

**NON-GOVERNMENTAL ORGANIZATIONS, STRATEGIC
MANAGEMENT AND PLANNING UNDER UNCERTAINTY**

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DECLARATION

I hereby declare that the work contained in this independent Study Paper which is submitted in partial fulfillment of the requirements for the award of a Doctorate in Business Administration. This is my original work and has not been presented in any other University towards the award of a Degree. All the materials referred to have been duly acknowledged.

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CHAPTER ONE: INTRODUCTION

1.1 Background

The term, “non-governmental organization” or NGO, came into currency in 1945 because of the need for the UN to differentiate in its Charter between participation rights for intergovernmental specialized agencies and those for international private organizations. In its broadest sense, an NGO is one that is not directly part of the structure of government. It is estimated that in 2001, the number of internationally operating NGOs was 40,000 (Anheier et al, 2001).

At the UN, virtually all types of private bodies can be recognized as NGOs. The phrase ‘non-governmental organization’ came into use with the establishment of the United Nations Organization in 1945 with provisions in Article 71 of Chapter 10 of the United Nations Charter, for a consultative role for organizations that are neither governments nor member states. The definition of ‘International NGO (INGO) is first given in resolution 288(X) of the United Nations Economic and Social Council (ECOSOC) on February 27, 1950: it is defined as ‘any International Organization that is not founded by an international treaty’. The vital role of NGOs and other ‘major groups’ in sustainable development was recognized in Chapter 27 of Agenda 21, leading to revised arrangements for consultative relationship between the United Nations and non-governmental organizations (Peter Willets 2006).

The World Bank defines NGOs as "private organizations that pursue activities to relieve suffering, promote the interests of the poor, protect the environment, provide basic social services, or undertake

community development". In wider usage, the term NGO can be applied to any non-profit organization which is independent from government. NGOs are typically value-based organizations which depend, in whole or in part, on charitable donations and voluntary service. Although the NGO sector has become increasingly professionalized over the last two decades, principles of altruism and voluntarism remain key defining characteristics (United Nations Economic Commission for Europe, 2006).

1.2 Emerging NGOs' Economic and Other Significance

The degree of interest that these organizations have drawn leads one to want to have a peek into the NGOs internal environment in order to determine whether these organizations reflect sober management practices within their respective organizations or whether despite some degree of proper management practices, they have been unfairly accused or perceived by other development stakeholders. Their increasingly significant role has led to greater scrutiny of NGO management and performance in developing countries (Brett, 1993). NGOs have been dubbed the "third sector" and have also been alternatively referred to as the "organizations without owners". This essential characteristic as perceived from a property rights theory does provoke interest on the behavior models and how this affects the determination of organizational limits. One would therefore ponder whether Strategy actually matters within the above stated confines.

NGOs have over the last decade or so, been at the forefront of international development, bringing with them considerable influence in shaping development policy, planning and implementation. At the present time, between 10% and 15% of all aid to developing countries (over \$6 billion) is channeled by or through NGOs. Although emergency assistance accounts for a significant (and in recent years rising) share of total NGO flows, the majority of NGO aid is currently provided for development projects and programs (Overseas Development Institute, 1996). Given the significant funds channeled through the NGO environment, many observers have voiced their opinion to recommend that the NGOs become valid alternatives to government projects. This increased visibility would of necessity demand for the observance of sound management practices by the NGOs. With the advent of globalization and democratization, related parameters like accountability and optimal application of limited resources gained prominence in the field of management. These emerging perspectives explicitly required that resources be managed properly in order to effectively achieve the desired goals.

It is currently widely quoted that “management is about doing things right and leadership is about doing the right things”. Management literature over the previous two decades is replete with the phrase ‘strategy’ and ‘strategic management’. The two are not synonymous and while strategic management is the name of an academic field of study, strategy is the main topic of study. Chafee (1985) asserts that strategy is multi-dimensional and situational. These various views on strategy can feasibly be contained within three models; adaptive, linear and interpretative.

Many of the NGOs in the developing countries have been misconstrued as undertaking activities that are subversive to the host governments or beyond their primary mandate for existence or formation. They are perceived as being recipients of substantial amounts of funding yet at the same time failing to be sufficiently transparent in the relevant details appertaining to their expenditure. Corporate planners (Fubara, 1986) describe the external and internal environments of corporate entities. These definitions have often assigned the political legal factor as taking center stage within the external environment. The NGO environment, like many entities therefore, is a function of the external and internal processes that incorporate the legal, cultural, political and socialization processes which influence or impinge positively or negatively, upon the management thereof. Their top management is largely driven by the funding agency and their prioritization with the senior positions often occupied by the citizens from the donor governments.

This apparent autonomy of NGOs at the funding and the implementation level has often been the cause of discomfort to many cash strapped host governments in the developing countries. Intense lobbying and legislative assaults have been leveled at these organizations in an attempt to harness and bring more control within the legislative arm of the host government. These attempts on the contrary have been reciprocated with complaints of administrative or operational interference by the targeted NGOs and have on occasion led to the suspensions or ultimately full withdrawal of the funding. Some of the typical problems associated to NGOs includes the lack of knowledge management practices within the NGOs (Aksel and Baran, 2006).

There is minimal documentation of the process by which the organization creates, acquires, records and uses knowledge to support and improve the performance of the organization. Either this information is not perceived as relevant to other non-executive levels or is purely a result of poor communication approaches. Many of the organizations' employees represent clusters of partially informed individuals to varying degrees. Performance improvement is therefore not only stunted, but the organizations are often at risk of losing the entire pool of knowledge. It would therefore be relevant to examine the extent and actual application of knowledge management techniques within the not for profit NGO environment. One would be interested to know the level of sustainable skills transfer residing in the management practices observed within the select NGOs sample. Many NGOs have been known to be finite in their operation with a pre-determined period of operation or existence. It would be useful to know whether this has had any adverse effects on the application of knowledge management practices within the NGO environment.

The second aspect of interest then would be an examination of the skills and expertise within the NGOs. In this regard, one would be interested in determining whether the employee recruitment, development, motivation and retention practices are at the level that will deliver and retain the best employees for the NGOs. It has often been the expectation that the right level of professionalism within the NGO staffing configuration would lead to the application of appropriate management practices.

In addition, it would also be of interest to study and evaluate the staffing configuration of a number of NGOs, the staff turnover levels, particularly with regard to medium and high level professionals

and their capacity to make professional input and implement some of their contribution. Issues of employee morale, career fatigue, individual career progression and other human resource factors that affect the strategic objectives would constitute an area of focal attention and interest for this study. It need not be overemphasized that harnessing these human resources involves nurturing or encouraging professional career development and other issues that lead to the attraction, motivation and retention of their skilled or valued employees.

A vision is a prerequisite under a strategic management approach. Under the circumstances where an organization continues to depend on funding whose continuity is uncertain, a lot of strain would be put on the organization's perspective of the longer term vision and consequently the need to delve into a rather demanding strategic development process. This review seeks to determine the extent of the knowledge of strategic management and the application of planning in the current management circles of the not for profit non-governmental organizations (NGOs), the evolution of various perspectives and empirical evidence as contained in the current management literature, and whether there is a more significant or larger emphasis of its application in the for-profit, as compared to the not-for-profit entities. The strategy making process and the development of core competence is complex and a prerequisite to organizational success. The linkages are perceived to be embedded in the broader corporate culture which is not always made explicit. Indeed, the strategic planning phase is not an end in itself but rather an entry point into the realm of competitive edge development. New competences that are for instance based on deep knowledge of a particular technology do stimulate the envisioning of new business opportunities.

Strategy can therefore be perceived as a moving target. It is alleged that many corporate entities do not have good track records in managing discontinuous change (Fubara, 1986). They are more comfortable within stable environments that allow for business forecasts over projected periods of time. This tendency appears to be more pronounced particularly with the not-for-profit organizations that may be more accustomed to meeting the deliverables of particular funding entities over given periods of time as opposed to the for-profit entities that are more attuned to the profitability bottom-line and the maximization of shareholders wealth. Over the years, there has been an increasing amount of funding that has been channeled through this sector. It comes as no surprise therefore that various governments across the Diaspora have paid increasing attention to the NGO sector given the emerging significance in both the funding and activity levels within the continent. There is the apparent eagerness to tap into the significant potential manifested by the NGO sector. Calls for more stringent government control or self regulation by the sector itself have been repeated and echoed in various forums. In Kenya, for example, recent surveys have been initiated to obtain a correct assessment of and pertinent details of the NGOs operating in the country.

In the midst of all this, it can not be said that it has all been success for the sector. There have been shortcomings and failures, suitcase NGOs and misappropriations of resources for some. Coupled with this is that donors themselves have been strained with the unending challenges and the aspect of donor fatigue arising from the perpetual or unique challenges encountered. The amount of funding, the role that the NGO sector continues to play, the social responsiveness and contribution to the national welfare directly as a source of employment etc. or indirectly through the transfer of knowledge and capacity development, render this sector as a significant partner with government in

nation building. This independent paper seeks to critically look at these problems and identify the impediments or other issues that seem to deter the otherwise rational application of strategic approaches to management practices, in the not for profit non-governmental environment, an increasingly significant stakeholder in sustainable development. It is precisely these approaches, particularly within the not for profit NGO environment, and other contemporary perspectives and related aspects of management, that constitute the subject of study in the subsequent sections of this independent paper.

Critics of strategic management and planning suggest that strategy has certainly outlived its usefulness. It would be useful to understand how strategic management as a body of knowledge avails or delivers to management a pragmatic option of performing a prognosis and subsequently the diagnosis of complex business problems, the impediments, environmental turbulence and growth. There is evidently an array of reasons attributable to the increasing number of NGOs that have been formed over the last few decades. What this has implied is that there is an ever increasing growth in the resource accumulation within these entities. The subsequent effect of this has been the emergence of significant resource levels among the NGOs and from a management perspective therefore, a need to understand the management methods applied with respect to these resources.

CHAPTER TWO: MANAGERIAL ENVIRONMENT WITHIN THE NGOS

2.1 NGOs; Development and Formation

Globalization in the 20th century has given rise to the importance of NGOs as many problems could not be solved within a nation and its given limited resources. International treaties and international organizations such as the World Trade Organization were perceived as being too centered on the interest of capitalist enterprises. In an attempt to counter balance this trend, NGOs were developed to emphasize humanitarian issues, developmental aid and sustainable development within an impartial context. A prominent current example of this is the World Social Forum which is a rival convention to the World Economic Forum held annually in Brazil. The most recent meeting for the World Social Forum was held in Nairobi in January, 2007.

There is no difference between a non-governmental organization and a private voluntary organization (PVO), but an NGO still carries neutral connotations and applicability to a diverse range of political actors, whereas PVO suggests moral approval of a limited range of groups (Willetts, 2006). USAID refers to NGOs as private voluntary organizations. However many scholars argue that this definition is highly problematic as many NGOs are in fact State or Corporate funded and managed projects, with professional staff. The NGO sector is an important employer in terms of numbers. For example by the end of 1995, CONCERN worldwide, an international NGO working against poverty employed 174 expatriates and just over 5,000 national staff in 10 developing countries in Africa, Asia and Haiti.

The structures of NGOs vary considerably. They can be global hierarchies, with either a relatively strong central authority or a more loose federal arrangement. Alternatively, they may be based in a single country and operate on a transnational level. With the improvement in communications, more locally-based groups, referred to as grass-roots organizations or community based organizations, have become active at the national or even the global level. Increasingly this occurs through the formation of coalitions. There are international umbrella NGOs, providing an institutional structure for different NGOs that may not share a common identity. There are also looser issue-based networks and ad hoc caucuses, lobbying at UN conferences. NGOs are so diverse and so controversial that it is not possible to support, or be opposed to, all NGOs. They may claim to be the voice of the people and to have greater legitimacy than governments, but this can only be a plausible claim under authoritarian governments.

The USA has an estimated 2 million NGOs, most of them formed in the past 30 years. In Kenya alone, current estimates are that some 240 NGOs come into existence every year. International Red Cross and Red Crescent Movement is the world's largest group of humanitarian NGOs. Though voluntary associations of citizens have existed throughout history, NGOs along the lines seen today, especially on the international level, have significantly developed in the past two centuries. One of the first such organizations, the International Committee of the Red Cross, was founded in 1863. Three stages or generations of NGO evolutions have been identified by Korten's (1990) Three Generations of Voluntary Development Action cited in NGO - Wikipedia, the free encyclopedia, 2006.

First, the typical development NGO focuses on relief and welfare, and delivers relief services directly to beneficiaries e.g., food distribution, shelter or health services. The second generation NGOs are orientated towards small-scale self-reliant local development and building the capacities of local communities to meet their needs through self-reliant local action. Korten refers to the third generation as sustainable systems development. NGOs at this stage attempt to advance changes in policies and institutions at a local, national and international level. They adopt a more catalytic role and one begins to observe that the NGO is starting to develop from a relief NGO to a development NGO.

There are also various alternative terms that are used to refer to NGOs e.g., independent sector, third sector, volunteer sector, civic society, grassroots organizations, private voluntary organizations, and self-help organizations etc. Non-governmental organizations are a heterogeneous group with a number of acronyms developed around the term NGO. These include:-

- INGO stands for international NGO, such as CARE, Helvetas (Swiss Association for International Cooperation), RESPECT Refugiados, International Alert, Refugee Care, Medair and Mercy Corps
- BINGO is short for business-oriented international NGO
- GONGOs are government-operated NGOs which may have been set up by governments to look like NGOs in order to qualify for outside aid or promote the interests for the government in question (NGO -Wikipedia, 2006).

There also a number of classifications of NGOs and the typology that the World Bank uses divides them into operational and advocacy. The primary purpose of an operational NGO is the design and implementation of development-related projects. Another common categorization that is frequently used is the division into 'relief-oriented' or 'development-oriented' organizations. They can also be classified depending on whether they stress service delivery or participation; or whether they are religious and secular; and whether they are more public or private oriented. These operational NGOs can be community-based, national or international.

The primary purpose of an advocacy NGO is to defend or promote a specific course. As opposed to operational project management, these organizations attempt to raise awareness acceptance and knowledge by lobbying and activist events. The NGOs exist for a variety of purposes, usually to further the political or social goals of their members or funders. Examples include improving the state of the natural environment, encouraging the observance of human rights, improving the welfare of the disadvantaged, or representing a corporate agenda.

According to the NGO- Wikipedia (2006), two management trends are particularly relevant to NGOs: diversity management and participatory management. Diversity management deals with the different cultures in an organization. A participatory management style is said to be typical of NGOs. It is intricately tied to the concept of a learning organization: all people within the organization are perceived as sources for knowledge and skills. To develop the organization, individuals have to be able to contribute in the decision making process and they need to learn.

NGOs are not legal entities under international law, like states are. An exception is the International Committee of the Red Cross which is considered a legal entity under international law, because it is based on the Geneva Convention. It has been argued by various critics that NGOs are subversive in outcomes but well intentioned. In general, there is an overall positive view of NGOs across various sources of literature. Some direct complaints target operational problems, inconsistencies, misuses of funds (some high-profile), dogmatic commitments to certain assumption about economic policy etc (NGO- Wikipedia, 2006).

Thousands of NGOs operate across Africa, promoting health, education and food provision and tackling an AIDS pandemic ravaging the world's poorest continent (Chinaka, 2005). Although these NGOs are very important in advancing economic and social development and in alleviating poverty and hunger, some governments regard them as part and parcel of western powers that they have problems with. Thus NGOs have occasionally had to tip toe through Africa's political minefields. Many are treated with suspicion, and on the political platform, they walk on very slippery ground. There is a great variety of ways in which NGOs are structured (NGO- Wikipedia, 2006).

The classic model is of a membership organization, coordinated in a geographically-defined hierarchy. Individual people work in local groups, which co-ordinate in provinces and then have a headquarters in the capital city for the country as a whole. Such country-wide organizations are called national NGOs. Frequently, the national NGOs combine in an international NGO, or INGO, which may consist of regional groups of countries and be capped by a global body. Not all the levels of the hierarchy stated above need exist.

A minority of NGOs conform to the model of a global democratic hierarchy (Willems, 2006), in which any person may become a member. One variant is for NGO to have subscribers or supporters, providing income, receiving newsletters and responding to calls for action, but not having any democratic control either over expenditure or over policy priorities for the organization. This is common among altruistic NGOs, promoting social welfare and poverty alleviation, and also among environmental NGOs. Another variant is for a specific status or participation in some activity to be a prerequisite for membership. Thus trade unions are only open to those employed in certain occupations (sometimes very broadly defined). Similarly, professional, scientific and technical bodies are only open to people with the relevant qualification.

A third variant is a religious organization. The major religions do have complex hierarchies, from the local faith community through to global spiritual authorities. None of them claim to be democratic: authority is based on faith, a holy text, the charisma of individuals or a hierarchical tradition. To some it will be surprising to discuss trade unions, professional bodies and religious organizations as if they are NGOs. Indeed, the leaders of all three will usually deny they are NGOs. Nevertheless, they are treated on the same basis as NGOs throughout the UN system (Willems, 2006).

Once NGOs do decide to influence public policy, they organize, in broad coalitions, specifically for this purpose. This means there is a large number of NGOs that bear no resemblance to the classic model of a unified hierarchy. Many international women's organizations, the International Council of Voluntary Agencies and the World Conservation Union are examples that date from this era. They are referred to as umbrella organizations, to signify the presence under the single umbrella of a

variety of different NGOs that do not share a common identity. The most effective modern networks still derive their impact from being coalitions of well-organized NGOs (Willems, 2006).

In recent years there have been many entities within the corporate world such as Enron whose accounting practices have been questioned. The complexity and demands for more accountability on NGOs and the increasing scrutiny, amidst the emerging donor fatigue syndrome has implied that the NGOs have now been challenged to adopt measures that are more in keeping with the global trends of increased transparency. How some of these external pressures have impacted on the NGOs constitutes the subject of discussion for the remainder of this paper.

2.2 Typical Problems of the not for profit Non-Governmental Organizations

NGOs concerned with development face the management of a complex and diverse range of issues. NGOs face internal management issues, for example questions of strategic planning, budgeting, staffing, and the governing structure of the organization, growth and change within the organization. NGOs also face the management of external relationships; relations with government, the private sector, other NGOs and with their target communities. All of these come to bear on the possibility of NGOs managing development. The effectiveness of NGOs as actors in development and change depends on successful engagement with both internal and external management questions and also on the successful articulation between issues of internal and external management.

Although NGOs share many individual characteristics with other organizations, the various collections of characteristics that are observable in many NGOs create a package that is quite

different from most for-profit organizations (FPOs). It is argued that legal constraints, revenue sources, type of personnel, and the nature of governance in NGOs make them unique. There is a growing debate within the non-governmental management literature and the community of non-governmental organizations about whether NGOs should become more "business like".

In a number of cases, it is apparent that the two critical operational factors for NGOs have been the budgetary and the time constraint. The only other intervening factor is presumably fund raising or marketing, as it would otherwise be commonly referred to or known under the for profit environment. These are the few instances that demonstrate a planned approach in the not for profit environment. The vision at times is blurred often not exceeding an 18 months planning projection, due to the donor's predetermined commitment to fund the activities or the project's operational cycle. In those rare instances where planning is undertaken, the process is instantaneous and is unlikely to be revisited beyond the planning table. The subsequent activities are often subject to an implementation drift largely due to a lack of impetus and or conformity to the original plan of action.

In other circumstances, the implementation is removed from the reality on the ground due to the separation or the lack of a cohesiveness between the planners and those tasked with the implementation thereof. This can be further illustrated in a situation where the not for profit entity is attempting to apply a strategy that is not supported by an appropriate structure, for example the absence of an adequate storage, transport and communications infrastructure that would support a complex laboratory activity within an urban or remote setting. A common primary goal of NGOs is to engage in what can be referred to as sustainable development. This implies the secondary goal of

capacity development and skills transfer. Despite the perceived importance of these goals, many NGOs do not lay much emphasis in taking stock of whether this transfer has actually occurred. There ought to be valid indicators of this pursued skills transfer that compares the initial level of skills to that which exists at the end of the project. The introduction of knowledge management procedures or some other documentation procedures would foster and promote the creation of a knowledge repository.

These are, but issues that appear to stifle the operations of the NGOs. They seem to be issues that would easily be addressed using appropriate management approaches. The apparent lack of attention to these subtle but critical issues often results provokes one's curiosity as to whether there is indeed a solution somewhere in the strategic management horizon. Research into this area produced a number of common problems and dilemmas that NGOs experienced. One of the most commonly mentioned was that of the decision-making processes. Tensions often occur between staff and senior managers because of staff expectations that they would be equal partners in the decision-making process.

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

The governance picture of many NGOs is quite complex. Most nonprofits are governed by self-perpetuating, largely self-appointing boards of directors. "Though trustees are not elected by society at large, their essential purpose is to hold an organization in trust for the benefit of society, as specified in its papers of incorporation and grants of tax exemption". Another problem is about staff; such as; recruitment, assignment and layoff as well as human resources development and administration and finally everyday management of staff (Vilain, 2006).

NGOs were found to be weak at staff career development. Often organizations lacked a career structure in which staff could develop. In addition they were not good at budgeting for staff training. In situations where the organizations were expanding rapidly, it created problems for many who were unable to keep up with the demands of their work. Not all people working for non-governmental organizations are volunteers. Paid staff members typically receive lower pay than in the commercial private sector. Their members usually do not get paid in any way and only invest little of their leisure in order to fulfill their duties. Sometimes they only have little organizational and professional skills. The poor quality of training or lack of importance attached to training NGO workers has been discussed elsewhere (Ahmad, 2002). Fund raising activities were often the source of much tension in organizations. The strategies and images used to raise funds from the public were often felt to compromise the nature of the work done by other members of staff. These images often depicted beneficiaries as helpless victims in need of assistance, which other staff felt was inaccurate and lacked respect for the beneficiaries.

The difficulties of managing NGOs with operations in several countries also raised concerns. The difficulties came from the inability to define proper lines of autonomy on policy issues. Field staff often felt isolated unsupported and felt there was a lack of understanding of the issues they were dealing with at field level. In addition, they often found it difficult to be loyal to headquarters. Headquarters staff on the other hand, felt that field staff had too much power which needed to be controlled if all the interests within the organization were to be adequately addressed. (Aksel & Baran, 2006)

The most commonly identified weaknesses of the sector include; limited financial and management expertise, limited institutional capacity, low levels of self-sustainability, isolation/lack of inter-organizational communication and/or coordination, lack of understanding of the broader social or economic context. The structural growth problem arises in that once they are successful, small businesses world-wide commonly face the problems of replacing one-person management (or family management) with a more institutionalized structure. The founder is used to having total control and doing things his or her way. It is difficult to persuade her/him to create independent management or expert roles, or to respect the authority and autonomy of independent managers and experts once they are in place. Their styles, ethos, and values are often severely challenged by the formality and the bureaucratic discipline that is imposed by this volume and variety of external funding from public organizations. The accountability problem; This has both a 'real' and a 'perceived' dimension. The 'real' problem is quite clear and is articulated repeatedly; Who are these people accountable to? (Moore & Stewart, 1998).

The evaluation problem; this is most immediately a problem for donors, but failure to resolve it reflects back on NGOs eventually, and should be perceived as their problem. Performance evaluation; is relatively easy in 'post-office' type organizations where (a) activities are routine; (b) objectives are few and clear; (c) there is no great distinction between immediate 'outputs', medium-term 'effects', and long-term 'impacts'; and (d) outputs, effects or impacts can be measured relatively cheaply and reliably without the measurement process itself distorting the objectives of the organization or the goals of the staff. Few public organizations are like post-offices. Many, including many development NGOs, are very different: their activities are experimental rather than routine; their goals are often intangible (such as changing the consciousness of clients or the opinions of policymakers); they may be operating in the face of official obstruction and hostility; and it may be difficult to find other organizations with which their performances can usefully be compared in any quantitative sense (Moore & Stewart, 1998)

2.3 Strategic Management and the Perspectives

Strategic management is the art and science of formulating, implementing and evaluating cross functional decisions and business strategies so as to enable an organization to achieve its objectives. It provides the basic direction and framework, within which the organizational activities are mandated to take place. Ansoff et al (1970) suggests that formal planners outperformed non-planners in virtually all relevant financial criteria. It appears to assist many firms to achieve success.

Hofer and Schendel (1978) cited by Toby Harfield (1998) define strategy as the fundamental pattern of present and planned resource deployments and environmental interactions that indicates how the organization will achieve its objectives. When perceived as an open system, it is an intimation of

how the organization intends to maintain its throughput-output cycle. Mintzberg (1990) worked on the rather monumental task of creating an 'encyclopedia' of strategic management research. He located 10 schools of strategy which developed from the emergence of strategic management as a field of study during the 1960s. He described and assessed the main players and tenets of each school within its cultural context and these are subsequently expounded on in the following manner.

The classical view of strategy is based on the military tradition in which the world is a rigid hierarchy with a solitary general who makes decisions. The military model is complemented by an intellectual inheritance from economics (Harfield, 1998). This view that each individual is continually exerting himself to find out the most advantageous employment of whatever capital he can command, creates a stereotype of the manager who is focused on maximizing return on investment. Classical strategy places great confidence in the readiness and capacity of managers to adopt profit-maximizing strategies through rational long-term planning. Michael Porter (1996) is one who is easily placed in the classical mould.

The decade of the 1970s defined an era of processual approaches to Strategy. A processual view of the firm is one that postulates organizations as individuals, each with their own personal objectives and cognitive biases to the organization. For these scholars, Richard Cyert et al, cited by Harfield (1998), strategy is a continuing process of negotiation because the notion of a rational human being is a fallacy, and that people are only boundedly rational. To the processual scholars, strategy is not only planned and followed action, but it is also a way to make sense of the chaos of the world. Strategies are therefore emergent with their coherence accruing through action and perceived in

retrospect, with successive 'baby steps' or iterative approaches eventually merging into a pattern (Harfield & Hamilton, 1997).

Evolutionary approaches to strategy characterized the 1980s. With this view of the world, markets and not managers choose the prevailing strategies within a particular environment. For those strategists who adhere to the evolutionary view of competition, survivors may appear to be those who have adapted themselves to the environment. Competition is perceived as the most effective form of weeding out inefficiency or lack of adaptation, thus easy entry into markets is the way to ensure healthy industries.

The systemic perspectives on strategy then emerged in the 1990s. This social constructivist view suggests that the norms which guide strategy are not cognitive but are cultural. Culture, is defined by a series of social systems and is affected by firms, industries and economies (Gergen, 1994). It may be that the very term 'strategy' may be culturally particular or specific to the conditions that existed in the United States during the 1950s and 1960s.

Depending on the size or type of organization, strategy can be perceived from three broad multi-level perspectives; functional strategy, business strategy and corporate strategy. The functional strategy focuses on the achievement of maximum resource productivity through synergy and the development of distinctive competencies. The business strategy then defines how each business will compete through the distinct competence and competitive advantage. The different functional areas are synchronized within each single business. The corporate strategy then defines the domain i.e. which

business the organization is in. However, despite the above, these multi-levels are inter-active and impinge upon each other thus necessitating consistency upon implementation. Further categorizations of strategy include societal strategy, enterprise strategy and sub-strategies. Some of the commonly pronounced values of strategy include providing direction to a company, managing change particularly in a dynamic environment, development of competitive advantage in one's industry, attainment of focus and the reduction of conflict (Harfield, 1998).

Beeby (1992), an educationalist described the structure and function of an educational myth and stated that some of the noblest of human achievements are myths created to give a sense of permanence. Harfield (1998), accounts for the strategic management literature over the last 15 years by stating that strategic management is a myth and that the field of strategy demonstrated the power of a "non-concept". According to Harfield (1998) this may seem descriptive of the attempt to make sense of strategic management as a "field of study" or a location of managerial experience.

Ostensibly the simplest and most fundamental view of strategy formation is as a process of informal conception. This implies the use of a few essential concepts to design a "grand strategy". Of the various concepts, the most essential is that of congruence or match. To the proponents of the design school, 'economic strategy will be seen as the match between qualification and opportunity that positions a firm in its environment' (Christensen et al, 1982 cited by Henry Mintzberg, 1990). This is alternatively referred to as the 'fit school'. 'Capture success' seems to be the motto of the design school; 'find out what you are good at and match it with what the world wants and needs.' These capabilities or qualifications have variously been referred to as 'distinctive competence,'

‘differential,’ ‘competitive,’ or ‘comparative advantage’ or more simply an organization’s ‘strengths and weaknesses.’

The design school has generally been associated with the business policy group at the Harvard Business School. Some of the basic concepts that underlie the design school appear to have been first stated in the academic world by a Berkley sociologist named Philip Selznick (1957). Selznick wrote that: Leadership sets goals, but in doing so takes account of the conditions that have already determined what the organization can do and to some extent what it must do. In defining the mission of the organization leaders must take into account the internal state of the policy and secondly the external expectations. Christensen et al (1965) cited by Henry Mintzberg (1990), became the dominant text book and voice of this school of thought. Andrews (1971) summarizes the essence of his model as the intellectual processes of ascertaining what a company might do with regards to the environmental opportunity, of deciding what it can do in terms of ability and power, and of bringing these two considerations together in an optimal equilibrium.

The traditional concept of strategy (Andrews, 1971) is phrased in terms of the resource position (strengths and weaknesses) of the firm. Andrews discusses seven basic premises that underlie the design school. The first premise states that strategy formation should be a controlled, conscious process of thought. Action follows fully formulated strategies and associated strategy with intentionality. Corporate strategy for example, defines products and markets and determines the company’s course into the almost indefinite future. The second premise depicts the Chief Executive Officer as the strategist, ultimately responsible for that control and consciousness. It is the function

of the leader to define the ends of group existence, to design an enterprise distinctively adapted to these ends and to see that, that design becomes a reality. This premise relegates other members of the organization to subordinate roles in strategy formation and seems to preclude external actors from the process altogether.

The third premise proposes that the model of strategy formation must be kept simple and informal. However, it is common knowledge that the process of formulating a coherent corporate strategy is often a complex process. The fourth premise states that strategies should be unique; the best ones resulting from a process of creative design. The design school pays little emphasis to the content of strategies per se, but instead focuses on the process by which they should be developed. Under the fifth premise the strategies are deemed to emerge from this design process fully formulated. It is the big picture that results from the process – the grand strategy, which is an overall concept of the business. The assumption is that the strategist is able to line up alternative strategies before him to be evaluated so that one can be definitively chosen.

The sixth premise states that the strategy should be explicit and, if possible, articulated, which also favors being kept simple. A strategy must not only be explicit to be effective but specific enough to require some action or otherwise. Andrews (1971), states that ‘Simplicity is the essence of good art’. If strategies are to be articulated, it follows that they have to be kept rather simple, to the point, easily stated and thus easily understood.

Finally, the seventh premise states that only after these unique, full blown, explicit and simple strategies are fully formulated, can they be implemented. Central to the distinction between formulation and implementation of strategy, is the associated premise that structure must follow strategy. The corporate strategy must therefore dominate the design of organizational structure on processes. Although these seven premises are clearly evident in Mintzberg (1990), he subsequently qualifies all of them. Strategy formulation is itself a process of organization rather than the masterly conception of a single mind. In real life the processes of formulation and implementation are intertwined. It is acknowledged that corporate strategies need not be a straightjacket and accepts the existence of emergent strategy.

The writings of the design school can be critiqued on a number of levels. The critique is not intended to dismiss the design school model, but rather the assumption of its universality, that it somehow represents the 'one best way' to make strategy. Research results have put part of it under suspicion. As noted, the premises of the model deny certain important aspects of strategy formation, including incrementalism and emergent strategy, the influence of existing structure on strategy, and the full participation of actors other than the chief executive. One critic of the design school is its central theme; its promotion of thought, independence of action and strategy formation above all as a process of conception rather than as one of learning. The underlying question is how an organization knows its strengths and weaknesses. Every strategic change involves some new experience, a step into the unknown, the taking of some kind of risk. No organization therefore, can ever be sure in advance that an established competence will prove to be a strength or a weakness.

The design school promotes the dictum, first articulated by Chandler (1962) and cited by Henry Mintzberg (1990), that structure should follow strategy and be determined by it. The model however, also accepts the opposite in that structure is perceived to constrain and condition the strategy. Claiming that strategy must take precedence over structure amounts to claiming that strategy must take precedence over the established capabilities of the organization, clearly an untenable proposition. Structure maybe malleable, but a leader cannot simply tinker with it at will, just because he has conceived a new strategy. Strategy formation is an integrated system, not an arbitrary sequence and that between strategy and structure, neither takes precedence.

The premise that strategy must be explicit is advanced on the basis that only an explicit strategy can be discussed and investigated, be understood, provide coherence and be supported. This can only be attained where the strategist is sure and has few serious doubts about the viability of that direction. The design school implicitly assumes conditions of stability or predictability. Organizations must however function not only with strategy and during periods of stability. 'It is virtually impossible for a manager to orchestrate all internal decisions, external environmental events, behavioral and power relationships, technical and informational needs, and actions of intelligent opponents that come together at a precise moment'. There is in fact evidence from the laboratories of cognitive psychology that an attempt to explicate a strategy locks it in, breeding resistance to later change.

The potential danger of a little knowledge needs to be recognized. Andrews (1971), finds such strong managerial resistance to the inclusion of outside board members in strategy undertakings. The formulation-implementation dichotomy is central to the design school. It is perceived as another

version of the basic form of rationality that underlies western thinking. It emphasizes the distinction between the few people on top who are allowed to think and those below, who act. This does seem to suggest that there is a separation of 'muscle from brain' and may well be a root cause of the vicious circle of the decline in productivity and loss of international competitiveness that industry in the U.S seems to be caught in.

No intended strategy can ever be so precisely defined that it covers all eventualities. Implementation failure does occur. 'Slippage' or 'drift' refers to those situations where strategic intentions get distorted on their way to implementation or where the realized strategies are within their context but, differ from the intended blue print ones, respectively (Mintberg, 1990). In an unstable environment the dichotomy has to be collapsed. In other words thinking and action must proceed in tandem. A leader, or strategist develops some preliminary ideas, tries them out tentatively, modifies them, and continues until a viable strategy emerges. Such close control of a leader over both formulation and implementation, is characteristic of the entrepreneurial mode of strategy-making, where power is highly centralized in a flexible organization (Mintzberg, 1973).

2.4 Strategic Management, Knowledge Management & the NGOs

Suffice it to say that organizational learning was introduced into organization theory literature over thirty years ago and gained significance in the 1980s and 1990s as many organizations strived to adapt to accelerated global changes. It is currently a key activity in organizations and it offers an alternative paradigm by which systems can be adapted.

Organizational learning is the process through which the organization's knowledge and value base changes, thus leading to improved problem solving ability and the capacity for action. Through individuals' interactions within an organization, the individuals within the organization and that organization, learns as well. It is often stated that learning lies in between the 100% confirmation to 100% novelty continuum. The origins of organizational learning are traceable to Argyris (1985), who attributed organizational success with learning. He developed the concept of single-loop and double-loop learning in 1978. Single-loop learning was defined as occurring when an organization achieved what it intended and it does not question the underlying assumptions. On the other hand, double-loop learning occurred when a mismatch between intention and outcome is identified and corrected i.e. turning a mismatch into a match. In this scenario, one questions and tackles the basic assumptions and beliefs.

According to Senge (1990), "management needs to see the big picture, to escape routine linear thinking and understand the subtle interrelationships. Organizations that will excel in the future will be those that discover how to tap people's commitment and capacity to learn". The business environment has become increasingly uncertain and turbulent and a competitive advantage is attainable through knowledge, where under a conducive environment, the employees would be challenged to re-examine what they take for granted. Learning therefore would lead to continuous improvement with thinking in the same direction and the requisite change as appropriate.

The corporate strategy making process is fostered by the on-going technology development process and knowledge accumulation (Itami and Numagami, 1992 cited in Wim Vanhaverbeke and Nico

Peeters, 2005). Knowledge seems to become increasingly prominent in the eventual outcome of the strategic design and implementation. The new business development and corporate strategy are continuously interactive and mutually nurture each other in a dynamic and iterative process.

Internal and external ventures and the related explorative technological research are the key drivers to the development of competence and competitive edge. Besides mere sustenance of a firm's position in the industry, corporate strategy may activate and direct new business development. Managing this iterative process, where the strategy drives the competencies and competencies drives the strategy, often poses a major organizational challenge to the innovating company. Innovation is no longer perceived as a tool for the implementation of the strategy but a strategy by itself. This suggests that a firm ought to reconcile apparent paradoxes between the strategic fit and the need for reinventing itself in view of a changing technology or market context. The successful organization is said to possess that ability. There is a need to channel and integrate innovative proposals within an organization. This does not occur automatically given the fundamentally different objectives within any given corporate entity. In many companies these novel strategic proposals and opportunities get suffocated by what may be referred to as the dominant logic of the mainstream or core business. Corporate venturing and innovation is perceived as a practice that compels the firm to adapt its competencies over time and acts as a critical catalyst in recognizing new strategic options. Emeritus (2002) examines the problems in the distinction between "knowledge" and "information". He cynically concludes that "Knowledge Management" is an umbrella term for a variety of organizational activities none of which are concerned with the management of knowledge. Since the emergence in 1911, of Taylor's Scientific Management; Time and motion study, an ever increasing repertoire of management techniques have

been floated globally including but not limited to; organizational learning, core competences, total quality management, management by objectives, organizational development, systems thinking, business process re-engineering, customer relationship management, and now knowledge management.

According to a research conducted on knowledge management by Al-Hawari (August 2004), organizations who have effective ways to manage their knowledge are much more prepared to face challenges and changes in a new economy thereby being more innovative (Clarke & Rollo, 2001) to invest and compete. Companies that make the biggest revenues often rely on knowledge packaging. Economists report a connection between knowledge management and the market share. The literature cited above seems to imply that there is a relationship between knowledge management and a set of organizational factors such as business size, innovation, profit size, and market share.

Knowledge is defined as what we know and it involves the mental processes of comprehension, understanding and learning that goes on in the mind. We then express what we know orally, through written, graphic, or even body language. This then constitutes information which a knowing mind may assimilate, understand and ultimately incorporate into its own knowledge structure. It has been identified that in many organizations, information overload was impeding effective decision making.

Knowledge management is the most topical subject of the day. A mere collection of data for which there is no relation between the pieces of data, is not information. Information is an understanding of the relationship between data. From a hierarchical perspective therefore, knowledge occurs where a pattern or relationship does exist between the data and information and one is able to realize and

understand the patterns and their implications. The patterns that represent knowledge have a completeness to them that information simply does not contain and when understood provide a high level of predictability as to how the patterns will evolve over time. Wisdom, at the highest rung in the ladder, arises when one understands the foundational principles responsible for the patterns representing knowledge being what they are.

Knowledge management is not an end in itself. It is the process by which an organization creates, captures, acquires and uses knowledge to support and improve the performance of the organization. It is however important and is one of many cooperating means to an end. It is important to the extent that it enhances an organization's ability and capacity to deal with and develop in the organization's mission, competition, performance and change. This then constitutes information by which a knowing mind may assimilate, understand and ultimately incorporate into its own knowledge structure. Success then occurs when the corporate entity pursues well defined objectives, continually reassessing things along the way, on occasions even the continued sensibility of the objective, making adjustments based on the feedback, and pressing on. And this is where knowledge and knowledge management become such a valuable component or ingredient for success.

In summary therefore, information relates to the description, definition, or perspective (what, who, when, where). Knowledge comprises the strategy, practice, method or approach (how), whilst wisdom embodies the principle, insight, moral or archetype (why). The sequence of data, information, knowledge and wisdom, represents an emergent continuum. One makes progress

along the continuum as one's understanding develops. Everything is relative and one can have partial understanding of the information, knowledge and wisdom.

In a research paper entitled *Managing knowledge to improve Reproductive Health Programs* (USAID, December 2004), the case studies cited, reveal how reproductive health programs have applied knowledge management concepts. Nick Wright (2004) profiles how Tearfund, a Christian international development and relief organization working in 80 countries worldwide, converted knowledge management rhetoric into organizational practice and the lesson it learnt en route. In order to deal with more donors (at the top) and more beneficiaries (at the bottom), NGOs working in Humanitarian Aid and Social development increasingly need systems to manage the creation, assessing and deployment information; within the NGOs that work together and, ultimately between NGOs and Society as a whole. NGOs need to manage their knowledge similarly as the for-profit organizations (Tracy A. Hurley et al, 2005). Leavitt's Model cites technology, people, task and structure as the four subsystems that need to be coordinated and balanced for the development of effective KM programs. One of the keys to an effective NGO is the transfer of tacit knowledge into explicit knowledge. Through processes aimed at documenting the explicit knowledge learned from program development, management and program evaluation, these "best practices" and "lessons learned" can be stored for use. This is a procedure that would enable the best elements of old programs to be modified, replicated, and incorporated into new programs. The end results are conceivably, better programs and more efficient effective organizations.

The strategic approach would be for NGOs not to routinely create programs from scratch instead of drawing on best practices developed by another organization. This has resulted in ineffective leveraging of investment dollars from funding agencies. Indeed the establishment of “best practices” database would go a long way in advancing the creation of an industry-wide knowledge management approaches.

2.6 Contemporary Management Approaches and Case Studies

Success in the NGO sector has often been taken for granted, once the desired levels of funding are attained. However, given the prevalent discontinuities and observed turbulence particularly in the external environment, there are recent research efforts made at identifying a causal relationship between strategic planning and overall performance. What this portends is that corporate planning does seem to help to insulate the entity against poor decisions and or actions that may ultimately lead to corporate embarrassments. In undertaking his research, Fubara (1986) selected a sample of five companies from each of the 19 states then of the Federation of Nigeria. Further to the application of a preliminary survey questionnaire he extracted forty four companies as the sample size, evenly distributed within the agro-business, Finance/investment, manufacturing and service companies .

Data was then collected through the use of mailed self-completion questionnaires (SCQ). Based on a calibrated ranking, by the respective chief executives, 84% of the companies in the sample ranked the profitability objective highly. This was determined through an objectivity ranking based on a 5-scale (1 2 3 4 5) continuum administered to the chief executives. Given this rating the subsequent objective was to identify whether the organizations had any formal planning. In this particular

research, it was identified that 80% (i.e. 35 organizations out of the 44) had formal planning with 25 of the 35 companies with long range plans that were reviewed annually. The study further made efforts to identify the variables that militate against formal planning in the identified sample.

These variables were identified as workers/employees, socio-cultural, political-legal, Government and technological-infrastructure variables. The data seems to show that the environmental variables as seen by the CEOs as militating against formal planning are scarce technology and poor infrastructure and unpredictable government/ministerial action. The profitability performance indicates that the agro-based companies had operated at steady losses from 1975 to 1982 whilst the manufacturing companies equally experienced losses between 1975 to 1982. The service companies operated at losses between 1975 and 1976 with profits coming in 1977. In addition, the companies that experienced profits were however challenged by the lack of liquidity due to their extended credit to government. One need not say much more to further illustrate the rather dismal or pathetic performance.

The finding in the above study was that the practice of long range planning in Nigeria was informal. The conclusion of that study was that long-range planning is futuristic and that the absence of that element in annual and extended budgeting inhibits corporate strategy leaving the companies to 'muddle through' and to succumb easily to the prevalent turbulence in the economy. Such environments call for managers of change and this does require formal long-range planning with constant monitoring, to re-define corporate objectives in order to re-plan situations that have been rendered unplanned by the variables within the economy.

In a similar research conducted in South Africa, Woodburn (1984), some fundamental observations were identified. The research methodology and objectives included using supporting theory and practice to develop broad areas that were developed into propositions. These were in turn amplified into testable hypotheses and a methodology subsequently developed for their operationalization. In this study, two powerful computer packages; OSIRIS (an integrated collection of computer programs for the management of social science data) and SPSS (statistical package for the social science) were used to facilitate the format design and subsequent reduction and analysis of the data contained in the questionnaire.

One of the basic propositions that emerge from the above study is that organizations tend to require different internal structural characteristics which may be portrayed along a continuum representing at one end the small, simple organizations through to the older, large, complex organizations at the other end of the continuum. As the size and complexity of the organizations increase, their characteristics change so as to meet their more complex differentiative or integrative needs. More specifically, it was observed that as organizations increase in size and complexity they tend to make increasing use of the reactive strategies and the planning mode of strategy formulation and decreasing use of the entrepreneurial mode of strategy formulation. Secondly, that organizations tend to make more use of strategy as the operational environment becomes more complex.

Thirdly, as organizations increase in size and complexity they tend to make decreasing use of proactive strategies and the adaptive mode of strategy formulation. In general, organizations tend to formulate strategies using the entrepreneurial mode when operating in a stable or homogeneous

environments and adaptive or planning modes when operating in dynamic or heterogeneous environments.

Among the ancillary findings was that the public sector is highly involved in all aspects of planning. This may be attributable to their service rather than profit motive and the bureaucratic determination of the best use of tax payer's money rather than the profit motive. Secondly, the 'large loss' companies appeared to be more heavily involved in looking at the environment and deriving short term operational plans than the other more profitable companies. These 'large loss' companies also had a lower involvement in the 'formulation of objectives' and the lowest involvement in both 'strategic' and 'long-range' planning. Involvement in long range planning by all companies shows that they become progressively more profitable. Indeed 72% of the very profitable companies undertook long-range planning. Again, simply stated, long term planning seems to yield its dividends in the form of progressively more profits.

In a study conducted by Odundo (2005), among the major objectives were to investigate the strategic management practices in public state corporations in Kenya, and the effects of training and development on the implementation of strategic management in state corporations in Kenya. The data was collected through a survey utilizing a questionnaire that was applied to a select number of corporations with interviews being limited to top parastatal managers. This was under the assumption that these are the persons most familiar and involved with the strategic management process.

The above research adopted an analytical review of strategic activities performed by the companies surveyed and then attempting to identify or correlate the surveyed companies based on the similarities and differences observed. This involved qualitative and quantitative research methods with a questionnaire being applied to selected Chief executive officers or Senior managers in the selected sample organizations drawn from Kenya. The data thus obtained was then used to test the developed hypotheses. The above research by Odundo (2005) presents the view that strategic management practices are a response to the unsatisfying performance of state owned enterprises within an increasingly competitive international environment. What seems to certainly emerge is the picture that planning or strategic management does have a role even in the performance of state corporations. This can be measured through such performance indicators as profitability or by service delivery, for those entities e.g. government who are not driven by their profitability margins.

If this is the expectation, and that research findings seem to suggest that the dividends of long term planning and strategic management are high, why is there such dissonance and erratic use of the knowledge and subsequent application of such an approach to management such as strategic management. These studies and other empirical evidence seem to suggest that there is a high management potential in strategic planning. Efforts will therefore be made in the research to further examine different management perspectives and fuse the insights obtained to formulate what is an apparent or subtle trend in corporate planning, strategy and ultimately management among various non-governmental organizations.

CHAPTER THREE: CONCLUSION

3.1 Specific Strategic Approaches to Problems faced by NGOs

None of the solutions suggested herein-below to the problems faced by NGOs, can be addressed without adopting a strategic management approach. The tendency has been to offer decentralization, in which some power is devolved to the field level, as a solution to the problem of tensions between field offices and headquarters. However, decentralization can have the paradoxical effect of increasing bureaucracy as organizations devolving power on the one hand, tend to set up all sorts of control measures on the other. These problems often reveal a clear gap between the values that NGOs espouse and what actually happens in practice. Balancing the needs of the different stakeholders who each feel they have an equal right to the decision-making process often does create a number of management problems for these organizations (Aksel & Baran, 2006).

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

A third solution is to focus on fostering the participation of all sectors of society in environmental decision-making and in supporting regional cooperation. Offer the following services: information

exchange and publications, with an emphasis on facilitating access to information; training and capacity building; and grants programs for NGOs with limited access to local resources. This may consist of a network of national offices, as well as a head office that acts as a coordination and information center with financial authority.

To develop the organization, individuals have to be able to contribute in the decision making process and they need to learn. All participants need to understand their responsibility to represent their particular stakeholders and to support the implementation activities (Inglis & Minahan, 2006). NGOs could form voluntary national professional associations, like associations of engineers, accountants, or insurance companies, aimed at promoting the sector, partly through self-policing of standards. The solution list is likely to include several of the following issues (Moore & Stewart, 1998).

- Timeliness of issuing of annual reports;
- Issues to be included in the annual report Employment, recruitment and staff development policies and practices;
- Sources of finance;
- Arrangements for internal or external scrutiny of financial transactions, employment practices, organizational policies, etc.; and
- Arrangements for the evaluation of organizational performance.

3.2 Suggestions for Research

Being in essence, a desk review, this independent paper has had to exceedingly rely on the available literature on the subject matter and examine or augment the views expressed with results obtained from previous researches undertaken in related topics.

Prahalad (1994) states that the fundamental structural transitions in a wide variety of industries precipitated by major catalysts such as deregulation, global competition, technological discontinuities and changing customer expectations are imposing continued strains on managers globally. Managers are abandoning traditional approaches to strategy and they are searching for new guiding ropes in a turbulent environment. In the absence of a consistent and useful strategy paradigm that they can use, they together with academicians continue to search for new approaches.

Academic disillusionment with the value of strategy literature is not a recent phenomena and Mintzberg (1990) challenged the planning process and by implication the process of strategy development. The changing fortunes of some of the largest and best managed firms of the early 1980s such as IBM, General Motors, Xerox and Caterpillar are attributable to the radical changes in their competitive landscape and the inability of managers to foresee these changes.

Several issues have arisen, worthy of scholarly attention including, but not limited to the emergence of micro-multinationals. Other issues include the protection of intellectual property, pre-market competition, protection of intellectual property (building competencies that cover the valuing, protection and trading).

Recognizing that the strategy field needs a new paradigm is a critical first step. However, identifying a paradigm that fits the emerging needs of the field, let alone one that can emerge as a dominant paradigm, is a phenomenal and tedious task. In the last decade, the industrial organization paradigm seems to have held sway and emerged as the dominant paradigm, clearly sidelining other approaches. How probable this continues to be the case in the future should certainly be a subject of interest and study. Strategy as a field of study has an abundance of issues which can be studied from a multiplicity of theoretical vantage points.

What appears to be a common practice for NGOs in the research is that many of these organizations are continuously engaging more time and other pertinent corporate resources into the area of strategic management. There seems to be a general consensus and an appreciation that the private sector approaches or enterprise processes could be ingrained into the NGO work processes. The process advantages have been cited above; however what seems to wane is not the awareness of the need for a change in the processes, but the lack of a sustained corporate stamina to see through the corporately envisioned objectives. Annual strategic planning sessions interspersed with periodic reviews by a section of the original visionaries, often by default, deflects a significant burden of the strategic implementation to a small group of individuals within many non-governmental organizations.

Although it is common that most strategies are subjected to iterative approaches it would be advisable that the core think tank regularly re-evaluate the strategic map to redefine the next steps. Where this aspect is not subjected to an appropriate strategic rigour, strategic implementation drifts are likely to occur as a result. Although the research and empirical evidence to date have not been

able to conclusively state whether or not strategic planning is an effective tool for the overall management of organizations, several implications have arisen that are deserving areas for further research. One of the intriguing investigations would be to determine whether additional empirical data would be encountered and reported and would further assist in determining the relative association between strategic planning and company performance which may to a certain extent be indicative of the effectiveness of strategic planning.

Kotler (1977) and Dyson et al (1980) acknowledge that there are problems associated with assessing effectiveness of strategic planning by measuring performance. On the contrary they suggest a range of attributes, the existence of which, in a particular planning system, would imply or indicate that the system is potentially effective. What is conclusive however is that there is a range of potential inherent advantages or intrinsic values that accrue not only to an organization but also to the external stakeholders when strategic planning is utilized. Given these presumptions Studies conducted indicate that corporate entities that practiced formal planning attained better performances measured in terms of the ratio of profit to capital employed, net earnings per share than those companies that dared not to plan Ansof et al (1970)

Substantive research studies by Ansof et al (1970), Karger and Malik (1975) conclude that there exists a causal relationship between strategic planning and company performance. A significant criticism regarding this supposition is that there are many other variables which can also affect performance end results. This implies that the changes detected in a given company's performance may have been fully or partially, or may not at all have been affected by strategic planning. It was

also observed that there was subjectivity in the definition of the formality of planning and the fact that only financial data was included in determining the company performance. A third criticism is the lack of commonality of parameters in the studies conducted resulting in difficulties of cross validation of the results. Fourthly, there is evidence of bias in methodological rigor and implied personal bias with wide variations in the reporting of the statistical significance of results (Greenley, 1986).

However there are advantages that have been extracted from the earlier research work and stand out as process and personnel advantages. Among the process advantages are the objective view of management problems, providing a framework for the review of planned execution, control of activities and coordination of the tactical execution of the plan, effective time and resource allocation, and internal communication, the prioritization, identification and exploitation of future marketing opportunities. Personnel advantages include the integration of individual behavior into synergistic total efforts. Individual role clarification, forward personnel thinking, cohesive enthusiasm and attitudes, discipline and formality to the business function that would not exist without planning.

Perhaps this kind of research will be an eye-opener, that helps to distinguish that company performance may not be a valid or accurate basis of determining effectiveness. The objective under these circumstances then would be to establish the effectiveness of strategic planning more as a tool for the overall management of organizations, including the NGOs. A shift therefore in the relevant and significant parameters being evaluated is definitely proposed to render the determination of

strategic management and its applicability more subjective to evidence adduced through substantive research or empirical evidence.

3.3 Summary

“Failing to plan is planning to fail”. It has also been stated that it is better to light one candle than to curse the darkness. Should NGOs ignore or cast aside the role of strategic planning and management simply because of the discontinuous environment that is a function of the continuity of their funding. Should political, individual intuition or socio-cultural issues singularly dictate the management of NGOs. What effect or choices do NGOs that find themselves in political minefields have along the strategic management paradigm. Gordon E. Greenley (1986) states that, clearly there are process and personnel advantages to planning.

A corporate plan may be defined as a comprehensive future-oriented, continuous process of management which is to be implemented within a framework. It is responsive to relevant changes and concerned with both the strategic and operational planning and does incorporate monitoring and controlling mechanisms in the short and in the long run. It is the corporate planning process above all which should be used to stimulate thought, innovation, attention to appropriate changes and also to provide the motivation to stretch the organization. Institutions or corporate entities are managed by individuals. Suffice it to say that it is managers who make or break the organization and that they, and not the organizations, are the very ones that fail.

It is perceived that strategic management certainly helps to mitigate the possibility of failure. Given a particular strategic management model, one ought to introduce and integrate the complexities that are likely to emerge in real life. However, based on the available literature and empirical evidence from the sample case studies it becomes more apparent that there are other factors that impede upon the outright application of strategic approaches to management. The need for a new paradigm has been articulated, and the individual and the political legal aspirations do seem to emerge, especially within the not for profit organizations. Evidently a new paradigm will not become a panacea and another awakening would be appropriate to identify the impediments, to guide and thus ensure effective strategic implementation.

There is common scholarly and corporate mention of such terms as corporate strategy, corporate culture, corporate image and so on. That would lead one to presume that beneath all that, lies what can be referred to as a corporate conscience, that body of morals and values that informs or ought to govern board room decisions. It is intangible and the value system exceeds mere corporate logic or rationalization. It defines the reason for existence and is informed by that organization's vision. Perhaps this corporate conscience should take center stage and enlighten corporate or organizational governance. This perspective will be examined with a view of establishing whether there are indeed any not for profit non-governmental organizations who, in the absence of the conventional profit bottom-line, incorporate this component in their corporate culture or governance.

According to impact studies conducted to determine what makes NGO development projects successful, three factors are identified by R. C. Riddell et al (1995). It is however stressed in their

findings that project performance was related to a variety of influences, none of which in isolation, is sufficient to determine the success or failure. The first factor identified is the participation of the beneficiaries in different cycles of the projects. A second significant influence was the strong and effective NGO management and institutional capability and thirdly, the caliber of project staff, their commitment to overall project activities, their collective skills and degree of empathy with the intended beneficiaries.

It is important to note that the above study clearly places a finger on the role of effective NGO management and institutional capability which would lead one to conclude that an explicit strategic management approach within an NGO does enhance the probability of success.

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