

**STRATEGIC PLANNING PRACTICES AT DIAKONIA AND
FORUM SYD KENYA COUNTRY OFFICES**

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DECLARATION

I declare that this research project is my original work and has not been submitted for examination in any University.

Signature Date

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D61/77273/2015

This project has been submitted for examination with my approval as the University Supervisor.

Signature Date

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DEDICATION

I dedicate this research project to my family for their patience, love, understanding, inspiration and encouragement during my period of study at University of Nairobi.

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ABSTRACT

According to the National council of NGOs the number of NGOs operating in Kenya has increased from 500 in 1992 to 7083 in 2014. The increase of NGOs has not been matched by an increase in the volume of donations, this has resulted to intense competition by the NGOs for the limited resources available through donations and this has resulted to NGOs developing new marketing strategies such as strategic planning practices to increase donor confidence. The objective of this study was to determine the strategic planning practices at Diakonia and Forum Syd Kenya country offices and to determine the factors for effective strategic planning. It sought out to add knowledge on existing literature on strategic planning by examining strategic planning as practiced by Diakonia and Forum Syd Kenya country offices. The study adopted a case study research design which was deemed appropriate because it involves a thorough examination of social units or a phenomenon and also it offers an exhaustive understanding of the social units or phenomenon under study. Primary data was obtained using interview guides that were administered to the respondents who at Diakonia were the country manager and a program officer while at Forum Syd it was administered to two program officers. Secondary data was obtained from printed records and information posted on the websites of Diakonia and Forum Syd. The study found out that strategic planning is practiced at both Diakonia and Forum Syd Kenya country office and that they have adopted the vision, mission and strategic objectives that are developed at their head office. The study established that at Diakonia a global strategic plan is developed at the head office which acts as a guideline for country offices to develop their own strategic plans while at Forum Syd the country office develops its strategic plan with the help of a consultant, however the head office issues guidelines. In both organizations the strategic process is an all-inclusive process as it also involves input from all stakeholders in setting the strategic objectives of the organizations. The study also identified key factors that influence effective strategic planning practices at Diakonia and Forum Syd Kenya country offices, they included: a detailed contextual analysis, inclusion of key stakeholders in the strategic planning process, adequate communication, manager's skills and experience in strategic planning, learning from best practices and setting of clear priorities and an implementation plan. The study recommends that Diakonia and Forum Syd should come up with reward policies that will motivate the stakeholders to achieve the strategic objectives, this will create a strong sense of ownership, unity of purpose and accountability in the people making them to support the strategic plan implementation. The study also recommends that Diakonia and Forum Syd Kenya country offices should consider diversifying their funding base so that they can reduce their over reliance on their traditional donors, they should also consider establishing income generating activities to supplement the donor funds.

CHAPTER ONE

INTRODUCTION

1.1. Background of the study

Many organizations are increasingly embracing strategic planning to aid them in encountering the challenges of the extremely competitive and turbulent business environment (Al-Turki, 2011). Organizations come up with and execute strategic plans in order to chart a course towards their desired ambitions, which may include aspirations to become an industry leader, penetrating new markets, increasing customer loyalty or some other stated goal whose ultimate objective is to increase an organization's revenue (Germano & Stretch-Stephenson, 2012).

This study will be anchored on Resource dependence theory, Stakeholders theory and Institutional theory. Resource dependence theory asserts that external environments are the source of scarce resources and that organizations are reliant on the rare resources for survival and failure to control these resources creates uncertainty to the organizations (Pfeffer & Salancik, 1978). Stakeholder theory attest that the intent of an organization is to create value to its stakeholders (Freeman, 1984). Institution theory contend that organizations do adapt to changing conditions by emulating other organizations.

The increase in NGOs has made management of these organizations a challenge. NGOs, just like other profit making organizations, have discovered models and tools that will aid them in managing and developing the organizations in ways which are true to the set vision, mission and values (Lubelska, 1996; Wilson-Grau, 2003). Previously emphasis was on some technical functions such as human resources, administration, marketing and finance. However, there exists an urgency for appropriate techniques to enable NGOs to solve the most essential questions about their objectives and how they will determine and achieve their mission. These fundamental inquiries fall in the concept of strategy and strategic management (Courtney, 2002). This has resulted to NGOs purposing to improve their capacity and competences. One way of achieving this is through strategic planning.

1.1.1 Concept of Strategy

Strategy has been associated with pre-empting various scenarios and action plans developed to counter them. The term strategy has never had a single definition, it has several meanings, ranging from tactics, objectives, policies, goals, programs, among others, in an attempt to express the concepts necessary for its definition. Bryson, (2011) defines strategy as a plan that is designed to achieve a specified objective. According to Rumelt (2011) a strategy is a cohesive response to an important challenge. Kavale (2012) define strategy as the setting of objectives, formulation of courses of action and allocation of resources to achieve the goals. The various definitions suggest that the authors gave selective attention to aspects of strategy, which are all relevant to our understanding of the concept (Aosa, 1992).

There are three perspectives of strategy. The corporate strategy deals with decisions relating to what businesses the organization should invest in, how to manage it, and its relationship with the society. The corporate strategy is for the organization as a whole. Business strategy deals with how individual businesses will attempt to achieve their goals and objectives within their industries. Functional strategy is for providing support to the corporate and business strategies. It is the strategy for the various functional units of a business. Functional strategies are concerned with operations of the functional areas of a business which will deliver the desired competitive business level strategy and complement each other (Bowman & Ambrosini, 2007).

Hough, et al. (2010), stated that a company's strategy highlights the competitive measures that organizations pursue to expand their businesses, achieve and maintain a competitive advantage, carry out their business and achieve the desired levels of performance. Generally, there is a consensus that strategies are about the future. Strategies tend to be both proactive and reactive, depending on the market conditions and will evolve over time, as companies endeavor to stay ahead of their competitors in terms of market share, profitability and customer service.

1.1.2 International Non-Governmental Organizations in Kenya

The NGO Coordination ACT (1990) defines a Non-Governmental Organization as a private voluntary grouping of individuals or associations, not operated for profit or for other commercial purposes but which have organized themselves nationally or internationally for the benefit of the public at large and for the promotion of social welfare, development charity or research in the areas inclusive of, but not restricted to, health, relief, agriculture, education, industry and the supply of amenities and services. It further defines an International Non-Governmental Organization as a Non-Governmental Organization with the original incorporation in one or more countries other than Kenya, but operating within Kenya under a certificate of registration. Therefore an international non-governmental organization (INGO) has the same mission as a non-governmental organization (NGO), but it is international in scope (NGO Co-ordination Board, 2015).

The Non-Governmental Organizations Co-ordination Board is a State Corporation established by the Non-Governmental Organizations Co-ordination Act (Cap 19) of 1990. It started its operations in 1992 under the Ministry of State in the Office of the President. The Board is currently under the Ministry of Devolution and Planning. The NGOs Co-ordination Board is responsible for inter alia registering, regulating, facilitating and coordinating all national and international NGOs operating in Kenya, advising the government on contributions made by NGOs, providing guidelines for NGOs to align their activities with national priorities, receiving and analyzing NGOs annual reports (NGO Co-ordination Board, 2015).

1.1.3 Diakonia

Diakonia is a Swedish development organization which is founded on Christian values, it was established in 1966. It works with local civil societies in about 30 countries. It has offices in most countries where they have partners. The head office is in Stockholm, Sweden while the regional offices are in Nairobi, Jerusalem, Bogota and Chiang-Mai. Together with its partner, they work to ensure that people live dignified lives. Diakonia does not implement, instead it funds local civil societies as they are already established and experienced. By using these approach long-term development work becomes more

effective. It receives funding in form of donations from Swedish individuals and congregations, Sida (Swedish International Development Cooperation Agency). It also receives funding from the European Union, embassies and other international organizations. In Kenya, Diakonia collaborate with various NGOs along the thematic areas of democracy and human rights, social economic justice and emergency response and disaster resilience (Diakonia, n.d).

1.1.4 Forum Syd

Forum Syd is a development aid organization with around 160 member organizations from Swedish civil society. It was founded in 1995 and is the largest civil society platform in Sweden. It has offices in Stockholm and in five countries (Belarus, Cambodia, Colombia, Kenya and Tanzania) through which they provide direct support to local organizations on the ground. It mediates grants from Sida to Swedish organizations co-operating with local partners in 70 countries. It campaigns for sustainable development, its work centers on enabling people to organize so that they can claim their rights and take control of their lives so that democracy can grow, resources can be distributed equitably and poverty can be reduced. Forum Syd started its operations in Kenya in 2010 through the implementation of the project Tushirikishe Jamii whose aim was to increase local accountability. Its work in Kenya is on issues of democracy, gender equality and sustainable use of natural resources. It also promotes the Swedish political agenda which involve issues in areas such as land grabbing and capital flight or questioning priorities in the context of Swedish development and cooperation (Forum Syd, n.d).

1.2 Research Problem

Organizations are operating in environments that are turbulent and the future is inherently unpredictable. The continuity of organizations depends on their ability to modify themselves and keep tabs on the changing environment. Those that fail to embrace change or are unable to respond to the changing environment will most likely not be able to operate effectively in future. This has led to organizations to start looking for other means of survival. Most were successful in finding the optimal solutions which served as examples for others to imitate, those that failed had to look for other alternatives. Most people believe

that successful organizations are those engaging in profit making activities, which practice certain business concepts and whose major aim is profit maximization with minimal resource input. One of such concepts used is strategic planning (Tsiakkiros & Pashiardis, 2002).

According to the National council of NGOs the number of NGOs in Kenya has been increasing, from 500 in 1992 to 7083 in 2014. This increase has not been matched by an increase in the volume of donations. The level of income from donations has remained low due to various factors such as; frequent global economic crisis and political instabilities among others. This has resulted to intense competition by the NGOs for the limited resources available through donations. The NGOs have adopted various marketing strategies which are geared towards convincing donors that they are better positioned to utilize the donations more effectively and efficiently to address the situation the funds are intended for. Consequently, the NGOs are developing new marketing strategies such as strategic planning practices to increase donor confidence (Mwangi, 2011).

Several studies have been carried out internationally and locally. Internationally various studies have been carried out among them: Glaister, Dincer, Tatoglu, and Demirbag (2009) compared strategic planning practices of companies from the United Kingdom and Turkey. Zandi, Sulaiman, Al Atiyat, & Naysary, (2013) carried out a study on strategic planning process and current practices by UMW Toyota Motor & Chemical Co of Malaysia. Dincer, Tatoglu, and Glaister, (2006) did a study on strategic planning process: evidence from Turkish firms. Mohammed, Ridwan and John (2012) carried out research on strategic planning and organizational performance in the regional government owned banks in Indonesia. Locally Mueke (2015) did a research on Strategic planning at Grant Thornton Kenya. Macharia (2015) researched on Strategic planning practices at UNHCR. Mwangi (2011) did a research on Strategic planning practices at Plan International Kenya. Aosa (1992) did a study on strategy formulation and implementation within large private manufacturing companies in Kenya. The studies done so far indicate that there is no consensus on any one way recommended by scholars on how organizations should practice strategic planning therefore different organizations practice strategic planning differently. Various researchers have concluded that strategies can be formed both implicitly as well

as explicitly (Mintzberg, 1991; Johnson & Scholes, 2003). This study seeks to answer the question; how does strategic planning practices at Diakonia Kenya office compare with those at Forum Syd Kenya office? What are the factors influence strategic planning practices?

1.3 Research Objectives

The research objectives are:

- i) To determine the strategic planning practices at Diakonia and Forum Syd Kenya country offices.
- ii) To determine the factors influencing effective strategic planning practices.

1.4 Value of the Study

The study will add knowledge to the existing literature on strategic planning and open up areas for further research. Future researchers will benefit from the study through provision of information on strategic planning practices. There will also be possibility of identification of gaps in knowledge within this study and form subject for further study. The recommendations thereof will assist the researchers improve on their future studies in order to effectively address the challenges encountered.

The study will be useful to the management of both Diakonia and Forum Syd Kenya country offices as it will highlight the best practices in each organization which can be adopted by the other organization. It is hoped that the management of the two organizations will identify gaps in their strategic planning practices and address them so as to improve their strategic planning processes and practices. It will also be referenced by other Non-governmental organizations when preparing their strategic plans as it will highlight the factors influencing effective strategic planning.

The study will also be useful to the government bodies that are charged with the responsibility of regulating the operations of NGOs in the country. The understanding of planning practices in NGOs will assist such governing bodies to develop appropriate governing regulations. It is envisaged that the regulatory bodies will develop rules and regulations which enhance good planning practices.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter focuses on past literatures that have been done by various scholars and researchers. The issues discussed are: the theoretical foundation, strategic planning practices and factors influencing effective strategic planning.

2.2 Theoretical Foundation

There are several theories advanced relevant to strategic planning. These include: Resource dependence theory, Stakeholders theory and Institutional theory.

2.2.1 Resource Dependence Theory

The resource dependence theory was advanced by Pfeffer and Salancik (1978), it explains organizational and inter organizational behaviors in terms of the crucial resources that an organization must have for it to succeed. The resource dependence is based on an open-systems theory which postulates that organizations will react to and become reliant on organizations that are in control of the resources that are necessary to their operations and which they have limited control over them, hence amassing and retaining the required inputs requires an organization to cooperate with other organizations that have the scarce resources in abundance.

Organizations are not independent in seeking to achieve their desired objectives rather they are hindered by their operating environment as a result of their need for inputs. The degree of an organization's reliance on others is deduced by the importance and concentration of resources provided. Organizations that get their inputs from few suppliers rely so much on them resulting to an organizational function of management of relationships with them. Management of these relationships may take numerous forms like giving in to the suppliers' demands, reducing reliance by substituting the providers of the inputs. Successful organizations limit the degree of their reliance, they also review the terms and

conditions of each of its input providers when negotiating renewal of contracts (Pfeffer & Salancik, 1978).

2.2.2 Stakeholder theory

The classical definition of a stakeholder is any person or group of persons that can be affected by an organization as it endeavors to achieve its objectives (Freeman, 1984). Generally the stakeholder concept attempts to redefine the organization. Basically the concept highlights how organizations should be conceptualized and what they should be. According to Freeman (1984) the stakeholder theory mainly focuses on the morals and values in management of organizations. The traditional or the shareholder view of a company believes that only the owners or stockholders of the company mattered, and that the company has a fiduciary duty to prioritize their interest and increase their wealth. Stakeholder theory on the other hand points out that there are other parties involved which were ignored, they include staff, clients/customers, financiers, communities, suppliers, competitors, governmental agencies, political associations, trade associations, trade unions and the public at large.

According to Friedman (2006) an organization should be viewed as a group of stakeholders and should focus on managing their interests. The theory is centered on two vital questions (Freeman 1994). The first being what is the goal of the organization? This motivates managers to think about the value they create, and what are the interests of its core stakeholders? This moves the organization forward and allows it to achieve outstanding performance, determined both in terms of what it wants to achieve and profitability. The secondly question is what are managers responsible for to their stakeholders? This forces managers to clarify on how they will conduct business and the relationships that they should establish with their stakeholders so that objectives can be achieved.

2.2.3 Institutional Theory

This theory studies organizational ways of surviving and succeeding through establishing a fit between an organization and its macro environment (Daft, 1998). Issues of validity are highly considered by this theory, Rowley (1997) stated that organizations should adapt to external environmental changes, considering that their existence is dependent on their

adherence to expectations of other institutional constituents, such as the government, professional bodies and various interest groups.

Organizations have to found a strategic fit with their external environment. Daft (1998) noted that an organization's performance improves when there is a perception by many that it has the legitimacy to exist. The institutional theory states that for an organization to be perceived as legitimate there should be similarities with its peer organizations, this is referred to as isomorphism which can be categorized in three forms (Daft, 1998). Mimetic isomorphism is where an organization imitates outstanding organizations in unpredictable circumstances thus giving it legitimacy. Coercive isomorphism occur when external forces makes an organization to imitate its competitors. These forces can be both formal and informal. Lastly, normative isomorphism is where an organization changes so as to be more professional or adhere to the norms of its environment.

2.3 Strategic Planning Practices

Various models of strategic planning exist (Nieboer, 2011). According to Morrison et al (1984), McCarthy (1996) and Arthur (1989) a successful model need to have a vision, mission statement, analysis of the environment, setting of objectives and strategic choices. Therefore strategic planning practices should be formulated to fit the needs of the organization.

The strategic planning process should start with determination of the vision and mission (Lerner, 1999). A vision highlights the direction an organization intends to take. It explains the organization's future strategic course. A well-developed vision communicates the organizational ambitions to its stakeholders and motivates the human resource to achieve the common objectives (Thompson, Strickland & Gamble, 2007). Johnson, Scholes, & Whittington, (2010), defines a vision of an organization as what the organization is aspiring to accomplish over the long term as formally declared in its mission statement.

The mission highlights the aim of the company's existence, its intention and publicly expressed views of the organization's existence. It points out the organization's image and credibility. Credibility displays the beliefs of the organization, traditions and what will be delivered by the organization. Credibility is a manual of actions, which increases

consumers' confidence. Its main aim is to win the confidence of consumers and investors of the organization.

In most cases the terms vision and mission are used interchangeably (O'brien & Meadows, 2000). According to Johnson et al (2010), a vision denotes the desired future aspirations of an organization in the medium term to the long term. It is what an organization aspires and which guides the strategy formulators in focusing the energies of the organization's members to achieve it while a mission statement explains the reasons of an organization's existence and what its activities aim to accomplish (Hinton, 2012). It exists to answer two fundamental questions: What is our business and what should it be?

After mission development follows objectives setting, the objectives will help in achieving the mission. Objectives can be described as the measurable results of an initiative, they basically highlight what will be accomplished by when (Mambu, 2016). Organizations develop short term objectives whose aim is to prioritize urgent results to be achieved while the long term ones consider what should be done now so that the organization can be in a better place to produce results in future. The organization then appraises its present position and the desired position by carrying out a gap analysis. To minimize the gap and attain its desired position the organization need to develop strategies and allocate resources (Njuguna, 2009).

Environmental analysis involves the identification of all elements both internal and external that may have an effect on the performance of the organization. The analysis entails investigating the degree of opportunity or threat that is present in the environment (Lopez-Gamero & Molina-Azorin, 2015). The results of the analysis are then converted into a decision making process. These analysis helps to create a fit between the strategies of the organization and its environment. All organizations have both internal and external environment, the internal environment is made up of the personnel of the organization, and how they work in accordance with the organizational mission. The internal or the micro environment may be controlled and changed through planning and management processes, while the external or macro environment is not controllable. Organizational managers cannot control their competitors, change of law, or economic conditions. However they can

come up with control measures on how they can react to changes in their external environment. (Lerner, 1999).

The external environment analysis helps identify opportunities available to the organization and threats that the organization is exposed to. The opportunities are those favorable situations that are available in the environment for the firm to exploit. While threats on the other hand are obstacles that prevent an organization from achieving the current or desired position. Strategist must also conduct an internal analysis of the organization to assess the strengths and weaknesses of the organization. The tool commonly used by organizations to conduct an environmental assessment is the SWOT analysis which stands for Strengths and Weaknesses of an organization and environmental Opportunities and Threats that face the organization. The tool provides an excellent framework that managers can use to view their firm's strategic situations (Mwangi, 2011).

The last step is strategic choice. After a SWOT analysis has been conducted and the strengths and weaknesses of the organization together with its opportunities and threats determined, based on the analysis the organization selects a path among the various alternatives that will enable it to achieve its objectives. Strategic choice is therefore the decision which determines the future strategy of the firm, it addresses the question "Where shall we go" (Child, 1997).

2.4 Factors influencing effective strategic planning practices

There are diverse factors identified as influencing the strategic planning practices, they include; leadership, structure, culture and availability of resources.

Leadership is the capability of influencing others to achieve specified goals and objectives. Johnson (2005) views leadership as giving of orders which are clear, complete and within the capabilities of the subordinates to accomplish the assignments for achieving intended objectives. This indicates that leadership is important in strategic planning process.

According to Kotter (1990), leadership is concerned with taking action on two fronts, first is to oversee that the organization is able to deal with change. For this managers need to embrace change, and do so by explaining the strategic intention to the members of the

organization, who should ensure that the organizational culture fits with opportunities and threats afforded by the change. Secondly it should provide the employees with skills to deal with change.

It is of essence to note that leadership will influence strategic planning in that leaders may apply different leadership styles or skills which may have different effects on the organization. In this regard, the leadership provided should be able to guide the organization in the right direction (Kiptoo & Mwirigi, 2014).

Organizational Structure is not all about the organization chart, it includes employees, jobs, departments, culture, technology and other related organizational aspects. It highlights how the organizational parts collaborate to achieve its mission. The structure and the strategy should be integrated for the mission and goals to be achieved. Structure follows strategy therefore when strategy changes the structure should also change for it to adequately support the new strategy, if it is not changed the organization is pulled back to its old strategy that is strategy follows structure (Nyakeriga, 2015).

Each organization has a distinct organizational structure that mirrors its chain of command. According to Okumus (2003) an organizational structure entails job division, job allocation and supervision, power sharing, and decision making procedures which are directed towards achievement of organizational objectives. Okumus (2003) observes that the following issues need to be considered: the effect of a new strategy on possible changes of duties, decision making and on reporting relationships. Leaders should ensure that the structure enhances information flow, co-ordination, and co-operation in the organization. Generally, the structure clarifies job duties and accountability levels. This shows that an organizational structure is an important factor to consider when deciding how strategic planning should be done in organizations. Lack of proper structures the benefits of strategic planning may not be achieved in organizations because structures facilitate the delivery of the expected results (Kiptoo & Mwirigi, 2014).

Organizational culture comprises norms and values that are widely shared by organization members, they guide the interactions amongst them and with external stakeholders (Deal & Kennedy, 2000). The organization's culture also influences the strategic choices since organizations have certain values and beliefs that all have to adhere to. Different

organizations have different cultures depending on its alignment to the vision. Culture has an influence on the activities of the organization as it may dictate what should be considered acceptable or unacceptable depending on the organizational operating environment. Therefore if an organization is implementing a strategic plan, it is crucial that all are involved so that they can own the process. The organization's culture contributes in strategy implementation hence without participation of all employees the result might be unsatisfactory (Kiptoo & Mwirigi, 2014).

Availability of resources is an important aspect of strategic planning processes. It requires significant resources ranging from human resources, financial resources to intellectual and political capital. The latter is tied closely with leadership and politics. Edelman (1997) argues that resource constraint can be a real challenge in strategy formulation and implementation. The quality of an organization's human resources is an important determinant of success, this results to organizations emphasizing on staff recruitment and training to increase the organizations' competence. Organizations are usually hindered by financial constraints in their pursuit of recruitment and training strategies. Nonetheless, staff training is a crucial business management practice, and even when organizations are experiencing financial constraints is an achievable strategy (Kraus, Reiche, & Reschke, 2008).

2.5 Empirical studies and knowledge gaps

Several studies have been done on the concept of strategic planning adopted by organizations. Glaister, Dincer, Tatoglu, and Demirbag (2009) did a comparison of strategic planning practices among companies from the UK and Turkey, they found out that in Turkey a higher proportion of firms had written missions in comparison to firms in the UK, however there was no significant difference between Turkish firms and UK firms according to whether they have a written mission statement. This is contrary to expectations, as it was expected that more firms in UK than Turkey would have a written mission statement. Zandi, Sulaiman, Al Atiyat, & Naysary (2013) did a study on Strategic Planning Process and Current Practices: A Comparative Empirical Study of UMW Toyota Motor and Chemical Company of Malaysia, they established that UMW Toyota was perceived to be less formal as their process was said to be simplified. They concluded that

their process was not structured compared to CCMF process which was formal, systematic and standardized with predefined tasks and outcomes of each phase. Both companies' strategies were flexible as they were subject to review every quarter and the analysis phases of both companies were found to be very similar to what the literature suggested. However for its external analysis, UMW Toyota was found to depend more on formal information sources such as published data and research centres, while CCMF depends more on its informal market intelligent records.

Macharia (2015) in his study of strategic planning practices at UNHCR found out that, the need to involve all stakeholders, budgeting and procurement lead times that need to be accommodated within the programming cycle dictated by the UNHCR, donor priorities, composition of beneficiaries, government policies and the changing political environment are some of the challenges encountered by UNHCR during the strategic planning process. The study further recommended that given the reduced funding levels experienced globally, the funding situation dictated for more innovative ways of providing assistance to persons of concern so that UNHCR and other stakeholders can achieve more with less.

Arasa, Aosa and Machuki, (2011) did a study on Participatory orientation to strategic planning process: Does it pay? The Study found that participation in the strategic planning process was fairly embraced across the firms studied, employee participation and involvement in strategic planning influences the strength of the said relationship and that indeed there is a relationship between employee participation and firm performance. The assumption that the higher the level of participation and involvement in the strategic planning process, the higher the level of realization of strategic planning intermediate outcomes was, therefore investigated. Results of this analysis indicate that employee participation and involvement does moderate the relationship between the two variables.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter highlights methods and procedures adopted by the researcher to conduct the study so as to achieve the objectives of the research. The research design, data collection methods and data analysis are all covered in this chapter.

3.2 Research Design

The research was in the form of a case study. This was to allow an in depth study since the research aimed to determine strategic planning practices at Diakonia and Forum Syd Kenya country offices and the factors that influence effective strategic planning in the two organizations which could best be obtained through a case study.

According to Yin, (2003) research design is the blue print for data collection, measurement and analysis. This research study used case study research design in seeking to address the study objectives. A case study is basically an in-depth study of a particular situation rather than a sweeping statistical survey. It is a method preferred in narrowing down a very broad field of research. Case studies are the preferred strategy when “how” or “why” questions are being posed when the investigator has little control over events.

3.3 Data Collection

Data collection is the gathering of evidence so as to gain insight about a particular situation and answer questions that prompted undertaking of the research (Kothari, 2004). To ensure as much information as possible is collected the study relied on both primary and secondary data.

Primary data was obtained using an interview guide that was structured to meet the objectives of the study. The interview guide was pre-tested then administered on a one on one basis to the interviewees. The interview guide consisted of open ended questions so as

to give the research a qualitative approach. Secondary data was obtained from printed records and information posted on the websites of Diakonia and Forum Syd.

Data was collected from two staff from both Diakonia and Forum Syd Kenya country office, the staff have been working with their respective organizations for more than 5 years and are actively involved in their organization's strategy planning process. At Diakonia the staff interviewed were the country manager and a program officer while at Forum Syd two program officers were interviewed. The interviewees of both organizations were actively involved in strategic planning therefore negates the need to interview everyone.

3.4 Data Analysis

The data was analyzed using content analysis this is because the data collected was mainly qualitative in nature. The analysis measures the semantic content or the "what aspect" of a message. Its breadth makes it a flexible and wide-ranging tool that may be used as a methodology or a problem specific technique (Cooper and Emoly, 1995). Content analysis guards against selective perception and has provision for the rigorous application of reliability and validity criteria. Case studies can yield information that could not be obtained using other methods.

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

In this chapter the data collected will be analyzed and the findings obtained will be covered. Data analysis has been done in line with the study objectives which were to compare strategic planning at practices at Diakonia and Forum Syd Kenya country offices and to determine the factors influencing effective strategic planning practices. Primary data was obtained through the use of an interview guide which was prepared to meet the study objectives while secondary data was obtained from printed documents and information posted in their websites, primary data was then analyzed using content analysis.

4.2 Demographic information

Data was collected from two employees of each organization. At Diakonia the interviewees were the Country manager and a Program officer while at Forum Syd the interviewees were two program officers. The respondents have been working in their respective organizations for more than 5 years, this is an indication that they are knowledgeable of the process of strategic planning in their organizations.

4.3 Background information of the organizations

Diakonia is a Swedish faith based Non-governmental organization that was established in 1966. Its head office is in Stockholm, Sweden and operates in 30 countries which are in Middle East, Latin America, Asia and Africa and has a regional office in each continent which are in Chiang-Mai, Nairobi, Bogota and Jerusalem. It works with partners to change unfair structures that cause poverty, inequality, oppression and violence. Diakonia's work is organized in six intervention areas namely Social and Economic Justice, Conflict and Justice, Human Rights, Emergence response and disaster resilience, Democracy, and Gender Equality, however during the strategic period 2016 – 2020 Diakonia Kenya country office will focus on three intervention areas of Democracy, Social and Economic Justice and Emergency Response and Disaster Resilience.

Forum Syd is a non-profit organization that was established in Sweden in 1995. Its head office is in Stockholm, Sweden and has offices in 5 countries namely Kenya, Tanzania, Belarus, Cambodia and Colombia. Its members are the Swedish civil society organizations working towards a just and sustainable world. Forum Syd seeks to build its reputation and experiences in offering support to civil society organizations under three thematic areas of gender equality, democracy and human rights and sustainable use of natural resources.

4.4 Strategic planning practices at Diakonia Kenya country office

The study sought to establish how Diakonia Kenya country office undertook strategic planning. The researcher asked the interviewees various questions relating to strategic planning processes adopted by Diakonia Kenya country office and obtained various responses. This was meant to identify if and how strategic planning is undertaken.

The interviewees were asked whether the country office has a strategic plan. From their responses they indicated that Diakonia has a 5 year strategic plan for the period 2016 – 2020. Previously the strategic plans were for a shorter period of 3 years and were not coherent but in the current strategic period they choose to have a longer term strategy of 5 years and to have one that harmonizes the whole organization that is why the context analysis was also done at the global level and strategic choices were also made at the global level, country offices were then supposed to look at their context and see how their context relate to the global context and strategic choices that had been made, each country was therefore able to determine what its context is and made strategic choices based on the global strategy. They were then asked if the strategic plan is documented and communicated to employees and other stakeholders in which they affirmed that it is communicated and documented since they were involved in its formulation and were informed during internal meetings, hard copies of the strategic plan were also distributed to employees, partners, donors, peer organizations and other stakeholders. The strategic plan is also available in the organization's website.

The study established that Diakonia Kenya country office has adopted the vision, mission statement and some of the strategic objectives that have been set by their head office. The vision, mission statement and strategic objectives are documented and staff are aware of them since they are highlighted in many meetings. The vision is “A just, equal and

sustainable world” while the mission is “To change unfair political, economic, social and cultural structures that generate poverty, inequality, oppression and violence”. The vision and mission have been documented in the organization’s website, global strategic plan, country office strategic plan, brochures and other printed documents.

The study also established that Diakonia has strategic objectives under each of the six intervention areas. The objectives are set at the head office after consultation with the country offices. Under each of the intervention areas there are priorities, under Human rights the strategic objectives are; Empowerment of human rights defenders, Fulfilment of women’s rights and Fulfilment of human rights commitments. Under Democracy the strategic objectives are: Democratic culture, Women’s political participation, Good governance and enabling environment for civil society. Under Gender equality the strategic objectives are: Combating Sexual and Reproductive Health and Rights and gender based violence, Men and boys for gender equality and LGBTI people’s rights. Under Social and economic justice the strategic objectives are: Fair distribution of wealth and access to natural resources, Economic empowerment of women, Sustainable development and climate justice, Decent work and fair income. Under Conflict and justice the strategic objectives are: Women, peace and security and Policy coherence for peace, Protection in armed conflict and Peace building. Under Emergency response and disaster resilience the strategic objectives are: Preparedness, relief and recovery and Disaster risk management. For Diakonia Kenya country office under Democracy the strategic objectives adopted are; Democratic Culture, Good Governance and Enabling Environment for Civil Society. Under Social and economic justice the strategic objectives adopted are: Fair distribution of wealth and access to natural resources, Economic Empowerment of Women and Sustainable development and climate justice. Under Emergence response and disaster resilience the strategic objectives adopted are; Preparedness, relief and recovery and Disaster Risk Management.

The vision, mission and strategic objectives are reviewed at the start of each strategic period and are formulated at the head office after getting inputs from the country offices and other stakeholders.

Interviewees were then asked to describe the strategic planning process which they indicated that it first involved the country teams across the organization doing an evaluation of the previous strategy, they then did an analysis of their respective contexts and shared the information with the head office, when country offices were doing their context analysis, the head office was also doing an analysis of the global context and the contexts of the different regions in which the organization works, the head office then developed the global strategic plan that had six intervention areas and strategic objectives, thereafter the country teams together with their partners validated whether the information provided by the country teams and the head office were relevant to their respective contexts and whether there were gaps, the country offices were then required to develop their own strategic plans drawing from the global strategic plan. The global strategic plan therefore served as a guideline for preparing country office strategic plan.

The study also sought to establish Diakonia's reasons for preparing strategic plans. The study established the reasons as; to achieve coherence because Diakonia is a global organization working in 35 countries and because it is one organization it needs a strategic plan that harmonizes and ensures that it is very clear about its direction as an organization, to ensure that country level strategic objectives are relevant and respond to the operating context, the context is always changing, changes in PESTEL factors pose challenges to the organization, strategic planning helps the organization to respond to those changes so as to attain a competitive advantage in the market, to ensure that they have set the intervention areas that they intend to address so as to be able to put its resources to optimal use since resources are in limited supply, to use in fund raising since most donors require organizations that source for funds from them to have a strategic plan, it is also a requirement from the head office that country offices should have strategic plans, it also serves as a benchmark for evaluating the progress that an organization has made in achieving the set objectives.

On the question of who participated in the process of strategic planning and what were their roles the interviewees indicated that the process was very participatory and took about one year and a half as it involved the different stakeholders which included the head office which provided leadership, the country office staff were also involved as they were the

ones who did the contextual analysis for the country and shared the information with the head office and prepared the country office strategic plan, Diakonia's partners contributed in the preparation of the country office strategic plan and validated whether the intervention areas developed by the head office were relevant to their context, the regional office coordinated the country offices and ensured that they developed their strategic plan and followed the guidelines and whether they met the requirements of strategic plans and the board which validated and approved the global strategic plan.

The study also sought to establish whether the strategic plan is linked to a budget. The respondents indicated that the strategic plan is not directly linked to a budget however it gives a broad direction on what are the strategic objectives and from there the specific programmes are determined which draw from the strategy that are linked to a budget. Therefore each programme has a budget which may be funded by various donors. The interviewees further indicated that the country office prepared a resource mobilization plan which helped them to think about what resources will be required for them to implement the objectives of the strategy or the programme and help them in raising the resources from various donors.

On the question of whether the strategic plan is reviewed the interviewees indicated that the strategic plan is reviewed annually by the country office and reported in the annual report and the regional office has a role to ensure the review is done and to collect the learnings from all this process. They indicated that the review process provide an opportunity to reflect and dialogue within the team about important issues like the relevance of the strategy, how they are moving towards achieving their global objectives, how they are implementing their programmes in accordance with their guiding principles and what results or progress towards results they have achieved during the year.

4.5 Strategic planning practices at Forum Syd Kenya country office

The study sought to establish how Forum Syd Kenya country office undertook strategic planning. The researcher asked the interviewees various questions relating to strategic planning processes adopted by Forum Syd Kenya country office and obtained various responses. This was meant to identify if and how strategic planning is undertaken.

The respondents were asked to indicate whether Forum Syd Kenya country office has a strategic plan. They indicated that Forum Syd Kenya country office has a 5 years strategic plan for the period 2013 – 2018. From 2010 - 2013 it was implementing Tushirikishe Jamii project. The respondents were then asked to indicate whether the strategic plan is documented and communicated to employees and other stakeholders, they indicated that it is communicated to both employees and stakeholders since they were informed of the whole process and were involved in its formulation, copies of the strategic plan were also shared with employees and the various stakeholders.

The study established that Forum Syd Kenya country office has adopted the vision, mission statement and some of the strategic objectives that have been set by their head office. The vision, mission statement and strategic objectives are documented and staff are aware of them. The vision is “A just and sustainable world where all people have the power to effect change”. At Forums Syd poverty is understood to have structural causes related to power imbalances. According to Forum Syd poverty is associated with more than lack of financial resources, it also manifests when a person is denied his/her rights, discriminated against and when he/she is not able to influence his/her life. Its mission is “To ensure that all people have their rights recognized and respected” while its objectives are to strengthen marginalized people around the world who organize to claim their rights and to advocate for changes that contributes to a just and sustainable world.

The respondents were asked whether the staff knew the vision, mission and strategic objectives. The respondents indicated that staff were aware of them since they are documented in various printed documents and are available in the organizations website. On the question of who formulated the vision, mission and strategic objectives and whether they are reviewed the respondents indicated that they are developed at the head office and that they have never been reviewed.

The respondents were then asked to describe the strategic planning process, they indicated that the country strategic plan was a result of various inputs, The Tushirikishe Jamii project was first reviewed then in 2012 they conducted a Best practices study. The process started with identification of themes in which sustainable use of natural resources, democracy and human rights and gender equality were identified, then contextual studies that had been

done on relevant issues were revisited, terms of reference were then developed and consultants solicited and approved, then they developed the country strategy after holding focused group discussions and consulting key stakeholders for input and validation.

The study sought to establish Forum Syd's reasons for preparing strategic plans, the respondents indicated that the need to capitalize on the strengths and opportunities open to the organization due to the changing business environment and also being able to change its direction so as to avoid the threats and weaknesses which face the organization. Another reason is to use it in fund raising since its one of the documents required by donors. It also guides the organization to move towards the same mission and objectives for which it was developed. It also improves on communication both internally and externally enabling the firm to accomplish its set goals and objectives.

The interviewees were then asked to state the stakeholders that participated in the process and what were their roles. They indicated that the country office staff were also involved as they were the ones who identified the thematic areas, the consultants who did a contextual analysis and developed the strategic plan, representatives from their partner organizations and members of the reference group contributed in the preparation of the country office strategic plan and validated the contextual analysis done by the consultants.

The respondents were further asked to clarify whether they have a guideline for drafting the strategic plan, they indicated that the head office does not issue guidelines for drafting the strategic plan. On the question of whether the strategic plan is linked to a budget the respondents indicated that the strategic plan is broken down into annual work plans that are linked to a budget, therefore the strategic plan is linked to a budget. The respondents were then asked to indicate if the strategic plan is normally reviewed, they indicated that the strategic plan is usually reviewed on an annual basis through the review of the annual work plans.

4.6 Comparison of strategic planning practices at Diakonia and Forum Syd Kenya country offices

From the findings it is noted that both organizations practice strategic planning and have each developed a 5 years strategic plan which they are currently implementing. At both

organizations the vision, mission and strategic objectives are formulated at the head office then cascaded to the country offices however at Diakonia under each intervention area there are strategic objectives which country offices were supposed to choose the ones that are applicable in their context while Forum Syd has only 2 strategic objectives that have been adopted by all its offices. The vision, mission and strategic objectives have been documented and staff are aware of them.

In Diakonia guidelines for preparing strategic plans were issued by the head offices while in Forum Syd they were not issued, strategic planning was participatory in that it involved all key stakeholders, contextual analysis were done, strategic plans are linked to budgets though indirectly since at Diakonia the budgets are linked to programmes which are linked to the strategy while at Forum Syd annual work plans are linked to budgets and the strategic plans are reviewed on an annual basis. However, at Diakonia the strategic plan was developed by the staff while at Forum Syd it was developed with the help of a consultant.

4.7 Factors influencing effective strategic planning at Diakonia Kenya country office

There are diverse factors influencing effective strategic planning, the interviewees identified the following.

The interviewees pointed out that a contextual analysis is one of the important factors, it involves the scanning of the internal and external environments in which the organization operate. They explained that its aim is for the strategic plan to be informed by all factors that might affect achievement of its objectives. They pointed out that it involves conducting a trend analysis and analyzing the opportunities and threats that the organization may face.

The trend analysis involves analyzing the political, economic, social, technological and demographic trends, these trends keep on changing since the organization operate in a dynamic environment. They pointed out that factors such as governmental interference in the running of NGOs, non-operationalization of the Public Benefit Organization Act and introduction of various amendments to the Act without being consulted, exchange rate fluctuations and technological changes as factors that should be closely monitored. Once

this factors have been identified the organization should plan on how to adapt to them since they can't be controlled.

The study established that inclusion of all stakeholders in the planning process as a vital factor, the interviewees pointed out that the stakeholders included the head office, board of directors, the country office staff, partners and other important stakeholders who will be affected by it or will play a role in its implementation, each has a unique perspective of what should be done for the organization to achieve its objectives. They emphasized that all stakeholders should have a voice in the strategic planning process and their views should be put into consideration, this will help in reducing the distrust that may arise and an increase in commitment to the strategic objectives, it will also make them have a higher degree of ownership and be more committed to their work.

The interviewees pointed out that the views of external stakeholders are very useful since they provide insights to understanding the organization's operating environment while internal stakeholders know the strength and weaknesses of the organization and often understand what gets in the way of success and have experience of what it takes to deliver the objectives of the strategy.

The third factor identified by the study is adequate communication, the interviewees pointed out that strategic planning is a long and complicated process therefore provision of adequate information to the various stakeholders will inspire them and make them support the process. The stages of the strategic planning process should be clearly outlined with their timelines and the various stakeholders should be informed at what stages they will be involved.

The study also established that the country manager's skills and experience to be a vital factor in strategic planning this is because the manager is responsible for the development of the strategic plan, she should therefore be able to work through others, have organizing and coordinating skills and creating fits between strategies and how the organization work. The manager should also be experienced in strategic planning in order to guide the organization in developing realistic strategic plans.

4.8 Factors influencing effective strategic planning at Forum Syd Kenya country office

The study established that learning from best practices was an important factor at Forum Syd, the interviewees explained that although organizations have different visions, operate in different environments and therefore have different strategic plans which may not be useful to another similar organization due to differences in context, it is still possible to learn from other organizations since they all deal with challenges related to fundraising, human resources, technology and changes in the operating environment. No matter their vision and mission organizations find ways to meet their challenges and remain relevant. Often a solution that works for one organization can successfully be applied by another organization thus a survey of how comparable organizations dealt with similar challenges need to be included in the planning process.

The study also established that a clear analysis of external opportunities and threats. Organizations operate in environments that are constantly changing which hence may affect achievement of its objectives thus as the environment changes the organization should also change the methods for achieving its objectives. It is therefore important for the strategic plan to echo the macro environment. The organizations activities and objectives should therefore be reviewed after considering the present realities and future projections.

The study further established that a realistic assessment of the organization's strengths and weaknesses, this is important in that it enables the organization to know its resources capabilities hence enabling it in preparing realistic strategic plans. Information on this should be collected from many sources including employees, board of directors, head office, partner organizations, strategy development consultant, the community and other relevant stakeholders. The determination of the organization's strength will give it an advantage over competitors and help it in making sound decisions while identification of the weakness helps it in spotting problems so that it can address them.

The interviewees pointed out that clear priorities and an implementation plan tend to be useful in strategic planning this is because while vision and mission are vital to motivate employees to commit to the organization they are seen to be empty words except when

accompanied by a list of activities which if carried out will accomplish the earlier set objectives. A well thought out strategic plan includes the objectives ranked according to priority, the organization should therefore develop a list of its priorities and decide which ones should be adopted and which ones should be dropped. Once the priorities have been set the organization should develop strategies for achieving the set objectives.

4.9 Comparison of factors influencing effective strategic planning at Diakonia and Forum Syd Kenya country offices

Both organizations identified conducting a detailed contextual analysis as this will help them in determining the strength and weaknesses of the organizations also the opportunities and threats posed by the environments in which they operate, this enables the organizations to prepare realistic strategic plans. Participation of key stakeholders was also identified by both organizations as being instrumental to effective strategic planning as their inputs are useful in preparing the strategic plan.

They also highlighted other factors that are necessary, at Diakonia they identified adequate communication of the strategic planning process and country manager's skills and experience in strategic planning while at Forum Syd learning from best practice and setting clear priorities and an implementation plan were identified to be of importance.

4.10 Discussion of the finding

This section discusses the findings of this study by comparing the research objectives with the existing literature. It also compares the study with the theories that were discussed and with studies that have been done that relate to this study.

4.10.1 Comparison with Theory

One of the reasons as to why Diakonia and Forum Syd Kenya country offices formulate strategic plans is to use them as a fund raising tool, the strategic plans enable the organizations to gain a competitive advantage when seeking funds from donors, this study finding concur with the resource dependency theory which postulate that organizations need resources for survival and accomplishing their objectives, they must acquire and maintain those resources through interacting with other organizations that poses the scarce resources. These interactions shape the activities of the organizations and results to

different outcomes. The level of interdependence between organizations is minimized in environments with large amounts of resources, while it is maximized in environments with scarce resource hence resulting to uncertainty and pose greater challenges to organizations that depend on other organizations (Pfeffer & Salancik, 1978).

The study confirms a strong relationship exist between the Stakeholder's theory and the strategic planning process at Diakonia and Forum Syd Kenya country offices. The focus of the stakeholder's theory is in two core questions (Freeman 1994). First, it asks, what is the firm's goal? And what is the management's responsibility to stakeholders? It is evident that Diakonia and Forum Syd Kenya country offices have involved all stakeholders in the strategic planning process, this is in conformance with the stakeholder theory which argues that apart from the owners or funders there are other groups involved, which include staff, clients/customers, communities, suppliers, competitors, governmental agencies, political groups, trade associations, trade unions and the public at large. The involvement of all stakeholders assist in identifying the priorities that will enable effective strategic planning.

The study established that Forum Syd Kenya country office in developing its strategic plan it first conducts a Best practice study in order to identify the practices that have been proved to be effective by other similar organizations which it can adopt in its next strategic period. This is in conformance to Wheelen and Hunger (2008) institution theory which concludes that organizations do adapt to changing conditions by imitating other organizations.

4.10.2 Comparison with other studies

Mueke (2015) in his study on Strategic planning at Grant Thornton Kenya found out that Grant Thornton Kenya has adopted a global strategic plan where the vision, mission and the strategies chosen are developed globally and cascaded to the regional levels by the umbrella entity Grant Thornton International. This findings are in conformance with the findings of the study since Diakonia and Forum Syd Kenya country offices have adopted the Vision, Mission statement and the strategic objectives that had been formulated by their respective head offices.

Aosa (1992) did a study to investigate the level of strategy formulation and implementation within Kenya's large, private manufacturing companies and found out that the large

manufacturing companies in Kenya practiced formal strategic planning. The study further established that foreign companies were more involved in strategic planning than the local ones. The study also found out that companies that linked their strategies to budgets were successful in strategy implementation than companies that did not have such linkage, Diakonia and Forum Syd Kenya country offices are foreign international non-governmental organizations that have embraced strategic planning and have linked their strategic plans to a budget hence confirm with the findings.

Kamau (2008) carried out a study on strategic planning practices adopted by tour and travel firms in Kenya, and found out that the strategic planning practices in the firms followed a formal planning process, key stakeholders such as employees were engaged in the planning process. Also established was that firms in the industry did internal as well as external environmental analysis to determine the negative effects of various factors on their operations before formulating their plans. This findings conform to the findings of the study since Diakonia's and Forum Syd's Kenya country offices strategic planning processes were formal, they involved the key stakeholders and both organizations carried out a contextual analysis.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter gives a summary, conclusion and recommendations drawn from these study. Also covered is suggestions for further study. The chapter also gives recommendations from the research findings as well as highlighting the limitations of the study which could have had an effect on the findings of the study. It concludes by giving suggestions for further research.

5.2 Summary of Findings

The study established that Diakonia and Forum Syd are Swedish Non-governmental organizations that operate in other countries, they were established in 1966 and 1995 respectively. The study also found out that Diakonia's intervention areas are: Social and economic justice, , Conflict and justice, Human rights, Democracy, Gender equality and Emergency response and disaster resilience while Forum Syd's thematic areas are sustainable use of natural resources, gender equality and democracy and human rights.

The study found out that in both Diakonia and Forum the vision, mission statement and strategic objectives were developed at the head office and country offices adopted them. They have been communicated to the staff and are available in the respective organizations website and other printed documents. The study further established that Diakonia reviews its vision, mission and strategic objectives after each strategic period while Forum Syd does not review them.

From the study both Diakonia and Forum Syd Kenya country offices have 5 years strategic plans that have been documented and communicated to stakeholders. The study then found out that the strategic planning process at Diakonia Kenya country office involved the country teams across the organization doing an evaluation of their previous strategies, they then did an analysis of their respective contexts and shared the information with the head office, when country offices were doing their context analysis, the head office was also doing an analysis of the global context and the contexts of the different regions in which the organization works, the head office then developed the global strategic plan that had

six intervention areas and strategic objectives, thereafter the country teams together with their partners validated whether the information provided by the country teams and the head office were relevant to their respective contexts and whether there were gaps, the country offices were then required to develop their own strategic plans drawing from the global strategic plan.

The study also found out that strategic planning at Forum Syd first started with the review of Tushirikishe Jamii project then in 2012 they conducted a Best Practices Study. Strategic themes were then developed, then contextual studies that had been carried out on related issues were revisited, terms of reference were developed, consultants were solicited and approved, then the country strategy was developed after holding consultative meeting with key stakeholders for input and verification.

The study then found out that the reasons for preparing strategic plan by Diakonia and Forum Syd include; to harmonizes and ensures that the organizations are very clear about their direction as an organization, to ensure that country level strategic objectives are relevant and respond to the operating context, to use in fund raising since most donors require organizations that source for funds from them to have a strategic plan, it is also a requirement from the head office that country offices should have strategic plans, it also serves as a benchmark for evaluating the progress that an organization has made in achieving the set objectives, and the need to capitalize on the strengths and opportunities open to the organization due to the changing business environment and also being able to change its direction so as to avoid the threats and weaknesses which face the organization

The study also found out that strategic planning at Diakonia and Forum Syd Kenya country offices is an engaging process as it involves key stakeholders ranging from the head office, country office staff, partner organizations and members of the reference group. Their input is essential as they have a better understanding of the context, it also enables all stakeholders to own the strategic plan once developed and ensure that the implementation is done seamlessly. The gaps are also identified during the validation process and the various changes made.

The study established that Diakonia's head office issued guidelines for preparing strategic plans to country offices while Forum Syd's head office does not issue guidelines. The

guidelines were merely a starting point and were not to be taken as inflexible and rigid instructions for making strategies. In using those guidelines as a foundation, country offices were expected to innovate and expand the frontiers of creativity. Thus, the guidelines were to be treated as a living and growing document.

The study noted that at both Diakonia and Forum Syd Kenya country offices the strategic plans are linked to budgets. At Diakonia Kenya country office the specific programmes of the strategic plan are linked to a budget while at Forum Syd Kenya country office the strategic plan is broken down into annual work plans that are linked to a budget.

The study also noted that both organizations review their strategies on an annual basis. At Diakonia after the strategic plan has been reviewed the findings are reported in the annual report which is sent to the regional office while at Forum Syd after the annual work plan has been reviewed it uses the findings to improve its performance.

The study also established the factors necessary for effective strategic planning practices at Diakonia and Forum Syd Kenya country offices, they included: a detailed contextual analysis should be done, key stakeholders should participate in the strategic planning process, there should be adequate communication, manager's skills and experience in strategic planning, learning from best practices and setting of clear priorities and an implementation plan.

5.3 Conclusion

From the study, it can be concluded that strategic planning is practiced at Diakonia and Forum Syd Kenya country offices. At both organizations the strategic planning process is in such a way that the process follows the laid down steps. Both organizations have adopted the five critical components advocated by Thomson, Strickland and Gamble (2007) and the Pearce & Robison (2008) except in the formulation of vision and mission statements which was done by their head office after incorporating their input.

Diakonia and Forum Syd Kenya country offices adopt a formal strategic planning practice. Staff are made aware of their vision and mission statements during internal meetings, in placards that are strategically hanged on the walls in the organization's local offices, in printed documents and in their websites. Also they highly circulated their strategic plans

once approved both in hard copies and in softcopies including positing in their websites. The abridged version of the strategic plans is shared externally with all the stakeholders.

The study also identified key factors that influence effective strategic planning practices at Diakonia and Forum Syd Kenya country offices, they included: a detailed contextual analysis, inclusion of key stakeholders in the strategic planning process, adequate communication, manager's skills and experience in strategic planning, learning from best practices and setting of clear priorities and an implementation plan. It is therefore necessary for the two organizations to be aware of this factors as they affect strategic planning practices.

Finally Employees of an organization contribute the most to how successful the strategic planning process can be because they are the key drivers in the process therefore all employees including the management must ensure that the strategic planning process is not hindered by others for the process to succeed. In many instances where strategic planning has failed is due to lack of commitment and dedication of employees of the organization.

5.4 Recommendations from the study

Diakonia's head office issue guidelines to country offices for preparing strategic plans while Forum Syd doesn't. Forum Syd should adopt this practice since it provides a methodology for addressing complexity of strategy and enable the organization to achieve conformity, continuity and consensus that of country offices seek in formulation of strategic plans.

Diakonia should adopt Forum Syd's practice of conducting a Best practice study so as to identify strategic planning practices that are carried out by other peer organizations and which have proven to be effective so as to adopt them when preparing their strategic plans

With the reduced funding levels experienced by Non-governmental organizations due to an economic crisis, political instability and an increase in NGOs which has resulted to stiff competition for donor funds it is recommended that Diakonia and Forum Syd Kenya country offices should consider diversifying their funding base so that they can reduce their

over reliance on their traditional donors, they should also consider establishing income generating activities to supplement the donor funds.

5.5 Limitation of the study

Booking appointments with the staff of the two organization was challenging due to their busy schedules, this led to postponement of various appointments until when their schedules were not tight as a result data collection and data analysis processes were done behind schedule.

This study majored on the international organizations operating in the NGO sector its results will therefore not be applicable to all international organizations operating in Kenya since their operations and operating environments differ from the one in this particular research.

5.6 Recommendations for Further Research

One of this study objective was to determine strategic planning practices at Diakonia and Forum Syd Kenya country offices, the outcome of this study may not be concluded to cover other Swedish international Non-governmental organizations operating in Kenya. Further research can be done on strategic planning practices on all Swedish Non-governmental organizations operating in Kenya.

Researchers who are interested to do a research on Diakonia and Forum Syd Kenya country offices can further research on the challenges experienced by the two Swedish Non-governmental organizations during the implementation of the strategy. This will result in a comprehensive understanding of the two organizations and how successful strategy implementation has contributed to their success.

This study majored on the international organizations operating in the NGO sector its results will therefore not be applicable to all international organizations operating in Kenya. Further research can therefore be done on strategic planning practices by international organizations operating in other sectors since their operations and operating environments differ from the one in this particular research.

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APPENDIX: Interview guide

Note: This questionnaire is designed for academic purposes only and the information given in response will be treated with utmost confidentiality. Kindly answer the questions as objectively as possible.

SECTION A: Background of Respondents

1. What is your Position?
2. In which department do you work?
3. How long have you worked at your organization?

SECTION B: Information on strategic planning practices

5. Does your Organization have vision, mission statements and strategic objectives?
6. Are staff aware of them? Are they documented?
7. How often are they reviewed?
8. Who was involved in their formulation?
9. Does your organization have a strategic plan? If yes describe the strategic planning process at your organization
10. What are the reasons for preparing strategic plans?
11. Who is involved in the process? And what are their roles?
12. Do you have a guideline for drafting the strategic plan?
13. Is the strategic plan linked to a budget?
14. Are your strategic plans reviewed? If yes, how often?
15. What are the factors influencing effective strategic planning practices at your organization?

THANK YOU FOR YOUR PARTICIPATION