

A SURVEY OF STRATEGIC MANAGEMENT  
PRACTICES IN REPRODUCTIVE HEALTH NGOS  
OPERATING IN KENYA

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A project submitted in partial fulfillment of the requirements of  
the Degree, Masters of Business Administration,

Faculty of Commerce,

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## DECLARATION

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



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This project has been submitted for examination with my approval as University  
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Date

## **DEDICATION**

To my family, Allan, my husband, Moses and Tabitha my children who allowed me to be away from home and to go to “school” when I would have been in their company. Thank you for giving me this opportunity.

## ACKNOWLEDGEMENT

I acknowledge my supervisor, Mr Jackson Maalu, Faculty of Commerce of the University of Nairobi, who made it possible for this project to be completed. He never made me feel inadequate but was always willing to assist me. I also appreciate the assistance received from Pauline my colleague in the data entry and analysis. I thank my fellow colleagues who were a constant encouragement.

I thank all the respondents who willingly completed the questionnaires and have contributed in making this work a success.

I thank God for the strength to pursue this program to the very end.

**“Where there is a will, there is a way”**

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## ABSTRACT

The objectives of this study were to examine the extent to which Kenyan Reproductive Health NGOs apply the strategic management process in developing and implementing their programs and to examine the strategic responses by Kenyan Reproductive Health NGOs to the changes facing the Kenyan health sector. The changes in the Kenyan health sector include rapid developments in the health sector are namely, health sector reforms, declining resources, and shifting and increasing client demands.

The main thrust of the study was to establish whether strategic management practices have been successfully implemented in meeting the challenges facing Reproductive Health NGOs within this changing health sector environment. These challenges include continued population growth, a stagnant economy and per capita incomes, declining health sector financial resources, slow health sector reforms and decentralization and the HIV and AIDS crisis.

The respondents included the NGO founders/leaders or chief executives or, if these were unavailable, a board member from the organization. Interviews were carried out through personal interviews, email or telephone interviews. We managed to receive 27 completed questionnaires from founders, finance managers, program managers or the administrative managers from the various institutions.

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Results indicate that majority of the NGOs conduct some form of strategic management. They have a vision and formulate missions. They are passionate and effective in what they do and are keen to establish themselves as credible agents for change. However, they stagger when they are confronted with the challenge of translating their vision and mission into tangible strategies.

Further results show that very few of the Reproductive Health NGOs fully comprehend the Health Sector Reforms or even have the ability to seize the opportunities offered by the changing arena. Majority of the NGOs are unlikely to focus on long term operation within the sector given their lack of attention to the policy changes within the sector. It is not surprising that the NGO sector is dominated by numerous small NGOs with limited coverage, working in isolation, uncoordinated and often duplicating efforts. This also explains why many NGOs are not aligned to system wide issues.

The NGOs consider the donor shifts as critical to their operations. Although this is important, the high degree of donor dependency cripples the NGOs ability to think freely and even to develop a strategy. It is critical for NGOs to re-assess their focus of attention. Once the donor priorities change the NGOs are forced to shift their priorities thus resulting in numerous small NGOs with limited coverage, working in isolation, uncoordinated and often duplicating efforts and potential risk of folding operations in the event of no funding.

Client needs assessment was mentioned as having been conducted by a minority of the NGOs. Many NGOs rely on quarterly evaluations which most likely measure the internal operations of the organization and the accounting and reporting. The need to establish the client needs and client responses remains a challenge to many NGOs. In the current environment where customer care is a critical factor this raises concern.

The study is in five parts. The first part contains an introduction to the study, objectives of the study and need for the study. The second part provides a theoretical framework of strategic management practice with a focus on Reproductive Health programs. Details of the research methodology appear in the third part, and results are presented in the fourth part. The questionnaire used in the study is appended at the end of the paper. The study is summarized and concluded in the fifth and final part.

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## LIST OF ABBREVIATIONS

AIDS	-	Acquired Immune-deficiency Syndrome
BENFAM	-	Brazil Family Planning Association
BRAC	-	Bangladesh Rural Advancement Committee
CA	-	Collaborating Agency
CAFS	-	Center for African Family Studies
CHAK	-	Christian Health Association of Kenya
FP	-	Family Planning
HIV	-	Human Immune-deficiency Syndrome
HSR	-	Health Sector Reform
IPPF	-	International Planned Parenthood Foundation
KCS	-	Kenya Catholic Secretariat
KDHS	-	Kenya Demographic Health Survey
KHPF	-	Kenya Health Policy Framework
MOH	-	Ministry of Health
MST	-	Marie Stopes Tanzania
NCPD	-	National Council for Population and Development
NHSSP	-	National Health Sector Strategic Plan
NGO	-	Non-government Organizations
RH	-	Reproductive Health
SWOT	-	Strengths, weaknesses, opportunities, threats

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# CHAPTER ONE: INTRODUCTION

## 1.1 Background

Strategic Management is “the process of formulating, implementing and evaluating business plans to achieve future objectives” (Harvey, 1988). It is the “art and science of formulating, implementing and evaluating cross-functional decisions that enable an organization to achieve its objectives. (David, 1997).

Whatever the organizations collective strength, the corporate strategist’s goal is to find a position in the industry where the company can best defend itself against the factors in the environment that are a threat to its survival. The strategist therefore navigates the environmental factors using the guidance of strategic management models. These models, among others, include the SWOT analysis (strengths, weaknesses, opportunities and threats) and the competitor analysis; an assessment of the company’s competitive advantage in the industry with precise knowledge of its competitive advantage and disadvantages (Porter 1987). Non-Governmental organizations (NGOs) like all organizations need to survive in a competitive environment. They need strategic initiatives to navigate the changing operational environment.

The Kenyan health sector comprises of the public health system with major players being the Ministry of Health and the Ministry of Local Authorities. Other players are NGOs, mission and the private sector. Health services are delivered through a network of about 4,200 health facilities with the public health system accounting for

51% of the total number of facilities (National Health Sector Strategic Plan (NHSSP), 1998-2004).

The overall mandate of health services promotion is vested with the Ministry of Health (MOH) under the Public Health Act Cap . 242 of the Laws of Kenya and under various subsidiary legislations dealing with specific areas of health services provision. The MOH has the responsibility to formulate policies, establish and enforce standards and mobilize resources for health services development. The provincial and district levels have the role of implementing health programs and delivering health services.

Health NGOs play an important role in Kenya as partners to the government in development. Their positive impact in fostering development has been evident over the last two decades. Some of the roles they play include providing public health goods and services not met by the state or the private sector, assisting government achieve health development objectives. NGOs have strategic advantage in dealing with particular social issues, situations and vulnerable groups; and influencing social policy through social mobilization and promoting participatory development.

Currently, non-government providers account for about 50% of all hospitals, 36% of hospital beds, 21% of health centers and 51% of all outpatient facilities (NHSSP, 1999). It is estimated that this group accounts for close to half of the country's health expenditure and is anticipated to increase with time. Among the 1,508 NGOs registered with the NGO Council of Kenya, 457 constitute the health sub-sector (NGO Council Directory 2002). This reflects the relevance and impact the NGO sector has or can have on health services provision in this country.

## 1.2 Reproductive Health Concept

Reproductive health (RH) covers a broad range of health issues. These include contraception and RH/Family Planning (FP), Human Immuno-deficiency Virus/Acquired Immune Deficiency Syndrome (HIV/AIDS), safe motherhood, adolescent reproductive health, and male involvement. Since the Cairo international conference on population and development (ICPD) in 1994 the RH mandate has been to address issues related to reproductive illnesses and unintended pregnancies. These issues undermine economic development, whether by weakening and killing adults in the prime of their working lives, by disrupting and cutting short the lives of their children, or by placing heavy financial and social burdens on families. ICPD was the birth of the concept of reproductive health. It was at this meeting that the focus shifted from simple demographics through fertility control to viewing the whole individual with the broader view of their reproductive health needs.

Reproductive Health service provision in Kenya is under the auspices of the Ministry of Health Division of Reproductive Health. The MOH, both national and international Non-Governmental organizations (NGOs), private hospitals/clinics, mission/church hospitals/clinics and commercial agents provide RH/FP services. Since 1982, the activities of the RH NGOs have been coordinated by the National Council for Population and Development (NCPD). This is a Government department within the Ministry of Planning and National Development. RH NGO activities are largely governed by government policy.

According to the National Reproductive Health Strategy (1998-2010) reproductive health (RH) is defined as “A state of complete physical, mental, emotional and social

well-being and not merely absence of disease or infirmity, in all matters relating to the reproductive health system and to its functions and processes” (ICPD, 1994). The goal of RH service provision is to provide a comprehensive and integrated system of reproductive health care, that offers a full range of services by the Government, NGOs and the Private Sector.

The components of comprehensive RH care include promotion of the concept of RH, family planning and unmet needs, safe motherhood and child survival, management of STIs/HIV & AIDS, promotion of adolescent health, management of infertility, gender issues and reproductive rights and other reproductive health issues.

According to the National Reproductive Health Strategy, RH Service provision should be within an integrated context with attention to high quality. The Ministry of health seeks to identify, mobilize and allocate resources to ensure improved service provision. It also seeks to ensure research in RH issues and adequate monitoring and evaluation.

The current challenges in RH service provision include continued population growth, a stagnant economy and per capita incomes, declining health sector financial resources, slow health sector reforms and decentralization and the HIV and AIDS crisis (RH Strategy 1998-2010).

The Ministry of Health has proposed various strategies to overcome these challenges. Implementing these strategies is a challenge given the existing resource constraints. The Ministry of Health has therefore sort assistance through supporting partners and

RH NGOs. These RH NGOs operate under the governments' jurisdiction. In addition to reporting to NCPD, reproductive health NGOs also operate under the auspices of the Division of Reproductive health in the Ministry of Health.

While making significant contributions to achieving the country's reproductive health goals, the role that RH NGOs play is also increasingly being affected by resource availability, due to changes in government policy, changes in donor priorities, and the emergence of new demands from consumers. These have posed a threat to the survival of the NGOs. There has been a general decline in donor and foundations resources. The declines in the international stock market since the mid 1990s, has resulted in reduced funding from Foundations. Bilateral and multilateral donors have continuously changed their priorities in view of global agendas. There is now a shift to funding vertical HIV/AIDS related programs as opposed to an integrated RH approach. Political instability and conflict in many African countries has also been accompanied by cuts in donor programs as funds are shifted to disaster relief. Consequently, some RH NGOs are forced to close or shift into relief work.

### **1.3 Health Sector Reforms**

Given the many advantages of formulating and implementing strategy, the Kenyan health sector has developed various strategic plans. The current National Health Sector Strategic Plan (1998-2004) focuses on health sector reforms. To operationalize the document the Ministry of Health developed the Kenya Health Policy Framework Implementation and Action Plan and established the Health Sector Reform Secretariat (HSRS) in 1996, and the Ministerial Reform committee (MRC) in 1997, to spearhead

and oversee the implementation process. In 1994, the Government approved the Kenya Health Policy Framework (KHPF) as the blueprint for the development and management of health services in the country. It spells out the long-term strategic imperatives and the agenda for health sector reforms (HSRs). Health sector reform has been defined as "... a sustained process of fundamental change in policy and institutional arrangements, guided by government, designed to improve the functioning and performance of the health sector and ultimately the health status of the population." HSRs aim at improved equity in health and health care, increased and better management of health resources, improved performance of the health system and quality of care and greater satisfaction of service consumers and providers. The elements of the health sector reform are decentralization of planning and management (usually to provincial and district levels), privatization of what has long been part of the public services provision (for-profit and non-profit NGOs, private hospitals, nursing homes and individual practitioners), and new health care financing mechanisms (service charges and fees, health insurance, local community support). Much of the external donor support to low-income countries is linked to implementation of these kinds of reform. These reforms in the health sector are part of the wider economic reforms that are being implemented by the Kenya government in all sectors to spur economic growth.

However, these new policies result in changes in the environment within which the reproductive health NGOs operate. These changes have resulted in many NGOs either closing down or struggling to survive due to a lack of understanding of the impact of these HSRs on their operations. It is therefore critical that the NGOs develop their own strategic plans to provide direction in the changing external



environment. Strategic management could provide a solution to these struggling NGOs by enabling them create a competitive edge within the changing forces in the sector. Through our study we will seek to explore the strategic responses of these RH NGOs to the issues raised through government policies within the Kenyan health sector.

#### **1.4 Donor support for Kenyan health programs**

Health care and education have always been sectors favored by bilateral and multilateral donors. The total volume of development aid to low-income countries increased considerably during the 1960s, 70s and the 80s. Lack of planning and co-ordination in many recipient countries led to a situation where there were hundreds of relatively small projects, poorly harmonized with national development goals and objectives. These projects consumed a large amount of local management capacity and often paved the way for corruption and mismanagement. The total amount of aid peaked in the early 1990s at a level of around 60 billion US\$ and has since declined to about 45%. Efforts to improve co-ordination have been made by donors (Clift 1988; Ross 1990; Jonsson 1993; Buse, Walt 1997), but their agendas have not always been the same and recipient countries have been generally lukewarm or negative.

Despite declines in donor resources, high levels of health funding are still channeled through NGOs. Between 1970–1985, total development aid disbursed through international NGOs increased tenfold (World Bank 2002). In 1992 US \$ 7.6 billion of aid to developing countries was channeled through NGOs. In 1993 programs of international NGOs represented 14 percent of all development assistance. In 1999

fifty-four percent of all World Bank projects worked directly with NGOs, 20 – 40 percent of funds are supposed to be channeled through NGO. At the country levels there are increased resources as a result of debt relief, the Global Fund for AIDS, tuberculosis (TB) and malaria and international development agency grants.

However, managing these resources with the increasing demand for services requires skilled approaches to enable the NGOs achieve their objectives. Few Kenyan NGOs are positioned to absorb additional resources - they have limited financial and management capacity. Even though the funding environment has played an important role in shaping NGOs; the outcome has been less productive. NGOs are cited to rely heavily on grants and donations from individuals, corporations, foundations, and government as well as generating revenue from fee-for service activities and marketing relationships. However, most of them lack a steady and sizable revenue stream needed to borrow from banks or to tap into capital markets.

### **1.5 Shifting client demands**

There are many competing program needs and new problems emerging. Presently, the demand for Family Planning (FP) is increasing without a corresponding increase in resources. Nearly one quarter of married women have an unmet need for family planning and nearly half the population (12.5 million) of Kenya is under 15 years of age (Kenya Demographic Health Survey, 1998). An estimated 1 million people in Kenya are joining the reproductive age group annually while only about 100,000 adults are completing their reproductive life span. This large cohort of young people is putting a heavy demand on reproductive health services (KDHS,1998). This

population momentum will continue to fuel population growth in Kenya and vulnerable groups and poverty will increase as well. At the same time Kenya is facing the HIV/AIDS catastrophe, re-emerging communicable diseases such as malaria and tuberculosis. HIV/AIDS has demanded immediate attention and substantial funding to scale up programs and reach the increasing vulnerable groups. In this context reproductive health NGOs experience rising costs on already constrained budgets.

## **1.6 Statement of the Problem**

The issues raised above have created a very competitive environment within which RH NGOs operate. The NGOs therefore need to continually increase their effectiveness through client-responsive strategies; improve efficiency through systems and human resources management; strengthen their accountability to stakeholders; and enhance sustainability, both programmatic and financial, if they are to survive and flourish in a rapidly changing world. One way of achieving organizational effectiveness is through applying strategic management concepts in the planning and operations of the organization. However, the current application of these strategic management concepts among Kenyan RH NGOs remains unknown.

The ability of an NGO to continue to perform well and survive under changing environmental circumstances rests on sound strategic management practices. The rapid developments in the health sector namely, health sector reforms (The National Health Sector Strategic Plan, 1998 – 2004), declining resources (World Bank 2002) and shifting and increasing client demands (KDHS, 1998), suggest that NGOs need to

adopt and change the way they operate and function. One way of achieving this change is through effective strategic management. Our research questions therefore are;

To what extent do Kenyan RH NGOs carry out strategic planning to develop programs that are relevant and respond to the existing needs within the health sector?  
and,

How do they utilize the concepts of strategic management to effectively deal with emergent changes in the environment?

### **1.7 Objectives of the Study**

The objectives of the study are:

- i. To examine the extent to which Kenyan RH NGOs apply the strategic management process in developing and implementing their programs.
- ii. To examine the strategic responses by Kenyan RH NGOs to the changes facing the Kenyan health sector.

### **1.8 Significance of the Study**

The results from this study will be useful to the following groups as follows:

#### **To RH NGOs**

Provide NGO staff and leaders with a detailed overview of how their peers strive for more effective programs, including “Best” practices that may be useful in their own

efforts. Identify and analyze variations and commonalities in orientations, practices, needs, and challenges as they relate to effective RH NGO Programming. The study will explore how attitudes and practices differ among NGOs depending on such variables as the size of the institution, the issue(s) supported, or its geographic location. Attention to variation will allow users of the study to develop strategies to strengthen and create programs that are sensitive to clients' potentially diverse needs.

### **To Government and Donors**

Provide benchmark data that can be used to track changes in Kenyan RH NGO practices in order to assess the impact of efforts to strengthen philanthropy. The results will assist those seeking to foster more effective NGO programs to identify and target their efforts on areas of greatest need. Information from this study will assist government in their efforts to co-ordinate the activities of RH NGOs and seek opportunities to partner more effectively with the common goal of better health services to the public.

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### **To the academic fraternity**

Findings from this study will provide evidence-based knowledge regarding strategic management practices within the not-for-profit sector using the select sample of the RH NGOs. Data from this sector is often difficult to obtain given the nature of the operations among the NGO organizations. Minimal academic research has been conducted in this sector and information gathered from this study will enhance our knowledge and our efforts in seeking to influence the management practices among the local NGOs.

## **To the individual**

Issues surrounding reproductive health affect all individuals. Findings from this study will be available in the public domain and can be utilized to improve RH programs resulting in better services accruing to the individual especially so in this era of HIV/AIDS.

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## CHAPTER TWO: LITERATURE REVIEW

### 2.0 Introduction

There are many different definitions of the concept of “management” , but most of them emphasize the organization of human activities to accomplish pre-determined goals and objectives effectively and efficiently: getting things done. Flexibility in a constantly changing socio-economic and technical environment is often mentioned, and efficiency as well. A suggested definition of management is “... working with others in a process of planning, organizing, leading and controlling, to achieve organizational objectives, applying efficiency in the use of scarce resources and flexibility in a changing environment”

The formulation of organizational objectives constitutes one important element of management. It is a group exercise, and the results need to be understood and accepted by everyone involved in planning or managing the institution, project or unit. These objectives determine the targets to be attained, the staff to be recruited and trained, the equipment to be procured, the resource allocations to be made and the performance criteria to be applied to staff.

Effectiveness is defined as the achievement of stated objectives (doing right things) while efficiency relates achievement to the cost involved (doing things right): the less cost in relation to a specific achievement the higher the efficiency. The social, technical and political environment is undergoing rapid change which needs to be considered.

During much of the last century we have identified a few key managerial functions based on ideas presented by Frenchman Henri Fayol (1949): planning, organizing, commanding, coordination and control, later expanded to include also staffing, communicating, motivating and leading.

The “functional approach” emerged from the effort a century ago to create effective large-scale manufacturing structures in Europe and the US and has been criticized as unrealistic and not properly reflecting the tasks of real life managers. As an alternative, proposed partly by Henry Mintzberg (1971), the different roles played simultaneously by most managers have been defined as interpersonal roles as the figurehead, leader or liaison, informational role as the nerve centre, disseminator or spokesman and decisional roles as the entrepreneur, disturbance handler, resource allocator or negotiator.

A more “operational approach” to the development of efficient person-machine production systems was promoted in late 19<sup>th</sup> Century America by Fredrick W Taylor, mechanical engineer at Midvale Steel Works in Philadelphia and known as the father of “scientific management” in industry. This was a more systematic organization of production, initially including standardization, time and task study, systematic selection and training, and pay incentives (Taylor 1947).

The “behavioural approach” to management concentrates upon working with people and understanding their backgrounds, needs and views and aspirations. A prominent expression of this approach was the Hawthorne studies of the effects of light intensity on production in the 1920s at a Western Electric plant outside Chicago. It turned out



that the social relations between workers and between workers and their supervisors were more important than the physical working conditions.

The “Systems approach”, assuming that independently operating parts achieve a common purpose over and above the sum of the parts, is a challenge to traditional management thinking. An “open” system depends for its operation on the surrounding environment, such as the technological development, the market trends and the availability of external resources.

A sort of “excellence approach” was presented in the early eighties by two management consultants (Peters, Waterman 1982) who tried to determine what made USA’s best run companies successful. Their conclusions outlined eight attributes of excellent organizations as follows (Table 1):

**Table 1: Eight attributes of excellent organizations**

Attributes for excellence	Key Indicators
1. A bias for action	A preference for doing something. Small scale experiments to build knowledge, interest and commitment. Managers are visible and personally involved.
2. Staying close to the customers	Customer satisfaction crucial. Customer views often sought
3. Autonomy and entrepreneurship	Competition between sub-units and innovations encouraged
4. Productivity through people	Individuals respected and stimulated to give their best
5. Hands-on, value-driven	Organisational vision and values widely disseminated, shared. Personal values openly discussed. Leaders are role models.
6. Stick to the knitting	Organisation and management stick to what they know best.
7. Simple form, lean staff	Authority highly decentralized, flat structure, Head quarters small
8. Simultaneous loose-tight properties	Decentralised authority, autonomy, creativity, but at the same time tight strategic and financial control

The evolution of management concepts has resulted in change in thinking and application of management principles. Embedded in the foundational management concepts is the element of strategic management.

## 2.1 Strategic Management

A strategy according to Mintzberg (1991:15) is the **pattern or plan** that integrates an organization's major goals, policies, and action sequences into a cohesive whole. Mintzberg contends that a well-formulated strategy helps to marshal and allocate an organization's resources.

Strategic management is crucial to building a successful business. It involves developing a game plan to guide a company as it strives to accomplish its mission, goals and objectives and to keep it in its desired course. A study of 500 small companies found that one of the most significant factors in distinguishing growing companies from those in decline is the use of a written business plan (Curtis, 1983).

Strategies are means to ends, and these ends concern the purpose and objectives of the organization. They are the things that organizations do, the paths they follow and the decisions they take, in order to reach certain points and levels of success. Thus a strategy is a plan for integrating with the competitive environment so as to achieve the organizational goals. Organizations set specific goals "a desired state which one seeks to achieve" to be achieved within a particular span of time.

Strategic managers must plan, direct, organize and control the strategic-related decisions and actions of firms to make the goals achievable. The plan developed to combine the organization's resources in a turbulent environment is called strategy. According to Pearce & Robinson (2000:16) a strategy is a "company's game plan", although that plan does not precisely detail all future deployment, such as people, finances and material, it does provide a framework for managerial decisions. According to Pettinger (1996:20) Strategy exists in four major levels in organizations:

Corporate level strategy adopts a macro-view of the organization: it covers all the organization's product lines, operating decisions and business interests. It shows the scope of activities the organizations plans to be involved in and how the available resources will be allocated among these activities. The scope may be defined in terms of the markets the firm is targeting, geographical coverage, and services to be offered and functions of the firm's products. Corporate level strategies are also called grand strategies. They include mergers, turn-around, acquisitions, forward and backward integration.

Porter (1999:23) observes that a business level strategy is more specific than a corporate strategy. It must be consistent with the corporate strategy, in that it shows how a firm intends to compete in a particular industry, market segment or product line. Secondly, it gives more details on how a firm's resources will be allocated to various business lines to compete effectively. For firms dealing with a single product or business line, for example, a library or a college, the business strategy and the corporate strategy are the same.

According to Pearce and Robinson (2000:27) functional level strategies are developed within a product line once business strategies have been developed. They are more specific and more detailed. They show how the key functional areas of the business, for example, human resource, production, and information technology should be managed to maximize effectiveness and efficiency in the firm. Functional level strategies must be consistent with the competitive strategy because they are meant to help accomplish it.

Boseman and Phatak (1989:30) argue that operational level strategies are the most detailed of all strategies. They contend that operational level strategy must be consistent with all the preceding strategies. They have the shortest time span and can be changed without much consultation depending on the business environment. They are the strategic guidelines that operative level managers develop and use in managing their areas of responsibility. They involve the day-to-day actions that the department intends to take to compete effectively. They involve re-order levels, short term financing, discount and casual laborers management.

Having said that, how are all these strategies formulated and executed? In the following section we will evaluate the different approaches used by managers to formulate and execute a strategy and also adopt change of a strategy in the constantly changing environment.

## 2.2 Strategy Formulation

According to Curtis (1983), the strategic management process involves the following steps:

- i. Develop a vision and translate it into a mission statement
- ii. Define core competencies and target market and identify desired market position
- iii. Assess strengths and weaknesses
- iv. Scan environment for opportunities and threats
- v. Identify key success factors
- vi. Analyze competition
- vii. Create goals and objectives
- viii. Formulate strategies
- ix. Translate plans into actions
- x. Establish accurate controls

However, there are other later models of formulating strategies that emerged. Two such examples are the Porters Model on Competitive Strategies, and Miles and Snow's Strategy typology.

Porter (1990:56) has developed three competitive strategies. These include low-cost leadership where organizations tries to increase market share by emphasizing low cost compared to competitors. The latest technology use and retrenchment are common in this strategy. Differentiation strategy is where the firm attempts to distinguish their products or services from others in the industry. Distinctive product features and unique positioning are common tactics in this strategy. For example, Blue Band good

start for children. Finally the focus strategy where the organization concentrates on a specific buyer or group or regional market.

Miles and Snow's Strategy Typology is based on the idea that managers seek to formulate objectives that are contingent with the external environment. Organizations need to find a fit between the internal characteristics of the firm, strategy and the external environment. The organization can follow four main strategies: Prospector strategy where the firm is proactive. It innovates and actively seeks new opportunities by maintaining among others a strategic window. The defender strategy which is almost opposite of prospector, here the organisation seeks to maintain current market. It is mostly concerned with internal effectiveness for the constant customers. It is used for industries or product lines that are declining. The analyzer strategy lies midway between the prospector and the defender. While maintaining the same products in a stable market the firm innovates in other products where there is potential for growth. The reactor strategy is really not a strategy at all. The firm reacts to threats and opportunities in an ad hoc fashion. Top management has no long-term vision.

Strategy execution is considered as the next logical step after strategy formulation. It involves putting the formulated strategy into action. It requires accomplishing administrative tasks and allocating necessary resources to strategic programs. Strategy execution involves managing numerous intangible variables such as motivation and commitment of the people, values and culture, organizational behavior, and power relationships. In this sense, it represents the "soft" side of strategic management. In addition, implementing a strategy also entails "hard"

elements as developing functional policies, determining the organization's structure, and designing decision support systems that enable the organization to give a preprogrammed response to routine problems and to deal innovatively with novel problems. Even brilliantly formulated strategies with grand designs can fail without effective execution.

Strategy execution is often referred to as the action phase of strategic management (Certo and Peter, 1995:45). Strategy execution therefore involves executing the strategic game plan of the organization (Boseman and Phatak, 1989:34).

Strickland and Thompson (1997:275) argue that to ensure the successful execution of the chosen strategy, the strategy must be translated into guidelines for the daily activities of the firm. However the ability to execute strategy has been more important than the quality of the strategy itself. (Norton and Kaplan, 2000:95)

Pettinger (1997:76) emphasized that the managerial task of executing the chosen strategy entails assessing what it takes to make strategy work and to reach the targeted performance on schedule. Migliore et.al (1994:31) puts it clearly that while strategic planning concentrates on "doing the right things" implementation or execution concentrates on 'doing things right'. The administrative problem of strategy execution in organizations hence encompasses reduction of uncertainty encountered in executing strategies.

Stacey (1996:125) argues that in practice managers spend most of their time on strategy formulation rather than execution and that the failure of strategy is most

frequently due, not to poor formulation, but to the difficulties of execution. It can therefore be argued that good execution is critical for strategic and organization success. However empirical research has show that execution continues to receive relatively little research attention.

According to Mintzberg and Quinn (1996:101), strategy execution can be conducted under four key headings; these are structure, culture, leadership and power. These four key headings can be compared with the McKinsey and Company Seven-S model that focuses on seven key variables to strategy execution process. These are strategy, structure, systems, staff, style, skills and super ordinate goals (shared values). Strategic management asks questions of the future. What are the forces driving change in the marketplace? What are the new competencies we will need to meet them? How will we have to change ourselves to build those competencies? We therefore cannot discuss strategy execution without considering briefly the management of strategic change.

Within the private commercial sector, firms rely on their historical strength to survive in turbulent market conditions in which they are located. Reliance on company's historical strength becomes a challenge and a weakness to the firm especially in its ability to face future challenges. A study conducted in 2001 on internet service providers in Kenya, in the rapidly growing information technology industry, found that the service providers practiced some form of strategic management (Mbayah, 2001). They have written mission statements, have set out organizational plans and objectives. They have varying degrees or forms of competitor analysis, industry analysis and environmental mastering. A few companies followed formal strategic



management procedures, which were communicated to their staff in writing while majority of them were not very formal in strategic management practices. Those companies that had strategic management practices have grown successfully compared to their competitors. Strategic management practice remains one of the contributing factors to the success of a business particularly in a competitive environment.

Another study was carried out to investigate the state of strategy processes within public sector organizations in Kenya and to investigate the problems in the development of strategy in public sector organizations in Kenya (Kangoro, 2001). The study found that most of the organizations engaged in formal planning meetings to add to their informal planning process. The organizations had timetables for plan preparations. All the organizations indicated that they had written strategies for their operations. All the organizations considered all the aspects of the environment, that is, political and legal developments, general economic trends, competitors, market trends, technological changes, social and cultural changes and the organizational internal resources. However, most of the public sector organizations indicated that government influence in their strategy processes was negative. This was through appointment of incompetent directors and chief executive officers plus political interference, which resulted in poor strategy development hence poor performance. Bureaucracy and red tape in approval of strategies and plans resulted in delays and poor implementation of strategies.

Most of the organizations encountered the problems of instability of their external environment, the lack of current information about the environment, shortage of

financial resources, lack of operational and performance measures, lack of strategic analysis for decision makers and political interference against prudent management decisions.

Strategic management practice then becomes an issue of extent rather than just practice. Studies carried out in measuring the extent of an activity have had varied results in the past. A study carried out by the department of solicitor general in Canada sought to measure the question: Is crime on the increase? The public's general fear of crime frequently leads to questions about the extent of crime. Is crime going up? Are there more victims of violent crime than before? The questions are numerous but the sometimes confusing and contradictory answers often leave the average citizen no better informed than they were before asking the questions. When information is given that appears contradictory, it leaves the public distrustful of the information. Therefore, it is the responsibility of those who convey information on crime to explain the different measures of crime and how they differ.

To address the issue of extent, a study carried out in 1983 sought to measure the extent of indebtedness in public companies in Kenya: from 1972-1981 (Mbogo, 1983). This study was able to establish the extent over a period of 10 years using secondary data from the annual reports filed with the registrar of companies, the Nairobi stock exchange and in some cases the companies concerned. Other studies measuring extent have involved measuring the extent to which commercial banks in Kenya use the promotion mix elements to market their services (Julie J. Bii, 1992) and measurement of the extent of voluntary financial disclosure by quoted companies

in Kenya (Wole W.J 1992). Evidence based research findings through these studies have added value to academic knowledge in the different sectors and have enabled a greater understanding of the factors that impact the extent of the practice in different fields. How about RH NGOs? This study will seek to address the same issues of strategic management practice among reproductive health NGOs to provide us with insights in order to respond to this question.

### **2.3 Management of strategic change**

In order to fully address the issue of strategic management practices, one cannot overlook the issues surrounding management of strategic change. The environment is not static, it is constantly changing. A manager needs to ensure they navigate the changing environment, and succeed despite these changes.

“Change is not made without inconvenience, even from worse to better.”

*Richard Hooker, 1554-1600*

“We do not have to change, because staying in business is not compulsory.”

*W. Edwards Deming, 1900 - 1993*

Despite having formulated and implemented the ideal strategies, we need to address the dynamic nature of the environment. All sectors are today facing stiff competition due to globalization of trade and commerce. Customers levels of expectation in terms of quality, excellence and value has increased. Pettinger (1996) contends that the explosion of product ranges and their universal availability has brought about reduced

propensity to spend to areas of increased competition. Organizations therefore have to invest more heavily in the area of their success.

Technological advancements are now greater than ever before and are affecting production and information technology. Internet and e-commerce has revolutionized the way business is done today. Product and service life cycles are becoming shorter due to innovations. Customer needs and wants are dynamic. Satisfying these needs and wants therefore poses a challenge to the organization. Analysis of opportunities available to the organization for long-term survival and competitiveness is vital.

Over the last 10 years, change has become an integral part of what leaders and managers deal with daily. The leadership challenge is to galvanize commitment among people within an organization as well as stakeholders outside the organization to embrace change and implement strategies intended to position the organization to do so. Curtis (1994) defines change as a discrete event that takes place over a short time period. He argues that change is usually a reaction to some major event externally forced on an organization and it tends to be traumatic. Change can therefore be viewed as pressure to manipulate turbulent environment. Hence this validates Curtis contentions that organizations that need to change must first create a new vision and managers to organize people towards these new values and focus them on the changes.

Mintzberg & Quinns (1991) argue that managing strategy is frequently to manage change, which effectively means recognizing when a shift of a strategic nature is possible, desirable, necessary, and then to act. Organizations prefer a status quo in

their chosen strategy. According to the “Quantum Theory” organizations prefer to stay on course most of the time, accepting incremental changes to improve their strategies, processes, and structures, but that periodically, they must submit to dramatic shifts – “strategic revolution” - of some sort- to realign their overall orientation (Mintzberg 1991).

Successful management of change is dependent upon the presence of analysis and recognition of the sources of change and barriers present, and the commitment by top management to tackle them; commitment of the top managers to the proposed change or changes through provision of direction, initiative, reorganization, restructuring or repositioning; allocation of resources to meet the proposed changes; definition and promulgation of global aims and objectives and sub-aims and objectives that are to be followed in pursuit of the overall change strategy; realignment of the organizational structure to accommodate the proposed range of activities and initiatives by which changes are to be achieved; and understanding of the range of possible outcomes of the changes as they affect staff, and customers.

An organization must effectively manage change if they are to contain the disruptive forces of change. The following are some approaches that can be adapted in managing change.

Pearce & Robinson (2000) argue that leaders should set forth a clear vision of where the business’s strategy needs to take the organization. A vision is a dream or the mental picture of the desired state of an organization. In managing strategic change, managers must be effective in shaping and clarifying strategic intent in a way that helps stakeholders understand what needs to be done.

Considerable amount of time must be spent in shaping and refining the organizational structure and making it function effectively to accomplish strategic intent. In order to manage change organizational design and structure should be reconsidered in order to align it with the ever-changing environment and needs of the strategy. All managers therefore adapt structures, create teams, implement systems and otherwise generate ways to coordinate integrate and share information about what their organization is doing and might do. Organizational culture is the set of important assumptions, often unstated, that members of an organization share in common. When attempting to embrace and manage change, reshaping organization's culture is an activity that occupies considerable time for most managers. Managers use reward systems, symbols and structures among other means to shape the organizational culture.

A major concern of top management in implementing a strategy and managing change is that the right manager be in the right position to facilitate the new strategy. Confidence in the individuals occupying pivotal managerial positions is directly correlated with top management expectation that a strategy can be executed successfully. Some of the key characteristics that a manager should have include ability and education, track record and experience, personality and temperament, and ability to delegate and to handle larger spans of control. However a decision has to be made whether to utilize (or promote) managers or bring in new personnel.

Having provided the academic foundations of strategic management, how are these implemented among RH NGOs?

## **2.4 Experiences of strategic management among reproductive health programs**

Some developing countries have significantly improved their citizens' quality of life over the past three decades. Most of these countries have adopted strong Reproductive Health and Family Planning (RH/FP) programs using strategic management as part of their development efforts. The Republic of Korea is an example. In 1960, Korea had about 10 percent more people than Ethiopia. By 1990, Ethiopia's population had surged ahead of Korea's by 20 percent, despite the fact that during the interim more than two-and-a-half times as many people died in Ethiopia as in Korea. Today, each Ethiopian of working age has twice as many dependents to support as the average Korean worker. In addition, per capita income in Ethiopia has not increased since 1960, while per capita income in Korea has increased roughly 1,000 percent (Population Reference Bureau, 1994).

A key factor influencing these very different demographic and development outcomes has been Korea's effective strategies in their RH/FP program, which was started in the early 1960s. Contraceptive use rose from 10 percent of married women, ages 15 to 49, to more than 70 percent. One study estimated that the RH/FP program was responsible for 40 percent of Korea's fertility decline between 1963 and 1973 (Population Reference Bureau, 1994). Almost within a generation, average family size dropped from six children per woman to two.

A quality program cannot be maintained without good management. Managers need to run a sound logistics operation that ensures a wide mix of services is continually available at each service delivery point. They also need to provide continuing training to

and careful supervision of front-line staff. They cannot accomplish these two tasks successfully unless the program has appropriate organizational structures, follows strategies suited to its environment, and pays attention to its sources of support.

The nature of these structures, strategies, and sources varies across situations; there is no uniform prescription for all programs. However, past trends show that programs evolve in predictable directions with regard to their client focus, program coverage, and sources of public support. From programs that are very weak, on a program effort scale, to programs that are strong, the major tasks of management appear to change. The predominant task when a program is very weak concerns support: managing the transition from donor to government support. The predominant task when the program is weak concerns program coverage: managing the transition from a few sites to an extensive network. The predominant task for a program of moderate strength concerns clients: reaching beyond motivated and accessible populations to the less advantaged and less accessible. The predominant task for strong programs again concerns support: arranging the transition from government funding to reliance on user support. Over the past decade, many programs have moved from very weak to weak or even moderate ratings, and program management has improved significantly. But there is still much room for improvement.

A number of studies support the idea that strategic management is now widely practiced in industry. In 1999, a Task Force led by Center for Africa Studies was commissioned to conduct a situation analysis to assess the evolution of NGOs and how to improve the way they function and make them sustainable (CAFS, 2000). The



Situation Analysis was exploratory and focused on the recommendations of an NGO Conference held in 1999 to evaluate NGO partnerships for reproductive health in Africa. The data revealed that issues on governance, leadership, management, gender and advocacy needed to be addressed among NGOs in Africa.

International Planned Parenthood Foundation (IPPF) also carried out some work on the I3 Youth and Sustainability projects (IPPF, 2001). Their initiatives in Ghana revealed that it was possible to make a paradigm shift from Family Planning to Reproductive Health. However, a lesson to note was that despite a favorable environment with good governance, good leadership, competent and committed staff, sufficient implementation period needs to be provided to facilitate the process. They worked over a period of 16 months, which proved burdensome to the management and was rushed.

Both Christian Health Association of Kenya (CHAK) and Kenya Catholic Secretariate (KCS), two Church Based NGOs, are seeking appropriate ways of strengthening the Non-governmental agencies in areas such as management and accounting practices, budgeting to favor promotive health, quality assurance regimes and training in the use of cost-effective treatment protocols. Their objectives are to initially gather information pertaining to the promotion and strengthening of opportunities for partnerships, collaboration and co-ordination between the churches and the government in the provision of health services to the Kenyan people, particularly the vulnerable. This effort is yet to be realized however we can note that there is a need for the information pertaining to how NGOs in Kenya could borrow from business to work more efficiently and effectively.

Experiences from other continents also reveal that strategic management and application of business concepts for NGOs could provide solutions to attaining more effective programs and responding to the environmental changes. Brazil has been implementing health sector reforms since the late 1980s, presenting new opportunities for NGOs working in the sector. BEMFAM, one of the largest NGOs in Brazil, presents an example of an NGO that has successfully negotiated the health sector reform in the country to become one of the principal players in the new system. Under the reforms, Brazil decentralized the health care system, giving responsibility of service provision to the municipalities.

The experience of NGOs in Bangladesh in trying to balance the social mission and pursuit for sustainability from the results of a study of 20 NGOs, and macro-level data from published sources (Population Council, 2002) are commendable. The strategies used by reproductive health NGOs in Bangladesh to attain sustainability include diversification of activities and program and of funding sources, cost recovery, improved internal efficiency, and capital investments. Cost recovery from family planning is limited, since only 5% of users of modern contraceptives obtain them from NGOs (Khan), so diversification holds the most promise of raising extra money for Bangladesh NGOs.

BRAC a Bangalese NGO presents an excellent example of an NGO that has expanded its activity portfolio to achieve sustainability, while still keeping focus on its social mission. The NGO was founded as a relief organization, to extend relief and assistance to refugees returning to Bangladesh after the Liberation War. Over the years BRAC has gradually evolved into a large and multifaceted development

organization with the twin objectives of alleviation of poverty and empowerment of the poor, especially women, in the rural areas of Bangladesh, while maintaining its central mission of providing relief and rehabilitation. Besides a health program, BRAC also implements a rural development program, including education, social support and governance activities, a micro-finance program to provide savings and credit services to community members, a health, education and training programmes at a cost and several commercial ventures, including home ownership loans and an Internet service in Dhaka. BRAC has also set up Information Technology Institute. (<http://www.brac.net>)

In Latin America, NGOs have long experience with sustainability initiatives, although some are still largely donor dependent. Lessons from Latin American NGOs on reconciling the drive to sustainability and the social mission revealed that successful NGOs in Latin America have restructured their programs and retrained staff in order to achieve programmatic efficiency for long-term survival. Faced with reductions in donor funding and the health sector reform, NGOs had to re-engineer themselves in order to adapt. NGO clients tend not always to be the “poorest of the poor”. There exists substantial variation in ability and willingness to pay within programs and in social settings. There is sufficient evidence that most low or zero fees actually subsidize many clients who could afford to pay something, and that in some settings, low cost or free services may suggest low quality to clients. Ability to pay studies are thus important in order to establish if NGOs are serving the right clients, if the subsidy mechanism is functioning, whether fee increases create access problems to lower-income clients, or whether there is a potential market among the clientele for other services.

Marie Stopes Tanzania (MST) was established in 1989 and has since then established itself as a leading reproductive health agency in the country. MST provides 30% of all family planning services in Tanzania and 40% of all female sterilizations.

Through the revenues raised, MST has been able to extend services to poor income groups and cover its own costs of operation, thus achieving a reasonable balance of making a profit and maintaining social mission of providing services to marginalized groups.

No 'magic bullet' exists for making NGOs adopt strategic management practices.

Progress is incremental, and several initiatives, which include both effective general management, adequate planning, cost control and income generation, are needed to result in a positive impact. The baseline information collected from this study will form an ideal starting point and fill the existing knowledge gap in Kenya.

## CHAPTER THREE: RESEARCH METHODOLOGY

This chapter highlights the methodology and analytical framework adopted for the study. To start with, we provide the sources of information including sampling procedures. We also provide a list of variables collected during the fieldwork. It is through these variables that we give an insight into the extent to which the reproductive health NGOs incorporate strategic management concepts in their management procedures.

### 3.1 Population

The population for this study constituted registered and functional reproductive health NGOs operating in Kenya from 1943 to 1999. Initially the researcher had identified 457 registered health sub-sector NGOs which constituted the population. From this population a representative sample was to be selected. The current NGO Council register contains 1508 registered NGOs; out of these, 457 constitute the health sub-sector among which reproductive health constitutes a component of their health services. The National Council of NGOs is a co-ordinating body charged with the responsibility of co-ordinating activities of all NGOs in Kenya. The NGO council maintains a directory of all NGOs and the sub-sectors under which they are registered. They work together with the National NGO Co-ordinating Council, which is a government body, charged with the responsibility of co-ordinating all NGOs registered in the country. Using systematic sampling, the researcher had sought to use the National Council of NGOs directory, which lists out all the NGOs and their contact details. Using an interval of 10, a sample of 46 NGOs was selected at random. This constituted 10% of the total population. However it was found that

many of these NGOs had changed their contact details or had deregistered without informing the NGO council. All 457 RH health sub-sector NGOs were contacted to establish which of them were in existence. The registered and operating institutions were then identified to arrive at a study population size which constituted all the currently operating reproductive health NGOs. This constituted a maximum of 50 NGOs. All 50 NGOs were invited to participate in the survey and formed the population of the study.

### **3.2 Sampling**

Since the population of the sector was established as 50, the researcher invited all the 50 RH NGOs to participate in the survey. Out of the 50 questionnaires 27 were fully completed and analyzed. This constituted 54% of the population and was considered a representative sample. The NGOs consisted of both local and international institutions to capture the diversity of their operations and also enhance the information collected through the study.

### **3.3 Data Collection**

The respondents included the NGO founders/leaders or chief executives or, if these were unavailable, a board member from the organization. Interviews were carried out through personal interviews, email or telephone interviews. We managed to receive feedback from founders, finance managers, program managers or the administrative managers from the various institutions. Non-response was a problem given the nature of the information being collected. A number of the NGOs felt the information was

confidential and were unwilling to complete the questionnaires despite assurance of confidentiality.

The data collection instrument comprised of 45 questions of which majority were close-ended. The questions were kept simple and short in order to increase response rates. The design of the questionnaire was based on the objectives of the study and the strategic management process outlined in the literature review. To address the first objective of the study, questions related to the strategic management process were asked to assess the extent to which the NGOs are implementing the strategic management process. The second objective, was addressed through questions on the strategic responses the health NGOs have made.

A combination of face to face interviews and self-administered interviews were used to allow for flexibility and ease of collecting the data. Both methods were considered appropriate as they gave respondents more flexibility to address questions. Some of the questionnaires were administered one-to-one within a maximum of one hour while others were self administered by representatives of the different agencies. William et.al (1982:78) argues that one-to-one interviewing technique is the best data gathering technique for survey research due to the ability to reach a representative distribution or cross-section of the target population.

According to Peil (1992), using an interview based- questionnaire permits comparison between samples and thus allows for generalization from the data. This technique of data collection results in a higher response rate and supplementary information about respondent can be collected. The technique gives to the researcher control over the

interviewing situation (Nachmias & Nachmias, 1996). Moreover the methodology is inexpensive and economical in terms of time. The same questionnaire was administered to all the respondents to elucidate the factors that influence the application of strategic management among the NGOs.

### **3.4 Data Analysis**

Data were analyzed to establish the extent of strategic management practice and the strategic responses that have already been implemented in order to address the changes taking place in the health sector. These changes include health sector reforms, declining donor support and changing client needs. Open-ended questions were coded and analysed by themes. Descriptive statistics were derived to compare the NGOs having operations in the urban areas vs the rural areas as well as the international vs the locally instituted NGOs. The study adopted the Curtis model (1983) as the basis for analysis of strategic management practice.

The researcher used EPI Info to enter the data and Statistical Program for Social Sciences (SPSS) version 9, a statistical analysis software, to analyze the responses. The same software provide chi-square testing facility to find out if there is significant relationship between selected attributes of the respondents and the findings on implementation of strategies.

Data were analysed and summary statistics consisting of means, proportions and standard deviations on the extent to which the strategic management processes are



implemented within the health NGO sector in Kenya were derived. The measures of central tendency (mean, mode, median) and the measures of dispersion (standard deviation, range, inter-quartile range) were established for the continuous data and descriptive tables derived. These are further described in the following chapter. To respond to objective 1 a ten-point scale from the Curtis' strategic model was used to measure the extent of strategic management practice among the RH NGOs.

Variables from this scale were identified to measure the extent of strategic management practice. These are, whether the organizations develop a vision and translate it into a mission statement, the definition of core competencies and target market and identification of desired market position, the assessment of strengths and weaknesses, the scanning environment for opportunities and threats, the identification of key success factors, the analysis of competition, creation of goals and objectives, formulation of strategies, the translation of plans into actions and the establishment of accurate controls.

Responses to questions were grouped into the ten category scale of the Curtis strategic management process and summary statistics created for each category of strategic management practice. The degree to which the different agencies applied the above strategic model was measured and analyzed.

To respond to objective 2, we analyzed the strategic responses to changes within the health sub-sector, by assessing the responses in section two of the questionnaire to establish whether the NGOs were able to change their strategies in response to the

changing environment. We used general means and proportions to derive the status of strategic responses among the NGOs interviewed.

## CHAPTER FOUR: FINDINGS AND DISCUSSIONS

This section presents the study findings. To start with, we provide the NGO profiles based on the variables studied. Thereafter, analysis of the strategic practices based on the different profiles and responses and the results of the Curtis model are presented. This is followed by a discussion of the results.

### 4.1 NGO Profiles

Of the 27 respondents interviewed, 41% were international and 59% were local NGOs. The geographic areas covered by the NGOs ranged from national (44%) to district (26%). The remaining 30% of the respondents had an international scope in their work. However the information provided relates to their operations in Kenya. The general profile of these NGOs is illustrated below:- Table 2.

**Table 2: NGO Profile**

Profile	1-5	6-10	11-15	16-20	20 and above
Years in Operation	12%	8%	20%	16%	44%
No. of employees	3.7%	14.8%	3.7%	7.4%	70.4%
No. of projects fully implemented	34.6%	42.3%	7.7%	3.8%	11.5%
No. of ongoing projects	36%	48%	8%	4%	4%

The above statistics show that majority of the NGOs (44%) have been in operation for over 20 years. 70% of the NGOs have a staff of over 20. The largest number of projects implemented fully ranges from 6-10 projects (42%). 48% of the NGOs also had approximately 6-10 ongoing projects. The diversity of the different NGOs is clearly illustrated in Table 2. NGOs exist in many different forms and structures.

## 4.2 Strategic Management Practices

### Development of a vision and translating it into a mission statement

96% of the NGOs have a specific vision and 100% have a mission statement. These were developed within the past 25 years. This is exemplary given the concept of mission and vision in strategic management practice that states their critical importance in forming the direction of the organization.

**Table 3: Organization's vision**

	Frequency	Percent	Valid Percent	Cumulative Percent
Vague	1	3.7	3.7	3.7
Specific	26	96.3	96.3	100.0
Total	27	100.0	100.0	

When asked whether they felt their vision was vague or specific only 1 NGO felt their vision statement was vague. All 26 NGOs felt their vision statement was specific and therefore clear for them to adopt (Table 3).

**Table 4: Mission statement changed over the last five years**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	7	25.9	29.2	29.2
	No	17	63.0	70.8	100.0
	Total	24	88.9	100.0	
Missing	System	3	11.1		
Total		27	100.0		

63% of the NGOs have not changed their mission statement within the past 5 years.

Three of the NGOs interviewed did not answer the question (Table 4).

**Table 5: Comparison of years of operation and changes in mission statement**

		Q14. Has the mission statement changed over the last five years?		Total
		Yes	No	
Years organization been in operation	1-5		3	3
	6-10		2	2
	11-15	2	3	5
	16-20	1	2	3
	20 and above	4	5	9
Total		7	15	22

The number of years did not determine the changes in mission statement. However, the younger the NGO (1-10 years) the less likely they are to have changed their mission statement (Table 5).

**Table 6: Existence of a strategic plan**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	24	88.9	88.9	88.9
	No	3	11.1	11.1	100.0
	Total	27	100.0	100.0	

Only 3 out of 27 NGOs did not have a strategic plan. Majority already have strategic plans (Table 6).

**Table 7: The period covered by the current strategic plan**

	Years	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	2	2	7.4	9.5	9.5
	3	1	3.7	4.8	14.3
	4	3	11.1	14.3	28.6
	5	12	44.4	57.1	85.7
	6	1	3.7	4.8	90.5
	8	1	3.7	4.8	95.2
	11	1	3.7	4.8	100.0
	Total		21	77.8	100.0
Missing	System	6	22.2		
Total		27	100.0		

57% of the strategic plans spanned over a 5 year period which has traditionally been the standard period of strategic plans. However, with more turbulent environments, plans now span over shorter periods (Table 7).

**Table 8: Existence of specific programmatic goals**

	Frequency	Percent	Valid Percent	Cumulative Percent
Yes	26	96.3	96.3	96.3
No	1	3.7	3.7	100.0
Total	27	100.0	100.0	

One among all the NGOs interviewed felt they did not have specific programmatic goals (Table 8).

**Table 9: Comparison of number of years organization has been in operation and whether the organization has specific programmatic goals**

		Q15. Does your organization have specific programmatic goals?		Total
		Yes	No	
No. of many years organization has been in operation	1-5	2	1	3
	6-10	2		2
	11-15	5		5
	16-20	4		4
	20 and above	11		11
Total		24	1	25

There seems to be some correlation between the number of years an NGO has been in existence with their likelihood of having set specific programmatic goals. NGOs that have been in operations for over 20 years (11) all have specific goals. Only one NGO that has been in operations between 1-5 years did not have specific programmatic goals. Potential for not achieving its objectives without setting goals are high (Table 9).

**Table 10 Comparison of origins of NGO and the number of projects fully implemented by your over the last 5yrs**

	Origins of organization	Number of projects fully implemented by organization over the last 5yrs					Total
		1-5	6-10	11-15	16-20	20 and above	
Organization	International	4	5	1		1	11
	National	5	6	1	1	2	15
Total		9	11	2	1	3	26

There is no correlation between the origin of the NGO and the success in implementing their projects (Table 10). Both local and internationally founded NGOs achieve a relatively similar number of projects. From our findings, the main strategic objectives among RH NGOs are improved intervention or service programs and improved management of their operations. Examples include objectives such as to increase current HIV/AIDS awareness levels through their programs especially focusing on youth programs and to reassess core program competence areas.

**Formulate strategies and translate plans into action**

89% of the respondents have strategic plans spanning over 2-11 years. Among the 11% who do not have a strategic plan, one of the NGOs considered it impossible to have a strategic plan. 44% of the NGOs have made changes in their strategic plans in the past 5 years. All the NGOs take time to develop their work plans in line with their strategic plans. 15% involve their Boards of Trustees, 52% involve their heads of department and senior management and 59% involve all staff. These percentages represent multiple responses. Translation of plans into actions seems to be a widely adopted operational guide.

## Create goals and objectives to improve their performance

97% of the respondents have specific programmatic goals. 59% have changed their goals in the past 5 years while 41% have not changed their goals. 70% of the respondents felt they could improve their programs/project management. 56% and 26% felt they could improve their administration and human resources respectively. Some agencies specifically mentioned their need to improve in the application of strategic management concepts. This shows that the respondents can identify their areas of strength and weakness and have specific areas they feel need improvement.

## Define core competencies and target market and identify desired market position

**Table 11: Core NGO competencies**

Core competencies		Frequency	Percent	Valid Percent
Products/services	Yes	19	70.4	73.1
	No	7	25.9	26.9
Geographic reach/network	Yes	10	37.0	38.5
	No	16	59.3	61.5
Staff	Yes	11	40.7	42.3
	No	15	55.6	57.7
Community outreach	Yes	15	55.6	57.7
	No	11	40.7	42.3
Founders	No	26	96.3	100.0

Table 11 shows that almost all respondents (73%) felt their major competences were their products and services. None of the NGOs considered their founders as being a core competence within their organization. These findings reflect the NGOs ability to identify their competencies. However, it was surprising that they did not consider their founders as a core competence.



**Table 12: Main intervention areas**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	HIV/AIDS	15	55.6	57.7	57.7
	Reproductive Health	7	25.9	26.9	84.6
	General	4	14.8	15.4	100.0
	Total	26	96.3	100.0	
Missing	System	1	3.7		
Total		27	100.0		

58% state their main intervention area as being HIV/AIDS followed by other components of reproductive health (27%). There were 4 NGOs who felt their main intervention areas were general services (Table 12). This is interesting to note since strategic management requires that one focuses on their comparative advantage to ensure successful achievement of their goals and objectives.

**Table 13: Market position**

	Frequency	Percent	Valid Percent	Cumulative Percent
Leading	14	51.9	60.9	60.9
Equal	8	29.6	34.8	95.7
Followers	1	3.7	4.3	100.0
Total	23	85.2	100.0	
System	4	14.8		
	27	100.0		

When asked how they would assess themselves against other NGOs, majority of the NGOs surveyed (61%) felt they were market leaders in their field of operation. Only 4.3% (one NGO) felt that others lead and they follow (Table 13). This information reveals the NGOs ability to honestly look inwards and gauge their performance against their peers performance.

**Table 14: Description of the NGO environment over the last five years**

	Frequency	Percent	Valid Percent	Cumulative Percent
Stable	5	18.5	18.5	18.5
Fairly stable	13	48.1	48.1	66.7
Volatile	9	33.3	33.3	100.0
Total	27	100.0	100.0	

33% felt the environment has been volatile in the past five years and only 19% (5 NGOs) felt the environment has been stable (Table 14). Many of the NGOs (13) felt the environment has been fairly stable in the past five years. All respondents expressed awareness of the health sector reforms such as decentralization.

**Table 15: Awareness of any opportunities for the NGO to expand in their intervention area**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	25	92.6	96.2	96.2
	No	1	3.7	3.8	100.0
	Total	26	96.3	100.0	
Missing	System	1	3.7		
Total		27	100.0		

93% of the respondents were aware of existing opportunities for expansion of their interventions (Table 15). Majority of the NGOs identify with the need to be aware of the environmental changes and adopt their programs.

**Table 16: Perception of potential threats to NGO operations**

Threats		Frequency	Percent	Valid Percent	Cumulative Percent
Health Sector Reforms	Yes	4	14.8	14.8	14.8
	No	23	85.2	85.2	100.0
Reduced donor funding	Yes	23	85.2	85.2	85.2
	No	4	14.8	14.8	100.0
Changing client needs	Yes	8	29.6	29.6	29.6
	No	19	70.4	70.4	100.0
Others	Yes	6	22.2	100.0	100.0

From their assessment 85% of the respondents felt that reduced donor funding is a major threat to their existence (Table 16). Only 15% and 30% acknowledge that the

health sector reforms or the changing client needs respectively were a threat to their operations. 22% perceived other reasons such as poverty and HIV/AIDS, global terrorism and wars as being a threat to their operations. Other potential threats include new partners working in similar areas, shift of donor interest to new NARC government and increased insecurity which negatively affects funding.

### **Assessment of client needs and performance evaluation**

Only 22% of the respondents said they received periodic feedback on their services from their clients. However, 93% conduct regular evaluations and reports possibly enforced by their funding agencies. 67% of the respondents conduct quarterly evaluations. Stakeholders meetings and workshops, market research and occasionally specific requests from the government are means used to receive information on client needs. One-on-one client feedback was received by 59% of the respondents. Other innovative forms of feedback were through client suggestion boxes and needs assessment surveys. They use results from these assessments and evaluations to enhance their services and establish accurate controls. In response to this feedback the NGOs conduct reviews of their strategies, develop new programs or identify opportunities to enhance existing programs to meet the client needs.

**Table 17: Number of years the organization has been in operation compared to the number of projects fully implemented over the past 5 years**

		Number of projects fully implemented by organizations over the last 5yrs					Total
		1-5	6-10	11-15	16-20	20 and above	
Years organization has been in operation	1-5	3					3
	6-10	1	1				2
	11-15	1	3			1	5
	16-20	2	1			1	4
	20 and above	1	5	2	1	1	10
<b>Total</b>		8	10	2	1	3	24

6-10 was the largest number of completed projects (Table 17). This was found among 10 organizations. The organizations that have been in existence for more than 20 years were the most likely to have between 6-10 completed projects within the past 5 years (5 NGOs). This reflects that experience in running the programs gives the older NGOs proficiency in completing projects and possibly achieving their objectives.

### 4.3 Strategic responses to changing environment

**Table 18: Changes in any or all the strategic objectives in the last 5 years**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	10	37.0	43.5	43.5
	No	13	48.1	56.5	100.0
	Total	23	85.2	100.0	
Missing	System	4	14.8		
Total		27	100.0		

10 (37%) of the NGOs were willing to shift their strategic objectives to fit in with the environmental changes. However 48% (13) did not see the need to change their strategic objectives (Table 18).

**Table 19: Impact of the Health Sector Reforms on NGOs work**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Reduced turnover	1	3.7	4.2	4.2
	Increased turnover	16	59.3	66.7	70.8
	No difference	7	25.9	29.2	100.0
	Total	24	88.9	100.0	
Missing	System	3	11.1		
Total		27	100.0		

67% of the respondents anticipate increased turnover as a result of the health sector reforms (Table 19). They perceive them as an opportunity for expansion.

**Table 20: Whether organization has been restructured over the last five years**

	Frequency	Percent	Valid Percent	Cumulative Percent
Yes	22	81.5	81.5	81.5
No	5	18.5	18.5	100.0
<b>Total</b>	<b>27</b>	<b>100.0</b>	<b>100.0</b>	

As a result of the changes in the environment, 82% (22) of the respondents have restructured their organizations to meet the resulting challenges of these changes (Table 20). Apart from restructuring, some NGOs have re-positioned themselves and diversified their products and services or their geographic focus in order to meet the changing needs of their clients. Some NGOs have strategically re-positioned themselves by building internal capacity and expertise to leverage themselves against their competitors. 44% of the NGOs interviewed currently have contracts with the Ministry of Health reflecting an interest in forming partnerships with the government which is ideally the role of NGOs. They are initiating collaboration with the Ministry of Health to ensure that their interventions are appropriate and compliment the ministry's efforts.

**Table 21: Determinants of re-structuring/change**

Determinants/Degree of importance	Very important (%)	Important (%)	Fairly important (%)	Least important (%)	Unimportant (%)
Change in government Policy	35	25	10	20	10
Reduction in donor support	76.2	19	4.8	0	0
Efficiency in processes	63.2	31.6	5.3	0	0
Changes in objectives	52.4	19	19	9.5	0
Optimum utilization of resources	76.2	19	0	0	4.8
High competition for donor funding	61.1	22.2	5.6	11.10	0

35% of the respondents felt that the changes in government policies were very important to their operations (Table 21). 89% of the respondents felt that the shift in donor funding would adversely impact their operations. 76% felt that the reduction in donor support was a very important factor to the success or failure of their operations. 89% of the respondents felt that there has been shift in their client demands over the past one year. According to the respondents efficiency in processes and changes in the internal objectives were very important, at 63% and 52% respectively. The least number of respondents felt that change in government policy was very important in determining their re-structuring process. 10% felt it was unimportant to consider government policy as a determinant for change. Reduction in donor support features as a very important factor in determining change in structure (76%).

#### **4.3 Discussion of findings**

From our assessment majority of the NGOs conduct a large portion of the strategic management process. Only 4% (one NGO) did not create goals and objectives, 11% did not formulate strategies and 7% were not setting accurate controls in their operations. It appears that RH NGOs have understood the value of strategic management. However, towards the end of the strategic management continuum NGOs are challenged in creating goals and objectives, formulating strategies and establishing controls to ensure successful application.

The NGOs face various challenges in their operations. These range from infrastructure, funding, contextual nature of their work, management and policy changes. Since many of the NGOs serve the hard to reach areas of the country, they

are faced with challenges of poor infrastructure such as poor roads, not running water for health facilities and poor communication.

The challenge of shifting donor focus, declining donor funding, donor driven results frameworks makes it difficult for the NGOs to plan in the long term. Strategies that would assist the NGO in the long run may be put aside if they are not aligned to the donors expectations. The NGOs therefore find themselves in a difficult situation since they need the money to run the programs but the conditions may not be in line with their strategic objectives. Despite the know benefits of strategic management, it defeats the purpose when these strategies cannot be implemented due to lack of funding.

The nature of RH NGO programs is increasingly demanding. For example, the HIV/AIDS pandemic spans across the socio-economic spectrum. Acquired Immune Deficiency Syndrome (AIDS), the 5<sup>th</sup> highest killer, is the most challenging disease to face mankind since “cancer” and currently infecting 16 million worldwide is caused by the Human Immuno - Deficiency Virus (HIV) which destroys cells of the immune system leading to profound depression of the body’s natural immunity. HIV is a highly camouflaged and difficult to access virus that is transmitted mainly through the sexual act (heterosexual or homosexual); transmission of contaminated blood; use of contaminated blood; use of contaminated cutting or piercing instruments such as syringes, needles and surgical instruments; and an infected pregnant mother can pass the virus to the unborn child or to the child during delivery. Complicated by the attraction of human sexuality the disease presents a dual management challenge; medical and social. As the number of HIV infected persons continues to increase at

alarming rates all over the world, managing the disease has proven to be a challenging process. Everyone is affected by the epidemic. The RH NGOs face a formidable task in combating the epidemic.

Some NGOs felt that their management structures work against them in their efforts to achieve their long term objectives. Maintaining good human resource with the constant attrition within the sector has proved to be challenging. Human resource development is tied to cost. Trying to manage the cost and develop the HR bears down on the NGO. The option taken by most NGOs is to make do with what they can afford. Qualified staff is not cheap. Making do with cheap labor has its negative bearings on the organization in the long run possibly leading to pilferage, poor customer service and eventual collapse.

In addition to adequate staff NGOs need to maintain a management information system in terms of filing documentation in terms of keeping our records to achieve success. They also need to have databases, however rudimentary, of their clients and basic information to run the organization. The manager must have the necessary information to make knowledgeable decisions. From experience the NGOs must learn to cut out the waffling and guesstimation and make precise decisions towards achieving their objectives.

The unstable policy environment was also identified as a challenge to the RH NGOs. With the new government in place everyone expects change to take place. “The Politics of NGO Space (Political squeeze from above)” is a constant threat to the NGOs (Owiti, 2001). Nature of relations between NGOs and the state affect the



leadership among NGOs. This includes the regulatory and policy environment.

Limiting policy has negative consequences. NGOs have evolved through three stages in Kenya. These are the post independence era where NGOs were of little political consequence because they provided social services alongside but seldom in competition with government, the Moi era where more attention in redirecting NGDO efforts to areas that had been “neglected” in the past was critical and the structural adjustment era where higher profile allied to the discovery of NGOs by donors within a conditional lending framework. This sought to institutionally re-configure investment and social economic tasks away from the state, which started to bring NGOs to the fore as competitors for foreign aid. Within this context, NGOs have had to work within the means available and in some occasions it has been a detrimental to their existence and rendered them vulnerable.

The emerging responses to these challenges range from frequent review of their strategies, development of new programs and identification of areas of weakness with the aim of improvement. Reviewing of strategies involves changing the interventions in order to be in line with the situation on the ground and re-planning strategically to meet the needs. NGOs also use review and planning workshops to address the challenges and lobby the government to change where policies are restrictive. Through re-positioning themselves and diversification, some NGOs have remained in operation. Lessons learnt from these organizations could assist those that have failed in the past to achieve their objectives and those that are at the threat of closing down despite the need for their services in the communities.

## **CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS**

All study objectives were met and all issues in question addressed. While strategic management presents several opportunities for RH NGOs there needs to be a supportive mechanism through which they can be assisted in formulating and implementing strategies. However, we can conclude that the extent to which strategic management is applied among the RH NGOs is high and therefore commendable.

### **5.1 Summary**

Majority of the NGOs conduct some form of strategic management. They have a vision and formulate missions. They are passionate and effective in what they do and are keen to establish themselves as credible agents for change. However, they stagger when they are confronted with the challenge to translate the vision and mission into strategies. This is depicted by the fact that 11% of the NGOs surveyed did not have a strategic plan. The challenge remains with them especially when they need to navigate the changing environment. Without a strategic plan these NGOs have been slow at adapting to the changing environment.

While the reform agenda presents several opportunities for NGOs, very few of them fully comprehend the HSRs or even have the ability to seize the opportunities offered by the changing arena. Only 35% of the NGOs considered health sector reforms as a very important consideration for changing their operations. 15% felt that the health

sector reforms were a potential threat to their operations. This reflects the degree of priority placed on HSRs by the NGOs. By deduction, we can say that majority of the NGOs are unlikely to focus on long term operation within the sector given their lack of attention to the policy changes within the sector. It is not surprising that the NGO sector is dominated by numerous small NGOs with limited coverage, working in isolation, uncoordinated and often duplicating efforts. This also explains why many NGOs are not aligned to system wide issues.

The NGOs consider the donor shifts as critical to their operations. 85% felt these donor shifts would be a threat to their existence. 76% felt that donor shifts would be very important determinants for them to change their structures. This degree of donor dependency cripples the NGOs ability to think freely and even to develop a strategy. This finding makes it critical for NGOs to re-assess their focus of attention. Once the donor priorities change it will then force the NGO to shift their priorities thus resulting in numerous small NGOs with limited coverage, working in isolation, uncoordinated and often duplicating efforts and potential risk of folding operations in the event of no funding.

Client needs assessment was mentioned as having been conducted by a minority of the NGOs. Many NGOs rely on quarterly evaluations which most likely measure the internal operations of the organization and the accounting and reporting. The need to establish the client needs and client responses remains a challenge to many NGOs.

30% considered the clients' changing needs as a possible threat to their operations.

In the current environment where customer care is a critical factor this raises concern.

Perhaps it is because the NGOs perceive themselves as serving the “poorest of the poor” that they feel they are not obligated to meet the customers needs.

The study on strategic management practices among RH NGOs has brought to light the issues that need to be addressed in order to enhance program performance. Issues related to infrastructure, funding fluctuations, nature of the services provide or markets served, management issues and policy issues all add up to making it very challenging to successfully operate an NGO in Kenya.

## **5.2 Recommendations**

RH NGOs need to review their operational approaches to include the ability to generate income. The role of NGOs has for years revolved around providing services and goods not met by state or the private sector, as well as supporting governments to achieve their development objectives. NGOs have mostly concentrated on serving the poor sectors of the population whose access to public services may be poor. For this reason, most NGOs have maintained a voluntary, not-for-profit philosophy, providing products for free or at a minimum fee. The demand for financial sustainability has therefore placed a new challenge on the organisations, as they strive to balance pursuit for profit with the traditional mission of service to the needy and economically marginalized groups. RH NGOs therefore need to take the challenge, and apply different approaches to balance sustainability needs and the social mission.

NGOs need to be clear about the costs of producing services in order to establish which costs can be reduced. Most of the costs incurred by Reproductive Health NGOs

go to paying for space and equipment, medical supplies and labour (administrative costs, salaries and allowances). More efficient use of resources can reduce costs while a cost recovery strategy such as charging user-fees can bring in extra income.

### **5.3 Recommendations for future study**

Further study on the potential capacity for NGOs to generate financial resources locally is highly recommended. The research would feature experiences of Kenyan reproductive health NGOs and address such issues as trade-offs between the need for sustainability and agency social mission, cost control, cost recovery and income generation. These issues were not covered in this study. A study to establish what the needs are among RH NGOs to achieve sustainability of their programs would enrich the options available and enable the NGOs to identify means and ways of enhancing their programs to achieve sustainable impact in the communities they serve.

Suggested study questions could include:

1. Why is sustainability a pressing issue for Kenyan RH NGOs
2. Which RH NGOs practice successful strategies with the aim of becoming self-sustaining?
3. What are the basic institutional prerequisites for sustainability?

The information gathered would further compliment what the researcher has deduced from this study and assist other NGOs in their efforts to ensure achievement of their objectives.

#### **5.4 Study limitations**

One major limitation in this study was the records kept by the NGO council. It was unfortunate to realize that the information maintained in the directory was either incorrect or missing. Despite efforts to streamline the registration process, the registration of NGOs is not up to standard and needs to be more efficiently conducted in order for future researchers to be confident of the sample selected from the directory.

Another limitation in this study was the unwilling disclosure. The information gathered was highly sensitive and the willingness to respond to certain questions or complete the questionnaire was limited and the researcher had to build trust with the respondent. Some respondents shied away from completing the questionnaire altogether.

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## APPENDIX 1: INTRODUCTORY LETTER

Mrs Violet Bukusi  
c/o University of Nairobi, Dept of Commerce  
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June 11, 2003

### TO WHOM IT MAY CONCERN

Dear Sir/Madam,

My name is Violet Bukusi and I am a final year student at the University of Nairobi studying a Masters in Business Administration and majoring in Strategic Management. My area of interest is in strategic management among Kenyan reproductive health NGOs.

I am conducting a survey among local reproductive health NGOs. The objectives of this survey are:

1. To examine the extent to which Kenyan reproductive health NGOs apply the strategic management process in developing and implementing their programs.
2. To examine the strategic responses to the changes facing the Kenyan reproductive health NGO sector.

Please could you assist me by completing the attached questionnaire and sending it back to me possibly by end of June 2003? I would appreciate including your agency in my survey given the valuable work that you do in this country.

Please be assured that all the information collected will be strictly for academic purposes and will be kept confidential. Attached is the questionnaire in which you can fill the Yes/No answers and insert the open ended responses.

Many thanks and look forward to hearing from you!

Violet Bukusi  
MBA Student

Encl

## APPENDIX 2: QUESTIONNAIRE

Questionnaire No. \_\_\_\_\_

Start Time: \_\_\_\_\_

### A SURVEY OF STRATEGIC MANAGEMENT PRACTICES IN REPRODUCTIVE HEALTH NGOS OPERATING IN KENYA

1. Name of Organization:.....

No.	Question	Response
<b>Background information on the NGO</b>		
2.	When was this NGO founded?	.....
3.	Where are the overall headquarters of NGO?	.....
4.	How many years has this organization been in operation?	1. 1-5 2. 6-10 3. 11-15 4. 16-20 5. 20 +
5.	a. How many employees do you have?  b. Please indicate the number of employees in the following functions of your organization.	..... (No. of employees)  1. Projects..... 2. Administration ..... 3. Human resources..... 4. Finance ..... 5. Others (Specify) .....
6.	Please indicate the number of projects fully implemented by your organization over the last five years? <i>circle as appropriate</i>	1. 1-5 2. 6-10 3. 11-15 4. 16-20

No.	Question	Response
		5. 20 +
7.	Please indicate the number of projects currently being implemented by your organization? <i>(circle as appropriate)</i>	1. 1-5 2. 6-10 3. 11-15 4. 16-20 5. 20 +
8.	Which of the following geographical areas does your organization cover? <i>(circle as appropriate)</i>	1. International 2. National 3. Other (specify) .....
9.	What are the origins of this organization?	1. Local 2. International
10	What is your main intervention area?	1. HIV 2. Reproductive Health 3. General
<b>Strategic Planning Process</b>		
11	What is your organizations' vision?	1. Vague 2. Specific 3. Non-existent
12	Does your organization have a mission statement?	1. Yes 2. No (Skip to 15)
13	If yes, when was it first developed?	
14	Has the mission statement changed over the last five years?	.....
15	Does your organization have specific programmatic goals (programmatic goals relate to programmatic	1. Yes

No.	Question	Response
	impact the organization seeks to achieve)	2. No (Skip to 17)
16	If yes, have the programmatic goals changed in the last five years?	1. Yes 2. No
17	In what areas do you feel you could improve on as an organization?	1. Projects/Programs 2. Administration 3. Human resources 4. Finance 5. Outreach 6. Others (Specify) .....
18	How can you describe the NGO environment over the last five years? <i>Circle as appropriate</i>	1. Stable 2. Fairly Stable 3. Volatile
19	What do you perceive as the existing threats to your organization?	1. Health Sector Reforms 2. Reduced donor funding 3. Changing client needs 4. Other (specify).....
20	Are you aware of any opportunities for your organization to expand in your intervention areas?	1. Yes 2. No
21	Does your organization have a strategic plan?	1. Yes 2. No
22	If yes, indicate the period covered by the current strategic plan?	.....(years)

23	Please State <b>FIVE</b> key strategic objectives of the organization. For each objective indicate briefly the strategy chosen to achieve the objective (Strategic objectives are specific actions the organization will take to reach its goals)	<b>Objective</b>	<b>Strategy (how objective is to be achieved)</b>
		1.	
		2.	
		3.	
		4.	
		5.	
24	Have any or all the strategic objectives changed in the last five years?	1. Yes 2. No	
25	What is the organizations key success factor?	1. Our products/services 2. Geographic reach/network 3. Our staff 4. Our founder 5. Our community outreach 6. Other (specify)	
26	Which other NGOs work in the same intervention areas?	1. .... 2. .... 3. ....	
27	How would you assess yourselves against these NGOs?	1. Leading 2. Equal 3. Followers	
28	Do you periodically take time to draw up your work plans?	1. Yes 2. No	

29	How do you formulate your work plans?	Meetings with: <ol style="list-style-type: none"> <li>1. Board of Trustees</li> <li>2. Heads of departments/Snr Mgt</li> <li>3. Line management</li> <li>4. All staff</li> <li>5. All the above</li> <li>6. Other (specify).....</li> </ol>
30	How do you do you get to know about your client needs?	<ol style="list-style-type: none"> <li>1. Periodic feedback through:</li> <li>2. Evaluations</li> <li>3. Client one on one feedback</li> <li>4. Other Specify</li> </ol>
31	How do you confirm that the interests of stakeholders are being met?	Periodic feedback through: <ol style="list-style-type: none"> <li>1. Meetings</li> <li>2. Reports</li> <li>3. One-on-one feedback</li> <li>4. Other Specify</li> </ol>
32	How do you integrate this information into your work plans?	----- ----- -----
33	Do you evaluate organization performance periodically?	<ol style="list-style-type: none"> <li>1. Yes</li> <li>2. No</li> </ol>
34	If <b>Yes</b> how often do you evaluate your organizations performance?	<ol style="list-style-type: none"> <li>1. Quarterly</li> <li>2. Semi-annually</li> <li>3. Annually</li> <li>4. Other (Specify)</li> </ol>

**Now I'm going to ask you a few questions about how your organization responds to changes in the NGO environment**

**Strategic Responses**

36	The Kenyan health sector has been undergoing reforms such as decentralization, are you aware of these Health Sector reforms?	1. Yes 2. No																																			
37	If <b>Yes</b> , what do you anticipate will be the impact of the Health Sector Reforms on your work?	Reduced turnover.....1 Increased turnover.....2 No difference.....3																																			
38	Do you have any contracts with the Ministry of Health?	1. Yes 2. No																																			
39	Are you aware of any donor shifts that may impact your organization?	1. Yes 2. No ( <b>Skip to 41</b> )																																			
40	If <b>Yes</b> , what action have you taken to respond to these shifts?																																				
41	Have there been any shifts in your client needs over the past year?	1. Yes 2. No ( <b>Skip to 43</b> )																																			
42	If <b>Yes</b> , how have you responded to these shifts?																																				
43	Has your organization been restructured over the last five years?	1. Yes 2. No																																			
44	If yes, how important were the following factors in deciding to restructure the organization? <i>Tick as appropriate</i>	<table border="1"> <thead> <tr> <th>Very Important</th> <th>Important</th> <th>Fairly important</th> <th>Least important</th> <th>Unimportant</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Very Important	Important	Fairly important	Least important	Unimportant																														
Very Important	Important	Fairly important	Least important	Unimportant																																	



45. What do you consider to be the main challenges facing your organization while implementing projects?

1 \_\_\_\_\_

2 \_\_\_\_\_

3 \_\_\_\_\_

4 \_\_\_\_\_

5 \_\_\_\_\_

6 \_\_\_\_\_

8 \_\_\_\_\_

*End Time:* \_\_\_\_\_

***THANK YOU FOR YOUR TIME, END OF INTERVIEW***

## APPENDIX 3: SUMMARY TABLES

### Geographical coverage of NGOs

	Frequency	Percent	Valid Percent	Cumulative Percent
International	8	29.6	29.6	29.6
National	12	44.4	44.4	74.1
District	7	25.9	25.9	100.0
Total	27	100.0	100.0	

### Origins of different organizations

	Frequency	Percent	Valid Percent	Cumulative Percent
International	11	40.7	40.7	40.7
National	16	59.3	59.3	100.0
Total	27	100.0	100.0	

### Main intervention areas

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	HIV	15	55.6	57.7	57.7
	Reproductive Health	7	25.9	26.9	84.6
	General	4	14.8	15.4	100.0
	Total	26	96.3	100.0	
Missing	System	1	3.7		
Total		27	100.0		

### Existence of specific programmatic goals

	Frequency	Percent	Valid Percent	Cumulative Percent
Yes	26	96.3	96.3	96.3
No	1	3.7	3.7	100.0
Total	27	100.0	100.0	

### Shifts in client needs over the past year

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	24	88.9	88.9	88.9
	No	3	11.1	11.1	100.0
	Total	27	100.0	100.0	

### Does your organization have a strategic plan?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	24	88.9	88.9	88.9
	No	3	11.1	11.1	100.0
	Total	27	100.0	100.0	

**If yes, how often do you evaluate your organizations performance?**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Quarterly	16	59.3	66.7	66.7
	Semi-annually	2	7.4	8.3	75.0
	Annually	6	22.2	25.0	100.0
	Total	24	88.9	100.0	
Missing	System	3	11.1		
Total		27	100.0		

**Do you have any contracts with the ministry of Health?**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	12	44.4	44.4	44.4
	No	15	55.6	55.6	100.0
	Total	27	100.0	100.0	

**Awareness of donor shifts that may impact organization**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	23	85.2	88.5	88.5
	No	3	11.1	11.5	100.0
	Total	26	96.3	100.0	
Missing	System	1	3.7		
Total		27	100.0		

**Shifts in client needs over the past year**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	24	88.9	88.9	88.9
	No	3	11.1	11.1	100.0
	Total	27	100.0	100.0	

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## APPENDIX 4: MINISTRY OF HEALTH ORGANOGRAM – REPRODUCTIVE HEALTH CHAIN

