A SURVEY OF THE STRATEGY DEVELOPMENT PRACTICES OF RELIEF AND DEVELOPMENT NON-GOVERNMENTAL ORGANISATIONS (NGOs) IN KENYA

BY

ABDIRASHID ABDULKADIR WARSAME

SUPERVISOR: PROF. P.O. K'OBONYO

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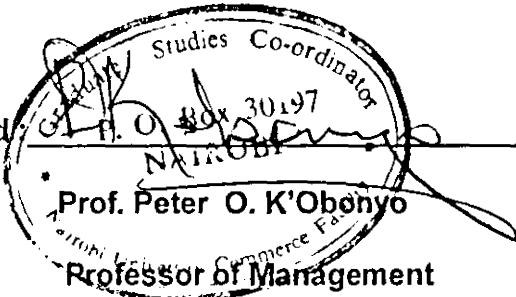
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DECLARATION

This research project is my original work and has not been presented for a degree in any other University.

Signed: _Awarsame_ Date : _17.06.2002_

Abdirashid Abdulkadir Warsame

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

Signed: _____ Date: _17-06-0___

Prof. Peter O. K'Obonyo

Professor of Management

Department of Business Administration

Faculty of Commerce

University of Nairobi

DEDICATION

To my family

My brother and best friend; Sa'eed

My darling wife; Hawa

My beautiful daughters; Suad and Zakia

Your untiring and noble understanding, support, encouragement, love and patience can move mountains

"Allah(God) bless you"

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ABSTRACT

Research on the strategic management practices in Kenya and other developing countries is limited, but increasing, and concentrates on the profit-driven enterprises. Very little is known about how the same is practiced within the NGOs sector context in Kenya. Few studies have been done on the strategy practices in the NGOs sector setting, but most of them took one dimension of strategy formulation: the formal/rational analytical paradigm(strategic planning).

Unidimensional processes of strategy development are not common in practice. Elements of planning are often evident but in conjunction with other processes of strategy development. Such vital qualitative, organisational and power-behavioural aspects which influence strategy development in an organisation were de-emphasized. This study is designed to fill in this gap, by adopting a holistic view in relation to strategy development within the relief and development NGOs in Kenya.

Strategic planning is not synonymous with creating an organisational strategy. Organisational strategies have numerous sources, both planned and unplanned. Strategic planning is likely to result in a statement of organisational intentions, but what is realized in practice will be some combination of what is intended and what emerges along the way. To get the best out of strategy making, formal analytical-thinking should be combined with the power-behavioural aspects of management.

The findings of this study reveal that strategy development within the relief and development NGOs can be adequately explained both as the outcome of the cultural and political processes in and around the organisation, as well as the result of deliberate managerial intent. According to Bryson(1995), nonprofit organisations(NGOs) are politically rational. Thus, any technique that is likely to work well in such organisations must accept and build on the nature of political (and cultural) rationality.

CHAPTER ONE

INTRODUCTION

1.1   **Background**

In the recent past a number of management theories and techniques have been developed to improve the practice of management in organizations. The more significant of these include management by objectives, organizational development, and operations research. A recent and addition to this group is strategic management. In most cases these theories and techniques were initially developed for and applied in private sector settings (Schwella, 1988). But attempts have been made to transfer these to other sector contexts. The principles of management models developed for the private sector have been applied to help the Non-Governmental Organizations (NGOs) sector improve their management performance.

Non-Governmental Organizations (NGOs) refer to registered, private, independent, non-profit organizations. This definition, therefore, excludes unregistered or informal associations and groups which are referred to as grassroots organisations (GROs) (Wellard and Copestake, 1993).

NGOs are the principal actors in the voluntary, non-profit sector. According to Pappas (1996), from a clinical perspective, a non-profit organization is any private organization that provides services that are of benefit to society without receiving financial incentive in return. And from passionate perspective, non-profit organizations engage in activities and enlist the support of millions of men, women and children to provide a mechanism for self-help; for voluntary assistance to those in physical, financial or psychic need; and for the pursuit of a wide array of beliefs and interests.

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Like the profit-oriented firms, NGOs are environment-serving organizations (ESOs). Successful ESOs are open systems. The 'open' property is made necessary by two factors: (1) continued organizational survival depends on its ability to secure resources from the environment, and (2) continued maintenance by the organization of its social legitimacy (Ansoff and McDonnel, 1990).

In a stable environment, successful performance of an organization is possible through the exploitation of its historical strengths. Organizations are under no pressure to change their product, or even market scope. If however, the environment changes reliance on historical strengths may become strategic limitations to the organizations.

The environment of NGOs became not only increasingly uncertain in recent years, but also more tightly interconnected; thus, changes anywhere reverberate unpredictably throughout the society. This increased uncertainty and interconnectedness requires threefold response from NGOs. First, organizations must think strategically as never before. Second, they must translate their insights into effective strategies to cope with their changed circumstances. Third, they must develop the rationale necessary to lay the groundwork for adopting and implementing their strategies (Bryson, 1995).

Since independence there has been a mushrooming in the number and scale of activity both of indigenous and externally-funded NGOs in Kenya (Copestake, 1993). As a consequence the NGO environment became more turbulent and, hence, as financial resources shrink and competition for diminishing resources grows, the pressure these organizations face to find effective management methods intensifies.

This sector is under siege from an endless variety of constituencies. The sector can no longer bask in its historic glory and assume a business-as-usual approach. It is high time the sector became deliberate about how it manages itself (Pappas, 1996). Most NGOs face intensive pressure from other organizations and individuals who claim a right or responsibility to define the direction of the organization. Resources are increasingly difficult to obtain. The degree of sophistication in fund-raising has increased too. The funding environment is extremely competitive. For these reasons leaders of NGOs are increasingly turning to strategic management as a way to enhance organizational effectiveness and adapt to the rapidly changing world (Connors, 1993).

Under the conditions in which rapid and discontinuous changes occur in the environment of the organization, established organizational traditions and experience no longer suffice for coping with the new opportunities and threats (Ansoff and McDonnel, 1990). By using strategic management, organizations are able to recognize and respond to new developments in the environment appropriately. Strategic management decisions and activity relate the organization to its environment in such a way that enables it to pursue its objectives; are consistent with the organizational capabilities; and continue to be responsive to environmental demands (Stahl and Grigsby, 1997; Ansoff & McDonnel, 1990).

The NGO phenomenon is increasingly becoming important. The sector's visibility has increased and continues to attract close public scrutiny (Herzelinger, 1999). This is partly because of the sector's main focus of activities. It is also because of the fact that government organizations have increasingly become inept at implementing development programmes in a fashion acceptable to bi and multi-lateral donors. Increasingly donor funding is being channeled through NGOs.

With diminishing government attractiveness, continued interaction with the international community would be realised largely through NGOs. The relief and development NGOs, that this study seeks to focus, are intervening in fast changing environment. The success of these organizations is critical. One way of ensuring this is through practising strategic management.

According to the NGOs Co-ordinating Bureau, relief and development NGOs are those which are registered as relief and development organisations. Besides, their objectives at the time of registration must also reflect their nature as relief and development organisations. These organisations are predominantly international NGOs and tend to be the biggest organisations in the sector in terms of their budgets/resources.

Strategic management leads to improved performance far more often than it results in no change or in even poorer performance. A knowledge of strategic management is essential to effective business performance in a changing environment. The use of strategic planning and the selection of alternative courses of action based on an assessment of key external and internal factors are becoming essential parts of a manager's job (Hunger and Wheelen, 1996). Informed estimates of the impact of these complex and dynamic environmental considerations, through proper analysis, ensure an organization's success into the future (Pearce and Robinson, 1997; Johnson and Scholes, 1999).

Moreover, using the strategic management approach, managers at all levels of the firm interact in formulating and implementing strategies. As a result, the behavioral consequences of strategic management are similar to those of participative decision making. Regardless of the profitability of strategic plans, several behavioural effects of strategic management can improve the firm's welfare

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(Pearce and Robinson, 1997).

Strategic management gives the firms a competitive advantage. Strategy development focuses on how to define a firm's mission and objectives. This gives clear direction to the firm. There is also focus on competitor analysis techniques which enable managers develop both a deep understanding of their industry, and methods of scanning the environment in order to improve their competitive edge. Strategic management offers a rational approach to making strategic choices. This is primarily through the provision of data after analysis in order that reasonable and informed risks can be taken where necessary (Jauch and Glueck, 1988).

Strategic management as an approach holds definite possibilities for beneficial application in the NGOs sector context. It must be stressed, however, that the successful application will have to account for the particular context of the NGOs sector setting and the implications of this.

The NGOs are not exactly like for-profit organizations in terms of the management challenges that they face. On average, the goods/services they provide are more difficult to measure; they operate subject to a non-distribution constraint; they depend on donations for their services. Besides, for a non-profit organization, the question of values is often quite central to management in the way that is often not in the corporate world. The non-profit sector is driven by its mission, not the bottomline. It is driven by its various stakeholders who provide resources (time, money, physical assets). Businesses start their planning with financial returns whereas non-profits start with the performance of their mission. Consistency with the mission is a partial substitute for profitability in the management of the non-profit organization and this in part explains its augmented role. These characteristics, among others, influence the optimal management style (Oster, 1995; Pappas, 1996).

In the voluntary sector, the values and expectations of different stakeholder groups in organisations play an important part in the development of strategy. Furthermore, the pattern of influence on the organisation's strategic decision making derives from its sources of revenue. The client has no direct influence on the organisation because the client pays nothing for the services received. The influence from funding bodies may therefore, be high in the formation of organisational strategies. In this type of situation, the organisation tends to measure its effectiveness in terms of sponsor satisfaction. It may become more concerned with resource efficiency that with service effectiveness. It has no real measure of efficiency other than the ability to carry out its mission and achieve its objectives within the monetary contribution it receives from its sponsors (Wheelen and Hunger, 1995: Johnson and Scholes, 1999).

Even if there were a considerable number of organizations within a non-profit industry, the level of competition need not be intense and the analysis should probably go beyond the structural level to indicate something about the level of co-operation, if any, in the market. Task number 1 of an industry analysis is, thus, to create an inventory of competitors and a characterization of any existing co-operation among those competitors. The strategic planning team should attend to competitors, competitive forces and possible sources of competitive advantage, as well as to collaborators, collaborative forces and potential sources of collaborative advantage. NGO co-operation is encouraged side by side with the existence of differential resources among organizations and externalities across groups, by commonality of mission, and pressures by government and funders (Oster, 1995); Bryson, 1995).

Business literature emphasizes that the purpose of strategy is to gain competitive advantage. NGOs may or may not be trying to obtain competitive advantage, but they still need to be able to demonstrate that they deserve the support of partners, funders, volunteers and staff. That is, they need to show that donated funds and human energy are properly put into use.

An effective. strategy for NGOs must be technically workable and politically acceptable to key stakeholders and it must fit the organization's philosophy and core values. It should be ethical, moral and legal and should further the organization's pursuit of the common good. It must also deal with the strategic issue it was supposed to address (Bryson, 1995).

Strategy embodies the notion of positioning and perspective. In the NGO sector, position refers to the service or expertise the organization has to offer. And perspective involves values and ways of operating which come from experience, knowledge and dialogue. For international development NGOs, strategy should bring people together across cultures, national boundaries and all levels in the organization.

According to Wheelen & Hunger (1995), because of the various pressures on non-profit organizations to provide more services than the sponsors and clients can pay for, these organizations are developing strategies to help them meet their desired service objectives. Two popular strategies are strategic piggy-backing and mergers/inter-organizational linking. Coined by R.P. Nielsen, the term strategic piggy-backing refers to the development of a new activity for the non-profit

organization that would generate the funds needed to make up the difference between revenues and expenses. Typically, the new activity is related in some manner to the non-profit's mission, but its purpose is to help subsidise the primary service programs.

On the other hand, dwindling resources are leading an increasing number of organisations to consider mergers as a way of reducing costs. Inter-organisational linking involves developing co-operative ties with other organisations. Its a way to enhance their capacities to serve beneficiaries and acquire resources while preserving their identities. Services often can be provided more efficiently through co-operation with other organisations that if done alone.

Leaders and managers, however, need to craft their strategies carefully lest they compromise their organization's raison d'etre (Dees, 1999). But it appears that strategic thinking, planning and management can be very useful to NGOs, but what kind of strategy making makes sense to NGOs and voluntary organizations?

Johnson and Scholes (1999) discuss three general explanations of strategy development in organizations. First, that strategies develop as a result of deliberate managerial intent; second, that strategies can be better explained as the outcome of cultural and political processes in and around organizations; and third, that strategy development is imposed on organizations. These three constitute distinct aspects of strategic management practice. They are more concerned with how strategies originate. The idea that strategy comes about in organizations through deliberate managerial intent can, itself, be explained in different ways namely, the planning view, a command view and the notion of logical

incrementalism. The planning view, holds that strategic planning is a sequence of analytical and evaluative procedures to formulate an intended strategy and the means of implementing it. A command view is where strategy develops through the direction of an individual or group, but not necessarily through formal planning. Logical incrementalism is the deliberate development of strategy by 'learning through doing'.

In the second aspect of strategic management practice, development of strategies is explained in cultural terms and as a political or networking process. The cultural view takes the position that strategies can be seen as the outcome of the taken-for-granted assumptions and routines of organizations. The political view of strategy development is that strategies develop as the outcome of processes of bargaining and negotiation among powerful internal or external interest groups (or stakeholders).

Strategy could also be imposed on an organization. It could be imposed by an external agency such as government, as has occurred in the deregulation of industries in many countries; or by a parent company on a subsidiary. This is referred to as enforced choice. It could also be that environmental conditions severely limit the strategies they can follow.

Writers in this field have documented the benefits of formal-analytical strategic planning to organizations. These include Hax and Majluf (1991), that formal strategic planning constitutes a powerful contribution to enhance managerial understanding and decision making. The planning process helps to unify corporate directions. It introduces a discipline for long-term thinking in the firm. It

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allows the development of managerial competencies of the key members of the firm, by enriching their common understanding of corporate objectives and businesses, and the way in which those objectives can be transformed into reality.

The strategic plan seeks to define the intersection of what is desired, most needed and most possible. This clarity is critical to the success of non-profit organizations. As Peter Drucker (1990) has suggested, "Non-Profit organizations have no "bottomline". They often consider the services they provide as righteous, moral and serving a cause, so they are often less willing to say, if it doesn't produce results, then may be we should direct our resources elsewhere. Non-profit organizations need the discipline of organized abandonment perhaps even more than a business does. They need to face up to critical choices". Strategic planning is about the discipline and process of making those choices (Connors, 1993, Page 165).

According to Bryson (1995), strategic planning is intended to enhance an organization's ability to think and act strategically. It can help organizations formulate and resolve the most important issues they face. It can help them build on their strengths and take advantage of major opportunities, while they overcome or minimise their weaknesses and serious threats to their existence. It can help them become more effective in a hostile world.

Strategic planning for non-profit organizations is based on the premise that leaders and managers of these organizations must be effective strategists if their organizations are to fulfil their missions, meet their mandates and satisfy their constituents in the years ahead. These leaders and managers will need to exercise as much discretion as possible in the areas under their control. They

need to develop effective strategies to cope with changed and changing circumstances, and to develop a coherent and defensible basis for their decisions (Bryson, 1995).

Given the unique characteristics of NGOs, this study investigated the strategy development practices within the relief and development NGOs in Kenya.

Statement of the Problem

Research on the techniques and practices of strategic management has been very scanty and is still in its infancy in Kenya. A few number of studies have been done in this field in Kenya, but most of these touched the private for-profit sector. Very little is known about the strategic management practices within the NGOs sector in Kenya. As far as the NGOs sector setting is concerned, Bwibo (2000), studied the Strategic Change Management Practices within NGOs in Kenya; Kiliko (2000) studied the Strategic Planning within NGOs in Kenya; and Ndiao (2001), studied the Factors Determining Strategic Choice in Non-Governmental Relief and Development Organisations in Kenya.

To the best knowledge of the researcher, Kiliko's is the only study done in Kenya that addressed strategy formulation practices within the NGOs sector context. But Kiliko adopted an analytical view. That is to say, that Kiliko's study had a bias towards, and investigated only the state of the rational-analytical approach of strategy development within the NGOs in Kenya.

Comparatively, this study had no bias towards any particular approach, but rather adopted a holistic view vis-a-vis the strategy development practices within NGOs in Kenya.

Certain previous researchers such as Karemu (1993) suggested the need to research on the strategy practices in different sectors of the Kenyan economy.

Strategic management as practiced in the corporate world cannot help us fully understand the strategy practices within the NGOs sector context. According to Wheelen and Hunger (1995), certain characteristics that are peculiar to NGOs

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constrain their behaviour and affect their use of strategic management. Some of the peculiar characteristics of NGOs are the following:-

1. Service is often intangible and hard to measure, which is typically compounded by the existence of multiple service objectives developed in order to satisfy multiple donors.
2. Weak client influence
3. Non profit distributing
4. Voluntary
5. Formally constituted/institutionalised
6. Of public benefit
7. Reliance on donations as a source of revenue

This study, therefore, became relevant in order to investigate the strategy practices within the relief and development NGOs in Kenya, to determine what strategic management techniques these NGOs use, and how their unique characteristics affect the way strategic management is practiced. The study concentrated on the aspects of strategy formulation as opposed to the entire strategic management process. The study sought to find answers to the following research question: What are the strategy development practices within the relief and development NGOs in Kenya?

3   <u>Objective of the Study</u>

The study had one objective:

- To establish the strategy development practices of the relief and development NGOs in Kenya.

4   <u>Importance of the Study</u>

The study will be of benefit to the following beneficiaries:

- The managers of NGOs, as the study will give them an insight into the strategy practices within their respective organizations.

- The academics, as the study is expected to further stimulate research in this area of strategic management which is still in its infancy.

- The Donors, as the findings will be useful in formulating donor funding criteriá as well as policy on donor - NGO partnerships based on the strategic orientations of the NGOs.

CHAPTER TWO

LITERATURE REVIEW

2.1   Strategic Management Defined

According to Thompson (1997), Strategic Management is the process by which organisations determine their purpose, objectives and desired levels of attainment; decide on actions for achieving these objectives in an appropriate timescale, and in a frequently changing environment; implement the actions; and assess progress and results. Whenever and wherever necessary the actions may be changed or modified. The magnitude of these changes can be dramatic and revolutionary or more gradual and evolutionary.

Thompson Jr. and Strickland III (1996) defined strategic management as:

1.   Deciding what business the company will be in and forming a strategic vision of where the organisation needs to be headed - in effect, infusing the organisation with a sense of purpose, providing long-term direction, and establishing a clear mission to be accomplished.

2.   Converting the strategic vision and mission into measurable objectives and performance targets.

3.   Crafting a strategy to achieve the desired results.

4.   Implementing and executing the chosen strategy efficiently and effectively.

5.   Evaluating performance, reviewing new development and initiating corrective adjustments in long-term direction, objectives, strategy or implementation in light of actual experience, changing conditions, new ideas and new opportunities.

But Rowe et al (1994) defined strategic management as the process by which organisations determine what value is needed and how to add that value. It is a means for ensuring that organizations can cope effectively with the myriad of demands placed on them from within and without.

2.2   The Concept of Strategy

Pearce and Robinson (1997) defined strategy as a large-scale, future-oriented plans for interacting with the competitive environment to achieve company objectives.   A strategy is a company's "game plan".   A strategy reflects a company's awareness of how, when and where it should compete; and for what purposes it should compete.

Strategies are the means by which long-term objectives will be achieved. They are the things that businesses do, the paths they follow, and the decisions they take, in order to reach certain points and levels of success (David, 1997; Thompson (1997).

Porter (1996) defined strategy as the creation of a unique and valuable position, involving a different set of activities, i.e. different from rivals'. Porter continues to say that strategy is making trade-offs, in competing. The essence of strategy is choosing what not to do. Without trade-offs, there would be no need for choice and, thus, no need for strategy. Any good idea could and would be quickly imitated.

Johnson and Scholes (1999) have given a good definition of the concept of strategy. To them, strategy is, the direction and scope of an organisation over the long-term: which achieves advantage for the organisation through its configuration of resources within a changing environment, to meet the needs of markets and to fulfill stakeholder expectations.

But Mintzberg (1988) proposes five formal definitions of strategy as plan, ploy, pattern, position, and perspective. Strategy is a plan, some sort of consciously intended course of action, a guideline (or set of them) to deal with a situation. As a

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plan, a strategy can be a ploy too, really just a specific "maneuvre" intended to outwit an opponent or competitor. Strategy is a pattern, specifically a pattern in a stream of actions. Strategy is a position, specifically a means of identifying where an organisation locates itself in what is known in the management literature as an "environment" for a business firm, usually a market. Strategy is a perspective, its content consisting not just of a chosen position but of an ingrained way of perceiving the world.

.3   Evolution of Strategic Management

The increasing risks of error, costly mistakes, and even economic ruin are causing today's professional managers to take strategic management seriously in order to keep their companies competitive in an increasingly volatile environment. Research by Gluck, Kaufman, and Walleck have suggested that strategic management in most companies evolves along similar lines, albeit by varying rates of progress, from basic financial planning to an overall strategic management framework. It evolves through four sequential phases (Boseman and Phatak, 1989; Hunger - Wheelen, 1996).

Phase 1. Basic financial planning: seeking better operational control through the meeting of budgets.

Phase 2. Forecast based planning: seeking more effective planning for growth by trying to predict the future beyond the next year.

Phase 3. Externally-oriented planning (strategic planning): seeking increased responsiveness to markets and competition by trying to think strategically.

Phase 4. Strategic management: seeking to manage all resources to develop competitive advantage and to help create a successful future.

Igor Ansoff (1990), the strategic management guru, concurs to the four-phased phenomenon of the evolution of strategic management. According to him as the turbulence levels changed, management developed systematic approaches to handling the increasing unpredictability, novelty and complexity. As the future became more complex, novel and less foreseeable, systems became correspondingly more sophisticated, each complementing and enlarging upon the earlier ones. The respective systems were responsive to the progressively decreasing familiarity of events and decreasing visibility of the future. The systems

can therefore be grouped according to the author, into the following four distinctive stages of evolution:-

1.   Management by (after the fact) control of performance, which was adequate when change was slow.

2.   Management by extrapolation, when change accelerated, but the future could be predicted by extrapolation of the past.

3.   Management by anticipation when discontinuities began to appear but change, while rapid, was still slow enough to permit timely anticipation and response.

4.   Management through flexible/rapid response, which is currently emerging, under conditions in which many significant challenges develop too rapidly to permit timely anticipation.

Since NGOs might be dependent on funds which emanate not from users but from donors, there is a danger that they may become concerned more with resource efficiency than with service effectiveness. It has no real measure of efficiency other than its ability to carry out its mission and achieve its objectives within the dollar contributions it receives from its donors (Wheelen and Hunger, 1995; Johnson and Scholes, 1999). This study will, however, seek to reveal the phase of strategic management within which the NGOs are going through given their peculiar characteristic.

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__The Strategic Management Process__

The process of strategic management involves four basic elements:- (1) environmental scanning, (2) strategy formulation, (3) strategy implementation, and (4) evaluation and control. At the corporate level, the strategic management process includes activities that range from environmental scanning to performance evaluation. Management scans both the external environment for opportunities and threats and the internal environment for strengths and weaknesses. After identifying these strategic factors, summarised with the acronym S.W.O.T., that are most important to the corporation's future, management evaluates their interaction and determines the appropriateness of the corporate mission. The first step in the formulation of strategy is a statement of mission which leads to a determination of corporate objectives, strategies and policies. Corporations implement these strategies and policies through programs, budgets and procedures. Finally, performance evaluation and feedback ensure adequate control of organisational activities (Hunger and Wheelen, 1996).

According to Pearce and Robinson (1997) Strategic Management comprises nine critical tasks:-

1.   Formulate the company's mission, including broad statements about its purpose, philosophy and goals.
2.   Develop a company profile that reflects its internal conditions and capabilities.
3.   Assess the company's external environment, including both the competitive and general contextual factors.
4.   Analyse the company's options by matching its resources with the external environment.

5. Identify the most desirable options by evaluating each option in light of the company's mission.

6. Select a set of long-term objectives and grand strategies that will achieve the most desirable options.

7. Develop annual objectives and short-term strategies that are compatible with the selected set of long-term objectives and grand strategies.

8. Implement the strategic choices by means of budgeted resource allocations in which the matching of tasks, people, structures, technologies and reward systems is emphasized.

9. Evaluate the success of the strategic process as an input for future decision making.

This is the strategic management process, but this study will concentrate only on the aspects of strategy formulation within the NGOs in Kenya as opposed to the entire process.

Strategy Development in Practice

According to Hax and Majluf (1991), the process school of research views strategy as the outcome of three different processes contributing to strategy formation. These are:

- The cognitive processs of individuals where the rational understanding of the external environment and internal capabilities of th firm reside.
- The social and organisational processes that contribute internal communication and the development of a consensus of opinion.
- The political processes that address the creation, retention and transfer of power within the organisation.

In a similar vein, Johnson and Scholes (1999) discussed three general explanations of strategy development in organisations. First, that strategies develop as a result of deliberate managerial intent; second, that strategies can be better explained as the outcome of cultural and political processes in and around organisations; and third, that strategy development is imposed on organisations.

2.5.1 Strategy Development as Deliberate Managerial Intent

The idea that strategy comes about in organisations through deliberate managerial intent can, itself, be explained in different ways namely, the planning view, a command view and the notion of logical incrementalism (Johnson and Scholes, 1999).

The planning view which refers to formalised strategic planning, is a sequence of analytical and evaluative procedures to formulate an intended strategy and the means of implementing it. It advocates the setting up of corporate planning departments and prescribed tools and techniques that should be used. These included the setting of objectives or goals; the analysis of the environment and the

resources of the organisations, so as to match environmental opportunities and threats with resource-based strengths and weaknesses; the generations of strategic options and their evaluation; and the planning of implementation through resource allocation processes, the structuring of the organisation and the design of control systems (Johnson and Scholes, 1999).

Strategy formation is regarded as a formal and disciplined process leading to well defined organisation-wide effort aimed at the complete specification of corporate, business and functional strategies. Those favouring this approach tend to advocate the use of formal planning systems, management control, and constituent reward mechanism to increase the quality of strategic decision making. This process relies heavily on analytical tools and methodologies to help managers to reach a better quality of strategic thinking (Hax and Majluf, 1991).

The command view is where strategy develops through the direction of an individual or group, but not necessarily through formal planning. At the extreme, strategy could be seen as the product of an autocratic leader who brooks no argument and sees other managers as there to implement his/her decisions. More common, perhaps, is the situation where a dominant leader has become associated with strategy development because this individual turned round the business in times of difficulty and, as such personifies the success of the organisation. Charismatic leaders are also often seen as central to the strategy of their organisations. In some organisations an individual is central because he or she is its owner or founder (Johnson and Scholes, 1999).

And the logical incrementalism can be thought of as the deliberate development of strategy by 'learning through doing' . In this context, managers try to be sensitive to environmental signals through constant scanning and by testing changes in strategy in small-scale steps. There is reluctance to specify strategic options and

also objectives may be fairly general in nature lest they stiffle ideas and prevent experimentation.

2 Strategy Development as the Outcome of Cultural and Political Processes/Power-Behavioural Approach

A second school of management rests on the behavioural theory of the firm and espouses a power-behavioural approach to strategy formation. It emphasizes the multiple goal structures of organisations, the politics of strategic decisions, executive bargaining and negotiation processes, satisficing (as opposed to maximising) in decision making, the role of coalitions in strategic management, and the practice of "muddling" (Quinn, 1988; Hax and Majluf, 1991).

According to J.B. Quinn (1988), the formal-analytical approach tends to focus unduly on measurable quantitative factors and to under-emphasize the vital qualitative, organisational and power-behavioural factors which so often determine strategic success in one situation versus another.

If strategy is regarded as the long-term direction of the organisation, which develops overtime, then it can also be seen as the outcome of cultural and political processes. The management of organisations depend a great deal on the knowledge and experience of those involved. This experience and ways of doing things are built up over years, often taken for granted (or tacit) and applied in managing the strategy of organisations. In organisations, managers typically reconcile different views, based on experience, through negotiation or the exercise of power; and this occurs within established ways of doing things, or routines, that make up the culture of the organisation (Johnson and Scholes, 1999).

According to Johnson and Scholes(1999), organisational culture is the 'deeper level of basic assumptions and beliefs that are shared by members of an organisation, that operate unconsciously and define in a basic taken-for-granted fashion an organisation's view of itself and its environment. Management is also about the application of experience built over years often within the same organisation or industry. This is rooted not only in individual experience, but also in group and organisational experience reflected in organisational routines accumulated over time.

It is therefore important to recognize the significance of organisational culture in strategy development.The cultural view, therefore, takes the position that strategies can be seen as the outcome of the taken-for-granted assumptions and routines of organisations.

And the political view is that strategies develop as the outcome of processes of bargaining and negotiation among powerful internal and external interest groups (or stakeholders). Different interest groups(or stakehoders) may have different expectations and may even be in conflict. Powerful individuals and groups may also influence the sort of information that is seen to be important. They may also strongly influence the identification of key issues, the objectives of the organisation and even the strategies eventually selected.

There are some who explain organisational working on the basis of social networks. Here organisations are not depicted as hierarchies or power groupings so much as different interest groups or operations which need to cooperate with each other, negotiate what should be done and find ways of accommodating different views (Johnson and Scholes, 1999).

2.5.3 Imposed Strategy Development

According to Johnson and Scholes (1999),Strategy could also be imposed on an organisation. There may be situations in which managers face 'enforced choice' of strategy; by this is meant the imposition of strategy by agencies or forces external

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to the organisation. It could be imposed by an external agency such as government, as has occured in the deregulation of industries in many countries; or by a parent company on a subsidiary. This is called enforced choice.

It could be that environmental conditions as well severally limit the choices that managers can make or the strategies they can follow. Some writers and researchers on organisations argue that the strategic choice available to an organisation is relatively limited; that the environment is such a dominant influence that most organisations, perhaps other than those that are very large, are unable to influence their operating environments – they merely buffer themselves from, or respond to, changes in that environment. That is environmental constraint (Johnson and Scholes, 1999).

2.5.4 Other Considerations

The preceding discussion raises another element of controversy in strategy-making which resides in the amount of attention to be given to events through time. Some authors view strategy as exclusively shaping the future direction of the firm; thus, strategy becomes the collection of objectives, and action programs oriented at managing the future change of the organisation (Hax and Majluf, 1991). This is what strategy development as a deliberate managerial intent implies.

Alternatively, strategy is viewed as a pattern of action emerging from the past decisions of the firm. According to this view, strategy is deciphered as consistency in behaviour whether or not intended, observed in the past actions of the firm (Hax and Majluf, 1991). This is the implication given by the cultural and political views of strategy development.

A different way to characterise the strategy formation process arises from the definition of deliberate and emergent strategies. A strategy is considered deliberate when its realisation matches the intended course of action, and

emergent when the strategy is identified from the patterns or consistencies observed in past behaviours, despite, or in the absence of intention. Thus, the formal analytical approach implies deliberate strategies, whereas the cultural and political views imply emergent strategy formation (Hax and Majluf, 1991).

Perhaps the greatest controversy surrounding strategy making centres on how explicity strategy should be communicated both internally within the organisation and externally to relevant constituencies. Implicit strategies can be observed in the way an organisation defines its activities, in its budget decisions, and by looking at how people spend their time (Hax and Majluf, 1991).

Nonetheless, however, it is rare to find organisations in which singular explanations are adequate to explain strategic decision making and strategy development. Neither the formal-analytical nor the power-behavioural paradigms adequately explain the way successful strategy formation processes operate. To get the best out of strategy making, formal analytical-thinking should be combined with the behavioural aspects of management. Besides, strategy should be formed in cognizance of the past heritage of the firm, but at the same time, be forward looking. (Hax and Majluf, 1991; Johnson and Scholes, 1999).

This research aimed at investigating the patterns of strategy development commonly practiced by the NGOs in Kenya, especially, those in the relief and development subsectors.

2.6 Kenya's Development Space

Over the years, the theoretical underpinning of official aid has shifted considerably and understanding of what development is and how to promote it has changed radically. In the early days of independence, the focus was entirely on the role of the state in promoting agricultural and industrial change, and on training public officials to behave in ways appropriate to developing modern, economically flourishing states. This focus on the state and agents of the state was gradually eroded by the poor economic performance of many countries and replaced by the belief in markets as the mechanism for delivering efficient and effective development.

Structural adjustment programmes (SAPs) brought with them a wave of liberalization requirements, including the "rolling back" of the state, trade liberalization, devaluation, cuts in public spending and the privatization of key state functions in line with the macro-economic analysis promoted by the International Monetary Fund (IMF) and the World Bank. NGOs began to attract the attention of the donors in two ways: they were criticizing the effects of SAPs on the poor (though not necessarily analyzing or opposing the basis on which SAPs were built); and they were seen as an alternative conduit for aid which would allow for development funds to be channeled to certain countries without offering financial support to the state. The state by this time was seen as inefficient, corrupt and over-staffed (Wallace, 2000). SAPs have been implemented in Kenya since 1982, although the momentum increased tremedously in the 1990s.

Since independence the country's development space has witnessed an unprecedented proliferation of NGOs. Despite disagreement among various sources about the exact numbers, they could be relatively larger than elsewhere in

East Africa, if not in the continent. Inter-Action (1986) and Fowler (1989a) estimated that the annual growth rate was 9% for indigenous NGOs and 11% for foreign NGOs during 1978 -1988. By 1991 the number of NGOs stood at between 450 - 500 (Kanyinga, 1995). But according to the December 2001 NGO co-ordinating Directory, there were 2211 NGOs in Kenya, 452 of which are involved in Relief and Development activities.

Precise figures on NGO resources in Kenya are difficult to obtain because of inadequate records and generally unsystemised knowledge of NGO activities. Lekyo (1989) estimated that NGOs contribute between US$150m and US$200m annually. Preliminary results from Fowler (1989b) showed that budgetary figures for the entire 400 NGOs were above US$228m annually (Kanyinga, 1995).

The development philosophy of NGOs changed in the early 1980s, shifting from simple charity and relief activities to community development programmes that embraced institution - building and popular participatory approaches (Kanyinga, 1995). With the exception of legal and development services such as management consultancy, the activities undertaken by NGOs essentially parallel those of the state. NGOs are practically found in all sectors of development and many are involved in multi-sectoral activities (Fowler, 1995).

In 1990, the government attested to the significant role of NGOs, noting that they mobilized foreign exchange worth Kshs.6.9 billion per annum (Republic of Kenya, 1990a). It also estimates that NGOs and the private sector provided about 40% of the country's health services and 33% of in-patient care (Republic of Kenya, 1994 : 231). The minister for health stated in 1989 that he expected the share of the government's contributions to decline in the foreseeable future to 50% with increased assistance from NGOs. In addition, NGOs provided between 40% and

50% of the family planning services. And according to Fowler (1995), both local and foreign NGOs are almost totally dependent on foreign aid for more than 90% of their funds.

CHAPTER THREE
RESEARCH METHOD

3.1   Population

The population of interest in this study consisted of all the NGOs registered as and involved in relief and development activities in Kenya. According to the December 2001 NGO Co-ordinating Directory, there were 2211 NGOs in Kenya. Of these, 452 have registered as relief and development organisations.

The relief and development NGOs would offer the best opportunity to study the strategic development practices within the NGOs sector context. It is so because: first these tend to be the biggest organisations in this sector in terms of their operations which are geographically spread throughout the region(Eastern, Central, and Horn of Africa) and the resources with which they operate . According to the NGOs Co-ordinating Bureau, the more resources an organisation operates with the bigger it is . Secondly, because of their cultural mix. Most of these NGOs are international organisations working with local staff on problems experienced locally. Thus, the Western paradigm, African paradigm and others are being brought together in the context of NGOs.

3.2   Sampling

Daniel and Terrell (1975, p.97) state that as a rule of thumb the sample size widely used is 30 or more. A sample size of 45 NGOs were chosen for this study. The members of the sample were selected on a probability basis. The simple random sampling was used in this study. A calculator with a random number generator was used to select the members the sample in this research .

3.3   Respondents

Since most of the relief and development NGOs are international organisations the respondents of the questionnaire were the Regional representatives, Country and Programme directors, and other middle level managers who were assigned to do job by either of the former two directors. This is because these are the people who are most familiar with the strategy processes in their respective organisations.

3.4   Data Collection

For the purposes of this research, the survey method was used to collect data within the relief and development NGOs in Kenya.   In this study, self-administratered questionnaires/drop-and-pick   later survey was mainly used. Because of their busy work schedule most of the would be respondents opted to self administer the questionnaires .

The research instruments was questionnaire (appendix 1) which was distributed to the selected sample requesting them to participate in the study.   The questionnaire had both open and closed-ended questions because both standard and supplementary data was needed. Some of the questionnaire items were originally formulated. Others were taken from similar emprical studies carried out in Kenya by Karemu (1993) and Kang'oro (1998).

The study was conducted in the months of March and April 2002. It was also conducted in Nairobi, because most of these NGOs are headquartered in Nairobi although many of them operate in different parts of the country and the region as well .

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The questionnaire was divided into 6 sections. Section 1 seeks general information on the profile of the NGOs. Section 2 is concerned with planning in general. Section 3 focuses on three Strategy Development Practices namely, Strategy development as Deliberate Managerial Intent (a) - (c), Cultural and Political Processes (d) and (e) and Imposed Strategy Development (f) and (g). Section 4 seeks information on the aspects of strategy formulation namely, vision, mission and objectives, environmental scanning, industry and competitor analysis, and strategies. Section 5 focusses on tools and techniques, whereas Section 6 seeks to gather additional information.

CHAPTER FOUR

DATA ANALYSIS AND FINDINGS

4.1 Data Analysis

Before processing the responses, the completed questionnaires were edited for completeness and consistency. The data collected was then analysed using tables and descriptive statistics. The descriptive statistics used comprised proportions, percentages, means and frequency distributions. These measures are deemed adequate, given the size of the sample.

4.2 Research Findings

Out of the forty five(45) NGOs that constituted the sample, only nine(20%) of them responded. Twenty questionnaires were not filled. No reason was given as to why the respondents declined participation in the research process. Seven were returned not filled with an explanation that the relevant officers were not available to provide responses. Five questionnaires were partially completed and were,therefore,not useful for the study. Four were said to have been posted, but had not been received for inclusion in the analysis. Nine questionnaires were received and used for the data analysis. This response rate (20%) was acceptable compared to those achieved in similar studies such as, Aosa(1992) 15%, Adegbite(1986) 5%, Woodburn(1984) 7%, Wee et al(1989) 3%.

4.3 Organisational Details

This section covers areas such as year of establishment (Table 4.1), areas of organisational focus/orientation(Table 4.2), and types of organisations(Table 4.3)

Table 4.1 Distribution of NGOs by year of establishment

Year of establishment	Number of NGOs	Proportion(%)
before 1920	1	11.11
1921-1930	0	0
1931-1940	1	11.11
1941-1950	2	22.22
1951-1960	0	0
1961-1970	1	11.11
1971-1980	1	11.11
1981-1990	1	11.11
1991-2000	2	22.22
Total	9	100

From the table above,it can be seen that the majority of these organisations were established in the decades of 1941-1950(22.22%) and 1991-2000(22.22%) respectively.

Table 4.2 Distribution of NGOs by areas of organisational focus/orientation

Area of focus/orientation	Number of NGOs	Proportion(%)
Predominantly relief	1	11.11
Predominantly development	1	11.11
Mixture of relief and development (and multi-sectoral)	7	77.78
Total	9	100

From the table above, it can be seen that seven(77.78%) of the organisations studied were focused on a mixture of relief and development activities and were multi-sectoral in their operations. Only one(11.11%) organisation was predominantly development oriented and another one(11.11%) organisation predominantly relief focused.

Table 4.3 Distribution of NGOs by type of organisation

Type	Number of NGOs	Proportion(%)
Religious based	2	22.22
None religious based	7	77.78
Total	9	100

From the table above, it can be seen that 77.78% of the organisations studied were non-religious based, and 22.22% had religious foundation. But all of them are non religious in their operations.

4.4 SPECIFIC DETAILS ABOUT RELEIF AND DEVELOPMENT NGOs

This section covers the findings on the specific questions posed to the respondents.

4.4.1 Planning in General

The types of plans were similar among all the organisations studied. All the organisations had financial plans(budgets) in place. Seven(77.78%) organisations had in place plans other than financial plans.The most prominent of these were strategic plans. Others include operational, area(regional/country), programme, and project plans.

The most popular range of planning horizons was 0-1 year with four(44.44%) organisations indicating that they had plans in this range.Majority of these plans were financial in nature.Second most popular planning horizon was 3-5 year with three(33.33%) organisations indicating that they had plans in this range. Majority of these plans were indicated as strategic plans. Three(33.33%) organisations also indicated that had plans in the 1-3 year planning horizon, but one of these organisations described the plans in this range as financial in nature. Only two(22.22%) organisations indicated that they had plans(strategic) that covered more than five years.

The organisations studied also indicated what they sought to achieve through planning. These included efficiency and proper resource management, effective service delivery, responsiveness to target community, implementation and control of activity, among others.

All the organisations studied indicated that once developed, the plans were put in writing. Eight(88.89%) of the respondents indicated that they developed strategic plans after 1990s. Plans and planning horizons are presented in Table 4.4.

Table 4.4 Plans and Planning Horizons

(n=9)

Types of plans	Number of NGOs	Proportion(%)
Financial	9	100
Other	7	77.78
Planning horizons		
0-1 year	4	44.44
1-3 year	3	33.33
3-5 year	3	33.33
5years and beyond	2	22.22

4.4.2 Strategy Development in Practice

The respondents were required to indicate the extent to which certain features/aspects pertaining to the strategy development approaches characterize the strategy development practices in their organisations. Those aspects were ranked on a five point Likert scale. A mean score was computed for each aspect(Table 4.5).

Table 4.5 Mean scores on various aspects of strategy development in practice

Aspects	Frequency					Mean score
	Not practiced				prime practice	
	1	2	3	4	5	
Planning is done through Planning department, and formally prescribed tools and techniques are used	0	0	3	2	3	4
Strategies are developed through direction of an individual or group, but not necessarily through formal planning	2	1	0	1	0	2
Deliberate development of strategy by 'learning through doing'	2	1	3	1	1	2.75

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Statement	1	2	3	4	5	Mean
Strategies are developed Through the application of experience and ways of doing things built over the years within the organisation or industry	0	0	1	4	2	4.14
Strategies are developed through a process of barg--aining and negotiation among powerful internal and external interest groups(or stakeholders)	1	0	2	4	2	3.67
Strategies are imposed by agencies or forces external to the organisation, e.g., government, donor, and parent organisation	1	2	2	1	1	2.86
Strategies are buffer from, or respnce to, changes in the operating environment	0	2	3	3	0	3.12

From the table above, it is evident that within the relief and development NGOs strategy can be explained primarily as the outcome of cultural, formal-analytical, and political processes. In other words the respondents indicated that the application of the taken-for-granted assumptions and routines of the organisation, the use of prescribed sequence of analytical and evaluative procedures spear-headed by a planning department, and bargaining and negotiation with and among the powerful stakeholders of the organisation

characterized their strategic decision making and strategy development The other aspects were considered not very important by the respondents.

Seven(77.78%) of the respondents were able to describe the process by which they arrive at decisions regarding their organisations' strategies. According to them this process attracts wide participation. Besides the top management team, donors, partners, programme and project officers, and the staff are also consulted. Some respondents have indicated the participation of external consultants. The respondents also indicated that although there were established clear policy guidelines/framework of guidance for this process, situation analysis,stakeholder analysis, budgets, programme information among others are the information inputs in this process.

It is also clear from the preceding facts that the cultural, planning, and political views predominated the strategy formation within the relief and development NGOs.

4.4.3 Aspects of Strategy Formulation

This section covers the findings on the aspects of strategy formulation namely, vision, mission and objectives, environmental scanning, industry and competitive analysis, and strategies.

I.   Vision

All the organisations studied indicated that they have a vision (idealized scenario). Four(44.44%) of the respondents were able to state the vision of their respective organisations. These included the desire to achieve a leading role in poverty reduction/eradication, creation of a just world, geographic expansion and creation of a diversified operations to provide humanitarian services, among others. Five(55.55%) of the respondents did not state their organisational vision.

Table 4.6 Vision

(n=9)

	Number of NGOs	Percentage(%)
Present	9	100
Absent	0	0
Stated	4	44.44
Unstated	5	55.55

II. <u>Mission</u>

All organisations studied indicated that they had a mission statement. Eight(88.89%) organisations had the mission in written form. Only one(11.11%) organisation had unwritten mission statement.

Table 4.7 Mission

(n=9)

	Number of NGOs	Percentage(%)
Present	9	100
Absent	0	0
Written	8	88.89
Uwritten	1	11.11
Mission statements		
Stated	5	55.55
Unstated	4	44.44
Participation in mission-setting		
Head-quarters	2	22.22
Directors-Management	3	33.33
All staff	2	22.22
Others	2	22.22

Five(55.55%) respondents stated the mission statements of their respective organisations,and four(44.44%) respondents did not. The stated missions typically identified both the audience and product/service being offered. They answered the twin question:- What are we providing and for whom?. In addition, some either explicit or

implicit reference to the core values of these organisations could be found in their mission statements.

Three(33.33%) of the respondents indicated that their respective mission statements serve boundary, motivation, and evaluation functions for their organisations.

Three (33.33%) of the respondents indicated that the mission setting process in their respective organisations are participated by the directors and management. Two (22.22%) of the respondents indicated that their missions are set at the organisational HQ. Another two (22.22%) indicated that all the staff at all levels of their organisations participate in the mission setting process. And two (22.22%) other respondents indicated that the process draws a wide participation including other stakeholders such as volunteers, partners and donors.

III.   **Objectives**

Eight(88.89%) of the respondents indicated that they had set objectives for their respective organisations. Seven (77.78%) of these organisations had their objectives in written form.   Only one(11.11%) organisation had not set objectives, while another one(11.11%) organisation had unwritten objectives.

Five(55.55%) respondents indicated that objectives were set at all levels(top, middle, and low) of their respective organisations' management, i.e., from organisational HQ, regional, country, programme, and project levels. Two(22.22%) respondents indicated that their objectives were set at the top level and, another two(22.22%) indicated that they are set at the middle level of management.

Of the nine organisations studied, five(55.55%) allowed everyone to participate in the objective setting process. Two(22.22%) organisations indicated that directors and managers, including programme officers, participated in the setting of objectives and, one(11.11%) respondent indicated that ony directors participated in the process.

Seven(77.78%) respondents indicated that everyone in their respective organisations was aware of the objectives. These organisations also indicated that they communicated the objectives formally through the use of meetings, memos, workshops, newsletters, monthly-quarterly-annual reports, strategic plan papers, distribution of documentation reinforced in subsequent annual operational planning processes, monitoring and evaluation sessions, among others. One organisation indicated that in addition the said media they also communicated their objectives to employees informally through the use of word-of-mouth.

Only one(11.11%) respondent indicated that everyone in their organisation was not aware of their objectives. The latter respondent was perhaps indicating that only those who were responsible for implementation knew about the objectives.

The findings on the setting of objectives and participating in the setting of the same are presented in tables 4.8 and 4.9. Dissemination of the objectives is presented in table 4.10

Table 4.8   Objectives

(n=9)

	Number of NGOs	Percentage(%)
Present	8	88 89
Absent	1	11.11
Written	7	77.78
Uwritten	1	11.11

Table 4.9   Involvement in the setting of objectives

(n=9)

	Number of NGOs	Percentage(%)
Levels		
Top	2	22.22
Middle	2	22.22
Low	0	0
All levels	5	55.55
Participation		
Directors	1	11.11
Directors-Management	2	22.22
Everyone	5	55.55

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Table 4.10 Communication of objectives

(n=9)

Awareness	Number of NGOs	Percentage(%)
Everyone	7	77.78
Some	1	11.11

Of the nine organisations studied seven(77.78%) indicated various areas that their objectives address. These included focus of work, impact expected, staff development, project targets, coordination of programmes, added value, customer primary needs, resource management, service effectiveness, donor relations, operational stages(relief, rehabilitation, development, and recovery) among others.

Only three(33.33%) organisations had stated and ranked the objectives of their respective organisations.

IV. Environmental Scanning

The respondents were required to indicate the level of importance they attach to certain aspects of the environment(both external and internal). Those aspects were ranked on a five point Likert scale. A mean score was computed for each aspect(Table 4.11)

Table 4.11 Mean scores on various aspects of the environment

Aspect	Frequency					Mean score
	NC				PC	
	1	2	3	4	5	
Political and legal developments	1	0	1	4	3	3.89
General economic trends	1	1	0	4	3	3.78
Ecological matters	0	0	7	0	2	3.44
Technological changes	1	1	2	2	3	3.56
Social and cultural trends	0	0	1	3	5	4.44
Organisation's internal context (resources, strategies, perfor--mance etc)	0	0	1	2	6	4.56
Stakeholders(customers/ben--eficiaries, donors, staff, gov--ernment, partners, competit--ors etc)	0	0	0	4	5	4.56

Key: NC stands for Not Considered;   PC stands for Prime Consideration

From the table above, it can be seen that all the aspects of the external and internal environments were considered important in their planning process. They explore the environment outside the organisation to identify both opportunities and threats, and inside the organisation to identify both strengths and weaknesses. As far as the organisation's

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exrenal environment is concerned, information on the organisation's stakeholders, social and cultural trends, scored the highest and were, therefore, considered the most important in the planning process.

Information on technological changes and ecological factors had the lowest mean scores 3.56 and 3.44 respectively and were, therefore, considered the least important in the planning process. This may be so because NGOs, unlike their for-profit counterparts, are less inclined to avoid obsolescence and promote innovation. And since they provide services they don't contribute to ecological pollution.

The analysis of the organisation's internal context scored very high(4.56), and was considered crucial in the planning process by all the organisaitons studied.

Information on these various aspects of the environment was collected in various ways. Majority of the respondents indicated that they collected the information formally from a variety of sources that included: Government publications, press circulars, partner relations, internet, electronic and printed media, observations, staff, secondary data, research, all types of reports, and the use of external consultants. Some respondents indicated that they also collect information on the environmental factors informally through the use of word-of-mouth, in addition to the formal means.

Those in charge of the information collection activity for the organisations studied include, the research/planning department, regional and country offices, all employees, programme teams, project managers, and whoever is assigned this responsibility.

The respondents were also required to indicate their perception of the environment within which they were operating. Majority of the respondents(33.33%) indicated that the environment they were operating in was unstable/changing. Two(22.22%) of the respondents considered their environment fairly stable/expanding, and another two(22.22%) considered it fairly turbulent/discontinuous. Each one of the remaining two respondents, 11.11% and11.11% considered their environments stable/repetitive and turbulent/surprising, respectively.

Findings on environmental turbulence/stability are summarised in table 4.12.

Table 4.12   Environmental turbulence/Stability

Defnition	Frequency	Proportion(%)
Stable/Repetitive	1	11.11
Fairly stable/Expanding	2	22.22
Unstable/Changing	3	33.33
Fairly turbulent/Discontinuous	2	22.22
Turbulent/Surprising	1	11.11

V.   Industry and Competitive Analysis

The respondents were required to indicate the level of importance they attach to information on various aspects pertaining to their industry. These aspects were ranked on a five point Likert scale. A mean score was computed for each aspect(Table 4.13).

Table 4.13 Mean scores on certain aspects of the industry

Aspect (Threat)	Frequency					Mean score
	Least Important				Most Important	
	1	2	3	4	5	
The number of competitors	3	2	0	0	2	2.43
Possible new entrants into the industry	3	2	0	0	0	1.40
Suppliers of resources	0	2	2	2	3	3.67
Clients/beneficiaries	0	0	0	4	5	4.56
Potential substitute services	0	1	3	2	1	3.43

From the above table it can be seen that clients/beneficiaries, suppliers of resources, substitute services are considered the most important aspects by all the respondents in their industry analysis. The number of competitors in and possible new entrants into the industry were considered the least important aspects in their industry analysis during planning.

The respondents were also required to indicate the level of impotance they attach to certain aspects of their competitors. These aspects were ranked on a five point Likert scale. A mean score was computed for each aspect(Table 4.14).

Table 4.14 Mean scores on certain aspects of competitors

Aspects	Frequency					Mean score
	Least Important			Most Important		
	1	2	3	4	5	
Their future goals	2	1	0	0	2	2.8
Their current strategies	1	0	0	2	1	3.5
Their capabilities (resources, functional and general management)	0	0	1	1	2	4.25
Their assumptions	1	1	1	1	0	2.5

From the table above, it is clear that all the aspects of competition were considered, but the capabilities and the current strategies of competitors were considered very important by all the respondents in their competitor analysis.

Of the nine organisations studied, eight(88.89%) indicated that they don't regularly collect information about their competitors(Table 4.15)

Table 4.15 Regular collection of information about competitors
(n=9)

	Number of NGOs	Percentage(%)
Yes	1	11.11
No	8	88.89

Only two(22.22%) respondents indicated that they consider other organisations(both UN agencies and NGOs) working in the same areas as their organisations as their competitors. Seven(77.78%) respondents did not indicate which organisations they considered as their competitors.

The respondents indicated the key success factors in their industry. According to them these include:

- Impact on target beneficiaries
- Identification of the societies' needs
- Working with the target communities
- Efficiency and consistency in service delivery
- Performance
- Expertise and abilities(competencies)
- Accessibility to donors
- Credibility and positive reputation among donors and communities served
- Resources

The respondents were also required to indicate the importance they attach to information on certain aspects regarding cooperation with competitors. These aspects were ranked on a five point Likert scale. A mean score was computed for each aspect(Table 4.16).

Table 4.16   Mean scores on factors that facilitate / inhibit cooperation with competitors

Aspect	Frequency					Mean score
	Least important			Most important		
	1	2	3	4	5	
Commonality of mission	0	1	3	1	1	3.33
The existence of differencial resources among them	0	1	2	4	0	3.43
The existence of externalities across groups	0	1	2	2	0	3.20

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Pressure from government to cooperate	1	2	2	0	1	2.67
Pressure from donors to cooperate	0	2	1	2	1	3.33
Emergencies that call for cooperation	0	1	0	3	3	4.14

From the table above, it is clear that all the aspects of competitors vis-a-vis cooperation were considered important by all the respondents in their analysis of competitors for cooperative purposes or cooperative analysis in their planning process. Emergencies were considered the most important aspect , while pressure from government the least important aspect for cooperation.

VI.   Strategies

All the organisations studied indicated that they have developed strategies for their operations, and these strategies were put in writing once they were developed. Of these, seven(77.78%) respondents indicated that they have changed their strategies over time, and two(22.22%) organisations have not changed their strategies(Table 4.17). Those organisations which have changed their strategies indicated various reasons for the change. These reasons include: changing environment(both internal and external); lessons learned and/or experience that suggests improvements/modifications; availability of donor funding and change in donor requirements; new thinking etc.

Table 4.17 Strategies
(n=9)

	Number of NGOs	Proportion(%)
Present	9	100
Absent	0	0
Written	9	100
Unwritten	0	100
Changed	7	77.78
Unchanged	2	22.22

Most of the respondents indicated that they developed these strategies to carry out their missions and achieve their long term objectives; to achieve efficiency and donor confidence, improved performance and impact on target area, focus, and accountability, among others. Strategies are therefore used as a means to an end in this context too.

The organisations studied indicated various sources of competitive or comparative advantage, including:

- Approaches to work
- Value for/focus on people
- History of good practice in delivering services/meeting objectives
- Staff capacity and resources
- Commitment to the values of the organisation
- Ability to reach out to the target communities
- Ability to intervene in risk zones
- Accessibility to donors

Only three (33.33%) organisations have been able to respond to what they regarded as cooperative advantage. According to them, these are sharing of information, coordination of efforts, and synergy.

VII   Tools and Techniques of Analysis

The organisations studied indicated that they utilised various tools and tehcniques in their planning processes.All the organisations studied(100%) indicated that they used the Strengths and Weaknesses, Opportunities and Threats (SWOT) analysis for their planning. Of these seven(77.78%) organisations utilise Forcasting methods. Four(44.44%) respondents indicated the use of Key Factor analysis in their planning process, and no one organisation indicated the use of Portfolio models(Table 4.18).

Table 4.18 Tools and Techniques used in planning
(n=9)

	Number of NGOs	Proportion(%)
SWOT	9	100
Key factor analysis	4	44.44
Forcasting	7	77.78
Portfolio models	0	0

Additional information

The responses to the question on how do bi- and multi-lateral donor policies and criteria affect the organisation in terms of development of strategies were as follows:-

Adoption of especial programmes/approaches

Resource constraint

Amendment of organisational policies to suit the donors' demands

Development of proposals

Change of the funding priorities for political reasons.

It is clear from these that the pattern of influence on the organisation's strategic decision making derives from its sources of revenue. Since the clients/beneficiaries pay nothing for the services received, the influence from the funding bodies is high in the formation of organisational strategies in the context of relief and development NGOs.

The respondents also indicated that their board of trustees play a key role in their planning process to review and comment on key resource issues, provide guidance and direction to the organisation.

Of the organisations studied, seven(77.78%) indicated that the practice of strategic management improved their organisational performance. As to how the practice improved their organisational performances the respondents indicated the following:

• More focused towards the achievement of organisational goals and objectives

• Unity of activities

• Coherent and uniform approaches/policies/planning

• Improved efficiency and rationalisation

• Focus on the environment

• Setting of targets, etc.

Six(66.67%) organisations indicated that they don't run mqnagement training and development programmes related to strategic management for their managers and, three(33.33%) indicated that they do.

CHAPTER FIVE

SUMMARY AND CONCLUSION

5.1 Overall Discussion of Results

This study was conducted with the following objective:

" To establish the strategy development practices within the relief and development NGOs in Kenya ".

In chapter two, three explanations of strategy development practices were discussed namely, Strategy Development as Deliberate Managerial Intent, as the outcome of Cultural and Political Processes, and as Imposition. Also discussed were the definitions of Strategic Management and the concept of Strategy, Evolution of Strategic Management, and the Strategic Management Process.

Planning was done in the organisations studied. Majority of the organistions indicated that they have a mixture of plans for their operations, the most common of which are financial(budgets), and strategic plans. The other plans include operational, area(regional/country), programme, and project plans.

The planning horizons differed depending on the type of plan. Financial plans(budgets) had a short planning horizon(0-1 year). All the organisations studied had financial plans. The next popular planning horizon was the 3-5 year one. Majority of the organisations that had plans in this time span indicated that these are mainly strategic plans.

All the organisations indicated that once developed the plans were put in writing. Majority of the organisations also indicated that they developed strategic plans after the 1990s. These organisations indicated what they seek to achieve through planning. They seek to achieve efficiency, proper resource management, effective service delivery, responsiveness to target communities, implementation and control of activity among

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:thers. Most of the end-results that these organisations sought to achieve through :lanning appear geared towards securing resources for the organisational survival, and :naintenance by the organisation of its social legitimacy. This partially informs about the :tage of strategic management evolution in these organisations.

All the organisations studied indicated that they practice strategic management. The strategy development in majority of these organisations was characterized by the application of the taken-for-granted assumptions and routines of the organisation, the use of a sequence of analytical and evaluative procedures to formulate an intended strategy, and a process of bargaining and negotiation among powerful internal and external interest groups(or stakeholders).

Strategy within the relief and development NGOs can be explained both as the outcome of the cultural and political processes in and around these organisations, as well as the result of deliberate managerial intent. In other words, a combination of the formal-analytical and the power-behavioural paradigms adequately explain the way strategy formation processes operate within these organisations.

Majority of the organisations studied indicated that the process by which they arrive at decisions regarding their strategies attracts more or less wide participation. Besides the top management team, those who also participate include programme and project managers/officers, donors, partners, and the staff who are sometimes consulted, as well as external consultants.

All the organisations indicated that they have a vision(idealized scenario). Majority of the respondents did not state or articulate what is the vision of their organisations. According to Bryson(1995), while many nonprofit organisations have developed clear and useful mission statements in recent years, far fewer have a clear, succinct, and useful vision of success. Part of the reason is that vision, while it includes mission, goes well beyond it. A mission outlines the organisatinal purpose, while a vision goes on to describe how the

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..ganisation should look when it is working extremely well in relation to its environment ..d its key stakeholders. Developing this description is more time consuming than ..mulating a mission statement. It is also more difficult, particularly because most of ..ese organisations are coalitional, and thus, the vision must usually be a treaty ..egotiated among rival coalitions. The good news, however, is that although a vision of ..uccess may be very helpful, it may not be necessary to improve organisational ..erformance.

..ll the organisations studied had mission statements. Majority of these organisations ..ad explicit mission statements. Their mission statements typically identify the audience and product/service being offered. In other words, their mission statements answer the ..win question: what are we providing and for whom? Moreover, some either explicit or ..mplicit reference to the core values of these organisations could be found in their mission statements.

Majority of the organisations studied indicated that the directors and top management of the organisation, leaders at organisational headquarters, the staff and other stakeholders such as volunteers, partners and donors participated and were consulted in the mission-setting process. This indicates the importance of the mission statement for these organisations which are mission-oriented in character. It also informs that these organisations have moved beyond their early period of development. According to Oster(1995), the mission statement of a new organisation(nonprofit) is the embodiment of an entrepreneurial idea. Once the organisation moves beyond this early period the role of the other agents in redefining or even radically changing of the mission of the organisation becomes considerably more active.

Only three(33.33%) respondents have indicated that their mission statements serve boundary, motivation, and evaluation functions for their respective organisations. According to Oster(1995), the boundary function is important as a way to provide focus for all organisations, but for nonprofits it is particularly so given for these ambiguity of

nd criteria for success in this sector. Since these organisations lack clarity of ownership, at least a class of stakeholders vie for control at one time or another. A clear mission statement can often limit struggle within an organisation, because it makes clearer the basis on which decisions will be made. The second function of the mission is to motivate the staff, board, volunteers, and donors of an organisation by carrying the ideology of the organisation, to serve as a flag aroud which the organisation can rally. And finally it helps in the evaluation function because it often substitutes for profits as a criteria for success.

Majority of the organisations studied indicated that they have set objectives. These objectives were in written form. Most of these objectves were set at all(top, middle, and lower) levels of the management of these organisations. Majority of the organisations allowed everyone to participate in the objective setting process, i.e., a participative process. These organisations indicated that they communicated the objectives to everyone in the organisation through formal methods such as meetings, memos, workshops, newsletters, monthly-quarterly-annual reports, strategic plan papers, distribution of documentation reinforced in subsequent annual operational planning processes, monitoring and evaluation sessions and documents among others.

Majority of the organisations indicated that their objectives were established around the following areas:

- Focus of work
- Impact expected
- Staff development
- Project targets
- Coordination of programmes
- Added value
- Primary needs
- Resource management
- Service effectiveness

, Donor relations

, Operational stages

is clear that, unlike their for-profit counterparts, the objectives of the NGOs are not established in the areas of technological leadership and competitive position. In the for-profit sector competitive position means a corporate's relative market dominance measured in terms of total sales or market share, whereas in the NGOs sector context competitive position means how well does the organisation serve its clients/beneficiaries relative to other organisations. Since the NGOs do not operate in a turbulent environment they are not inclined to avoid technological obsolescence, and hence, follow the corporate world in technical advancements.

Although few organisations stated their objectives, the objectives of these organisations might have all the qualities of a good objective, except that of measurability. This is so, may be because they provide services which is difficult to measure. The qualities of a good objective are that they should be acceptable, flexible, measurable, understandable, achievable, motivating, and suitable. But these objectives were highly suitable to the broad aims of the organisation, which are expressed in the mission statement. This means that the objectives coincided with the mission in such a way that each objective was a step toward the attainment of overall goals.

Besides, these objectives were more like goals, because goals are not specified in measurable terms. It implies that these organisations set specific objectives at the programme and project levels. According to Bryson(1995), strategies are developed to achieve goals; objectives(as opposed to goals) should be thought of as specific milestones or targets to be reached during strategy implementation.

All the aspects of the environment were considered important by all the organisations studied in their planning processes. But the organisation's internal context(resources, strategies, and performance), stakeholders, and the social and cultural trends were considered the most important aspects of the environment(both internal and external) by

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-ajority of the organisations in their environmental analysis during planning. In other -ords, these organisations explore the environment outside the organisation to identify :th opportunities and threats, and the environment inside the organisation to identify :th strengths and weaknesses.

:esides monitoring trends and events, these organisations seem to monitor particularly nportant external stakeholders. This so because the key to success for NGOs is the satisfaction of key stakeholders. According to Bryson(1995), a stakeholder analysis is a way for an organisation's decision makers and planning team to immmerse themselves in the politics surrounding strategic issues and developing effective strategies. It is also an :thical necessity to perform a stakeholder analysis, since only by understanding stakeholder interests and concerns is an organisation likely to take truly ethical action.

Attention to opportunities and threats along with stakeholder analysis can be used to dentify an organisation's "key success factors". Success factors are the things an organisation must do or the criteria it must meet in order to be successful in relating to its external environment. And to identify internal strengths and weaknesses, tne organisation might monitor its resources(inputs), its present strategy(process), and its performance(outputs). This consideration can lead to an identification of its "distinctive competencies" more recently termed as "core competencies" or "capabilities". These consist of an organisation's strongest abilities and most effective

Information on these aspects of the environment was collected formally from a variety of sources that included: government publications, press circulars, partner relations(networking), Internet, electronic and printed media, observation, periodic surveys, staff, project reports, secondary data, research, all types of reports, the use of external consultants, and also informally through the use of word-of-mouth.

Those in charge of the information collection activity for the organisations studied included the research/planning department, regional and country offices, programme and project teams, and whoever is assigned for this responsibility.

Majority of the organisations considered the environment within which they operate as

unstable/changing or at turbulence level 3. According to Ansoff(1990) there are two types of systems which enable management of organisations to respond effectively to their environment(s): positioning and real-time systems. At levels of turbulence 1-3 the positioning systems are adequate to assure an effective and timely response. At levels above 3 it becomes ne-cessary to supplement the positioning system with a real-time system. Therefore the NGOs may only need to instrumentalize the positioning systems.

Clients/beneficiaries, suppliers of resources, and substitute services were considered the most important aspects in their industry analysis. The clients have no direct influence on the relief and development NGOs because they pay nothing for the services received. But they are important because they are the organisation's reson d'etre. And secondly these organisations are "donative" nonprofits, the clients are quite important from a fundraising perspective because, at least to some extent, it is the composition of this user group that determines the strength of the organisation's pull to donors.

The pattern of influence on the organisation's strategic decision making derives from its source of revenue. The influence from suppliers of resources/funding bodies, may therefore be high in the development of organisational strategies. The power of the donor typically increases with his/her share of revenues. And readily available substitutes affect an organisation's ability to attract either donors or clients.

Despite this environmental considerations majority of the organisations studied do not regularly collect informaton about their competitors. Infact the concept of competition has a wrong connotation for the NGOs. Because the management of these organisations are focused on missions that transcend the interests of the individual organisations, and the traditional value orientation of this sector has been cooperative, or inter-organisational, in nature. That is the reason the other two forces of the industry namely the number of competitors and the possible new entrants into the industry were considered the least important by majority of the organisations. Some organisations have even indicated the more these two latter forces the better.

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capabilities and the current strategies of competitors were considered the most important aspects by majority of the organisations in their competitor analysis. Most of these organisations did not indicate which organisations they consider as their competitors. Because these organisations serve interests that transcend their own local self-interest and are typically both co-operative and competitive vis-a-vis other organisations in their field.

Majority of the organisations studied indicated that the key success factors in their industry are:

, Impact on target beneficiaries
, Identification of the societies' needs
, Working relationship with the target communities
, Efficiency and consistency in service delivery
, Performance
, Expertise and ablities(competences)
, Accessibility to donors
, Credibility and positive reputation among donors and communities served, and
, Resources

All the aspects regarding collaboration with competitors were considered important by majority of the organisations studied in their analysis of competitors for cooperative purposes or cooperative analysis. But emergencies were considered the most important aspect that encourages cooperation among the organisations.

All the organisations studied developed strategies for their operations, and these strategies were put in written form once they are developed. Majority of these organisations indicated that that they changed their strategies over time. Changing

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ironment; lessons learned and experience that suggests improvements/modifications; :lability of donor funding and changes in donor reqiurements; and new thinking were :ed as the reasons for changing strategies by most of the organisations.

ost of these organisations indicated that they developed strategies to carry out their -ssion and achieve their long-term objectives; to achieve efficiency and donor onfidence, improved performance, focus, accountability, and improved impact on target ommunities/areas.

hese organisations have also indicated various sources of competitive advantage, or for ne case of NGOs, comparative advantage including:

, Approaches to work
, Value for/focus on people
, History of good practice in delivering services or meeting objectives
, Commitment to the values of the organisation
, Ability to reach out to the target communities
, Ability to intervene and establish himanitarian operations in wartorn areas where other organisations eschewed.

But majority of the organisations did not understand and attempt to respond to the question as to what they regard to be the sources of cooperative advantage. Cooperative or collaborative advantage are the benefits of possible collaboration. Few organisations have responded to it and indicted the benefits such as sharing of information, coordination of efforts, and synergy.

The planning tools and techniques utilised by the organisations studied were SWOT analysis(100%), forcasting methods(77.78%), and key success factor analysis(44.44%). Portfolio models were not totally used by anyone organisation.

Majority of the organisations indicated that bi- and multi-lateral donor policies and criteria greatly influence their strategy decision making and strategy development.

ley these factors them in the following ways:

, Adoption of especial programmes/approaches
, Resource constraint
, Amendment of organisational policies to suit their demands
, Development of proposals
, Change of the funding priorities for political reasons, etc.

The board of trustees of these organisations play a key role in the planning process as indicated by most of the organisations studied. The board trustees review and comment on key resource issues, and provide guidance and direction for the organisation.

Majority of the organisations indicated that the practice of strategic management improved their performances. Some of them indicated lack of knowledge as to how to measure the improvement of their organisational performance. But most of these organisations indicated that the practice improved their performance in the following ways:

, More focused towards the achievement of organisational goals and objectives
, Unity of activities
, Coherent and uniform approaches/policies/planning
, Improved efficiency and rationalisation
, Focus on the environment
, Setting of targets, etc.

Majority of these organisations indicated that they don't currently run management training and development programmes related to strategic management for their managers.

Implications of this Study

The findings of this study reveal that strategy within the relief and development NGOs can be explained both as the outcome of the cultural and political processes in and around these organisations, as well as the result of deliberate managerial intent. That is to say that the cultural, planning, and political views predominate the patterns of strategy development commonly practiced by these organisations.

Cultural because of the application of the organisation's taken-for-granted assumptions and routines handed down over time. There are, then, many cultural frames of reference which influence managers. The 'taken-for-grantedness' may be at regional and industry levels(sometimes called an industry recipe). They are also likely to exist at the organisational level – the organisational paradigm – and can be especially important as an influence on the development of organisational strategy(Johnson and Scholes, 1999). According to Johnson and Scholes (1999) 'paradigm' is employed here to mean the set of assumptions held relatively in common and taken for granted in an organisation. They are also likely to evolve gradually rather than change rapidly. In effect, it represents collective experience without which people would have to 'reinvent their world' for different circumstances that they face. This paradigm informs about the explicit values as well as the strategy of an organisation.

Institutional theorists, argue that it is important to recognize the way in which organisations operating in similar environments or industries come to resemble each other in terms of cultural norms and in the strategies they employ. In many sectors, worldwide norms develop governing the way organisations should be structured and the way business should be carried on. To retain legitimacy, with clients, donors and regulatory agencies, conformity with those norms is important. This is what, according to Oster(1995), Dimaggio and Powell called "institutional isomorphism"

Political because, according to Bryson(1995), of the fragmented and shared-power settings that characterize many NGOs there must be consensus on goals, policies, programs, and actions necessary to achieve organisational aims. The rational planning

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...del is then used to recast that consensus into the form of goals, policies, programs, ...d actions. Furthermore, the rational planning model may be used to sort out and ...dress any minor(and perhaps major) inconsistencies embedded in the cultural-political ...come. The process, in other words, blends substantive and political rationality – ...ntent and process – in wise ways to the betterment of the organisations that use it.

...nce these organisations combine the formal analytical-thinking with the power-...shavioural aspects of management in their strategic decision making and strategy ...evelopment processes, by implication strategy in these organisations can be viewed ...oth as a pattern and plan. As a pattern, strategy is deciphered as consisitency in ...shaviour whether or not intended, observed in the past actions of the organisation. And ...s a plan it is a consciously intended course of action shaping the future of the ...rganisation.

...he strategies within these organisations are, therefore, formed in cognizance of the ...ast heritage of the organisation, but at the same time, forward(future) looking. By ...extension, their strategies can be characterized as both deliberate and emergent or ...eliberately emergent.

...n a similar vein, strategy within this context can also be viewed as a perspective ...ecause the organisation's strategy formation involves the application of values and ways ...f operating which come from experience, knowledge, and dialogue. In other words, ...hese organisations make both strategic and ethical choices.

From the look of what these organisations seek to achieve through planning and the turbulence level of their environment, this study reveals that according to the models of the evolution of strategic management discussed in chapter two, the relief and development NGOs studied are at the 3rd stage/phase of the evolution. That is, they are at the phase of Strategic planning(externally-oriented planning): seeking to achieve increased responsiveness to target beneficiaries and other stakeholders by trying to think strategically. In other words, their system evolved to the stage of Management by

...cipation, i.e., at unstable/changing environment, discontinuities have began to appear ...change, while rapid, is still slow enough to permit timely anticipation and response.

...cause of the "donative" nature of these organisations the influence of donors is ...mendously great in the strategic decision making and strategy formation processes of ...ese organisations.

...ost of these organisations don't regularly collect information about their competitors, ...nd hence, may not consciously engage in competitive analysis, may be even not for ...enchmarking purposes. The concept of competition has a wrong(or for-profit) ...connotation for the NGOs. It may be better, for the case of NGOs, to paraphrase ...competitive analysis as comparative analysis, and hence, competitive advantage as ...comparative advantage.

5.3 Limitations of the Study

The study was constrained by certain factors, which need mention. First, it was difficult to get all respondents fill the study instrument, the questionnaire. The non-response from 36 organisations, in the sample, was a major drawback as it is not possible to know how these organisations would have responded. Strategic decision making and strategy formulation processes is the domain of the top management of the organisation who cited in many cases "more important demands" on their time than participation in academic exercise.

Secondly, the study focused on one sector of the NGOs - the relief and development NGOs, with all the members of the sample being international NGOs which predominate this sector, and specific aspects of strategic management – strategy development/formulation aspects. While the objective of the study was achieved, there could be varying results if other sectors of or national/local NGOs were studied adopting the same holistic view of strategy development.

The third limitation arose form the use of the survey mode of data collection. The weaknesses of survey research are potential limitations to this study. These weaknesses include:surveys are obtrusive and as such can affect respondent's responses; self reporting is not always accurate and true.

Fourthly, collecting data from such a suspicious environment could have also led to information moderation for the sake of safeguarding the confidentiality of the strategies and practices of the organisation. Even though the cover letter attached to the questionnaire and the faculty research authorization letter explain, the researcher was asked in several occasions about the purpose of the research by certain would-be respondents.

It is important, however, to state that the findings and the value of this study were not compromised by these limitations. Extra caution was taken to minimise, as humanly as

possible, the potential effects of these limitations. These limitations have been raised to remind the users of the inherent limitations of the results. This will help them put in their proper perspective.

5.4   Recommendations for Further Research

This study adopted a holistic view of the strategic management in practice, and focused on strategy development/formulation practices and aspects within the relief and development NGOs in kenya. Its focus was rather wide. In this respect, it is recommended that an individual or fewer aspects of these practices be invetigated and covered in a much wider perspective. Such a narrow focus can provide additional insights into the strategy development practices in the NGOs sector. Since this study focused on the strategy practices in the relief and development NGOs, it is also recommended to conduct a similar study on organisations in other industries of the NGOs sector in Kenya.

This study concentrated on the aspects of strategy formulation as opposed to the entire strategic management process. In this respect it is recommendable that a study be done to document the aspects of strategy implementation, strategy evaluation and control in the NGOs sector context.

This study can also be replicated using a larger sample size comprising of different types of NGOs with the use of stratification. This could yield a lot more substantive results with the use of other statistical methods such as the Chi-square method in order to analyze if there are significant differences in the strategic management practices by NGOs.

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APPENDIX I

QUESTIONNAIRE

(Please use the back of the Pages if necessary)

General Information

1.   a)   Name of the Organisation...

        b)   Year of establishment..

2.   Area(s) of Focus

        a)   Predominantly Relief..

        b)   Predominantly Development ....

        c)   Multi-sectoral ....

                ....

3.   Type of the organisation

        a)   Religious based ....

        b)   Non-religious based..

4.   Please respond to the following questions:

        a)   Sectors of operations...

                ....

        b)   Areas of operations..

                ....

        c)   Number of projects under the programme ....

        d)   Number of employees ....

e)   Number of Directors ....

5.   Title of Respondent..

6.   How many years of experience do you have in current industry/sector?

      ....

Planning in General

7.   a)   What type of plans does your organisation develop?

             i)   Financial ....

             ii)   Other (specify) ....

      b)   What does the organisation seek to achieve through planning? ....

             ....

             ....

      c)   What time periods do these plans cover?   (Please tick where

             appropriate).

             0 - 1 yr

             1 - 3 yrs

             3 - 5 yrs

             5 yrs and beyond.

      d)   Indicate when these plans were first developed in this

             organisation?

....

....

e)   Are these plans written once they are developed? Yes [ ] No [ ].

Strategy Development Practices

8.   Indicate the extent to which the following features characterise the strategy
        development practices in your organisation (1 = not practiced upto 5 =
        prime practice).

		NP				PP
a)	Planning department, and prescribed tools and techniques that should be used through formal planning.	1	2	3	4	5
b)	The Direction of an individual or group, but not necessarily through formal planning	1	2	3	4	5
c)	Deliberate development of strategy by `learning through doing'	1	2	3	4	5

d) The application of experience and ways   1   2   3   4   5

of doing things built over the years

within the organisation or industry

e) Through processes of bargaining and   1   2   3   4   5

negotiation among powerful internal or

external interest groups (or stakeholders)

f) Choice imposed by agencies or forces   1   2   3   4   5

external to the organisation, e.g.

government, donor and parent organisation

g) Buffer from, or response to, changes in   1   2   3   4   5

your operating environment

9. Please describe in detail the process by which you arrive at decisions regarding your organisation's strategy (e.g. who participates, information inputs, actual deliberations, etc).

....

....

....

Aspects of Strategy Formulation

Vision, Mission and Objectives

10.   a)   Does the organisation have a vision? Yes [ ] No [ ]

      b)   If yes, what is the vision of the organisation? ....

....

....

....

11.   a)   Do you have a mission statement for your organisation?

           Yes [ ] No [ ]

      b)   If yes, is it a written statement? Yes [ ] No [ ]

      c)   . What is your organisation's mission ....

....

....

      d)   What are the functions that your mission serves (e.g.

           boundary, motivation, evaluation functions etc)? ....

....

....

      e)   Who takes part in the mission setting process? ....

....

12.   a)   Do you have objectives set for your organisation? Yes [ ] No [ ]

      b)   If yes, are they in written form? Yes [ ] No [ ]

c)   At what levels are these objectives set? ....

....

d)   Who participates in the objective setting process? ....

....,...

e)   Is everyone in the organisation aware of these objectives?

Yes [   ]   No [   ]

f)   How do you communicate these objectives? ....

....

....

g)   Which areas do the objectives address? ....

....

....

h)   What are the objectives of your organisation? Please rank them in

order of importance (number 1 representing the least important upto

5 the most important):

1 ....

2. ....

3. ....

4. ....

5. ....

Environmental Scanning

13. Indicate the extent to which information on the following factors is considered in the planning process (1 = not considered and 5 = prime consideration)

		NC				PC
a)	Political and legal developments	1	2	3	4	5
b)	General economic trends	1	2	3	4	5
c)	Ecological Matters	1	2	3	4	5
d)	Technological changes	1	2	3	4	5
e)	Social and cultural trends	1	2	3	4	5
f)	Organisation's internal context (resources, strategies, performance etc)	1	2	3	4	5
g)	Stakeholders (customers, donors, staff, government, partners, competitors etc)	1	2	3	4	5
h)	Others (specify)					

14. a) How do you collect information on the various aspects of your environment? ....

....

....

b) Who is in charge of information collection? ....

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....

15. Would you describe your organisation's environment as stable or turbulent?

Please indicate your perception on the following scale:-

Stable   Turbulent

1   2   3   4   5

Industry and Competitor Analysis

16. Indicate the importance your organisation attaches to information on the

following (1 = least important upto 5 = most important):

a)   The number of competitors   1   2   3   4   5

b)   Possible new entrants into the

industry   1   2   3   4   5

c)   Suppliers of resources   1   2   3   4   5

d)   Clients/beneficiaries   1   2   3   4   5

e)   Services that may be offered that

can replace yours   1   2   3   4   5

f)   Other (specify)

17. Does your organisation regularly collect information about its competitors?

Yes [ ] No [ ]

18. Indicate the importance your organisation attaches to the following aspects of its competitors (1 = least important upto 5 = most important):

a) Their future goals   1   2   3   4   5

b) Their current strategies   1   2   3   4   5

c) Their capabilities   1   2   3   4   5

    (resources, functional & general

    management capabilities)

d) Their assumptions   1   2   3   4   5

    (about their organisation and

    the industry)

e) Other (specify)   1   2   3   4   5

19. Which organisations do you consider to be your competitors? ....

....

....

20. What are the key success factors in your industry? ....

....

....

21. When does your organisation co-operate with its competitors? ....

....

....

22. Indicate the importance your organisation attaches to the following information regarding co-operation with competitors (1 = least important upto 5 = most important):

a) Commonality of missions   1   2   3   4   5

b) The existence of differential resources   1   2   3   4   5
among them

c) The existence of externalities   1   2   3   4   5
across groups

d) Pressure from government to cooperate 1   2   3   4   5

e) Pressure from donors to cooperate   1   2   3   4   5

f) Emergencies that call for cooperation   1   2   3   4   5

g) Other (specify)   1   2   3   4   5

Strategies

23. a) Has your organisation developed strategies for operations?

         Yes [ ] No [ ]

b) If the answer to (a) above is yes, are they put in writing once they are developed?

         Yes [ ] No [ ]

c) Have you changed these strategies over time? Yes [ ] No [ ]

d)   If yes, why? ....
      ....
      ....

e)   What does your organisation seek to achieve with these strategies?

      ....
      ....

24.   What types of strategies, both competitive and cooperative, your organisation pursues? Please rank them in order of importance (1 = least important upto 5 = most important):

      1. ....
      2. ....
      3. ....
      4. ....
      5. ....

25.   What does your organisation consider as the sources of competitive advantage?

      ....
      ....

26.   What does your organisation regard to be the sources of cooperative advantage?

V. Tools and Techniques

27. Listed below are a number of tools and techniques that may be used in developing strategies for an organisation. Please indicate if your organisation uses any of them.

a) Strength, Weaknesses, Opportunities and Threats (SWOT) Analysis

Yes [ ] No [ ]

b) Key Factor Analysis   Yes [ ] No [ ]

c) Forecasting   Yes [ ] No [ ]

d) Portfolio Models   Yes [ ] No [ ]

e) Others (specify)

Additional Information

28. How do bi and multi-lateral donor policies and criteria affect your organisation in terms of development of the organisation's strategies?..........

....

....

29. What is the role of your organisation's Board of Trustees in the planning process in your organisation? ....

....

30. a) Did the practice of strategic management improve your ·organisation's performance?   Yes [ ]   No [ ]

b)   If the answer to (a) above is Yes, explain how?

    ....

    ....

31.   Does your organisation run management training and development programmes related to strategic management for your managers? Explain.

    ....

APPENDIX II

LETTER TO RESPONDENTS

Date: ....

To The Respondent

From: Abdirashid A. Warsame

Tel: 0722-814963

P.O.Box 10472-00400

Nairobi, Kenya.

RE: REQUEST FOR YOUR PARTICIPATION IN MY RESEARCH WORK

I am a postgraduate student in the Faculty of Commerce, University of Nairobi pursuing a Master of Business Administration (MBA) degree programme in Strategic Management specialization. In order to fulfill the degree requirements, I am currently conducting a management research project on 'The Strategy Development Practices by Relief and Development Non-Governmental Organisations (NGOs) in Kenya'. The study's focus is on the strategy formulation within the relief and development NGOs in Kenya.

Your organisation is believed to be one of the best managed NGOs in Kenya and I would highly appreciate if you would kindly spare some of your precious time to complete the attached questionnaire for me. I will be very obliged to you, if you could complete it within five (5) days time.

Please be assured that the information you will provide is strictly for academic purposes and the identity of your organisation will be treated confidentially. I shall avail a copy of the results to you once the study is complete.

Thank you for your valuable cooperation in advance.

Yours sincerely,

Abdirashid A. Warsame

UNIVERSITY OF NAIROBI
FACULTY OF COMMERCE
MBA PROGRAMME - LOWER KABETE CAMPUS

Telephone: 732160 Ext. 208
Telegrams: "Varsity", Nairobi
Telex: 22095 Varsity

P.O. Box 30197
Nairobi, Kenya

DATE: *24.01.2002*

TO WHOM IT MAY CONCERN

The bearer of this letter: *Abdirashid A. Warsame*

Registration No: *061/7552/99*

is a Master of Business & Administration student of the University of Nairobi.

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

Thank you.
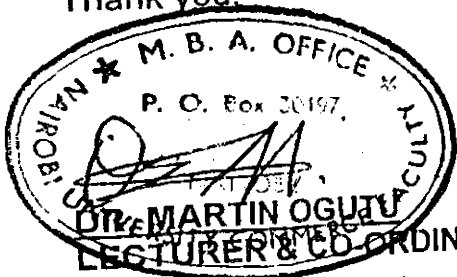
DR. MARTIN OGUTU
LECTURER & CO-ORDINATOR, MBA PROGRAMME

MO/ek

LIST OF THE REGISTERED RELIEF AND DEVELOPMENT NGOs OPERATING IN

KENYA VISITED

Caritas Italiana

Caritas Spain

Oxfam-Quebec

MSF – France

Action Aid

Christian Aid (UK)

Church Wolrd Services (CWS)

Concern Worldwide

Caritas Switzerland

Inter-SOS Italia

Cahtolic Fund for Overseas Development (CAFOD)

TROCAIRE

Oxfam (UK)

Aktion Afrika Hilfe (AAH)

Associazone per la Participazione allo Sviluppo (APS)

Save the Children Fund (UK)

7. Coordinating Committee of the organisation for Voluntary Services (COSV)

8. MSF – Belgium

19. AMREF

20. Norwegian Churchs Aid (NCA)

21. CARE International (Kenya)

22. Diakonia Sweden

23. World Concern International

24. ACORD

25. International Rescue Committee (IRC)

26. MSF – Holland

27. Drylands Pastoral Mission International

28. Terra Nuova

29. Cooperazione Italian Nord-Sud (CINS)

30. Mennonite Central Committee

31. World Vision

32. International Christeljk Steunfonds

33. ADRA (Somalia/South Sudan)

34. Progressive Interventions (Somalia)

35. Lutheran World Relief

36. Medical Emergency Relief International (Merlin)

37. Cordaid Foundation

38. Catholic Relief Services

39. Terre Des Hommes – Netherlands

40. International Development Research Centre (IDRC)

41. Safe Harbour International Relief

42. Rapid International

43. Presbyterian Relief and Development Agency

44. International Development and Relief Board (IDRB)

45. Feed the Children - Kenya