STRATEGIC PLANNING PRACTICES BY NON-GOVERNMENTAL ORGANIZATIONS IN WEST POKOT DISTRICT
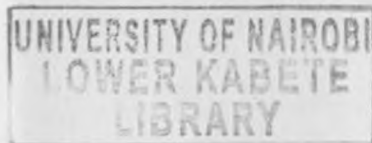
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RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILMENT FOR THE REQUIREMENTS OF THE AWARD OF THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION, SCHOOL OF BUSINESS, UNIVERSITY OF NAIROBI

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DECLARATION

This research project is my original work and has not been presented for examination in any other university.

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This research project has been submitted for examination with my approval as university Supervisor.

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Finally I wish to most sincerely thank God for his mercy. To God be the Glory

DEDICATION

To my wife Brenda Karube, the delight of my life.

ABSTRACT

The objective of this study was to determine the strategic planning practices by local Non Governmental Organizations (NGOs) operating in West Pokot district. The research design was a survey of five NGOs operating in West Pokot District. The population of the study consisted of all the NGOs operating in West Pokot District which are five namely, World vision kenya,Action Aid, ACTED,POM and TLPF. The study used both primary and secondary data, these were collected through self-administered questionnaires. Structured questionnaires consisted of both open ended and closed ended questions designed to elicit specific responses for qualitative and quantitative analysis respectively. The data was analyzed by the use of descriptive statistics to summarize and relate variables which were attained from the administered questionnaires. The data was classified, tabulated and summarized using descriptive measures, percentages and frequency distribution tables while tables and graphs were used for presentation of findings. Respondents were members of the management team such as Chief Executive, Programmes Manager, Finance and Administration Manager, Grants Manager, Logistics Manager, Programme Officer and the Chairman of the Board of Management who were considered as key informants for the research as they were involved in strategic planning and implementation.

The findings indicated that NGOs had people in-charge of drawing the organization's objectives. In the Action Aid, ACTED, TLPF, POM and World Vision the top management were charged with setting the organization objectives. Communication of the objectives was done through both top down and top down negotiated and consultative in all the participating NGOs. An organization should have a strategic

plan to become future oriented, hence, in this case majority of the NGOs that is Action Aid, ACTED, TLPF and World Vision Kenya had formalized meeting and written down planning process. The NGOs that were proactive in their strategic planning process were relatively more effective and successful than those that are reactive, this shows the importance of ownership for strategic planning process. Board members can improve their roles and responsibilities in the strategic planning process by ensuring they have committed members and management should improve its role in strategic planning by ensuring that there is a management team in the organization that has specific strategic and operational responsibilities.

Coordination within the NGOs should be done carefully by incorporating what each organization want to achieve in West Pokot district. Preparation for the strategic planning process would be improved by ensuring that there is an agreed and shared purpose for going through the strategic planning process among all the key players through awareness sessions.

The goal of strategic planning in NGOs must be for them to become more financially independent and less dependent on project based funding and become more relevant and demonstrate genuine impact.

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1.1 Background of the study

Effective strategic planning is necessary for organizations to survive and make appreciable contribution in such an environment characterized by a relatively unstable and insecure world order resulting into diversion of development aid and into fighting terrorism. Increasing incidences of both man made and natural disasters makes organizations to be proactive rather than reactive. There is possibility of local Non Governmental Organizations (NGOs) being displaced by social movements as agents of structural change while international NGOs face the possibility of role conflict with the growth of migration driven diasporas as potentially more effective international civic resource providers. Concerns have been raised about the legitimacy and accountability that places strict demands on the ways NGOs are governed and retain public interest. NGOs are also faced with the reality that the pursuit of development as freedom, the pursuit of poverty reduction and sustained livelihood security are all threatened by the current patterns of globalization (Patel, 2005).

However, while there have been great breakthrough in other fields, there has not been any significant breakthrough in the field of strategic planning to enable the organizations to respond effectively to the challenges posed by the current and the unfolding environment in which they exist. This has mostly been the case because there has been lack of investment on strategic planning practices in general as compared to other fields of knowledge and practice Patel (2005). Since organizations are driven by their strategies consciously or unconsciously and because of the general

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weakness in the field of strategy, organizations in general and local NGOs in particular are weak (Lawson, 2000).

According to Tandon (1996), NGOs were in the 1970s and 1980s typically viewed as temporary instruments to solve a limited problem or gap filling functions due to failures of the state and market. It was assumed that NGOs would enter, intervene and withdraw from an area in a short term, time bound manner to play a gap-filling role. Today there is a growing recognition for the long-term relevance of the NGOs to supplement, complement and offer alternatives to government development efforts (Halloway, 2000). NGOs are believed to have a comparative over government in implementing development activities.

It is important to note however that the very high expectations put on NGOs by NGO leaders, beneficiaries, donors at grassroots level and cost effective alternative development actors could not be fully realized mostly due to the challenges posed by complex task environment in which they find themselves as well as their inability to effectively adapt and shape such environment (James, 2002). Effective strategic planning is therefore needed for the NGOs to transform potential into actual comparative advantage. The purpose of business is to compete for and create a satisfied customer (Drunker, 1974). The purpose of government is ultimately to win the next elections (Drunker, 1990).While the purpose of NGOs is to bring about good change or transformation in people's lives (Chambers, 2005). The ways to achieve profit, win elections and transformation of people are different and therefore necessitate conscious differences in their strategic planning. While much thought and investment has not been given to strategic planning in general, relatively less thought

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and investment has been given to strategic planning in NGOs in particular (Ramia, 2003).

1.1.1 The Concept of Strategy and Strategic Planning Practices

Strategic planning involves making decisions about the organization's long term goals and strategies. It is an ongoing activity in which all managers are encouraged to think strategically and focus on the long term, have a strong external orientation and be focused on short term-tactical and operational issues. In strategic planning senior management is responsible for the development of the strategic plan. The concept of strategic planning is concerned with where are we now, where do we want to be, how do we get there, who must do what and how are we doing (Bateman and Zeithaml, 1993).

It can further be defined, as not simply as an aggregation of budgets or a collection of management techniques to address all the issues facing an organization but as strategic planning being an open systems approach to steer an organization over time through uncertain environmental waters. It is a means to find a favorable comparative position in an industry where there is a continual competition for resources. The primary purpose is to link the organization's future to anticipated changes in the environment in such a way that the depletion of resources such as money, personnel, clients and goodwill is slower than the acquisition of new resources (Collier, 1989).

According to Smillie and Hailey (2001) there exist ten schools of strategic management that have evolved over the past 45 years. Three of the schools are; - the design school, the planning school and the positioning school, all these sees strategy formulation as a process of conception, a formal and an analytical. They were

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prescriptive in nature and largely discarded by the business sector in the 1980s but they have remained with government, donor agencies and NGOs. While heavily structured planning is inappropriate in times of rapid and turbulent change, the setting of long-term objectives is still necessary for the survival and progression of an organization (Stonehouse and Pemberton, 2002).

The seven additional schools include the entrepreneurial school, which views strategy formulation as a visionary process. They have a common tenet which includes viewing the strategic planning practices as a mental process, emergent and suited to dynamic and changing environments. All the emergent theories advocate a combination of deliberate plans and continuous adjustment to suit the existing business environment (Stonehouse and Pemberton, 2002:3). Hence, the managers should continuously scan the environment to determine any opportunity or threat that might need adjustment of the existing strategy.

Lindenberg (2001), Studied the use of several strategic planning models and techniques in CARE International for 1992 to 1997. He concluded that in order to enhance their usefulness most models and techniques which were originally developed for the private sector need to be modified or adopted by NGO sector.

1.1.2 NGO's in West Pokot District

According to the Kenya NGO Council officials, Kenya is home to about 2,500 registered NGOs. Kenya's NGO sector is overseen by the NGO Co-ordination Board, a government body set up in 1992, two years after the NGOs Act was signed into law. The work of non-governmental organizations is to protect the environment, help the sick and the needy and preserve arts and culture. It is by nature unprofitable.

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Traditionally, NGOs rely on the goodwill and generosity of others to cover the costs of their activities through grants and donations. Today, unfortunately, NGOs finds that such traditional funding sources are often insufficient to meet growing needs and rising costs. In addition, restrictions imposed on many grants and donations, along with the uncertainty of these funds over time, make it difficult for NGOs to do long-term planning, improve their services or reach their full potential.

In West Pokot district, the NGO's that have engaged in various activities include: World Vision Kenya, Agency for Technical Cooperation and Development (ACTED), Action Aid, Tecla Loroupe Peace Foundation (TLPF) and Pokot Outreach Ministries (POM). World Vision Kenya provides assistance to the area residence on health care, education, agricultural assistance, literacy, vocational training and water systems provision. ACTED assists the local community in the following areas; - Education and training, health promotion, emergency relief, assisting the locals to guarantee food self sufficiency.

Action Aid assists the residents of the district in building and supporting networks, strategic alliances and coalitions with other likeminded organizations, individuals and institutions, working with community based organizations to find sustainable solutions that address the immediate conditions of poverty and provide graft support where necessary, raising the levels of consciousness among community based organizations about basic human rights and the entitlements they can lay claim to with respect to basic services and governance and supporting the participation of the poor, POM provide Health care facilities. TLPF deals with peace building and conflict mitigation programme, education for peace programs, enterprise and

livelihood programme, environment for peace programme, research and communication programmes.

1.2 Statement of the problem

According to Kaplan (1999), an effective NGO is one that has a strong sense of direction and focus through an inspiring vision and mission, strong leadership that facilitates rather than hinder work, inspiring shared values, which are practically lived by the organizational members, adequate resources to enable translation of mission statement into activities for its accomplishment and policies, systems and procedures that facilitates rather than hinder their operations. The above characteristics therefore have to do with an organizational sustainability, legitimacy and relevance (Atack, 1990). It is only effective NGOs that can produce the required impact in their areas of operations. Impact refers to the lasting changes in people's lives as a result of the NGO work (Shapiro, 1996).

Strategic planning processes in most local NGOs however are ineffective. In a study carried out in 70 local NGOs in Botswana, Kenya, Malawi, Tanzania, Uganda, Zambia, Eritrea, Ethiopia, Sudan, Djibouti and Somalia identified lack of core funding, program design and implementation, staff development and environmental factors are the factors constraining organizational effectiveness. However, of all these factors, strategic planning process was identified as a key constraint affecting organizational effectiveness, James, (2001). As a result of strategic planning, local NGOs are not benefiting from their strategic planning processes or at least not as much as they would (Lawson, 2000). In consideration of the important role played by the NGO sector in the country and more importantly in the arid and semi arid areas, it is imperative that the organizations should put in place adequate planning process

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towards achieving their objectives. Ineffective strategic planning practices lead to ineffective NGOs, which in turn lead to less impact.

Recent studies done in the area of strategic planning in various sectors in the business environment include, Kangoro (1998) focused on strategic management practices in public sector organizations in Kenya and concluded that in the public sector there existed well established missions, objectives and strategies, however, lack of commitment from top management and the employee was evident. Shumbusho (1983) did corporate strategic planning in some selected Kenyan companies and found out that they had mission statements that were written and documented. Wanjohi (2002) on his part undertook a research on strategic planning in insurance companies in Kenya and found out that strategic planning is carried out to some degree with reliance on short term planning and over reliance on financial data in the industry, strategic planning existed where top management developed the plans and the horizon was for short periods due to the turbulence in the environment. The firms had mission statements, set a percentage aside on budget for strategic planning and all used a market –driven strategy approach.

Although studies have been conducted on strategic planning practices in various organizations, no extensive research has been done on strategic planning practices adopted by Non- governmental organizations. This research will therefore seek to identify the strategic planning practices employed by NGOs operating in West Pokot district.

1.3 Objective of the study

The objective of this study was to determine the strategic planning practices by local NGOs operating in West Pokot district.

1.4 Importance of the Study

This study provided useful insights as to how the NGOs in West Pokot district and Kenya generally operate. The donors would get an insight on how they can help the local NGOs they support to have more effective strategic planning processes. Because of the power they hold in relation to the local NGOs they support, donors can be able to get value for their money. It also provided an insight to the management and staff of the NGOs on the challenges that may be faced in the implementation of their strategic plans and actions to be taken. The authorities strived to avoid the pitfalls and capitalized on the strengths.

The study also provided useful information on which components are all-important and must be taken into consideration at the planning to completion stage to ensure that implementation is efficient, effective and successful. It provided information to local NGOs that would result in sound and more informed decisions when implementing strategic direction and to understand the underlying factors that are pertinent in the process. These factors would give direction on the structure of the process and weighting across the components required in implementing and formulating the plans. It would assist the academics and the researchers working on developing the field of strategic planning in NGOs in general and Local NGOs in particular.

CHAPTER TWO: LITERATURE REVIEW

2.1 Theoretical Background

The word strategy has its origin in the military (Blackerby, 1994). By the mid 18th Century, strategy was a word used by military officers to make a distinction between tactics, the conduct of battle and all the preparations that took place before the battle. Strategy referred to the preparations (Smillie and Hailey, 2001). It was believed that proper preparations ensured success on the battleground.

The first attempt to formalize how organizations can make preparations to deal with the future was attempted by (Robson, 1997:13). In the early 1920's, Harvard Business School developed the Harvard Policy Model, one of the first strategic planning methodologies for private business. This model defined 'strategy' as a pattern of purposes and policies defining the company and its business (Blackerby, 1994:24).

It was however not until the 1950's and 60's when the expansion of both organization and business opportunities demanded a systematic way of looking at the future. It was around this time that the concept of strategy first appeared in organizational theory as a military metaphor (Hatch, 1997). This time strategic planning focus shifted away from organizational policy and structure toward the management of risk, industry growth, and market share (Blackerby, 1994). This led to the birth of long-range planning. The purpose of long-range planning was to define the organization's objectives and allocate resources to achieve them. A key activity was to identify gaps between the 'envisioned' organization and the current organization. It however became immediately known that extrapolating trends into forecasts was not always

accurate, and that the growth experienced in the 1950s and 1960s could be interrupted and new opportunities that no one had foreseen were possible. It therefore became accepted that the 'planning gap' was not the most crucial aspect of strategy formulation (Robson, 1997:13).

In the 1970s strategic planning as a term replaced long-range planning with the recognition that trends have the potential for change. Strategic planning did not incorporate the assumption that adequate growth could be assured. Strategic planning was much more concerned with market competition since the more limited expansion of markets and products could not support the growth aspirations of all the industry players.

Robson (1997:13) however noted that despite the differences between long-range planning and strategic planning, they were both based on three key assumptions, environmental forecasting is sufficiently accurate to predict the future, strategy formulation is a rational process and objective can be formulated so as alternatives can be identified, optimized and the behavioral dimension can be ignored.

But forecasting, especially long-term is inevitably inaccurate. Important factors such as product life cycles cannot be predicted and behavioral and cultural aspects are hugely significant to the formulation and implementation of strategy. In the 1970s therefore, most people came to see strategic plans as irrelevant and most organization's critical decisions were made outside the strategic plans. This failure led to uncertainty analysis or the discovery of competitive rules and principles through industry analysis, scenario management and contingency planning. These

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helped the managers to understand uncertainty. The challenge was to identify which of those uncertainties will be critical to one's particular organization. Stonehouse and Pemberton (2002) observed that in the 1980s the dominant paradigm was that of competitive positioning based on the work of Potter (1980) and centering on the premise that a business positions itself within its competitive environment with the aim of generating superior performance. In the 1990's, the resource or core competences based school of strategic management gained momentum, suggesting that competitive advantage depends upon the behavior of the organization rather than its external competitive environment.

2.2 Recognizing the need for strategic planning

NGOs face internal management issues, for example questions of strategic planning, governing structures and change within the organization. Strategic planning process starts with recognizing the need for strategic plan in the organization. This recognition should come from the Board and the Management (Fowler, 1997, Kemp and Kemp 1992).To the contrary in many NGOs, management initiates and leads the process (David, 2003).To develop the organization, individuals have to be able to contribute in the decision making process and they need to learn. All participants need to understand their responsibility to represent their particular stakeholders and to support the implementation activities (Inglis and Minahan, 2006).NGOs have to make strategic choices between confrontational decision-making, complementary or collaborative strategic relationships between the Donors and Government (Norrell,2006).

Johnson (1995) observes that strategic practices occurs when organizational members function as a whole along three critical dimensions, the need to think insightfully

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about complex issues, the need for innovative and coordinated action and the need for movement of workers from one team to another to increase organizational learning. Convey (1994) noted that organizations that take their time to adequately prepare for the strategic planning process will actually gain in both time and resources.

Despite the certainty implied by the strategic planning process, in reality strategy is often a much more fluid process which depends on looking for and grasping opportunities and also responding to emerging treats, therefore, attempting to create a framework that will guide through the strategic planning process (Dainty and Anderson, 1996).There are more positive changes in development policy and strategic planning practices that can be associated with increased role and profile of NGOs. They include the growth of participatory strategic planning techniques, the integration of stakeholders into mainstream development thinking, and continuing advocacy of strategic choices and environmental concerns. There is every reason to believe that NGOs of various kinds will continue to play important roles as actors in development processes as well as strategic planning practices (Lewis & Madon, 2004).

Strategic planning helps the organization to become future oriented. However, most organization's strategic planning processes are preoccupied with addressing today's problems rather than anticipating and seizing tomorrow opportunities. Strategic planning must be seen more than just a set of managerial tools. It constitutes a mindset and an approach to looking at the changes in the internal and external environments. Using strategic plans effectively therefore involves essentially a way of thinking, a mental framework or approach as well as a set of the analytical tools. Crosby (1991) observed that the strategic approach or mentality comprises of four

main elements these are: - future orientation, an external emphasis, pursuing and ensuring strategic fit between the organization and its environment and finally a continuous process approach. The effectiveness of NGOs as actors in strategic planning depends on successful engagement with both internal and external management.

2.3 Limitations of strategic planning practices

Strategic planning is not a panacea for NGO challenges. Smillie and Hailey (2001) observed that formal strategy is not the magic bullet that many have made it to be. They noted that five out of nine cases they studied of South Asian NGOs went through their first decade without a formalized strategic planning process with two surviving for more than 20 years without one. They concluded that this does not mean however that formal strategic planning in NGOs is without purpose, but it does imply that the volatile financial and political environments in which many southern NGOs work can quickly render formal strategies obsolete. They contend that having established core values, highly effective leadership and formal and informal systems for adapting to change may be more important than strategic plans alone.

According to Brok (2001) NGOs that have survived past three decades have done so with a passionate commitment to a set of values and not necessarily strategic plans. Fowler (2006) argues that the benefits of strategic planning in NGOs may be overrated. He argues that in order to realize more benefits, NGOs must move away from preoccupation with strategic planning to strategic management. He noted that there is a danger in many NGOs to make strategic planning a substitute for managers with a strategic perspective.

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Hudson (1995) identified a number of circumstances in which strategic planning for an NGO may not be appropriate or will not benefit the organization. Among these are: - Organizations need to have sufficient independence to select their own objectives and deploy resources to achieve them. This is often constrained by power imbalances in donor-NGO partnerships, leadership commitment to the process. If leadership is not committed, skepticism will creep in and the strategic planning process will not be effective and lack of a major crisis. Strategic planning works well when the organizations are sane and stable. The process will not work well in a situation of high staff turnover and when the loss of a major donor is imminent.

NGOs should take strategic planning as a continuous process and not as a short term strategic process, document is of critical importance to NGOs because they operate in an environment characterized by an increased pace of change, discontinuous change, complexity and unpredictability. According to Strickland (2003) in order to ensure adequate resources, legitimacy and relevance, strategic planning must therefore enable NGOs to gain the capabilities of agility, flexibility and speed. Agility is the ability to always be on top of current and new issues and trends and to use this to organizational benefit. Flexibility is the willingness to change and to admit that the direction in which we were going is not the right one. Speed means reducing the time between formulating the strategy and the time it is implemented. These abilities will in turn enable the organization to anticipate create and guide change and create commitment and conviction among the NGOs members (Bardwick, 1996). These again are characteristics of higher stages of development in organizations. And most organizations currently are at lower stages of development (Covey, 2004).

2.4 Levels of strategy

There has been an attempt by the practitioners of management to find different strategies that can be adopted by a firm in order to circumvent and overcome the challenges operating in a given environment. According to Hudson (1995), these strategies include the Planned, entrepreneurial, ideological, umbrella, unconnected and consensus strategy.

2.4.1 The planned strategy

The planned strategy is a clear intentions backed by formal control. The leader is the centre of authority with their intentions being very clear and precise and the goal is to transform the intention to collective action with minimum distortion. Programs and systems are built in to the plan to ensure that no one acts in another way than intended. For this type of strategic process to be effective the environment has to be extremely stable or the organization has to be able to predict it with great accuracy. When organizations put large quantities of resources in a mission or project, they might tolerate unstable environment. When they have plans for several years ahead it will allow them to avoid behavior and commit themselves firmly in the plans.

2.4.2 Entrepreneurial strategy

The second type of strategy is where there has been tolerance for a little emergent strategy, but is still very much planned. The owner controls the organization tightly and can impose his vision or direction on the organization. This type of strategy is very common in young organizations and in entrepreneurial organizations. The central actor is the one that places the organization were he/she wants it to be in the world. Compared to the planned strategy the intentions are harder to identify and are less specific, but as long as the actors in the organizations respond to the will of the

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leader, the strategy appear to be rather deliberate. Because the strategy comes from a single person there can be sudden changes in it and reformulation isn't unusual. The adaptability of the entrepreneurial strategy is what distinguishes it from the planned one. Visions in the brain of a person are more flexible then articulated ones. The adoption and "emergence" of planned strategies are discouraged by the articulation. Psychologists have shown that articulation of strategy manifests it, impending willingness to change it.

2.4.3 Ideological strategy

Vision can be collective when the members of an organization share a vision and the members identify so strongly with it that they pursue it as an ideology. This leads to patterns in their behaviour so that clear realized strategies can be identified. Since an ideological strategy is likely to overt and becoming articulated one can see intentions. That is why one can say that this type of strategy is deliberate. These intentions would be viewed as organizational, differing from the entrepreneurial and planned strategy by being embraced by everyone in the organization and not originate from one centre and then being accepted passively. The collective vision makes it harder to change, because all members of the organization have to accept the changes. Moreover, the ideology is rooted in traditions and precedents. Therefore, people resist changing it. Hudson (1995), has not yet studied any organization dominated by an ideology but such strategies seems to occur in certain organizations describe in the literature.

2.4.4 Umbrella strategy

For the umbrella organization Hudson (1995), relaxed the condition of tight control over the actors in the organizations and in some cases control over the environment. Leaders have only partial control over the members of the organization and can

design the umbrella type of strategy. An umbrella strategy is when there are general guidelines for behaviour, defined boundaries and the other actors in the organization can manoeuvre within them. This means that strategies can emerge within these boundaries. The umbrella strategy cannot only be labeled as deliberate and emergent but also "deliberate emergent" in the sense that the central leadership creates conditions which allow strategies to emerge. Like the entrepreneurial strategy, there is a certain vision emanating from the central leadership, but in the umbrella strategy the one that control the vision also control the realization. One example of the umbrella strategy is NASA during the 1960, when they focused their efforts to put a man on the moon. Within this specific target several different strategies emerged, as various technical problems were solved by thousands of different specialists.

2.4.5 Unconnected strategy

The unconnected strategy is perhaps the most straightforward of all. One part of the organization, a subunit or sometimes even an individual is able to realize its own pattern in its stream of action. Since these unconnected strategies don't come from the central leadership or from intentions from the whole organization they can be considered relatively emergent. But for the subunit or individual they clearly can be deliberate or emergent depending on the prior existence of intentions. Thus the unconnected strategy may be deliberate or emergent for the actors involved but always emergent from the perspective of the organization.

2.4.6 Consensus strategy

In this strategy the condition for prior intentions are totally dropped, this type of strategy is clearly emergent. In this strategy different actors converge on the same pattern or theme so that it becomes pervasive in the organizations, without need for

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central direction or control. The consensus strategy grow out of the mutual adjustment among the different actions as they learn from each other and from their responses in the environment and thereby finds a common pattern that works for the organization. This means that the convergence is not driven by intentions of management or by prior intentions shared by the organizations as a whole but rather it evolves around the results of a host of individual actions. Sometimes actors might promote the consensus and try to negotiate others to accept it, but the point is that this strategy comes more from collective actions than from collection intentions. One example of this could be a university that finds itself over the years favoring in the sciences over the humanities as its members come to realize that this is where its real strengths lie.

2.5 NGO Sustainability, Legitimacy and Relevance

Strategy is about how an organization positions itself to respond to its task environment, Drucker (1974). An organization's task environment includes the economic, political, socio-cultural and technological factors that may offer opportunities and threats to an organization, Thaw (1997). Organizations must manage their task environment because they cannot control the environments. Because of their small size most organizations are quite powerless to influence the environment in any direct or immediate sense. As such they can only respond to current issues. By responding they define the space in the environment that they can operate and manage. Human and Zaacima (1995) noted that organizations can create more space in the environment by responding effectively and timely to change and current issues. Crafting strategy therefore is the way of creating space in an organizations task environment. Organization and the environment are interplaying,

just as strategy emerges from organizational processes, so the environment emerges from the actions and interactions of organizations (Human and Zaacima, 1995:69-71).

Hatch (1997) presents three theories in relation to an organization's interaction with its environment. These are resource dependence theory, population-ecology theory and institutional theory. Resource dependence theory presents an organization as having a set of crucial dependence on its environment, dependencies that must be successfully managed if the organization is to stay in business. Population- ecology theory claims that the environment has powers of selection and retention that can overwhelm organization's best efforts to manage resources. Institutional theory argues that, while economic resources are critical to an organization's operation, organizations should not forget the importance of maintaining social legitimacy. Each of these theories helps to introduce a central concept of strategic fit. Strategic fit defines a successful strategy as one that brings what the organization can do, its competences into alignment with the needs and demands of the environment, Hatch (1997). When the competences of the organization fit the demands of the environment, the organization is selected and retained, the population- ecology view, is the basis for the organization's relevance provided with resources. The resource dependence view, is the basis for sustainability and legitimized. The institutional view, is the basis for legitimacy. Strategy therefore must be actively concerned with actively identifying and managing the fit in order to achieve competitive advantage. Strategic issues facing most NGOs have to do with the need to balance relevance, legitimacy and sustainability in order to achieve strategic fit.

Relevance is closely related to the purpose or justification of the existence of the NGO. Relevance means having the right purpose and that purpose being translated in to desirable changes in the lives of the people the organization serves. It goes beyond just providing a relevant service or project to having that service transforming people's lives, Smith (1994). Relevance highlights the role of NGOs as civil society organizations, where civil society means empowering individuals to live in the modern world, Grugel (2000). Kiondo et al (1999) observed that most local NGOs concentrate on providing basic services rather than genuine empowerment of the communities they serve.

Atack (1999) identified two aspects of relevance in NGOs work. He called these effectiveness and empowerment. These refer to the actual results the NGO is producing as a result of its work. He observed that an NGO's effectiveness is greater when its efforts are concentrated rather than scattered. Atack (1999) defined empowerment as the process by which individuals, including the 'poorest of the poor' are helped to take more direct control of their lives. Brohman (1996) suggested three aspects of empowerment. These are: - self-help, self-reliance and collective decision making and participatory methods. Atack (1999) concludes that empowerment may be the most difficult aspect constraining the relevance of NGOs.

Gaining legitimacy means listening to the people the NGO serves and also listening to the context, Bose (2003). This may mean involving the people in identifying projects and in managing the projects. Where this is not possible, it may mean finding ways that will make the people identify themselves with the projects and how they are run. In short, legitimacy translates into ownership of the organization and its services

by the people it serves. Legitimacy makes it possible for the NGO to institutionalize itself among the beneficiaries or to become part of the value system of the people it serves.

Edwards (1999) defines legitimacy as having the right to do something in a society in a sense that the organization is lawful, proper, admissible,justified in doing what it does and saying what it says and that it continues to enjoy the support of an identifiable constituency. Drawing from this definition, legitimacy means that the relationship that an organization has with the people is not only transactional. It is deeper and the people are willing to support and defend the organization and its existence. In other words, the organization is rooted and it has become an 'institution' embodying the people's values.

Atack (1999) identified four criteria for NGO legitimacy. These are: - representatives, distinctive values, effectiveness and empowerment. Effectiveness and empowerment have already been discussed under relevance. On representativeness and distinctive values, the Kenya National Council of NGOs (2001) claimed that even if an NGO is not member controlled, it can still gain legitimacy by being transparent and acting in the spirit of genuine partnership with others.

In regard to legitimacy, Bebbington (1997) cited a few criticisms on NGOs. Among these are: - they refuse to be transparent and let go of projects and resources to communities, only a small proportion of the funds they receive from donors reach the field, their staff earn too much at the expense of the poor people they serve, they are technically weak, they are not accountable to the communities they serve and their

work is often uncoordinated chaos. In order to be effective, strategic planning processes must consciously address the above concerns. By addressing these concerns they will be enhancing the NGOs legitimacy. Good reputation is key for the NGO real success. Hilhorst (2003) observed that a major asset of an NGO is its reputation as an organization that does good.

While relevance and legitimacy are concerned with how the organization interacts with the people it serves and other stakeholders, sustainability is concerned with how the organization organizes itself to ensure its continued existence, growth and development. Cannon (1999) advises that each NGO needs to develop its own definition of sustainability which takes into account the various aspects of sustainability. He identified four types of sustainability. These are benefits sustainability, the continuation of benefits that result from an activity after the NGO has left the community, organizational sustainability, building the organizations capacity to achieve sustainable development benefits, financial sustainability, ability to raise resources from a variety of sources. Ensuring that there is no financial resource gap in the operations and existence of the organization in increasing amounts of local funding and earned income to move away from over dependence on foreign donor finding and community sustainability-ensuring that communities will not become dependent on NGOs in the long term for the provision of services but will be empowered to create community based organizations to provide services to effectively lobby government to provide services and to create services within the private sector.

The point is that even if an organization is financially sustainable, it will not be effective in the long term unless other fundamental sustainability issues are addressed. The sustainability of an organization is closely linked to the capacity of the people in the organization, Kiker (1999). Thaw (2002) observed that skilled, creative and innovative personnel form a strong foundation for an organization's sustainability. The sustainability of an NGO is closely related to it relevance in the sense that those NGOs that are making a difference or bringing a real change will be more attractive to donors and other sources of resources. They will also be more owned by the people the NGO serves.

2.6 Performance in NGOs

Strategic planning in business organizations is motivated by the need to gain a sustainable competitive edge over competitors and thereby maximize or optimize profit, while in the NGO sector it is motivated by the need to ensure adequate resources, legitimacy and relevance and thereby enhance the NGOs performance.

Performance in NGOs can be manifested at different levels. It is how well the organization is using its resources of money, people, time and other resources efficiently (Ohmae, 2002). Efficiency is based on the activities of the organization and can be measured on a monthly basis. It is how relevant and effective the strategies of the organization are (Economic Commission for Africa, 1999:17). Effectiveness is based on the strategies of the organization and can be measured on a yearly basis. It is the lasting change happening in the lives of the people the NGO is serving (Shapiro, 1996: 6-7). Impact is based on the goals of the organization and can be measured on a three-year cycle. It is how the NGO wants to be remembered or

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how it is positioning itself to create an indelible mark in the community or society it is working.

An NGO's legacy is based on its mission statement. The legacy of the organization can be measured on a ten-year cycle. It is the lasting and fundamental changes in political, economic, technological, environmental and social cultural in the whole society that happens as a result of the organization's work (Lee, 2000:3). Transformation is based on the organizations vision statement and can be measured on a 25 year period or cycle. For NGOs to be truly successful, they must consciously aim to achieve social transformation. This means that they must think 25 years ahead of today. In other words they must think long term (Kaplan, 1999:18). Strategic planning ultimately aims at helping the organization to achieve societal transformation.

Theoretically all stakeholders-donors, beneficiaries and government are interested in societal transformation. This is just an assumption, however, because there are so many contradictions and self-interests among the stakeholders that undermine the possibility of societal transformation (Meredith, 2006). Relatively, donors are more interested in the accountability use of their resources that they give to the NGOs so that they can in turn be accountable to the taxpayers in their own countries. They are therefore more interested in efficiency and effectiveness.

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CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter described the proposed research design, data collection and the techniques for data analysis that was used.

3.2 Research design

The research design was a survey of five NGOs operating in West Pokot District. This research design allowed for contact with otherwise inaccessible participants. It has been observed that a survey is feasible when the population is small and variable. When all items of the population are covered, no element of chance is left and highest accuracy is obtained. Cooper and Emory (1995) contend that surveys are more efficient and economical than observations.

3.3. Data Collection

The population of the study consisted of all the NGOs operating in West Pokot District which are five namely, World vision kenya,Action Aid, ACTED,POM and TLPF. The study used both primary and secondary data, these were collected through self-administered questionnaires. Structured questionnaire consisted of both open ended and closed ended questions designed to elicit specific responses for qualitative and quantitative analysis respectively. A questionnaire is a useful tool for collecting data from respondents because of the need to provide a means of expressing their views more openly and clearly. Respondents were members of the management team such as Chief Executive, Programmes Manager, Finance and Administration Manager, Grants Manager, Logistics Manager and Programme Officer and the Chairman of the Board of Management who were considered as the key informants

for this research as they are involved in strategic planning and implementation. The questionnaires were administered through "drop and pick later" method. The respondents were expected to give an insight into some of the mechanism they have put in place to ensure that their strategic planning and implementation become effective.

Secondary data was obtained from the strategic plan for each organization that were studied, evaluation reports, monitoring and evaluation systems and performance appraisal systems.

3.4 Data Analysis and Presentation

The data was analyzed by the use of descriptive statistics to summarize and relate variables which were attained from the administered questionnaires. The data was classified, tabulated and summarized using descriptive measures, percentages and frequency distribution tables while tables were used for presentation of findings. However, before final analysis is performed, data was cleaned to eliminate discrepancies and thereafter, classified on the basis of similarity and then tabulated. This method of analysis was most desirable as it enabled the researcher to have an insight of the most commonly used strategies by NGOs. In accomplishing all analysis details with efficiency and effectiveness, the researcher utilized the Statistical Package for Social Sciences (SPSS) software.

CHAPTER FOUR: DATA ANALYSIS, FINDINGS AND DISCUSSIONS

4.1. Introduction

The study was carried out in West Pokot district and was aimed at investigating the strategic planning practices by local NGOs. All analysis used descriptive statistics. Frequencies were obtained and expressed in percentage form. Where opinions were given, their content were analysed and described. The items were presented in tables in the form of percentages to answer the questions raised. It is hoped that the study will come up with findings that will help NGOs in achieving their main objectives. After the demographic and contextual data the chapter presents the interpretations of the research findings for the objective question in the study.

4.2 Demographic data

This section presents the characteristics of personal attributes of individual respondents. They include;-designation in the organization, gender, length of continuous service and time the organization has been in operation in the area. The rationale behind the inclusion of these attributes in the analysis is that they help to shed some light on strategic planning practices within the organization, the impact they have in the areas of operation and how they survive the environmental factors.

4.3 Designation of the respondents and gender

The researcher sought to establish the gender held by the respondents. Respondents were members of the management team such as Chief Executive, Programmes Manager, Finance and Administration Manager, Grants Manager, Logistics Manager, Programme Officer and the Chairman of the Board of Management who were

considered key informants in the research for their involvement in strategic planning and implementation. The result below shows the number of respondents in terms of their gender.

Table 4.1: Gender respondents

Gender	Frequency	Percent
Male	15	51.7
Female	14	48.3
Total	**29**	**100.0**

Source: Research data

About 51.7 percent of the respondents were male and 48.3percent were female. Each gender were equally represented with a difference of only one person. This shows that the NGOs working in this area have gender parity. This is a strategy that NGOs operating in the area of the study use in order to be accepted by the community and other stakeholders.

4.4 Time the organization have operated in the area

The researcher asked the respondents to indicate how long the organization had been in operation in the area of the study. The results were as shown in table 4.2.

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Table 4.2: Institutions and the time they have operated in the area

Considered institutions	Under 5 years		6-10 years		16-20 years	
	Frequency	%	Frequency	%	Frequency	%
Action aid	7	46.7	0	0	0	0
ACTED	4	26.7	0	0	0	0
POM	4	26.7	0	0	0	0
T.L.P.F	0	0	7	100	0	0
World Vision Kenya	0	0	0	0	7	100
Total	15	51.7	7	24.1	7	24.1

Source: Research data

From Table 4.2 above, TLPF had worked in West Pokot for between 6-10years and World Vision Kenya had operated for 16-20 years while Action Aid, ACTED and POM had worked for less than 5 years in the area of study. The oldest organizations were World Vision Kenya and TLPF since they had operated in West Pokot for a period of more than 6years. This therefore infers that they can operate within their strategic plans and survive both internal and external environmental factors.

4.5 Strategic planning practice

The objective of this study was to determine the strategic planning practices by local NGOs operating in West Pokot district. Strategic planning process starts with recognizing the need for a strategic plan in the organization. This recognition should come from the Board and the Management (Fowler, 1997, Kemp and Kemp 1992). To the contrary in many NGOs, management initiates and leads the process (David, 2003). To develop the organization, individuals have to be able to contribute in the

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decision making process and they need to learn. All participants need to understand their responsibility to represent their particular stakeholders and to support the implementation activities (Inglis and Minahan, 2006). First, the researcher wanted to find out whether the organizations had a vision, mission statement and its objectives, to which all members affirmed of their availability. This led the researcher to request the respondents to indicate the persons in charge of drawing the organization's objectives. The results are as shown in table 4.3.

Table 4.3: Institution and person in charge of drawing organization objectives

Considered institutions		Person in charge of organization objective			Total
		Top management	All the above	Others	
Action Aid	Count	4	3	0	7
	%	57.1%	42.9%	.0%	100.0%
ACTED	Count	4	0	0	4
	%	100.0%	.0%	.0%	100.0%
POM	Count	3	1	0	4
	%	75.0%	25.0%	.0%	100.0%
T.L.P.F	Count	7	0	0	7
	%	100.0%	.0%	.0%	100.0%
World Vision Kenya	Count	3	3	1	7
	%	42.9%	42.9%	14.3%	100.0%
Total	Count	21	7	1	29
	%	72.4%	24.1%	3.4%	100.0%

Source: Research data

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From Table 4.3, it is clear that in Action Aid, World Vision Kenya and POM all the persons in the management structure are involved in the setting of the organization's objectives while in ACTED and TLPF it is only the top management who are responsible in drawing the organization's objectives. This shows that full participation of all members of the organization would make implementation of the objectives easier than when certain groups of persons are given the mandate to come up with the organization's objectives.

4.5.1 Communication of the objectives

Communication of the strategic objectives is critical and should be addressed as part of the strategic planning processes. The team members of the organization should recognize their role of being stewards and ambassadors of the process. Establishing methods of communicating the strategic objectives and measuring outcomes is the key success of the organization. Efforts should be made during the process to maintain open communication channels to increase the likelihood of a successful strategic planning process. The researcher sought to know how objectives are communicated in each of the organization. The results are as shown in table 4.4.

Table 4.4: Communication of objectives as per organization

Considered institutions		The objectives are communicated		Total
		Top Down	Top Down Negotiated/ Consultative	
Action Aid	Count	4	3	7
	%	57.1%	42.9%	100.0%
ACTED	Count	4	0	4
	%	100.0%	.0%	100.0%
POM	Count	1	3	4
	%	25.0%	75.0%	100.0%
T.L.P.F	Count	6	1	7
	%	85.7%	14.3%	100.0%
World Vision Kenya	Count	2	5	7
	%	28.6%	71.4%	100.0%
Total	Count	17	12	29
	%	58.6%	41.4%	100.0%

Source: Research data

In Action Aid the objectives of the organization have been communicated top down (57.1%) and top down negotiated (42.9%). In ACTED the communication is top down only, while in POM communication is done at top down (25%) and top down negotiated (75%), majority in TLPF (85.7%) indicated that communication was top down and top down negotiated (14.3%). In World Vision Kenya the communication is top down negotiated (71.4%) and 28.6% of them indicated it was done top down. From the findings it is clear that objectives are communicated top down negotiated in most organizations for for the effective implementation of the objectives. In ACTED

and TLPF objectives were communicated top down. This hinders communication between the top management and the junior staff. This finding concurs with David (2003) who noted that in many NGOs, management initiates and leads the process. To develop the organization, individuals have to be able to contribute in the decision making process and need to learn. All participants need to understand their responsibility to represent their particular stakeholders and to support the implementation activities (Inglis and Minahan, 2006). NGOs have to make strategic choices between confrontational decision-making, complementary and collaborative strategic relationships between the Donors and Government (Norrell, 2006).

4.5.2 Planning processes

Strategic planning helps the organization to become future oriented. However, in most organizations strategic planning processes are preoccupied with addressing today's problems rather than anticipating and seizing tomorrow's opportunities. Strategic planning must be seen more than just a set of managerial tool. It constitutes a mindset and an approach to looking at the changes in the internal and external environments. The researcher wanted to know the characteristics of the planning process that are used by each organization.

Table 4.5 Organization and the characteristics of planning process used

Considered institutions		Planning processes most characteristic in the organization		Total
		Formal meeting, written down etc	Informal adhoc not written etc	
Action Aid	Count	7	0	7
	%	100.0%	.0%	100.0%
ACTED	Count	4	0	4
	%	100.0%	.0%	100.0%
POM	Count	0	4	4
	%	.0%	100.0%	100.0%
T.L.P.F	Count	7	0	7
	%	100.0%	.0%	100.0%
World Vision Kenya	Count	7	0	7
	%	100.0%	.0%	100.0%
Total	Count	25	4	29
	%	86.2%	13.8%	100.0%

Source: Research data

From table 4.5 above, it can be denoted that in four out of five (86.2%) organizations (Action Aid, ACTED, TLPF and World Vision Kenya), the planning process in these organizations is characterized by formalized meetings and written down procedures. Only one, POM (13.8%) the process was informative and not written. From these findings, it can be derived that the planning processes in most organizations is characterized by formal and written down process, and this facilitate quick reference

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in the future. Unlike in cases where informal and unwritten process is used, which is unfavorable for future planning since the organization will do what they feel is necessary at that particular time ignoring the main purpose of their formation. The lack of formal and written down strategic plan in POM leaves it vulnerable to the whims of donors and makes it difficult to measure their impact over time. The findings concur with Crosby, (1991) who observed that the strategic approach or mentality comprises of four main elements; - future orientation, an external emphasis, pursuing and ensuring strategic fit between the organization and its environment and finally a continuous process approach. The effectiveness of NGOs as actors in strategic planning depends on successful engagement of both internal and external management with laid down plans.

4.5.3 Tools used in the strategic planning

NGOs are more likely to succeed when they are clear about their vision, mission and values and how best to fulfill them in their contexts. Also by doing continuous evaluation of themselves helps them to assess their weaknesses. The tools used in strategic planning include the mission statement, trend analysis, competitor analysis, on going evaluation and vision statement. With this in mind, the researcher sought to know, the extent to which the tools in the strategic plan are used. The results were as shown in Table 4.6.below

Table 4.6 Extent to which tools in the strategic plan are used in the organization

Strategic planning tools	Often used		Sometimes used		Rarely used		Never used	
	Number	%	Number	%	Number	%	Number	%
Mission Statement	26	89.7	1	3.4	3	6.9	0	0
Trend analysis	11	37.9	2	6.9	10	34.5	6	20.7
Competitor analysis	12	41.3	3	10.3	3	10.3	11	37.9
Ongoing evaluation	19	65.5	5	17.2	2	6.9	3	10.3
Vision statement	25	86.2	2	6.9	1	3.4	1	3.4

Source: Research data

Majority of the respondents (89.7%) indicated that the mission statement was oftenly used while 86.2% of them showed that they followed the vision statement. 65.5% of them embraced the use of on-going evaluation. Trend and competitor analysis in are not commonly used tools of strategic plan in most organizations. From the analysis of the strategic plans of the organizations the researcher found that the Mission statement of World vision Kenya seeks to align their strategies towards what they contribute to the community. The strategy recognizes the integrated holistic commitment to transformational development that is community based and sustainable. World Vision Kenya was guided by both the Mission and Vision statement of their strategic plan, this is replicated by Action aid Kenya and ACTED

but the later goes further to put more emphasis on evaluating their previous performance in order to assess their weaknesses. The Mission and Vision of T.L.P.F are geared towards improving peace building, livelihoods and resilience of poor people affected by and vulnerable to conflicts and civil strifes in the entire north rift.

It is noted that the organization has been able to follow its mission and vision statement in founding peace among warring communities in Pokot region, hence implementing the tools of their strategic plan. The least noted organization that did little about its Mission and Vision statement was the POM due to its reliance on short term planning, the organization was incapacitated in its provision of health care facilities. These findings concurs with Wanjohi (2002), who undertook a research on strategic planning in insurance companies in Kenya and found out that strategic planning is carried out to some degree with reliance on short term planning and over reliance on financial data in the industry.

4.5.4 Coordinating the strategic planning

Strategic planning in business organizations is motivated by the need to gain a sustainable competitive edge over competitors and thereby maximize or optimize profit. In the NGO sector it is motivated by the need to ensure adequate resources, legitimacy and relevance, thereby enhancing the NGOs performance. Performance in an NGO is manifested at different levels. It is how well the organization is using its resources of money, people, time and other resources (Ohmae, 2002). The researcher wanted to establish who coordinates the strategic plan in the organizations. The results are as shown in table 4.7.

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Table 4.7: People charged with coordinating the strategic planning within the organization

Considered institutions		Coordinating the strategic planning			Total
		Senior management / in house employees	Consultants /specialist	Planning department	
Action Aid	Count	7	0	0	7
	%	100.0%	.0%	.0%	100.0%
ACTED	Count	3	1	0	4
	%	75.0%	25.0%	.0%	100.0%
POM	Count	4	0	0	4
	%	100.0%	.0%	.0%	100.0%
T.L.P.F	Count	7	0	0	7
	%	100.0%	.0%	.0%	100.0%
World Vision Kenya	Count	5	0	2	7
	%	71.4%	.0%	28.6%	100.0%
Total	Count	26	1	2	29
	%	89.7%	3.4%	6.9%	100.0%

Source: Research data

All the respondents from Action Aid, POM and TLPF indicated that coordination was done by senior management and in house employees, while 75.0% of the respondents from ACTED indicated it was coordinated by senior management and in house employees and 25% of them noted it was done by consultants or specialists. 71.4% of the World Vision Kenya respondents noted that it was done by the senior

management and in house employees while 28.6% of them noted it was done by the planning department. There should be a clear stipulation of who should be tasked with coordinating strategic planning because in some organization there seemed to be people who were not aware of the specific persons charged with specific responsibility. This helps in planning what should be accomplished in a stipulated time. Efficiency is based on how the activities of the organization are carried out and can be measured on a monthly basis. It is how relevant and effective the strategies of the organization are planned, (Economic Commission for Africa, 1999:17). Effectiveness is based on the strategies of the organization and can be measured on a yearly basis.

4.5.5 Factors incorporated in the strategic planning

Strategic planning is the process by which an organization goes through to consciously position itself in its task environment by proactively responding to the opportunities and threats offered by task environment while taking along term perspective. The ever increasing complex environment that local NGOs are operating in is offering challenges that threaten their survival and existence. Strategic planning therefore is considered to be a tool that any emerging organization cannot afford to skip and still remain effective. The study sought to know the factors incorporated in the strategic planning process. The results are as shown in Table 4.8.

Table 4.8: Factors incorporated in the strategic planning process

Factors incorporated in strategic planning process	Agree	Moderate extent	Disagree	Total
Communication of strategic planning made to stakeholders	21(72.4%)	0	8(27.5%)	29(100%)
Agreement on how the strategic plan will be monitored/ evaluated	20(68.9%)	1(3.4%)	8(27.5%)	29(100%)
Communities/beneficiaries will be involved in strategic planning.	20(68.9%)	0	9(31.0%)	29(100%)
The task force and -donors willing to fund the strategic planning process	19(65.5%)	1(3.4%)	9(31.0%)	29(100%)
Dependence-autonomy dilemma in relation to donors' influence in strategic planning.	19(65.5%)	0	10(34.4%)	29(100%)
Need for strategic planning is agreed upon board management.	18(62.1%)	1(3.4%)	10(34.4%)	29(100%)
Resources are available for the task force to carry out its work	18(62.1%)	0	11(37.9%)	29(100%)
Task force develops the term of reference for consultant to be hired	18(62.1%)	2(6.9%)	9(31.0%)	29(100%)
The consultant contracted has been transparently hired.	18(62.1%)	1(3.4%)	10(34.4%)	29(100%)
Assessment carried and issues to be addressed strategic plan	18(62.1%)	0	11(37.9%)	29(100%)
Task force manage strategic process	17(58.6%)	0	12(41.4%)	29(100%)
Terms of reference for the task force are in place	16(55.2%)	2(6.9%)	11(37.9%)	29(100%)
Members of staff and volunteers are being involved.	15(51.7)	2(6.9%)	12(41.4%)	29(100%)

Source: Research data

Communication of strategic planning process made to all stakeholders was rated at 72.4%, another 68.9% were on agreement on how the strategic plan will be monitored and evaluated. Communities or beneficiaries will be involved in the whole strategic planning process (68.9%) were in agreement. The others indicated that the task force carried out adequate negotiation with the donors willing to fund the strategic planning process and dependence-autonomy dilemma in relation to donors influence in the strategic planning process (65.5%) agreed. The least rated factors were members of staff and volunteers are being involved through participation in the strategic planning (51.7%). Generally, more than half of the respondents were in agreement that all the factors were incorporated in the strategic planning processes.

4.5.6 By-laws and board responsibilities

The legacy of the organization can be measured on a ten-year cycle. It is the lasting and fundamental political, economic, technological, environmental and social cultural change in the whole society that happens as a result of the organizations work (Lee, 2000:3). Transformation is based on the organizations vision statement and can be measured on a 25 year period or cycle. For NGOs to be truly successful, they must consciously aim at achieving social transformation. This means that they must think 25 years ahead of today. In other words they must think long term (Kaplan, 1999:18). Strategic planning ultimately aims at helping the organization to achieve societal transformation and benchmark itself by setting by-laws which can be achieved through carefully followed strategic objectives. This prompted the researcher to enquire from the respondents whether the organization had by-laws that include board responsibilities. The results are as shown in Table 4.9.

Table 4.9: Organization has by-laws that include board responsibilities

By-laws and board responsibilities	Yes		No		Total	
	Number	%	Number	%	Number	%
Board approves annual plans budgets in conformance with approved policies and strategies objectives	26	89.7	3	10.3	29	100
There is clear separation of roles of board members and management	24	82.8	5	17.2	29	100
Ensuring effective strategic planning	24	82.8	5	17.2	29	100
Approving major policy and program initiatives	23	79.3	6	20.7	29	100
Enhancing the financial resources	21	72.4	8	24.1	29	100
Selecting, evaluation, nurturing supporting the chief executive	21	72.4	8	27.6	29	100
Ensuring performance targets are met and goals achieved	21	72.4	8	27.6	29	100
The board conducts an independent review of the annual audit report	21	72.4	8	27.6	29	100
The board have a defined procedure to select, monitor performance and evaluate chief executive	21	72.4	8	27.6	29	100
All board members contribute to the organization in terms of time, expertise and money	20	69.0	9	31.0	29	100

Source: Research data

Table 4.9 above, shows that a majority of the respondents (89.7%) noted that the board approves annual plans and budgets in conformance with approved policies and strategic objectives. Another 82.8% noted that there is clear separation of roles of board members and management ensuring effective strategic planning, 79.3% were of the view that approving major policy and program initiatives while 72.4% of them noted that approving major policy and program initiatives. Enhancing the financial resources, selecting, evaluation, nurturing and supporting the chief executive, ensuring performance targets are met and goals achieved, the board conduct an independent review of the annual audit report and the board have a defined procedure to select, monitor performance and evaluate the chief executive and all board members contribute to the organization in terms of time, expertise and money which was (72.4%). The researcher concluded that the organizations embrace by-laws and best practices that include board responsibilities to bench mark their activities in the area of the study.

4.6 Challenges and Opportunities identified from the strategic plans

The challenges facing NGOs in their efforts to strategically position themselves in their task environment can be summarized as having to do with issues of sustainability, legitimacy and relevance (Hatch, 1997). Strategic planning therefore aims at helping the NGOs to respond proactively to the challenges and opportunities presented by the task environment with the aim of ensuring organizational sustainability, legitimacy and relevance (Edwards 1999).The researcher therefore summarized the following challenges and opportunities from the organization's strategic plans, evaluation reports, performance reports and financial reports.

The researcher found that POM lack funds to carry on their operations effectively they sometimes operate on a deficit. NGOs are expressing difficulty in finding

sufficient, appropriate and continuous funding for their work. They find accessing donors as challenging. They have limited resource mobilization skills and are often not looking for funds that are available locally, preferring to wait for international donors to approach them. There is a high dependency on donors and a tendency to shift interventions to match donor priorities. There is a lack of financial, project and organizational sustainability to boost their goals.

Poor Governance was recognized within the sector as a whole, within the NGO Council and within individual NGOs. Knowledge of good governance varied widely, with some regions indicating very little understanding of why NGOs are required to have Boards or what their roles and functions should be. Many other participants explained that it is difficult to achieve good governance with founders who wished to own their NGOs for their own purposes. Participants with better understanding of good governance appreciated that this is fundamental to NGO accountability. Finding Board members can be difficult if you are not willing to pay them or provide allowances.

The researcher found that Poor Networking was a major challenge. It is the cause of duplication of efforts, conflicting strategies at community level, a lack of learning from experience and inability of NGOs to address local structural causes of poverty, deprivation and under-development. Negative competition for resources also undermines the reputation of the sector and the effectiveness of NGO activities at community level. As a result there is a great deal of suspicion among NGOs, secrecy and lack of transparency. Many NGOs, large and small, intervene at community level without any community mapping and implement projects without due regard to

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ongoing community initiatives. NGO politics, one fighting another, one with resources but no community presence, another with community presence but no resources.

Poor Communications was also recognized, there is very poor communication within the sector. POM and Action aid have no access to reliable email and internet connections, they receive almost no literature on development issues and are generally out of touch with issues of global, regional and national importance. There lack of understanding between the Board and Council is just one example of the knowledge gaps that exist.

NGOs in the area of the study have limited technical and organizational capacity. Few NGOs are able or willing to pay for such capacity building. Weak capacity was identified in fundraising, governance, technical areas of development, and leadership and management. They felt that the existence of quality standards would assist them to develop the required capacities. The speed of technological advancement is also a challenge particularly in areas of information technology capacity.

NGO Board and NGO Council, many participants were poorly informed of the difference between these two institutions, NGO Coordination Board and the National Council of NGOs. They are unaware of their roles and responsibilities in relation to them. Most organization expressed the opinion that the NGO Code of Conduct is outdated and needed updating soon. These organizations also complained that the NGO Council is poorly governed and doesn't provide any leadership to the NGOs. They were aware that the NGO Board does not respect the Council and that there is

mistrust between the Government and NGOs. Organizations are well aware that the NGO sector has a very poor public profile which they see as mainly due to the leadership wrangles, politics and infighting at the Council and among NGOs. While most organization appreciated the positive role of the NGO Board in creating an enabling environment for NGOs. Some branches of government are thought to deliberately frustrate NGOs. A few organizations felt that government bureaucracy holds back the NGO sector and its members.

Despite these local NGOs having challenges arising from the environment, they can be able to seize every opportunity arising in order to succeed and make an impact. Local Resource Mobilization provides potential for NGOs to raise funds from local businesses, individuals, government and locally generated income. To do this NGOs must have strong governance and accountability mechanisms, clear strategies and local credibility.

Local Networking provides opportunities for mutual learning, identifying appropriate development initiatives, generating learning resources, improving coordination and cooperation with local community, government, and pursuing effective local advocacy. Regional and thematic networks present opportunities to NGOs to share research, approaches, resources, capacity and work with both Government of Kenya (GoK) and the corporate sector. Strong regional networks also provide the basis for supporting district level networks and ensuring the NGO Council remains strong by keeping its membership strong.

Effective support from the NGO Board, NGO Council and maintaining NGO records with the NGO Coordination Board will enable local NGOs to received regular information and gain access to funding. The NGO Coordination Board is also working hard to improve the public image of NGOs through the promotion and support of the annual NGO Week. A more effective NGO Council supported by its members and responding to NGO expressed needs, will provide appropriate and affordable capacity building and an enabling environment for the sector. Good Governance of the NGO Council would provide a positive example for all NGOs to emulate. Good Governance can be achieved if NGOs follow their strategies and exercise their rights and responsibilities in a professional manner. An effective NGO Council will become a voice of the sector when interacting with Government of Kenya and Regional Governments.

The proposed new NGO Bill and Act, provides both opportunities and threats to the NGO community. If the NGO Council effectively lobbies for the NGOs in an informed and professional manner, a more enabling environment for this sector may result. Alternatively it is possible for the Sector to loose its self regulating mechanism and be controlled by a single government-appointed body.

Government devolved funds and new funding mechanisms, the constituency development fund, Constituency Aids Funds, Youth, Women, Water, and other locally available development funding is available to these local NGOs and community based organizations (CBOs), which should also be more involved in the management of these funds. New basket funding from central government, through the NGO Board, is also a possibility but they have not exploited this avenue fully.

Corporate social responsibility, the concept and practice of corporate social responsibility (CSR) is being practiced in Kenya and many companies are now establishing foundations and development funds for use by civil society organizations (CSOs).

Use of volunteers as a strategy by most of NGOs to gain their competitiveness, Kenya has a huge supply of idealistic, young, energetic and well educated graduates who are unemployed or underemployed. Many of them are searching for opportunities to serve their country and get work experience. There are also many older experienced professionals willing to give their time to NGOs. Many companies will loan experienced personnel to NGOs. Finally, there are opportunities to appoint international volunteers to fill vacancies that would otherwise require unavailable funds to fill. Student exchange programmes also offer NGOs low cost human resources that can support research, documentation and staff capacity building initiatives.

NGOs can work hand in hand with the community to initiate development projects among the communities this makes them acceptable in the places they operate in. Communities have assets, wisdom, labour, time, and skills to be applied to their own development programmes. Communities are now willing to work for their own development. Invest in community institution building, train local people, enable them to plan, implement and evaluate their own development programmes, and to access available local resources. Innovative local solutions to local problems always attract support.

NGOs with excess assets can use them to generate income which can be used to determine the level of impact among NGOs and this can make them to be proactive.

Information, Communication and Technology (ICT), the world has moved into the technological age. Get connected to Internet and email are fundamental to serious and proactive organizations. Set up a simple website and start building your networks and your profile. Share with others your work, approaches and impact make NGOs to attract donors.

Selected international non governmental organizations (INGOs) provide potential partnerships, progressive INGOs are looking to partner with local institutions and have the ability to provide financial, technical and institution building support. Some also support thematic and issue-based advocacy initiatives that enhance local networking and address the structural causes of poverty, inequity and injustice. An effective NGO therefore can be said to be one that is sustainable, legitimate and relevant. It is only effective organizations that can produce the required impact in their areas of work.

CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter gives a summary of the findings, discussions and conclusions drawn from the study. The chapter also covers the recommendations for further research

5.2 Summary of the study

The objective of this study was to establish the strategic planning practices by local NGOs operating in West Pokot district. A survey of the strategies employed was subsequently carried out and management teams in the NGOs were asked to complete questionnaires. The target respondents were thirty five (35) in number. Twenty nine (29) respondents completed the study questionnaires representing 82.9% of response rate.

The findings indicated that, NGOs had people in-charge of drawing the objectives organization. In the Action Aid, ACTED, TLPF, POM and World Vision the top management were charged with setting the organization's objectives. On communication of the objectives of the organization, it was communicated both top down and top down negotiated and consultative in all the participating NGOs. An organization should have a strategic plan to become future oriented, hence, in this case majority of the NGOs that is Action Aid, ACTED, TLPF and World Vision Kenya had formalized meeting and written down planning process. This shows that the NGOs who have written strategic planning process are able to follow to the later their desires in the area. Therefore, they become effective since they depend on their internal and external management.

It was noted that in majority of the organizations, mission and vision statement were often used. On-going evaluation was sometimes used by the organizations to explain the strategic planning processes. Other strategic planning tools which were rarely used by the organizations are trend and competitor analysis. On coordination of the strategic planning, Action Aid, POM, TLPF and World Vision Kenya was done by the senior management and in house employees. Factors that were incorporated in the strategic planning included the communication of strategic planning process to all stakeholders, agreement on how the strategic planning was monitored and evaluated ,communities or beneficiaries were involved in the whole strategic planning process . This shows that the responsibilities were shared by both the shareholders and the NGOs in order to achieve goals and objectives of the organization as indicated in the strategic plan.

The legacy of the organization can be measured by how by-laws that also include the board responsibilities to benchmark the NGOs on the best practices during their daily operations. Majority of the respondents (89.7%) indicated that, the board approves annual plans and budgets in the conformance with approved policies and strategic objectives. Another 82.8% said that, there was clear separation of roles of board members and management, this ensured effective strategic planning processes in most of the organizations. The least rated factor was that, all the board members contributed to the organization in terms of time, expertise and money, this may have been not the case according to the respondents. There is still low awareness in terms of roles and responsibilities of the players in the strategic planning practices in some

of the areas and therefore there is need for more capacity building and commitment among the players.

5.3 Conclusions of the study

The study addressed the strategic planning practices by NGOs operating in west pokot district. The goal of strategic planning in local NGOs must be for them to become more independent and less dependent on project based funding. This will give them the freedom to listen to the communities or beneficiaries more than the donors and assist the community which is the ultimate goal of development, reason for their existence and enable them to operate in the area effectively. NGOs in West Pokot District had incorporated strategic planning by having people who are in-charge of drawing the organization's objectives. Hence, this shows that NGOs have people who draw strategies to guide them in their endeavors. Communication of NGO's objective shows that when planning, all members of the community are involved hence there is open communication within the organization which is important as it helps the organization achieve its objectives and goals and serve the interest of the community.

In the organization, mission and vision statement achievement helps them to ensure everything is operational and okay. On going evaluations also helps the organization to know whether there is growth within and without the organization.

Strategic planning coordination, involves both senior management and in house employees, this shows that cooperation among the players assists the organization in achieving its goals. When responsibilities are shared, then the objectives of the

organization are achieved. The legacy of the organization can be measured by the by-laws and board responsibilities. This shows that policies and strategies are achieved.

The NGOs that were proactive in their strategic planning process were relatively more effective and successful than those that are reactive hence shows the importance of ownership of strategic planning process between the stakeholders.

5.4 Recommendations of the study

The study recommends the following: The NGOs should have a chain of command of people who come up with the strategic planning processes and also the way to implement after it has been set up. This assist in making sure that NGOs are able to follow their strategic plans to the latter and become future oriented. On going evaluation should be emphasized in the strategic planning among the NGOs so as to achieve their goals and not to deviate from their mission and vision statement

Coordination within the NGOs should be done carefully by incorporating what each organization want to achieve in West Pokot district. This is because in some instances the organizations abandon their mission and vision and engage on things which are not within their mandates. Board members can improve their roles and responsibilities in the strategic planning process by ensuring that they have committed members and management should improve its role in strategic planning by ensuring that there is a management team in the organization that has specific strategic and operational responsibilities.

Process intervention like developing appropriate policies, systems and procedures, cultivating and empowering leadership and culture in the organization create

foundations for financial, organizational sustainability and impact which are key pre-requisites and results for the strategic planning practices within the organization.

Preparation for the strategic planning process would be improved by ensuring that there is an agreed and shared purpose for going through the strategic planning process among all the key players through awareness sessions. The goal of strategic planning in NGOs must be for them to become more financially independent and less dependent on project based funding and become more relevant and demonstrate genuine impact.

5.5 Suggestions for further research

This study confined itself within West Pokot district, similar research therefore should be done in the whole country and the results are compared to establish whether there is consistency on the strategic planning practices by NGOs. A study on other factors that may hinder implementation of the strategic plans of NGOs in West Pokot district should be carried out. The need to establish a clear link between strategic plans and organizational impact.

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APPENDICES

APPENDIX I: QUESTIONNAIRE

Please give answers in the spaces provided and tick (√) in the box that matches your response to the questions where applicable.

PART A: DEMOGRAPHIC AND RESPONDENTS PROFILE

1) Name of NGO: ....

2)   What is your designation at the organization.......................................

3)   Gender: Male ( )   Female ( )

4) Length of continuous service with the organization?

     a) Less than two years   ( )   c) 6-10 years   ( )

     b) 2-5 years   ( )   d) Over 10 years   ( )

5) For how long has your organization operated in the area?

    a) Under 5 years   ( )   d) 16 – 20 years   ( )

    b) 6 – 10 years   ( )   e) 21 - 25 years   ( )

    c) 11 – 15 years   ( )   f) Over 25 years   ( )

PART B: STRATEGIC PLANNING PRACTICES

6)   Does your organization have a mission statement?

          Yes   ( )   No   ( )

7)   Does your organization have objectives?

          Yes   ( )   No   ( )

    Please state the objectives below

_____

_____

8)   From the following indicate by ticking who in the organization draws up the objectives?

a) Top Management   ( )

b) Middle Level Management   ( )

c) All the above   ( )

d) Others (specify)..

9) From the following indicate by ticking how are the objectives communicated?

     a) Top- down   ( )

     b) Top- down Negotiated/Consultative   ( )

     c) Other (specify) ....

10) Indicate by ticking which of the following planning processes are most characteristic of your organization.

     a) Formal i.e meetings, written down etc   ( )

     b) Informal ie ad hoc, not written etc   ( )

     c) Non existent   ( )

11) On a range of between 1 to 5 whereby 1 denotes Very often used, 2 often used, 3 Sometimes used ,4 Rarely used and 5 Never used, indicate by ticking the number that best explains the extent to which each of the following are used in Strategic Planning in your organization

	Factor	1	2	3	4	5
A	Mission Statement					
B	Trend Analysis					
C	Competitor Analysis					
D	On going Evaluation					
	Vision statement					

12) Indicate by ticking who is tasked with coordinating the Strategic planning within the organization?

    a) Senior Management/ In-house employees   ( )

    b) Consultants/Specialists   ( )

    c) Planning Department   ( )

13) Please tick the number that best describes the extent to which your organization incorporates the following factors in its strategic planning process: (Use the scale below to tick the most appropriate response)

    1) Strongly Agree   2) Agree   3) Moderate extent   4) Disagree

    5) Strongly Disagree

	Factor	1	2	3	4	5
1	A need for strategic planning is agreed upon by the board and management team.					
2	A task force to manage the strategic planning process is selected .					
3	Terms of reference for the task force are in place and the roles and responsibilities of the task force throughout the strategic plan planning process are clearly spelt out.					
4	Resources are available for the task force to carry out its work.					
5	The task force develops the terms of reference for the consultant to be hired. The roles and responsibilities of the consultant throughout the strategic planning process					

	are clearly spelt out.				
6	The consultant contracted has been transparently hired and his or her track record has been proven beyond any shadow of doubt.				
7	Members of staff and volunteers are being involved through participation in the strategic planning processes.				
8	An assessment is carried out and key issues to be addressed in the formulation of the strategic plan workshop are identified.				
9	Agreements on how the strategic plan will be monitored and evaluated are made and resources are available for the implementation.				
10	The extent to which communities or beneficiaries will be involved in the whole strategic planning process are agreed upon.				
11	A communication of strategic planning process is made to all stakeholders.				
12	The task force carries out adequate negotiation with the donors willing to fund the strategic planning process.				
13	The dependence − autonomy dilemma in relation to donors' influence in the whole				

	strategic planning process, is discussed and the organization takes a conscious stand.					

15) NGOs benchmarks on best practices .Does the organization have Bylaws that include Board responsibilities such as the following. Indicate by ticking YES or NO.

	Activity	Yes	No
A	Approving major policy and program initiatives?		
B	Ensuring effective strategic planning?		
C	Enhancing the financial resources?		
D	Selecting, Evaluation, Nurturing supporting the chief executive?		
E	Ensuring performance targets are met and goals achieved?		
F	Does the Board conduct an independent review of the annual audit report?		
G	Does the Board approve annual plans and Budgets in the conformance with approved policies and strategic objectives?		
H	Does the Board have a defined procedure to select, monitor performance and evaluate the chief executive?		
I	Do all Board members contribute to the organization in terms of time, expertise and money?		
J	Is there a clear separation of roles of Board members and Management?		

Thank you for your cooperation

UNIVERSITY OF NAIROBI
SCHOOL OF BUSINESS
MBA PROGRAM – LOWER KABETE CAMPUS

DATE... 18/11/2010

TO WHOM IT MAY CONCERN

The bearer of this letter ...JONATHAN KARUBE PKATEY......

Registration No: ...D61/70694/2008.....................

is a Master of Business Administration (MBA) student of the University of Nairobi.

He/she is required to submit as part of his/her coursework assessment a research project report on a management problem. We would like the students to do their projects on real problems affecting firms in Kenya. We would, therefore, appreciate if you assist him/her by allowing him/her to collect data in your organization for the research.

The results of the report will be used solely for academic purposes and a copy of the same will be availed to the interviewed organizations on request.

Thank you.

DR. W.N. IRAKI
CO-ORDINATOR, MBA PROGRAM

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