate performance. It will also be necessary for the NGO managers to be proactive in building competencies and capabilities that are scalable throughout the organization so as to build performance synergies.

5.5.1.4. Financial stability
The assessment of NGOs’ performance is necessary to address the question of “upwards accountability to donors or governments, or others with power over them, and downwards accountability to those affected by them”. Thus the performance of such organizations determines to a large extent their ability to attract new funding and continued funding and support from sponsors and development partners. Failure to account for and assess performance can result in less efficient programs.
Continued funding and perception of NGO corporate image and effectiveness in transparency and accountability in utilization of donor funds this will help in determining the level of NGOs performance.

5.6 Recommendation for Further Research
Due to the limiting factors mentioned earlier in this study, it was not possible to carry out a comprehensive research on other factors affecting performance of NGOs, while it also focused on one NGO (Action Aid International, Kenya), hence there is need to undertake further study in this area by including other factors and widening the study sample by including more non-governmental organizations
REFERENCES


Christian Reformed World Relief Committee (1997). “Partnering to Build and Measure Organizational Capacity”, CRWRC:USA.


Lewis, J (2002), ‘*Fundamentals of Project Management’*, 2nd ed.: American Management Association


Lusthaus, C. (1999), “*Enhancing Organisational Performance*”, A Toolbox for Self-Assessment, IDRC, Ottawa


APPENDIX 1: LETTER OF INTRODUCTION

Praxides Adera Musyula

0721 971710

musyula@yahoo.com

Dear Respondent,

RE: ACADEMIC RESEARCH

Reference is made to the above subject:

I am a student at United States International University-Africa undertaking a Masters in Business Administration; I am currently carrying out a research on Management Factors that affect the performance of Non-Governmental Organizations in Kenya, Using a case of Action Aid International Kenya.

It is in this regard that you have been selected to participate in the study. Kindly provide the information required by completing the attached questionnaire to be best of your knowledge.

The information obtained will be used for research purposes only and will be accorded the required confidentiality. A summary of the findings will be shared with you and hope they will add value to your operations.

Your assistance will highly be appreciated.

Sincerely,

Praxides Adera Musyula
APPENDIX II – QUESTIONNAIRE

This questionnaire is for academic purposes only and all the information provided shall be confidential. Your assistance in the completion of this questionnaire will be highly appreciated.

Please read the questions and provide answers to the best of your knowledge. Please try and answer all the questions. Please provide additional information in the spaces provided.

SECTION A: BACKGROUND INFORMATION

1 Name of the Organization ________________________________ (optional)

1.1 Level of employment of respondent (tick as appropriate and (optional) give the position name)

CEO [ ] ............................................................

Senior Management [ ] ............................................................

Middle Management [ ] ............................................................

Other level (specify) [ ] ............................................................

1.2 Gender of respondent

Female [ ]

Male [ ]

1.3 Level of education (specify the degree)

Postgraduate degree [ ] ............................................................

Postgraduate diploma [ ] ............................................................
1.4 How long has the Organization been in operation in Kenya
   Less than one year [ ]
   1 – 5 years [ ]
   6 – 9 years [ ]
   10 years and above [ ]

1.5 How long have you worked with the Action Aid International, Kenya?
   Less than one year [ ]
   1 – 5 years [ ]
   6 – 10 years [ ]
   10 years and above [ ]

1.6 Does the organizations have a website where information can be retrieved
   No [ ]
   Yes [ ] Please give the address

1.7 What is the organizations average annual budget in US$?
   Less $1 million [ ] $1 – $4.9 million [ ]
   $5 – $10 million [ ] above $10 million [ ]

1.8 How many employee does the organization have on average
   Less than 10 [ ] between 11 and 20 [ ]
   Between 21 and 30 [ ] Above 30 [ ]
SECTION B – EFFECT OF STRATEGIC MANAGEMENT ON NGOs PERFORMANCE

PART I – ORGANIZATIONAL PERFORMANCE

2. Below are some of the ways in which an organization can measure organizational performance. Please indicate how well the organization has performed in the last five years.

**Measure of Organizational Performance**

2.1 Meeting organizational objectives
- Fully meets its objectives [ ]
- Partly meets its objective [ ]
- Does not meet its objectives [ ]

2.2 How effective do you consider the national board
- Very effective [ ] Why? ____________________________
- Effective [ ] Why? ____________________________
- Not effective [ ] Why? ____________________________

2.3 Staff turnover *(indicate rate)* _______________________

2.4 Growth in financial resources *(indicate percentage growth in budget over the past five years)* _______________________ 

2.5 How many beneficiaries has the organization reached:
- Currently ________________________________
- Five years ago ______________________________

PART II – STRATEGIC PLANS

3. Does the organization have a vision and a mission? Yes [ ] No [ ]

3.1 Does the organization have a strategic plan? Yes [ ] No [ ]

3.2 How long does the strategic plan cover?
- 0 – 2 years [ ]
- 2 – 4 years [ ]
3.3 How often does the organization review the strategic plans

- Annually
- Every two years
- Every five years
- Never reviewed

3.4 Please indicate to what extent strategic plans affect the following aspects of organizational performance.

[5 - most effect, 4 - some effect, 3 - minimal effect, 2 - no effect, 1 - not sure]

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Meeting organizational objectives</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Board and management effectiveness</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Staff retention</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial stability</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beneficiaries reached</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other (specify)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

3.4 How do strategic plans affect the following other factors of organizational performance?

[4 - Fully agrees, 3 - partially agrees, 2 - does not agree, 1 - not sure]

<table>
<thead>
<tr>
<th>Effective Strategic Plans ensure:</th>
<th>[1]</th>
<th>[2]</th>
<th>[3]</th>
<th>[4]</th>
</tr>
</thead>
<tbody>
<tr>
<td>Effective board and management</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Effective staff management</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial stability</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
PART III - GOVERNANCE

4 Please indicate if these statements are true in relation to organizational governance in the organization.

4.1 Does the organization have a national board in place  Yes [ ] No [ ]

4.2 The following questions examines whether the board is well functioning

<table>
<thead>
<tr>
<th>Statement</th>
<th>True</th>
<th>False</th>
</tr>
</thead>
<tbody>
<tr>
<td>• The national board has an elected chair</td>
<td>[ ]</td>
<td>[ ]</td>
</tr>
<tr>
<td>• The national board holds elections regularly</td>
<td>[ ]</td>
<td>[ ]</td>
</tr>
<tr>
<td>• The national board is distinct from management</td>
<td>[ ]</td>
<td>[ ]</td>
</tr>
<tr>
<td>• The national board meets regularly</td>
<td>[ ]</td>
<td>[ ]</td>
</tr>
<tr>
<td>• The board supervises management</td>
<td>[ ]</td>
<td>[ ]</td>
</tr>
<tr>
<td>• The board approves strategic plans and budgets</td>
<td>[ ]</td>
<td>[ ]</td>
</tr>
</tbody>
</table>

4.3 Please indicate to what extent governance affect the following aspects of organizational performance.

[5- most effect, 4-some effect, 3-minimal effect, 2 - no effect, 1- not sure]

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>• Meeting organizational objectives</td>
<td>[ ]</td>
<td>[ ]</td>
<td>[ ]</td>
<td>[ ]</td>
<td>[ ]</td>
</tr>
<tr>
<td>• Board and Management effectiveness</td>
<td>[ ]</td>
<td>[ ]</td>
<td>[ ]</td>
<td>[ ]</td>
<td>[ ]</td>
</tr>
<tr>
<td>• Staff retention</td>
<td>[ ]</td>
<td>[ ]</td>
<td>[ ]</td>
<td>[ ]</td>
<td>[ ]</td>
</tr>
<tr>
<td>• Financial stability</td>
<td>[ ]</td>
<td>[ ]</td>
<td>[ ]</td>
<td>[ ]</td>
<td>[ ]</td>
</tr>
<tr>
<td>• Beneficiaries reached</td>
<td>[ ]</td>
<td>[ ]</td>
<td>[ ]</td>
<td>[ ]</td>
<td>[ ]</td>
</tr>
<tr>
<td>• Other (specify)______________________________________</td>
<td>[ ]</td>
<td>[ ]</td>
<td>[ ]</td>
<td>[ ]</td>
<td>[ ]</td>
</tr>
</tbody>
</table>

4.4 Please indicate how much you agree with the following statements:

[4- Fully agrees, 3 – partially agrees, 2-does not agree, 1- not sure]

Effective governance ensures:  [1] [2] [3] [4]

• Strategic plans effectiveness  [ ] [ ] [ ] [ ]
PART III – STAFFING

5 Please indicate if these statements are true in relation to organizational staffing management in the organization.

5.1 The following questions examine whether the organization has a well functioning HR department.

<table>
<thead>
<tr>
<th>Statement</th>
<th>True</th>
<th>False</th>
</tr>
</thead>
<tbody>
<tr>
<td>HR roles are managed by a department</td>
<td>[ ]</td>
<td>[ ]</td>
</tr>
<tr>
<td>The organization has well defined staffing policies</td>
<td>[ ]</td>
<td>[ ]</td>
</tr>
<tr>
<td>Effective recruitment and retention strategies have ensured good staffing in the organization</td>
<td>[ ]</td>
<td>[ ]</td>
</tr>
<tr>
<td>The leadership style of senior management has affected staff morale in the organization</td>
<td>[ ]</td>
<td>[ ]</td>
</tr>
<tr>
<td>Staff management strategies have resulted in a highly motivated staff force</td>
<td>[ ]</td>
<td>[ ]</td>
</tr>
<tr>
<td>The performance of the organization has been affected by the motivational levels of staff</td>
<td>[ ]</td>
<td>[ ]</td>
</tr>
<tr>
<td>The organizational culture has ensured healthy staff relations resulting in high productivity</td>
<td>[ ]</td>
<td>[ ]</td>
</tr>
</tbody>
</table>

5.2 Please indicate to what extent staff management affects the following aspects of organizational performance.

[5- most effect, 4-some effect, 3-minimal effect, 2-no effect, 1-not sure]

<table>
<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td>Meeting objectives</td>
<td>[ ]</td>
<td>[ ]</td>
<td>[ ]</td>
<td>[ ]</td>
<td>[ ]</td>
</tr>
<tr>
<td>Board and management effectiveness</td>
<td>[ ]</td>
<td>[ ]</td>
<td>[ ]</td>
<td>[ ]</td>
<td>[ ]</td>
</tr>
<tr>
<td>Staff retention</td>
<td>[ ]</td>
<td>[ ]</td>
<td>[ ]</td>
<td>[ ]</td>
<td>[ ]</td>
</tr>
</tbody>
</table>
5.3 How does staff management affect the following other factors of organizational performance?

[4- Fully agrees, 3 – partially agrees, 2-does not agree, 1- not sure]

<table>
<thead>
<tr>
<th>Effective staffing ensures</th>
<th>[1]</th>
<th>[2]</th>
<th>[3]</th>
<th>[4]</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Strategic plans effectiveness</td>
<td>[ ]</td>
<td>[ ]</td>
<td>[ ]</td>
<td>[ ]</td>
</tr>
<tr>
<td>• Effective governance</td>
<td>[ ]</td>
<td>[ ]</td>
<td>[ ]</td>
<td>[ ]</td>
</tr>
<tr>
<td>• Financial Stability</td>
<td>[ ]</td>
<td>[ ]</td>
<td>[ ]</td>
<td>[ ]</td>
</tr>
</tbody>
</table>

PART IV – FINANCIAL STABILITY

6 Please indicate if these statements are true in relation to financial stability in the organization.

6.1 The following statements examine whether the organization has an effective financial stability strategy.

<table>
<thead>
<tr>
<th>Statement</th>
<th>True</th>
<th>False</th>
</tr>
</thead>
<tbody>
<tr>
<td>• The organization has a Finance department</td>
<td>[ ]</td>
<td>[ ]</td>
</tr>
<tr>
<td>• The organization subscribes to International Financial Reporting standards</td>
<td>[ ]</td>
<td>[ ]</td>
</tr>
<tr>
<td>• The organization has well defined financial management policies</td>
<td>[ ]</td>
<td>[ ]</td>
</tr>
<tr>
<td>• Effective financial management practices have ensured the overall organizational performance</td>
<td>[ ]</td>
<td>[ ]</td>
</tr>
<tr>
<td>• The organization has an effective fundraising function</td>
<td>[ ]</td>
<td>[ ]</td>
</tr>
</tbody>
</table>
- Fundraising strategies ensure availability of funds [ ] [ ]
- The availability of adequate funds ensures good performance of the organization [ ] [ ]
- The organization sources funds from diverse sources [ ] [ ]

6.2 Please indicate to what extent financial stability affects the following aspects of organizational performance.

[5- most effect, 4-some effect, 3-minimal effect, 2-no effect, 1-not sure]

|-------------------------------------------|-----|-----|-----|-----|-----|
- Meeting objectives                       | [ ] | [ ] | [ ] | [ ] | [ ] |
- Board and management effectiveness       | [ ] | [ ] | [ ] | [ ] | [ ] |
- Staff retention                          | [ ] | [ ] | [ ] | [ ] | [ ] |
- Financial stability                      | [ ] | [ ] | [ ] | [ ] | [ ] |
- Beneficiaries reached                    | [ ] | [ ] | [ ] | [ ] | [ ] |
- Other *(specify)*                          | [ ] | [ ] | [ ] | [ ] | [ ] |

6.3 How does financial stability affect the following other factors of organizational performance?

[4- Fully agrees, 3-partially agrees, 2-does not agree, 1-not sure]

|--------------------------------------------|-----|-----|-----|-----|
- Effectiveness of strategic plans           | [ ] | [ ] | [ ] | [ ] |
- Effective governance                       | [ ] | [ ] | [ ] | [ ] |
- Effective staffing                         | [ ] | [ ] | [ ] | [ ] |

Thank You.