

**FACTORS CONSIDERED BY ORGANIZATIONS IN ENTERING
STRATEGIC ALLIANCES AND THE CHALLENGES FACED:
A SURVEY OF NON - GOVERNMENTAL ORGANIZATIONS IN
THE HEALTH SECTOR IN KENYA**

BY

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DECLARATION

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

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DEDICATION

This paper is dedicated to my parents, who, throughout my entire life and studies have persistently encouraged me to pursue my education to the highest level; I shall forever be indebted to them for consistently reminding me never to allow anything to distract me from the pathway to success.

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ABSTRACT

The purpose of this study was to investigate the factors that Non-governmental organizations (NGOs) in the health sector in Kenya consider when entering strategic alliances and the challenges they face. The study targeted the country directors and Chief Executive Officers (CEOs) of those NGOs that had previously implemented or were implementing programs jointly in any form of alliance. The questionnaire was circulated to 30 such people, out of whom 22 responded positively and the results analyzed using Epi info version 3.5.3 software. Factor analysis was done using the mode as the most appropriate statistical method and data presented in tables, pie charts or bar graphs.

The main findings of the study were that most of the NGOs in Kenya entered strategic alliances as a result of the influence from the donor countries. Other key factors included developing sustainable programs through capacity building of local NGOs and strengthening government health systems. Some of the notable challenges included poor supervisory and reporting structures and poor understanding of organizational goals especially by the employees.

One of the recommendations from the study is that before entering strategic alliances, organizations should carefully examine the reasons be clear on the expectations they have of their partners and therefore select a partner that complements their strategies. Secondly, the strategic alliance agreement should be well drafted after thorough discussions with, not only the management, but all employees in the organizations, as there is always a need for a change in the management structure.

A culture of trust and utmost faith should be cultivated at the start of the strategic alliance to ensure that each partner's needs are kept in focus. This will ensure that the benefits of the alliance are not skewed towards one partner; a factor that is bound to breed distrust among partner members thus leading to failure of the alliance.

TABLE OF CONTENTS

| | |
|---|-----------|
| DECLARATION | 2 |
| DEDICATION | 3 |
| ACKNOWLEDGEMENT | 4 |
| ABSTRACT | 5 |
| LIST OF TABLES | 9 |
| LIST OF FIGURES | 9 |
| ACRONYMS AND ABBREVIATIONS | 10 |
| CHAPTER ONE: INTRODUCTION | 11 |
| 1.1 Background of the Study | 11 |
| 1.1.1 Strategic Alliances..... | 12 |
| 1.1.2 Non-Governmental Organizations in the Health Sector in Kenya..... | 13 |
| 1.2 Statement of the Problem | 17 |
| 1.3 Research Objectives | 19 |
| 1.4 Importance of the Study | 19 |
| CHAPTER TWO: LITERATURE REVIEW | 20 |
| 2.1 Introduction | 20 |
| 2.2 Concept of Strategic Alliances | 20 |
| 2.3 Types of Strategic Alliances | 23 |
| 2.4 Factors Considered by Health NGOs while entering Strategic Alliances | 25 |
| 2.4.1 Capacity Building of Local Organizations..... | 25 |
| 2.4.2 Increase Influence on Competitive Funding Market..... | 25 |
| 2.4.3 Reducing Operational Costs/Enhance Financial Stability..... | 25 |
| 2.4.4 Ensuring Survival of Critical Services..... | 26 |
| 2.4.5 Acquire New Skills and Competencies..... | 26 |
| 2.4.6 To Develop Sustainable Programs..... | 27 |
| 2.4.7 Strengthen Government Health Systems..... | 27 |
| 2.5 Challenges Faced by Health NGOs in Strategic Alliances | 27 |
| 2.5.1 Clash of Cultures..... | 28 |
| 2.5.2 Lack of Trust/Reluctance to give up Autonomy..... | 28 |
| 2.5.3 Lack of Clear Goals and Objectives..... | 29 |
| 2.5.4 Inadequate Coordination between Management Teams..... | 29 |
| 2.5.5. Lack of Enough Resources..... | 30 |
| 2.5.6 Inadequate Managerial Skills and Competencies..... | 30 |

| | |
|---|-----------|
| 2.5.7 Differences in Implementing/Operational Periods | 30 |
| CHAPTER THREE: RESEARCH METHODOLOGY | 32 |
| 3.1 Research Design | 32 |
| 3.2 Population of the Study..... | 32 |
| 3.3 Data Collection..... | 33 |
| 3.4 Data Entry and Analysis | 33 |
| CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION | 35 |
| 4.1 Introduction | 35 |
| 4.2 Demographic Profile of Respondents | 35 |
| 4.2.1 Respondents by Type of NGO..... | 35 |
| 4.2.2 Respondents by Affiliation to the Donor Organization | 36 |
| 4.2.3 Region of Operation in Kenya | 37 |
| 4.2.4 Classification by Programs | 37 |
| 4.3 Factors Considered by Health NGOs while Entering Strategic Alliances | 38 |
| 4.4.1 To Build Capacity of Local NGOs | 38 |
| 4.4.2 Increase Influence on the Competitive Market | 39 |
| 4.4.3 Develop Sustainable Programs | 40 |
| 4.4.4 Requirements by the Donor Organization | 40 |
| 4.4.5 Reduce Duplication of Services..... | 41 |
| 4.4.6 Strengthen Government Health Systems | 42 |
| 4.5 Challenges faced by Health NGOs in Strategic Alliances..... | 42 |
| 4.5.1 Clash of Organizational Cultures..... | 43 |
| 4.5.2 Reluctance to Embrace Change and give up Autonomy..... | 43 |
| 4.5.3 Inadequate Monitoring and Evaluation Systems | 44 |
| 4.5.4 Lack of Proper Structural and Reporting System | 45 |
| 4.5.5 Lack of Clear Goals and Objectives amongst Alliance Partners | 45 |
| 4.6 Summary of the Results | 46 |
| 4.6.1 Summary of the Factors Considered by Health NGOs when Entering Strategic Alliances..... | 46 |
| 4.6.2 Summary of the Challenges faced by Health NGOs in Strategic Alliances | 47 |
| 4.7 Discussion | 48 |
| CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS..... | 54 |

| | |
|--|-----------|
| 5.1 Introduction | 54 |
| 5.2 Summary | 54 |
| 5.3 Conclusions | 55 |
| 5.4 Recommendations for Policy and Practice | 56 |
| 5.5 Limitations of the Study | 57 |
| 5.6 Suggestions for Further Study | 58 |
| APPENDICES | 62 |
| Appendix I: Questionnaire | 62 |
| Appendix II: Health Related NGOs in Kenya | 64 |
| Appendix III: Implementation Schedule | 67 |
| Appendix IV: Research Budget | 67 |
| Appendix V: Letter of Introduction | 68 |

LIST OF TABLES

| | |
|---|----|
| Table 1: Contribution of NGOs to Kenya’s health sector..... | 16 |
| Table 2: Business verses Not for Profit Alliances..... | 21 |
| Table 3: Classification of Strategic Alliances in the Not for Profit Sector..... | 24 |

LIST OF FIGURES

| | |
|--|----|
| Figure 1: The strategic Alliance Success Chain (SASC)..... | 22 |
| Figure 2: Classification of NGOs..... | 36 |
| Figure 3: Affiliation of organizations by Financing Agency..... | 36 |
| Figure 4: Classification of organizations based on region of coverage..... | 37 |
| Figure 5: Classification of Organizations based on the program implemented..... | 38 |
| Figure 6: Capacity build local Organizations..... | 39 |
| Figure 7: Increase influence on competitive donor market..... | 39 |
| Figure 8: Development of sustainable programs..... | 40 |
| Figure 9: Role of donor agencies..... | 41 |
| Figure 10: Reduction in duplication of services..... | 41 |
| Figure 11: Strengthening of government health sector..... | 42 |
| Figure 12: Clash of Organizational cultures..... | 43 |
| Figure 13: Reluctance to embrace change and give up autonomy..... | 44 |
| Figure 14: Inadequate monitoring and evaluation systems..... | 44 |
| Figure 15: Lack of proper structural and reporting systems..... | 45 |
| Figure 16: Lack of clear goals by the partners..... | 46 |
| Figure 17: Summary of factors considered when entering alliances..... | 47 |
| Figure 18: Summary of challenges faced when implementing strategic alliances..... | 47 |

ACRONYMS AND ABBREVIATIONS

- CCB** – Catholic Commission Board
- CDC** – Centers for Disease Control
- CHAK** – Christian Health Association of Kenya
- DAP** – Decentralization Action Plan
- DHSF** – District Health Stakeholders Forum
- DHSSDP** – District Health Services and Systems Development Program
- DMS** – Director of Medical Services
- DNCD** – Donor and Non Governmental Coordination Division
- EU** – European Union
- FBO** – Faith Based Organization
- HENNET** – Health Non Governmental Organization Network
- HIS** – Health Information System
- HSRS** – Health Sector Reform Secretariat
- KCS** – Kenya Catholic Secretariat
- KNC** – Kenya Non Governmental Organization Council
- MLTB** – Medical Laboratory Technologists Board
- MoH** – Ministry of Health
- MoMS** – Ministry of Medical Services
- MoPHS** – Ministry of Public Health and Sanitation
- MPDB** – Medical Practitioners and Dentists Board
- NHA** – National Health Accounts
- NHIF** – National Health Insurance Fund
- NGO** – Non Governmental Organization
- PPB** – Pharmacy and Poisons Board
- PPP** – Public Private Partnership
- SIDA** – Swedish International Development Cooperation Agency
- UK** – United Kingdom
- USAID** – United States Agency for International Development
- USG** – United States Government

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

Strategic alliances have in the recent past become useful for companies and organizations to meet their objectives that would otherwise have been impossible to achieve. According to Thompson et al (2004), during the past decade, organizations in all types of industries and in all parts of the world have elected to form strategic alliances and partnerships to complement their own strategic initiatives and strengthen their competitiveness in domestic and international markets. Traditionally, this has been common among firms with the aim of increasing their profit margins; western biotechnology and pharmaceutical firms for instance, are faced with a “new normal” requiring them to reinvent their traditional business models and market strategy (Ernst and Young 2010).

Government and private insurers in developed countries are placing “unprecedented pressure” on life science companies as they confront mounting healthcare costs, aging populations, shrinking tax bases, and the necessity to provide care for a larger group of citizens (Ernst & Young 2009). To survive, they must efficiently respond to this changing reality in developed countries by supplying a stream of innovative lower-cost products to providers in the West as well as leveraging their successful products by capturing demand from fast-growing emerging markets with lower purchasing power and specific healthcare needs (Ernst & Young 2009).

The pharmaceutical industry, which along with biotechnological firms is a major player in the therapeutic domain now views emerging markets as an opportunity to gain “global competitive advantage by creating local innovative precedents in how

medicines are developed, distributed, promoted, and reimbursed.” (Looney 2010; 54).

Nonprofit organizations have, in the recent past, started increasingly utilizing strategic alliances as a tool for addressing organizational, operational, and financial challenges. Groups are exploring solutions such as merging operations, joint programming, and other collaborative frameworks as they try to bring their successful programs to scale, ensure stable funding, reduce program duplication, and survive in a competitive funding environment. The NGOs in the healthcare industry, operating under very high-pressure environments, have also been pushed to adopt several models of strategic alliances in order to remain competitive.

1.1.1 Strategic Alliances

The Farlex Financial Dictionary, 2009, defines a strategic alliance as any agreement where two or more companies agree to cooperate with each other to achieve a certain, mutually beneficial goal. However, a strategic alliance is not a merger, and the involved companies remain separate. A common strategic alliance is a joint venture, where the involved companies partner together to conduct a certain project.

Alliances vary from simple two partner alliances co - producing a product to one with multiple partners providing complex products and solutions. They are collaborative partnerships where two or three companies join forces to achieve mutually beneficial strategic outcomes (Thompson et al, 2004). They therefore offer an opportunity for companies to collaborate in doing business thereby overcoming individual disadvantages (Somers, 2005).

In the late 1980s, the not for profit organizations faced changing dynamics in funding, hiring and competition. Anecdotal evidence suggests that a few organizations began to consider various forms of consolidation as a way of ensuring programmatic survival in the face of a new and potentially hostile environment. Since strategic alliances were a relatively new concept for these organizations, there was very little knowledge recorded or distributed within the nonprofit sector. The paucity of nonprofit expertise and literature forced pioneers to form strategic alliances by relying on resources from the for-profit sector, or to learn on their own the details and strategies specific to nonprofits.

Various strategic drivers within the NGOs operating in the healthcare industry such as rising costs of drug development, the cost-containment objectives of government health authorities, patent expiries and the advent of generic and therapeutic substitution continue to place organization's attainment of their goals under threat; NGOs in the health sector have also had to restructure their operations with pressure from the main donor and recipient countries for the formation of alliances that can ensure less duplication of the activities with maximum participation, output and sustainability.

1.1.2 Non-Governmental Organizations in the Health Sector in Kenya

Kenya's health system comprises both an official and an unofficial sector; the official sector falls within the regulatory purview of the Ministry of Public Health and Sanitation (MoPHS) and the Ministry of Medical Services (MoMS); these are statutorily required to submit returns to the Health Information Systems (HIS)

department. The unofficial system comprises the traditional healers over which the Ministries of Health (MoH) have no control.

The official system in general comprises the public sector, the not-for-profit sector (NGOs), and the private commercial sector with each playing an important role in the overall health market. The overall functions of these services are coordinated at the MoH headquarters; the Directors of Medical Services' (DMS) secretariat coordinates the management functions at the national level; these management structures are replicated at the provincial and district levels. The Ministries work closely with other coordinating bodies to execute their functions and help regulate the players in the sector through such bodies as: the Pharmacy & Poisons Board (PBB), the Clinical Council Board (CCB), the Nursing Council (KNC), the Medical Laboratory Technologist's Board (MLTB) and the Medical Practitioners & Dentist Board (MPDB).

Kenya has long followed a strategy of pluralism in the health sector allowing a large and diverse NGO sector to develop. The country has a thriving and active NGO sector in health that performs a wide array of activities ranging from advocacy to community mobilization to health service delivery and policy planning. In general, NGOs account for 50% of all hospitals and 36% of Kenya's hospital bed capacity and approximately 21% of health centers and 51% of all other outpatient treatment facilities; these include a wide variety of different levels of quality and capacity (Ministry of Health provider survey report, 2003). By one account, in 2003 there were over 2,600 national and international NGOs working in over 25 fields in Kenya (Wamai, 2004).

The NGOs operate under the 1990 legal framework known as the NGO Coordination Act. The governmental administration is the NGO Bureau under the Office of the President. NGOs also have their umbrella agency called the NGO Council, which was mandated under the Act. The organizational scope of NGOs working in the healthcare is not widely documented and only a few studies have been done (Berman et al, 1995; Wang'ombe et al, 1998; Wamai, 2004). Reports of the national HMIS and the National Health Accounts (NHA) are pitifully infrequent and incomprehensive on data. Wamai (2004) gives the most extensive available account of the role of health NGOs in Kenya. Estimates of the number of NGOs providing health and medical services, both curative and preventive, vary from 14% to 50% (Wamai, 2004). The scope of the NGO health system is captured in table 1 below.

Table 1: Contribution of NGOs to Kenya’s health sector

| Outputs | No. | % of National share |
|---------------------------------------|------------|----------------------------|
| Health facilities: | | |
| Hospitals | 67 | 30.7 |
| Health centers | 100 | 17.4 |
| Dispensaries | 895 | 23.6 |
| Nursing/Maternity homes | 11 | 5.8 |
| <u>Health clinics/Medical clinics</u> | <u>72</u> | <u>10.2</u> |
| Total | 845 | 20 |
| Health Care/Services: | | |
| Hospital beds | - | 36 |
| Outpatient care | - | 51 |
| Financing | | 8 |

Source: Wamai (2004); Data is for period of implementation of the NHSSP-II, 2005-2010 (Republic of Kenya, 2006, 46)

Recognizing the important role NGOs play in healthcare provision, then Kenya’s Vice President and Minister for Home Affairs observed in 2002 during the Second Conference on NGO Partnerships for Reproductive Health in Africa that: “The importance of good governance and leadership of NGOs cannot be overemphasized. NGOs must strive to collaborate with relevant departments of government by playing roles both complementary and supplementary. Mechanisms of collaboration between NGOs, the ministries of health and other partners need to be inbuilt in all reproductive health programs. In countries where the NGO/government collaboration is strong, the impact of the activities is greater and more sustainable” (Daily Nation, April 30, 2002)

In recent efforts to consolidate their synergies, health NGOs in 2006 took some steps to organize themselves nationally and created the Health NGOs Network (HENNET) that aims to stimulate and cultivate greater collaborations with the government. The Network is also lobbying the government to recommence financing them directly as had been the case in parts of the 1970s and 1980s and early 1990s (Wamai, 2004). It has also spearheaded the Public Private Partnership (PPP) framework and developed a policy and a concept note on how to operationalize a PPP.

1.2 Statement of the Problem

Strategic alliances, traditionally common in profit making organizations, are formed for a variety of reasons which include: entering new markets, reducing manufacturing costs and rapidly developing and diffusing new technologies, among others. In the not for profit health sector, various organizations form strategic alliances with the government and other like-minded organizations with the aim of developing health packages that are convenient, affordable, sustainable and responsive to the needs of the clients.

In the recent past, there has been a notable paradigm shift in the operations of NGOs with donor partners such as the United States Government (USG) pushing implementing agencies to develop alliances with the aim of cutting down operational costs, capacity building of local organizations and focusing on sustainability (USAID support for NGO capacity building, July 1998; August 2009).

Alliances also help to create economies of scale through partnerships thus employing a high volume low margin strategy that would make health care more affordable. They also lead to co – specialization whereby partners concentrate on

activities that best match their capabilities. Lastly, alliances make it possible for organizations to learn from their counterparts and therefore develop competencies that may be more widely exploited elsewhere or form a basis for developing strategic options different from those being developed in house (Kummerlie 2004).

While a number of studies have been conducted in Kenya on the concept of strategic alliances, strategic alliances in the health sector in Kenya has to a limited extent been studied and documented. Bernadette (2008) looked at factors considered by firms when entering strategic alliances; a case study of the Kenya Institute of Management; USAID, in its report titled “Support for the NGOs capacity building (July 1998 and August 2009)”, documents on the need to form strategic alliances by NGOs. Kamaru (2003) focused on strategic alliances among development NGOs in Kenya; Mutinda (2003) conducted a study on the challenges faced among NGOs; a case study of Gedo Health Consortium.

The researcher is not aware of any survey done on strategic alliances among the health related NGOs in Kenya. There is therefore a knowledge gap on the formation and implementation of strategic alliances among the health related NGOs in Kenya. The study will address these issues by asking the questions of: what factors do NGOs in the health services sector in Kenya consider when they enter in to strategic alliances and what challenges do they face in the implementation of the alliances?

1.3 Research Objectives

- i. To determine the factors NGOs in the health services sector in Kenya consider when they enter strategic alliances
- ii. To establish the challenges the NGOs in the health services sector in Kenya face when they enter strategic alliances

1.4 Importance of the Study

The study will inform the various stakeholders in the health services industry about the reasons behind the formation of strategic alliances, their operation and the challenges faced; this will help them adequately prepare before entering any alliance.

With the push by the donor partners to form strategic alliances with the aim of capacity building local NGOs and Community Based Organizations (CBOs) for sustainability and reduction in duplication of activities, international and local NGOs will use the results of the study to better operate the various forms of strategic alliances.

The study will also add to the already existing literature on the development of strategic alliances in the various industries but more so address the knowledge gap existing on the factors considered and the challenges faced in the NGO sector. It will also inform scholars and other stakeholders on how to effectively implement strategic alliances not only in the health sector, but also in other related industries.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter presents the literature review in regards to strategic alliances: that is the concept of strategic alliances, the various types of strategic alliances, the main reasons for entering strategic alliances and the main challenges faced by the various stakeholders while executing the strategic alliances

2.2 Concept of Strategic Alliances

Strategic alliances have largely been studied and operationalized in the profit making organizations. However, in the late 1980s, the not for profit organizations faced changing dynamics in funding, hiring, and competition with anecdotal evidence suggesting that a few organizations began to consider various forms of consolidation as a way of ensuring programmatic survival in the face of a new and potentially hostile environment.

In this era of globalization and information technology, even the largest and most financially sound organizations have concluded that simultaneously running the races for global market leadership and for a stake in the future requires more diverse and expansive skills, resources, technological expertise and competitive capabilities than they can't assemble and manage alone (Thompson et al 2004). While for-profit mergers have many similarities to nonprofit mergers, as David La Piana (2000), in table 2 on page 19 indicates, the issue of ownership is much different.

Table 2: Business verses Not for Profit Alliances

| Aspect/Driver | Business Factors | Not for Profit Factors |
|-----------------------|--------------------------------|--|
| Motivation | Raise share values | Stronger financial position |
| | Increase profitability | Forestall financial collapse |
| | Access a larger market | Access a larger market |
| | Improve competitiveness | Accomplish mission more effectively |
| | Access new technology | Access new technology |
| | Access capital | Access better capital, contracts, or funding sources |
| | | Better serve the community |
| Authority | Board | Board |
| | Chief Executive Officer | Executive Director |
| | Shareholders | Members (in some nonprofits) |
| Money | Fortunes to be made | No personal gain |
| | Golden Parachutes | |
| Regulation | Justice Department | State Attorney General or secretary of state |
| | Securities exchange commission | |
| | | Internal Revenue Services |
| How it happens | Acquire outstanding stock | Voluntary agreement |
| | Exchange stock | Exchange board members |

Source: D. La Piana, *The Nonprofit Mergers Workbook*, (St. Paul: Amherst Wilder Foundation, 2000), 83.

Entering strategic alliances requires a substantial investment in time and resources. It is important therefore that those involved understand how to use various strategic tools and make them work. The strategic alliance process comprises three primary

stages: foundation, formulation and fulfillment, within which are contained the links that make up the strategic alliance success chain. Figure 1 below presents a generic strategic alliance success chain (SASC).

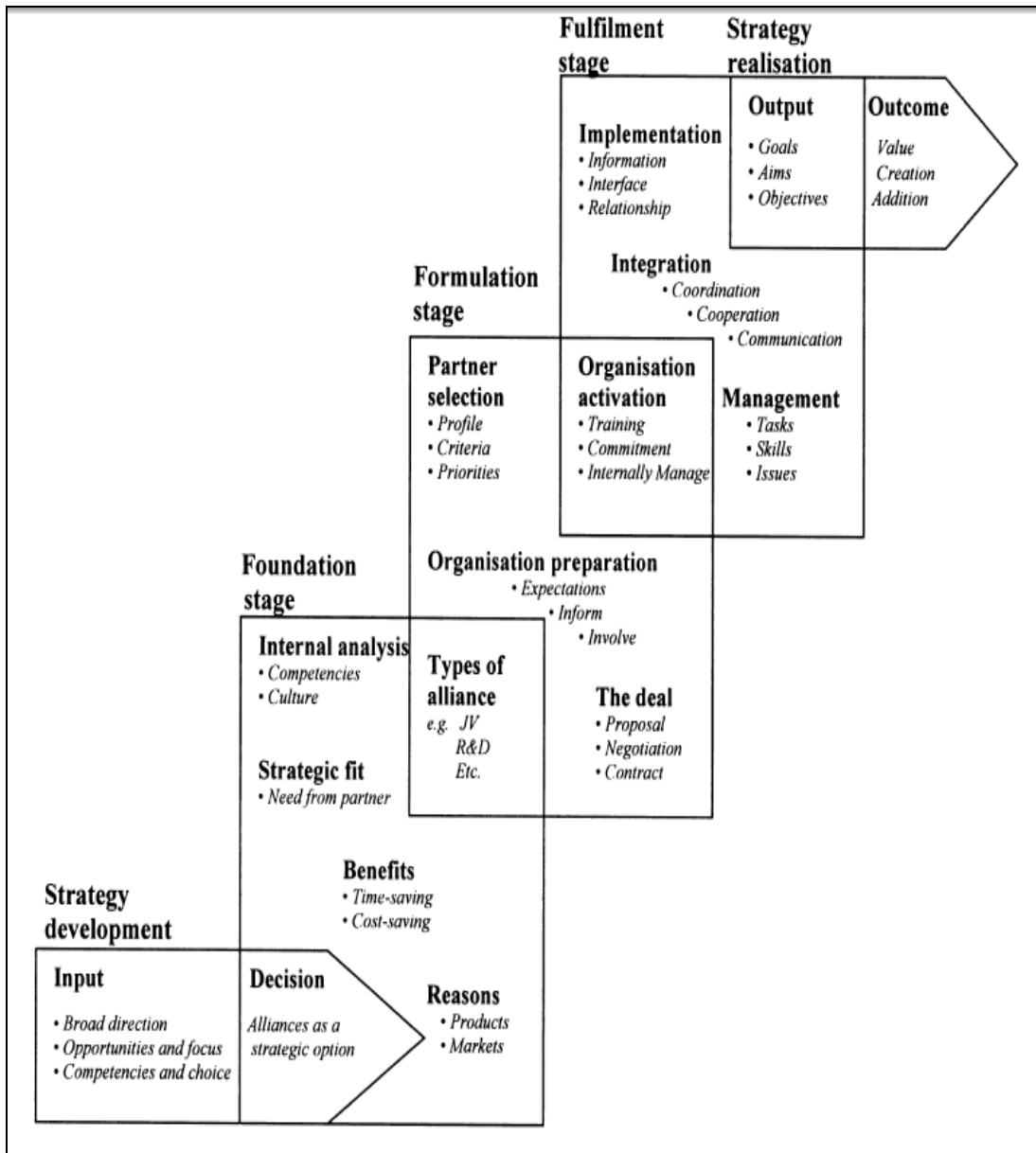


Figure 1: The strategic alliance success chain (SASC)

Source: Paul R. Adams, *Journal of Medical Marketing: Device, Diagnostic and Pharmaceutical Marketing* 2001 1: 252

The foundation and formulation stages for the alliance process are carried out to ensure that the reasons for a strategic alliance are sound, the benefits are adequate, there is a strategic fit and that an internal analysis has determined that the organization is willing and able to enter an alliance. It effectively builds and shapes the strategic alliance via four key elements: the external activity of partner selection, the mutual activity of doing the deal, the internal activity of organization preparation and preparing to implement the alliance by organization activation.

The fulfillment stage effectively comprises a set of implementation milestones including development of an interface, integration of the alliance partners and management of the alliance.

2.3 Types of Strategic Alliances

The various types of strategic alliances have widely been defined in the business sector. According to Pellicelli (2003) in her study “Strategic Alliances”, there are different types of strategic alliances and each adapts its needs to specific situations. Strategic alliances vary in that there are those based on contracts as opposed to those based on ownership of capital. Using this interpretation, strategic alliances would be contracts of partnership, investments in the capital of already existing organizations and investments for the creation of new organizations (joint ventures and consortia). Strategic alliances also vary in the degree of involvement of the partners in the alliance and ownership of capital.

Johnson et al (2005), posits that some of the alliances may be formalized inter organizational relationships, while others are merely loose arrangements of cooperation and informal networking between organizations, with no shareholding

or ownership involved. The classification of these alliances can therefore be made based on the factors that influence their formation.

The situation is however different in the nonprofit sector; this is because strategic alliances are still a relatively new concept. The emerging field has therefore not yet come to a consensus on the terms that define the overall process or the specific forms a strategic alliance can take. In an attempt to clarify some of the confusion surrounding terminology, some classifications have been made as follows:

Table 3: Classification of Strategic Alliances in the Not for Profit sector.

| Class/Type | Definition |
|----------------------|--|
| Collaboration | An agreement where an organization cooperates with others with which it is not immediately connected. |
| Joint Venture | An activity managed by two or more separate organizations to accomplish a specific purpose. |
| Merger | Any of various methods of combining two or more organizations. In a merger, governance and decision-making combine in one organization. |
| Consortium | A consortium is an association of two or more individuals, companies, organizations or governments (or any combination of these entities) with the objective of participating in a common activity or pooling their resources for achieving a common goal. |

Source: Community Wealth ventures inc. 2009

2.4 Factors Considered by Health NGOs while entering Strategic Alliances

Some of the factors considered by the not for profit organizations while entering strategic alliances are as outlined below:

2.4.1 Capacity Building of Local Organizations

Organizations have entered strategic alliances of various forms such as consortia, franchises and take-overs with the aim of capacity building the indigenous organizations to take over the operations in the specific areas of operation. The USG has done this through developing the capacities of indigenous NGOs, CBOs and FBOs in the recipient countries. Whereas the role and size of the indigenous NGO sector varies widely between regions and on a country by country basis, USAID has increasingly turned its attention to building the capacities of such indigenous organizations, as a pre requisite to broad-based sustainable development.

2.4.2 Increase Influence on Competitive Funding Market

Often an organization that has a successful product or service has a desire to introduce it in to a new market and improve the chances of getting a higher allocation of funds. NGOs in the health sector, in the attempt to compete for the increasingly scarce funds from the funding governments, have formulated strategies including forming alliances to increase their competitive edge on the market.

2.4.3 Reducing Operational Costs/Enhance Financial Stability

Strategic alliances may allow organizations to pool resources or other existing facilities to gain economies of scale or increase the use of such facilities, thereby reducing operational costs. Alliances have also been formed by organizations with

limited resources in terms of technical expertise; this makes it easier to acquire the necessary machinery and inputs required enabling service delivery in large scale and in effect reduction of operational costs.

According to Das et al (2003), for alliances to form, partners have to agree; the desirability of partners concerning their resource profile is therefore important. Alliance relationships allow partners to share the financial risks associated with developing new products and entering new products.

2.4.4 Ensuring Survival of Critical Services

Organizations also enter strategic alliances in an effort to improve attitude toward their clients and provide services that are critical to the clients. This starts from top management on down the chain of command. Through alliance relationships, many organizations have found strategies to provide better and quicker customer service while keeping their costs within manageable limits. They look for organizations that have similar customer base to theirs and enter in to discussions on how to work together to competitively offer the critical services.

2.4.5 Acquire New Skills and Competencies

Strategic alliances are formed by organizations with an aim of accessing valuable skills and competencies that are concentrated in particular geographic or designated regions; these are aimed at fostering innovativeness and creativity as a means to effectively compete in the market.

2.4.6 To Develop Sustainable Programs

There has been a notable shift of focus in some organizations with the aim of developing more sustainable programs using minimal resources. USAID for instance, has in the past decade re focused the magnitude of its collaborative efforts towards development of sustainable programs. USAID has played a critical role, beginning in the late 1970's, of strengthening the capacity of members of the US private voluntary community to plan, implement, and evaluate development programs with the aim of developing more sustainable programs (USAID report on capacity building for sustainability, 1998, 2009). USG funded programs have therefore been encouraged to refocus their attention to creating and building more sustainable programs; a shift from the traditional projects.

2.4.7 Strengthen Government Health Systems

As a way of building sustainable programs, governments have been encouraged by the funding partners to take a more central role in the implementation of projects in line with their strategic health plans. NGOs play the role of providing technical and support of the various resources within the existing structures in the governments. This to a large extent, has led to better utilization of the available resources and improved ownership by the MoH officials leading to better structured health systems.

2.5 Challenges Faced by Health NGOs in Strategic Alliances

More and more companies undertake strategic alliances to improve their business, but many of them fail. The risks and problems facing strategic alliances should be identified so that organizations can improve their performances. Some of the challenges faced include:

2.5.1 Clash of Cultures

Cultural clash may be one of the biggest problems for the companies in strategic alliances. Kilburn (2009) pointed out “These cultural problems consisting of language, egos, chauvinism and different attitudes to business can all make the going rough. It is therefore important for the integration of the staff from each of the partner into a coherent team. They should be able to communicate and understand each other well before they work together. In addition, many other barriers such as customs, habits, personal relationship, networks could cause misunderstanding and conflicts.

2.5.2 Lack of Trust/Reluctance to give up Autonomy

Risk sharing is the primary bonding tool in a partnership. What will happen if one organization is successful and the other experiences a failure? A sense of commitment must be generated throughout the partnership. In many alliance cases, one organization will point the failure finger at the partnering organization. Shifting the blame does not solve the problem, but increases the tension between the partnering organizations and often leads to alliance ruin (Lewis 2002). Building trust is the most important and yet most difficult aspect of a successful alliance.

Alliances need to be formed to enhance trust between individuals. The organizations must therefore form the three forms of trust, which include responsibility, equality and reliability. Many alliances have failed due to the lack of trust causing unsolved problems, lack of understanding, and despondent relationships (Lewis 2002).

2.5.3 Lack of Clear Goals and Objectives

In today's world, many strategic alliances are formed for the wrong reasons leading to disastrous outcomes. Many organizations enter alliances to combat competitors. This action may raise flags that problems exist within the joining organizations. The alliance may therefore put the organizations in the spotlight causing more competition.

Alliances are also formed to correct internal organizational problems. Once again, the management may feel that an increase in numbers signifies a quick fix. In this case, the organization is probably already doomed and is just taking another along for the ride (Kibrun 2009). Dissimilar objectives, inability to share risks and lack of trust lead to early alliance demise as many managers enter an alliance without properly researching the steps necessary to ensure the basic principles of cooperation (Lewis 2002)

2.5.4 Inadequate Coordination between Management Teams

Action taken by subordinates that are not congruent with top – level management can prove particularly disruptive, especially in instances where organizations remain competitors in spite of their strategic alliance. If it were to happen that one organization would go off on its own and do its own marketing and sell its own product while in alliance with another organization, it would for sure be grounds for the two to break up, and they would most likely end up in a legal battle which could take years to solve if it were settled at all.

2.5.5. Lack of Enough Resources

Alliances may provide the opportunity to rationalize certain resource requirements but they may also require additional resources in other areas such as new budgets that need to be planned, taking care of an expanded human resource and expanded coordination of resources and functions. One way of looking at strategic alliance management is as managing a large project.

While alliance managers may not act as hands-on project managers, they carry a big responsibility to ensure coordination of the people and departments into a unified team capable of executing the various aspects of the 'alliance project'. A key component of this task is to influence cooperation between internal functions into an alliance team willing and able to cooperate with the partner firm.

2.5.6 Inadequate Managerial Skills and Competencies

The skills and abilities of alliance managers are extremely important to achieving a fruitful partnership and ensuring a successful outcome of the strategic alliance chain. Although certainly not the complete set, the following represent a selection of skills and abilities that are necessary to influence internal and external activities within a dynamic environment: internal networks and credibility at all levels, organizational behavior, attention to detail, flexibility and interpersonal skills.

2.5.7 Differences in Implementing/Operational Periods

This can be a key challenge for organizations whose accounting and operational periods differ. Different firms have different calendar years and firms that are planning to enter strategic alliances should discuss and agree either to harmonize their

work plans or integrate them in order to have a smooth flow of events. If not properly done, this shall pose a challenge in terms of the different reporting periods, the different accounting periods and different strategic planning periods.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Research Design

The study adopted a survey design. A sample survey is a way of collecting data from a population with a view towards making statistical inferences about the population using the sample (Wikipedia Encyclopedia 2011). This was a descriptive study that aimed at collecting quantifiable comparative information about the existing strategic alliances in the health related NGOs, their operations and the challenges faced by asking the respondents about their perceptions, attitudes and views in relation to the formation of these alliances.

The survey also aimed to provide information on the different perceptions held by top managers in the creation of different alliances and give an insight for problem solving, evaluation and further strategy. This method was chosen because the details are secured from multiple sources of information, and allow evidence to be verified through in depth probing (Cooper and Emory, 2006).

3.2 Population of the Study

The target population of the study comprised of all the NGOs in the health sector that had previously or were, at the time, in strategic alliances. There were a total of 90 health related NGOs in Kenya (list as documented in the HENNET report, 2011 is attached in Appendix II), both local and international, representing about 33% of all the NGOs as registered under the Kenya Aids NGOs council (KANCO 2010). Preliminary, anecdotal information indicated that 26 NGOs had entered strategic

alliances. By use of purposeful sampling technique, all the 30 were studied (indicated by * in Appendix II).

3.3 Data Collection

The study made use of primary data which was largely quantitative. The data was collected by use of a semi structured questionnaire (attached in appendix I) from those people involved in the creation and implementation of the alliances and members of the steering committees. The questionnaire was administered to selected individuals who most likely had the required information with respect to the objectives of the study. These respondents were either Program Directors/Chief Executive Officers (CEOs) or Finance and Administration managers. The data collection was done through emailing of the questionnaires to the respondents or where necessary, by ‘drop and pick’ method. Follow up was made either by email or phone calls. The approach to the collection of the primary data was through making appointments with the respondents.

Secondary data was derived from relevant literature sources such as reports on previous engagements with other partners, periodic reports from World Health Organization (WHO), USAID, Kenya NGO Council, MoH, Kenya HMIS and reports on strategic alliances in other sectors.

3.4 Data Entry and Analysis

The data collected were analyzed to establish an in depth understanding of the factors considered in entering strategic alliances and the challenges faced. In cases of inconsistencies in the information that was provided, clarifications were sought

through further questioning. The analysis entailed coding and entry of the collected data using the rating scales in the questionnaire.

The analysis was done using Epi info version 3.5.3 data analysis software where each of the factors for entering strategic alliances and the challenges faced was analyzed. From this, descriptive statistical methods such as the measures of central tendency particularly the mode of the responses were used to look at the most common factors considered by organizations before entering strategic alliances and the most common challenges faced by the organizations. Furthermore, logistical regression and linear correlation techniques were used to analyze the relationships between the funding governments and the various responses.

CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

This study, conducted among NGOs in the health sector, was designed to establish the factors that were considered for the formation and implementation of strategic alliances and the challenges faced. To achieve these objectives, a total of 26 questionnaires were sent to the country directors of preselected NGOs that had previously implemented or currently implementing strategic alliances. Of these, 20 responded giving a response rate of 77%, which was considered adequate for analysis. Findings of the study are presented and discussed in this chapter.

4.2 Demographic Profile of Respondents

The selection criteria for the respondents was informed by anecdotal information about health related NGOs that have previously and or were, at the time of data collection, involved in the implementation of a strategic alliance. The respondents were profiled based on what was perceived to be their role in the negotiation and implementation of strategic alliances; the questionnaires were therefore addressed to the respective country directors of the targeted NGOs.

4.2.1 Respondents by Type of NGO

The respondents were categorized according to the type of NGO; whether local or international as summarized in figure 2 below.

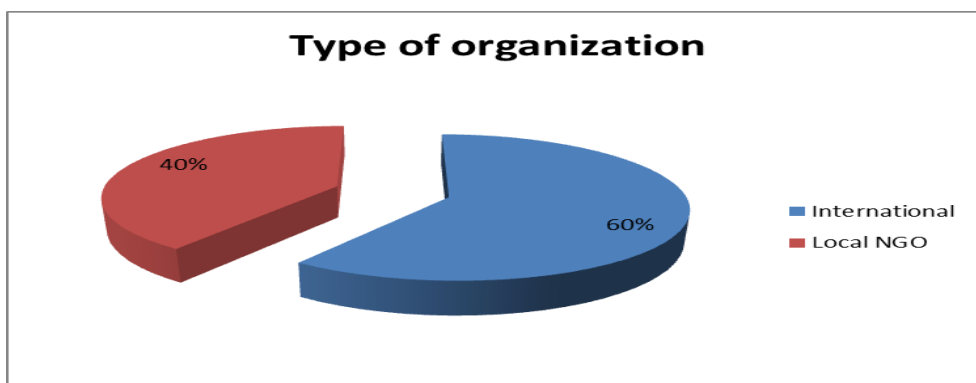


Figure 2: Classification of the NGOs

Source: Research Data (2011)

This shows that the highest respondents (60%) were country directors of international NGOs while the least number (40%) were from locals NGOs. The study used the above analysis to stratify the players in the health NGOs and to get the different views as held by the international and local NGOs.

4.2.2 Respondents by Affiliation to the Donor Organization

The respondents were also clustered according to the funding agency as USAID, CDC or other as follows:

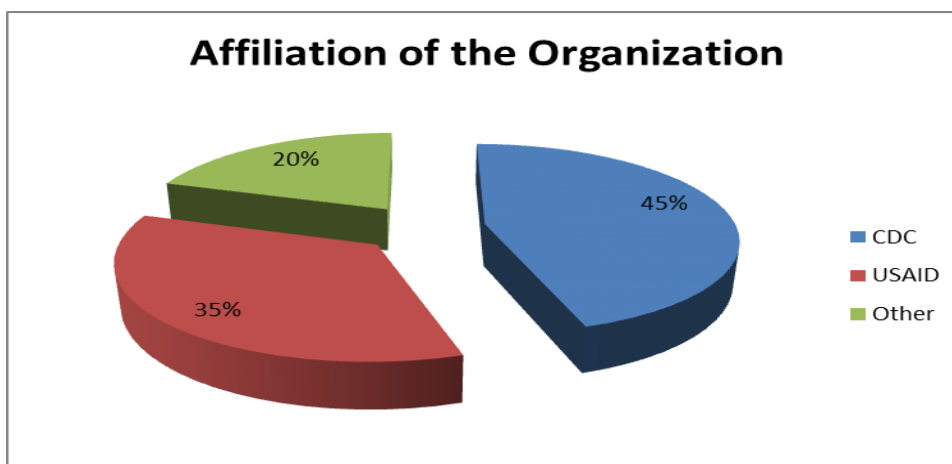


Figure 3: Affiliation of the organization by funding agency

Source: Research Data (2011)

The results show that the highest numbers of NGOs were supported by the USG through CDC (45%) or USAID (35%); the rest of the NGOs (20%) were funded by other organizations outside the USG, for example, the UK and Germany.

4.2.3 Region of Operation in Kenya

The responses were clustered depending on the region of operation with the following results:

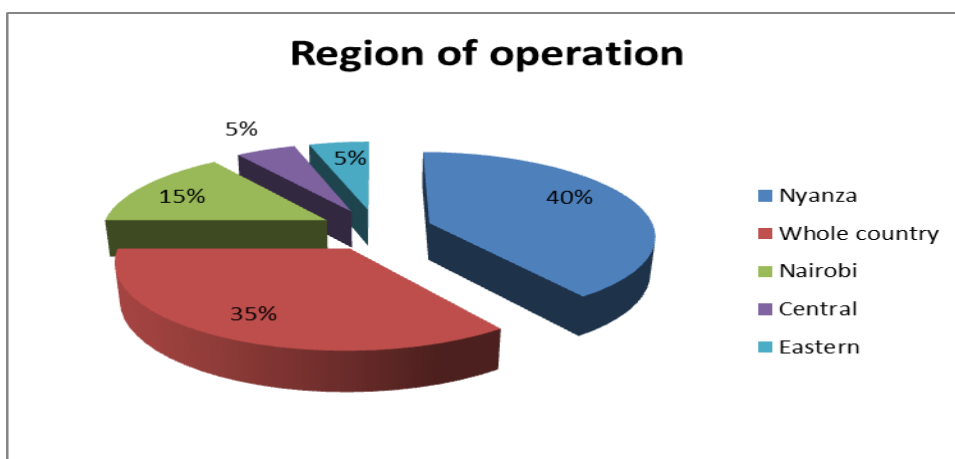


Figure 4: Classification based on the region of coverage

Source: Research Data (2011)

The above figure illustrates the areas of coverage, categorized by province. 40% of the identified NGOs had some or all of their operations in Nyanza province, 35% in the whole country, 15% in Nairobi, 5% in Eastern province and 5% in Central province.

4.2.4 Classification by Programs

The following pie chart shows the classification of the various organizations based on the programs they implement.

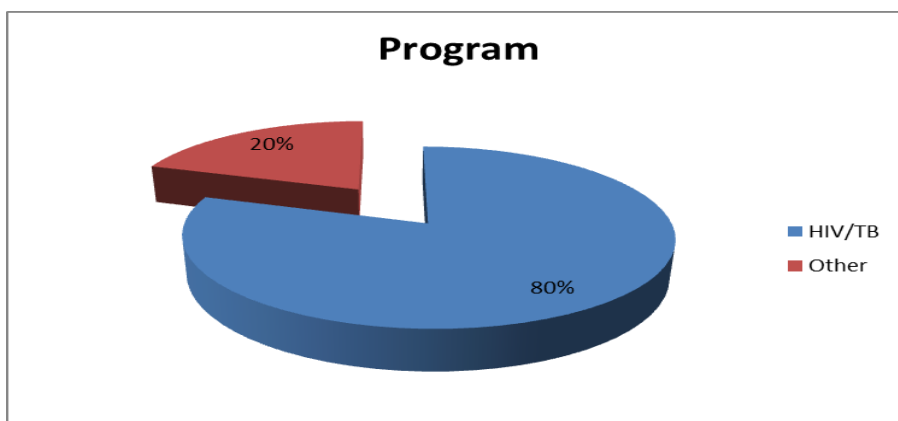


Figure 5: Categorization by program implemented

Source: Research Data (2011)

Most of the NGOs (80%) had HIV/TB as their main programs while the other 20% had a mix of other programs such as water and sanitation, malaria and system strengthening.

4.3 Factors Considered by Health NGOs while Entering Strategic Alliances

Strategic alliances in the NGO sector were formed for a variety of reasons. The following is a presentation of results of some of the reasons that respondents gave as important for health related NGOs to consider while entering strategic alliances.

4.4.1 To Build Capacity of Local NGOs

One of the reasons why organizations entered strategic alliances was to capacity build local NGOs in order for them to implement programs using locally available systems and structures. The results are as shown in bar figure below:

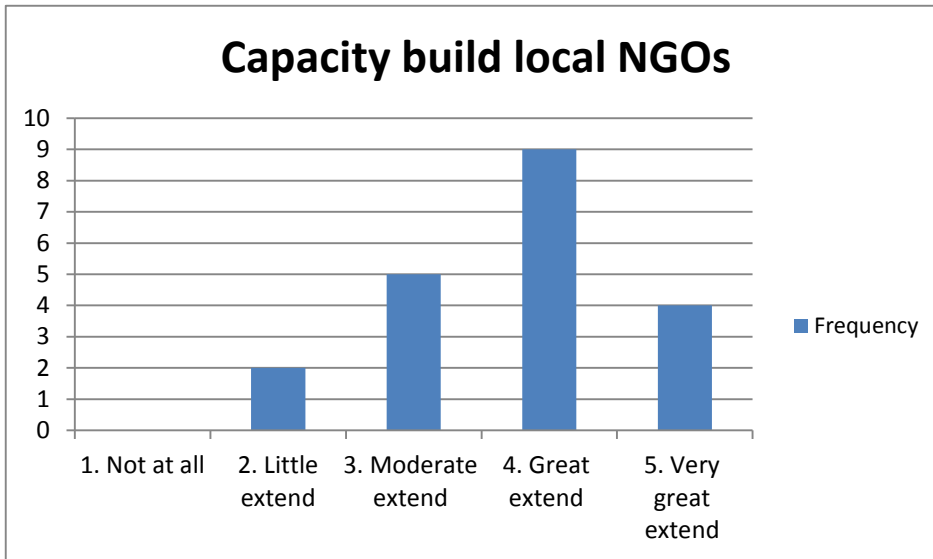


Figure 6: Capacity build local NGOs

Source: Research Data (2011)

A majority of the responds felt it was, to a great extend, important to capacity build local NGOs.

4.4.2 Increase Influence on the Competitive Market

Another factor considered was the influence that alliances would have on the competitive donor market; the results are as shown below:

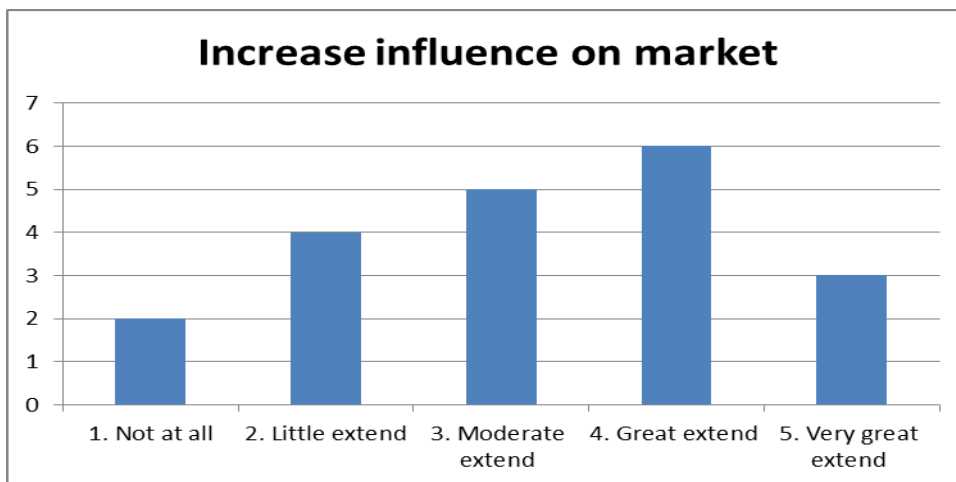


Figure 7: To increase influence on the competitive donor market

Source: Research Data (2011)

The above results show that most NGOs, to a great extent, considered entering strategic alliances to increase influence on the competitive market as one of the most important factors.

4.4.3 Develop Sustainable Programs

The respondents' views about the need to enter strategic alliances to help develop sustainable programs are as shown below:

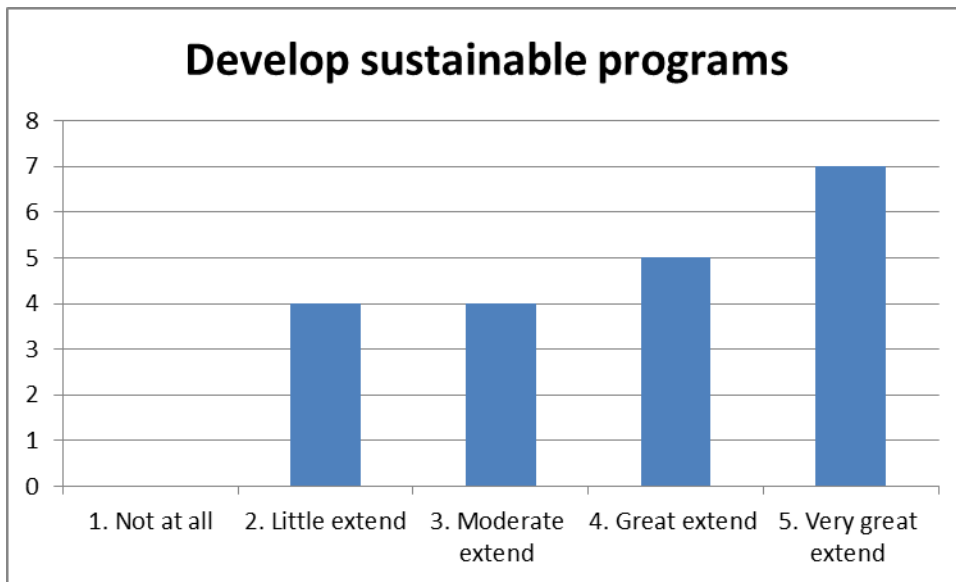


Figure 8: Development of sustainable programs

Source: Research Data (2011)

The figure above shows the results for development of sustainable programs whereby a majority of the respondents felt it was of very great importance

4.4.4 Requirements by the Donor Organization

Another factor that was considered was the role that the funding agencies play in determining whether or not to enter strategic alliances. The results are as shown below:

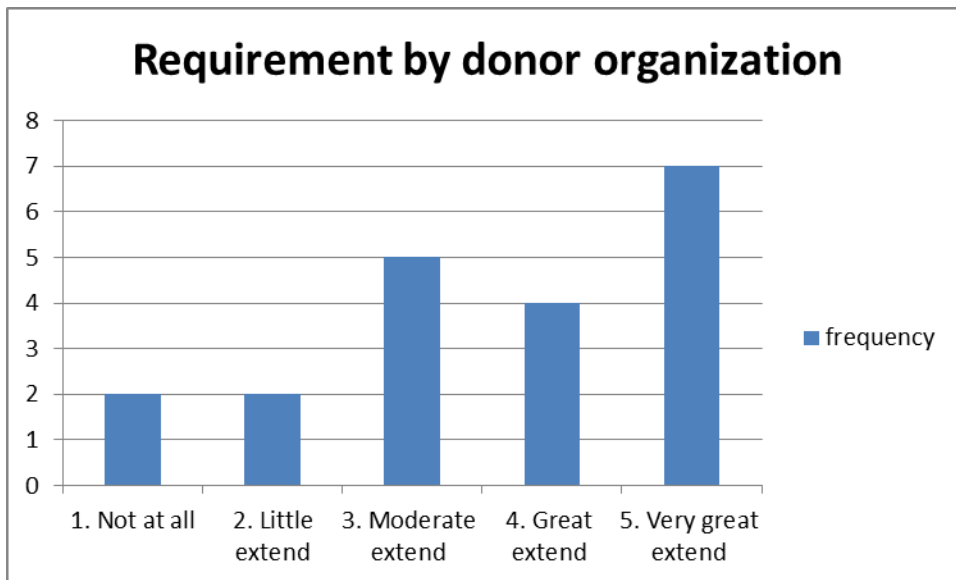


Figure 9: Role of donor agencies as a factor for strategic alliances

Source: Research Data (2011)

The above results show that the donor organization, to a very great extent, influenced NGOs to enter strategic alliances.

4.4.5 Reduce Duplication of Services

One of the other factors considered by NGOs while entering strategic alliances is to reduce the duplication of services at operational level; the responses are as follows:

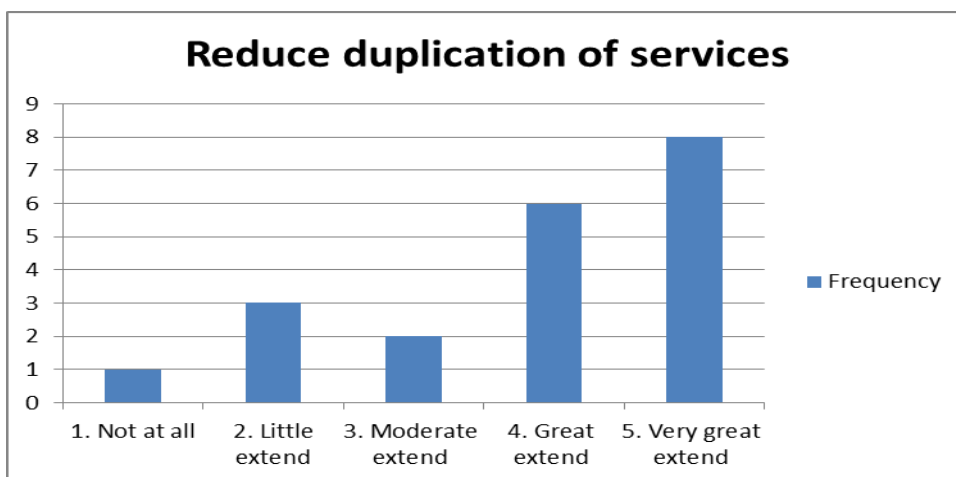


Figure 10: Reduction in duplication of services

Source: Research Data (2011)

The figure above shows that the majority of NGOs considered reduction in duplication of services as very important in entering strategic alliances.

4.4.6 Strengthen Government Health Systems

The last factor considered by NGOs in entering strategic alliances is to strengthen the government health systems. The respondents' views on this were as follows:

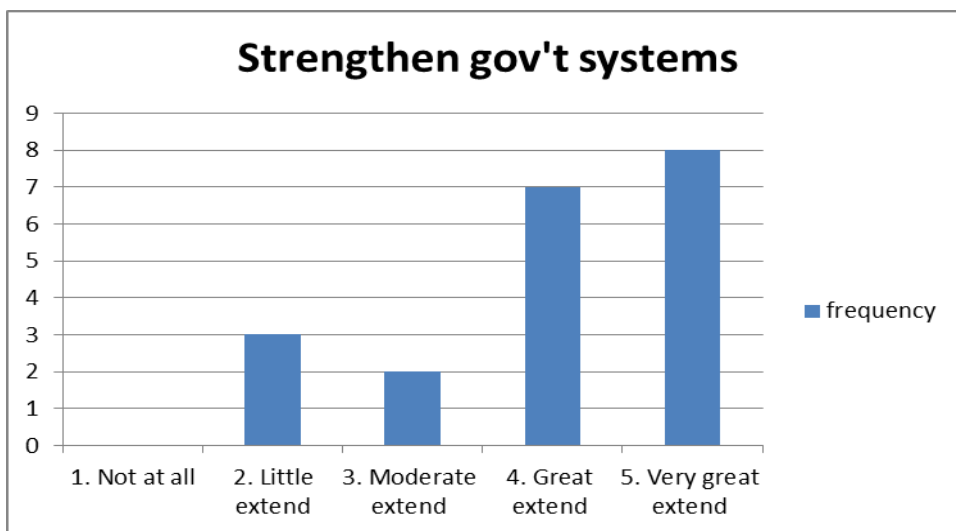


Figure 11: Strengthen government health systems

Source: Research Data (2011)

The figure shows that most of the respondents, to a very great extent, consider strengthening existing government health systems as key to their entry in to strategic alliances.

4.5 Challenges faced by Health NGOs in Strategic Alliances

The following section presents the results for some of the challenges experienced by organizations while implementing strategic alliances.

4.5.1 Clash of Organizational Cultures

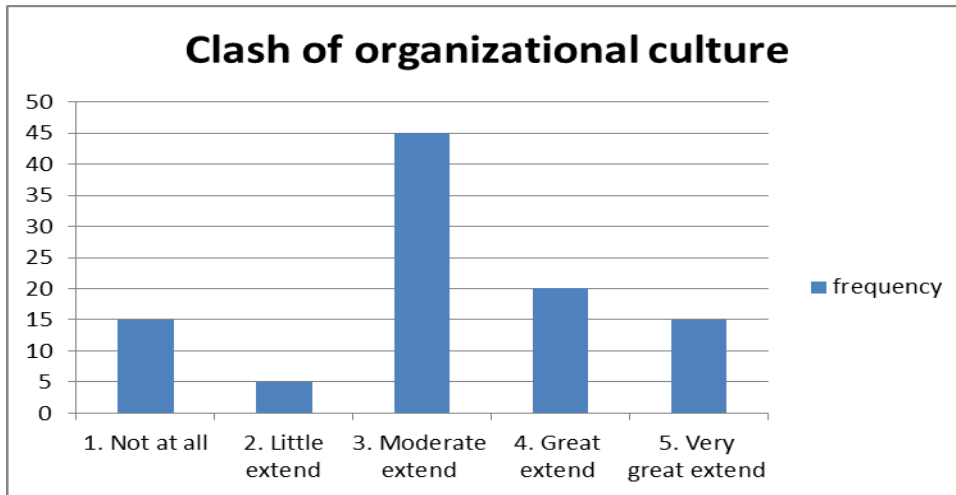


Figure 12: Clash of organizational cultures

Source: Research Data (2011)

Potential clash of organizational cultures can pose a challenge during the implementation of strategic alliances. The figure shows that most of the respondents considered clash of the cultures to be not so much of a threat to the execution of strategic alliances.

4.5.2 Reluctance to Embrace Change and give up Autonomy

Reluctance to embrace new change and give up autonomy by the partners in the alliance can be a challenge to most organizations in any alliance. The responses to this were as follows:

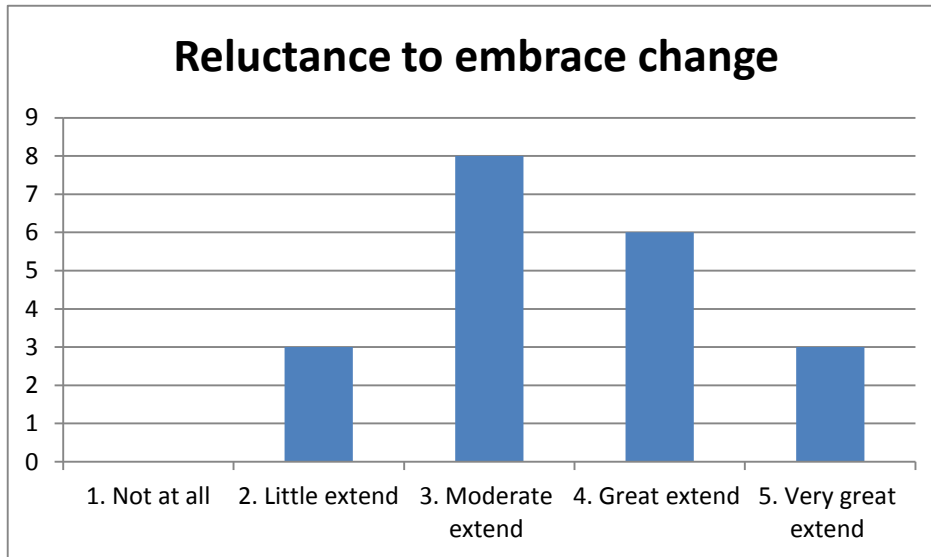


Figure 13: Reluctance to embrace change and give up autonomy

Source: Research Data (2011)

The above results show that most of the respondents did not think this as a very important challenge to consider in strategic alliances.

4.5.3 Inadequate Monitoring and Evaluation Systems

A poorly developed monitoring and evaluation system can also be a challenge to joint implementing of programs. The figure below shows the results for this factor:

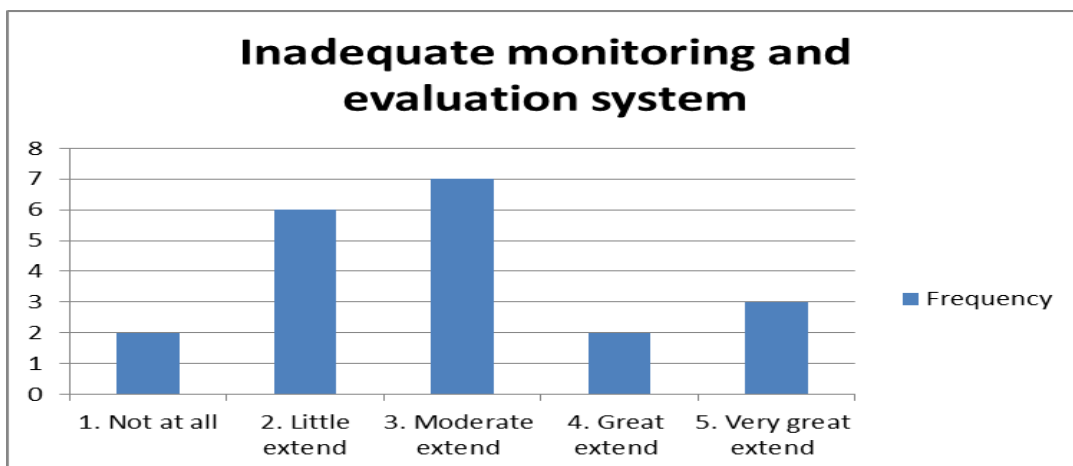


Figure 14: Inadequate monitoring and evaluation systems

Source: Research Data (2011)

The results show that there is relatively low consideration of inadequate monitoring and evaluation systems as a challenge to implementing programs as an alliance.

4.5.4 Lack of Proper Structural and Reporting System

Another foreseeable challenge in strategic alliances is the lack of proper structural and reporting systems. The responses were as shown below:

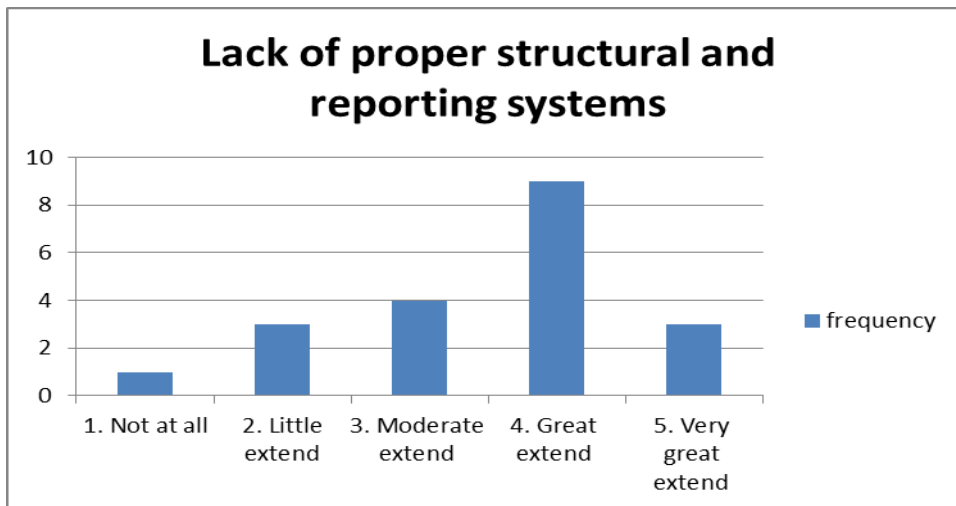


Figure 15: Lack of proper structural and reporting systems

Source: Research Data (2011)

The figure shows that a majority of the respondents considered lack of proper reporting systems as a relatively key challenge in implementing alliances.

4.5.5 Lack of Clear Goals and Objectives amongst Alliance Partners

The figure below shows the respondents' views on lack of clear goals as a challenge in implementing strategic alliances.

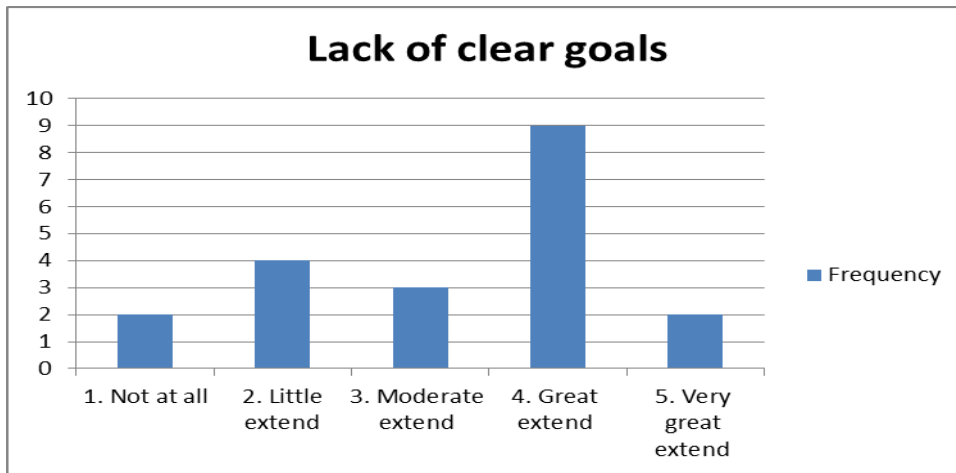


Figure 16: Lack of clear goals by the partners

Source: Research Data (2011)

The results shows that lack of clarity (conflict) of goals, to a great extent, pose a challenge to the implementation of programs in an alliance.

4.6 Summary of the Results

This section summarizes the factors analyzed in order of their importance as was established in the study.

4.6.1 Summary of the Factors Considered by Health NGOs when Entering Strategic Alliances

The figure on page 41 represents a summary of all the factors considered in the questionnaire. The clustering has been done based on the modes from the respondents.

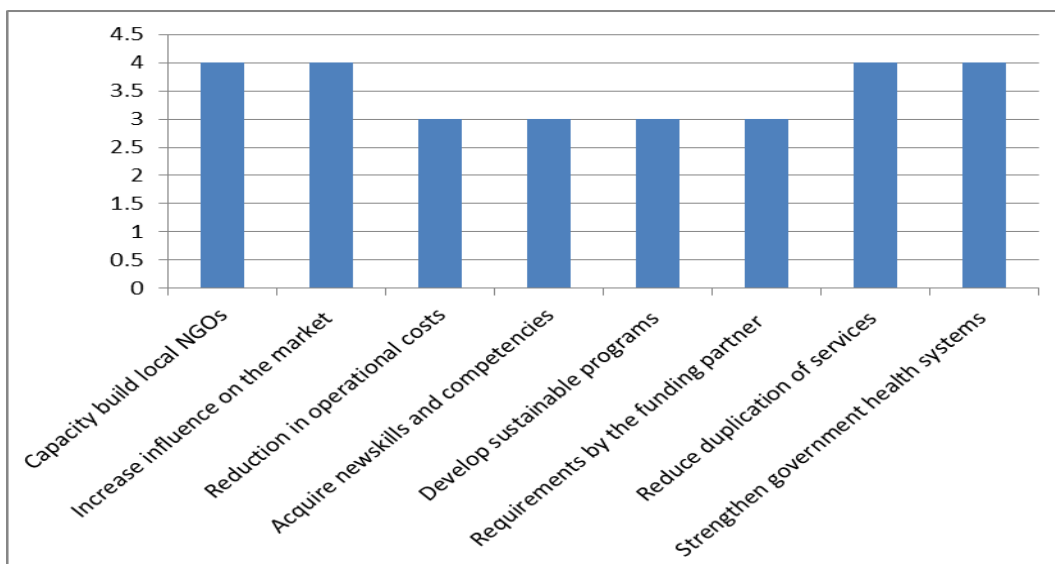


Figure 17: Factors considered by NGOs while entering strategic alliances

Source: Research Data (2011)

4.6.2 Summary of the Challenges faced by Health NGOs in Strategic Alliances

The table on the next page presents a summary of key challenges as included in the questionnaire. The respondents' views have been presented in the table using the modes for the various challenges.

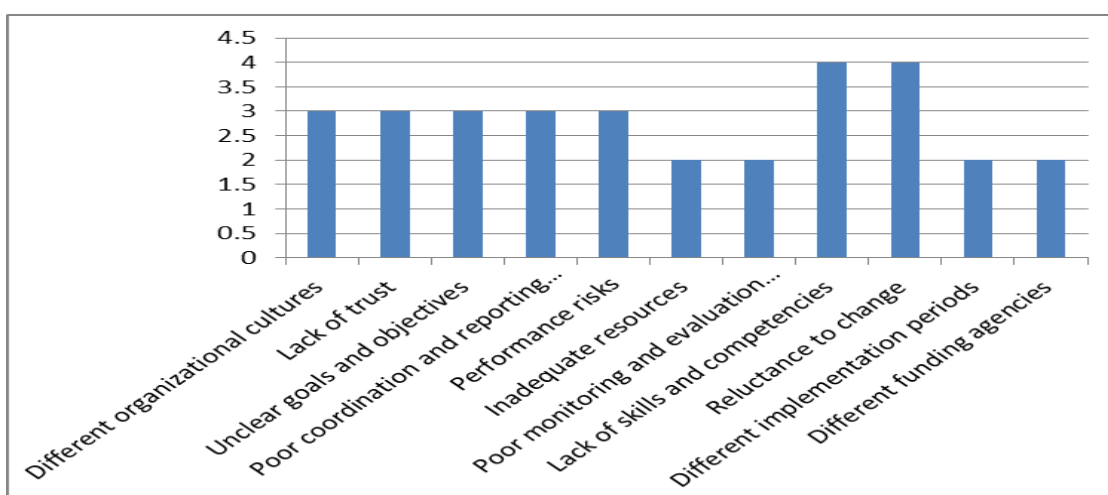


Figure 18: Summary of the challenges faced by NGOs when they enter strategic alliances.

Source: Research Data (2011)

4.7 Discussion

The main objectives of the study were to investigate the factors considered by NGOs in the health sector when entering strategic alliances and the challenges faced. In the recent past, NGOs have come to embrace the implementation of programs through various forms of strategic alliances. Traditionally, this has been a reprieve for firms and other for profit making organizations. Formation of consortia, whereby two or more partners jointly implement a program for a specified period of time, is the commonest type of strategic alliance among the NGOs (USAID report on capacity building for sustainability, 1998, 2009).

Various reasons have been fronted to explain this change in approach by the NGOs and this study looked in to the most common reasons for this change. The study also looked in to the most probable reasons that make it difficult to implement programs through alliances; this was informed by the notable increase in the collapse of such alliances that are formed by organizations.

The study clustered the organizations in to either international or local. This was done in order to get a less biased response, as there has been a notable increase in the number of local NGOs implementing programs that have traditionally been a reserve for international NGOs. It was noted that the international NGOs still played a key role in the health sector, as they formed a bigger proportion of the respondents (60%). The study also found out that the NGOs in the health sector that were implementing their programs through such alliances in Kenya were mostly dealing with HIV/TB and Malaria programs and that they were being supported by the USG through its main agencies, CDC and USAID (80%). Other NGOs were funded by other countries such

as Japan, the UK and Canada and had a broader area of coverage including system strengthening and water and sanitation.

The NGOs that had formed such alliances were distributed across the country though with a relatively higher concentration in Nyanza province. This could be alluded to the high prevalence of HIV/TB/Malaria and other health related problems in the region (for instance, according to the Kenya AIDS Indicator Survey 2009, Nyanza province recorded the highest HIV prevalence of 15.3% in the country). There had therefore been a focus of NGOs in this region to help curb the problem.

The study found out that four major reasons were considered to be of extreme importance for consideration while entering strategic alliances (mode of 5 – extremely important factor). The first was the recommendation by the funding organizations, in this case from the developed donor countries such as the USG. The donor countries therefore had a great influence on the direction that the projects took in the country and therefore determined the terms of reference and objectives to the implementing partners.

The second reason was for organizations to re-focus their resources towards developing programs that are more sustainable. This calls for the use of the available resources in a more effective way. Consortia therefore provide one such avenue whereby organizations pool together their resources and therefore cut down on production and operation costs. Hand in hand with this is the third reason of strengthening already existing government systems to better deliver sustainable services. Kenya, as a country, has very well developed policies on health care. One of

the main factors that has hindered the improvement of health indicators is the lack of properly designed implementation programs. NGOs, through alliances with the government and other related partners, have the opportunity to provide the necessary resources and expertise to implement these policies.

The fourth factor considered was the reduction in the duplication of activities among the implementing partners. This has been the case especially where partners are funded separately to implement similar programs in the same geographical region. Rather than duplicate these services, which more often than not leads to unhealthy competition and ultimately poor service delivery, organizations have entered alliances and divided the activities with resultant improved efficiency and effectiveness in service delivery.

In addition to the above factors, the study also, (mode of 5, CI of 95% for consideration to a great extent), reported that organizations enter strategic alliances in order to capacity built local NGOs. This can be done, initially through joint implementation of activities with subsequent weaning off of the local NGOs and ultimately directly funding the local NGOs to implement the activities. This has been aimed at using the locally available partners, who are perceived to better understand the local health systems to implement the various projects with resultant reduction in operational costs such as payment of experts and sustainability.

The study also found out (with a mode of 4, consideration to a great extent) that NGOs have, due to the increasing competition for funding, formed alliances in order to increase their competitiveness when applying for such funds. With such

competition, organizations have had to partner with those with similar objectives with the aim of jointly implementing programs and therefore reduce on operation costs. This is quite an interesting phenomenon in the not for profit sector, for, the increase in the number of NGOs and the reduction in the funding agencies means that they have to come up with more ingenious ways of operations to beat the competition!

Any organization entering a strategic alliance is usually faced with several challenges that may be quite variable depending on the circumstances that lead to the creation of the alliance and the operating environment. The study established that organizations consider having lack of clear goals and objectives from the different partners in the consortium to be a recipe for failure (mode of 4 – to a great extent). As different organizations have different goals and objectives to achieve, usually within a specified period of time, a critical analysis of whether joint implementation as opposed to sole implementation will enhance more effective and efficient implementation has to be exhaustively discussed. There is always need for absolute honesty and clear articulation of each party's goals with the aim of harmonizing and therefore jointly implementing them.

The study also established that lack of proper structural coordination and reporting system was one of the major reasons that lead to failure of alliances (mode of 4 – to a great extent). Organizations that enter strategic alliances usually have their own operational and supervisory structures that, more often than not, have taken long to establish. It therefore becomes a challenge to harmonize two or more independent systems especially where one party is expected to cease or otherwise share some powers. Discussions on the reporting structure should therefore be done early enough

in the process of alliance formulation and clear communication given to all the employees in the respective organizations; this shall in a way enhance better understanding, adjustment and therefore a harmonious implementation.

To a lesser extent (mode of 3 – moderate extent), clash of organizational culture (Kilburn 2009) and fear to embrace change were also considered to be challenges in implementing these alliances. Organizations therefore have to convince their employees about the reasons for the formation of such alliances and discuss how to manage such changes (Lewis 2002). This shall ensure efficient implementation of the programs with confidence and also create a new culture in the newly formed organization. It however calls for a lot of accommodation and going the extra mile to embrace the other partner's culture.

Routinely, all programs are periodically evaluated either internally or externally by the donors. Lack of proper monitoring and evaluation system was therefore considered to be a relatively important factor that can challenge the implementation of alliances (modes of 3 – moderate extend). Different funding agencies usually have different monitoring and evaluation systems; this is usually based on past experiences and the specific objectives and indicators. Before entering these alliances, both parties therefore have to fully discuss and understand the different models used and either adopt one or develop a hybrid of the two; this shall ensure proper data collection analysis and interpretation for purposes of improving the program.

Other factors not considered to be so much of a challenge (mode ≤ 2 – to some extend) included different funding periods, lack of enough resources, clash of

organizational cultures, lack of expertise and different funding agencies. It is however expected that clash of organizational cultures would, to a great extent, influence the implementation of any alliance as every organization has a culture that they want to safeguard; the respondents however didn't consider this as of relatively high importance.

CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the summary of the factors considered by NGOs in the formation and implementation of strategic alliances and the challenges faced, the conclusions and recommendations and the limitations faced during the process of data collection and analysis.

5.2 Summary

In summary, this study has helped better explain the various factors taken in to consideration by various NGOs in the health sector while forming strategic alliances. By selecting NGOs that have at one point implemented their program through various forms of strategic alliances, an analysis of the data has shown that most NGOs that implement their activities in Kenya operate as implementing agents of the donor countries. The donor countries therefore have utmost influence on the strategic direction that the agents should take while executing their programs; further funding is pegged to the performance as outlined in their strategic plans. The government of Kenya, through the sector wide approach, plays a key role in streamlining the activities to fit in to the MoH Strategic Plans.

Other factors have been shown to be considered with different levels of relevance by different partners. Of note is the need to build capacity of local NGOs, to reduce duplication of services and to effectively compete on the donor market.

Various challenges are to be anticipated in the process of implementation of the strategic alliances. The study has also clearly indicated the different degrees to which these potential challenges can influence the success or otherwise failure of the strategic alliances. Key among the factors are lack of adequate skills to adequately run the consortium and lack of trust between the partners. Of great importance therefore is for the management to adequately engage and prepare their employees to embrace the new changes that come with joint implementation of these alliances as this has been shown to improve the chances of reducing the challenges with more focus on implementation strategies.

5.3 Conclusions

From the gathered information, it may be concluded that NGOs in the health sector in Kenya entered strategic alliances as a result of recommendations from the donor agencies which have shifted their focus from vertical implementation of programs to a more integrated model where sustainability, cost reduction and reduction in duplication of services are the main goals. The NGOs have therefore had to re align their strategies with these goals and therefore developed programs that better cater for the needs of the populations they serve. It has also lead to the development of strategies that give them a competitive edge over the rest as the competition for the funds becomes stiffer and stiffer.

These organizations however have to grapple with many challenges as they harmonize their programs to accommodate each other's interests. For the alliances to succeed the management has to effectively engage the other employees in embracing the new changes and help develop operational, reporting and monitoring and

evaluation systems that provide a conducive environment for the joint implementation of the programs. It therefore calls for a thorough partner evaluation and assessment to ensure that the right partner comes on board bringing in the needed capabilities and strengths.

5.4 Recommendations for Policy and Practice

Based on the findings and conclusions of this study, it would be paramount for any organization planning to jointly implement their programs through alliances to carefully examine the reasons for entering into strategic alliances and be clear about what expectations they have of their partners and therefore select a partner that complements their strategies.

The strategic alliance agreement should be well drafted after thorough discussions with, not only the management, but all employees in the organizations, as there is always a need for a change in the management structure. The memorandum of understanding between the parties should have clear implementation guidelines including clearly defined reporting systems and protocols to ensure a harmonious implementation.

A culture of trust and utmost faith should be cultivated at the formulation stage of the strategic alliance to ensure that each partner's needs are kept in focus. This will ensure that the benefits of the alliance are not skewed towards one partner, a factor that is bound to breed distrust among partners thus lead to disintegration of the alliance.

5.5 Limitations of the Study

This study had limitations in that conceptually and contextually, not so much has been studied in the area of creation and execution of strategic alliances in the not for profit sector and especially in the health sector. Consequently, there was limited literature to be reviewed and a lot of inference had to be drawn from literature on strategic alliances in the business (for profit) industry. As noted, there are obvious differences in the factors influencing the formation of strategic alliances in the two sectors.

Given that only few NGOs in the health sector have entered strategic alliances, it was methodologically difficult to get a randomly selected sample. There was use of purposeful sampling technique to get NGOs that had or were implementing any form of strategic alliance at the time of data collection. This method however is liable to sampling bias as there is a tendency to only select NGOs that have been in operation for a longer period of time or that are inclined to the USG whose push for the creation of strategic alliances is more pronounced.

The choice of HENNET and the NGO council as the main references for the selection of the NGOs was also liable to selection bias as not all NGOs in Kenya are registered by these umbrella bodies. These two factors could lead to marginal extents of selection bias as the sample size is affected in both cases. The use of internet and the choice of country directors as the main respondents were also liable to information bias. Though the response rate was more than 70%, it is important to note that a lot more effort was put in place by use of constant email and phone reminders.

5.6 Suggestions for Further Study

Since this study limited itself to the NGOs in the health sector, which, as noted, have few funding partners and especially from the West and North, further research is recommended to establish the factors and challenges that have led to the increase in the number of strategic alliances in the NGO sector. It would also be of interest to know how NGOs in other sectors have implemented their programs through alliances and the challenges they have faced.

Further research should also be done on the impact that the USG policy on capacity building of local NGOs to implement programs for sustainability has had on the operations of the various players in the health sector.

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APPENDICES

Appendix I: Questionnaire

SECTION A: DEMOGRAPHIC INFORMATION

1. Type of organization (local/international NGO).....
2. Affiliation of the organization (funding organization).....
3. Area of operation.....
4. Programmatic area/s covered.....
5. Number of years in operation.....

SECTION B: FACTORS CONSIDERED WHILE ENTERING STRATEGIC ALLIANCES

1. To what extent do you consider the relevance of each of the following factors while entering in to strategic alliances?

2. Use a 5 – point scale where; 1 = Not at all; 2 = Little extend; 3 = Moderate extend ; 4 = Great extend and 5 = Very great extend

(Please indicate with X in the boxes)

| | Factors | 1 | 2 | 3 | 4 | 5 |
|---|---|----------|----------|----------|----------|----------|
| 1 | Capacity build local NGOs | | | | | |
| 2 | Increased influence on competitive funding market | | | | | |
| 3 | Reduction in operational costs | | | | | |
| 4 | Ensure survival of critical services | | | | | |
| 5 | Acquire skills and competencies | | | | | |
| 6 | Develop sustainable programs | | | | | |
| 7 | Requirements by the funding partner | | | | | |
| 8 | Address leadership void | | | | | |

SECTION C: CHALLENGES FACED IN STRATEGIC ALLIANCES

1. To what extent do you consider the relevance of each of the following factors while entering in to strategic alliances?

2. Use a 5 – point scale where; 1 = Not at all; 2 = Little extend; 3 = Moderate extend ; 4 = Great extend and 5 = Very great extend

(Please indicate with X in the boxes)

| | Challenges | 1 | 2 | 3 | 4 | 5 |
|----|--|----------|----------|----------|----------|----------|
| 1 | Clash of organizational cultures | | | | | |
| 2 | Lack of trust | | | | | |
| 3 | Lack of clear goals and objectives | | | | | |
| 4 | Lack of proper coordination | | | | | |
| 5 | Performance risk due to unpredictable external factors | | | | | |
| 6 | Inadequate resources | | | | | |
| 7 | Inadequate monitoring and evaluation system | | | | | |
| 8 | Inadequate skills and competencies | | | | | |
| 9 | Reluctance to embrace change and give up autonomy | | | | | |
| 10 | Differing implementation periods | | | | | |
| 11 | Differing funding agencies | | | | | |

Appendix II: Health Related NGOs in Kenya

| | | |
|--|---|--|
| 1) Access Uzima* | 2) Action Aid | 3) Adventist Development Relief Agency (ADRA) |
| 4) African Development and Emergency organization (ADEO) | 5) APHIA plus | 6) Aga Khan Foundation |
| 7) African Medical Research Foundation (AMREF) | 8) African Population Health Research Center* | 9) Association for the Physically Disabled in Kenya (APDK) |
| 10) AMPATH | 11) Care International* | 12) Centres for Disease Control* |
| 13) Centers for Health Solutions* | 14) Christian Children's Fund - Kenya | 15) Consortium for National Health Research |
| 16) Constella features | 17) CMED | 18) Christian Medical Mission Board* |
| 19) Christian Health Association of Kenya* | 20) Christian Partners Development Agency | 21) Doctors of the world |
| 22) Elizabeth Glazier Paediatric Foundation* | 23) Engender Health | 24) Family Health International |
| 25) Family Health options | 26) Family Support Institute | 27) Food for the hungry international |
| 28) Fred Hollows Eastern Africa | 29) Goal International | 30) Great Lakes University, Kenya (GLUK) |
| 31) GIZ | 32) HAPAK | 33) Health Policy |

| | | Initiative |
|---|---|---|
| 34) International Medical Corps | 35) Intra Health International | 36) I Choose Life - Africa |
| 37) Impact Research* | 38) ITECH* | 39) JHPIEGO* |
| 40) JICA* | 41) KEC – Catholic Secretariat | 42) Kenya AIDS NGOs Council |
| 43) Kenya Consortium to fight Malaria, TB and AIDS (KECOFATUMA) | 44) Kemri CDC* | 45) Kemri FACES* |
| 46) Kemri - University of Washington | 47) Kemri – Waltered | 48) Kenya Network of Women with AIDS |
| 49) Kenya Association of Professional Counselors | 50) Kenya Association for the Welfare of People with Epilepsy | 51) Kenya Red Cross Society |
| 52) Kenya Society for the blind | 53) Life Care Support | 54) Liverpool VCT |
| 55) Malterser International | 56) Mama na Dada Africa | 57) MAP International |
| 58) Marie Stopes Kenya | 59) Matibabu Foundation* | 60) MCHIP* |
| 61) Merlin International* | 62) Mildmay International* | 63) MSF Belgium |
| 64) Millennium Villages Project* | 65) Omega Foundation | 66) Ogra Foundation* |
| 67) Nyanza Reproductive Health Services | 68) PACT* | 69) PAMOJA |
| 70) Pathfinder International* | 71) Population Service International* | 72) Program for Appropriate Technology in Health (PATH) |

| | | |
|---------------------------------------|---|--|
| 73) Provide International | 74) Safe Water and AIDS Project (SWAP) | 75) Samaritans Purse |
| 76) Save the Children Canada | 77) Sight Savers International | 78) Sustainable Aid in Africa International (SANA) |
| 79) Supreme Council of Kenya (SUPKEM) | 80) The Association of people with AIDS | 81) TUUNGANE |
| 82) UNICEF | 83) University of Nairobi | 84) WASDA |
| 85) Wem Integrated Health Services | 86) Women in Fishing Industry Project | 87) World Friends |
| 88) World Neighbors | 89) World Relief | 90) World Vision |

Source: *HENNET 2011*

Appendix III: Implementation Schedule

| Activity | Time frame (2011) | |
|---------------------------------------|----------------------------|----------------------------|
| | Start date | End date |
| Proposal development and presentation | June 15 th | August 24 th |
| Data collection | August 25 th | September 14 th |
| Data Analysis | September 15 th | September 20 th |
| Report writing | September 20 th | September 28 th |
| Submission | September 29 th | |

Appendix IV: Research Budget

| | Activity | Cost (Ksh) |
|-----------|----------------------------------|---------------|
| 1. | Proposal development | |
| | Stationery | 3,000 |
| | Printing | 2,000 |
| | Photocopying | 1,000 |
| 2. | Data collection | |
| | Stationery | 1,000 |
| | Printing | 2,000 |
| | Distribution/Travelling expenses | 10,000 |
| 3. | Data analysis | 20,000 |
| 4. | Report compilation | |
| | Printing/Binding | 6,000 |
| | Quality control | 6,000 |
| 5. | Miscellaneous | 2,000 |
| | Total | 53,000 |

Appendix V: Letter of Introduction

Dear Sir/Madam

I am a medical doctor and a student at the University of Nairobi's School of Business; the topic for my project proposal is "Factors considered by Health related NGOs in entering strategic alliances and the challenges faced". The objective of the study is to document the factors considered by health related organizations while forming Strategic alliances and the problems encountered in the process of implementation.

I consider the results of this paper to be important for the organizations under study and other related organizations as it shall help evaluate the strategic directions that NGOs in Kenya should take while entering strategic alliances and therefore better manage them in line with the changing policies from the donor organizations. More so, it shall help me achieve my academic requirement for the MBA degree program. The focus of the questionnaire is on the top management of the targeted organizations and those members involved in the formulation and implementation of such strategic alliances.

Preliminary evaluation indicates that your organization has, or is currently implementing such an alliance. It is with this in mind that I kindly request you to help fill in the semi structured questionnaire as attached. Kindly feel free to contact me in case of any further clarifications.

I kindly request you for some of your time for this exercise.

I look forward to your positive response.

Thanks and regards

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