

**STAKEHOLDER INVOLVEMENT IN THE STRATEGIC
MANGEMENT PROCESS IN HEALTH BASED NON-
GOVERNMENTAL ORGANIZATIONS IN NAIROBI COUNTY,
KENYA**

BY:

MARY OSANO

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DECLARATION

This research project is my original work and has not been submitted to any other university for award of a degree.

Signature.....Date.....

MARY OSANO

D61/69587/2011

This research project has been submitted for examination with my authority as the university supervisor

Signature.....Date.....

DR. VINCENT MACHUKI

Department of Business Administration

School of Business

University of Nairobi

DEDICATION

This project is dedicated to the loving memory of my beloved husband Charles whose memories continue to regulate my life. I also dedicate to my sons Andrew and Levi, my parents Osano and Yunes, and to my sister Alice who has been a great support to me during this course. Further, I dedicate this work to all my friends and relatives.

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ACRONYMS AND ABBREVIATIONS

GF	Global Fund
HELB	Higher Education Loans Board
HENNET	Health Nongovernmental Organizations Network
KNBS	Kenya National Bureau of Statistics
KNCV	Netherlands Tuberculosis Foundation
NCB	Non-Governmental Organization Coordination Board
NGO	Non-Governmental Organization
TSC	Teachers Service Commission
USAID	United States Agency in Aid

ABSTRACT

The aim of this study was to establish the extent of stakeholder involvement in the strategic management process in health-based non-governmental organizations in Nairobi County, Kenya. The study had two objectives: to determine the extent of stakeholder involvement in the strategic management process of the health-based NGOs in Nairobi County and to establish factors influencing the stakeholder's involvement in the strategic management process of NGOs in Nairobi County. The study adopted a cross-sectional survey design and data were collected from 83 Non-Governmental Organizations in Nairobi through structured questionnaires. Frequencies and percentages as well as factor analysis were used in analysing the data. The findings reveal that health-based non-governmental organizations in Nairobi engage stakeholders to a great extent before any decisions or policies are made but they do not involve them in assessment of the strategic management process. The study also revealed that there are various factors that influence the extent of stakeholder involvement. The factors that greatly influence stakeholder involvement in the strategic management process include: it is a legal requirement expert knowledge of a stakeholder group; and the authority held by a stakeholder to the success of an activity. In conclusion, the health-based non-governmental organizations operating in Nairobi County do involve their stakeholders in the strategic management. However, the level of involvement varies according to stakeholder's power and influence in the organization. The researcher recommends survey on the health-based non-governmental organizations that operate in the country; a case study can be done to give in-depth data and a study may be done to find out whether stakeholder involvement in health-based non-governmental organizations may lead to long-term success in organizations.

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

Organizations exist in an open system where they are closely linked to both internal and external environment which affect and are affected by external conditions largely beyond their control (Pearce and Robinson, 2011). The linkage or fit if accurately applied has powerful implications for the design of a successful strategy by maximizing on a firm's strength and opportunities and minimizing on its weakness and threats. According to Callaghan (1994), organizations are part of a system involving the acquisition of resources from the external environment, their conversion into products or services and is demanded back to the environment again. The success and survival of every organization depends on how well it relates with its environment. The organization is compelled to subordinate to the demands of the firm's internal and external activities to the multiple and often inconsistent requirements of its stakeholders (Pearce and Robinson, 2011).

Stakeholder engagement practice is increasingly becoming part of mainstream business practice. It is being used as a means to gain wider support, ownership, and common agreement. The organization's decisions are made by taking into consideration the power and interest of stakeholders whose actions may influence the organization negatively or positively (Freeman, 1984). Thus stakeholder management calls for an integrated approach to strategic decision making by taking into account of the internal and external environment in order to improve the chances of success and minimize the future uncertainties that may make it fail (Yabs, 2010).

Like all organizations, health-based Non-Governmental Organizations (NGOs) exist to meet the objectives of various stakeholders with diverse interests in the environment it operates in. The health-based NGOs play an important role as partners in development by working to improve the health of communities in Nairobi County. The role these NGOs play is critical as they provide vital services not met by the government. It is in this context that the study intends to investigate to what extent the NGOs involve their stakeholders in strategic management in formulating, implementing and evaluating their strategies.

1.1.1 Strategic Management Process

Strategic management is a set of decisions and actions resulting in formulation and implementation of strategy designed to achieve objectives of an organization (Pearce and Robinson, 1997; 2011). Bartol, (1993) perceives strategic management as a process through which managers formulate and implement strategies geared toward optimizing strategic goal achievement, given available environmental and internal conditions. This means that strategic management weighs important environmental elements; it considers both internal and external characteristics of the organization to develop specific strategies. According to Lynch (2009), the field of strategic management deals with the intended and emergent initiatives by organizations on behalf of owners, involving utilization of resources, to enhance their performance.

Pearce and Robinson (2011) definition reveals the following factors: determining the mission, develop a company profile, appraisal of the internal and external environment,

setting of objectives, developing and choice of strategy, implementing and monitoring of the strategy. The strategic decisions and actions require top management support, substantial allocation of resources; future oriented, considers both internal and external environment considerations, and usually has multi-functional and multi-business consequences (Pearce and Robinson 2011). According to Bartol (1993) the strategic management process begins with strategy formulation, the part of strategic management process that includes identifying the organization's mission and goals, conducting analysis, and developing specific strategies.

Involvement of the stakeholders in each stage of the strategic management process is important. Analysis of the situation, according to Johnson and Scholes (2002) looks at the strategic position of the organization in terms of its external environment, internal resources and competencies, and expectations and influence of the stakeholders. The next part in the process is strategy implementation which if not executed effectively will fail even if strategies are brilliantly formulated. Stakeholders according to Johnson, Scholes and Whittington (2005), have influence to determine the strategy of the organization. They go on further to say that the key to understanding the management of a not-for-profit organization is thus learning who pays for the delivered services. An organization is likely to be concerned with satisfying the needs and desires of the funding sponsors than those receiving the service (Johnson et al, 2005)

1.1.2 Stakeholder Involvement

A stakeholder according to Freeman (1984), is any group or individual who can affect or is affected by, the actions of the organization. Johnson, Scholes and Whittington (2005), define stakeholders as those individuals or groups who depend on the to fulfil their own goals and vice versa. According to Bryson (1995), this individual or group lays a claim to the the resources of the organization attention and resources. These groups, according to Wheelen and Hunger (2008), may include owners, trade unions, complementors, employees, customers, suppliers, stockholders, government and other groups who may help or hurt the organization. Rowley (2009), notes that the survival of the organization depends on how well it satisfies its stakeholders.

According to Pearce and Robinson (2011), the business environment is dynamic and unpredictable, stakeholders preferences shift inexplicably and are often inconsistent. The stakeholder concept provides a new way of thinking about strategic management according to Freeman (1984), the shareholders are no longer interested in return on investment but control as well, the customers have many choices and other stakeholders interests have shifted. Freeman further says that the emergence of new groups, events, and issues which cannot be readily understood within the frameworks of the framework of the existing model or theory has made it necessary for the stakeholder management.

Wheelen and Hunger (2008), argue that stakeholders wield power over the industry and is a force to reckon though their importance varies by industry. The Non-governmental organization especially the not-for-profit organization, depends heavily on funding from

a sponsoring agency to pay much of its costs and expenses. Thus strategic decision making derives from its sources of revenue (Wheelen and Hunger, 2008). Successful stakeholder involvement fosters strategic development of partnerships, results in collaboration problem solving, ultimately results in broader support for decisions.

1.1.3 NGO Sector in Kenya

According to the NGO coordination Board (NCB), the NGO Coordination Act (1990), defines an NGO as a private voluntary grouping of individuals or associations, not operated for profit or for other commercial purposes for the benefit of the public (NCB). The number of registered NGOs operating in Kenya by 2013 is over 4,000 according to the NCB. Some of the organizations are not registered especially the ones established by the states or are a network of prominent development organizations. NGOs are established by a state or states, organized locally or internationally for the benefit of the public for the promotion of social welfare, development, charity research or other forms of development assistance. Some of them operate in more than one sector of the economy such as health, agriculture, gender issues among others. In the health sector there are several NGOs providing both curative and preventive services throughout the country (NCB, 2013). The health-based NGOs have their own regulatory body known as Health NGOs Network (HENNET).

The operational base of most of the health NGOs in Nairobi County is supported by a network of prominent development organizations such as United Nations (UN), United States Agency in Aid (USAID), Netherlands Tuberculosis Foundation (KNCV), Global

Fund (GF), German Aid (GIZ), and other diplomatic missions in Kenya. The current disease trends with lifestyle diseases on the rise, drug resistant disease strains, increase in population and customers are more informed and demanding for quality healthcare due to globalization. According to the Kenya Service Provision Assessment 2010 (KSPA) Survey Report, the public health sector accounts for 51% of the healthcare services while the private contributes about 40% of the services in Kenya. The private health sector includes the NGOs both for profit and not-for-profit. NGOs play an important role in the health sector and for this reason to involve the stakeholders in the strategic management process right from the formulation to the evaluation stage in order to succeed (KSPA, 2010).

1.1.4 Health-based NGOs in Nairobi County

Nairobi County has a population of 3,138,369 covering 684 km² according to the 2009 census report. The County has more than 720 health-based organizations registered with the NGOs Co-ordination Board (NCB, 2013). Nairobi County, according to the Kenya National Bureau of Statistics (KNB) 2010 has 60% of its population living in informal settlements. Most of them are poor, malnourished, and living in poor sanitary conditions (Tibaijuki, 2007). The Nairobi profile report (Ministry of State Planning, 2013) indicates that the most common diseases in order of prevalence as of 2012 are skin diseases, diarrhea, malaria and pneumonia. Nutrition problems such as stunted growth, underweight, and children who are wasted stands at 23%, 10%, and 2.6% respectively (Ministry of State Planning, 2013)

Nairobi, being the major capital city of Kenya is a host to most of the NGOs and has quite a number of health-based NGOs providing services mainly to the slum communities. Health based NGOs play an important role as partners in development by providing services not met by government (KSPA Survey Report, 2010). The NGOs work to improve the health of communities by increasing access to health promotion, preventive, curative, and environmental health. The government requires health-based organizations to be more responsive to the public and deliver more value with constrained budgets. There is need for the Health-based non-governmental organizations to involve their stakeholders in the strategic management process in order to identify and provide services to the population in Nairobi County.

1.2 The Research Problem

Organizations of all types and nature have found it necessary to engage in strategic management in order to deliver on their goals efficiently and effectively. This is because organizations exist to meet the objectives of the stakeholders who operate in the organization's environment. According to Pearce and Robinson (2011), using strategic management approach, leads to improvement in the management processes. Planning is blended with increased emphasis on environmental forecasting and external considerations in formulating and implementing plans. Success of the organization is attributed when everybody is brought on board in the strategic management process.

The nature of the business of the health-based NGOs requires involvement with quite a number of stakeholders. It is therefore necessary for all stakeholders who can affect or

are affected to be involved in the strategic management process of the organization. Not all stakeholders can be involved in the entire management process; some may be involved at the formulation stage while others may be useful at the implementation and control stages. While strategic management is widely practiced by organizations in the country, there is absence of documented proof of stakeholders' involvement in the strategic management process of the health-based NGOs in Nairobi County.

Locally, various studies have been carried out focusing on stakeholder involvement in organizations but on different aspects, contexts and methodology (Birir, 2011; Oyiro, 2011; Gekonde, 2011; Kasimbu, 2007; Owuor, 2011). Birir looked at the influence of external stakeholders in TSC; Oyiro looked at the role of external stakeholders in strategy implementation at HELB; Gekonde looked at stakeholder involvement in strategy implementation at Nature Kenya, and Owuor on stakeholder involvement in strategy formulation in the Kenyan State Corporations. Kasimbu (2007) carried out a study on the extent to which stakeholders are involved in the strategy formulation among NGOs in Nairobi County however, the study views stakeholder involvement from one aspect of the strategic management process.

The studies that have been carried out have availed knowledge with regard to stakeholder involvement in different aspects in various organizations. However the studies' findings cannot apply to all across the board due to contextual and conceptual foci. Consequently a knowledge gap exists because the studies did not look at stakeholder involvement in the strategic management process within the context of health-based NGOs. The studies do

not determine the involvement of stakeholders in the strategic management process of these health-based NGOs. To what extent do the health-based NGOs in Nairobi County involve their stakeholders in their strategic management process?

1.3 Research Objectives

The objectives of the study were:

- i. To determine the extent of stakeholder involvement in the strategic management process of the health-based NGOs in Nairobi County.
- ii. To establish factors influencing the stakeholders involvement in the strategic management process of the NGOs in Nairobi County.

1.4 Value of the Study

The findings of the study may contribute to theory by giving insight and evidence-based knowledge regarding stakeholder involvement in the strategic management process in the health-based NGOs using the select sample. The study will serve as a stimulus for scholars to carry out further research as there are gaps which have been identified for further research. The researcher recommends a case study to give more in-depth data on stakeholder involvement in health-based non-governmental organizations in Nairobi County. The researcher recommends a survey study on the same in the entire country or in another county to see whether similar results can be achieved.

To the donor and government the data gathered from the study may be useful in assessing the impact of the efforts to strengthen stakeholder involvement and donor support. The

information identified critical issues in the industry as well as serve as a benchmark for the industry. The government will use the information gathered to regulate the industry so as to enhance sustainability and aid in developing sound strategies with Kenya now having formulated a long-term strategy of Kenya vision 2030, there will be need for the government to have in place institutions that can churn out appropriate strategies.

The information gathered from the study may give insight to the organizations to develop approaches to strengthen and create programs according to stakeholders needs. Also important are the factors that influence the extent of stakeholder involvement. The information will generate greater awareness among Health-based NGOs on the importance of having a proper and practical strategic management framework as a vehicle to organization effectiveness.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter lays focus on review of theoretical, conceptual, and empirical literature along the study's conceptualization. First, the chapter presents literature on theoretical underpinnings of the study followed by conceptual and empirical literature on the strategic management and stakeholder involvement in strategic management as well as factors influencing such involvement.

2.2 Theoretical Underpinnings of the Study

The precise origins of stakeholder are difficult to track down according to Freeman (1984); the actual word was used in 1963 by the Stanford research institute (SRI) which was used to generalize the notion of stockholder as the only group to whom the management need be responsive. Thus the concept was originally defined as "those groups without whose support the organization would cease to exist" (Freeman, 1984, p. 31). The stakeholder theory according to Thompson (1993), takes into account of the various needs of the interested stakeholders and the organization will on occasion "trade off" one against the other, establishing a hierarchy of relative importance. He further says that the interests of the stakeholders are not always consistent thus their influence will vary from decision to decision.

The organization is envisioned as the centre of a network of stakeholders, a complex system of services, information, influence and other resources (Freeman 1999). Value is

created when it meets the needs of the stakeholder since successful stakeholder involvement fosters strategic development of partnerships resulting in collaborative problem solving thus broader support for decisions. However, the goals of the stakeholder may be in conflict with each other threatening the organization. Building on the work of others, Clarkson (1995), defines primary stakeholders as those “without whose continuing participation, the corporation cannot survive as a going concern”. The stakeholders according to him include owners, employees, customers and suppliers as well as government and communities.

According to Freeman (1984; 1999), the stakeholder theory considers an organization as a social construction made of an interaction of various stakeholders. The organization operates as an open system where it is influenced by both internal and external environment. Organizations are rejoined to build on strengths, overcome weaknesses, identify weaknesses, and block threats (Nutt and Backoff, 1992). Stakeholder approach to strategic management is concerned with identifying individuals and groups who have an interest in the organisation or organization strategy program. An activity or venture is likely to succeed if it takes into consideration the environment in which it operates and endeavours to meet the needs of the stakeholders affected by it.

2.3 Strategic Management Process

Strategic management is a set of decisions and actions resulting in the formulation and implementation of strategy designed to achieve objectives of an organization (Pearce and Robinson, 1997; Harvey, 1988). Ansoff (1984), defines strategic management as a

systematic process for managing the organization and its future direction in relation to its environment in a way that will assure continuous success as well as from surprises. Thompson and Strickland (2003), define strategic management as a managerial process of forming a strategic vision, setting objectives, crafting a strategy, implementing and executing strategy, and then initiating corrective measures.

Strategic management can be seen as a series covering tasks of analyzing strategies and weaknesses within the internal environment; identifying agency stakeholders; establishing organization's mission and goals; formulating strategies; implementing the strategies, and finally engaging in strategic control activities to measure implementation progress and ensure the achievement of stated goals. (Pearce and Robinson, 1997; Hirriyappa, 2008). Strategic management is seen as a process rather than an event involving a number of stages which are sequential however; the process does not follow a neat tidy path as it may seem from the views expressed by Pearce and Robinson. This view according to Lynch (2009), is a prescriptive approach which is vague and an unrealistic because the process involves people and rapidly changing environments. The elements may appear in linear form but are interlinked in practice since strategy choice and implementation may overlap.

2.4 Stakeholder Management and Involvement

Stakeholder involvement according to Shaw, Ackerman, and Eden, (2003), is defined as the early and ongoing process of building relationship based on mutual trust and respect through dialogue with diverse audiences about complex issues. Stakeholder approach to

strategic management provides a single strategic framework, flexible enough to deal with environmental shifts without requiring managers to regularly adopt new strategic paradigms. Each time managers are faced with a strategic decision, they decide about who has necessary information and therefore, who needs to participate in the decision. The central concern of stakeholder involvement is the survival of the organization (Freeman, 1984).

Stakeholder involvement at different stages may take the form of sharing information, consulting, empowering, or deliberating on decisions. The central concern of stakeholder involvement is the survival of the firm thus managers need to understand who are the stakeholders, what their issues are, and what motivates them. It encourages integrated approach to decision making and management to develop strategies that ensure long-term success of the organization (Freeman, 1984). Not all stakeholders' interests can be taken into account. It depends on the power and interest a stakeholder wields to block or facilitate the process (Johnson and Scholes, 2008).

The purpose of the organization according to Lynch (2009), is ultimately to advance the interests of its owners usually the shareholders. Stakeholders are likely to have conflicting interests thus an organization's mission and objectives need to be developed bearing in mind two sets of interests; those who carry them out and those who have a stake in the outcome. Therefore the purpose of the organization will be shaped by the values of the organization and the power of the stakeholders. According to Johnson and Scholes (1997), it is helpful to analyze and understand different stakeholders to consider the

extent to which they are likely to show an active interest in the strategic development of the organization.

The idea of stakeholder management suggests that managers formulate and implement processes which satisfy all and only those groups that have a stake in the business or organization (Freeman, 1984). The central task in this process is to manage and integrate the relationships and interests of the stakeholders in a way that ensures the long-term success of the organization. A stakeholder approach emphasizes active management of the organization environment, relationships, and promotion of shared interests. Many traditional views of strategic management have ignored some stakeholders, marginalized others and consistently trade-off the interests of others against favoured stakeholders (Johnson, et al 2008).

According to Wheelen and Hunger (2008), the key to understanding the management of an organization that is not-for-profit in particular, is thus learning who pays for delivered services. If the end user pays a small proportion or none at all, the strategic managers are likely to be more concerned with satisfying the needs of the funding stakeholders. Rowley (2009), argues that the survival of an organization depends on how well it satisfies its stakeholders. Value is created when an organization meets the needs of the important stakeholder. Therefore successful involvement fosters strategic development of partnerships resulting in collaborative problem solving thus broader support for decisions (Freeman, 1984). Stakeholder involvement encourages management to develop strategies

that ensure long-term success of the firm and calls for an integrated approach to strategic decision making

2.5 Stakeholder Involvement in the Strategic Management Process

According to Ansoff (1984), strategic management encompasses the process of determining organization mission and goals; managing strategy formulation; strategy implementation, and strategy control. This view is supported by Lynch (2009), Johnson and Scholes (1997, 2002), who perceive strategic management process as a linkage of three components namely: strategy analysis, strategy development, and strategy implementation and that these three components may be sequential or interlinked depending on the environment the organization operates in. Stakeholder involvement in strategic management process plays an important role in supporting strategy, allows greater ownership, facilitates better decisions and may identify issues not addressed by the executive team (Clarkson, 1995).

The definitions though varied bring out distinct processes composed of three major phases: formulation, implementation, and evaluation. At the formulation stage, strategic analysis is done taking into consideration the aspirations of the stakeholders and how they affect the future development of the organization (Johnson and Scholes, 1997). The question here is which stakeholder should the organization serve? According to Johnson and Scholes (1997), the views that prevail will depend on the stakeholder that wields the greatest power. This forms the political context within which strategic developments take

place. Stakeholders have conflicting expectations hence the managers need to know which stakeholder has the greatest influence.

Wheelen and Hunger (2008), argue that, the sources of revenue of an organization dictate its strategy decision making the sponsors influence the organizations strategic direction while marginally influenced by others. However Waterman (1994), contends that today's most successful firms do not automatically make shareholders their first priority. Instead employees and customers receive considerable attention otherwise the organization output will decline. . According to Freeman (1984), when inadequate attention is given to strategy formulation, the strategic management system becomes disconnected from the operational structure of the organization.

Strategy implementation is an enigma in many firms; only one out of ten companies do an effective job in formulating strategy and equally on implementing it (Judson, 1991). Once strategies have been formulated, they must be translated into action plans, otherwise there will be many beautiful plans 'gathering dust' on office shelves. The implementation of strategy is influenced by a number of factors including availability of resources and the required manpower. According to Atreya (2007), internal leadership is needed to drive strategic implementation towards the right direction by allocating resources, gaining commitment and changing the transactional process. The transactional process can be done through various approaches including ignoring some stakeholders at some levels. (Freeman, 1984). The key to successful implementation is to communicate strategy to all stakeholders involved for support and commitment.

Strategic control according to Pearce and Robinson(1997), is concerned with tracking a strategy as is it being implemented, detecting and making changes as necessary. For on-going or long-term activities, regular review periods are necessary to check whether the process is meeting the purpose as agreed. This can happen through team meetings where stakeholders are empowered, informed and consulted. An organization, according to Yabs (2010), can use varied methods both qualitative and quantitative to evaluate the performance of their operations. Some organizations evaluate their performance according to their social responsibility while others rate them according to their best management practices, net profit, return on investment and others. Constant monitoring of the interactions between the organization and stakeholders is critical, particularly in those cases where the manager is uncertain about a stakeholder and also where stakeholder support is crucial (Freeman, 1984).

2.6 Factors Influencing Stakeholder Involvement in Strategic Management Process

According to Lynch (2009), stakeholders may wish to influence the organization positively or negatively, can force change of leadership and closure of an organization. The key issue with regard to stakeholders is that the organization needs to take them into account in its strategic management processes. According to Freeman (1984), these groups which can affect the direction and existence of a firm must be considered in the strategic management process and that stakeholder analysis included in the organization's direction. However Mitullah and Ngunyi (1990), argue that the extent of involvement of stakeholders will be dependant upon what particular decisions will stand to benefit from a wider field of expertise and creativity possessed by a particular stakeholder group.

Friedman and Miles (2002), argue that inclusion of full range of stakeholders is not only an essential pre-condition for successful participatory decision making but also vital for promoting equity and social justice in organizations and within their environment. Clarkson (1995), views stakeholder involvement in the decision-making process as making it easier for the organizations to develop policies, laws, and activities which are supported and easily implemented reducing opposition to change. A problem in one stakeholder is understood in terms of the entire stakeholder system. Therefore when planning and implementing strategies, the issues of all individuals and groups with an interest in an organization should be taken into account (Freeman,1984).

Stoffels (1994), perceives a stakeholder as an entity with which the firm has mutual relationships. Therefore the interests and attitudes of the various stakeholders in the organization can have an important impact on the firm's success in financing, producing, distributing, and selling its products or services. This perception is reinforced by Thompson (1993), who views stakeholders as important particularly those who offer financial support. The amount of resource in a stakeholder's possession, and the users of a project's service or product are considered of high importance (Johnson, et al 2008)

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter focuses on the methods of data collection and analysis. It highlights the research design, population sample, sample design, data collection, and data analysis.

3.2 Research Design

This study was carried out through a cross-sectional survey design. Cross sectional surveys allow the collection of a large amount of data from a sizeable population within a shorter period. It enables a researcher to get a snapshot of the situation all at once. According to Mugenda and Mugenda (2003), data collected from a sample can be generalized to the whole population.

Health-based NGOs in Nairobi County are many thus this research design is appropriate to get a snapshot of the stakeholder involvement in the health-based NGOs in Nairobi County. A cross-sectional survey was appropriate for the researcher since it took a short period to conduct over a wider population at a single point in time. The design has been successfully used by a similar study done earlier (Kasimbu, 2007). Therefore the researcher was able to gather information from the selected sample within a short period minimizing the costs and the getting the snapshot of the wider population.

3.3 Population of Study

According to Mugenda and Mugenda (2003), population is a complete set of individuals or objects with common observable characteristics. Consideration of all health-based NGOs operating in Nairobi County was done in order to ensure that the findings reflect stakeholder involvement in the strategic management process in all the NGOs providing health services in Nairobi County, Kenya. The health based NGOs were both from the indigenous and foreign, drawn from both religious and non-religious spheres.

The population of study in this research consisted of NGOs that provide or offer health services in Nairobi county, Kenya. The population study of interest to the researcher constituted all the health-based NGOs based in Nairobi County, Kenya. A number of sources existed which included NCB and Health NGOs Network (HENNET) but for purposes of this study, the NGOs registered with NCB were used. As at June, 2013 there were about 900 of such health-based NGOs registered by NCB.

3.4 Sampling

The study used a sample of 166 health-based NGOs for this study based on the target population of 900 health-based NGOs operating in Nairobi County. Gay (1981), suggests that for correlational research, 30 cases or more are required; for descriptive studies, 10% of the accessible population is enough; and for experimental studies, at least 30 cases are required per group. The rule of the thumb is to obtain as big a sample as possible thus using the selected sample size increased representation. However, resource and time factor influences the sample to use (Mugenda and Mugenda, 2003). Heterogeneous

populations require a larger sample as compared to homogeneous populations, thus a smaller sample size is required (Glenn, 1992)

The researcher used the list available from the NCB as the sampling frame through stratified random sampling technique. The researcher used the list of NGOs at the NCB directory to select the health-Based NGOs that are registered with the board as at July, 2013. From the list the researcher selected from the group those NGOs who provide treatment and prevention services of the diseases prevalent in Nairobi County, then randomly select from the subgroup. This technique ensured that every health-based organization in Nairobi County had an equal chance of being selected for the study.

3.5 Data Collection

A structured questionnaire was used to collect various sets of data which was organized in three parts. Part A focused on the organization demographics; part B focused on the extent of stakeholder's involvement in the organization strategic management process, and part C was on the factors influencing stakeholder involvement. The questionnaire is the most widely used method of data collection in social sciences. It is popular because the researcher has control over the types of data at the time of data gathering.

The respondents in this study were staff who are in charge of strategic management and planning of activities. They were presented with descriptive statements about stakeholder involvement in the strategic management process in a likert scale and were required to score. This is because likert scale is an important tool for rating responses from

respondents on various identified variables (Kothari, 2004). The questionnaires were administered through mail and “drop and pick” targeting the staff responsible for planning and policy in the organization.

3.6 Data Analysis

The nature of data which collected was largely quantitative , therefore the study made use of descriptive statistical tools of analysis (percentages, factor analysis and frequencies) to analyze the data that was collected. According to Mugenda (2003), percentages and frequencies show the proportion of respondents who score against the different extents of stakeholder involvement in strategic management process. Factor analysis was used to reduce the data that was collected on the factors influencing stakeholder involvement to a manageable level.

Percentages and frequencies showed the proportion of respondents who scored against the different extents of stakeholder involvement in strategic management. The findings of the study were presented in tabular form for ease of interpretation and reporting. Tables enable the reader to compare the trend of the distribution more vividly than simply looking at the numbers.

CHAPTER FOUR: DATA ANALYSIS, FINDINGS AND DISCUSSION

4.1 Introduction

This chapter presents the findings of the study data beginning with description, its findings, and finally provides a discussion of the study results. To achieve the objectives of the study, a total of 166 were randomly sampled and all of them served with questionnaires through e-mail and through 'drop and pick'. A total of 83 questionnaires were successfully completed which were picked from the organizations by the researcher. This represents a 50% response rate which the study considered adequate for analysis.

4.2 Organizational Profile

The study sought some information from the respondent organization in order to understand the organization profiles. This was meant to assist the researcher to relate the facts on organization profile with strategic management process in this organization. Aspects of the organization profile included the number of years the organization has been in operation and the nature of service offered.

4.2.1 Year of Establishment

The study sought to find how long the organizations have been in operation. The summary of the findings are presented in the Table 4.1

Table 4.1 Year of Establishment

Year established	Frequency	Percentage
Before 2000	33	39.8%
After 2000	50	60.2%
Total	83	100%

Source: Research Data

Table 4.2 shows that over 60.2% of the organizations were established after the year 2000. The rest 39.8% have been in operation for more than fifteen years. The findings of the study established that the health-based non-governmental organizations that participated in this study have been in operation for less than fifteen years. This is a clear indication that the respondent health-based non-governmental organizations do practice strategic management.

4.2.2 Nature of Service Offered

The study sought to find out what nature of services is offered by the health-based non-governmental organizations in Nairobi County towards enhancing health improvement in Nairobi County. The summary of the findings are presented in Table 4.2

Table 4.2 Nature of Service Offered

Aspect	Frequency	Percent
Healthcare	55	66.3%
Education/Health education	23	27.7%
Others	5	6.0%
Total	83	100%

Source: Research Data

It can be observed from the results illustrated in Table 4.2 that 66.3% of the organizations that participated in the study offer healthcare services. The sample of the study selected only those organizations that offer medical care and preventive services but with time some of these organizations had changed hence the reason why there is 27.7% of the organizations offering health education services and 6.0% are offering other services than health and education. The organizations have ventured into providing other services to meet the needs of the stakeholders who are in need of those services and also towards achieving vision 2030.

4.3 Stakeholder Involvement in the Strategic Management Process

This was the first objective of the study where the researcher sought to establish the extent to which these organizations involve their stakeholders in the strategic management process. The processes considered for this study include development of vision and mission; formulation of strategies; the approach used in strategic management; the different stakeholders affected and affect the formulated strategies; whether they carry out stakeholder analysis and whether each of the identified stakeholder is involved during the strategic management process.. It is against this background that the study sought to establish to what extent are the stakeholders involved in the aspects of engaging in strategic management.

4.3.1 Aspects of Engaging in Strategic Planning

The respondents were asked to indicate whether the health-based non-governmental organizations engage in strategic planning and whether they have mission and vision statements. The summary of the findings are presented in the Table 4.3

Table 4.3 Engagement in Strategic Planning

Aspect	Response			
	Yes		No	
	Frequency	Percentage	Frequency	Percentage
Engagement in strategic planning	83	100%	-	-
Vision statement	83	100%	-	-
Mission statement	77	92.8	6	6.2%

Source: Research Data

The results as tabulated in Table 4.3 reveal that 100% of the respondent organizations involved in this study engage in the strategic planning process, 100% have a stated vision, and 92.8% of the organizations have in place a mission statement. However, it can also be observed that 6.0% of the organizations do not have a mission statement. It is evident from the study that all the respondent health-based organizations have a strategic plan that guide their activities, they have a desired future state that they seek to achieve through the implementation of various strategies and a mission statement. However a proportion of organizations do not have mission statements that guide their activities and show the reason for their existence.

4.3.2: Formulation of Strategies

The study sought to establish the process the health-based organizations adopted during the strategic management process. The respondent organizations were asked to indicate through what process the organization's strategies are formulated. They were given a choice of three responses to tick as deemed appropriate. The choices were formal, informal and both formal and informal. The summary of the findings are presented in Table 4.4

Table 4.4 Process of Formulation of Strategies

Process	Frequency	Percentage
Formal	61	73.5%
Both formal and informal	22	26.5%
Total	83	100%

Source: Research Data

The findings illustrated in Table 4.4 reveal that 73.5% of the respondent organizations go through a formal process. It is also clear that 26.5% of the organizations follow an informal process. None of the respondent organizations followed an informal process. The formality of the process indicates whether an organization has a laid down procedures of planning and reviewing of its strategies. It is worth noting that a good number of the respondent organization follow both informal and informal process and not the traditional process of strategic planning. The formality of the process does not mean stakeholders are or not involved in the strategic management process.

4.3.3 Stakeholder Analysis and Involvement

The research sought to establish whether the respondent health-based organizations in Nairobi County carry out a stakeholder analysis during the strategic management process. It also sought to find out whether after conducting the analysis, the organizations involved each of the identified stakeholders in the strategic management process. The summary of the findings are presented in the Table 4.5

Table 4.5 Stakeholder Analysis and Involvement

Aspect	Response			
	Yes		No	
	Frequency	Percentage	Frequency	Percentage
Stakeholder analysis	77	92.8%	6	7.2%
Stakeholder involvement	71	85.5%	12	14.5%

Source: Research Data

Table 4.5 reveals that 92.8% conduct a stakeholder analysis while 7.2% do not conduct stakeholder analysis before embarking on the strategic planning process. 85.5% of the organizations do involve all their stakeholders in the strategic planning process. However it is also evident that 14.5% of the organizations do not involve all. This is an indication that the organizations are keen to know who their stakeholders are with a view of involving them in the strategic management process. This is a confirmation of selective involvement of stakeholders probably depending on the stakeholder power and influence.

4.3.4 Communication to Stakeholders

After developing various policies and making various decisions, there is need to communicate the same to stakeholders of an organization. The study sought to establish from the respondents whether their organizations inform stakeholders of the policies and decisions made. The respondent organizations were required to rate the statement with respect to the extent to which they are involved. The summary of the findings are presented in Table 4.6

Table 4.6 Communication to Stakeholders

Response	Frequency	Percentage
Very great extent	11	13.3%
Great extent	11	13.3%
Moderate extent	22	26.5%
Small extent	10	12.0%
No extent	29	34.9%
Total	83	100%

Source: Research Data

Table 4.6 reveals that 26.5% of the organizations inform the stakeholders only to a moderate extent. It is only a small fraction of 13.3% of the organizations that inform stakeholders to a large extent while most of them represented by 34.9% never inform the stakeholders at all. This is an indication that most organizations do not think it is necessary to inform stakeholders of the policies and decisions made. This implies that there is selective involvement of stakeholders at this level of stakeholder involvement.

4.3.5 Level of Stakeholder Involvement

Stakeholders within organizations influence the kind of strategies formulated in the organization, thus a clear understanding of the potential roles and contribution of various stakeholders is fundamental for successful strategic management process. It is on this background that this study sought to establish the level of stakeholder involvement in strategic management in the context of Nairobi County health-based non-governmental organizations. The respondent organizations were required to rate the statement with respect to the extent to which stakeholders are involved. The summary of the findings is presented in the Table 4.7

Table 4.7 Stakeholder are heard before policies and decisions are made

Response	Frequency	Percentage
Very great extent	40	48.2%
Great extent	10	12.0%
Small extent	10	12.0%
No extent	23	27.7%
Total	83	100%

Source: Research Data

The study established that 48.3% of the organizations in this study only engage the stakeholders before the policies and decisions are made to a great extent; 27.7% do not engage the stakeholders at all even before making policies and decisions while 12.0% engage the stakeholders before making policies and decisions to great extent and small extent respectively.

4.3.6 Influence of Stakeholders

Stakeholder influence in an organization depends on the power held by a particular stakeholder which the organization may not have control over. It is in this respect that the researcher sought to find out whether stakeholders have a controlled influence on the strategic planning process and the projects that are handled by the organization. The summary of the findings is presented in the Table 4.8

Table 4.8 Stakeholder Influence

Response	Frequency	Percentage
Very great extent	6	7.2%
Great extent	22	26.5%
Moderate extent	17	20.5%
Small extent	32	38.6%
No extent	6	7.2%
Total	83	100%

Source: Research Data

The results tabulated in Table 4.8 reveal that 38.6% of the organizations have their stakeholders controlled to a small extent on the strategic management of the organization; 26.5% to a great extent and 20.5% to a moderate extent. The study findings are a confirmation that organizations do not have a complete control over some stakeholder since some of them may have power and influence that the organization has no control over.

4.3.7 Stakeholder Assessment of Strategic Management Process

Stakeholder involvement in an organization may include assessing activities and projects done by the organization. This is because the organizations may need their support and goodwill for the planning and implementation of the activities. It was also significant for the researcher to establish whether stakeholders have a chance of assess the progress of the strategic management process in these organizations. The summary of the findings is presented in the Table 4.9

Table 4.9 Stakeholder Assessment of Strategic Management Process

Response	Frequency	Percentage
Very great extent	16	19.3%
Great extent	12	14.5%
Moderate extent	6	7.2%
Small extent	11	13.3%
No extent	38	45.8%
Total	83	100%

Source: Research Data

In Table 4.9 45.8% of the respondent organizations do not involve their stakeholders in assessment of the strategic management process while 19.3% do involve them. The findings from the study confirm that a considerable proportion of health-based non-governmental organizations in Nairobi County do not involve their stakeholders to assess the strategic management process. However it is also clear that few organizations do

involve their stakeholders chance to assess the progress of the strategic management process.

4.3.8 Review of Ideas during Strategic Management Process

The study sought to find out whether health-based non-governmental organizations involve their stakeholders in reviewing of ideas during the strategic management process.

The summary of the findings is presented in the Table 4.10

Table 4.10 Review of Ideas during Strategic Management Process

Response	Frequency	Percentage
Very great extent	16	19.3%
Great extent	12	14.5%
Moderate extent	16	19.3%
Small extent	12	14.5%
No extent	27	32.5%
Total	83	100%

Source: Research Data

The findings from the study as illustrated above reveal that 32.5% of the organizations who happen to be the majority as far as the sample size are concerned indicate that they do not allow their stakeholders to assess ideas during the strategic management process. The nature of services offered by the health-based non-governmental organizations is used by stakeholders most of whom are in dire need of the services. It is however evident that 19.3% of the organizations give chance to their stakeholders to review ideas during the strategic management process to a very large extent.

4.3.9 Stakeholder Idea Contribution

The study sought to find out from the organizations the extent to which they gave stakeholders a chance to contribute their own ideas during the strategic planning process.

The summary of the findings is presented in Table 4.11

Table 4.11 Stakeholder Idea Contribution

Response	Frequency	Percentage
Very great extent	16	19.3%
Great extent	11	13.3%
Moderate extent	12	14.5%
Small extent	16	19.3%
No extent	28	33.7%
Total	83	100%

Source: Research Data

It is evident from the findings in Table 4.11 that 33.7% of the organizations do not provide a chance to the stakeholders to give their ideas during the process. However, it emerged that 19.3% of the organizations indicated that they provide a change to a very great extent to their stakeholders to contribute their own ideas during the strategic management process. The 33.7% of the respondent organizations who do not give a chance to their stakeholders are due to the fact that the nature of services offered by the health-based organizations may need specific stakeholder contributions.

4.4 Factors Influencing Stakeholder Involvement in Strategic Management Process

This is the second objective of the study whereby the researcher sought to establish the factors influencing stakeholder involvement in the strategic management process among the health-based non-governmental organizations in Nairobi County. The previous sections of the findings indicate that health-based organizations involve their stakeholders in strategic management. The findings also revealed that the involvement vary in terms of the extent of involvement. It was also noted that different stakeholders get involved to different extents depending on the role they play in the organization.

This study then sought to establish whether there could be factors that influence the extent of stakeholder involvement in the strategic management process. The respondents were provided with of several factors to rate. The factors were subjected to factor analysis and the summary of the findings are presented in Tables 4.12, 4.13 and 4.14 respectively.

Table 4.12 Descriptive Statistics

Descriptive Statistics		
Variables	Mean	Std. Deviation
It offers important insight in strategic planning	2.52	1.319
Expert knowledge of stakeholder group	2.71	1.461
Negotiation and consensus building skills possessed by stakeholder	2.65	1.338
Strategic resources held by a stakeholder group	2.54	1.677
Amount of resources held by a stakeholders groups possession	2.53	1.633
Level of importance of stakeholders group in relation with other stakeholders	2.51	1.493
The Nature of relationships among various stakeholders group	2.01	1.254
The authority held by a stakeholder to the success of an activity	2.33	1.482
It facilitates 'buy-in' and support for strategy	2.13	1.295
It allows ownership of organization	2.37	1.341
The nature of goals of various stakeholders	2.48	1.525
It may identify issues not addressed by executive team	2.24	1.470
The degree to which a stakeholder is involved in a particular activity	2.23	1.355
The degree position of influence held by a stakeholder	2.82	1.354
Legal requirement	3.20	1.644
The extent to which a stakeholder group has power to determine the nature of strategies	2.54	1.355

Table 4.12 is a table of descriptive statistics for all the variables under investigation. Looking at the mean, we can conclude that generally there was an agreement that our variables influence stakeholder involvement in the strategic management process among the health-based non-governmental organizations in Nairobi County with legal requirement, the degree position of influence of a stakeholder and expert knowledge of a stakeholder with mean of 3.2, 2.8, and 2.7 respectively being the most important factors.

Table 4.13 Communalities

	Initial	Extraction
It offers important insight in strategic planning	1.000	.855
Expert knowledge of stakeholder group	1.000	.890
Negotiation and consensus building skills possessed by stakeholder	1.000	.955
Strategic resources held by a stakeholder group	1.000	.869
Amount of resources held by a stakeholders groups possession	1.000	.853
Level of importance of stakeholders group in relation with other stakeholders	1.000	.927
The Nature of relationships among various stakeholders group	1.000	.753
The authority held by a stakeholder to the success of an activity	1.000	.861
It facilitates 'buy-in' and support for strategy	1.000	.743
It allows ownership of organization	1.000	.912
The nature of goals of various stakeholders	1.000	.766
It may identify issues not addressed by executive team	1.000	.866
The degree to which a stakeholder is involved in a particular activity	1.000	.860
The degree position of influence held by a stakeholder	1.000	.774
Legal requirement	1.000	.894
The extent to which a stakeholder group has power to determine the nature of strategies	1.000	.891

Extraction Method: Principal Component Analysis.

Table 4.13 indicates that there are a total of 16 factors that were subjected to factor analysis. Initially before the factor analysis each of the factors had the same weight loading in terms of one eigenvalue. After subjecting the factors to factor analysis only three factors were found to have a significant influence of the strategic planning process as indicated in the table below.

Table 4.14 Total Variance Explained

Component	Total Variance Explained								
	Initial Eigen values			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	10.596	66.223	66.223	10.596	66.223	66.223	5.688	35.552	35.552
2	2.040	12.752	78.975	2.040	12.752	78.975	5.076	31.725	67.277
3	1.035	6.471	85.445	1.035	6.471	85.445	2.907	18.168	85.445
4	.909	5.684	91.130						
5	.477	2.983	94.113						
6	.299	1.868	95.981						
7	.278	1.738	97.719						
8	.188	1.175	98.895						
9	.086	.535	99.430						
10	.041	.254	99.684						
11	.039	.246	99.930						
12	.010	.061	99.992						

Extraction Method: Principal Component Analysis.

In Table 4.14 the first factor accounts for 66.223% of the total variance, the second factor accounts for 12.752% while the third accounts for 6.471%. All the remaining factors are not significant. It is clear from that the first three factors whose eigenvalues are greater than 1 explain relatively large amounts of variance. Thus three factors influence the extent of stakeholder involvement in strategic management of health-based NGOs in Nairobi County.

Table 4.15 Component Matrix

	Component		
	1	2	3
It offers important insight in strategic planning	.795		
Expert knowledge of stakeholder group	.845		
Negotiation and consensus building skills possessed by stakeholder	.939		
Strategic resources held by a stakeholder group	.853		
Amount of resources held by a stakeholders groups possession	.831		
Level of importance of stakeholders group in relation with other stakeholders	.941		
The Nature of relationships among various stakeholders group	.863		
The authority held by a stakeholder to the success of an activity	.796		
It facilitates 'buy-in' and support for strategy	.681		
It allows ownership of organization	.893		
The nature of goals of various stakeholders	.790		
It may identify issues not addressed by executive team	.918		
The degree to which a stakeholder is involved in a particular activity	.829		
The degree position of influence held by a stakeholder	.871		
Legal requirement		.828	
The extent to which a stakeholder group has power to determine the nature of strategies	.583	.723	

Rotated Component Matrix^a

Variable	Component		
	1	2	3
It offers important insight in strategic planning		.699	.559
Expert knowledge of stakeholder group	.885		
Negotiation and consensus building skills possessed by stakeholder	.605	.763	
Strategic resources held by a stakeholder group	.713	.597	
Amount of resources held by a stakeholders groups possession	.782		
Level of importance of stakeholders group in relation with other stakeholders	.605	.734	
The Nature of relationships among various stakeholders group	.534	.630	
The authority held by a stakeholder to the success of an activity	.828		
It facilitates 'buy-in' and support for strategy		.649	.555
It allows ownership of organization	.578	.761	
The nature of goals of various stakeholders	.784		
It may identify issues not addressed by executive team	.737		
The degree to which a stakeholder is involved in a particular activity		.822	
The degree position of influence held by a stakeholder	.621	.601	
Legal requirement			.938
The extent to which a stakeholder group has power to determine the nature of strategies			.892

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

Table 4.15 shows the loadings of sixteen variables on the three factors extracted. Most of the factor loadings are in component 1. The higher the value, the more the factor

contributes to the variable. In the rotated component matrix, it shows that 'legal requirement' has the highest with 93%; 'expert knowledge of a stakeholder group is second highest with a loading of 88.5% and 'authority held by a particular stakeholder group' is third with 82%. This implies that the three main factors that influence stakeholder involvement in strategic management process of the health-based non-governmental organizations in Nairobi County include: legal requirement, expert knowledge of a stakeholder group, and authority held by a stakeholder group

4.5 Discussion

According to Freeman (1984; 1999), the stakeholder theory considers an organization as a social construction made of an interaction of various stakeholders. He further asserts that an organization operates as an open system where it is affected and affects both the internal and external environment. The study results show that the health-based non-governmental organizations in Nairobi County organizations carry out a stakeholder analysis in order to understand the environment in which it operates in and the stakeholder who may affect and are affected by their activities. This is an indication that the organizations are keen in knowing who their stakeholders are with a view of involving them. This is not surprising, considering that Johnson and Scholes (1997), view that analysis of stakeholders should be conducted to understand different stakeholders in order to consider the extent they are likely to influence.

Nevertheless, not all stakeholders can be involved at all levels. It depends on their interest and power that they wield (Freeman, 1984). Kasimbu (2007), Owuor (2011) and Oyiro

(2011) also assert that organizations involve their stakeholders to various extents depending on various factors. This study results also support these assertions why stakeholders are involved at different levels. The study further revealed that a good proportion of health-based non-governmental organizations selectively communicate their decisions and policies and are allowed to make their own contributions during the strategic management process. This is not surprising considering Freeman (1984) argues that stakeholder involvement at different levels may take the form of sharing information, consulting, empowering or deliberating on decision.

When the influencing factors are examined individually, some factors greatly influence than others. Among the sixteen factors that the respondents were to rate, the study results showed three factors that greatly influence stakeholder involvement in the strategic management process of the health-based non-governmental organizations in Nairobi County. Wheelen and Hunger (2008), argue that sources of revenue of an organization dictate the strategy decision making however contrary to this argument, the study results do not indicate this. According to the results, the factor with the greatest influence is the level of importance of a stakeholder in relation with other stakeholders.

The study revealed that the greatest influence is the legal requirement that the health-based non-governmental organizations have to comply with and these findings support Friedman and Miles (2002), who argue that inclusion of stakeholders is a pre-condition vital for promoting equity and social justice in organizations within their environment.

Mitullah and Ngunyi (1990), argue that the extent of involvement of a stakeholder will be dependent upon what a particular stakeholder group will stand out to benefit. The benefits may be from a wider field of expertise and creativity posed by a particular stakeholder group. This argument is supported by the findings of the study that revealed ‘the nature of goals of various stakeholders’ as the third factor that greatly influences stakeholder involvement. The stakeholder involvement in an organization will depend on what the stakeholder or organization will aim to benefit.

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the summary of the findings of the study on stakeholder involvement in the strategic management process in health based non-governmental organizations in Nairobi County, Kenya. It also presents the conclusions that were made from the study; the recommendations as well as the suggestions on areas where further research may be required in order to provide more knowledge that can bridge the research gaps that may have been left by this study.

5.2 Summary

The first objective of the study was to determine the extent to which various stakeholders are involved in the strategic management of the health-based non-governmental organizations. The second objective was to establish the factors that influence their involvement. The study revealed that most of the organizations that participated in the study practice strategic management. The study established that health-based non-governmental organizations in Nairobi County conduct a stakeholder analysis before engaging in the strategic planning process. The results from the study also confirmed that most of these organizations involve their stakeholders before any policies and decisions are made.

The level of involvement was however varying with some organizations involving the stakeholders to a great extent while others not involving the stakeholders at all. On stakeholder involvement still, the study observed that a considerable proportion of respondents did not give stakeholders a chance to give their own ideas and neither did they give them a chance to assess the strategic management process. It also came out clear from the study that most of these organizations did not have any controlled stakeholder influence on the strategic management process. The study findings also reveal that most of the health-based non-governmental organizations in Nairobi do not communicate policies and decisions to the stakeholders. The main reason for this is that the stakeholders are normally consulted before arriving at these decisions.

The study findings on objective two confirmed that there are various factors that influence stakeholder involvement in the strategic planning process of health-based non-governmental organizations in Nairobi County. These factors that influence stakeholder involvement in the health-based no-governmental organizations in Nairobi County include the resources held by a stakeholder group; the amount of resources; the authority held; the degree to which a stakeholder is involved in a particular activity. The study further revealed that involving a stakeholder group in the strategic management process also creates a 'buy in' of decisions and policies of the organizations. However the study revealed that three factors level of importance of stakeholder group in relation with other stakeholders; legal requirement and the nature of goals of various stakeholders.

5.3 Conclusion

Most health-based non-governmental organizations in Nairobi have a formal process through which they carry out their strategic planning process. Most of the organizations only involve the stakeholders before making any policies and decisions but thereafter the stakeholders are not allowed to participate in assessing the strategic management process and neither are they allowed to review ideas in the course of the process. Communication of any policies and ideas that are made to stakeholders was found not to be important since the stakeholders are initially involved in advance.

The factors that mostly influence stakeholder influence are importance of stakeholder group in relation with other stakeholders; legal requirement and the nature of goals of various stakeholders. The study findings also indicate that stakeholders are not given a chance to assess the strategic management process. It is important for these organizations to realize that stakeholders are very important and may largely determine the success of the projects undertaken. It may be significant to allow stakeholders to be part of the assessment process to establish achievements made in the strategic management process.

5.4 Recommendations

The results of the study in regard to the first objective reveal that the health-based non-governmental organizations in Nairobi County do involve their stakeholders in their strategic management process though to various extents. A considerable proportion of the respondent organizations do not communicate policies and decisions to their stakeholders. Some stakeholders have a lot of power and influence and therefore can

easily overturn some decisions made if they are not supportive of them. It will be important for these organizations to consider communicating to stakeholders the policies and decisions they make in their strategic management process.

The study results also revealed that a considerable proportion of the health-based non-governmental organizations in Nairobi County do involve their stakeholders in their strategic management process, the extent they involve them varies though. This according to the study findings is because of the factors that influence the extent of their involvement. The factors that influence their involvement are; it is a legal requirement, the authority held by a particular stakeholder, and the expert knowledge of a stakeholder group. This may be due to the nature of services provided by the health-based non-governmental organizations. It will be important for these organizations to involve all the stakeholders to realize their vision and implementation of activities.

5.5 Limitations of Study

The findings of this study should be interpreted with the following limitations; first, it was not possible to get 100% response rate due to the busy schedule of some respondents. The respondents targeted in this study were staffs in charge of planning of activities and strategic management who in this case were mostly the managers of these organizations. Thus one cannot make a suitable generalization of the findings as evident from the data that was collected from the respondent organizations.

Secondly, the study was limited to health-based non-governmental in Nairobi County and may not apply to those operating in the entire country. This is because the nature of services offered by these health-based non-governmental organizations requires diverse

stakeholders. The factors influencing the stakeholder's involvement may vary depending on the services they offer and the stakeholder group in a particular region.

Thirdly, the authenticity of the data received could not be determined. It was not easy to establish whether or not the target respondents participated in the filling of the questionnaire. This is because it was not possible for the researcher to be present when questionnaires were being filled to ensure the right respondents filled them. In many cases the researcher was asked to pick the filled questionnaires from the reception. However, there are instances where the researcher was present when the respondents were filling the questionnaires.

5.6 Suggestions for Further Research

It will be important to carry out a survey of health-based non-governmental organizations in the entire country in order to establish whether the same results can be achieved. This will make the study relevant to all the health-based non-governmental organizations in the Kenyan country context.

It will also be important to undertake a case study to get in-depth data that will reveal more on the extent to which stakeholders are involved in a particular health-based non-governmental organization. This will give more insight and avoid generalization since stakeholders of a specific organization affect it and are affected by the activities of an organization differently. Further research can also be done on whether stakeholder involvement leads to profitability of an organization.

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APPENDICES

Appendix I: Letter of Researcher

Mary Osano

C/O University of Nairobi,

School of Business, MBA Programme,

P.O Box 30197,

Nairobi, Kenya

August 5, 2013.

Mobile No. 0722-275200

To.....

Dear Sir/Madam

RE: REQUEST TO COLLECT DATA FROM YOUR ORGANIZATION

I'm a student from the University of Nairobi undertaking a Master of Business Administration degree program. I have successfully completed Part I (course work) of my studies and embarked on my Part II (Research Project). The title of my research project is 'Stakeholder Involvement in the Strategic Management Process in the Health-Based Non-Governmental Organizations in Nairobi County'

The purpose of this letter is to request for permission to collect data in your organization to enable me to complete Part II of my course work. I will appreciate your support and therefore look forward for your positive consideration.

Yours Sincerely,

Mary Osano

Appendix II: Letter from the University

Appendix III: Questionnaire

Part A: Organizational Profile

1. Name of organization _____
2. Year of establishment _____
3. Nature of service offered _____

Part B: Stakeholder Involvement in the Strategic Management Process

5. Does your organization engage in strategic planning?
Yes []
No []
6. Does your organization have vision and mission statements?
 - a) Vision statement []
 - b) Mission statement []
7. How are the organization's strategies formulated?
 - a) Through formal process []
 - b) Through an informal process []
 - c) Through both formal and informal []
8. Please list below different stakeholders that affect or affected by your organization's activities
 - i. _____
 - ii. _____
 - iii. _____
 - iv. _____
 - v. _____
 - vi. _____
9. Does your organization carry out a stakeholder analysis to determine the interest of each of the above groups of stakeholders in the organization activities?
Yes []
No []

10. Rank the above stakeholders in terms of the amount of power to influence your organization strategies

- i. _____
- ii. _____
- iii. _____
- iv. _____
- v. _____
- vi. _____

11. Does your organization involve each of the stakeholders during the strategic management process?

Yes []

No []

12. The following are the stages/levels of stakeholder involvement during the strategic management process in a scale of 1-5 (5-Very great extent, 4-Great extent, 3-Moderate extent, 2-Small extent, 1-No extent) indicate (by ticking as appropriate) the extent to which your organization involves the stakeholders

Level/stage of involvement	1	2	3	4	5
Stakeholders are informed of the policies and decisions that have been made					
Stakeholders are only heard before policies and decisions are made but their say may not be considered					
Stakeholder have a controlled influence on the strategy and projects of the organization					
Stakeholders have a chance to assess the strategic management process					
Stakeholders assess and review the ideas during the strategic management process					

Stakeholders are given a chance to contribute their own ideas during the strategic management process					
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Part C: Factor influencing stakeholder involvement in strategic management process

13. The following are factors that influence stakeholder involvement during the strategic management process in a scale of 1-5 (1-No influence, 2-Small influence, 3-Moderate influence, 4-Great influence, 5-Greatest influence) indicate (by ticking) as appropriate

Factors influencing involvement	1	2	3	4	5
It offers important insight in strategic planning					
Expert knowledge of stakeholder group					
Negotiation and consensus building skills possessed by stakeholder					
Strategic resources held by a stakeholder group					
Amount of resources held by a stakeholder group's possession, importance of the resources and availability					
Level of importance of stakeholder group in relation with other stakeholders					
The nature of relationships among various stakeholder group					
The authority held by a stakeholder to the success of an activity					
It facilitates "buy-in" and support for strategy					
It allows ownership of organization					
The nature of goals of various stakeholders					
It may identify issues not addressed by executive team					
The degree to which a stakeholder is involved in a					

particular activity					
The degree and position of influence held by a stakeholder					
Legal requirement					
The extent to which a stakeholder group has power to determine the nature of strategies					

Any other

Thank you for your kind co-operation

Appendix IV: List of NGOs in Nairobi County as at October 2013

1	Alliance For Care And Prevention Of TB In Kenya
2	Micronutrient Initiative in Kenya
3	ADRA Kenya
4	Action Now Kenya
5	Action against Leprosy, TB and Lung Disease
6	National Awareness And Focus Organizations
7	African Biomedical Center
8	African Family Health
9	African Population And Health Research Centre Kenya
10	Bethany Integrated Healthcare
11	Centre For Health And Development Research (Chdr)
12	Centre For Hyperimmune Research Science And Education
13	Change For Future Programme
14	Change Initiative For Gender Empowerment
15	Christian Women Aids Awareness Programm
16	A Global Healthcare Public Foundation
17	Churches United Against HIV And Aids International
18	Africa Health And Development International
19	Community Empowerment In Gender, Health And Environment Programme
20	Compassion International Inc.
21	Compassionate Social Care Organization
22	Comprehensive Health Care Organization
23	Concern Worldwide
24	Connect Centre For Women And Children
25	Consolation For Orphans And Vulnerable Children
26	Co-Operative Housing Foundation (Chf) International
27	Adventist Center For Care And Support
28	Coordinating Committee Of The Organization Voluntary Services

29	Counseling Research Institute Of Kenya
30	Counselors And Social Workers Community Based Initiative
31	Darat Hiv/Aids International Agency
32	Deaf Community Development And Relief Services
33	Action For Research And Development Programme
34	John Hopkins Program For International Education Gynecology And Obstetrics
35	Development And Relief Organization Of Kenya
36	Eastern Africa Treatment Access Movement
37	Development Empowering Programme
38	Cities In Partnership With The Communities
39	Development Knowledge Link-Africa
40	Development Operations Towards Health And Needs (Dothan)
41	Environment Networks In Cities
42	Diase - K Organization
43	Dick Tiger 72 Olympian Hero Sports Development Organization (Intl - Ngo)
44	Direct Aid Africa Foundation
45	Kenya NGO Alliance Against Malaria
46	Family Health International
47	Aga Khan Foundation
48	Disaster Support Agency
49	Discordant Couples Of Kenya
50	Dorcas Aid International - Africa
51	Doxa International Organization
53	Mildmay International
54	Dagoretti Project
55	Dutch International
56	East African Community Youth Organization
57	Development Centre For Gender Empowerment
58	Education And Health For Children In Kenya
59	Liverpool VCT

60	Elika Rescue Team International
61	Co-Operative League Of The United States Of America
62	Elimination Of Poverty And Diseases Initiative
63	Eliza Rehabilitation Programmes International
64	Empower Africa
65	Slums Integrated Development Healthcare
66	Empowerment For The Youth Initiative
67	Empowerment Of Widows And Orphans Initiative
68	Engender Health
69	Dusty Feet
70	Enhanced Sustainable Agricultural, Productivity Programme
71	Enlarged Tent For Growth And Outreach In Africa
72	Enriched Gender Initiative And Economic Programme
73	Development Training Treatment And Research Kenya
74	Environmental Research Mapping And Information System In Africa
75	Equatorial Community Development Initiative
76	Equip Community Resource Centre
77	Equipment Support For Aids Orphans - Kenya
78	Equipping People Changing Lives
79	Bethlehem Mission
80	Expert Foundation
81	Facts In Action International
82	Faidika International
83	Family Access Community Centre
84	Family Care Relief Organization
85	Family Helpline Organisation
86	Family Programmes Promotion Services
87	Family Welfare Organization
88	Fight Against Aids Stigma In Kenya
89	Freddy Janam Africa Foundation

90	Frepals Community Nursing Home
91	Friends For Children Development Initiative
92	Friends Of People Living With Aids
93	Furaha Community Foundation
94	Global Hope Care
95	Global Organization For Health And Development
96	Goodwill Women Organisation
97	Grapesyard Organization
98	Grassroots Alliance For Community Education - Africa
99	Hands Across Kenya Against Alcoholism And Aids
100	Healing Fountain Centre
101	Healing The Healers Counseling Centre And Training Institute
102	Health Management Agency
103	Health Ngo's Network
104	Health Plus Organization
105	Health Rights Advocacy Forum
106	Health Support International
107	Helping Hands International Foundation Inc
108	Hiv/Aids Orphans Charity Foundation
109	Hope Alive For Children And Youth Organization
110	Hope Of Grace International
111	Hope Worldwide Kenya
112	House Of Hope Care Herbal Organization
113	Human Face Initiative
114	Human Quality Assessment Services
115	Humanitarian Development Organization Inc
116	I Choose Life – Africa
117	ICAP
118	Ideal Educational Counseling Center
119	Inada Lange Foundation For Aids Research - Kenya

120	Incas Foundation
121	Integrity Development Organization
122	Intercommunity Center For Development
123	Intergrated Programme On Hiv/Aids In Kenya
124	International Medical Relief Organisation
125	Intervida – Kenya
126	Reproductive Health Hazard Watch
127	Jifahamu Kenya Foundation
128	Jikingo Organization
129	Joyshade Development Programme
130	Jumuika Aids, Orphans And Disabled International Organization
131	Kenya Aids Education And Training
132	Kenya Aids Intervention Prevention Project Group
133	Centre For Health Solutions
134	Kenya Aids Ngo's Consortium
135	Kenya Aids Vaccine Initiative
136	Kenya Aids Watch Institute
137	Life In Abundance- Kenya
138	Kenya Consortium To Fight Aids, Tuberculosis And Malaria
139	Kenya Network Of Women With Aids (Kenwa)
140	Kenya Students Against Hiv/Aids
141	Kenya Women Aids Support Organization
142	Kenyamed Aid Funds For Promotion Of Natural Medicine In Kenya
143	TB Action Group
144	King Of Kings International
145	Kwa Reuben Centre For Hiv/Aids Awareness Intervention And Barriers
146	Legacy Makers Of Africa
147	Kenya Alliance For Communal Co-Existence And Development
148	Life To The Lifeless Organization
149	Living In Total Health Initiative

150	Living Positive Programme
151	Local Aid Organization
152	Network Of Men Living With Hiv / Aids In Kenya
153	Mamma Africa Italia Onlus International - Kenya
154	PATH
155	Pathfinder International
156	Zamzam Foundation
157	Matibabu Foundation
158	World Vision, Kenya
159	Nairobi Eastlands Support Centre
160	Nairobi Hospice(Nairobi Terminal Care Centre)
161	Nascent Research & Development Organization
162	Africa Health Information Channel (Ahic)
163	Natural Health Organization
164	Neighbours For Persons With Special Needs
165	Network For Adolescent and Youth Of Africa (Naya) Kenya Chapter
166	The National Health Organization