



SEEK WISDOM, ELEVATE YOUR INTELLECT AND SERVE HUMANITY!



The influence of strategic planning and practices on organizational performance in Selected NGOs

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June 2023

STUDENT'S DECLARATION

I, the undersigned, declare that this is my original work and has not been submitted to any other institution, or university other than the Addis Ababa University – School of Commerce for academic credit.

Signed _____

Date _____

Ariest Abiy, GSE/1740/13

This dissertation has been presented for examination with our approval as the appointed supervisors.

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Date _____

STATEMENT OF CERTIFICATION

This is to certify that, this project work “The influence of strategic planning and practices on organizational performance in Selected NGOs”, undertaken by Ariest Abiy in partial fulfillment of the requirements for Master of Arts in Business Leadership at Addis Ababa University School of Commerce, is an original work and not submitted earlier for any Degree either at this university or any other university.

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List of Acronyms

CBO: Community Based Organization

CCRDA: Consortium of Christian Relief and Development Association

CSO: Civil Society Organizations

FBO: Faith Based Organizations

SP: Strategic planning

SPM: Strategic planning management

BSC: Balanced score card

ACSO: Authority for civil society organizations

NGO: Non-governmental organizations

SPT: Strategic planning team

TOR: Terms of Reference

M&E: Monitoring and Evaluation

HRM: Human Resource Management

TQM: Total quality management

RBM: Result based management.

ABSTRACT

This research investigates the influence of strategic planning and practices on organizational performance in selected Non-Governmental Organizations in Ethiopia. Specifically, it examines the relationship between strategic planning practices and organizational performance, as well as the influence of strategic planning, strategy implementation, and monitoring and evaluation mechanisms on organizational performance in selected NGO's. Using both quantitative and qualitative research methodologies, data was obtained from a sample of 150 leaders through questionnaires and in-depth interviews with (top management, middle management, and supervisory level and senior consultants) across 30 NGOs, selected from a CCRDA membership list of 469 total organizations. Correlation and regression analyses were employed to test the hypothesis that effective strategic planning and practices have a significant relationship with organizational performance. Findings revealed a significant positive relationship between strategic planning practices and organizational performance, which highlights the importance of strategic planning in enhancing NGOs' performance levels. Furthermore, the results indicate that focusing on organizational capacity building, conducting advocacy research, understanding the dynamic environment and responding through it, revising strategic plans and their practices, and using innovative approaches are essential for successful strategic planning and implementation.

The study has significant implications for practitioners and policymakers in the NGO sector, as it emphasizes the importance of adopting strategic planning and practices to enhance overall organizational performance.

CHAPTER ONE

INTRODUCTION

1.1 Background of the study

A **non-governmental organization (NGO)** is an organization that generally is formed independently of the government. An NGO can be broadly defined as any institution, organization, or agency that was founded voluntarily to achieve charitable objectives, without a financial motivation, and that is mostly located outside of the control or operation of the governmental system (Stoddard, 2006). They comprise numerous organizations and groups that are either completely or largely autonomous of the government and that prioritize cooperative or humanitarian goals over profit-making ones (DeMars, 2005).

NGOs can be divided into three groups: (Handy, 1991: 13)

I. Service or intermediary NGOs – are organizations that are legally registered, have paid employees, and offer development services. This category includes several networks and international and local NGOs.

ii. Community-based organizations (CBOS) – are organizations founded by people to further their own interests. Typically, informal in character and serving only social purposes, these organizations now also play developmental roles.

iii. Membership NGOs – Such organizations occasionally play a larger role in growth and offer their services to those who are not members.

Strategic planning is a key step in the execution of strategic management and serves as its skeleton support. Over the years, the concept and practice of strategic planning have been embraced wide-reaching and across sectors because of its perceived influence on organizational performance (Latif & Gohar, 2013).

Wagner (2006). claims that there are four ways to explain the significance of strategic planning, including environmental scanning, strategy formulation, goal-budget linkage, and strategic planning as a process. Establishing organizational goals is the first step in the strategy planning process. Evaluating the connection between strategic planning and organizational performance is crucial for improving performance and for better understanding how strategic planning is implemented in practice.

Thompson and Strickland (1989) add that galvanizing organization-wide commitment to the chosen strategic plan is critical for effective performance. It is the first phase in the strategic management process and sets the basis for the other phases (Strategy implementation, evaluation and control).

Elbanna (2007) argues that strategic planning is "the creation of a written long-term plan that spans more than a year for the effective management of environmental opportunities and challenges, in light of organizational strengths and weaknesses.

Establishing an organization's mission and/or vision, outlining its long-term goals, and determining the methods the organization will employ to get there should all be included in strategic planning. Elbanna (2007), p. 228. The value of strategic planning comes from its capacity to support organizations in managing internal processes, allocating scarce resources, and anticipating changes in the external environment. (Mara, 2000; Bryson, 2011; Allison and Kaye, 2005).

Business organizations have used strategic planning for a very long time. However, it wasn't until the 1980s that nonprofit organizations began to use it extensively (George et al. 2019, p. 810). Compared to business organizations, charitable organizations have different strategic planning needs. The variances in their mandates account for these variations in strategic planning methodology. Nonprofit organizations seek to create public benefit, as opposed to for-profit organizations, which seek to maximize shareholder wealth. (P. 186 of Moore, 2000). As a result of the external environment's turbulence, nonprofit organizations also face a more complex set of issues than do for-profit organizations. (2003) Hughes; Nutt and Backoff (1987).

According to Grant (2006), "a framework of constraints and objectives that bounded and directed strategic choices" was expressed in the strategy initiatives and directions put up by company management in the form of mission and vision statements, cost-saving targets, and debt/equity ratios. Non-governmental organizations are happy to respond to the extremely difficult dynamic environmental factors that may endanger their existence.

It would be helpful to understand whether these factors are impeding progress towards strategic planning. These forces include budget restrictions on donors, a lack of staff, the size and scope of the organization's operations, shifting customer expectations, changes in government policy, comparability, and more intense competition with other non-governmental organizations, both established and emerging, for the accountability of international donors imposed by various stakeholder groups, such as public administrators, legislators, and the general public, administrators, legislators, citizens, staff and volunteers, and continuous government failure to satisfy public needs which increase the public demand for the services offered by these organizations. (Eisenberg.P. 2004).

There is a sizable gap in the literature when it comes to studies and research on the strategic planning process and practices in NGOs, especially in the context in Ethiopia, despite the recent interest in the study of strategic planning in non-profit NGOs in the Western context (Bryson, 2010; Mara; 2000). By giving a general overview of the formulation and implementation of strategic planning as well as the impact, it has on organizational performance in the chosen NGOs, this research aims to close that gap.

1.2 Statement of the problem

Only effective organizations can have the necessary impact in their fields of expertise. Impact, according to Shapiro (1996), refers to the long-term adjustments made to people's lives as a result of the NGO's activity. The goal of strategic planning is to increase an organization's effectiveness (Tascode, 2005: 5).

Inefficient NGOs result from inefficient strategic planning procedures, which reduces the impact of the organizations. Tascode (2005: 5) believes that low levels of impact demonstrated by local NGOs can be largely attributed to the ineffectiveness of their strategic planning processes.

However, most NGOs lack efficient strategic planning processes. Organizational effectiveness is hampered by a lack of core funding, poor program design and execution, poor staff development, and other fundamental organizational weaknesses, according to a study conducted by 70 local NGOs in nations like Botswana, Kenya, Malawi, Tanzania, Uganda, Zambia, Eritrea, Ethiopia, Djibouti, Somalia, and Sudan. Nevertheless, out of all these variables, inefficient strategic planning procedures were found to be a major barrier to organizational performance (James 2001b: 14). NGOs are not profiting from their strategic planning procedures, or at least not as much as they would, as a result of inadequate strategic planning (Lawson 2000: 7).

The failure to obtain support for the plan, fail to explain the strategy, fail to follow the plan, fail to adapt to important changes, accountability, and dedication to the budgeting are some of the issues in the relationship between strategic planning and performance by NGOs.

Franklin, (2011) noted that non-profit organizations need to function at the highest level of operational efficiency and performance effectiveness because they are using public and donor funds. Consequently, they can utilize strategic planning to retain public credibility by being accountable to funding partners who want the assurance that their money is best channeled through non-profit activities for some good reasons (Franklin, 2011).

To meet the requirements or criteria of donors, NGOs have developed strategic plans; however, key stakeholders were not fully included, which led to a lack of ownership in the process of producing and implementing the plans. The relevance and influence of strategic planning and implementation to an organization's success in non-governmental organizations, particularly those located in Ethiopia, have not been the subject of any actual studies.

The goal of the study is to investigate the connections between strategic planning/practices and organizational performance, as well as their impact. Focus will be placed on the strategic planning

process and its implementation, with particular attention paid to the organization's corporate purpose, environment-scanning, strategic issue identification, strategy selection, and evaluation and control systems.

1.3 General Objective

The general objective of the study is assessing the influence of strategic planning process and practices on the organizational performance of Non-Governmental Organizations in selected NGOs in Ethiopia.

1.4 Specific Objectives

The specific objectives of the study are

1. To identify and evaluate the key components of strategic planning development process for the efficiency and effectiveness of organizational performance in selected NGOs.
2. To examine the key strategic implementation phase from the viewpoints of competency, responsibility, and control and identify the level of resource challenges faced by selected NGOs.
3. To identify key mechanisms used to follow up and control the implementation of the SP and examine the relationship between strategic planning and practices with organizational performance in selected NGOs.

1.5 Research questions

1. Does strategic planning development process influence the efficiency and effectiveness of organizational performance in selected NGOs?
2. Does strategic implementation phases from viewpoints of competency, responsibility, and control influence organizational performance? And does level of resources challenges the process?
3. Does follow up and control mechanisms of the SP implementation influence organizational performance?and Does the strategic planning and practices relate with organizational performance?

1.6. Definition of terms /concepts

◆ Strategy

A set of actions designed to achieve a specific goal or desired outcome.

◆ Strategic Planning

A systematic and structured process that outlines an organization's long term goals, priorities and actions to achieve those goals.

◆ Strategic planning practices

Specific tools, techniques and methodologies used by organizations to carry out the strategic planning process.

◆ Strategic implementation

The process of translating the organization's strategic goals and plans into actions, activities, and initiatives to achieve the desired outcomes.

◆ Organization Performance of NGOs

The extent to which an NGO effectively and efficiently achieves its goals and objectives, maximizes its resources and demonstrates a positive impact on the communities it serves.

◆ Performance measurement of NGO's

The systematic process of collecting, analyzing, and reporting data to assess the effectiveness, efficiency and impact of an organization's programs, projects, and activities.

1.7 Local NGOs in Ethiopia.

Ethiopia's NGO industry has made a major contribution to the country's growth. Basic services including education, economic employment, environmental protection and natural resource conservation, agriculture, health, and training, education, and awareness-raising are included in the development sectors.

Some studies dated the establishment of civil societies in Ethiopia to the year 1930, while most studies cited the year 1960 as the beginning of NGOs' existence in Ethiopia. This was the year that civil societies were officially acknowledged and made legal. (2000) Jeffrey Clark, p. Due to the growth and increasing participation of regional NGOs in both relief and development activities, the composition of NGOs in Ethiopia has changed throughout time.

As of the middle of the 1990s, they now account for more than half of all NGOs in the nation.

According to the ASCO database, there are now 2971 civil society organizations registered in Ethiopia, of which 2542 are local NGOs and 429 are foreign organizations. They are widely dispersed throughout the nation's regions, carrying out grassroots development initiatives. (www.ACSO.gov.et)

The Organization of Civil Societies Proclamation No. 1113/2019 (CSO Proclamation), a new law on civil society organizations (CSOs), was enacted by the Ethiopian government on March 12. The CSO Proclamation replaces the 2009 Proclamation of Charities and Societies No. 621/2009 (2009 Proclamation), creating a more enabling environment by removing the cap on receiving funding from foreign sources and protecting a civil society organization's right to engage in any legal activity, including economic activity.

1.8 Significance of the Study

Non-Governmental Organizations

The results of the study will be especially helpful in extending Ethiopian NGOs' knowledge of the strategic planning process and practices they have taken to stay competitive.

Infant local NGO's

Infant local NGOs established /establishing may acquire insightful direction and knowledge from the study, since they are at the early age of their existence. The study shall help them with well-structured development of their strategic plan formulation, implementation and monitoring evaluation phase.

Academicians

The study will be useful to academics who are studying the same subject, as well as to scholars, students, and other researchers as a source of reference information for further research on related subjects. The study will draw attention to additional significant connections that call for more investigation, namely in the fields of strategic planning and NGO practices in Ethiopia.

1.9 Scope of the Study

The study's scope was restricted to the influence of strategic planning on organizational performance in selected thirty non-governmental organizations in Ethiopia. The selected NGOs are composed of twenty-one local NGO's, five international NGOs, three faith based and one consortium. Top management, middle management, and supervisors of chosen NGOs, as well as senior consultants, the majority of whom have worked in their current positions for at least five years made up the study's population.

1.10 Limitation of the Study

The reliability of this work was hampered by the relatively low research output on NGOs' experiences with strategic planning in Ethiopia and the absence of a database on the subject. Because there are so many local NGOs in the country and their data and resources are not readily available, conducting nationwide research would be prohibitively expensive.

CHAPTER TWO

Literature Review

2.1 Literature Review

This chapter presents literature review in line with research objectives. Model framework, theoretical foundation, empirical review is included. The framework that is provided below offers a solid foundation for estimating strategic planning and practices in certain NGOs.

Ghoneim.N.A. (2012) stated. that in addition to developing mission statements, strategies, vision and value statements, and performance indicators, all essential elements of strategic planning most non-governmental organizations concentrate their strategic planning efforts on developing objectives and performance measures. Due to financial limitations, only a small fraction of them utilizes outside consultants; most of them do environmental evaluation.

Strategy content in Strategic Planning Model (SPM)

The first section of Rhodes and Keogan (2005) SPM is strategy content. They described strategy content in terms of "actions and decisions taken to achieve the organization's mission" was used to characterize strategy content. This is crucial for the strategic planning processes of non-governmental organizations because it enables them to concentrate their efforts on fulfilling their missions. Developing strategies for non-governmental organizations can either result in improved financial resources via cooperation or aim displacement through competition. The selection of any strategy content depends mainly on non-governments funding needs (Stone, Bigelow, and Crittenden, 1999).

In their 2005 article, Rhodes and Keogan, they discussed two methods for creating strategy content in organizations. There are two: the emergent method, which is a process for building strategies based on informal learning, and the planned approach, which is a top-down formal process for doing so. Organizations have three options, depending on their strategy: "change their

environments, change how they currently relate to these environments, or change the organization itself." (2006) Andrews et al.

The performance of the organization will be significantly impacted by the strategic action chosen. As a result, developing strategy content requires an evaluation of the many environmental conditions that exist in an organization.

Andrews (2006) defines strategy as the development of the distinctive courses of action that will lead the organization to an envisioned state; As a result, it is the most difficult aspect of strategic planning. Therefore, plans may emphasize employee empowerment, research, and development, or other techniques judged appropriate for achieving the desired condition of affairs.

Based on the strategies established during the strategic planning process, goals and objectives are created. Contrarily, Campbell and Alexander (1997) assert that the foundation of strategy is the clarity of goal, followed by the development of procedures that add value to the organization. Mintzberg (1974), in contrast, emphasizes the dynamic aspect of strategy through the use of three typologies: intentional (planned and realized), unrealized (planned but not realized), or emergent (unplanned but realized).

The top-down formalized approach is now associated with the intentional school of thought, whereas the unstructured (discovery- and learning-based) method is associated with the emergent school of thought (Rhodes and Keogan, 2005). Others support a continuum that unites the two diametrically opposed concepts. Planned ideological, entrepreneurial, umbrella, and process approaches are all part of this continuum.

Munive-Hernandez et al. (2004) claim that tactics that are really implemented are based upon both the deliberate and emergent paradigms, which in some ways undermines the discussion. Finally, Steward (2004) asserts that external environmental forces, such as policies, politics, and alliances, have a greater impact on the definition and development of organizational strategic planning in public organizations than internal environmental forces, such as HRM structure, content, and environment implementation. In addition to the disagreement over the theoretical

foundation of strategic planning, this discussion also exposes the controversy surrounding the content and definition of strategies.

Environment(s) in Strategic Planning Model

The environment is the framework for strategic planning. In their model of strategy dimensions for non-government organizations, they separated the environments of these organizations into internal and external. They claimed that internal environment study looks at resources, structure, procedures, and culture in addition to strengths and weaknesses. Comparatively, an analysis of the external environment looks at the opportunities, risks, rivalry, economy, technology, social, and stakeholders' elements. Techniques like "PEST, the Porter Five Competitive Forces Model, scenario planning, and stakeholders' mapping" are used in the external analysis. As a result, the accepted strategic planning model is more thorough because it considers a larger range of environmental analysis factors.

There are numerous ways in which non-governmental organizations react to changes in the external environment. For instance, differentiation was discussed in depth by Barman (2002) as a strategic management strategy for non-government organizations. Brown and Iverson (2004), on the other hand, provide responses that are grounded in tying Miles and Snow's understanding of business challenges to non-governments.

As a result, administrative challenges center on organizational infrastructures while engineering challenges concentrate on operational choices like "service delivery" and entrepreneurial issues center on attitudes towards community responsibility and target demographics (p. 379). In the non-government sector, they also applied Miles and Snow's strategic business classification. Thus, defenders frequently take a niche strategy, prospectors frequently adopt a first mover's strategy, analysts frequently adopt early strategies, and reactors simply respond. Research also found that prospectors and defenders differ in their emphasis on efficiency, defenders tend to emphasize efficiency and niche concentration whereas prospectors emphasize innovation and increased board

participation (Brown and Iverson, 2004).

Mission in Strategic Planning Model

The mission is the 3rd part of Rhodes and Keogan's (2005) strategic planning model. Developing missions in NGO's is a vital element of their strategic planning efforts and must be considered as the hub of the BSC evaluation procedure (Blackmon, 2008). The mission has to be associated with the organizations' targets and objectives to assist the accomplishment of strategic plans. It can either impose limitations or propose opportunities for the organization depending on its selected strategic way (Brown and Iverson, 2004).

On the other hand, in every case, missions have a continuing effect on NGOs strategic planning practices (Rhodes and Keogan, 2005). The significance of mission in strategic management, and implementation appears clear although definitions are unclear. For example, Rhodes and Keogan (2005) advocate for a definition based upon the Ashridge structure of mission developed by Campbell missing the strategy segment; therefore, the framework includes purpose, values, and behaviors.

At the same time as Brown and Iverson (2004). Strategic classifications, they develop that the mission statement may be interpreted as putting restrictions on the institute or as providing opportunities for the institute based on the strategic direction of the organization. This results in differences in the mission utility in NGOs. The vision and mission are currently important basics of strategic management and a crucial component of the environment and strategy content of NGOs, even though definitions and usages vary.

Human Resources Management in Strategic Planning Model

The next section in Rhodes and Keogan (2005) strategic planning model is human resources management (HRM) and structure. Numerous authors have emphasized the strategic assessment of HRM and the need for it to be integrated into NGO's overall strategic planning efforts with the goal of maximizing its potential as a strategic support function as opposed to a traditional one and fostering greater competitive advantage. (Cakar, Bititci, and MacBryde, 2003).

Cakar, Bititci, and MacBryde (2003). emphasize the TQM's tendency to concentrate attention to internal business processes and human resources as a strategy of strategically gaining competitive advantage. Thus, the human resources department should define goals, objectives, activities, and accomplishment strategies. Additionally, Macpherson (2001). supports the tactical analysis of HRM by emphasizing strategic objectives that might range from anticipating future human capital requirements to integrating human resources into the entire strategic management framework through knowledge management.

Implementation in Strategic Planning Model

The last element in Rhodes and Keogan (2005) Implementation is the basis for strategic planning. Successful strategic planning does not guarantee successful strategic management initiatives in for-profit businesses or non-profit organizations. The step of implementation has the biggest impact on the success of strategic management initiatives. Implementation is interconnected with the other components of the strategic planning model developed by Rhodes and Keogan (2005). These include human resource management, organizational structure, operational strategies, and monitoring. Therefore, as a tool for NGOs to adopt better strategic management techniques, implementation is an essential component of an organization's strategic planning framework.

Numerous summaries of the literature that cover institutional structure and culture, plans, monitoring, and HRM are used to explain establishments (Rhodes and Keogan, 2005). Due to the interdependence of HRM and organizational structure and the separation of execution methods, this model involves completion with both.

Although there are sufficient techniques and tactics to help organizational leaders through the strategic management development stages, these tools and strategies are absent for the achievement levels. Thus. Okumus and others (Alexander, 1991) suggest that implementation issues, rather than formulation and development, may be the reason why strategic management attempts fail.

As a result, Okumus creates an implementation process that includes various methods focused on the maturation stages of strategic management. Last but not least, Kaplan (2001) supports the BSC

as a way of coordinating strategic goals with the organization's mission and measuring accomplishment in NGOs beyond monetary indicators.

The model of performance evaluation Balanced Scorecard (BSC)

Because operational control and cost-cutting measures could not support organizational goals in the 1980s, performance measurement systems placed a strong emphasis on economy and efficiency. This flaw was the primary driver behind the emergence of BSC. Following a large-scale research initiative that began in 1990 and their original refereed publication that was published in 1992, Robert Kaplan and David Norton developed the BSC (Kaplan and Norton, 1992).

Although the authors initially suggested the framework to be used as an instrument for communicating strategy, Kaplan and Norton's (1992) Balanced Scorecard (BSC) has keenly developed on a widely used structure for performance measurement (Meyer, 2005). There are at least three different reasons for the stages of BSC development.

International Journal of Arts and Commerce Vol. 3 No. 4 May 2014 41 Kaplan and Norton (2000) as well as Niven (2003) indicate that, similar to the profit motivation in for-profit organizations, the mission should serve as the BSC's primary focus in non-governmental organizations. The purpose of a non-government organization should be the primary factor guiding strategy and, ultimately, organizational performance, according to the literature.

Rhodes and Keogan (2005). discovered that organizations strived to uphold the underlying vitality represented in the initial mission statement throughout time, and as a result, the purpose gives organizational direction. Some link mission and strategy directly to organizational performance (Andrews et al, 2006). Others believe that the implementation process is facilitated by the right alignment of the mission statement and organizational goals.

Reviewing customer data is crucial in evaluating the success of non-government organizations, notwithstanding the importance of mission in organizational performance according to the BSC's

principles. Previous research has demonstrated that the balanced scorecard can be effectively applied to the non-government sector. (Kaplan, 2001).

2.7 Theoretical Foundation

Some management theorists, including Alfred Chandler, Henry Mintberg, Peter Drucker, and Igor Ansof, are credited with developing the contemporary theories of strategic planning. Different ideas have emerged based on institutional, industry, and resource-based viewpoints. Open System Planning, Organizational Based Theory, Resource Based View Theory, and Resource Based Analysis will serve as the foundation for this study.

Open System Theory

The bottom line is being able to manage organizational changes, establish an internal fit, and adapt to external environmental changes. Open Systems theory offers a greater knowledge of the trends and the critical importance of the interplay between these numerous components.

Burnes (2000) reiterates that there is no one optimum method for managing organizations in his discussion of contingency theory. This is so that the best practice or strategy in one organization in each industry at a given time is rendered irrelevant or obsolete in another set of circumstances.

Organizational factors like organizational structure and culture, size, type, and complexity of the organization via the situational factors shaping the industry landscape.

This theory argues that traditional approaches to strategic management may not be appropriate because it affirms the complexity, dynamism, and unpredictable nature of the environment as postulated by the complexity and chaos theory, which questions the viability and purpose of formal planning under such environmental conditions.

Strategy has been a concept since the early 20th century. With the advent of the industrial revolution, the word "strategy," which originated in the military, was adopted by the business world to refer to the configuration of resources to obtain an advantage over rivals. (Yabs, 2007).

The study of strategic management is a relatively new topic and is still in the pre-paradigmatic stage. It is multifaceted and integrates the ideas of strategy and strategic planning in the whole effort of an organization to attain its goals. (Johnson et al., 2008).

Industrial Organization Theory

Theoretical Framework Resource Based View

It was proposed by the works of Hsuan and Kotzab, (2015). the theory postulates that the organizations with the valuable, immovable, inimitable, and rare resources attain a unique advantage in the marketplace (Hsuan & Kotzab, 2015). Whether tangible or intangible the resources must be heterogeneous and immobile (Barney, 1991).

The situational property that gives an individual increased strategic power and superior operational efficiency is therefore explained by the resource-based perspective. Businesses that use present resources to capitalize on opportunities while also creating novel new assets preserve their viability going forward and continue to be profitable (Song, Song, & Benedetto, 2011).

The relationship between resources, competition, and profitability is explored using resource-based theory at the business level. This includes looking at competitive imitation, the appropriateness of returns on innovations, the role of imperfect information in causing profitability differences between competing firms, and how resource accumulation can maintain competitive advantage.

The framework includes a five-stage process for formulating strategies, evaluating the firm's skills, assessing its resource base, and assessing its potential for profit. choosing a plan, expanding and improving the firm's capabilities and resource pool, and achieving results (Rumelt, 1984).

The sum of these contributions is referred to as "the resource-based view of the firm." However, for two reasons, it is unclear how this "resource-based theory" applies to strategic management. First, there isn't a common integrating framework for the numerous contributions. Second, there hasn't been much work done to develop the theory's application in the real world.

This theory offers a framework for a resource-based approach to strategy creation that incorporates several important topics found in the literature on strategic planning. As a result, several academics have pointed out that there are certain challenges with the application of the resource-based theory (Ombaka et al., 2015). Some proponents contend that an organization's competitiveness cannot be achieved exclusively by its unique internal capabilities as a result.

Since the theory emphasizes the significance of making sure that the company's strategic strategy takes into account both the organization's internal specific resources and the external influences that the organization should use to improve efficiency and productivity, the resource-based perspective is deemed applicable in this analysis. In order to achieve and fulfil the strategic aims and objectives, the theory emphasizes the significance of organizational strategic plans that translate the chosen strategy into organizational action.

2.3 Empirical Literature Review

According to Pearce, Robinson, and Mital (2008), a company's aim can be attained through a variety of alternatives and actions that make up strategic planning. De Kluyver and Pearce (2003) claim that strategic planning is concerned with a company's capacity to sustain a competitive edge over time.

Strategic preparation, according to Thompson and Strickland (1999), is a strategy that management use to place the business in its preferred competitive environment in order to compete successfully, please customers, and produce solid financial outcomes.

Efendioglu and Karabulut (2010). by examining the appropriation and use of various technique analysis tools like the PESTEL analysis, the Value Chain analysis, the Growth Share Matrix (BCG), and their impact on the relative performance, their study focused on the nature and routine about strategic planning in Turkish organizations.

The performance indicators used were annual normal benefit, annual normal deal growth, and annual normal fare growth. The study's conclusions showed that a significant percentage (over 86%) of the sample organizations had a strategic procedure in place. However, given the nine

common tools of procedure analysis examined, only three were significantly emphatically linked to the performance of the firm, leaving the fundamental question regarding the impact of the usage of strategic tools on performance unanswered.

Kathama (2012). studied the relationship between Kenyan state-owned enterprises' performance and their strategic planning procedures. The investigation discovered that the businesses implemented several strategic planning procedures that improved organizational performance, although the impact was not appreciable at a level of certainty of 5%.

Arasa, et al. (2012). examined how representative association affected the alleged relationship between strategic planning and its outcomes. The study was conducted inside the security zone. The relevant data from 31 firms was gathered via a planned poll. The study's findings showed that representative cooperation showed a beneficial relationship between strategic planning and its outcomes, and that this impact was indisputable.

2.4 Conceptual Framework

In this study, the independent variable is strategic planning, while the dependent variable is the performance of non-governmental organizations.

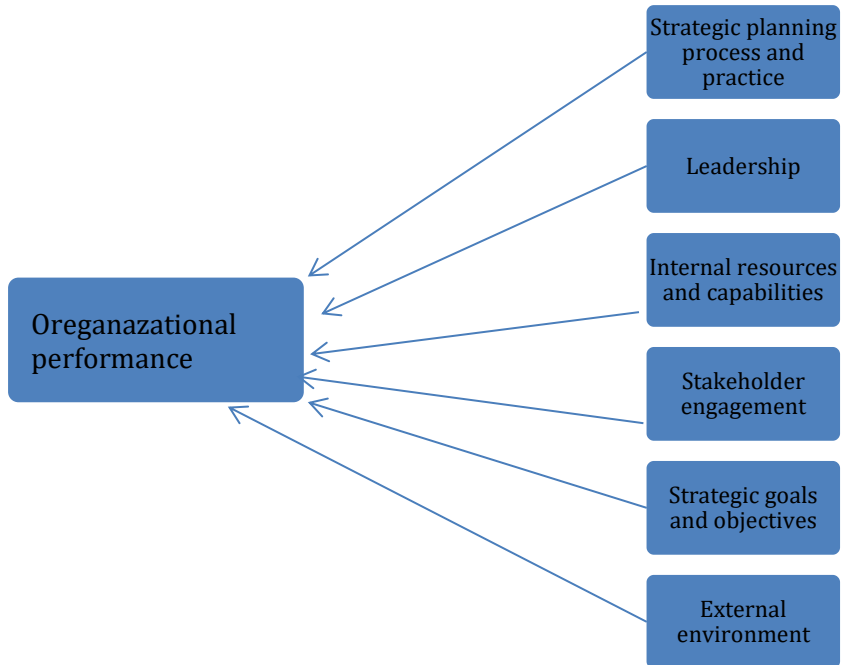


Figure 1 : Conceptual framework

Source: Own-developed from the literature

2.4 Hypothesis Testing

Hypothesis 1. Leadership commitment has a significant influence organizational performance in NGO's.

Hypothesis 2. Strategic goals and objectives have a significant influence on organizational performance in NGO's.

Hypothesis 3. Strategic planning and practices have a significant influence on organizational performance in NGO's.

Hypothesis 4. External environment has a significant influence on organizational performance in NGO's.

Hypothesis 5. Stakeholder engagement has a significant influence on organizational performance in NGO's.

Hypothesis 6. Internal resources and capabilities have a significant influence on organizational performance in NGO's.

Relationship between Strategic Planning and Non-Government Organizations' Effectiveness

Most studies indicated a considerably favorable association between the two constructs (Ghoneim, 2012), notwithstanding the diverse approaches utilized in conducting past research on the correlation between strategic planning and the performance of non-government organizations. Their earlier study efforts to determine the relationship between the strategic planning process and performance effectiveness in non-government organizations used a variety of techniques. The questionnaire was used as a measurement tool in the study by Al-Shammari and Hussein (2007) to examine the relationship between strategic planning and organizational performance.

To investigate the same association, Blackmon (2008) and Franklin (2011) used a retrospective cross-sectional research design and a questionnaire as a data collection method. On the other hand, Giffords and Dina (2004) examined the same association using a case study research approach. Both constructs have a positive correlation, according to Neuman's (2006) study on the effect of strategic planning on hospital performance. He recommended that future studies study this association while considering performance metrics other than financial data.

Their results were remarkably similar, even though their individual methodological methods were different. ISSN 1929-7106 International Journal of Arts and Commerce www.ijac.org.uk 44 Both Stone and Bush (1996) and Cothran and Clouser (2006) discovered a significant correlation between strategic planning activities and performance efficacy as shown by increased resource acquisition and increased legitimacy. According to Cothran and Clouser (2006), top performing organizations are those that routinely organize their actions strategically.

The findings of earlier research in this field have likewise revealed a substantial relationship between strategic planning and one or more performance effectiveness aspects. For example, most studies found a statistically significant relationship between financial success and strategic planning (French, Kelly, and Harrison, 2004, Hodges and Kent, 2007, Kaissi, Begun, and Nelson, 2008, Stone and Bush, 1996). Few studies, however, have looked at the relationship between various organizational performance measures, such as those offered by the balanced scorecard, and strategic planning.

According to the theory, companies that successfully implement strategic planning do better than those that don't. According to David (1997), businesses perform better when they successfully implement strategic planning. It is anticipated that completing the various processes in the strategic planning process will make it easier to realize organizational effectiveness. Strategic planning gives an organization direction by defining its purpose and goals. It also improves the coordination and control of organizational activities.

To better understand how strategic planning is used in practice and will enhance organizational performance, the relationship between strategic planning and organizational performance needs to be explored. Strategic planning frequently fails because of issues or obstacles that arise during the execution phase. The efficiency of strategic planning as a tool for strategic management is still being debated considering the conflicting findings regarding the relationship between organizational success and strategic planning. (Wagner, 2006).

Byrson (1989). Strategic planning, according to the argument, helps give direction so that team members know where the organization is going and where to focus their significant efforts.

By conceptualizing an organization as a system made up of subsystems, strategic planning uses a systems approach. It enables managers to view the organization as a whole and the connections between its many sections. It offers a framework for the coordination and control of organizational activities, corporate decision-making, and forces the establishment of objectives, which serves as a foundation for evaluating performance. (Arasa and K Obonyo, 2012).

Kotter (1996). argues that an organization can be transformed by using the strategic planning process as a tool. (2007) Thompson, Strickland, and Gamble. assert that developing a strong enough market position and a company capable of producing excellent performance despite unpredictable occurrences, fierce competition, and internal challenges is the essence of competent strategy making.

Factors Influencing Strategic Planning

The literature identifies a wide range of variables that affect the strategic planning process. Long-term planning is hampered by environmental uncertainties, strategic planning should be coordinated to make efficient use of limited resources, and legal factors must be considered. Legislative changes bring forth new dynamics in a sector, which has an impact on organizational size and complexity as well as strategic planning.

The amount of planning activities are developed as an organization grows in size and complexity; the level of attention given to management functions is compromised by the extent of operating issues; the implementation gap, which is the inability of top management and planners to effectively communicate with planners; the organization's lifecycle as organizations go through various stages, the competitive environment shifts and has an impact on how they develop and carry out strategy. (Thompson, et al, 2007).

For several reasons, organizations need to plan. Reorienting the institution or organization towards community needs is one of them. Another important factor is that when individuals want to expand, a certain minimum standard must be upheld. This will provide a minimal degree of performance

quality. Organizations that implement strategic planning effectively are more adaptable and viable tools for socioeconomic growth. (Robinson and Pearce, 1983).

Strategic Planning Choices

Strategic management planners choose when and how to include stakeholders in the planning process. When creating participation program, planners must make the following six crucial decisions:

Administration – how to ensure staff and citizen involvement, whether to create a participation plan, and whether to do so.

Objectives – whether to inform the populace, discover their opinions, or give them power.

Stage – when to begin promoting citizen participation in the planning process.

Targeting – which types of stakeholder groups to include in participation efforts?

Techniques – how to use different participation strategies; and information which information-gathering and distribution techniques to use for participation activities (Brody; Godschalk; and Burby, 2003).

The Behavioral Theory of the Firm

It has been done before, most notably in the work of Barney and Ouchi (1986), to classify the behavioral theory of the business as a component of an organizational economics approach to strategic management. Additionally, the behavioral theory of the company is a crucial building element for the theories of transaction costs, dynamic capacities, and evolutionary economics (Nelson and Winter, 2002).

The theory places a strong emphasis on the actual process of making business decisions and offers a thorough examination of the methods used by organizations to do this. March and Cyert (1992). present the foundations of a behavioral theory of the firm that have been shown to be

applicable to both the theory of complex organizations and economic theory. Organizations give people in charge of certain tasks the means to control and exert influence over others. Organization has an impact on the informational climate and decision-making processes.

CHAPTER THREE

METHODOLOGY OF THE RESEARCH

A description of the study's methodology and research strategy can be found in this chapter. The population and sample size, sampling methodologies, sources and types of data, research methodology, research approach, and data analysis techniques are all discussed in depth.

3.1. Research Design and approach

Both qualitative and quantitative data can be produced by this study because both are important to the subject matter. To gain insight from the respondents on the very concepts of strategic planning in the context of an NGO, a qualitative research methodology is applied. The respondents now could express their views and opinions in addition to checking boxes on the standardized questionnaire. For the interview, two senior consultants and seven executives from top and middle management (executive directors and program managers) were employed.

Leaders were asked to respond to the quantitative research approach to assess organizational performance, which is a dependent variable in the survey as per the design of the questionnaire. The research's scope encompasses 150 managers and leaders.

3.2 Data type, source, and data Analysis Method

3.2.1 Data type and source

The researcher used primary data collection techniques which were in-depth interviews of respondents that hold managerial and leadership positions at the subjects in selected NGOs, including strategic planning consultants in the sector. This data collection technique provides quick access to data (Marshall and Rossman, 2011 p. 145).

A questionnaire was also used by the researcher to collect primary data. A five-point Likert Scale questionnaire was included in the research tool, which was also utilized to gather primary data, with the intention of gathering respondents' most crucial information. Respondents are asked to rate their level of agreement with the following independent variables on a five-point Likert scale: The questionnaire includes a Likert scale and a closed-ended question. 1 = Strongly disagree; 2 = Disagree; 3 = Neutral; 4 = Agree; and 5 = Strongly agree. Face-to-face and Zoom interviews are used to collect primary data, and questioners are given via email and a Google form link.

3.3 Data analysis method

The type of data collected, and the research approach used for the analysis are followed during the analysis. In a quantitative study, the data collected from the respondents is expressed numerically, but in a qualitative study, the data was analyzed conceptually using a content analysis technique. According to the study's goals, replies from various respondents were compared and summarized by content analysis. Content analysis was a tool for measuring the content of information. Its objective was to obtain a qualitative description of the manifest content of communication (Robison, 2003).

As a result, SPSS software was used to edit, categories, code, and encrypt the survey data. Tables and/or graphics are used to display the respondents' frequency and percentage distribution. The data's results are then discussed in reference to the study's goals.

Since the primary goal of the study is to understand how the sector has changed and how strategic planning benefits NGOs, the researcher utilized a descriptive kind of analysis. Statistical research is another name for descriptive research, which describes information about the population under study. It makes it possible to respond to what, who, where, when, and how questions.

In order to define the demographic characteristics of the respondents, the study used descriptive statistics to quantify percentage and frequency. Additionally, central tendency measures like mean and standard deviations (SDs) are employed to gauge respondents' perceptions. The objective of multiple regression analysis is to forecast changes in the dependent variable in response to changes

in the independent variables, i.e., the impact of strategic planning and practices on organizational performance in NGOs. The independent and dependent variable scale items were tested using Pearson Correlation to determine whether the variables used in this research represent the relationship between the variables with the degree of association or not. To guarantee that the concepts created complement one another, the outcome is triangulated. Finally, the evaluation and interpretation of the data have led to conclusions and recommendations.

3.4 Sample size and sampling methods

3.4.1. Research sampling method

In this particular study, the researcher used purposive sampling method as the focus of the study is mainly on selected non-governmental organizations practices and strategic planning process.

Target Population

According to William (2011), the term "population" refers to the total number of cases of the type that are the focus of the study. It may be made up of things, people, or even events. Accordingly, given that the purpose of this project work is to assess the influence of strategic planning and practices on organizational performance in NGOs in which composes a total of 240 leaders from 30 NGOs (8 leaders are selected from each organization).

The target population is therefore 240 leaders from 30 NGOs which include 21 local NGOs, 5 organizations from international ones, 1 consortium and 3 faith biased organizations in a total of 30 organizations. Then 8 leaders from top, middle management and supervisory level (Executive director, Deputy director, Program manager, Program officer, Monitoring and Evaluation Expert, Human resource Manager, Finance and Admin Head and Program assistant) are selected from each organization. The selected 30 NGOs are clearly defined using the following selection criteria:

1. The NGO is legally registered by ACSO.
2. Currently operational in Ethiopia.
3. Official CCRDA member.
4. Engaged in the sector for a minimum of one year; and

5. Having a strategic plan for a minimum of three years i.e., at least for one cycle with or without revision.

3.4.3 Sample size

The largest umbrella organization (CCRDA) membership list of 469 organizations was used by the researcher to choose 30 NGOs as prospective respondent organizations based on the criteria.

Then, 8 respondents were chosen from each of the 30 organizations, representing top, middle, and supervisory management levels, for a total of 240 leaders in the target population.

Therefore, Since Sample size vital, using Yamane (1967), a simplified formula to calculate sample sizes, is used. A margin of error of 0.05 is taken to make a 95% significance level. And samples of 240 leaders were drawn purposively.

The following Sample formula is used.

$$n = \frac{N}{1+N(e)^2}$$

Where:

$$\begin{aligned} n &= \text{Sample Size, } N = \text{population Size, } e = \text{Margin of Error} \\ &= 240 / (1+240(0.05)^2) \\ &= \mathbf{150} \end{aligned}$$

Table 1: Population and sample size

<i>Level of position</i>	<i>Size</i>	<i>Sample size</i>
<i>Top/middle management position</i>	240	150

CHAPTER FOUR

RESULTS AND DISCUSSIONS

This chapter depicts the findings and interpretations of the findings of the study on the practices of Strategic Planning exercises taking the case of selected NGOs working in Ethiopia.

4. Findings and interpretation

4.1 Demographic information

Table 2: Year of establishment of the organizations

Years of establishment	Frequency	Percent	Valid Percent
1958 to 1980	10	6.5	6.5
1981 to 2000	98	64.9	64.1
2001 to 2010	10	7.7	7.7
2011 to 2014	32	20.9	20.9
Total	150	100.0	100.0

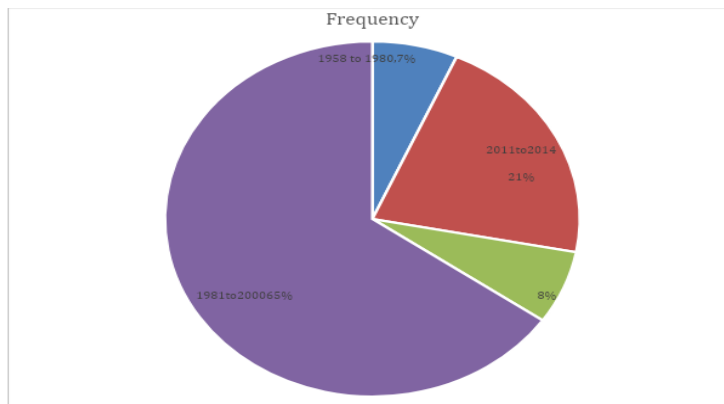


Figure 2 : Year of establishment of the organizations

As the result shows 64.9% of the selected NGOs are established from 1981 to 2000, 20.9% of them are established from 2011-2015, 7.7% organizations were established from 2001-2010 and 6.5% from 1958-1980.

As the below figures indicate 56.7% of the respondents are executive directors, 29.3% department/division head,12% of them are project managers and 2% are indicated by others. Since strategic planning processes formulate, develops, and executes by the management level, the researcher meets its target.

Table 3: Respondent position in the organization

Respondent position	Frequency	Percent
Executive director	85	56.7
Department/ Division head	44	29.3
Project Managers	18	12.0
Others	3	2.0
Total	150	100

Table 4: . Years of service in the organization

Years of service in the sector	Frequency	Percent
Up to 1 year	6	3.9
Up to 5 years	17	13.1
Up to 10 years	38	24.8
Up to 20 years	86	56.2
Longer than 20 years	3	2.0
Total	150	100.0

As indicated above 56.2% of the respondents has been in the sector up to 20 years,24.8% indicates up to 10 years,13.1% are up to 5 years and 3.9% of them are up to 1 year,2% are longer than 20 years. This implies that the researcher’s study is supported by long years of experiences and basic knowledge.

Table 5: Area of Engagements

Area of engagement	Frequency	Percent
Humanitarian	39	25.5
Development	40	26.1
Peace building and social justice	26	17.2
Wash	25	16.3
Youth and Women empowerment	20	14.9
Total	150	100

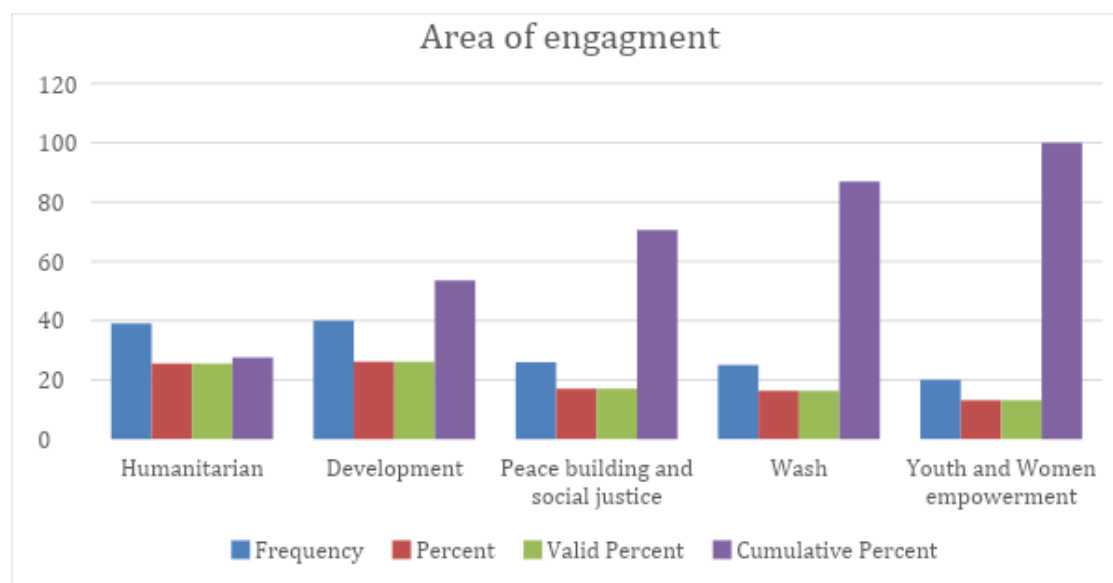


Figure 3 : Area of engagement

The results show that 26.1% of the organizations are under development, 25.5% humanitarian. 17.2% peace building and social justice, 16.3% wash and 14.9% are from youth and women

development. Therefore, the variety of engagement areas makes the study more inclusive and relatively reachable.

4.2 Reliability of the Data

According to Sekaran (2003), reliability is a sign of how consistently and steadily an instrument assesses a notion. It also aids in determining how good a measurement is. Furthermore, the degree to which measurements are free from random error and produce consistent results is referred to as dependability. The most popular method for evaluating the dependability of internal consistency is Cronbach's Alpha. As a result, Cronbach's Alpha was used in this study as a gauge of internal consistency (Zikmund, 1997).

Reliability analysis

Table 6: . Independent Cronbach’s Alpha

No.	Variables	Cronbach's Alpha for each Items
1	Strategic planning and practices	0.867
2	Leadership	0.825
3	Internal resources and capabilities	0.803
4	External environment	0.807
5	Strategic goals and objectives	0.879
6	Stakeholder engagement	0.809

4.3 Strategic planning process of the organization

Table 7: How the Strategic planning process was initially introduced in the organization?

	Frequency	Percent
Based on internal needs assessment	70	46.7

Based on donor's recommendation	54	36.0
Based on recommendations from consultants	26	17.3
Total	150	100.0

As the above table shows, internal needs assessment takes the lead by 46.7% donor recommendation is 36%, consultant recommendations take 17.3%. It is satisfactory that mostly the initiation comes from the organization's themselves rather than from external pressures.

4.4 Does the major priorities on SP development process influence organizational performance?

4.4.1 Leadership commitment

According to 52.9% of respondents, leadership commitment is more important. Everything begins with the commitment leaders must practice SP. "If leaders are not committed and proactive, that could have been considered as the first failure of the SP development process," the interview respondents further stated. It requires concentration, critical thinking, teamwork, and the triangulation of ideas from several viewpoints. This suggests even more that these organizations have attained the key success factor the leadership's dedication—while creating their strategy plan.

4.4.2 Securing Finance

Securing financial resources, according to 33.3% of respondents, is the second-most important aspect of the planning phase. The NGOs must therefore raise funds especially intended for the procedure unless they have institutional donors. The few respondents who indicated that it was less important may therefore support institutional donors who provide funds for the specific purpose that may be used with flexibility in accordance with the NGO's goals; the majority of the respondents from the interview also stated that "the major challenges for securing finance on strategic development process are undeniable; however, there are some steps that can be taken to mitigate these challenges."

4.4.3 Planning team formation and training the team.

Planning team formation and team training, according to 7.2% of respondents, are the most important factors. According to Barry's NGO Strategic Planning Workbook, the planning team will

handle a sizable percentage of the planning tasks, and training team members is helpful to bring the team to an equal level of understanding.

According to the interviewees' responses, "organizing the strategic planning team is always on emphasis; the strategic planning team (SPT) should be leading the process starting with developing a TOR and coordinating the overall process." Providing training is equally significant to the aforementioned factors because the importance of knowledge, experience, and skills for the team is crucial.

4.4.4 Stakeholders' orientation

The orientation for stakeholders was the subject of another investigation, and 6.6% of respondents thought it was important. However, the stakeholders' orientation is crucial because it makes the relatively low significance claims that most respondents made possible. This suggests that considerable effort should be put towards refocusing attention on the problem in order to improve organizational effectiveness.

4.5 Phases of data analysis and developing a strategic plan

In order to analyze the current scenario (PESTEL analysis), organizational strengths and weaknesses (SWOT analysis), and other factors that may have an impact on the organization, the organization obtains all pertinent information from both internal and external sources during the data analysis and plan development phase. The importance of the stakeholders to the organization is also evaluated during this time. The data is used to identify the main elements for the organization's upcoming projects, evaluate various strategies, and based on the assessment, develop the organization's ultimate strategic plan.

4.5.1 Data gathering methods.

Various tools are frequently employed to produce the necessary data during the strategic planning process. According to the results of the survey, 78.3% of the respondents indicated that the focus on primary data sources and focus discussion was extremely relevant, while the

remaining 21.7% believed it was moderately relevant. 78% of respondents evaluated group discussions and brainstorming sessions as very relevant, while 22% felt it is relevant.

In contrast, 74.5% of respondents indicated that speaking with key informants was extremely relevant, 16.3% agreed that it was moderately relevant, and 9.2% said it was less relevant. For brainstorming, 43.8% said that it was very relevant, 39.2% said it was moderately useful, and 17% said it was less relevant.

The questionnaires provided by the respondents were deemed to be highly relevant by 36%, moderately relevant by 42.7%, and less relevant by 21.3%. This demonstrates that these organizations understand strategic planning as a process that ideally involves face-to-face interaction and group brainstorming to take into account various points of view, backgrounds, and experiences that are beneficial for the creation of various strategies. The researcher further asked the interviewees to indicate how SP is developed and the data gathering process of their organization. Five of the respondents stated that: -

“SP is developed through a participatory and consultative process involving the top leadership and management team, senior advisors and staff members and key government partners found both at Federal and Regional levels. Review of the previous SPM, annual progress reports and other key organizational documents are also made. Primary and secondary data were collected using key informants’ interview, FGD, direct observation as well as documents review. This SPM has mostly distinct yet interrelated parts of which the first part deals with strategic planning processes and the second part presents key findings of the strategic analysis. Part three displays the future strategic direction of the organization.

Most of the tools that are recommended as data gathering tools are used to collect information from various sources, according to these results, and this process is difficult to complete because all primary data are intended to originate from other people. The duties at this stage are more technical and necessitate knowledge, time, and thinking on the problems at hand. As a result, the analysis techniques and outside technical assistance that the organizations utilized to develop the process are also evaluated.” The other two of them admit the development process needs more attention in their organization as well as the data gathering process.

4.5.2 Methods of analysis

Most of the tools used in strategic planning are also employed by the respondents, according to the results of the respondents' survey on analytical methodologies.

Strength, Weakness, Opportunity, and Threat, or SWOT, was a very essential tool for 62.7% of the respondents and a less significant tool for 37.3%. It is evident that this tool makes it simple to separate the issues into two main groups: external issues that have an impact on the business and internal organizational issues, such as the organization's strengths and weaknesses.

Additionally, among respondents, 30% regarded the stakeholders' analysis and the essential factor analysis as extremely significant, 59.3% assessed them as pretty important, and 10.7% as less important. The capacity analysis is another area where critical thinking is required.

When performing a capacity analysis, critical thinking is also needed in order to identify the organization's ideal capacity requirement. Capacity analysis was extremely significant for 49.3%, moderately significant for 31.3%, and less significant for 19.4%. 83.3% of the information from the PESTEL analysis tool was crucial, whereas 16.7% was only somewhat helpful.

Most respondents stated that environmental scanning (external analysis) was carried out through consultation and analysis of Ethiopia's social-political economy in order to identify the macro forces confronting the organizations and to understand the dynamics that will either facilitate or obstruct the process of implementing this strategic plan. This conclusion is supported by the results of the interview.

Most of the interview respondents also suggest” stakeholder’s analysis is one of the important tools to SP development process and however the significance level is well realized, they don’t believe priorities has been given in their organization and implemented that way through the years.” The rest of them explained “stakeholder analysis is the most crucial tool in their organizations, and they have been using it through the years”.

4.5.3 Use of external expertise

Most of the time, strategic planning is considered as a process that requires the support of outside experts. One of the chosen NGOs created a strategic planning manual, and it highlights the value of having a mentor for the process as well as skilled individual consultants to assist the partner NGOs.

36% of respondents engaged an external expert (consultant), while 64% used a mentor to support the planning team that was formed for the task. These results demonstrate that NGOs continue to rely on outside knowledge to guarantee the calibre of their strategic planning procedure.

Access to specialized information and skills, objectivity, a new perspective, and resource efficiency are all benefits of using outside assistance. However, organizations should be mindful of the potential cultural disconnect that external expertise may have, which results from not being familiar with the cultural, social, or political aspects of the communities and regions in which the NGO operates. Additionally, dependency may present a barrier to an organization's ability to develop its own internal capacities and skills for future strategic planning and decision making.

4.5.4 Does strategic implementation phase influence organizational performance?

The strategic plan must be converted into actionable tasks before moving on to the implementation phase, when resources are also assigned, performance indicators are developed, a monitoring and follow-up plan is prepared, and organizational rules and procedures are updated to reflect the new plan. The business is currently operating in its ideal future state.

The implement phase was evaluated in this study from the respondent organizations' perspectives of competency, responsibility, and control.

The issue of capacity is one of the essential components in carrying out what the organizations have planned. According to Fowler's capacity framework, the organizational capability and

preparedness to carry out the NGO's work in implementing the programs and fulfil its future commitment is crucial.

Creating an action plan that complies with the strategic plan's requirements, having the funds to carry out the activities, hiring key personnel with the necessary skills, establishing the necessary organizational systems, and forming partnerships are all factors considered in this assessment of responding organizations' ability to implement.

4.5.6 Implementation Capability:

One of the most important factors for putting what the Institutions have prepared into practice. The organization's ability and readiness to support the NGO in delivering the programs and uphold its commitment to the future are revealed by Fowler's capacity framework. In this assessment, the respondent organizations' ability to implement is assessed in terms of developing an action plan that complies with the strategic plan's and financial having the capacity to complete the tasks, using the required personnel and experience, and positioning Building the necessary organizational system and partnerships.

4.5.7 Capacity to translate strategic plan to action plan.

52.1% of respondents rated the organizations' capacity to convert the strategy plan into an action plan as strong, while 47.9% rated it as moderate. As a result, NGOs must continue to exert substantial effort in this area to adjust the strategic plan to incorporate actions and activities because it is a crucial determinant of whether the NGO achieves its objectives.

Linking an organization's goals and objectives to the appropriate activities entails comprehending the external environment and then "fitting" the organization's work into it in a way that maximizes impact, according to NGO management consultant Fowler. (1997, Fowler,46).

44.8% of respondents gave the organizations' financial capabilities a strong rating, 42.1% a moderate rating, and 13.1% a weak rating based on their responses to questions concerning it. As seen by their actions, many NGOs frequently struggle with finances. If it is difficult to translate the strategic plan into actionable steps, they must be able to create funding-worthy projects.

Consistency with the mission, the previously established goals, and the financial component all experience problems right away.

4.5.8 Human resource capacity

However, when it comes to human resources, 34.1% of respondents claimed they had high capability, 33.1% said they had moderate capacity, and 32.8% said they had weak capacity. Having more employees is associated with higher administrative expenditures, which are already restricted to not exceeding 20% of the overall budget.

4.5.9 Capacity for organizational system, structure, policy, and others

Having the necessary operational systems and structure is another area where NGOs' capacity is needed. According to the survey's response, 33.1% of the organizations have good capability, 40.5% have moderate capacity, and 26.4% have weak capacity. For an organization to operate effectively, the system and structure must be evaluated and put in place whenever a new strategic plan is implemented. However, the study's findings indicate that most organizations have a limited capacity to improve the system and structure whenever they create a new strategic plan.

4.5.10 Capacity for external relation

Developing the capacity to handle the link is vitally crucial, as described in the Fowler's framework for capacity. The poll found that 58.5% of respondents claimed that NGOs have a good capacity for establishing and maintaining partnerships, 31.8% said that it is moderate, and 9.7% said that it is weak. Given how crucial collaboration is to the bulk of NGOs, this is a useful signal. NGOs must improve their internal capacity for managing relationships because many of their partners have a direct bearing on the accomplishment of their objectives as they work to promote social change.

4.8 Does strategic planning process and practices influence the efficiency of NGOs?

4.8.1 Clear vision and mission

79.3% of the respondents strongly agree and 20.7% of them agree on how clear vision and mission contributes for the improvement of the organization. During the interview, most of the respondents discussed “All the programs derive from the organization's vision and mission statement and how initiatives should be in line with those statements. They also highlighted keeping their values intact is beneficial”.

One of the interviewees from a local NGO stated that there was time, even though the financing was substantial, they had turned down donor offers because the programmatic area conflicted with their goal and vision.

As the outcome indicates, most of the organizations strongly agree on maintaining a clear vision and mission. Since a well-defined strategic plan provides an NGO with a clear sense of purpose and direction, it helps to communicate the organization’s mission and vision to its stakeholders, including staff, donors, and beneficiaries. This can lead to increased motivation, loyalty, and commitment, as they work towards a common goal.

4.8.2 Better decision making

Better decision making improves organizational effectiveness, with 68.7% of respondents strongly agreeing, 30% agreeing, and 1.3% disagreeing. NGOs are better able to assess possibilities and risks and make more informed decisions when they have a clear strategic plan in place. NGOs can improve their decision-making processes and capacity to handle unforeseen circumstances by identifying their goals, objectives, key performance indicators, and potential barriers.

4.8.3 Enhance stakeholder engagement.

80.7% of the respondent strongly agree ,14.7% agree and 4. disagree on enhancing stakeholder engagement. During the interview the interviewees strongly emphasized “enhancing stakeholder engagement is a pillar for the strategy development process as well as measurable implementation of the strategic plan in the ground”.

By adopting strategic planning, NGOs can improve their connections with key stakeholders such as funding agencies, governing authorities, and local residents. NGOs can encourage

collaborations, gain support, forge partnerships, and instill confidence by displaying openness, accountability, and a clear direction.

4.8.4 Attraction of funding

By demonstrating a clear direction, accountability, and impact potential, a well-structured strategic plan can assist NGOs in attracting funding and other resources. Donors are more willing to support an NGO if it has a solid strategic strategy on display. According to the results, 52% of respondents strongly agree, 40% agree, 5% are neutral, and 3% disagree.

4.8.5 Improve ability to measure and evaluate performance.

20.7% of respondents agree, and 79.3% strongly agree with the statement. A successful strategic plan should include review processes and performance indicators. because they aid NGOs in tracking their development and determining the effectiveness of their programs. by utilizing this data to modify or enhance its strategy, the organization will become more flexible and adaptable.

As the respondent on the interview mentioned “This SPM comes to effect through effective planning, monitoring and evaluation on a regular basis. Annual planning which includes a breakdown of activities into quarters and even specific dates, as may be, shall be followed by strong monitoring and evaluation on a monthly, quarterly, annually, mid-term review and finally upon the completion of the life span of the SPM.”

“The M&E shall comprise both the physical and financial aspects. All the planning, monitoring and evaluation of the SPM shall follow the pattern of result-based management (RBM) that are guided and informed by key performance indicators to ease the measurement of the success of the implementation of the SPM”.

At the same time, some of the organizations revise the strategic plan on the half-life of its development which reviews the impacts assessed so far and the influence on the organizational performance, what has changed through the years and how that affects the already designed strategic plan. The revision is led by the program department and the validation workshop takes

place with all of the department including the management team. “The second monitoring and evaluation technique would be all of our projects technically emanate from our strategic plan”.

Therefore, every quarterly evaluation of the projects also indirectly evaluates the strategic plan on the way. Most respondents articulated that the Monitoring and Evaluation unit conducts periodic reviews including impact assessments. Monitoring and evaluating outcomes and reports are shared with staff and stakeholders to generate continuous program adjustments necessary to keep the strategy implementation on track. The Impact and Shared Learning support a variety of learning processes including Reviews and Reflections.”

They also shall produce annual, bi-annual, quarterly and monthly progress reports that shall present the status in the implementation of the plans, and that shall also track the progress of the annual and quarterly plans. These reports shall be produced for the board of directors, management, donors and governance purposes. Moreover, annual, bi-annual, quarterly, and monthly review meetings shall be organized. Review meetings are the most critical component of a successful strategic plan management process. They allow the program and finance team to report on their respective progress against the plan, make changes and establish strategic focus areas for the future interventions.

4.8.6 Improved focus and direction

96.7% of the respondents strongly agree and 3.3% agree. The respondents to the questionnaire stated that” SP assisted their organization in determining and prioritizing their goals. They can then distribute resources more wisely as a result”. This helps identify and prioritize their objectives, ensuring that resources are distributed more efficiently. This emphasis enables NGOs to concentrate on the most important issues and helps prevent mission drift, which occurs when organizations lose sight of their key objectives.

4.8.7 Efficient resource management

69.3% of the respondents strongly agree and 30.7 % of them agree. A well-defined strategic plan can help NGOs manage their financial and human resources more efficiently. This involves allocating budgets to projects in line with their strategic objectives and measuring the performance

of these investments against predetermined goals. Streamlining operations can lead to better use of resources, reducing costs and improving overall efficiency.

4.8.8 Strong monitoring and evaluation process

64.7% strongly agree and 22.7% of the respondents agree and 10% are neutral and 2.6% OF them disagree. Most of the respondents believe that monitoring ad evaluation process is vital and so does the respondent from the interviews.

4.8.9 Increased credibility and accountability

78% strongly agree, 17.3% agree, 3.3% neutral, and 1.4% of the respondents.

disagree. The interviewees also responded” accountability is the most crucial one in the organization and relates with various factors.” Strategic processes enhance the credibility of NGOs by demonstrating their commitment to achieving well-defined objectives, remaining transparent with stakeholders, and continuously monitoring and evaluating their performance. This can attract more funding and support, as well as strengthen relationships with partners and beneficiaries.

4.8.10 Enhanced partnership and collaboration

64% strongly agree,26.7% agree ,9.3% neutral. Strategic practices and processes help NGOs identify potential strategic partnerships and collaborations with other organizations that can enhance their capacity, share resources, and broaden the scope of their reach. These partnerships can lead to a more robust and holistic approach to addressing complex social and environmental issues.

4.8.11 Enhanced stakeholder engagement

62.7% strongly agree,34.5% agree and 2.8% strongly disagree. Strategic practices and processes facilitate better communication and engagement with all the stakeholders, donors, partners, or beneficiaries. This helps NGOs to understand the expectations and needs of these stakeholders better and can lead to improved program planning and implementation.

4.8.12 Goal setting and prioritization:

66.7% of the respondents said it is important, 28.7% less and 4.6% not important. Establishing short-term and long-term goals helps NGOs to focus their efforts and resources on the most pressing issues and target areas, enabling them to achieve the desired impact.

4.8.13 SWOT analysis

66% important, 26.7% less important and 7.3% not important. Assessing the organization's strengths, weaknesses, opportunities, and threats enables NGOs to understand their internal capabilities and external environment, informing their strategic direction and allowing them to capitalize on opportunities and mitigate risks.

4.8.14 Capacity building and staff development

64.7% said it is important, 20.6% said less important and 14.7% said not important. Investing in the skills and capabilities of the NGO's staff and volunteers is crucial to enhance their ability to implement the organization's strategy and achieve its objectives.

4.8.15 Risk management

62% of the respondents said it is important, 36.7% less important and 1.3% not important. Identifying and addressing potential risks associated with the NGO's operations and activities helps to ensure its sustainability and continued effectiveness.

4.8.16 Advocacy and communication

65.3% of the respondents said it was important, 25.3% less important and 9.4% said not important. The interviews also stated that "they believe NGOs should be igniting the society to advocate on various issues to influence the government and policy makers. Enhancing the organization's visibility and influencing policymakers, donors, and the public are vital components of a successful NGO strategy, as they can help generate awareness, attract funding, and shape public opinion on relevant issues".

4.8.17 Innovation & adaptability

61.3 % said it is important,33.3% said less and 5.3% not important. since fostering a culture of innovation and adaptability allows NGOs to respond effectively to changing needs, emerging opportunities, and new challenges in the sector, the result is encouraging from the respondents.

4.9 Does the level of resources for NGO affect the strategic planning process and organizational performance?

The level of resources available to NGOs affects their organizational performance and strategic planning process significantly. The degree to which NGOs can accomplish their goals and have an impact on the communities they serve is frequently determined by these resources. Here are a few ways that NGOs are impacted by the availability of resources.

4.9.1 Scope of programs and services:

38% strongly agree, 62% agree and no respondent is against it. The size and scope of the activities and services that an NGO can offer are determined by its financial, human, and technical resources. Smaller and fewer projects may be launched by an NGO with limited resources, but larger and more impactful programs may be designed and carried out with substantial resources.

4.9.2 Long-term vs. short-term goals:

52.0% strongly agree, 45.3 agree and 2.7% disagree. The strategic goals of an NGO are greatly influenced by the available resources. While stable and ample resources enable an NGO to think of long-term, sustainable solutions with a bigger impact, limited resources may lead to a focus more on short-term aims with instant outcomes.

4.9.3 Human resource management:

69% strongly agree, 28% agree, 4% neutral. The financial resources at an NGO's disposal determine its capacity to recruit, retain, and develop qualified staff. With enough funding, NGOs are able to hire seasoned professionals, pay them well, and support their ongoing professional growth. Contrarily, a lack of resources may result in a high rate of employee turnover, insufficient personnel, and a shortage of skill sets.

4.9.4 Monitoring, evaluation, and learning:

The ability of an NGO to set up efficient monitoring and evaluation mechanisms to gauge its impact and draw lessons from its experiences is heavily impacted by the availability of resources. 9.3% of the respondents agree, and 90.7% of them strongly agree. Regular data collection, analysis, and use of information for well-informed decision-making require adequate resources.

4.9.5 Technological advancement:

NGOs with limited resources may struggle to adopt and utilize advanced technologies necessary for effective data collection, monitoring and evaluation, communication, and project management. Insufficient technical resources may result in inefficient operations and reduced effectiveness of their programs.

4.9.6 Flexibility and adaptability:

NGOs with limited resources may struggle to adjust their plans and programs in response to changing contexts or new opportunities. In contrast, organizations with more resources have greater flexibility to respond to emerging needs and challenges in a timely manner. 72% of the respondents agree, 28.00% strongly agree on the issue.

4.9.7 Sustainability:

68.7% of the respondents strongly agree and 31.3% agree. An NGO's sustainability over time is influenced by having enough resources, notably financial ones. NGOs can sustain their activities and services throughout time, especially during times of economic crisis, if they have steady funding and the ability to diversify their sources of income.

4.14 Does follow up and control mechanism of the implementation of the SP influence organizational performance?

4.14.1 Establishing Key Performance Indicators (KPIs):

20% of respondents agree, 10% are impartial, and 69.8% strongly agree. Establishing KPIs, which are quantifiable values that show a strategy's efficacy, is one of the first steps in monitoring and

evaluating its implementation. These KPIs must be in line with the strategic goals of the organization.

The interviewees mentioned KPIs used by their company. Depending on the unique goals and objectives of each organization, different Key Performance Indicators (KPIs) for organizational performance can be used in NGOs. Program impact, beneficiaries reached, funds raised, cost-effectiveness, stakeholder satisfaction, staff performance and development, partnership quality, advocacy impact are some frequent KPIs for organizational performance, according to interview respondents.

4.14.2 Regular progress tracking:

46.7% strongly agree, 35.3% agree and 18 % of the respondents disagree. Periodic progress reports need to be prepared and shared with key stakeholders, such as managers, board members, and staff, to track the progress of the strategic plan's implementation.

4.14.3 Data collection and analysis:

45.3% strongly agree, 32.7% agree and 22% of them disagree. The procedure could be described as gathering KPI-related data and analyzing it to evaluate whether the anticipated results are being attained. Both quantitative and qualitative data, including financial reports, customer satisfaction surveys, or employee performance evaluations, may be used in this.

4.14.4 Regular reviews and updates:

45.9% strongly agree, 32.3 % agree and 21.8% disagree. Schedule and conduct regular reviews of the strategic plan, its implementation, and progress made. This allows for appropriate updates to be made if necessary. These reviews could be monthly, quarterly, or annual.

4.14.5 Stakeholder engagement:

54.9% strongly agree, 27.5% agree and 17.6% disagree. engaging with stakeholders, such as staff, customers, and partners, on a regular basis to get their thoughts and assess the plan's performance. Surveys, focus groups, or interviews can be used for this.

4.14.6 External evaluation:

42.7% strongly agree, 32.5% agree and 24.8% disagree. To acquire a new viewpoint on the performance of your plan, this can entail engaging external assessors, consulting colleagues in the business, or performing peer evaluations.

4.13.7 Bench marking:

48.7% agree, 23.5% disagree and 27.5% neutral. It is critical to Compare one organization's performance against similar organizations or industry standards to evaluate progress and identify areas for improvement in dynamic changes.

4.14.8 Reporting and communication:

88.5% of the respondent strongly agree and 11.5% said they agree and no respondent was against the mechanism. It is vital to Keep the lines of communication on the strategic strategy, its execution, and its progress open and transparent. Internal reports, website updates, newsletters, and the dissemination of success stories via social media are a few examples of this. As a result, stakeholders are better able to comprehend, support, and buy-in.

4.15 Descriptive statistics

4.15.1 Description of the Variables

Independent Variable

The Independent variables of the study are Strategic planning and practices, Leadership, Internal resources and capabilities, Strategical goal and objectives, Stakeholder engagement and External environment.

Dependent Variable

Organizational performance is the dependent variable of the study.

4.15.2 Descriptive Data Analysis

Descriptive analysis was used in this study to evaluate the leaders' perceptions of how strategic planning and practices affect organizational performance. Descriptive analysis was used to assess the respondents' responses to the independent variables present across the board. The Multi factor Strategic Planning and Practices Questionnaire Rater which ranges from Strongly Agree to Strongly Disagree was used, (Strongly Disagree (1) Agree (2), Neutral (3), Disagree and (4) strongly agree (5)).

The mean scores have been computed for all the variables by equally weighing the mean scores of all the items under each dimension. The mean value provides an idea about the central tendency of the values of a variable. Standard deviation is to give the idea about the dispersion of the values of a variable from its mean value. The results of the descriptive analysis for each independent and dependent variable is discussed below.

Table 8: Descriptive Statistics of Strategic planning and practices

	N	Mean	Std.Deviation
Despite being a time-consuming procedure, the strategic planning exercise enabled the organization develop a thorough plan that clearly outlined its future course.	150	4.07	.651
SPM process has helped the translation of the vision and strategic objectives of the NGOs with its stakeholders and attraction of funds.	150	3.41	.506
SPM enables mobilization of adequate resources for the effectiveness of the organization's performance	150	3.55	.575

SPM helped defining the right policies and procedures for the proper implementation of the plan and enhance organizational performance	150	4.68	.631
The strategic planning process, despite being a time-consuming procedure, has enabled the organization to develop a comprehensive strategy that clearly defines its future course.	150	4.07	.651
Strategic planning and practices average		3.93	0.590

The mean value of the overall result is 3.93 which is almost near to “Agree” with the overall Standard deviation of 0.590. Individually, “ SPM helped defining the right policies and procedures for the proper implementation of the plan and enhance organizational performance and “ SPM enables mobilization of adequate resources for the effectiveness of the organization’s performance ” score the best which is (M=4.68, SD=.631) and (M=3.55, SD=.575) respectively, however the “Despite being a time-consuming procedure, the strategic planning exercise enabled the organization develop a thorough plan that clearly outlined its future course”. and “The strategic planning process, despite being a time-consuming procedure, has enabled the organization to develop a comprehensive strategy that clearly defines its future course.” which is (M=4.07, SD=.651) and (M=3.41, SD=.506) respectively.

This indicates that most of the respondents believe strategic planning and practices influences organizational performance mostly in a way that enables to define the right policies and procedures of the organization to the proper implementation of the plan and enables the organization to adequately mobilize resources for the effectiveness of its performance.

On the other hand, it shows that next to the extent of what previously mentioned, SPM process helps the translation of the vision and strategic objectives of the NGOs with its stakeholders and

attraction of funds as well as the organization to have comprehensive plan which set clear future direction of the organization regardless of the fact that it is time consuming process.

Table 9: Descriptive Statistics of Leadership

<i>Leadership</i>	<i>N</i>	<i>MEAN</i>	<i>Std .Deviation</i>
<i>Leadership commitment on strategic planning enhances organizational performance in my organization</i>	150	4.71	.549
<i>I believe that the management team in my organization are technically well equipped which enhances organizational performance in my organization</i>	150	3.79	.510
<i>Leaders in my organization believes in teamwork which leads to organizational performance in my organization</i>	150	3.02	.456
<i>The management team in my organization critically engages in strategy formulation and implementation as well as follow up process.</i>	150	3.83	.582
<i>Leadership Average</i>		3.83	0.524

The mean value of leadership has scored above average (M= 3.83, SD=0,524). *individually, "Leadership commitment on strategic planning enhances organizational performance in my organization" scores the best (M=4.71, SD=.579) and the management team in my organization critically engages in strategy formulation and implementation as well as follow up process follows by (M=.383, SD=.582). This indicates that the commitment and delectation in addition to critically engagement of the management team enhances organizational performance in the organizations.*

and “I believe that the management team in my organization are technically well equipped which enhances organizational performance in my organization” has scored relatively lower score ($M=3.79$, $SD=.510$) which shows that there is a need of capacity development and training in the organizations and “Leaders in my organization believes in teamwork which leads to organizational performance in my organization” scored the lowest ($M=3.02$, $SD=.456$). it identifies leaders should be giving more attention for teamwork and synergy in the organizations.

Table 10 : Descriptive Statistics of stakeholder engagement

Stakeholder engagement	N	Mean	Std. Deviation
I believe my organization has a good relationship with internal and external stakeholders.	150	3.64	.998
I believe stakeholder engagement in my organization has enhanced organizational performance	150	3.19	0.97
I believe stakeholders’ feedback can bring significant change on strategic planning of the organization	150	3.02	.569
I believe my organization has built a good trust with stakeholders through the years.	150	3.86	.429
Stakeholder engagement Average		3.42	0.741

The mean value of Stakeholder engagement has scored above average ($M= 3.42$, $SD=0.741$). organization has scores the highest one ($M=3.42$ $SD=0.741$).”i believe my organization has a good relationship with internal and external stakeholders” scores ($M=3.64$. $SD=.998$),”I believe stakeholder engagement in my organization has enhanced organizational performance” ($M=3.19$, $SD=0.97$),”I believe stakeholders’ feedback can bring significant change on strategic planning of the organization” scores ($M=3.02$. $SD=5.79$).”I believe my organization has built a good trust with stakeholders through the years”.($M=3.86$ $SD=4.29$). The result shows that stakeholder engagement has a vital significance on organizational performance.

Table 11 Descriptive Statistics of Internal resources and Capabilities.

Internal resource and capabilities	N	Mean	Std.deviation
I believe internal resources and capabilities for strategic planning are satisfactory in my organization	150	3.86	.569
SP helped my organization to mobilize resources and prioritize them according to the plan.	150	3.66	.552
I believe internal resources and capabilities of strategic planning has a significant influence in my organization.	150	3.01	.409

The mean value of Internal resources and capabilities has scored above average (M= 3.51, SD=0,51). I believe internal resources and capabilities of strategic planning has a significant influence in my organization has scores the highest one (M=3.86, SD=.569), SP helped my organization to mobilize resources and prioritize them according to plan follows as (M=3.66,SD=.552).it shows that internal resources and capabilities on strategic planning has made a significant effect and able to mobilize and prioritize resources which enhances organizational performance. I believe internal resources and capabilities do grow somehow through the years in my organization scores relatively lower (M=.301, SD=.409) shows that some revisions and updates should be considered in the organizations.

Table 12: Descriptive statistics of strategic goals and objectives

<i>Strategic goals and objectives</i>	N	Mean	Std. Deviation
<i>Strategic goals and objectives have enhanced organizational performance in my organization</i>	150	4.20	.658

<i>I believe effective strategic goals and objectives has been implemented in my organization throughout the years</i>	150	3.45	.562
<i>Effective strategic goals and objectives has clearly set the strategic direction of my organization</i>	150	4.86	.685
<i>Strategic goals and objectives Average</i>		4.17	0.635

The overall result of Mean for *Strategic goals and objectives is on agree*($M=4.17$, $SD=.658$). *Effective strategic goals and objectives has clearly set the strategic direction of my organization and Strategic goals and objectives has enhanced organizational performance in my organization scored the best as* ($M=4.86$, $SD=.685$) and ($M=4.20$, $SD=.658$). *Strategic goals and objectives have cleared the organizational direction and enhanced organizational performance. I believe effective strategic goals and objectives have been implemented in my organization throughout the years. Scored the lowest* ($M=3.45$, $SD=.562$) which shows the effectiveness of strategic goals and objectives are in question and they should give attention on it.

Table 13: Descriptive statics of External environment

External environment	N	Mean	Std. Deviation
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I believe external environment has significantly affected my organization through the years.	150	3.92	.641
The more the external environment stables the better strategic planning and practices in my organization.	150	4.86	.552
I believe the current political environment has highly affected my organization with its performance.	150	3.79	.537
I believe environmental scanning has helped my organization on SP formulation, implementation, and monitoring stage	150	4.97	.695
External environment Average		4.37	0.606

The mean value of External environment has scored above average which is (M=4.37, SD=0.606). I believe environmental scanning has helped my organization on SP formulation, implementation and monitoring stages has scored the best with (M=4.97, SD=.695) shows that the organizations has already realized the importance environmental scanning and it helped them the process of SP formulation, implementation and monitoring process. The more the external environment stables the better strategic planning and practices in my organization scored the next score (M=4.86, SD=.552) indicates stability in the external environment improves the process of strategic planning and practices which positively influences organizational performance. I believe external environment has significantly affected my organization through the years scores and I believe the current political environment has highly affected my organization with its performance with (M=.392, SD=.641) and (M=.379, SD=.537) respectively.

Table 14: Descriptive statics of organizational performance

<i>Organizational performance</i>	N	Mean	Std. Deviation
<i>Efficient resource mobilization enhances organizational performance in my organization</i>	150	4.70	.548
<i>Strong monitoring and evaluation system effects organizational performance in my organization</i>	150	3.80	.452
<i>Risk management influences organizational performance in my organization</i>	150	4.93	.690
<i>Well organized advocacy and communication has improved organizational performance in my organization</i>	150	3.74	.600
<i>SWOT analysis enhances organizational performance in my organization</i>	150	4.66	.522
<i>Organizational performance average</i>		4.37	0.622

The mean value of organizational performance has scored “Agree”. Risk management influences organizational performance in my organization,” Efficient resource mobilization enhances organizational performance in the organization and SWOT analysis enhances organizational performance in my organization has the best scores with (M=4.37, SD=0,622) (M=4.93.SD=.690) and (M=4.66, SD=.522) respectively. This indicates that risk management, efficient resource mobilization and SWOT analysis has significantly enhanced the organization’s performance.

Strong monitoring and evaluation system effects organizational performance in my organization follows the above with (M=3.80, SD=.482) and well organized advocacy and communication has improved organizational performance in my organization scored the lowest with (M=3.74, SD=.600) indicates that since advocacy and communication could be among the tools to enhance organizational performance organizations should make an emphasis.

4.15.3Normality Test

Multiple regressions assume that variables have normal distributions (**Darlington, 1968**). This implies that errors are normally distributed, and that a plot of the values of the residuals will

approximate a normal curve (Keith, 2006). This assumption can be tested by looking at the P-P Multiple regressions assume that variables have normal distributions (Darlington, 1968). This implies that errors are normally distributed, and that a plot of the values of the residuals will approximate a normal curve (Keith, 2006). This assumption can be tested by looking at the P-P.

Dependent variable: Organizational performance.

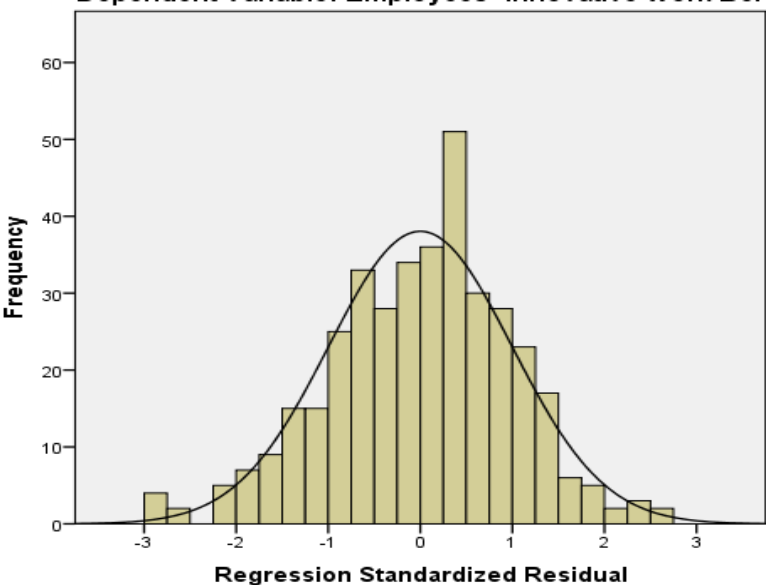


Figure 4 Normality Histogram

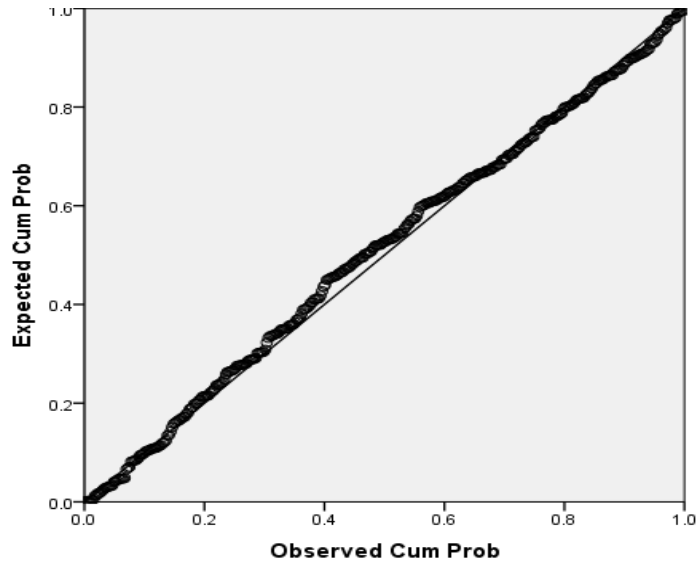


Figure 5 Normality P-P Plot

In the above figure data distribution looks normal and in the P-P plots also the dots are reasonably closer to the normal line. The combination of both inspections support that the residuals are normally distributed

4.15.3 Correlation Analysis

To show correlation between the study variables and their findings the study used the Karl Pearson's coefficient of correlation (r). In this study, correlation analysis evaluates the relationship between organizational performance (dependent variable) and strategic planning and practices (independent variable). An effective method for utilizing the relationships (associations) between variables is correlation analysis. The coefficient (r) has a value between -1 and +1. The coefficient of correlation's (r) value reveals the relationship's strength and direction. There is a wholly negative correlation between the two variables if $r = -1$. A complete positive association between the variables exists when $r = 1$, and there is no relationship between the variables when $r = 0$.

- The result of the correlation analysis between Internal resource and capabilities and organizational performance is significant at ($P=0.004$), and positive (Coefficient=.234). This result implies that the two variables have a relationship.
- The result of the correlation analysis between Leadership and organizational performance is significant at ($P=0.000$), and positive (Coefficient=.294). This result implies that the two variables have a relationship.
- The result of the correlation analysis between Strategic goals and objectives and organizational performance is significant at ($P=0.007$), and positive (Coefficient=.563). This result implies that the two variables have a relationship.
- The result of the correlation analysis between Strategy planning process and practice and organizational performance is significant at ($P=0.002$), and positive (Coefficient=.249). This result implies that the two variables have a relationship.
- The result of the correlation analysis between External environment and organizational performance is significant at ($P=0.000$), and positive (Coefficient=.408). This result implies that the two variables have a relationship.
- The result of the correlation analysis between Stakeholder engagement and organizational performance is significant at ($P=0.001$), and positive (Coefficient=.629). This result implies that the two variables have a relationship.

Table 15 Correlations

		Internal resource and capabilities	Leadership	Strategic goals and objectives	Strategy planning process and practice	External environment	stakeholder engagement	organizational performance
Internal resource and capabilities	Person Correlation	1	.387**	.162**	.064	.214**	.581**	.236**
	Sig. (2-tailed)		.000	.048	.037	.008	.031	.004
Leadership	Sig. (2-tailed)	.387**	1	.392**	.056	.442**	.034	.294**
	Pearson Correlation	.000		.000	.057	.000	.034	.000
Strategic goals and objectives	Sig. (2-tailed)	.162**	.392**	1	.033**	.008	.041	.563**
	Pearson Correlation	.048	.000		.033	.090	.027	.007
Strategy planning process and practice	Sig. (2-tailed)	.064	.056	.033	1	.255**	.038	.249**
	Pearson Correlation	.037	.057	.033		.002	.038	.002
External environment	Sig. (2-tailed)	.214**	.442**	.008	.255**	1	.036	.408**
	Pearson Correlation	.008	.000	.090	.002		.036	.000
stakeholder engagement	Sig. (2-tailed)	.581**	.062	.027	.097	.036	1	.629**
	Pearson Correlation	.031	.034	.041	.038	.036		.001
organizational performance	Sig. (2-tailed)	.236**	.004**	.003	.249**	.408**	.029	1
	Pearson Correlation	.004	.000	.007	.002	.000	.001	

** Correlation is significant at the 0.01 level (2-tailed)

Source: SPSS result

4.15.4 Regression

Linear regression was used to determine the influence of strategic planning and practices on organizational performance in selected NGO'S. The p-value for the F-statistic was applied in

determining the robustness of the model. Multiple linear regression analysis was used where there was more than one independent variable to explain the variance on the dependent variable (Sekaran & Bougie, 2016).

The conclusion was, if the value was significant ($p < 0.05$) the model was significant and had good predictors of the dependent variable hence null hypothesis rejected.

Alternatively, if the p-value was greater than 0.05, then the model would not be significant and cannot be used to explain the variations in the dependent variable hence the null hypothesis would not be rejected.

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 X_6 + \Sigma$$

Where.

Y = organizational performance

β_0 = Constant

X_1 = Strategic planning and practices

X_2 = Leadership

X_3 = Internal resources and capabilities

X_4 = External environment

X_5 = Strategic goals and objectives

X_6 = Stakeholder engagement

Σ = Standard Error

Table 16: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.854 ^a	.729	.718	.26089

Source: SPSS result

- a. Predictors: (Constant), Internal resource and capabilities, Strategic goals and objectives, Stakeholder engagement, Strategy planning process and practice, Leadership, External environment

The coefficient of determination R square = .729 which shows that 72.9% of variation in level of productivity is explained by effective strategic planning and practice and organizational performance. The linear combination of those factors is significantly related to organizational performance ($R^2=.729$). This means that, 72.9 percent of the variance in the dependent variable; organizational performance can be explained by the independent variables. The remaining 27.1% is unexplained and attributed to other factors.

4.15.5 Analysis of Variance (ANOVA)

Table 17 : ANOVA a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	24.642	6	6.161	90.517	.000 ^b
	Residual	13.884	143	0.068		
	Total	38.526	149			

- a. Dependent Variable: organizational performance
- b. Predictors: (Constant), Internal resource and capabilities, Strategic goals and objectives, Stakeholder engagement, Strategy planning process and practice, Leadership, External environment

The ANOVA (Analysis of Variance) table provides the result of test of significance for R and R^2 . Accordingly, it shows the F value of 90.517 is significant at 0.000 (P value that a correspondent to F statistic is significant). therefore, the independent variables *Strategic planning and practices, leadership commitment, Internal resources and capabilities, External environment, Strategic goals and objective, Stakeholder engagement* significantly explain the variance in organizational performance in NGOs.

4.15.6 Regression Result and Coefficient

Table 18 : Coefficients a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.562	.127		4.425	.000
	Leadership	.378	.137	.353	2.759	.001
	Strategic goals and objectives	.391	.126	.285	3.097	.002
	Strategy planning process and practice	.181	.054	.267	3.353	.001
	External environment	.265	.088	.277	3.008	.003
	Stakeholder engagement	.274	.112	.195	2.450	.016
	internal resource and capabilities	.153	.082	.151	1.873	.063

- a. Predictors: (Constant), Internal resource and capabilities, Strategic goals and objectives, Stakeholder engagement, Strategy planning process and practice, Leadership, External environment
- b. Dependent Variable: organizational performance

Under Beta coefficient table, standardized Beta coefficient and Standardized beta coefficient values are used to predict the relative importance of each independent variable and to formulate the linear regression equation respectively.

The linear multiple regression formula for the dependent variable, organizational performance (ORG.P) and independent variables leadership commitment (LC), strategic goals and objectives(SGO) strategy planning process and practices(SPP), External environment(EE), stakeholder engagement(SE) and internal resources and capabilities(IRC).

$$ORG.P = \beta_0 + \beta_1 LC + \beta_2 SGO + \beta_3 SPP + \beta_4 EE + \beta_5 SE + \varepsilon \dots 1$$

Thus, based on the above result the model will be,

$$ORG.P = 0.562 + .353(LC) + .285(SGO) + .267(SPP) + .277(EE) + .195(SE) + \varepsilon \dots\dots 1$$

1. Influence of Leadership commitment of strategic planning on organizational performance in NGOs

The multiple linear regression test results revealed that Leadership commitment had a significant influence ($P < 0.05$) on organizational performance. Here Beta takes the value .353 which represents the predicted change in the number of standard deviations of organizational performance for an increase of 1 standard deviation in leadership commitment of strategic planning.

Therefore

H1. Leadership commitment has a significant influence organizational performance in NGO's.

➤ **Hypothesis1 is accepted.**

2. Influence of Strategic goals and objectives on organizational performance in NGOs

The multiple linear regression test results revealed that Strategic goals and objectives had a significant influence ($P < 0.05$) on organizational performance. Here Beta takes the value of .285 which represents the predicted change in the number of standard deviations of organizational performance for an increase of 1 standard deviation in leadership commitment of strategic planning.

H2. Strategic goals and objectives have a significant influence on organizational performance in NGO's.

➤ **Hypothesis2 is accepted.**

3. Strategic planning and practices have a significant influence organizational performance in NGO's

The multiple linear regression test results revealed that had Strategic planning and practices had a significant influence ($P < 0.05$) on organizational performance. Here Beta takes the value of .267 which represents the predicted change in the number of standard deviations of organizational performance for an increase of 1 standard deviation in stakeholder engagement on strategic planning.

H3. Strategic planning and practices have a significant influence organizational performance in NGO's.

Hypothesis3 is accepted.

4. External environment has a significant influence organizational performance in NGO's

External environment had a significant influence on organizational performance in NGO's.

The multiple linear regression test results revealed that external environment has a significant influence ($P < 0.05$) on organizational performance. Here Beta takes the value of .277 which represents the predicted change in the number of standard deviations of organizational performance for an increase of 1 standard deviation in external environment of strategic planning.

H4 External environment has a significant influence organizational performance in NGO's

➤ **Hypothesis4 is accepted.**

5. Stakeholder engagement has a significant influence organizational performance in NGO's

The multiple linear regression test results revealed that Influence of internal resources and capabilities has a significant influence ($P < 0.05$) on organizational performance. Here Beta takes the value of .195 which represents the predicted change in the number of standard deviations of organizational performance for an increase of 1 standard deviation in Stakeholder engagement of strategic planning.

. H5 Stakeholder engagement has a significant influence on organizational performance in NGO's.

➤ **Hypothesis5 is accepted.**

6. Internal resources and capabilities has not significantly influence organizational performance in NGO's

The multiple linear regression test results revealed that external environment has a significant influence ($P = 0.63$) on organizational performance. The result contradicts the literature, in which the result indicates that the enhancement of internal resources and capabilities in NGOs doesn't influence organizational performance.

H6 internal resources and capabilities has a significant influence organizational performance in NGO's.

Hypothesis6 is not supported.

CHAPTER FIVE

Summary and conclusion

The main objective of the study focused on examining the influence of strategic planning and practices on organizational performance on selected NGOs. To accomplish the study, primary data sources were used, and the data was gathered through questionnaire and face to face/zoom interviews, both quantitative and qualitative research approach were used for the study with a Purposive research sampling method.

30 NGOS are chosen using predetermined criteria from the 469 CCRDA membership list. These 30 NGOS are made up of 21 national NGOs, 5 foreign NGOs, 3 faith-based NGOs, and 1 consortium. 8 leaders from each organization were chosen (Executive directors, Deputy directors, Program managers, Program officers, Monitoring and Evaluation experts, Human resources

managers, Finance and Admin head, and Program assistant), making a target population of 240 respondents and a sample size of 150 respondents. (Using Yamane (1967)).

Seven respondents from top and middle management level and two Senior consultants in the sector also shared their views and opinions during the face to face /zoom interviews.

For the quantitative approach, the material is provided in tables and figures, and descriptive analysis was the primary method utilized in obtaining the study's conclusions. Content analysis is used to analyze qualitative data. Most NGOs are now required to create thorough strategic plans, and most of them did so on their own initiative rather than as a request from their funders. Most respondents firmly agreed that strategic planning enhances comprehension of the environment in which an organization operates and also enables key stakeholders to share the organization's vision, purpose, values, and goals. Furthermore, most NGO executives and top managers understand the advantages of employing strategic plans as management tools.

As a result of this, and despite worries about how time-consuming and expensive it is, most organizations have gone through SP exercises more than once because they believe the results are worthwhile. This could be the reason why most organizations plan meticulously, which includes hiring experts to train the staff and fill in any technical gaps in the procedure, allocating time and resources for the procedure, and closely monitoring the procedure. Leadership commitment is shown by the formation of teams to complete the task. This has made it easier for the team to use the required data collection and analytical tools to produce the strategic plan paper.

Therefore, the researcher concluded that most NGOs look strategic planning process as relevant process specially to understand their position in the environment and to plan according to their purpose and the acceptance within the sector have grown up to the level where the organizations take it as a need or must be done endeavor.

The implementation of NGOs' strategic plans was found to be more difficult than the design phase. Most respondents acknowledged their capacity to convert the strategic plan into action plans. The main obstacle, though, appears to be obtaining.

Due to the greater competition for grants than in earlier times, funding for the implementation of programs and projects and the financial difficulty may be related. Another significant obstacle for NGOs to overcome while implementing their plans is staff turnover. Though NGOs have long recognized the value of collaboration, involving stakeholders, particularly external stakeholders, is a challenge. Above all, however, is the importance of beneficiaries' involvement, which must be the guiding principle for the continuation of grassroots programs.

NGOs consider the involvement of stakeholders in every stage of the process to be crucial, even though this is a very difficult undertaking. Since NGOs typically aim to solve a societal issue, various parties are required to help bring about the change. As a result of the investigation, the researcher draws two conclusions about the topic of participation: internal and external.

Strategic planning practices can help NGOs improve their organizational performance by enabling them to pursue and achieve their missions more effectively. By adopting good strategic planning practices, NGOs can optimize their use of resources, enhance collaboration, make better decisions, and ultimately achieve better results.

During the multiple regression result the following five hypotheses have been tested.

- **Leadership commitment** has a significant influence on organizational performance in NGO's. significant($P < 0.05$), Positive ($\beta = .353$), thus, H_1 is Accepted.
- **Strategic goals and objectives** have a significant influence organizational performance in NGO's
Significant ($P < 0.05$), Positive ($\beta = .285$), thus, H_2 is Accepted.
- **Strategic planning and practices** have a significant influence organizational performance in NGO's significant($P < 0.05$), Positive ($\beta = .267$), thus, H_3 is Accepted.
- **External environment** has a significant influence organizational performance in NGO's significant($P < 0.05$), Positive ($\beta = .277$), thus, H_4 is Accepted
- **Stakeholder engagement** has a significant influence on organizational performance in NGOs.

Significant ($P < 0.05$), Positive ($\beta = .195$), thus, H_5 is Accepted.

- Internal resources and capabilities had not a significantly influence organizational performance in NGO's significant ($P = 0.63$) in which the result contradicts to the literature, indicating that the enhancement of internal resources and capabilities in NGOs doesn't influence organizational performance. Thus, H_6 is not supported.

In conclusion, NGOs measure the effectiveness of their organizations by establishing performance indicators during strategic planning, monitoring and evaluating their projects, learning from their mistakes, getting feedback from beneficiaries, ensuring efficient management of their financial and human resources, and informing stakeholders of their work. This enables NGOs to evaluate their performance and impact, spot potential areas for development, and boost their overall success. It is an essential instrument that has a big impact on raising NGOs' organizational performance. It assists them in clarifying their goals and objectives, allocating resources more effectively, involving stakeholders, evaluating performance, and ensuring sustainability and growth.

5.1 Key recommendation

Focus on Institutional Capacity Building

Institutional Capacity Building addresses capacity building efforts that go beyond the provision of education and training for professions. It aims to enhance the capacity of government institutions through system development, strengthening of working procedures, improving planning and implementation instruments, ensuring effective and efficient monitoring and follow up mechanisms as well as mobilizing of financial, manpower and material resources to achieve the intended results.

Conducting Advocacy Research

Advocacy research has a specific purpose to influence the formal and informal policies established by policy makers and others in power. It also promotes appropriate and strategic interventions and decision-making to address specific issues. Thus, it is important to collect tangible and good information and present it in a compelling manner. The ideal is that your research will clearly show

that the needs, issues, or problems you want to address are real and critical too, and that the methods the researcher recommend for addressing the issues have, in fact has been proven successful and effective.

Understanding the dynamic environment

Strategic planning is a helpful tool for NGOs to look at and adapt their organizations in the changing environment because the world is constantly changing. These NGOs ought to often review their strategic plans, scanning the environment and setting up mitigating measures.

Enhancing engagement of the stakeholders and lobbying

The researcher's general observation is that NGOs need to put a lot of effort into changing their interactions with beneficiaries and other stakeholders. To ensure that their efforts have an impact on the community's grassroots level, they must collaborate. Directors could informally and formally lobby stakeholders by articulating their vision and mainstreaming their organization's priorities.

Innovative approaches

The researcher finally recommends having innovative approaches on strategy planning to catch donor eyes and have organizational own identity and unique features. It was possible to realize that most of the organizations haven't experienced this as it is needed, but since competition are getting high having innovative approaches sustains the organization all the way.

5.2 Suggestion for further research

The study only included six strategic independent variables on selected Ngo's. There could be other relevant factors that may be perceived as important to be added as influencing factors. For instance, organizational culture, flexibility and adaptability, sustainability, employee satisfaction .it would be worthwhile to conduct further study with the management and employees of the NGOs using in-depth interviews and open-ended questioners to determine their genuine opinions.in addition to that since internal resources and capabilities had not been statically significant on organizational performance the researcher claims to request more investigation for

the future researches by triangulating other factors that influences organizational performance on the area.

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Appendix Questionnaire

Addis Ababa University
School of Commerce Department of Graduate Studies
Masters of Arts in Business Leadership

My name is Ariest Abiy, currently working on a research project entitled “The influence of strategic planning and practices on organizational performance in NGO's. This questionnaire is prepared as part of the researcher’s effort to partially fulfill the requirements for Master of Arts Degree in Business Leadership from Addis Ababa University, School of Commerce.

Thank you in advance for your cooperation!

Personal information of the respondent

A. Please indicate your years of service in the sector.

Up to 1 year	
Up to 5 years	
Up to 10 years	
Up to 20 years	
Longer than 20 years	

B. Respondent’s position in the organization

Executive Director	
Department/Division (specify)	Manager/Director
Program head/manager	
Other (specify)	

B. Information about the Organization

Name of the organization _____

Year of establishment _____

C. Area of engagement?

Part two.

Strategic planning and practice of the organization practice of your organization?

,

1. How the strategic planning and practices as initially introduced in the organization?

Based on internal needs assessment

Based on donors' recommendations

Based on recommendations from consultants

Based on experiences from similar organizations

Others (please specify)

What are the ways in which strategic planning contributes to the improvement of organizational performance in your organization?

	Strongly dis agree	Disagree	Neutral	Agree	Strongly agree
Clear vision and mission					
Better decision-making					
Enhanced-stakeholder engagement					
Prioritization of resources					
The attraction of funding and resources					
Improved ability to measure and evaluate performance:					

2. How do strategic planning practices and processes impact the effectiveness and efficiency of NGOs in achieving their goals and objectives?

	Strongly dis agree	Dis agree	Neutral	agree	Strongly agree
Improved focus and direction:					
Efficient-resource management:					
Strong monitoring and evaluation					
Effective capacity building:					
Increased credibility and accountability					
Increased adaptability					
Enhanced partnerships and collaborations					

3. What are the key strategic planning components that drive organizational performance in NGOs?

	Important	Less important	Not important
Vision and mission statement			
Stakeholder analysis and engagement:			
Goal setting and prioritization:			
SWOT analysis			
Resource assessment and allocation:			
Performance measurement and evaluation			
Capacity building and staff development			
Partnerships and collaborations			
Risk management			
Advocacy and communication			
Innovation and adaptability			
Continuous learning and improvement:			

4. How does the level of resources (financial, human, and technical) available for NGOs affect their strategic planning process and organizational performance?

	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
Long-term Vs Short-term goal					
Scope of program and Service					
Human Resource Management					
Technical advancement					
Collaborations and partnerships					

6. what is the role of strategic planning in determining success indicators and providing direction to an NGO's actions towards successful performance measurement.

	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
Logic Models and Theories of Change:					
Key Performance Indicators (KPIs):					
Evaluation and Impact Assessment					
Stakeholder Feedback					
Benchmarking and Learning					
Organizational Capacity Assessments					

7. How can NGOs incorporate stakeholder collaboration in their strategic planning processes to enhance organizational performance?

	Important	Less Important	Not Important
Identify stake holders in decision making			
Involve stake holders in decision making			
Set clear objectives and expectations			
Establish s feedback loop			
Build Consensus			
Collaborative Implementation			
Monitor and Evaluate			
Share result and Celebrate success			
Continues Improvement			

8.How do you rate the involvement of stakeholders in the strategic planning process

	Very Active	Moderate Active	Less Active	Not active
Executive Manager (Board)				
Middle Manager Project/ Program stuff				
Support stuff Project				
Beneficiaries				
Donors				
Government Offices				
Other Similar NGOs				
Others, Specify				

9. What is the role of strategic planning in driving innovation and sustainable growth in NGOs?

	Important	Less Important	Not Important
Identifying Opportunity and Threat			
Fostering Innovation			
Building Capacity and Resilience			
Measuring Impact and Progress			

10. How do your organization incorporate innovative and adaptive strategic planning approaches?

	Important	Less Important	Not Important
Scenario Planning			
Theory of Change			

Still Traditional planning methods			
Other			

11. How do monitoring and evaluation mechanisms of strategic plans contribute to improving organizational performance in NGOs?

	Strongly Dis agree	Dis Agree	Neutral	Agree	Strongly Agree
Accountability					
Learning and Adaption					
Evidence based decision					
Impact assessment					
Capacity building					
Risk Management					
Collaboration and Coordination					
Sustainability					

12. What mechanism is used to follow up and control the implementation of the SP?

Annual review of the implementation against the set indicator

Continuous performance progress assessment

Organizing internal feedback mechanism with the staff

Biannual stakeholder's performance assessment meeting

Other, specify

13. Who defined the strategic intents and major engagements of the organization?

	Founder	Top Leadership	Middle Manager & experts	Beneficiary	Vision	Other Specify
Mission						
Value						
Strategic Direction						
Major Program engagements						
Strategy for Implementation						
Strategies for Implementation						
Strategic Intents/ engagements						

14. Have you used expertise from outside? If yes, in what form and what was the responsibility of the expert?

A consultant who took responsibility for the whole process

Mentor who backstop the planning team established for the task

Backstopping service form Capacity building organization

Other arrangements, specify

15 . How do you rate the challenges in the process of developing the SP of your organization?

	Strong	Moderately	Less	Not at all
Time				
Internal Expertise (Capacity)				
Finance for the exercise Information (data) gathering				

Getting the right consultants who knows the sector				
Other specify				

Part III: Respondent's experience, and views regarding Strategic planning in the NGO context Please rate your responses based on your experiences of SPM in your non-profit organization. The highest score is 5 points and is selected if you have the most favorable view (strongly agree) in relation to that issue.

16.

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Though it was time taking process, the strategic planning exercise has helped the organization to have a comprehensive plan which set a clear future direction for the organization					
SP process enhances the understanding and sharing of the vision, Mission, Values, and strategic objective of the NGO with its stakeholders					
SP process has helped the translation of the vision into action through top-down and bottom-up processes of discussion and agreement with the external stakeholders					
SP process has helped the translation of the vision into action through top-down and					

bottom-up processes of discussion and agreement with the external stakeholders					
The strategic plan is not always the basis of the organization's program and project design decisions					
The strategic plan enables to clearly state the impacts of the organization and its programs in the target area/community					
SP helped to define the right policies and procedures for the proper implementation of the plan					
SP enabled the mobilization of adequate resources as programs and projects are focused on clear goals					

Different views of SPM in the NGO context

17.

	Strongly Dis agree	Dis agree	Neutral	Agree	Strongly Agree
Though SPM was originally proposed for profit-making organizations, it is an equally relevant management tool development goals of NGOs					
SP evaluation could not generate concrete results for the profit-making organizations					
The return from the SPM exercise is not worth the cost it takes in terms of finance and time for the NGO Ensuring active participation of stakeholders in the SPM process is always a major challenge for the NGO					

Since NGO Boards are voluntary, the interest and efficiency in control & evaluation of the SPM is not strong as that of the profit-making organizations					
A high staff turnover is one of the major challenges which NGOs are facing in the implementation of its SPM					
The success of the implementation of the SP needs strong partnerships, alliances and networks around policy, specific issues and practices with different organizations engaged in similar programs					
Mobilizing adequate resources for the implementation of the strategy is always the major challenge for NGOs which most of the time threatens the implementation of programs					

18. How do you rate the importance of the following actions as a preparatory step of your NGO SP exercise:

	Important	Less Important	Not Important
SPM Training for the staff			
Organizing planning team			
Organizing planning team			
Stakeholders orientation			
Securing corporate (executive-level leadership) commitment			
Securing resources (financial & human			
Preparing a detailed plan of the process			

iv. Respondent’s perception on the below variables.

19.

<i>Organizational performance</i>	<i>Strongly disagree</i>	<i>disagree</i>	<i>Neutral</i>	<i>Agree</i>	<i>Strongly Agree</i>
<i>Efficient resource mobilization enhances organizational performance in my organization</i>					
<i>Strong monitoring and evaluation system effects organizational performance in my organization</i>					
<i>Risk management influences Organizational Performance in my organized</i> <i>I well organized advocacy and communication has improved organizational performance in my organization.</i> <i>SWOT analysis enhances organizational performance in my organization</i>					

20.

External environment	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
I believe external environment has significantly affected my organization through the years.					
The more the external environment stables the better strategic planning and practices in my organization.					
I believe the current political environment has highly affected my organization with its performance.					
I believe environmental scanning has helped my organization on SP formulation, implementation and monitoring stage					

21.

Internal resource and capabilities	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
I believe internal resources and capabilities for strategic planning are satisfactory in my organization					
SP helped my organization to mobilize resources and prioritize them according to the plan.					
I believe internal resources and capabilities of strategic planning has a significant influence in my organization.					
I believe internal resources and capabilities does grow somehow through the years in my organization					

22.

Leadership	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
<i>Leadership commitment on strategic planning enhances organizational performance in my organization</i>					
<i>I believe that the management team in my organization are technically well equipped which enhances organizational performance in my organization</i>					
<i>Leaders in my organization believes in teamwork which leads to organizational performance in my organized The management team in my organization critically engages in strategy formulation and implementation as well as follow up process.</i>					

<i>Stakeholder engagement</i>	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
I believe my organization has a good relationship with internal and external stakeholders.					
I believe stakeholder engagement in my organization has enhanced organizational performance					
I believe stakeholders' feedback can bring significant change on strategic planning of the organization					

24..

<i>Strategic goals and objectives</i>	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
<i>Strategic goals and objectives has enhanced organizational performance in my organization</i>					
<i>I believe effective strategic goals and objectives has been implemented in my organization throughout the years.</i>					
<i>Effective strategic goals and objectives has clearly set the strategic direction of my organization.</i>					

Appendix interview questions

Questions for in depth interview

1. Vision and Mission statements of your organization?
2. SWOT Analysis of your organization of recent strategic plan?
3. Which department/team is responsible for managing strategy review, strategy development and coordinated participation of stakeholders? What is its composition? What is their job responsibility in brief?
4. How is the Monitoring and Evaluation unit conducts periodic reviews on strategy implementation at your organization? (in brief)

Strategic planning practices

1. How is your organization setting strategic direction and its process?
2. Is there External, Peer Reviewers and Consultants in your organization on strategic planning? What is their contribution?
3. How is the Strategy development process?
4. Other strategies and processes adopted in your organization?
5. What is the strategic decision framework of your organization?

Different strategic planning steps related to organization's performance

1. How is the process of identifying mission and objectives in your organization?
Has the mission and vision changed so far?
2. Environmental scanning process of your organization? (PESTLE analysis)
3. How strategy formulation is conducted in organization?

4. How your organization undertake evaluation and control of strategies?

Different strategy choice in relation to organization performance

1. Tools and techniques used in developing strategies for operations for your organization? (what could be strategies for your organization to organizational effectiveness)?

2. How your organization's Strategic planning contributes for the enhancement of organizational performance?

3. Operational Capacity, Finance and Funding of your organization?

4. Organizational Learning Lessons?

5. Matching resources to opportunities - funding in your organization?

6. Stakeholder analysis of your organization

Appendix for list of 30 NGOs selected.

List of National/local NGOs

Future hopes integrated development organization,
Justice for all-PF,
Hiwot integrated development,
Live for generation,
Empowering Next generation,
Hope,
Tamra,
korah kids,
Seeds,
Anchor Ethiopia,
Inter Africa Group,
Sene 16,
Oromia diaspora association,
O-yes global foundation,
V-code,
Talent youth association,
FIA, center for Local capacity building and studies,
Change in action women and youth empowerment,
kalikdan charity organization,
Inspire Ethiopia,
Association for bio development and biodiversity Conservation.

List of international NGOs

Dan church aid, Plan international, Action AID Ethiopia, Packard foundation, Oxfam GB

List of faith biased organizations

Protestant agency for diakona and development, Catholic relief service, World vision Ethiopia.

List of Consortium

Youth Network for Sustainable Development