

**SIGNIFICANCE OF MISSION STATEMENT, SWOT
ANALYSIS AND LEADERSHIP AS TOOLS FOR EFFECTIVE
PERFORMANCE IN THE CASE OF CHILDREN'S HOMES IN
NAIROBI**

**BY
WANJA WAIRIMU**

UNITED STATES INTERNATIONAL UNIVERSITY-AFRICA

FALL 2017

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

UNITED STATES INTERNATIONAL UNIVERSITY-AFRICA

FALL 2017

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 – Africa in Nairobi for academic credit

Signed: _____ Date: _____

Wanja Wairimu (ID: 615307)

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

Signed: _____ Date: _____

Prof. Maina Muchara, PhD

Signed: _____ Date: _____

Dean, Chandaria School of Business

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DEDICATION

I dedicate this project to my father, Mr. Robinson Njagi Gachogu.

ACKNOWLEDGEMENT

Firstly, I would like to thank God for enabling me to complete this project. Secondly, I would like to thank my father, for his continuous support and never ending belief in me; my husband to be, Mr. Kevin Warner, for his constant encouragement and Dr. Johnson Wetiba, statistics lecturer USIU-A, for his constant availability for consultation. Thirdly, I would like to thank my supervisor, Dr. Maina Muchara, for his professional guidance throughout the project. Lastly, I offer my full regards to all of those who supported me in any way in completing my studies.

ABSTRACT

The purpose of this study was to research on the significance of Mission Statement, SWOT Analysis and Leadership, as tools for effective performance in the case of children's homes in Nairobi, Kenya. The study focused on testing three research questions, specifically targeting these homes. The three research questions were: first, how does specifying a mission statement affect the performance of a children's home; secondly, how does having a SWOT analysis affect the performance of children's homes and lastly, how the leaders' role in strategy implementation affect the performance of children's homes. The study adopted a descriptive research design with a census of 32 children's homes in Nairobi area. Data was then collected through a pre-tested research questionnaire. Thirty one out of thirty two of the targeted population returned the completely filled questionnaire. The percentage of the response was at a rate of ninety seven percent (97%). The data was then received and analyzed by use of the R and SPSS computer statistical packages with descriptive, graphic and inferential statistics computed to test the data. The findings of this study confirmed that there is a direct positive correlation between having a mission statement and the performance of a children's home. The study concluded that the children's homes with well written mission statements performed better in terms of meeting the needs of the children. The findings of the study also confirmed that having a SWOT Analysis in an organization, positively impacted its performance. The members of the organization were clearly aware of their strengths and opportunities and took advantage of them for more positive organizational results. The study also found that the different children's homes were aware of their weaknesses and were working on altering them. They were also aware of the threats they were facing and had set plans that could cushion them against these external factors. The findings of the study also concluded that there was a direct correlation between the leadership of the organization and the impact on its performance. The employees whose leaders engaged them and inspired them during the strategic planning process were more stimulated and more productive in the organization. The study concluded that these strategic design features, when implemented by non-profit organizations in an official and methodical process, improved the performance of the home significantly. The conclusion was that there is a direct correlation between strategic planning and positive performance. It also concluded that engaging the different levels of staff in the planning of the strategies, goals and objectives, had an affirmative association in improvement of

organizational performance. In line with the findings, the study recommends that the management and board members of children's homes adopt the writing of clear mission statements as it directly influences the performance of the organization. In the same breadth, for the organizations that already had SWOT analysis, it is recommended that the persons doing the analysis engage the employees so that they are all clear on the meaning of the data and how it directly affects their working environment both internally and externally. Finally, the leadership of the institutions are recommended to be more engaged in the encouragement and inspiring of the employees and staff members, as the employees tend to be more productive when they have a leader who promotes creativity and innovation. To further the research, it is recommended that this study be replicated in other areas of the country, as the study only focused in Nairobi area. In addition, the employee engagement can be broadened to each level of management and similarly the moderation effect to the different stages of the strategic planning process.

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CHAPTER ONE

1.0 INTRODUCTION

1.1 Background of the Study

In the last few years, the workload for nonprofit organizations has increased, and all the while resources have grown scarcer. No longer-as if they ever could-can nonprofit organizations assume their monies will reach automatically from substantial donors, nor can they assume they will have tons of capable volunteers available to work (Bryson, 2010). Increasingly, funding organizations and even single contributors, want to see proof that their handouts will be put to noble use. A piece of evidence they often assess is the nonprofits strategic planning as a tool for effective management of their resources (Mintzberg et al., 2009).

Strategic planning by description is a method in which institutional managers decide their visualization for the future as well as identify their aims and purposes for the institute. The progression also comprises creating the sequence in which those goals should fall, so that the organization is enabled to reach its stated vision (Nickols, 2012).

Strategic planning is also defined as an organizational managing activities that are used to set priorities, focus energy and capitals, reinforce operations, ensure that personnel and other shareholders are working toward common objectives, create contracts around intended outcomes/results, and assess and adjust the organization's direction in response to a changing environment. It is a disciplined effort that produces fundamental decisions and actions that shape and guide what an organization is, who it serves, what it does, and why it does it, with a focus on the future (Rumelt, 2011)

According to Mintzberg et al. (2009), the components of an effective strategic plan include a mission statement, a vision statement, a values statement, goals and objectives, strategies and tactics and an implementation plan. He also states that a successful strategic planning process will examine and make informed forecasts about environmental truths to aid an organization expect and answer to change, by clarifying its mission and goals; targeting spending; and reshaping its programs, fundraising and other aspects of operations.

Existing scholarship provides a range of views on the value of formal strategic activities. One leading school of thought in the management literature argues that formal strategic planning is rarely conducive to innovation or management (Parnell, 2008). In this perspective, organizations operating in rapidly changing environments are better assisted by more unceremonious and malleable methods to strategy growth. An inference of this school of thought is that any highly structured strategic model would not serve most organizations well.

Yet other management and public administration studies have found that formal planning improves the performance of private firms and public sector organizations and that the most successful organizations conduct both formal and informal planning (Bryson, 2010). Some scholars argue further that formal planning is valuable because it can help decision makers understand their organizations and prepare for real-time decisions, even though it rarely generates important innovations directly (Belicove, 2013).

This argument is consistent with the famous comment, “plans are useless... planning is indispensable” –Dwight D Eisenhower, 1957 (Vernon, 2008, p61). Some scholars add that formal planning is particularly beneficial for government and non-governmental agencies since they function in fairly steady environments—making hasty revolution less important—and typically need to involve a lot of internal and external stakeholders in their planning, which can be facilitated by a structured process (Nashwa & Laila, 2013). Even the leading critics of private sector formal planning observe that structured planning tends to be useful for non-government agencies (Mintzberg et al., 2009).

Bryson (2010) observes that the planning of strategy is now a standard entity in almost all governments with Shahin (2011) stating that having a strategic plan allows for citizens to hope for an improvement in the standards of living but heeds a clear warning that the difficulty of implementing a strategic plan may necessitate different thought of the features of the public sector. To assist in addressing this, that is, the complication of implementation, Beer & Eisenstat (2010) calls for more understanding of the distinctiveness of non-private corporations through a valuation that is more precarious of the variances between both sectors i.e. private and public, throughout the course of implementation as it is very likely to affect the final accomplishment of a business.

When an analysis contrast is done, between the private and public sector, public sector corporations are ideally not focused on profit-making, as the constraints they operate under are legally tighter than those of the private sector, and are less marred with bureaucracy and ambiguity of objectives and purposes (Fard et al., 2011).

Even though strategic planning has been used in numerous public sector organizations for more than 20 years, not enough is identified about its effectiveness (Porter, 2008). A review of the extant literature by Valerij Dermal (2012) concludes that not for profit organizations are not good candidates for strategic planning, because of the difficulty in designing and implementing it in such environments. Its use in the private segment, nevertheless, has established the attention and increased interests of nonprofit sector organizations.

In 1993, for example, the federal government passed the Government Performance and Results Act (U.S Congress, 2010). The Act required federal agencies to develop strategic plans that are tied to budgets and other organizational performance measures. Following the lead of the federal government, many states passed legislations and Executive Orders that imposed similar results-oriented measures on state agencies (Arasa & K'Obonya, 2012). In addition, today, the environments in which non-profit organizations operate are becoming increasingly complex and challenging. Among the challenges is the need to attract talented professionals to the industry to meet the demands of donors and benefactors. Similarly, rapid technological developments and the demand for safer and environmentally friendly settings for the children, in reference to children's homes, effective strategic planning systems are needed to formulate proactive responses to these changes. As Rudd et al. (2008), Ahearne et al. (2013), Boyne & Walker (2010), Ugboro et al. (2008) and others argue, it is in these rapidly changing environments that strategic planning is particularly needed.

According to Clayton & Ashford (2011), the strategic management process is more than just a set of rules to follow. It is a philosophical approach to business. Upper management must think strategically first, then relate that to a procedure. The planned management process is better executed when everyone within the business understands the strategy. The three stages of the strategic management process are strategy formulation, strategy implementation and strategy evaluation and control.

The question facing many managers, however, is how to design and implement a strategic planning system with the dimensions or characteristics that are essential to its effectiveness as a tool of strategic management. In other words, how can it be done well, particularly in a changing environment?

To provide answers to these questions, this study used a two-step approach. First, it examined the aspects of strategic planning system that include the mission statement, a SWOT analysis and the leadership of children's homes in Nairobi, to initially analyze if they had adopted strategic planning and management; specifically the mission statement, the SWOT analysis and Leadership; and identified their organizational design, process, and top management leadership and commitment dimensions.

Second, it examined the relationships between these dimensions and measures of strategic planning effectiveness from the perceptions of those charged with strategic planning and management responsibilities in the children's homes that participated in the study. The study used a multidimensional conceptualization of strategic planning and qualitative measures of its effectiveness that were focused on planning capabilities. This multidimensional conceptualization of strategic planning and its effectiveness better represents strategic planning's functions, intent, or objectives.

The value of this research is that it provided guidance to individual managers and board of directors of each of the children's homes, looking for ways to design effective strategic planning systems and processes as tools of strategic management. It has provided tools for strategic management and ways to evaluate and improve strategic planning systems' designs and processes in public sector organizations. In doing so, this research has departed from previous studies that measure the effectiveness of strategic planning, indirectly, by using organizational, financial, and other operational performance variables and contributed to the literature on mission statements, SWOT analysis and leadership, as tools for the effective performance of children's homes.

1.2 Statement of the Problem

According to Edwards (2012), Mission statements are critical elements in the strategic planning and long-term success of for-profit and not-for-profit organizations. Finley et al., (2011) identified a number of possible characteristics he believes Institutions of Higher Education should pursue in order to be successful. According to a study carried out on the relationship between mission statement and company performance, Dermol (2012) concluded that there was a statistically significant difference, between the companies with implicitly or explicitly stated missions and companies without them with the regard to only one measure of a company performance – Value Added by Employee. This study also examined the role of having a mission statement as well as if there was a significant difference in performance between children’s homes that have specified their mission statements and those that hadn’t.

A SWOT analysis is a predecessor to having a strategic plan and is completed by a group of specialists who can measure the organization from a serious perspective (Gibis & Lee, 2011). This group can include high-ranking leaders, board members, workforces, contributors, community leaders, and / or mechanical experts. These members base their valuations on consumption rates, outcome processes, satisfaction statistics, organizational performance measures, and monetary status. While based on data and facts, the conclusions drawn from SWOT analysis are an expert opinion of the panel.

In a research carried out by the Bristol Strategy Group in 2010 on Fundraising Strengths For NonProfits, they concluded that a SWOT Analysis for Fundraising focused on those characteristics of nonprofits that are meaningful to the funding community (Foster & Bradach, 2013). For Internal Strengths, they emphasized on competitive distinction or advantage that funding sources would understand; for Internal Weaknesses, they kept the focus on competitive distinction but showed ways in which the nonprofit struggled to make a difference. For external Opportunities and Threats, they focused on environmental conditions within which the organization operated and asked themselves if there was a need for growth. They also checked if there were other, better-established agencies opening up programs in the same area serving the same population, and classified those, if any as a threat. This study also examined if children’s homes used SWOT Analysis, the process they apply for the analysis and if there is a relationship to the SWOT analysis and improved performance of the home.

A leader is viewed as a managerial employee who is tasked to oversee the successful execution of strategic initiatives. While concerns of strategic planning have opened trials to strategic influencers, it is in the area of strategy execution where these leaders have faced a number of tests. Hakonsson et al. (2012) reported that although articulating a dependable strategy and ensuring it works is fairly easy, applying it throughout the institution is even more difficult.

In a study carried out to investigate the perceived importance of strategy implementation in South African organisations (Jooste, 2009) it was found that strategy implementation is more important than strategy formulation in South African organisations and that the ability to implement a strategy in an organisation is more important than the ability to formulate a strategy in an organisation. Strategic leaders have an important role to play in the implementation of strategic plans in order to improve organizational performance. Jooste (2009) concluded that the high failure rate of change initiatives was due to poor implementation of new strategies by a lack of proper leadership which was identified as one of the major barriers to effective strategy implementation. This study also looked at the type of leadership the homes had, their role in strategy implementation and how the leaders affected the performance of Children's homes in Nairobi.

1.3 Purpose of the Study

The purpose of this study was to investigate the significance of a Mission Statement, SWOT analysis and Leadership as a tool for effective performance of Children's homes in Nairobi, Kenya.

1.4 Research Questions

- 1.4.1 Does specifying a mission statement affect the performance of Children's homes in Nairobi?
- 1.4.2 Does a SWOT analysis affect the performance of Children's homes in Nairobi?
- 1.4.3 Does the leader's role in strategy implementation affect the performance of Children's homes in Nairobi?

1.5 Importance of the Study

1.5.1 Donors

The study on how significant strategic plans are for profit will be important to the current donors and any potential donors as they are able to see whether the organizations have proper plans for their funds. When companies or individuals choose to donate to not for profit organizations, there is always the fear of misuse of funds. A strategic plan outlines the ways in which the funds will be used and who will have access to the funds.

1.5.2 Public Organizations

Apart from establishing the influence of the strategic planning process on organizational performance, the findings of this study determined the importance of undertaking the process in its entirety and also involving employees in the strategy process can form a basis of improvement in future strategic planning cycles.

1.5.3 The Management of Children's Homes.

This study is important to the management, as strategic planning is important to an organization because it provides a sense of direction and outlines measurable goals. Strategic planning is a tool that is useful for guiding day-to-day decisions and also for evaluating progress and changing approaches when moving forward. In order to have the best out of strategic planning, a company should try and give some thought to the tactical goals it sets, and then back up these goals with convincing, fully explored, assessable standards for appraising results.

1.5.4 Scholars

The findings of this study adds into the knowledge in the field of strategic management through appreciation of the influence on employee engagement in the relationship between strategic planning and performance more so in the public sector. It also provides suggestions for further research.

1.5.5 Policy Makers

Policy makers know that plans are not written in stone. This study is useful to policy makers, to assist them in monitoring trends and the environment, as the organizations implement their plans and initiatives. The policy makers will be able to track the implementation approaches that work well and which need refinement, and then adapt future implementation approaches.

1.6 Scope of the Study

There were 44 registered children's homes in Kenya and 32 of them are located in the Nairobi area. The research population was the children's homes located in Nairobi. The population included the management of the children's homes and its employees. Two managers and four employees from each home were targeted for the study.

The research took a period of six months. The estimated period was approximately two months, all factors remaining constant. The collection of data took a period of three months and was done between November 2016 and January 2017.

1.7 Definition Of Terms

1.7.1 Orphanage / Children's Home

According to the Kenya Aids Indicator Survey (2012), a child that is less than eighteen years of age, has no parents taking care of them is known as an Orphan / Vulnerable child. Children's homes also known as Orphanages, Children's Shelters or Group Homes, can be described as a residence or institution, whose main objective is the care of Orphans / Vulnerable children, who have no other alternative.

1.7.2 Strategic Plan

According to Mintzberg et al. (2009), a strategic plan by definition is a document that outlines the goals of an organization, be it privately owned or public, profit or non-profit; and establishes the actions that are necessary to achieve those goals. It encompasses all critical elements developed in the planning stage to strengthen the operations and ensure a directed endeavor among all employees.

1.7.3 Developing Country

According to Wandjiva (2011), a developing country, also called a less developed country or underdeveloped country, is a nation with a less developed industrial base, and a low Human Development Index (HDI) relative to other countries.

1.7.4 Non-Governmental Organization

According to the Laws of Kenya Non-Governmental Organizations Cordination Act (2012) a Non-Governmental Organization is defined as a group of individuals who have privately volunteered, to associate with a goal that is not monetary oriented, or for any commercial purpose, but to organize themselves either locally or internationally, with the sole focus o public benefit, social welfare, charity and research, including but not limited to education, health, agriculture, supply of basic needs, agriculture and relief.

1.7.5 Public Sector

According to McBain & Smith (2010), the non-private sector comprises of governments and all non-privately controlled or publicly sponsored agencies, initiatives, and other units that convey public programs, goods, or facilities.

1.7.6 Organization Performance

According to Kivits (2011), organization performance is a set of fiscal and non-fiscal pointers which offer data on the degree of accomplishment of objectives and effects.

1.8 Chapter Summary

The chapter has highlighted the background of the study, the statement of the problem, the purpose of the study, the research questions, the importance and scope of the study, as well as the definition of important terms. In chapter two, the study focused on the theoretical frameworks of strategic planning and gave different views from other researchers on the connection between strategic planning and effective performance of not for profit organizations. Chapter Three focused on the methodology and data collection, sampling procedure and data analysis to help support as well as represent the views of stake holders of the children's homes. Chapter Four discussed the results and findings of the study, while chapter five gave the study discussions, conclusions and offer recommendations.

CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Introduction

This chapter will give a review of literature related to the study. It will specifically focus on three components of strategic planning, that is, mission statement, SWOT analysis and leadership, as a tool for effective performance with an emphasis on children's homes in Nairobi. The chapter will present an overview on how having a mission statement affects performance, how a SWOT analysis affects performance and how the leaders' role in strategy implementation affects performance. The chapter will review what experts have said on the same and what contributions they have made in understanding these components of strategic management and how they affect the performance of an organization.

2.2 Mission Statement and Organization Performance

A mission statement is a short statement produced by an organization that sums up its reason for being and its goals and principles. A mission statement tells the public and customers what they should expect when dealing with the organization, and helps guide decisions made by those within the organization.

According to Roach, (2009) the mission statement has a specific function: it targets action. From buying and selling businesses to launching and eliminating products to hiring and firing employees, every company action is guided and evaluated by the degree to which it does or does not serve the mission. Organizations that do not have mission statements need to write them, and those that have inadequate mission statements need to rewrite them. Roach (2009) goes ahead to emphasize the importance of a mission statement by giving a simple step-by-step plan for developing a mission statement or testing the one you already. Different other scholars share similar steps as follows:

First, mission statements have to say who you are and what you do. This is the identity statement. Drafting this doesn't require creativity. If the organization is a quarry, then the mission statement says: We are a quarry. If the organization mines and transports aggregates, then the mission statement says: We are an aggregate mining and transportation business, Dermol (2012).

Second, the mission statement defines the organization's publics. Most organizations have four general publics: employees, customers, the community and shareholders. The only public that might change is shareholders. Some businesses are family owned, some are employee owned and some are non-profit, but almost every large business has employee, customer and a community publics; the mission statement has to address all of them. The publics list can be specific and name the community and type of customers, or it can simply say: Our publics are employees, customers and the community in which we do business (Adewale & Munano 2012).

According to Namada et al. (2014), the mission statement can say how the organization intends to operate--in other words, it can explain what its business culture will be like. This is where the adjectives and adverbs come in. Perhaps the organization wants to point out that it is safe or environmentally friendly, that its workers will be motivated, their supervisors will be innovative, or their product will be superior. The language might look like this: Using the highest industry standards for safety, our motivated and innovative work force will mine. Keep in mind that the mission is for everyone. It is important that all the publics be addressed here.

A mission statement can be dressed in language that is subliminal or inspirational. Because a mission statement represents the organization's identity and highest aspirations, it is appropriate to use language that commands respect or even evokes awe (Lucas & Euske, 2011).

2.2.1 The Role of a Mission Statement in a Company

In Bain & Company 1996 research (Edwards, 2012) managers perceived mission statements as one of the most important managerial tools, while in Bain & Company 2003 research (Lucas, 2011) values and mission statements rank among top managerial tools. In yet another study by Iseri-Say et al. (2008), no less than 84 % of managers cite mission statements among the most important management tools they have adopted. Different readings have found that up to 85 % of Western profit focused institutions have their missions inscribed in a form of a statement (Kiliko et al., 2012) while in Slovenia a study found that mission statements showed up in 44 % of top performing firms' annual reports (Kieu, 2010).

It seems that managers, practitioners and also researchers considered that accurately stated organization missions were important management tools since many companies explicitly wrote them in form of statements. They expected different possible implications of the formation and primer of the mission statement. Different authors listed various roles of such statements in an organization which could have been related in helping the company's present and future condition (Miller et al., 2008).

2.2.2 Relationship between Organization Performance and Mission Statement

Research investigating the relationship between mission statement and company performance is in most cases not very conclusive (Bart & Baetz, 2008; Bart et al., 2011; Peyrefitte & David, 2014). For example, three studies (Bart & Baetz, 2008; David, 2009; Klemm et al., 2011) found no difference in financial performance between companies that have mission statements and those without mission statements. Two studies (Rarick & Vitton, 2015; Stone, 2012) showed that companies with mission statements performed better, but these studies offered only anecdotal evidence. Smith et al. (2013) highlighted some studies reporting that after the creation and introduction of a mission statement, company performance increased for about 50%. Musek (2008) summarized that; one, institutes that performed better, had more, clearer and articulate statements as their vision and mission, and two, methods of identifying an organizations value was directly related to performance of the same organization.

Some studies focusing on the process of writing mission statements or their components creation and communication, confirmed the importance and impact of a companywide debate about company's fundamental issues on its performance, and a link between company's identity and reflection about the future performance (Bart, 2010; Bart & Baetz, 2008; Bart et al., 2011; Kithinji, 2012). A study by Deloitte & Touche (Marzec, 2013) found that organizations, which discussed their business plans and strategies, achieved on average of 43% higher market to book ratio compared to the ones who didn't communicate their strategies at all.

Gallup's study (Marzec, 2013) noted, that businesses which offered personnel with understanding into key topics increased their market worth by 5 %. Besides, a study done by Voss et al. (2009) figured out that the vagueness or inaptness about the main issues concerns of a business were seen in lower personal revenue and inferior sales results.

Even though strategic planning research papers and books have given importance to the advantages of having a mission statement, the question of how it affects performance has still remained fundamentally unanswered (Bart & Baetz, 2008). Some of the explanations for this is that the past research material had a tendency to fixatedly emphasize on mainly locating the different parts of a mission's content, and then concentrating on consistent analyses for giving different options, on what the foundations should be (Klemm et al., 2011; David, 2009).

There have not been many studies that have looked at the connection between having a mission statement and positive monetary effect of an organization and neither have many researchers found major associations. Because of this, the results of the studies have only given sporadic relationships and there are only slight implications that there is any form of direct correlation. Scott & Peter (2009) investigated and established a form of association between three mission statement elements which included public organization image, philosophy of the organization and organization self-concept. These elements were compared to the performance of firms, measured in terms of high versus low performing Fortune 500 companies.

Bart (2010) did an examination of forty four organizations to analyze the relation between the content of a mission statement and whether it had negative or positive influence on its return on assets, return on sales, percentage change in trades, percentage change in incomes, and effect of mission on employees behavior. After the study, the associations that could be linked were very frail especially in connection to the monetary variables even though it was this variable which was seen as being meaningfully associated with commercial success (Bart, 2010). Bart & Baetz (2008) did more examination of a hundred and thirty Canadian organizations and almost the same results were acquired. The two researchers' results acknowledged the importance and constructive links that occurred among two new transitional variables that is satisfaction with the mission and satisfaction with the mission development process; with economic accomplishment. As a result of these findings, Bart (2010) looked into a different study of Canadian Hospitals and his results on this separate study established a positive connection between having a mission with proper content and amount of satisfaction with the mission –as well as the connection between the content of the statement and level of satisfaction with commercial performance.

According to Bart (2010), the connections among these variables as a group was not explored. However, one of the overwhelming conclusions which stemmed from his review of the literature is that a mission's impact on firm success/failure appears to be much more indirect than previously imagined; that there was a host of intervening variables that needed to be considered in understanding the mission-performance connection.

2.3 SWOT Analysis and Organization Performance

A SWOT analysis is a predecessor to having a strategic plan and is completed by a group of specialists who can measure the organization from a serious perspective (Esra 2010). This group can include high-ranking leaders, board members, workforces, contributors, community leaders, and / or mechanical experts. These members base their valuations on consumption rates, outcome processes, satisfaction statistics, organizational performance measures, and monetary status. While founded on statistics and evidences, the assumptions drawn from SWOT analysis are still a professional view of the group of experts.

Ideally, the aim of tactical planning is to get a business into balance with the outside environment and to preserve that stability over time (Mohamad et al., 2012). Organizations achieve this by assessing fresh programs and services with the determination of taking full advantage of organizational performance. One of the tools that sets the stage for this kind of decision making assessment is a SWOT analysis. In its first step, the collection and evaluation of key data is done. Subject to the organization, the information may range from demographics, public health status, sources of healthcare, existing position of medical technology, amongst other examples. Once this information has been collected and analyzed by the panel of experts, the capability of the organization is then measured against this information. The next step consists of sorting the data that has been analyzed, into four different classes namely; strengths, weaknesses, opportunities, and threats.

Strengths and weaknesses are elements of the SWOT that stem from internal organizational factors, whereas the other two elements, that is, opportunities and threats are external factors that affect the organization. Research studies done on different organizations is one of the ways this information is collected (Clayton & Tara, 2010). The third step is the decision making assessment process, where a matrix is developed giving alternatives for the business to consider. For example, if a hospital is calculating the expansion of an ambulatory surgery

center, and they are considering two options; the first being a fully retained ambulatory surgery center and the second being a joint undertaking with local physicians; the hospital's panel of experts would explore a separate SWOT matrix for each alternative. Fourth and finally, the last step in the decision making assessment process, SWOT, encompasses the information analyzed into the policy-making procedure to define which business substitute best meets the corporations overall design.

2.3.1 Significance of a SWOT Analysis

According to Kahveci & Meads (2008) one of the significances of a SWOT analysis for an organization is that it aids the organization in using its resources efficiently. Most organizations, have a limited supply of manpower, production volume and wealth. In order to maximize their potential for fiscal growth and efficiency, measuring the strength of a company assists it in allocating the assignment of the different resources. The panel or management who analyze the data makes informed decisions on which parts of the organization can most fruitful and allocates more resources to these departments. Often the organization discovers it has underutilized strengths.

Improving operations is also another significance of having a SWOT analysis. Looking at an organizations short comings is not an opportunity to point out faults in past performance but a time to understand that there is a critical need to consider the areas that have room for improvement of operations, in order to create a competitive edge. The same critical look into an organizations short falls, will allow it to avoid mistakes like getting into competition with products that may be viewed as substandard while other companies are offering high end products. The continuous improvement of business procedures is a critical element in the quest to be ahead of competition at all times. Weaknesses should always be turned into strengths. (Glaister et al., 2008).

A SWOT analysis is also used to discover opportunities. Any business expansion will require the organization to continuously seek out fresh prospects which may include fresh consumers, emerging products and services, broader product distribution and geographical expansion. In the SWOT analysis process, the group in charge of the process observes and gives ideas on what opportunities to take immediate advantage of. They also make progressive planning in order to penetrate the market in a timely fashion. (Mezger & Violani, 2011).

Threats are the external elements that have negative influence on the performance of the organization, and an organization needs to understand how to deal with these risks. Companies encounter many negative elements than those triggered by obvious adversaries. Deviations in the guiding and implementation process may have an antagonistic influence on results (Saunders et al., 2009). As consumer needs are continuously evolving, they feel less intimidating to an organization if the organization has had time to come up with contingency plans. Declines in customer purchasing power may be a risk to corporations who do not have emergency plans to deal with potential changes that become realities (Esra, 2010).

Competitive positioning is also another way a SWOT analysis assists an organization to gain some form of competitive advantage on their key opponents. Once this information is collected, the panel of experts analyses it in order to establish how well to position their organization under the current environmental circumstances. The organization aims at taking advantage of other organizations' faults with its own strengths (Kahveci & Meads, 2008). This process of analyzing the opponents faults is looked at some form of game playing where one team aims at discovering the others weaknesses. On the other hand, an organization would not want to be caught unprepared if the competitors has superior strengths. A SWOT analysis will assist a company in knowing where it stands in terms of market positioning (Clayton & Tara, 2010).

2.3.2 The SWOT Analysis Process

The analysis commences by beginning a review of the organizations weaknesses and strengths. It is then followed by a review of the external threats and opportunities, based on the environment as well as the overall market (Musek, 2008).

According to Roach (2009), a SWOT analysis has a principal function, which is to recognize and categorize each important factor, constructive and or destructive, to one of the assigned four groups, allowing you to take an impartial look at your organization. The primary purpose of the SWOT analysis is to identify and assign each significant factor, positive and negative, to one of the four categories, allowing you to take an objective look at your business. All four categories should be reviewed in detail.

Identifying the organizations strengths is the first step in the process. This is defining all the positive qualities, tangible and intangible attributes that are within the organization and are in the control of the management as well as the employees of the organization (Harrington, 2011). They also include the progressive features of the individuals working in the organization, which include but not limited to services, expertise, abilities, reputation, knowledge, understanding, credentials, qualifications etc (Markos & Srivedi, 2010).

Evaluating the strengths by the different areas such as management, finance, marketing, manufacturing etcetera, is also part of the process. Strengths capture the positive aspects internal to your business that add value or offer you a competitive advantage. This is your opportunity to remind yourself of the value existing within your business, (Fleetcroft, 2008).

The organizations weaknesses are then noted as part of the SWOT analysis process. Weaknesses are factors that are within your control that detract from your ability to obtain or maintain a competitive edge. The question the organization asks here is “Which areas can we improve on?” (Gibis & Lee, 2011, p12).

The listing of weaknesses might include lack of skill, limited funds and assets, lack of access to services or technology, inferior provision offerings, or the poor location of the organization due to unavoidable circumstances. These are factors that are under your control, but for a variety of reasons, are in need of improvement to effectively accomplish your objectives (Miller et al., 2008).

Weaknesses capture the not so positive aspects that are within your organization, which may undermine the value of the services you offer, placing the organization at a competitive handicap. These are areas that need to be improved in order to set the organization at a more level playing field with their direct competitor. The more accurately you identify your weaknesses, the more valuable the SWOT will be for your assessment (Fritz, 2016).

The next step in the analysis process is evaluating the opportunities surrounding the organization. This is an assessment of the outside factors that may seem attractive for the business and identify with the mission and vision of the business which may assist it to prosper. The factors allow the business to benefit and grow in the same line with their goals and objectives (Harrington, 2011).

These opportunities reflect the potential an organization can realize through implementing their marketing strategies. Opportunities may be the result of market growth, lifestyle changes, resolution of problems associated with current situations, positive market perceptions about the business, or the ability to offer greater value that will create a demand for the services offered. If it is relevant, place timeframes around the opportunities (Belicove, 2013). Opportunities are external to the business. If the organization identifies opportunities that are internal to the organization and within their control, this should be classified as strengths.

The next step is to recognize the threats that affect the organizations performance. When making note of threats during the SWOT analysis process, one should include factors that are outside the control of the organization and have the potential to place the business at risk. They are external and the control over them is minimal. It would however benefit the organization to have exigence plans to address them in the case of any occurrence (Porter, 2008).

According to Harrington (2011), a threat is a challenge that is shaped by hostile trends or advances that may lead to weakening incomes and or returns. Other perceived threats may include intolerable price increases by suppliers, governmental regulation, economic downturns, devastating media or press coverage, a shift in consumer behavior that reduces your sales, technology that may make your products, equipment, or services obsolete. The better an organization is at identifying potential threats, the more likely the organization can position itself to proactively plan for and respond to these threats.

2.3.3 Relationship Between SWOT Analysis And Organizational Performance

The SWOT analysis has proved to be a very valuable tool in the aspect of strategic planning because of its positive contributions towards organizational performance. The analysis has made managers of organizations to be more conscious of the external environment of their business without neglecting its internal environment by looking for opportunities which contributes to its overall performance (Arasa & K'Obonyo, 2012). It has forced managers to think strategically by analyzing the operating business environment in order to assess their competitor's position and seek for ways of outwitting them. If carried out on an objective basis, that is, the supervisors of the business are honest with themselves in the course of analyzing their strengths and weaknesses, it makes the organization to become wary of its weaknesses and therefore seek for ways of working on its weaknesses in order to turn them into strengths (Smith, 2016). The major limitation of SWOT analysis is that it does not have any in-built mechanism for handling the uncertainty of the future neither does it give any holistic model of an organization. Thus, it can make an institute to describe itself too narrowly. Also, SWOT analysis does not provide the basis for evaluating a given strategy. Despite these boundaries, the significance of SWOT analysis in strategic planning cannot be overstated. SWOT analysis directs strategy formulation (Esra, 2010).

2.4 Leadership and Organization Performance

Various literature has described strategic leadership as one of the defining components in the execution of strategic plans, for better and more positive organizational results. (Locke & KirkPatrick, 2011). Other studies has also shown that a lack of proper strategic leadership is a major barrier to active strategy execution (Beer & Eisenstat, 2010).

When a leader has the ability to expect, predict, visualize, anticipate and sustain flexibility in order to enable his employees to generate the required strategic change, he is defined as a strategic leader (Hope, 2013). This kind of tactical leadership is also known to be multi-functional and encompasses the use of other peoples' skills, specifically the organizations employees, in order to assist them to deal with the constantly growing change in the current globalized commercial environment. (Huey, 2008).

A tactical leader has the ability to provide and assimilate the two internal and external organizational settings in order to achieve and engage in strategy implementation that may seem more complex to other type of leaders. A leader is someone who is ideally followed by people, but people follow does not mean that the leader is going in the right direction or leading his followers the right way. History is filled with followers who were willingly led to destruction (Richard & Clifford, 2008).

A leader who is essentially good at what he does, will lay out a strategy that people will understand and receive out of trust, he will then get everyone working from top to bottom to achieve that strategy. A good leader builds long-term benefit for all of the firm's stakeholders—customers, employees, and shareholders—not merely short-term shareholder value (Kohtamaki et al., 2012). Good leadership coincides with good character—that is, with the resemblance amongst word and deed, and this is what we call integrity (Arasa & K'Obonyo, 2012).

According to Drucker (2005), leadership is exercised through character for it is character that sets the example and is imitated in turn. He also stated that the further tomorrow's manager does his job successfully, the greater will be the integrity required of him. No matter what a man's general education or his adult education for management, what will be decisive above all, in the future even more than in the past, is neither education nor skill but the integrity of his character.

In order for leadership to be considered effective, it needs to be active which requires incentive, organization, administration, reward and systematic abilities. If all these factors are part of the leaders' traits, most organizations demonstrate increased employee satisfaction that clearly effects fiscal productivity. This effect of leadership on organizations was measured by some scholars (Freedman & Tregoe, 2013) over employee management (how often employees stay and or leave the company versus the performance of their work), structural efficacy (price and excellence) and fiscal responsibility; and it was found that leaders who were actively involved in general organization and planning, had a more positive effect on the organization, than those who weren't.

According to Gilbert & Benham (2009), in order for a leader to be effective, meaning he has the ability to upsurge the results of an institution, he needs to encourage ingenuity and invention as well as contest the dependents assessment systems in order to improve their distinct worth and performance. They also recommend that the applications of the transformational leadership be applied in organizations in order to have a positive impact on performance.

2.4.1 Transformational leadership

According to Stone (2012), transformational leadership originated with James MacGregor Burns in 1978. His idea of transformational leadership is highly influenced by positive factors that include optimistic, confident, constructive, helpful, encouraging leaders who are also emotionally mature and are part of a team that endorses innovative work. Leaders who are defined as transformational are those that tend to constantly adjust group and individual cultures by stimulating a sense of leadership and resolve in the employees and the rest of the team into being part of the decision making process and providers of solutions to challenges they may be facing. They inspire the individuals within the organization to achieve high performance. Hancott (2010) and Richard & Clifford (2008) stated that transformational leadership comprised of the concept of inspiration, mutually beneficial goals, emotional bond, common values and vision. According to Hancott (2010), transformational leadership is made up of four main parts: charisma, inspiration, intellectual stimulation and individual consideration. Charisma was dominant to the transformational development because it developed a connection between leaders and subordinates and the shared mission. It involved acquisition of trust, respect and confidence in others. Leaders inspired by sharing the values of the organization with fluency and assurance in a confident manner. Intellectual stimulation was when the leaders gave the subordinates the opportunity to perform their work autonomously. Subordinates on the other hand used these experiences, creativity and innovation to achieve their tasks. Individualized consideration was when the leaders paid attention to subordinate's needs and delegated tasks with guidance, mentoring and coaching.

As Rose (2010) states, leaders use transformational approaches in practicing different patterns of leadership and styles according to the development of the subordinates. Therefore, the maturity level of the subordinate determines the leadership style to be used (Scholey, 2008). Thus, the leader may use the following situational leadership styles: firstly, telling or directing – the leader uses one-way communication; secondly, selling and coaching – the leader uses two way communication. Both leaders and subordinates agree on what to do; thirdly, participating – the leader is supportive and works with the subordinates; and lastly, delegating – there is little involvement from the part of the leader. The subordinates work on their own and are independent.

According to Richard & Clifford (2008), transformational leaders, in order to achieve the desired performance, actively engage the subordinates' personal value systems and provide ideological explanations which connect subordinates' identities. These collective identities of their organization, increase the subordinates' intrinsic motivation to perform their job and articulate an important vision and mission for the organization. Therefore, increasing subordinates' understanding of the importance and values associated with desired organizational performance; raises the performance expectations of subordinates' and thus increases their willingness to transcend their self-interests in the name of the collective entity.

Scott & Peter (2009) mention that by giving intellectual encouragement, transformational leaders inspire subordinates to adopt procreative and explorative thoughtful process. They stimulate their subordinates to think about old problems in new ways and encourage them to challenge their own values, traditions, and beliefs.

2.4.2 Relationship Between Leadership and Organizational Performance

A great leader wants to attain outcomes further than what is normal and sets advanced corporate goals by inspiring a sense of importance of the team's mission, stimulates employees to think innovatively about a problem or task, and places the group goals over personal self-interest (Bryson, 2010). Leaders' whose behaviors are influential in motivating the employees in order to make them more aware of the task outcomes, tend to stimulate their needs and develop their self – interest in order to improve the organization's performance.

In his study on the leadership practices in companies, Fard et al. (2011) scrutinized the former impact on administrative performance. Using a Multifactor Leadership Questionnaire, he examined the leadership behavior of 253 leaders. The analysis highlighted a solid connection between different leadership practices and organizational performance.

In their study on the connection between the leadership style and organizational performance, Pushpakumari & Toshimitsu (2009) identified within 170 companies from Singapore, a positive relationship between the leadership and the organizational performance. They also established that actual human resources management adjudicates the relationship between leadership and performance through enlarged obligation, higher motivation and intellectual motivation.

Moreover, a positive relation between the long-term income growth and leadership was depicted in a study on 94 companies investigating the impact of leadership practices on the financial performance of the organization in terms of profitability, increased sales or revenue and stock measures (Rudd et al., 2008). Mansour et al. (2013) in his research within the United Way of America organization discovered that there is a substantial constructive relationship between female leaders and the income element of organizational effectiveness. In another study on leadership styles and organizational performance, Kieu (2010) on 151 companies from IT industries underlined that leadership relates positively and significantly to organizational performance. The study used a Multifactor Leadership Questionnaire (5X) and it revealed that transformational leadership was one of the stronger predictors for the performance, satisfaction and commitment within organizations by building commitment, empowerment and demanding a higher degree of respect and trust for the leader.

Intellectual stimulation and inspirational motivation were found to improve the organizational performance (Hancott, 2010). Taking into account that the organizations today have to be performing highly in order to meet the competing expectations of the stakeholders in a manner which is transparent and ethical, it is necessary that leaders internalize different leadership styles as the survival of the organizations may depend on it.

2.5 Organizational performance

Every organization is established for one reason or the other; hence, basically there are two forms of organization which are profit-oriented organizations and not-for-profit oriented organizations. Profit-oriented organizations places more emphasis on profits; hence, they measure performance against profitability while not-for-profit-oriented organizations regards such factors as customers satisfaction and communal responsibility highly; hence, they measure their performance against such bases (Edwards, 2012). Thus, the purpose for which an organization was established will determine the factors against which its performance will be measured. Organizational performance simply refers to measuring the actual outputs or results against its intended (expected) outputs.

According to Rumelt (2011), organizational performance encompasses three specific areas of firm's outcomes, that is one: financial performance such as profits, return on assets and return on investments; secondly, product market performance such as sales and market share and thirdly, shareholders' return such as economic value added and total shareholders return.

Every nonprofit organization should measure its progress in fulfilling its mission, its success in mobilizing its resources, and its staff's effectiveness on the job. Most nonprofit groups track their performance by metrics such as dollars raised, membership growth, number of visitors, people served, and overhead costs. These metrics are certainly important, and they do mostly measure the real success of an organization in achieving its mission (Ouakouak & Ouedraogo, 2013).

2.5.1 Organizations Ability To Meet Needs

According to the World Health Organization; Global Fact Sheet (2009), children's homes measure their success by their ability to meet the needs of the children and lower level. Factors considered are i) the amount of regular donor funding ii) ability to meet their fixed costs iii) number of visitors to the orphanage iv) sustainable medical covers for the children v) ability to formally educate the children vi) provision of food and shelter for the children and the number of children it serves.

Government and non-profit organizations in the United States are finding that strategic planning can help them: think strategically; clarify future direction; make today's decisions in light of their future consequences; develop a coherent and defensible basis for decision making; exercise maximum discretion in the areas under organizational control; solve major organizational problems; improve performance; deal effectively with rapidly changing circumstances; build teamwork and expertise (Wicks & Chin, 2011)

Strategic thought and action are increasingly important to the continued viability and effectiveness of governments, public agencies and non-profit organizations of all sorts. Without strategic planning it is unlikely that these organizations will be able to meet successfully the numerous challenges that face them. According to Scholey (2008), the environments of public and non-profit organizations have changed dramatically in the last 10 years-as a result of oil crises, demographic shifts, changing values, taxing limits, privatization, centralization or decentralization of responsibilities, moves toward information and service-based economics, volatile macroeconomic performance, and so on. As a result, traditional sources of revenue for most governments are stable at best or highly unpredictable or declining at worst. Further, while the public may be against higher taxes, and while transfers of money from central to local governments are typically stable or declining, the public continues to demand a high level of government services. Non-profit organizations often are called on to take up the slack in the system left by the departure of public organizations or services, but may be hard-pressed to do so.

2.5.2 Stakeholder Satisfaction

To cope with these various pressures, public and non-profit organizations must do at least three things. First, these organizations need to exercise as much discretion as they can in the areas under their control to ensure responsiveness to their stakeholders. Second, these organizations need to develop good strategies to deal with their changed circumstances. And third, they need to develop a coherent and defensible basis for decision making (Foster & Bradach, 2013).

Strategic planning for non-private and not-for-profit organizations is imperative and will probably become part of the standard range of public and non-profit planners. It is important, of course, for planners to be very careful about how they engage in strategic planning, since every situation is at least somewhat different and since planning can be effective only if it is

tailored to the specific situation in which it is used (Drucker, 2005). To assert that strategic planning will rise in importance advances the question of who the strategic planners are. It is likely that within the organization they may not hold job titles that include the word ‘planner’; instead, they may be in policy making or line management positions (Epstein, 2008).

Since strategic planning inclines to merge planning and decision making, it makes sense to think of decision makers as strategic proposers and to think of strategic planners as implementers of decision making across levels and functions in organizations (and communities). The specific blend of technical knowledge and process expertise that the persons with the formal job title of planner should bring to strategic planning exercises, of course, will vary in different situations. The more the key decision makers already have the necessary technical knowledge, the more the planners will be relied upon to facilitate the process than to provide technical knowledge (Mittenthal, 2012).

2.6 Chapter Summary

This chapter examined literature related to the study. The research specifically focused on mission statement, SWOT analysis and leadership as an effective tool for organizational performance. The chapter presented an overview of the mission statement and its relationship to the performance of an organization, an overview of the SWOT analysis and its relationship to organizational performance, and finally an overview of leadership and its effect on the performance of an organization. The final section reviewed the aspects of organizational performance in not for profit organizations. In Chapter three, the study will focus on the research methodology which will show the sampling techniques and procedures that will be used in support of the study.

CHAPTER THREE

3.0 RESEARCH METHODOLOGY

3.1 Introduction

This chapter describes the research design, population and sampling design, sampling frame, sample size, data collection methods, research procedures and data analysis methods have also been presented. The chapter gives a guide on how the research study was conducted towards the realization of the study objectives.

3.2 Research Design

The study adopted a descriptive design. According to Clayton (2011), a descriptive study is one in which information is collected without changing the environment (i.e., nothing is manipulated). It is used to obtain information concerning the current status of the phenomena to describe "what exists" with respect to variables or conditions in a situation. The methods involved range from the survey which describes the status quo, the correlation study which investigates the relationship between variables, to developmental studies which seek to determine changes over time.

Descriptive research can also be defined as that research which provides an accurate portrayal of characteristics of a particular individual, situation, or group. These studies are a means of discovering new meaning, describing what exists, determining the frequency with which something occurs, and categorizing information. This design was an appropriate approach for this survey in terms of evaluating the significance of a Mission Statement, SWOT analysis and Leadership as tools for the effective performance of the Children's Homes in Nairobi area.

3.3 Population and Sampling Design

3.3.1 Population

A research population is generally a large collection of individuals or objects that is the main focus of a scientific query. It is for the benefit of the population that researches are done. However, due to the large sizes of populations, researchers often cannot test every individual in the population because it is too expensive and time-consuming. This is the reason why researchers rely on these techniques of sampling.

A research population is also known as a well-defined collection of individuals or objects known to have similar characteristics. All persons or substances within a certain population usually have a mutual, binding characteristic or trait.

The target population of the study consisted of Children's Homes operating in the Nairobi area. The study targeted 32 Children's homes which were legally registered by the Non-Governmental Organization Board. The list of the homes was obtained from the NGO Council of Kenya. Information from these selected homes was sourced from the employees who worked with the children's homes at the time. The employees sought were from both management and subordinate staff.

3.3.2 Sample Design

Sampling is the act, process or technique of selecting suitable sample, or a representative part of the population for determining parameter or characteristics of the whole population. The purpose of sampling is to enable the researcher to draw conclusions about a population from a sample (Saunders et al., 2009). A census was used in this research as the targeted population was not large.

3.3.2.1 Sampling Frame

Sampling frame is a collection of all elements (primary sampling units) accessible for research purposes in the population that the researcher is interested in (Saunders et al., 2009). The sampling frame used in this research was the list of 32 Children's Homes from the NGO Council of Kenya; who were legally registered by the Non-Governmental Organization Board. The list of homes is provided in Appendix C

3.3.2.2 Sampling Technique

A census study was carried out due to the small nature of the target population. This method was chosen in order to increase the response rate and improve the quality of the research findings.

3.3.2.3 Sample Size

The study was conducted upon the entire population of Children's Homes in Nairobi area, registered by the Non-Governmental Organization Board of Kenya as seen in Appendix C.

3.4 Data Collection Methods

The appropriate method of data collection highly depends on the objective of the research as data collection is a fundamental part of the research (Shahin, 2011).

Quantitative data was then collected using a structured questionnaire. The researcher chose a structured questionnaire as the responses are easier to standardize; as all responses are given in the same manner, as the questionnaire adopted the likert scale. According to Nickols (2012), the Likert type scale is a good method of carrying out research analysis and this research applied a five point Likert-scale ranging from 5 (Strongly agree) to 1 (Strongly disagree). The questionnaire for the study contained a mix of structured closed and open ended questions and constituted of four parts. The questionnaire consisted of five parts that aimed at collecting different aspects of the research. The first section focused on the general information, the second to fourth sections aimed at responding to the different research objectives, the last section focused on gauging the effect of the objectives on the performance of the Children's Homes. The entire questionnaire is on appendix B.

3.5 Research Procedures

The research procedure involved pre testing the questionnaire. A pilot questionnaire was sent out in order to gauge its clarity and perception of understanding. The pre-test involved a random sample of 10 individuals that worked in any children's home. After pre-testing, appropriate amendments were made.

The initial contact with each of the children's homes was done through either email or telephone conversation. The researcher introduced themselves to the contact person at the home and briefly explained their objective and requested to deliver questionnaires for the staff members to respond. The initial response was very positive and an introduction letter and a questionnaire was sent out to all the different homes.

The validity of the received data was then tested by follow up calls in order to ensure that the responses came directly from the member of staff of the home and not a different respondent. Validity and reliability are important measures to test as they assess the quality of the research (Shahin, 2011).

3.6 Data Analysis Methods

The data was analyzed by the use of percentages, means and descriptive statistics. The data was also presented by the use of tables and figures.

The data collected was defined as quantitative data. Quantitative data is normally referred to as information that is collected as, or can be translated into, numbers, which can then be displayed and analyzed mathematically

3.7 Chapter Summary

This chapter looked at the research design to that was used, the targeted population, the sampling design, the data collection methods used, the research procedures and the data analysis methods. The next chapter will offer the study findings based on the analyzed data results, while the final chapter will provide the summary and discussions of the major findings of the study as well as give recommendations on future research.

CHAPTER FOUR

4.0 RESULTS AND FINDINGS

4.1 Introduction

This section offers the study findings, based on the analyzed data results. Data was collected using structured questionnaires. The section is guided by the breakdown of the questionnaires. The structured questionnaire was dispatched to all 32 different homes based in Nairobi area, with follow ups done via telephone conversations. A total of 31 homes filled out and returned the questionnaire representing a 97 percent response rate.

4.2 General Information

The general information section of the questionnaire collected data on the position the respondents held at the organization, their age bracket, their education level and the duration they had worked at the organization.

4.2.1 Respondents position in the organization

In relation to the respondents' position in the organization, seventy one percent of the respondents were either senior managers or members of the board. Leaders are key components in the execution of strategic plans. Targeting the higher level management gives the research more validity in gauging the effective performance of the organization.

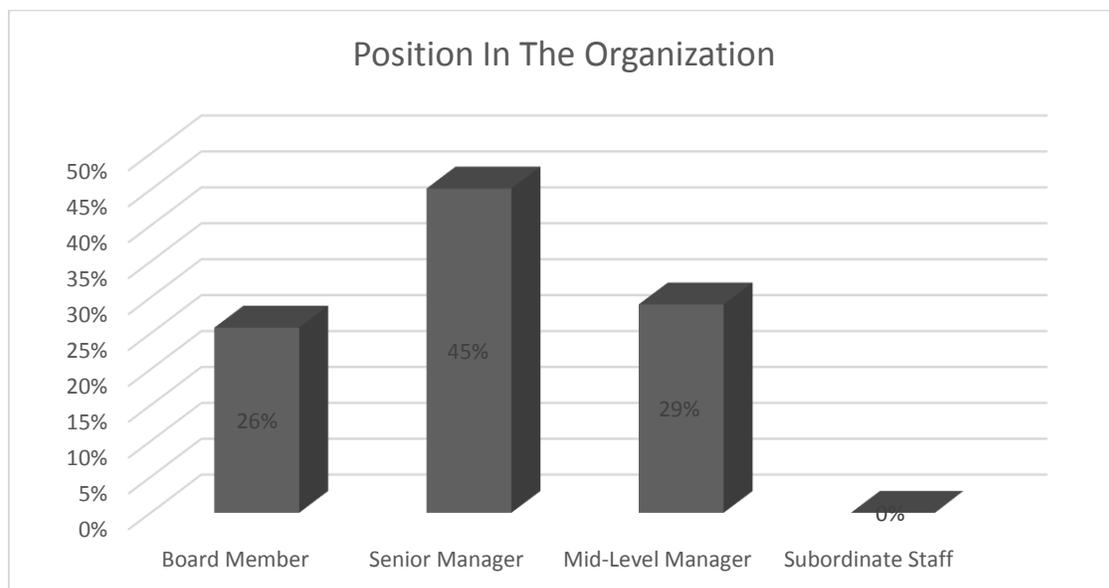


Figure 4.1 Position in the organization

4.2.2 Age Bracket of Respondents

In relation to the age bracket of the respondents, the research showed that over eighty percent of the respondents were over the age of thirty. The direct significance of the age demographics is widely related to the fact that most people below the age of thirty are normally volunteers in Not-for-profit organizations and are generally not concerned with the long term objectives of an organization. Figure 4.2 shows that only nineteen percent of the respondents were below the age of thirty.

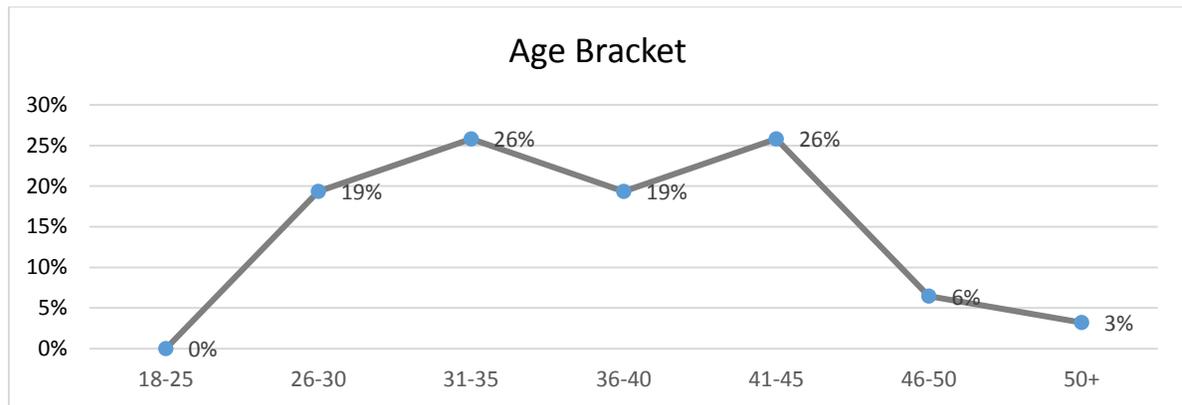


Figure 4.2 Age Bracket of Respondents

4.2.3 Education Level

Figure 4.3 shows that 32% of the respondents are holders of Masters Degrees. Thirty two percent of the respondents are also holders of diploma certificates. Twenty nine percent of the respondents had a degree and 6% of the respondents had a PHD. This results show that the respondents had a good educational background and had good knowledge of the importance of strategic planning for effective performance of the organization.

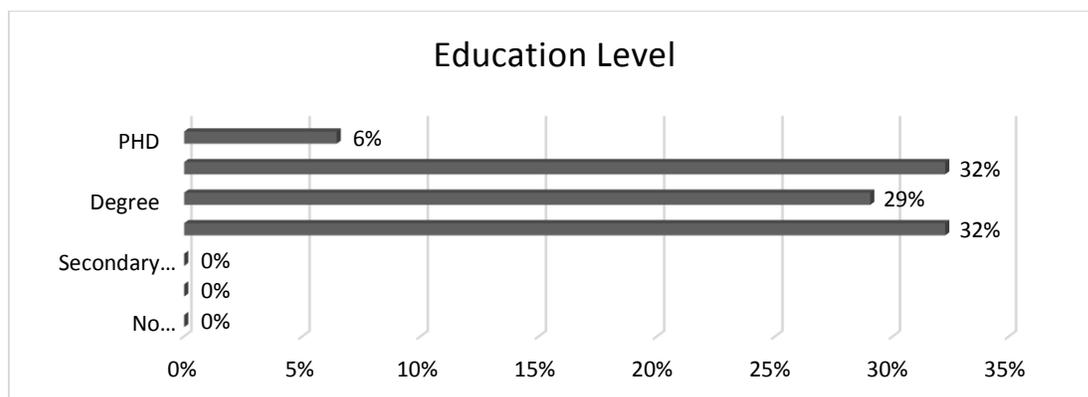


Figure 4.3 Education Level of Respondents

4.2.4 Duration Worked at Organization

Figure 4.4 shows that 52% of the respondents had worked in the organization for a period of between 5– 10 years. Thirty two percent of the respondents had worked in the organization for a period of 2 -5 years. Thirteen percent of the respondents had been in their organization for over ten years. Only 3% of the respondents had been in their organizations for less than 2 years. This shows that most of the respondents had a clearer knowledge of how the organization works.

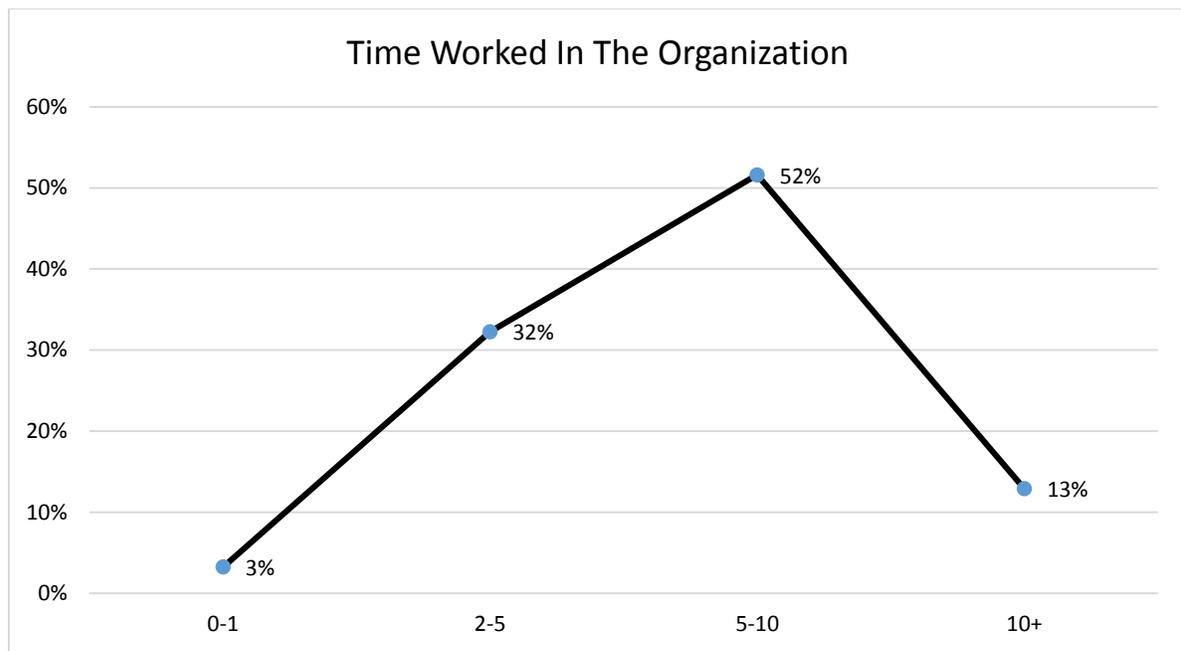


Figure 4.4 Duration worked at organization

4.3 Influence of a mission statement on the performance of a children’s home

4.3.1 Role of A Mission Statement In An Organization

Table 4.1 shows that the mission statement sums up the organizations reason for being, since 29% strongly agreed, 52% agreed, 16% were neutral, 3% disagreed and no one strongly disagreed. The results had a mean of 4.06. The study shows that the mission statement defines the organizations publics: i.e employees, customers, community and shareholders; since 10% strongly agreed, 39% agreed, 48% were neutral, 3% disagreed and no one strongly disagreed. The results had a mean of 3.55. The study shows that the mission statement stated the organizations goals and principles, since 39% strongly agreed, 45% agreed, 10% were neutral,

6% disagreed and no one strongly disagreed. The results had a mean of 4.16. The study shows that the organizations have mission statements that target action, since 13% strongly agreed, 39% agreed, 29% were neutral, 16% disagreed and 3% strongly disagreed. The results had a mean of 3.42. The study shows that the children's homes have mission statements that clearly state who they are and what they do, since 23% strongly agreed, 48% agreed, 23% were neutral, 6% disagreed and no one strongly disagreed. The results had a mean of 3.87.

Table 4.1: Role of a Mission Statement

	Strongly Agree (5)	Agree (4)	Neutral (3)	Disagree (2)	Strongly Disagree (1)	MEAN
Our mission statement sums up the organizations reason for being.	29%	52%	16%	3%	0%	4.06
Our mission statement defines the organizations publics: employees, customers, community and shareholders	10%	39%	48%	3%	0%	3.55
Our mission statement states our goals and principles.	39%	45%	10%	6%	0%	4.16
We have a mission statement that targets action.	13%	39%	29%	16%	3%	3.42
Our mission statement clearly states who we are and what we do.	23%	48%	23%	6%	0%	3.87

4.3.2 Relationship Between Organization Performance and Mission Statement

Table 4.2 shows that the mission statement evidently shows how the organization intends to operate since 10% strongly agreed, 35% agreed, 48% were neutral, 6% disagreed and no one strongly disagreed. The results had a mean of 3.48. The study shows that the mission statement of the organizations explains what their business culture is like, since 10% strongly agreed, 35% agreed, 29% were neutral, 16% disagreed and 10% strongly disagreed. The results had a mean of 3.19. The study shows that the mission statements are inspirational and it represents the organizations identity and highest aspirations, since 13% strongly agreed, 52% agreed,

19% were neutral, 16% disagreed and no one strongly disagreed. The results had a mean of 3.61. The study shows that most of the respondents are able to recite the whole mission statement without making a mistake, since 10% strongly agreed, 42% agreed, 39% were neutral, 10% disagreed and no one strongly disagreed. The results had a mean of 3.52.

Table 4.2 Relationship Between Mission Statement And Organization Performance

	Strongly Agree (5)	Agree (4)	Neutral (3)	Disagree (2)	Strongly Disagree (1)	MEAN
Our mission statement evidently shows how the organization intends to operate.	10%	35%	48%	6%	0%	3.48
The mission statement explains what our business culture is like.	10%	35%	29%	16%	10%	3.19
Our mission statement is inspirational. It represents the organizations identity and highest aspirations.	13%	52%	19%	16%	0%	3.61
I am able to recite the whole mission statement without making a mistake.	10%	42%	39%	10%	0%	3.52

4.3.3 Spearman’s Correlation For Mission Statements and Performance of Homes

Table 4.3 represents the Spearman’s correlation analysis results that establish the relationship between having a mission statement and the effective performance of children’s homes in Nairobi area. The results show that having a mission statement that sums up the organizations reason for being had a correlation of 0.041 at a significant level 0.045 with performance; having a mission statement that defines organizations publics had a correlation of 0.450 at a significant level of 0.042; having a mission statement that states the organizations goals and principles had a correlation of 0.498 at a significant level 0.002; having a mission statement that targets action had a correlation of 0.500 at a significant level 0.009; having a mission statement that clearly states what the organization is and what they do had a correlation of 0.488 at a significant level 0.003; having a mission statement that evidently shows how the organizations intends to operate had a correlation of 0.450 at a significant level 0.042; having

a mission statement that explains what the business culture is like had a correlation of 0.425 at a significant level 0.000; having a mission statement that represents the organizations identity and highest aspirations had a correlation of 0.200 at a significant level 0.259.

Table 4.3 Spearman’s Correlation for Mission Statement and Performance of homes

Mission Statement	Correlations
Our mission statement sums up the organizations reason for being.	0.041* 0.045
Our mission statement defines the organizations publics	0.450* 0.042
Our mission statement states our goals and principles	0.498** 0.002
We have a mission statement that targets action	0.500** 0.009
Our mission statement clearly states who we are and what we do	0.488** 0.003
Our mission statement evidently shows how the organization intends to operate	0.450* 0.042
The mission statement explains what our business culture is like	0.425** 0.000
Our mission statement is inspirational.	0.200 0.259

**Correlation is significant to the 0.01 level

*Correlation is significant to the 0.05 level

4.4 Influence having a SWOT Analysis has on the performance of children’s homes.

4.4.1 Significance of a SWOT Analysis

Table 4.4 shows that an external consultant / expert has assessed the organization from a critical perspective, since 16% strongly agreed, 42% agreed, 13% were neutral, 19% disagreed and 10% strongly disagreed. The results had a mean of 3.35. The study shows that the board constantly evaluates new programs and services to maintain organizational balance, since 16% strongly agreed, 39% agreed, 35% were neutral, 6% disagreed and 3% strongly disagreed. The results had a mean of 3.58.

Table 4.4 Significance of A SWOT Analysis

	Strongly Agree (5)	Agree (4)	Neutral (3)	Disagree (2)	Strongly Disagree (1)	MEAN
An external consultant / expert has assessed the organization from a critical perspective.	16%	42%	13%	19%	10%	3.35
The board constantly evaluates new programs and services to maintain organizational balance.	16%	39%	35%	6%	3%	3.58

4.4.2 The SWOT Analysis Process

Table 4.5 shows that management regularly evaluates key data i.e. demographics, population, sources of funding etc, since 13% strongly agreed, 48% agreed, 39% were neutral, 0% disagreed and 0% strongly disagreed. The results had a mean of 3.74. The study shows that the management analyzes data collected and assesses the organizations capabilities, since 6% strongly agreed, 48% agreed, 39% were neutral, 3% disagreed and 3% strongly disagreed. The results had a mean of 3.52. The study shows that the data analyzed has been sorted into four categories i.e. strengths, weaknesses, opportunities and threats, since 10% strongly agreed, 35% agreed, 23% were neutral, 32% disagreed and no one strongly disagreed. The results had a mean of 3.23.

Table 4.5 The SWOT Analysis Process

	Strongly Agree (5)	Agree (4)	Neutral (3)	Disagree (2)	Strongly Disagree (1)	MEAN
The management regularly evaluates key data i.e. demographics, population, sources of funding etc.	13%	48%	39%	0%	0%	3.74
The management analyzes the data collected and assesses the organizations capabilities.	6%	48%	39%	3%	3%	3.52
The data analyzed has been sorted into four categories i.e. strengths, weaknesses, opportunities and threats.	10%	35%	23%	32%	0%	3.23

4.4.3 Relationship Between SWOT Analysis And Organizational Performance

Table 4.6 shows that the staff are clearly aware of what their internal and external factors are, that is, strengths, weaknesses, opportunities and threats, since 3% strongly agreed, 42% agreed, 42% were neutral, 13% disagreed and no one strongly disagreed. The results had a mean of 3.35. The study shows that the analyzed data forms the basis of the decision making process, since 3% strongly agreed, 45% agreed, 35% were neutral, 13% disagreed and 3% strongly disagreed. The results had a mean of 3.32.

Table 4.6 Relationship Between SWOT Analysis and Organizational Performance

	Strongly Agree (5)	Agree (4)	Neutral (3)	Disagree (2)	Strongly Disagree (1)	MEAN
The staff are clearly aware of what their internal and external factors are i.e strengths, weaknesses, opportunities and threats.	3%	42%	42%	13%	0%	3.35
The analyzed data forms the basis of the decision making process.	3%	45%	35%	13%	3%	3.32

4.4.4 Spearman Correlation for SWOT Analysis and Performance

Table 4.7 represents the Spearman's correlation analysis results that establish the relationship between having a SWOT Analysis and the effective performance of children's homes in Nairobi area. The results show that having an external expert to assess the organization from a critical perspective had a correlation of 0.488 at a significant level 0.003 with performance; having a board that constantly evaluates new programs and services had a correlation of 0.5000 at a significant level of 0.009; having a management that regularly evaluates key data had a correlation of 0.484 at a significant level of 0.000; having a management that analyzes the data collected had a correlation of 0.411 at a significant level of 0.045; having the data collected analyzed and sorted into the four major categories had a correlation of 0.350 at a significant level of 0.117; having members of staff that are clearly aware of their internal and external factors had a correlation of 0.443 at a significant level of 0.000; having the analyzed data as the basis of the decision making process had a correlation of 0.488 at a significant level of 0.003.

Table 4.7 Spearman Correlation for SWOT Analysis and Performance

SWOT Analysis	Correlations
An external consultant / expert has assessed the organization from a critical perspective.	0.488** 0.003
The board constantly evaluates new programs and services to maintain organizational balance.	0.500** 0.009
The management regularly evaluates key data i.e. demographics, population, sources of funding etc.	0.484** 0.000
The management analyzes the data collected and assesses the organizations capabilities.	0.411* 0.045
The data analyzed has been sorted into four categories	0.350 0.117
The staff are clearly aware of what their internal and external factors are	0.443** 0.000
The analyzed data forms the basis of the decision making process.	0.488** 0.003

**Correlation is significant to the 0.01 level

*Correlation is significant to the 0.05 level

4.5 Influence of Leadership on Performance of Children's homes

4.5.1 Transformational Leadership

Table 4.8 shows that the organizations leaders have the ability to anticipate, envision and maintain flexibility, since 22% strongly agreed, 55% agreed, 10% were neutral, 10% disagreed and 3% strongly disagreed. The results had a mean of 3.84. The study shows that the organizations leaders empower others to create strategic change as necessary, since 3% strongly agreed, 48% agreed, 35% were neutral, 7% disagreed and 7% strongly disagreed. The results had a mean of 3.35. The study shows that the organizations leaders help the organizations to cope with change that seems to be increasing, since 6% strongly agreed, 45% agreed, 40% were neutral, 6% disagreed and 3% strongly disagreed. The results had a mean of 3.45. The study shows that the leaders have the ability to accommodate and integrate both the internal and external business environment, since 12% strongly agreed, 39% agreed, 39% were neutral, 10% disagreed and no one strongly disagreed. The results had a mean of 3.55.

Table 4.8 Transformational Leadership

	Strongly Agree (5)	Agree (4)	Neutral (3)	Disagree (2)	Strongly Disagree (1)	MEAN
Our leaders have the ability to anticipate, envision and maintain flexibility.	22%	55%	10%	10%	3%	3.84
Our leaders empower others to create strategic change as necessary.	3%	48%	35%	7%	7%	3.35
Our leaders help the organization to cope with change that seems to be increasing.	6%	45%	40%	6%	3%	3.45
Our leaders have the ability to accommodate and integrate both the internal and external business environment.	12%	39%	39%	10%	0%	3.55

4.5.2 Relationship Between Leadership and Organizational Performance

Table 4.9 shows that the leaders are capable of managing and engaging in complex information processing, since 19% strongly agreed, 39% agreed, 42% were neutral, 0% disagreed and no one strongly disagreed. The results had a mean of 3.77. The study shows that the leaders are building long term benefits for all of the organizations stakeholders, since 6% strongly agreed, 61% agreed, 16% were neutral, 16% disagreed and no one strongly disagreed. The results had a mean of 3.58. The study shows that the leaders have the ability to promote creativity and innovation, since 10% strongly agreed, 23% agreed, 42% were neutral, 23% disagreed and 3% strongly disagreed. The results had a mean of 3.13. The study shows that the leaders stimulate the subordinates to challenge their own value systems and improve individual performance, since 0% strongly agreed, 42% agreed, 32% were neutral, 26% disagreed and no one strongly disagreed. The results had a mean of 3.16.

Table 4.9 Relationship Between Leadership and Organizational Performance

	Strongly Agree (5)	Agree (4)	Neutral (3)	Disagree (2)	Strongly Disagree (1)	MEAN
Our leaders are capable of managing and engaging in complex information processing.	19%	39%	42%	0%	0%	3.77
Our leaders are building long term benefits for all of the organizations stakeholders.	6%	61%	16%	16%	0%	3.58
Our leaders have the ability to promote creativity and innovation.	10%	23%	42%	23%	3%	3.13
Our leaders stimulate the subordinates to challenge their own value systems and improve individual performance.	0%	42%	32%	26%	0%	3.16

4.5.2 Spearman Correlation for Leadership and Performance

Table 4.10 represents the Spearman's correlation analysis results that establish the relationship between having leadership and the effective performance of children's homes in Nairobi area. The results show that having leaders who have the ability to anticipate, envision and maintain flexibility had a correlation of 0.461 at a significant level 0.013 with performance; having leaders who empower others to create strategic change had a correlation of 0.334 at a significant level 0.110 with performance; having leaders who help the organization to cope with ever increasing change had a correlation of 0.485 at a significant level 0.000 with performance; having leaders who have the ability to accommodate and integrate both the internal and external business environment had a correlation of 0.436 at a significant level 0.027 with performance; having leaders who are capable of managing and engaging in complex information processing had a correlation of 0.436 at a significant level 0.027 with performance; having leaders who build long term benefits for all of the organizations stakeholders had a correlation of 0.372 at a significant level 0.001 with performance; having leaders who have the ability to promote creativity and innovation had a correlation of 0.411 at a significant level 0.045 with performance; having leaders who stimulate the subordinates to challenge their own value systems had a correlation of 0.103 at a significant level 0.371 with performance.

Table 4.10 Spearman Correlation for Leadership and Performance

<u>Leadership And Performance</u>	<u>Correlations</u>
Our leaders have the ability to anticipate, envision and maintain flexibility.	0.461* 0.013
Our leaders empower others to create strategic change as necessary.	0.334 0.110
Our leaders help the organization to cope with change that seems to be increasing.	0.485** 0.000
Our leaders have the ability to accommodate and integrate both the internal and external business environment.	0.436* 0.027
Our leaders are capable of managing and engaging in complex information processing.	0.436* 0.027
Our leaders are building long term benefits for all of the organizations stakeholders.	0.372** 0.001
Our leaders have the ability to promote creativity and innovation.	0.411* 0.045
Our leaders stimulate the subordinates to challenge their own value systems and improve individual performance.	0.103 0.371

**Correlation is significant to the 0.01 level

*Correlation is significant to the 0.05 level

4.6 Organizational Performance

4.6.1 Organizations Ability To Meet Needs

Table 4.11 shows that the respondents believed that the overhead costs per child served had reduced, since 10% strongly agreed, 35% agreed, 32% were neutral, 19% disagreed and 3% strongly disagreed. The results had a mean of 3.29. The study shows that the children's educational needs are met in full, since 6% strongly agreed, 35% agreed, 45% were neutral, 10% disagreed and 3% strongly disagreed. The results had a mean of 3.32. The study shows that the basic needs for all the children and staff members have been met, since 10% strongly agreed, 55% agreed, 23% were neutral, 13% disagreed and no one strongly disagreed. The results had a mean of 3.61. The study shows that the number of children served by the organization increases annually, since 35% strongly agreed, 29% agreed, 26% were neutral, 6% disagreed and 3% strongly disagreed. The results had a mean of 3.87.

Table 4.11 Organizations Ability To Meet Needs

	Strongly Agree (5)	Agree (4)	Neutral (3)	Disagree (2)	Strongly Disagree (1)	MEAN
The overhead costs per child served has reduced.	10%	35%	32%	19%	3%	3.29
The children’s educational needs are met in full.	6%	35%	45%	10%	3%	3.32
The basic needs for all the children and staff have been met.	10%	55%	23%	13%	0%	3.61
The number of children served by the organization increases annually.	35%	29%	26%	6%	3%	3.87

4.6.2 Stakeholder Satisfaction

Table 4.12 shows that the respondents believed that the amount of funding from donors had increased, since 19% strongly agreed, 58% agreed, 3% were neutral, 19% disagreed and no one strongly disagreed. The results had a mean of 3.77. The study showed that the respondents believe that the number of donors supporting the centers have increased, since 13% strongly agreed, 52% agreed, 26% were neutral, 6% disagreed and 3% strongly disagreed. The results had a mean of 3.65. The study shows that there is an increased number of visitors that come to visit the children, since 13% strongly agreed, 52% agreed, 26% were neutral, 10% disagreed and no one strongly disagreed. The results had a mean of 3.68. The study shows that the organization has a viable strategic plan tailored to meet the needs of the Centre, since 10% strongly agreed, 48% agreed, 39% were neutral, 3% disagreed and 0% strongly disagreed. The results had a mean of 3.65.

Table 4.12 Stakeholder Satisfaction

	Strongly Agree (5)	Agree (4)	Neutral (3)	Disagree (2)	Strongly Disagree (1)	MEAN
Total amount from donors has increased.	19%	58%	3%	19%	0%	3.77
The number of donors supporting the center have increased.	13%	52%	26%	6%	3%	3.65
There is an increased number of visitors that come to visit the children.	13%	52%	26%	10%	0%	3.68
The organization has a viable strategic plan tailored to meet the needs of the Centre.	10%	48%	39%	3%	0%	3.65

4.7 Regression Analysis: Mission Statement, SWOT and Leadership vs Performance

Since the measures that are used to assess the primary constructs in the model are quantitative scales, regression analysis was used. Regression analysis are a set of techniques that can enable an organization to assess the viability of an independent variable(s) to predict dependent variable(s) (Saunders, 2009). As part of the analysis, Regression Analysis was done. The results are as seen in Table 4.13 and 4.14 below.

Table 4.13 shows the regression model summary. From the table, R value was .689 showing a positive correlation between the observed and predicted values of the dependent variables. The values of R range from -1 to 1. The sign of R indicates the direction of the relationship (positive or negative).

The absolute value of R indicates the strength, with larger absolute values indicating stronger relationships. Thus the R value at .689 shows a stronger relationship between observed (mission statement, SWOT analysis, Leadership) and predicted (Organizational Performance) values in a positive direction.

The coefficient of determination R² value was 0.475. This shows that 47.5 per cent of the variance in dependent variable (organizational performance) was explained and predicted by independent variables (Mission statement, SWOT analysis and Leadership).

Table 4.13 Regression Model Summary

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.689	0.475	0.465	0.47587

a. Predictors: (Constant), Mission Statement, SWOT Analysis, Leadership

b. Dependent Variable: Organizational Performance

Table 4.14 shows the t-value of constant produced ($t = 2.253$) was significant at a 95 percent level (Sig. $F < 0.05$), thus confirming the fitness model. Therefore there is a statistically significant relationship between Mission Statement, SWOT Analysis, Leadership and the Performance of Children's Homes.

Mission Statement was significant to performance with a p value of 0.000 ($p < 0.05$). This implies that having a mission statement does affect performance of a children's home. The SWOT Analysis was significant to performance with a p value of 0.000 ($p < 0.05$). This implies that having a SWOT Analysis does affect performance of a children's home. Leadership was significant to performance with a p value of 0.000 ($p < 0.05$). This implies that the Leadership does affect performance of a children's home.

Table 4.14 Regression Coefficients

		Coefficients				
Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig
	Constant	4.714	0.626	1.410	2.253	0.027
1	Mission Statement	0.648	0.145	0.699	4.824	0.000
2	SWOT Analysis	0.716	0.185	0.752	4.063	0.000
3	Leadership	0.761	0.761	0.768	4.168	0.000

a. Dependent Variable: Organizational Performance

4.8 Chapter Summary

This chapter has presented the analyzed data. The presentation was in the form of charts and tables. Mean values have also been used to indicate the strength of the various study factors and percentages have been used to show the level of responses from the collected data. Spearman's correlation has been used to indicate the relationship between independent variables (Mission Statement, SWOT Analysis and Leadership) and the dependent variable (Performance of Children's Homes). The relationship between the different variables was compared using regression analysis. The next chapter concludes the study.

CHAPTER FIVE

5.0 DISCUSSION, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This is the final chapter of the study. The chapter provides the summary and discussion of the major findings of the study as shown in chapter four and relates them to the concepts and literature discussed in chapter two. It then highlights the conclusions based on the specific research questions and the recommendations made thereof. It finally offers the suggestions for further research.

5.2 Summary

The purpose of this study was to investigate the significance of a Mission Statement, SWOT analysis and Leadership as a tool for effective performance of Children's homes in Nairobi, Kenya. The study was guided by three research questions, namely; Does specifying a mission statement affect the performance of Children's homes in Nairobi?; Does a SWOT analysis affect the performance of Children's homes in Nairobi?; and Does the leader's role in strategy implementation affect the performance of Children's homes in Nairobi?.

The study used descriptive technique. The target population of the study consisted of Children's Homes situated in Nairobi County. The study sampling frame consisted of a list of Children's Homes registered by the National Council of NGOs. A census was done on the full population as its size was not vast. All thirty two homes listed by the National Council of NGOs were targeted for the study. Each home received a questionnaire to answer and thirty one of the homes responded. The study used primary data that was collected using a structured questionnaire. Quantitative approach was used for data analysis. A computer package was used to run descriptive statistics such as frequency and percentages so as to present the quantitative data in form of tables and graphs based on the major research questions.

The study showed that the children's homes had mission statements that summed up the organizations reason for being as 81% of the respondents agreed and 3% disagreed. The study showed that the homes had mission statements that stated their goals and principles as 84% of the respondents agreed and 6% disagreed. The study showed that the homes had a mission statement that targeted action as 52% of the respondents agreed and 6% disagreed. The study

shows that the homes had mission statements that clearly stated who they are and what they do as 71% of the respondents agreed and 6% disagreed. The study shows that the homes had mission statements that were inspirational; represented the organizations identity and highest aspirations as 65% of the respondents agreed and 16% disagreed. The study shows that the homes had mission statements that most of the staff were able to recite without making a mistake as 52% of the respondents agreed and 10% disagreed.

The study showed that an external consultant / expert had assessed the organization from a critical perspective as 58% of the respondents agreed and 29% disagreed. The study showed that the board constantly evaluated new programs and services to maintain organizational balance as 55% of the respondents agreed and 9% disagreed. The study showed that the homes had management that regularly evaluates the key data collected as 52% of the respondents agreed and no one disagreed. The study showed that the homes had management that analyzed the data collected and assessed the organizations capabilities as 54% of the respondents agreed and 6% disagreed. The study showed that the staff were clearly aware of what their internal and external factors were as 45% of the respondents agreed and 13% disagreed. The study showed that the homes had analyzed data that formed the basis of the decision making process as 48% of the respondents agreed and 16% disagreed.

The study showed that the homes have leaders who have the ability to anticipate, envision and maintain flexibility as 77% of the respondents agreed and 13% disagreed. The study showed that the homes have leaders who empower others to create strategic change as necessary as 51% of the respondents agreed and 14% disagreed. The study showed that the homes have leaders who help the organization to cope with ever increasing change as 51% of the respondents agreed and 9% disagreed. The study showed that the homes have leaders who have the ability to accommodate and integrate both the internal and external business environments as 51% of the respondents agreed and 10% disagreed. The study showed that the homes have leaders who are capable of managing engaging and complex information processing as 58% of the respondents agreed and no one disagreed. The study showed that the homes have leaders who are building long term benefits for all of the organizations stake holders as 67% of the respondents agreed and 16% disagreed.

The study showed that the total amount received from donors to the homes had increased as 77% of the respondents agreed and 19% disagreed. The study showed that the total number of donors supporting the center had increased as 65% of the respondents agreed and 9% disagreed. The study showed that there had been an increased number of visitors that had come to visit the homes as 65% of the respondents agreed and 10% disagreed. The study showed that the organization had a viable strategic plan tailored to meet the needs of the center as 58% of the respondents agreed and 3% disagreed. The study showed that the basic needs for all the children and staff of the homes had been met as 65% of the respondents agreed and 13% disagreed. The study showed that the number of children served by the organization increased annually as 64% of the respondents agreed and 9% disagreed.

5.3 Discussions

5.3.1 Mission Statement and Performance of Children's Homes

According to Edwards (2012), Mission Statements are critical elements in the strategic planning and long term success for profit and not for profit organizations. The study showed that the children's homes have mission statements that sum up the organizations reason for being. Roach (2009) stated that a mission statement that summed up its organizations reason for being tells the public and customers what to expect when dealing with the organization.

The study showed that only some of the children's homes in Nairobi area had mission statements that defined the organizations publics. According to Clayton (2011), a mission statement should define the organizations publics i.e employees, customers, the community and shareholders. The publics state who the organization does business with.

The study showed that the children's homes had mission statements that stated their goals and principles. Roach (2009) stated that organizations should have mission statements that state their goals and principles. Goals and principles provide focus, increase motivation, improve group cohesion, increase employee worth and offer measurability for organizations management and staff.

The study showed that the children's homes had mission statements that targeted action. According to Marzec (2013), mission statements should have a specific mission, which is targeting action. From buying and selling businesses to launching and eliminating products to hiring and firing employees, every company action is guided and evaluated by the degree to which it does or does not serve the mission. Organizations that have inadequate mission statements need to re write them.

According to Dermol (2012), there is a significant difference between the companies with explicitly stated missions and companies without. The study showed that the children's homes had mission statements that clearly stated what they do and who they are. Dermol (2012) stated that mission statements have to say who you are and what you do. A mission statement is an identity statement. A really good market-defining mission explains the need, or the want, or the why to buy. It defines the target customer, or buyer persona. And it defines how your business is different from most others, or even unique. It simplifies thinking about what a business isn't, what it doesn't do.

The study showed that some of the children's homes had mission statements that evidently showed how the organization intends to operate. According to Mohamad et al. (2012), the mission statement can say how the organization intends to operate; in other words, it can explain what its business culture will be like. This is where the adjectives and adverbs come in. Perhaps the organization wants to point out that it is safe or environmentally friendly, that its workers will be motivated, their supervisors will be innovative, or their product will be superior. Keeping in mind that the vision is for everyone, all the publics should be addressed.

The study showed the children's homes had mission statements that explained what the organizations business culture is like. According to Mohamad et al. (2012), the mission statement can say how the organization intends to operate –in other words, it can explain what its business culture will be like. This is where the adjectives and adverbs come in. The organization, perhaps wants to point out that it is safe or environmentally friendly, that its workers will be motivated, their supervisors will be innovative, or their product is superior, keeping in mind that the mission statement is for everyone.

The study showed that the mission statement for the children's homes, was inspirational and representative of the organizations identity and highest aspirations. Lucas & Euske (2011), states that a mission statement can be dressed in language that is sublime or inspirational. Because a mission statement represents the organization's identity and highest aspirations, it is appropriate to use language that commands respect or even evokes awe.

The study showed that most of the employees and management of the children's homes were able to recite the mission statement without making a mistake. According to Keith (2011), managers, practitioners and also researchers, consider that accurately stated organization mission statements are important management tools since numerous companies explicitly write them in a form of a statement. The written statement is inscribed in a format that employees and the management understand and are able to use as a guide on their day to day workings. The mission statement also forms the basis of organization goals and objectives.

5.3.2 SWOT Analysis And Performance Of Children's Homes

The study showed that the children's homes based in Nairobi area has had an external consultant / expert, who has assessed the organizations from a critical perspective. According to Gibis & Lee (2001), SWOT analysis is a precursor to strategic planning and is performed by a panel of experts who can assess the organization from a critical perspective. This panel could comprise senior leaders, board members, employees, community leaders and technical experts. While based on data and facts, the conclusions drawn from a SWOT analysis are an expert opinion of the panel.

The study showed that the board constantly evaluates new programs and services to maintain organizational balance. Nickols (2012) states that the primary aim of strategic planning is to bring an organization into balance with the external environment and to maintain that balance over time. Businesses accomplish this equilibrium by appraising fresh programs and services with the resolve of maximizing organizational performance. SWOT analysis is a preliminary decision-making tool that sets the stage for this work.

The study showed that the management of the children's homes regularly evaluates key data i.e. demographics, population, sources of funding etc. According to Bryson (2010), SWOT analysis involves the collection and evaluation of key data. Depending on the study and the institute, these data might include demographics, public health status, sources of healthcare backing, and / or the current position of medical technology.

The study showed that the management of the children's homes analyzes the data collected and assesses the organizations capabilities. Esra (2010) also states that once the data has been collected and analyzed, the organizations capabilities in these areas are assessed. The organizations capabilities may vary but can include how well the organization is using resources efficiently, whether the organization is improving its operations, how well the organization is discovering new opportunities, and their effectiveness in dealing with risks.

The study showed that only some of the children's homes had sorted out the data analyzed into four categories i.e. strengths, weaknesses, opportunities and threats. According to Foster & Bradach (2013), data on the organization is collected and sorted into four categories: strengths, weaknesses, opportunities and threats. Strengths and weaknesses commonly stem from factors inside the business, whereas opportunities and threats typically arise from exterior factors.

The study showed that only some of the children's homes staff are clearly aware of what their internal and external factors are i.e strengths, weaknesses, opportunities and threats. According to Hope (2013), a SWOT analysis makes managers and employees more conscious of the external environment of their business without neglecting its internal environment by looking for opportunities which contributes to its overall performance.

The study showed that only some of the children's homes use the analyzed data as the basis for the decision making process. According to Smith (2016), the importance of SWOT analysis in strategic planning cannot be over emphasized. SWOT analysis guides strategy formulation. The last step of strategy formulation involves integrating the SWOT into the resolution making procedure to determine which business substitute best meets the organization's overall strategic plan, Clayton (2011).

In the study carried out by the Bristol Strategy Group in 2010, they concluded that a SWOT Analysis done by non profits are always meaningful for the funding purposes of the organization. This study confirms that having a SWOT analysis has positively affected the children's homes financially (Foster & Bradach, 2013).

5.3.3 Leadership and the Performance of Children's Homes

According to Jooste (2009), who carried out a study investigating the importance of strategy implementation, he concluded that leaders have an important role to play in the strategy implementation process. He also concluded that high failure rate of strategy implementation was due to lack of proper leadership. The study agreed with his findings, as the study showed that the types of leaders the homes had, who inspired and motivated their employees, affected the performance of the homes positively.

The study showed that the children's homes have leaders who have the ability to anticipate, envision and maintain flexibility and they empower others to create strategic change as necessary. According to Hope (2013, p128), strategic leadership is defined as "the leaders' ability to anticipate, envision and maintain flexibility and to empower others to create strategic change as necessary". Richard & Clifford (2008), state that leaders, in order to achieve desired performance, actively engage the subordinates' personal value system and provide ideological explanations which connect their identities.

The study showed that the children's homes have leaders that help the organization to cope with change that seems to be increasing as well as the ability to accommodate and integrate both the internal and external business environment. According to Huey (2008), strategic leadership is multifunctional. It involves managing through others, and helps organizations to cope with change that seems to be increasing exponentially in today's globalized business environment. Strategic leadership requires the ability to accommodate and integrate both the internal and external business environment of the organization and to manage and engage in complex information processing.

The study showed that the children's homes have leaders who are building long term benefits for all of the organizations stakeholders. According to Hancott (2010), a good leader lays out a strategy that people will grasp and accept out of trust, then gets everyone working from top to bottom to achieve that strategy. A good leader builds long-term benefit for all of the firm's stakeholders –customers, employees, and shareholders –not merely short-term 'shareholder vlaue'.

The study showed that some of the leaders of the children's homes had the ability to promote creativity and innovation. According to Mittenthal (2012), a leader needs to attain outcomes further than what is normal by setting advanced corporate goals, by inspiring a sense of importance of the teams mission, stimulating employees to think innovatively about a problem or task, and place group goals above personal self-interest, in order to promote creativity.

The study showed that some of the children's homes had leaders who are able to stimulate the subordinates to challenge their own value system and improve individual performance. According to Hancott (2010), intellectual stimulation and inspirational motivation were found to improve the organizational performance. Taking into account that organizations today have to be performant and to meet the competing expectations of the stakeholders, it then becomes necessary for leaders to internalize transformational behavior that challenges the organizations value system and improve performance of every individual.

5.4 Conclusion

5.4.1 Mission Statements And Performance Of Children's Homes

From the study, it can be concluded that having a well written mission statement has a positive effect on the performance of Children's homes in Nairobi. From the study, it was noted that the children's homes had mission statements that summed up the organization's reason for being; they also had mission statements that stated their specific goals and principles; they had mission statements that targeted action.

The homes had mission statements that clearly stated what the organization was all about and what they did; they had mission statements that were inspirational and represented the organizations identity and highest aspirations; and most of the management and staff were able to recite the whole mission statement without making a mistake.

5.4.2 SWOT Analysis And Performance of Children's Homes

From the study, it can be concluded that having a SWOT Analysis is important in the positive performance of Children's homes in Nairobi. From the study, it was noted that the homes had an external consultant / expert who assessed the organization from a critical perspective; they had a board of directors that constantly evaluated new programs and services in order to maintain the organizational balance; the homes have management that regularly evaluates key data, analyzes it and assesses the organizations capabilities.

5.4.3 Leadership And The Performance of Children's Homes

From the study, it can be concluded that leadership has a strong influence on the performance of Children's homes in Nairobi. The study revealed that the leaders of the children's homes had the ability to anticipate, envision and maintain flexibility; the leaders of the homes empowered others to create strategic change as necessary and helped the organization to cope with ever increasing change; the leaders also had the ability to accommodate and integrate both the internal and external business environment; they have leaders who are capable of managing and engaging in complex information processing; and they also have leaders who are building long term benefits for all of the organizations stakeholders.

5.5 Recommendations

5.5.1 Recommendations For Improvement

5.5.1.1 Mission Statements And Performance Of Children's Homes

The study recommends that the management and board members of the children's homes actively engages their staff and publics in the writing of mission statements, in order to have a statement that clearly defines the organization, evidently shows how the organization operates and explains what the business culture is like.

5.5.1.2 SWOT Analysis And Performance of Children's Homes

The study showed that the children's homes are on the correct track in having a SWOT analysis. The study however recommends that the management clearly sorts out the data collected into the four categories i.e. strength, weaknesses, opportunities and threats; in order for the staff to be clearly aware of what their internal and external factors are.

5.5.1.3 Leadership And The Performance of Children's Homes

The study showed that the leaders of the children's homes needed to improve a little their leadership skills. The leaders need to have the ability to promote creativity and innovation as well as stimulate the subordinates to challenge their own value systems and improve individual performance.

5.5.2 Recommendations For Further Studies

The study was limited in terms of focus and number of respondents per home. The study focused on homes in Nairobi area only, and was only able to reach one respondent per home as availability of more than one respondent per home was a challenge. Other researchers can carry out case studies or focus on homes country wide.

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APPENDICES

APPENDIX A:

INTRODUCTION LETTER

Dear Respondent,

I am a student at the United States International University –Africa, School of Business, pursuing a Master’s Degree in Strategic Management. I am carrying out a study on Strategic planning and how it influences the effective management of Children’s Homes in Nairobi area. The main purpose of my study is to fulfill the requirements for the award of a Master Degree in Strategic Management. All the information collected will solely be used for academic purposes. Your response will be treated with utmost confidentiality.

Thank you in advance.

Yours faithfully,

Wanja Wairimu

APPENDIX B

RESEARCH QUESTIONNAIRE

SECTION I –GENERAL INFORMATION

Kindly answer the following questions by ticking the spaces provided.

1. What position do you hold in the organization?

Board Member [] Senior Manager [] Mid-Level Manager [] Subordinate Staff []

2. What is your age bracket?

18 – 25 [] 26 – 30 [] 31 – 35 [] 36 – 40 [] 41 – 45 [] 46 – 50 [] 50+ []

3. What is your education level?

No Schooling [] Primary School [] Secondary School [] Diploma / Certificate []

Degree [] Masters [] PHD []

4. How long have you worked at this organization

0 – 1 year [] 2 – 5 years [] 5 – 10 years [] Over 10 years []

SECTION II: TO DETERMINE HOW HAVING A MISSION STATEMENT INFLUENCES EFFECTIVE PERFORMANCE OF THE HOME

To what extent do you agree with the following? Please tick appropriately; 5 = Strongly Agree; 4 = Agree; 3 = Neutral; 2 = Disagree; 1 = Strongly Disagree

	Strongly Agree (5)	Agree (4)	Neutral (3)	Disagree (2)	Strongly Disagree (1)
Our mission statement sums up the organizations reason for being.					
Our mission statement defines the organizations publics: employees, customers, community and shareholders					
Our mission statement states our goals and principles.					
We have a mission statement that targets action.					
Our mission statement clearly states who we are and what we do.					
Our mission statement evidently shows how the organization intends to operate.					
The mission statement explains what our business culture is like.					
Our mission statement is inspirational. It represents the organizations identity and highest aspirations.					
I am able to recite the whole mission statement without making a mistake.					

SECTION III: TO DETERMINE HOW DOING A SWOT ANALYSIS INFLUENCES EFFECTIVE PERFORMANCE OF THE HOME

To what extent do you agree with the following? Please tick appropriately; 5 = Strongly Agree; 4 = Agree; 3 = Neutral; 2 = Disagree; 1 = Strongly Disagree

	Strongly Agree (5)	Agree (4)	Neutral (3)	Disagree (2)	Strongly Disagree (1)
An external consultant / expert has assessed the organization from a critical perspective.					
The board constantly evaluates new programs and services to maintain organizational balance.					
The management regularly evaluates key data i.e. demographics, population, sources of funding etc.					
The management analyzes the data collected and assesses the organizations capabilities.					
The data analyzed has been sorted into four categories i.e. strengths, weaknesses, opportunities and threats.					
The staff are clearly aware of what their internal and external factors are i.e strengths, weaknesses, opportunities and threats.					
The analyzed data forms the basis of the decision making process.					

SECTION IV: TO DETERMINE HOW LEADERSHIP INFLUENCES EFFECTIVE PERFORMANCE OF THE HOME

To what extent do you agree with the following? Please tick appropriately; 5 = Strongly Agree; 4 = Agree; 3 = Neutral; 2 = Disagree; 1 = Strongly Disagree

	Strongly Agree (5)	Agree (4)	Neutral (3)	Disagree (2)	Strongly Disagree (1)
Our leaders have the ability to anticipate, envision and maintain flexibility.					
Our leaders empower others to create strategic change as necessary.					
Our leaders help the organization to cope with change that seems to be increasing.					
Our leaders have the ability to accommodate and integrate both the internal and external business environment.					
Our leaders are capable of managing and engaging in complex information processing.					
Our leaders are building long term benefits for all of the organizations stakeholders.					
Our leaders have the ability to promote creativity and innovation.					
Our leaders stimulate the subordinates to challenge their own value systems and improve individual performance.					

SECTION V: PERFORMANCE MEASUREMENT

To what extent do you agree with the following? Please tick appropriately; 5 = Strongly Agree; 4 = Agree; 3 = Neutral; 2 = Disagree; 1 = Strongly Disagree

	Strongly Agree (5)	Agree (4)	Neutral (3)	Disagree (2)	Strongly Disagree (1)
Total amount from donors has increased.					
The number of donors supporting the center have increased.					
There is an increased number of visitors that come to visit the children.					
The overhead costs per child served has reduced.					
The organization has a viable strategic plan tailored to meet the needs of the centre.					
The children’s educational needs are met in full.					
The basic needs for all the children and staff have been met.					
The number of children served by the organization increases annually.					

THANK YOU FOR ALL YOUR RESPONSES.

APPENDIX C: Registered Children’s Homes In Nairobi

	<u>NAME</u>	<u>AREA</u>
1	Angel Centre For Abandoned Children	Dagorretti
2	New Life Home Trust	Kilimani
3	Mully Childrens Family	Kilimani
4	SOS Childrens Villages	Kilimani
5	Mama Ngina Kenyatta Childrens Home	South C
6	Nyumbani Childrens Home	Karen
7	The Shepherds Home	Mwiki
8	Tumaini Childrens Home	Ngong
9	Hawa Childrens Home	Kitengela
10	Kabete Childrens Home	Kabete
11	Magodo Childrens Home	Eastlands
12	Maji Mazuri Centre	Kasarani
13	Imani Rehabilitation Agency	Kayole
14	Huruma Children's home	Ngong
15	Grace Childrens Centre	Langata
16	Cheryl Childrens Home	Dagorretti
17	Thomas Bernado Childrens Home	Langata
18	Nairobi Childrens Home	Kabete
19	Little Angels Network	Kiambu
20	Dream Childrens Home	Kahawa
21	Happy Life Childrens Home	Roysambu
22	The Good Life Orphanage	Komarock
23	Shining Star Childrens Centre	Dagorretti
24	Open Hand Childrens Home	Githurai
25	Slum Child Organization	Korogocho
26	Soul Mercy Project	Dandora
27	Rose Baby Care	BabaDogo
28	Morning Star Childrens Home	Kangundo Rd
29	Hope House Babies Home	Kangemi
30	Mogra Children's Home	Kiambu Rd
31	Mama Fatuma Childrens Home	Juja Rd
32	Good Samaritan Childrens Home	Eastleigh