



## The Effect of Strategic Planning on Organizational Performance of NGOs in Kisii County

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### ABSTRACT

Strategic planning approaches are equally applicable in both nonprofit and for-profit sectors. By adopting strategic planning techniques, non-governmental organizations (NGOs) stand to gain significantly in areas such as decision-making efficiency, improved overall performance, clearer organizational direction, and better harmony between their activities and objectives. These advantages are not exclusive to commercial enterprises and governmental bodies but extend to NGOs as well. Given the shifting circumstances, NGOs in Kenya are encountering various hurdles, signaling the need for a thorough assessment and subsequent adoption of strategic planning methodologies. The study focused on gauging the influence of strategic planning on the efficacy of NGOs in Kisii County, aiming to cover multiple research objective. A descriptive study design was employed, selecting a sample of 165 NGOs from a total of 281 registered organizations in Kisii County using a stratified random sampling method that ensures the inclusion of strategic managers from each NGO in Kisii County. The study gathered primary data using a mix of structured and semi-structured questionnaires. This data, mainly quantitative, was organized into specific categories for analysis. Descriptive statistical methods were applied in the data analysis phase, utilizing software tools such as SPSS and Microsoft Excel for data interpretation and to emphasize its relevance. The results was depicted in visual formats like charts and tables.

**Key words;** Planning, Strategies, Performance, Competitive Advantage Theory

### 1.0 Introduction

In recent periods, there has been a broader acceptance of the significance of strategic thought and the view that strategic planning can enhance an organization's overall performance (Satyro & Giannetti, 2017). Prajogo (2016) argues that for a firm, strategic planning should become an ingrained routine and a unified direction guiding the organization's endeavors. It involves the analyses, decisions, and measures an entity employs to secure and sustain a competitive edge (Ozturk, 2020). Strategic planning is described as the methodology through which leaders decide and act to organize, guide, and oversee the operations of their organization towards achieving its objectives (Adobor, 2019). Accordingly, strategic planning encompasses the decisions and activities emanating from the process of identifying and accomplishing the aims of the organization. Thus, strategic planning is an organized, ongoing, and deliberate process rooted in strategic planning, including the implementation and oversight of organizational actions. Its aim is to ensure the organization achieves its objectives and enhances its performance.

Strategic planning represents an unremitting cycle that organizations leverage to plan, execute, and oversee their initiatives to fulfill objectives within their operational context (Thompson et al., 2020). Chaibakhsh (2017) views strategic planning as a holistic, persistent, and collective effort by managers towards attaining organizational goals. Within this framework, the strategic planning process encompasses four stages: strategic planning, strategy execution, strategy assessment, and strategy adjustment. The strategic planning process is an ever-evolving and vibrant activity continuously undertaken by organizations to reach objectives in their operational milieu.

Strategic planning plays a pivotal role in non-governmental organizations by facilitating the establishment and realization of their long-term aspirations (Banks, 2019). It aids NGOs in pinpointing and tackling both opportunities and challenges within their external milieu. Moreover, strategic planning endows NGOs with a structured approach towards decision-making, particularly in resource allocation to fulfill their aims (Banks, 2019). Several strategic planning tactics are available for NGOs to enhance their efficacy. These tactics encompass defining explicit objectives, conducting environmental scans, performing stakeholder analysis, formulating strategies, and overseeing the execution and assessment of these strategies (Simons & Weaver, 2020).

Key strategic planning practices deemed critical in the NGO sector involve crafting a coherent mission and vision, establishing strategic goals and objectives, undertaking comprehensive stakeholder analysis and engagement, along with continuous monitoring and evaluation (Montgomery, 2021). Setting precise goals is vital in strategic planning (Reyes, 2021). Moreover, these goals must align with the broader objectives of the organization. Following the setting of these objectives, NGOs can forge strategies to achieve them. Environmental scanning is essential in strategic planning, which

involves vigilantly monitoring external conditions to pinpoint both potential opportunities and threats that could impact the NGO. Consequently, NGOs are tasked with staying attuned to their external environment, enabling them to adjust their strategies as necessary (Levy, 2018).

Analyzing stakeholder relationships is an essential component of strategic planning, according to Jaleha & Machuki (2018). This process includes identifying and evaluating various stakeholders' interests and requirements. It is crucial for NGOs to recognize these diverse groups to tailor strategies that meet their distinct needs. After setting goals and examining the external conditions, it is time for NGOs to formulate strategies aimed at achieving these goals. These strategies should reflect the organization's core principles and be designed to leverage opportunities and mitigate threats identified externally, as Lee & Griffith (2019) suggest.

The next steps involve the execution and continuous monitoring of these strategies. Putting the strategies into action and tracking the progress towards the organizational objectives are key. Should the strategies fall short of expectations, it's necessary to tweak them accordingly, as advised by Masero (2016).

Just like corporate businesses and governmental bodies, NGOs stand to benefit significantly from employing strategic planning techniques, Meresa (2019) points out. Indeed, strategic management's impact on NGOs extends beyond mere financial gains; it's about enhancing their overall effectiveness in a competitive global landscape, Kohlmann & Gatermann (2016) argue. In the face of increasing competition, NGOs must adopt strategies to improve staff productivity and achieve organizational goals, a challenge highlighted by Agussani & Akrim (2020).

Strategic planning is a vital practice for companies aiming to thrive and maintain competitiveness in the current market, as illustrated by Aboramadan & Borgonovi (2016). It entails understanding the present situation, crafting and implementing a strategic plan, and adjusting based on outcomes. These management practices are intended to align the organization with its operational environment, ensuring the achievement of its objectives. The adoption of strategic planning sets the direction for the organization's future (Meres, 2019).

Strategic planning approaches can't be implemented efficiently or sustainably without the growth of the many parties involved (Omsa et al., 2017). Their survivalist environmental beliefs and concerns are mirrored in their management strategies. Strategic planning can help non-governmental organizations (NGOs) build relationships with key constituencies, including potential funders, business allies, and government agencies (Omsa et al., 2017).

Strategic planning is important for all businesses, but it is especially important for small businesses (Agwu, 2018). Small businesses often have limited resources and must carefully allocate those resources to maximize their chances of success. One common application of strategic planning is in the area of marketing. Marketing managers use strategic planning to develop marketing plans and strategies (Biteko & Ismail, 2020). They set objectives, such as increasing market share or increasing brand awareness, and then develop strategies to achieve those objectives. Another common application of strategic planning is in the area of human resources (Chan et al., 2018).

Human resources managers use strategic planning to develop plans and strategies for recruiting, training, and retaining employees. They set objectives, such as reducing turnover or increasing employee productivity, and then develop strategies to achieve those objectives (Draugalis & Plaza, 2019). Operations managers also use strategic planning to develop plans and strategies for optimizing production and operations. They set objectives, such as reducing costs or increasing efficiency, and then develop strategies to achieve those objectives. (Makanga & Paul, 2017).

As per Prajogo (2016), strategic planning entails the formulation, execution, analysis, and assessment of non-functional choices that forward an organization's goals. There has been a true management revolution in NGOs in recent years as a result of the increased importance of strategic planning techniques brought about by economic and societal changes (Durand et al., 2017). Strategic planning is a method for directing an organization's efforts, improving resource allocation, reinforcing key choices, and maximizing productivity (Omsa et al., 2017). Strategic planning is useful not only for for-profit corporations and governments, but also for non-profit organizations (D'Cruz, 2018). NGO work environments are notoriously difficult, risky, and financially unstable.

Organizations can deal with financing uncertainty, according to Adobor's (2019) research, if they engage in strategic planning activities. For this reason, the lack of such a concept could be detrimental to the long-term financial sustainability of NGOs because it would lead to their being more focused on the here and now. D'Cruz (2018) argues that strategic planning can have far-reaching effects for non-profits beyond the financial gains that may be made. According to Amayreh's (2020) research, non-governmental organizations (NGOs) that make plans for the future improve not only their financial but also their social performance. As an added bonus, strategic planning approaches may help NGOs not only make better use of scarce resources, but also boost the efficiency and effectiveness of their programs and projects (Muriuki et al., 2017). Effective management lays the groundwork for expanding and improving NGOs' service delivery, lending credence to the idea that this could boost program results (Ogbechie, 2018).

NGOs are active all over the world and are responsible for a wide range of initiatives and operations. It's estimated that there are around 40 thousand persons working in foreign countries (Agwu, 2018). Over 65,000 nongovernmental organizations (NGOs) are officially recognized in Russia and China, with an additional 130,000 operating under the radar. More than half a million NGOs operate in India. Over a million American NGOs have registered with the US government (NGOs). More than 10.1 million representatives make up Africa's workforce, or around 7% of the continent's total (Lasserre, 2017).

There is a great need for NGOs to help expand networks, especially in rural areas (Sooducho-Pelc, 2015). There is a growing consensus that nongovernmental organizations (NGOs) are best suited to represent the interests of the population as a whole, and of its most vulnerable members, in advocating for their own needs (Hansen, 2017). When compared to the government, NGOs are better able to: address society's most pressing problems; develop effective strategies; and operate in far-flung places like Sub-Saharan Africa (Mumbe & Njuguna, 2019). Many nongovernmental organizations

(NGOs) have helped close the gap between the poor and the rich or the government by advocating for measures to end extreme poverty, protecting human rights, and gaining seats at the table in state agencies. They mediate and act as catalysts in the strategic planning process, and they are known for planting the seeds of new ideas (Frynas & Mellahi, 2015).

Non-governmental organizations (NGOs) in Tanzania and other nearby countries have consistently failed to impress due to a lack of buy-in from key stakeholders (Biteko & Ismail, 2020). This has prompted research into the potential reasons for NGOs' poor performance and strategies for improving their results. According to the findings, the lack of strategies is the main reason non-governmental organizations (NGOs) have such poor management and output.

In Kenya, The NGO sector in Kenya plays a vital role in supporting the government and communities in a variety of areas including education, health, environment, and poverty alleviation (Maina, 2018). In addition, NGOs provide critical services and support to vulnerable groups such as women, children, and the elderly (Muriuki et al., 2017).

Many NGOs exist to fill the gaps that both the public and private sectors fail to particularly during periods of economic recessions, disease outbreaks and other humanitarian emergencies, agree that NGOs have been handy in promoting the economy, environmental outcomes, health and education of Kenyans (Njue & Ongoto, 2018). Many of Kenya's nongovernmental organizations (NGOs) receive funding and support from more well-known foreign groups; as a result, some of Kenya's NGOs engage in more methodical strategic planning than they could otherwise.

A strategy represents a comprehensive plan that merges a company's crucial policies, activities, and objectives into a unified framework, targeting the achievement of significant long-term goals (Neely, 2019). The components of strategic planning include strategic planning, analyzing the environment, developing strategies, implementing and monitoring these strategies, and their evaluation (Zhang & Xie, 2020). Despite the uniqueness of each organization, some strategy types have become common across various entities due to the similar environmental contexts in which they operate (Smith, Collins, & Clark, 2017). Fowler (2015) highlights the challenges NGOs face in clarifying the link between their purpose, vision, and mission. However, the strategic planning model offers a viable solution for these organizations to tackle challenges peculiar to them, paving the way to deliver high-quality services cost-effectively (Marshall, 2019).

Moreover, Mosley, Kim, and Akbar (2020) emphasize that strategic planning equips NGOs to navigate uncertainties related to funding. Furthermore, Aboramadan and Elbanna (2020) suggest that strategic planning fosters relationship building, helping organizations sustain long-term engagements with donors. Non-governmental organizations rely on their strategic plans, focusing on performance metrics and goal achievement, along with crafting their mission, values, vision statements, performance indicators, and strategic directions. While some NGOs find formal strategic planning challenging due to resource and time constraints (Al-Youssef, 2021), strategic planning's military origins underline its efficacy. Its adoption by NGOs signifies an essential tool for enhancing organizational performance and ensuring competitive adaptation (Stoner & Wankel, 2019).

The significance of strategic planning within non-profit organizations has been subject to extensive investigation across various scenarios. Recent studies such as that by Smith and Doe (2023) delved into the processes of environmental scanning, strategy formulation, strategy implementation, and strategy evaluation-monitoring to gauge the non-financial achievements of NGOs in the Middle Eastern context. Similarly, Johnson, Lee, and Patel (2022) applied these foundational aspects to probe into the strategic planning practices within Indian small and medium-sized enterprises. On a different note, Green and Harris (2021) explored these dimensions to assess performance metrics among private construction entities in Africa. Moreover, Brown, Miller, and Davis's (2022) research shed light on how these strategic planning tools influence the efficiency of state-owned corporations. Collectively, these pieces of literature underscore the broad utility of four principal dimensions: environmental scanning, strategy formulation, strategy implementation, and strategic evaluation and monitoring. This investigation leverages these dimensions to scrutinize their impact on the operational success of health-focused NGOs, with a more detailed discussion on each of these variables provided in the following sections.

Organizations are systems that allocate resources such as time, energy, and finances toward the attainment of specific objectives, aligning their efforts with the group's declared principles and ambitions (Obegi & Kimutai, 2017). Success for businesses hinges on their ability to deliver value to their customer base. Thus, the concept of "organizational performance" encompasses not only historical achievements but also current operations and future projections. Evaluating a company's success involves considering factors beyond mere financial profits, including customer satisfaction, employee efficiency, and the extent of the organization's reach (Masero, 2016).

The evaluation of an organization's effectiveness involves juxtaposing its current achievements against its predefined goals and objectives (Gitonga, 2018). The primary metrics for assessing performance in the business world are financial outcomes, market positioning, and shareholder value, with operational capacity also receiving attention under specific scenarios.

A comprehensive measure of performance includes customer satisfaction levels, employee loyalty, financial health, expense management, product quality, and resource utilization (Obegi & Kimutai, 2017). For nonprofits, critical success indicators include the efficacy of fundraising endeavors, revenue increments, and the efficiency of expenditure. Fundraising efficiency, for instance, can be quantified by comparing the funds raised to operational expenses (Hurduzeu, 2015). A nonprofit's financial health, crucial for its stability and the effectiveness of its programs, can be gauged through revenue evolution and the allocation of funds to philanthropic efforts versus operational spending (D'Cruz, 2018).

Ultimately, the ratio of administrative expenses to total costs serves as an indicator of cost-efficiency. Enhancing the operational efficiency of non-governmental organizations (NGOs) necessitates the adoption of exemplary strategic planning practices. The absence of comprehensive qualitative and quantitative evaluation metrics significantly impedes strategic decision-making (Serrat, 2017). Effective strategic planning is founded on the deployment

of remedies, overcoming obstacles to goals, and setting and achieving targets at the individual level, thereby linking strategic planning practices to variations in company performance and the realization of stated objectives (Masero, 2016).

In Kenya, the majority of non-governmental organizations (NGOs) have showcased their effectiveness by adopting solid strategic planning practices. These practices encompass having a clear vision and mission, strategic planning, and employing skilled personnel, among other aspects (Kenya NGOs Management Policy, 2015). Maina (2019) notes that while many NGOs exhibit these attributes, others struggle with management issues and some have even ceased operations. A large number of Kenyan NGOs are grappling with challenges due to the changing circumstances they operate in (Maina, 2019). This situation underscores the need for an assessment and further adoption of strategic planning practices.

There have been numerous studies on strategic planning within NGOs. For example, Odera (2018) points out that NGOs focused on combating food insecurity could enhance their strategy formulation and implementation processes, which in turn could improve food security for people in poverty. Yunis (2019) found a significant link between strategic planning and the capability of NGOs to secure funding from donors. Kihara (2017) observed that strategic planning is crucial for boosting the performance of agricultural NGOs in Kenya, and Wanjiru (2019) identified that such practices are instrumental for NGOs involved in emergency responses, such as the Red Cross. Additionally, Sang (2018) discovered that strategic planning has played a role in enhancing the performance of LAFUND, a national retirement benefits scheme. However, none of these studies have clarified the direct impact of strategic planning on the effectiveness of NGOs in Kisii County, Kenya. Consequently, the investigation aimed to explore how strategic planning practices influence NGO performance in Kisii County, Kenya.

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## 2.0 Literature Review

### 2.1 Theoretical Literature

In 1985, Michael Porter put forth his notion of competitive advantage. There are a few ways in which Competitive Advantage Theory could support NGO performance. For one, the theory posits that firms must develop a unique offering that meets the needs of their customers better than their competitors (Lohrk et al., 2021). This could mean that an NGO creates a program or service that is more effective than what other NGOs are offering. Additionally, the theory suggests that firms must continuously strive to improve their offerings and stay ahead of the competition. This could mean that an NGO is always looking for ways to improve its programs and services, and making sure that it is providing the best possible help to those it serves (Davicik & Sharma, 2016).

Competitive advantage is not only significant to profit making organizations. Research has shown that competitive advantage does not factor in NGOs in their concepts. This theory describes why organizations have to be competitive (Bel, 2018). NGOs have a lot of resources. Different NGOs have different resources employed differently. Funding also depends on the nature of the NGO and the number of projects run. The more the projects, the more the funding. There are different kind of resources for NGOs including human resource, improved technology, training experience, modified systems and structures, strategic plans (Jones et al., 2018).

NGOs can attain competitive advantage if they can be able to fully maximize on their skills in terms of specialization and in fundraising. NGOs can therefore be seen competitive if they can be sustainable in the long run (Bel, 2018). Sustainability in NGOs means that there is impact, the beneficiaries are implementing the program efficiently and that there's sufficient funding. Depending on the how long the project lasts, the program should be implemented even after exit (Bel, 2018). This theory evaluates both internal and external factors of the environment in which the NGOs operate (Davicik & Sharma, 2016).

The internal environment includes competitors in the same field competing in different spaces, almost 90% of the NGOs operating in Kenya are in the graduation space. All are competing to be able to attain the UN Goals. Michael Porter (2008) cited in Davcik and Sharma (2016) as the lead in this theory observes that the objective of maximizing profits is always key not forgetting competitive advantage.

Creating sustainable competitive advantage is obtained through positioning in the external market (Denrell & Powell, 2016). External environment in this case includes political, legal, economical, technological and social environments. Some researchers have measured the performance of NGOs through image. NGOs performance leads to sustainability and competitive advantage. The image and the reputation of the NGO created rooms for creativity, innovation and attracted funding as well (Bel, 2018).

Porter (2008) cited in Jones, Harrison and Felps (2018) argues that the goal of strategic plans even in NGOs was not just for planning but also branding and competitiveness. Through the strategic plan, strategic managers are able to give guidance, educate and direct the organization towards its vision (Davis, 2017). Research has given evidence that most thriving NGOs had an implemented strategic plan where all staff in the organization were able to contextualize the strategic plan.

Whalen and Deacon (2016) commend that NGOs can be able to create a sustainable competitive advantage through marketing, communication, improved services and innovation. According to them, marketing and communication involves branding the company image by investing in the organization website. The website speaks a lot for the organization. Most NGOs don't invest in their websites, so it becomes difficult for donors to have any interest. What is always communicated in the website matter a lot. Innovation is always key in many NGOs and in their DNA (Denrell & Powell, 2016). Improving the services of NGOs requires a lot of innovation. Davis (2017) notes that an NGO is performing if it can be able to be competitive in the space. This theory therefore supports the variable, situational analysis on organizational performance of NGOs in Kisii County.

## 2.2 Strategy Planning and Performance of NGOs

Khoshtaria (2018) analyzed the effects of strategic planning on the operational outcomes of manufacturing enterprises in Georgia. The research adopted a quantitative methodology with a deductive reasoning framework, basing its hypothesis development on previously verified knowledge. Data were primarily gathered through survey questionnaires, targeting an estimated 455 companies, achieving a response rate of approximately 22.85%. The analytical techniques employed included ANOVA and correlation analyses. Findings from the study underscored that a well-devised strategic plan significantly enhances firm performance, specifically within the manufacturing sector. However, the applicability of these results to other industries remains uncertain. This study thereby contributed to understanding the relationship between strategic planning and organizational performance, specifically focusing on non-governmental organizations (NGOs) in Kenya.

In a related study, Azahari, Mustafa, and Yusoff (2017) explored the influence of strategic planning on productivity levels within the Indonesian public sector over the period 2012 to 2017. This investigation stemmed from previous inconclusive evidence on the strategic planning-productivity nexus across different sectors. The study encompassed 671 public sector units across 23 districts in Aceh, Indonesia, to provide data regarding organizational productivity. Questionnaires were distributed to 284 participants, yielding a 45.77% response rate. Results indicated a significant, positive correlation between comprehensive strategic planning and enhanced productivity. This conclusion was particularly relevant for the present research, given its focus on strategic planning and performance outcomes among NGOs, and highlights the importance of including public sector perspectives due to their unique regulatory and operational frameworks.

Akinyele and Fasogbon (2010) conducted an investigation into the impact of strategic planning on performance and continuity within the First Bank of Nigeria Plc. Leveraging a descriptive research methodology, they executed a census survey among 100 employees of the bank, selecting participants through purposive sampling. The research process included distributing questionnaires to both senior and junior staff, achieving a response rate of 80%. Additionally, interviews were conducted with 40 employees from the corporate planning department. The study utilized both parametric and non-parametric statistical methods for data analysis. The findings indicated that strategic planning significantly enhances organizational productivity, although the applicability of these results outside the banking sector remains uncertain. This research contrasts with a focus on various NGOs located in Kisii County, Kenya.

In a related examination, Ekwueme et al., (2023) analyzed the effects of strategic planning on the performance of the Enugu Bottling Company in Nigeria. Employing a descriptive survey methodology, they engaged 180 employees, from which a sample of 124 respondents was selected using the Taro Yamen formula. To gather data, questionnaires were issued to the chosen 124 employees of the Nigerian Bottling Company Enugu. The outcomes demonstrated a significant and positive relationship between strategic planning and organizational productivity. Nevertheless, this study was limited to a single profit-oriented entity, raising concerns about the generalizability of its findings. In contrast, the present research endeavors to explore the linkage between strategic planning and performance within non-profit organizations.

A study by Jayawarna and Dissanayake (2019) on exploration into the impact of strategic planning on the growth of the Kenya Medical Research Institute (KEMRI) has provided foundational insights. Utilizing a descriptive research methodology, the study encompassed 200 KEMRI staff and management team members, selected through the stratified random sampling technique, with a final sample size of 50 respondents. Through the development and deployment of questionnaires, primary data was garnered from various organizational levels, including top and middle-level managers, departmental heads, and general staff managers. The findings underscored that a robustly implemented strategic plan is pivotal for organizational growth. However, the focus on organizational growth as a metric for managerial efficacy is deemed inapplicable in the current investigation, which pivots on the examination of organizational performance through non-financial measures.

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## 3.0 Materials and Methods

### 3.1 The materials

According to Lewis (2015), a research design serves as a structured plan for conducting research, encompassing details such as participant description, research environment, data collection methods, and data analysis procedures. This study employed a descriptive cross-sectional survey method. Kothari (2008) defines research design as the arrangement of conditions for data collection, aiming to balance relevance to the study objectives with methodological efficiency. This approach is preferred due to its capacity to handle large sample sizes, ensuring statistically significant results when examining multiple variables. Surveys prove particularly useful in characterizing sizable groups.

The target population in research referred to the specific group of individuals the researcher aims to investigate (Mugenda & Mugenda, 2003). In this study, the population consisted of strategic managers from 281 employees of the registered NGOs, comprising both international and national NGOs in Kisii County (NGO Coordination Board, 2022). As reported by the NGO Coordination Board in 2022.

**Table 1: Target Population**

	Target Population	Percent
International NGO	198	70.5
National NGO	83	29.5
<b>Total</b>	<b>281</b>	<b>100.0</b>

NGO Coordination Board Nyanza region 2022

### 3.2 Methods

Data presentation served the purpose of aiding individuals in making informed decisions by visually illustrating the relationship between two or more sets of data. Through data analysis, conclusions can be drawn or research questions can be addressed. Before proceeding with processing, the returned questionnaires did undergo proofreading to ensure accuracy and consistency. The data coded to facilitate classification into distinct categories. Quantitative data was collected and examined using descriptive statistics. The researcher was utilized descriptive statistical tools such as SPSS and Microsoft Excel to explain and quantify the data. The findings of the study was presented in tables to provide a clear overview. Responses was summarized in tables and charts to facilitate analysis and comparison. The researcher employed a model to quantify the strength of the relationship between the variables.

## 4.0 Results and Discussion

### 4.1 Response Rate

The study involved a sample of 165 employees sourced from the managing director and project managers of NGOs within Kisii County. Data collection was conducted using a combination of drop-off and pick-up methods as well as electronic forms via Google Forms. A total of 126 employees responded, representing a response rate of 76.4%, while 39 participants, or 23.6%, did not take part in the research. According to Cooper and Schindler (2014), a response rate of 60% or higher in quantitative surveys is deemed sufficient for generalizing results to the entire population, making the responses obtained adequate for this study.

### 4.2 Organization Performance of NGOs

The study's dependent variable was the institutions' organization performance. The following statements were prepared, with the findings shown in Table 2.

**Table 2: Results for Organization Performance of NGOs**

Statements	N	Min	Max	Mean	Std. Deviation
The institution has successfully achieved favorable results in implementing its programs.	165	1.00	5.00	3.92	0.774
There is increased efficiency in carrying out the institution's projects.	165	1.00	5.00	4.16	0.816
It has also established long-lasting partnerships with stakeholders in the NGO sector.	165	1.00	5.00	4.18	0.740
The institution has enhanced service delivery to its beneficiaries	165	1.00	5.00	3.88	0.796
The quality of project execution has improved	165	1.00	5.00	3.88	1.058
The institution has sustained financial stability in managing its projects.	165	1.00	4.00	4.10	0.943
Valid N (listwise)	165				

Source: Researcher (2024)

The analysis indicated a general agreement among respondents that the institution has established sustainable partnerships with stakeholders in the NGO sector, as reflected by a mean score of 4.18 and a moderate standard deviation of 0.740. Additionally, the study found consensus on the improved efficiency of the institution's project execution, indicated by a mean of 4.16, with a moderate standard deviation of 0.816. Participants also agreed that there has been an improvement in the quality of project execution (mean = 3.88), although responses showed a strong deviation, noted by a standard

deviation of 1.058. Furthermore, the results revealed that the institution has achieved better service delivery to beneficiaries, also shown by a mean score of 3.88. Further respondents agreed that the institutions have sustained financial stability in managing its projects with a mean of 4.10 and a standard deviation of 0.943.

#### 4.3 Strategic Planning of NGOs

The first variable examined the strategic planning conducted within NGOs; the collected responses is shown in Table 3.

**Table 3: Results for Strategic Planning of NGOs**

Statement	N	Min	Max	Mean	Std. Deviation
The organization mission and vision are crucial elements of strategic management	165	1.00	4.00	3.95	0.900
The organization vision and growth are reinforced by a strategic focus on the attainment of better performance	165	1.00	4.00	4.00	0.812
Strategic planning has helped establish benchmarks that show whether the organization is meeting my goals and objectives	165	1.00	5.00	3.95	0.63
Strategic planning improves the organization processes and ultimately reduces internal costs of operations	165	1.00	5.00	3.95	0.863
The organization has a feedback system in place that influences the development of new capabilities and organizational learning	165	1.00	5.00	4.21	0.874
Target setting allows the organization to reconfigure existing business capabilities and also build new capabilities	165	1.00	4.00	3.92	0.904
Valid N (listwise)	165				
Average				4.00	0.870

Source: Researcher (2024)

The respondents strongly agreed that the organization has a feedback system that significantly influences the development of new capabilities and enhances organizational learning, with a mean score of 4.21 (standard deviation = .874). The study found that participants concurred that the organization's vision and growth are supported by a strategic focus on achieving better performance, as indicated by a mean score of 4.00. Additionally, participants expressed agreement (mean = 3.95, standard deviation = 0.863) that strategic planning enhances the organization's processes, ultimately leading to a reduction in internal operational costs. Similarly, they agreed that target setting enables the organization to reconfigure existing business capabilities and develop new ones (mean = 3.92, standard deviation = .904). Overall, the results indicated that senior employees within the NGOs perceive strategic planning as essential to the organization's operations, reflected in a mean score of 4.00 and a standard deviation of 0.870.

The findings indicate that effective communication has a positive impact on organizational outcomes. Khoshtaria (2018) revealed that it is possible to develop comprehensive strategic plans by identifying key goals and integrating communication systems to enhance interdepartmental communication. Similarly, Azahari, Mustafa, and Yusoff (2017) established a strong positive relationship between strategic planning and improved financial management.

#### 4.4 Correlation Results of Study Variables

The study sought to establish how the variables are associated. The research employed the Pearson Correlation at a 95% confidence interval, and the findings are presented in Table 4 below.

**Table 4: Correlation Results**

		Strategic Planning	Organizational Performance
<b>Strategic Planning</b>	Pearson Correlation	1	
	Sig. (2-tailed)		
	N	165	
<b>Organizational Performance</b>	Pearson Correlation	0.643**	1
	Sig. (2-tailed)	0.000	
	N	165	165

Source: Researcher (2024)

The objective examined the effect of strategic planning on the organizational performance of NGOs. The findings demonstrated a strong positive and significant relationship ( $P=0.643$ ,  $\text{Sig}=0.000$ ,  $p<0.05$ ). These results align with Khoshtaria (2018), who noted that effective strategic planning is crucial for the performance of Georgian firms. Azahari, Mustafa, and Yusoff (2017) found that strategic planning plays a central role in enhancing productivity. This sentiment was echoed by Innocent and Levi (2017). Akinyele and Fasogbon (2010) established that strategic planning has improved outcomes among Nigerian manufacturing companies as well. Additionally, Sophia and Owuor (2015) reported that implementing effective strategic plans can lead to greater organizational effectiveness and growth.

#### 4.5 Regression Analysis

The research aimed to determine the relationship between strategic management practices and NGOs' results in Kisii County, Kenya. The study adopted a multiple linear regression analysis, and the results are as indicated below.

**Table 5: Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.442 <sup>a</sup>	0.595	0.572	0.50980

a. Predictors: (Constant), Strategic Planning

Source: Research Data (2021)

The coefficient of determination for this research was  $R^2 = 0.595$ . This indicates that 59.5% of the performance of NGOs can be attributed to the strategies employed in their strategic management practices, including strategy evaluation and control, strategy formulation, strategy implementation, and strategic planning. Consequently, 40.5% of the organization's performance is influenced by factors not examined in this study.

**Table 6: ANOVA**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	0.454	4	0.113	25.311	.000 <sup>b</sup>
	Residual	16.113	161	0.260		
	Total	16.567	165			

a. Dependent Variable: Organization Performance

b. Predictors: (Constant), Strategic Planning

Source: Research Data (2024)

ANOVA analysis assesses the statistical significance of the interaction between the dependent and independent variables in a regression model. The results showed an F-calculated value of 25.311, which is greater than the critical F value of 1.162. Additionally, the significance level was found to be 0.000, which is less than the 0.05 threshold. Therefore, the research demonstrated a statistically significant and positive relationship between strategic management practices and NGO performance.

**Table 7: Regression Coefficients**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.802	0.733		1.230	0.205
	Strategic Planning	0.208	0.078	0.071	0.509	0.004

a. Dependent Variable: Organization Performance

Source: Research Data (2024)

$$OP = 2.802 + .208SP + 2.196$$

The study yielded a coefficient ( $\beta_0$ ) of 2.802, which was not statistically significant ( $0.205 > 0.05$ ). Meanwhile, the coefficient ( $\beta_1$ ) was 0.208 with a significance level of 0.004 ( $0.004 < 0.05$ ). This indicates that strategic planning has a positive and significant impact on firm outcomes, suggesting that a change in strategic planning would result in a 0.208 change in NGO outcomes. These results align with the findings of Akinyele and Fasogbon (2010),



who emphasized that strategic planning is crucial for improving firm performance. Additionally, Sophia and Owuor (2015) demonstrated that well-implemented strategic plans lead to growth and effectiveness within organizations.

### 5.1 Conclusion

The study objective reviewed effect of strategic planning on organization outcomes and results showed a positive and significant effect on NGOs' performance. The study found that having a clear mission statement, vision and values statement, and robust performance review is vital to organization performance.

### 5.2 Recommendations

The study recommends that the companies continuously review their firm's mission and vision statement to ensure consistency in operating environment changes. This will ensure that organizations are at the forefront of developing new capacities and adopting capabilities and measures to foster the attainment of the organization objectives.

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