

**EFFECTS OF STRATEGIC MANAGEMENT PRACTICES ON  
PERFORMANCE OF NON-PROFIT MAKING ORGANISATION IN  
VIHIGA, NANDI, AND KISUMU COUNTIES, KENYA**

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A Research Project Submitted in Partial Fulfilment of The Requirement for The  
Award of Master Degree in Business Administration (Strategic Management) Of  
Mount Kenya University

October, 2024

## DECLARATION AND APPROVAL

### Declaration by Student

This project is my original work and little research has been done for examination in any other University or for any other award.

Sign ... ..  ... Date .....12/08/2024

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### Approval by Supervisor

I confirm that the work reported in this project was carried out by the candidate under my supervision.

Sign...  .....Date.....12/08/2024.....

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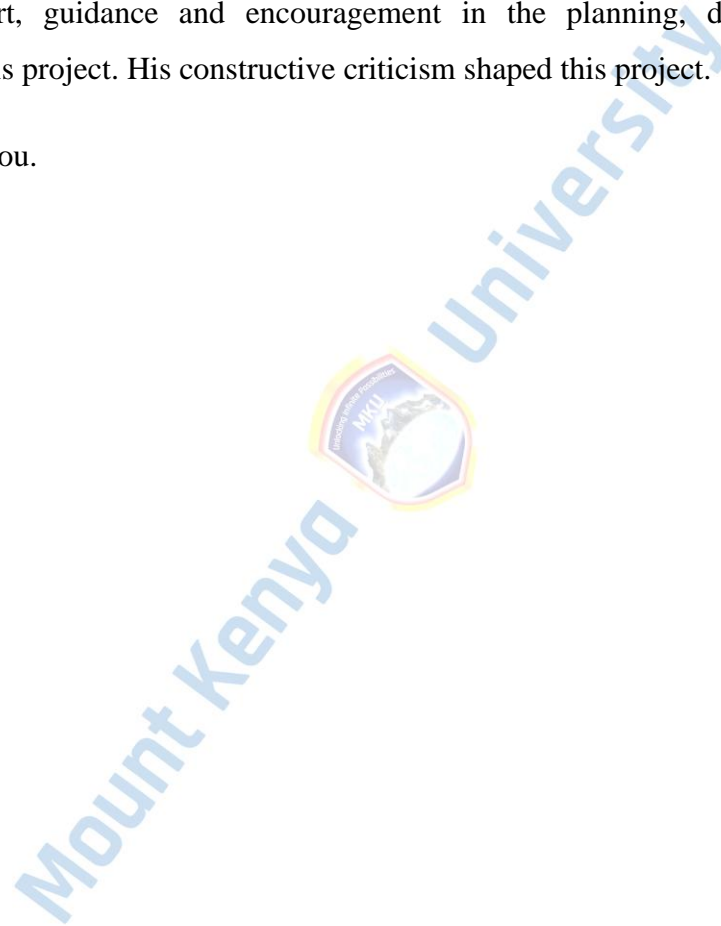
### DEDICATION

Special dedication to My Father; Mr. Bukhaya, who gave me the motivation to begin this course and to God Almighty for granting me good health.

## ACKNOWLEDGEMENT

I would like to pass my sincere gratitude to God for his guidance; to my mother; Jane Bukhaya and my best friends; Joan Jelagat and Erick Vidija who have been continuously praying for me. Besides that, my father James Bukhaya and my siblings; Linsley and Farren for their moral support and above to My Darling Husband Moses for giving me the moral support when I had given up. And to my supervisor Dr Peter Simotwo for his endless scholarly support, guidance and encouragement in the planning, development and completion of this project. His constructive criticism shaped this project.

May God bless you.



## ABSTRACT

When an organization practices strategic management, its thinking becomes more visionary, characterized by new ideas for the future, less rigid and fixed organizational structures, and a shift from the resources it employs in its operations to the results it wants to achieve. Outputs and outcomes serve as the means to attain optimal organizational performance, and process efficiency is central to the provision of quality goods and services. The goal of this research is to analyze the relationship between strategic management practices and the performance of a non-profit organization. The specific objective of the study was to determine how strategic management techniques affected a non-profit organization's performance in the Kenyan counties of Vihiga, Nandi, and Kisumu. We conducted this research using the agency, resource-based view, stakeholder, and adaptation theory frameworks. The study used a descriptive survey design with both closed and open-ended questions in order to capture quantitative and qualitative data, respectively. We used questionnaires and interview schedules as the data collection instruments. The study targeted 2274 stakeholders from Vihiga, Nandi, and Kisumu counties. This study used the Yamane Formula to sample 399 respondents. To ensure that the pilot study was conducted and that the face and content validity of the research instruments were determined, experts' opinions were sought to determine the relevance, meaningfulness, and relevance of each of the respondents. Using internal consistency, we examined the instruments' reliability and found out that Cronbach's alpha coefficient was satisfactory at 0.7 and higher. The analysis of variance statistic showed that the model was significant at a 95% confidence level because the p-value was equal to 0.000 b and greater than 0.05. The study model's R-squared was able to capture 73.4% of changes in the performance of non-profit making organizations in Vihiga, Nandi, and Kisumu counties, Kenya. We analyzed the data using frequency and percentages, means and standard deviations, Pearson's correlation, and regression analysis to determine their strength and direction. Environmental scanning ( $r^2 = 0.657$ ,  $p < 0.05$ ), strategic formulation practices ( $r^2 = 0.453$ ,  $p < 0.05$ ), strategic implementation practices ( $r^2 = 0.518$ ,  $p < 0.05$ ), and strategic evaluation practices ( $r^2 = 0.355$ ,  $p < 0.05$ ) were shown to be statistically significant in predicting the performance of non-profit organizations in the inferential analysis study. The study suggests looking at statistically significant strategic management practices to help non-profits expand in Vihiga, Nandi, and Kisumu counties, Kenya. These practices include scanning the environment, making strategies, putting them into action, and evaluating their success.

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## **LIST OF ABBREVIATIONS AND ACRONYMS**

ASM: Accountability structure members

CDSP: Child development sponsorship program C.I.K:

Compassion international Kenya.

CSP: Child sponsorship program

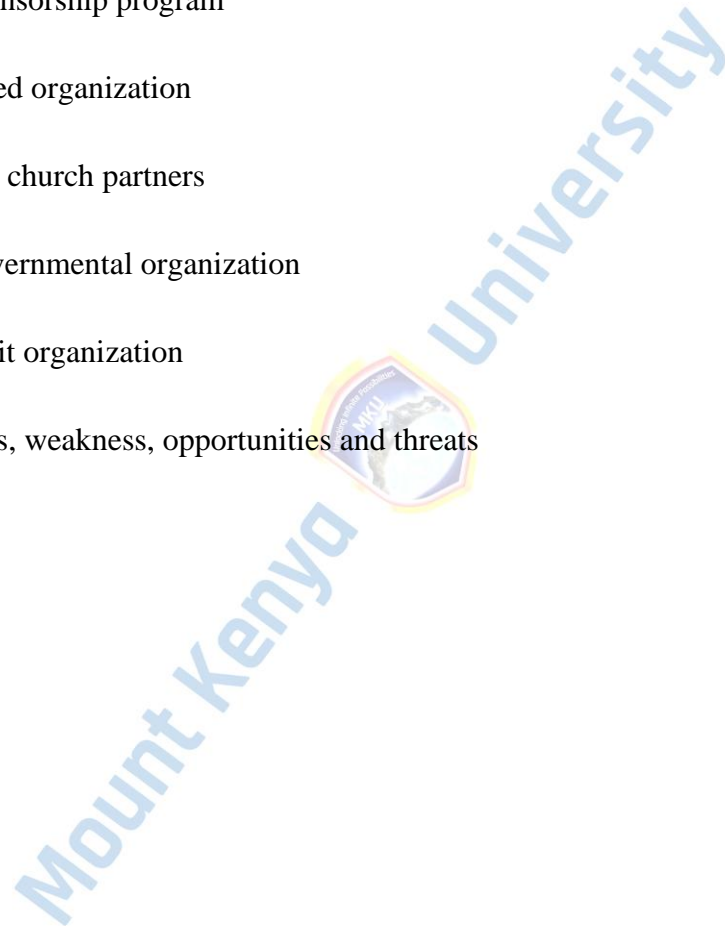
FBOS: Faith based organization

FCPS: Front-line church partners

NGOS: Non-Governmental organization

NPOS: Non-profit organization

SWOT: Strengths, weakness, opportunities and threats



# CHAPTER ONE

## INTRODUCTION

### 1.0 Introduction

This research therefore sought to establish the impact of strategic management practices on the performance of non-profit organizations. In this chapter, the authors outlined the study's background, problem statement, purpose, objectives, research questions, significance, scope, and limitations. The parameters of the study are established, and key words are defined operationally.

### 1.1 Background to the Study

Organizations that use strategic management typically perform better than those that don't. The performance of an organization is positively impacted when its environment and its strategy, structure, and procedures are properly matched or suited. Once a company is big, has several levels of management, or its surroundings change significantly, it can no longer afford to use intuitive techniques (Pearce and Robinson, 2007). Organizations face a variety of obstacles when developing or implementing their strategies, thus they must be prepared to handle these obstacles to make sure that their efforts are not in vain. This necessitates managers that are prepared to adjust to changing circumstances during the strategic management process.

Strategic management is important, integrative, long-term oriented, and primarily pertains to the highest management level, which establishes the enterprise's vision, missions, and values (Pillania, 2008). The organization defines its goals, devises strategies to achieve them, implements the strategy, and then evaluates its effectiveness.

Strategic management can therefore be defined as a set of managerial decisions and actions that enable the identification of a company's long-run performance.

Strategic management practices, according to Cameron (2014), are strategies employed by organizations while creating and carrying out plans intended to accomplish predetermined goals. They include the organization's selected approaches to purpose and vision formulation, situational analysis, evaluation of the political, economic, social, and technological situations, choosing the best alternative course of action, putting the chosen course of action into action, tracking outcomes, and review. Strategic management is an ongoing method that evaluates and manages the business and the fields of organizations that have implemented it, according to Besanko et al. (2012).

According to Muogbo (2013), strategic management is the process of making choices and implementing remedial measures in order to meet an organization's long-term objectives. It is a collection of choices and actions that lead to the creation and execution of plans intended to accomplish a business's goals (Pearce & Robinson, 2007). Thus, strategy formulation, strategy implementation, strategy evaluation, and strategy control are all included in strategic management. Central strategy implementation actions that are shared by all organizations include setting annual goals, creating policies, and assigning resources. Additionally, other management concerns may be just as crucial to the successful execution of a strategy, contingent on the organization's size and nature (Pearce & Robinson, 2011).

According to David (2003), strategic management entails strategy formulation, execution, and assessment. Strategic management can therefore be regarded as a component of managerial decisions and actions that lead to formulation and implementation of the strategy in order to facilitate the achievement of organizational objectives (David & David,

2003).Thompson, Strickland, and Gamble (2007) define strategic management as a process that involves organizational managers determining the organization's long-term goals and objectives, formulating strategies to achieve these goals in the context of the internal and external environment, and implementing selected action plans. Strategic management involves analysis, decisions, and actions that organizations undertake in order to achieve sustainable competitive advantages (Dess, Lumpkin & Eisner 2013).

Another purpose of strategic management is to assist managerial decision-making in selecting the most feasible and optimal option. The organization may develop internally or externally, as noted by Coombs (2018). For example, in the case of interior growth, augmentation or diversification methods may be used. A powerful quantitative and qualitative examination of the interior and exterior environment of a company helps to identify the strengths and weaknesses, as well as threats and opportunities in the business field. This assists the business in fending off changes in the environment that are affecting the firm. This is only possible with strategic management. It has greatly facilitated customers, enabled sellers and buyers to proceed ahead, significantly reduced transaction and intermediary costs, and created a stronger structure for the acquisition and sale of goods and services and so forth (Gunasegaram, Marri, McCaughey & Nebhwani, 2020).

In other words, strategy is a structure that links an organization's key aims, policies, and approach with each other and with its long-term aspirations (Burnes 2004; Quinn et al. 2011). The corporate strategy is an approach to achieving corporate objectives with the goal of long-term success (Kreikebaum, 2013).

Strategic management techniques enhance organizational performance and its position relative to other organizations that are associated with different societal and political issues (Ojo, Lawal, Elizabeth, & Oludayo, 2012). The application of strategic management has a positive implication on a firm's performance (Johnson et al., 2008; Otieno, 2013; Schrader, 2002). However, the formulation of the strategic plan, the implementation process, and the assessment or evaluation of the strategic plan hinge on the implementation of strategic management (Wanjiku, 2009).

Franklin, (2011). Study on strategy formulation in NGO'S in Kenya states strategy formulation comes in after an analysis of the environment. NGOs have limited resources and as such, it is essential that they exploit all factors of production to ensure they not only work optimally, but also effectively. The third importance of strategic planning is linking organization goals to the budgets (Franklin, 2011). This aspect is crucial based on the fact that NGOs have limited funding and that they do not gain from government funds; the most dependable source of funding (Arasa & K'Obonyo, 2012). Strategic planning unifies all these three domains which results in positive organizational performance.

In Kenya, Makokha (2018) studied on how strategic management practices affected Nairobi County Government service delivery. According to the study's findings, strategic management techniques have a major impact on service delivery. It was determined that county governments start the process of empowering their stakeholders when they develop plans with precise deadlines and adequate funding; as a result, staff members will perform better and the public will be pleased and supportive of them.

### **1.1.1 Organizational Performance**

In general, the concept of organizational performance stems from the notion that an organization is the intentional assembly of productive resources, namely human, physical, and capital, to achieve a common goal (Barney, 2012).

In their study on strategic management practices in the Arab world, Elbanna, AlKatheeri, and Colak (2020) looked into how the performance of semi-government organizations in Abu Dhabi, United Arab Emirates (UAE), is affected by the creation, execution, and assessment of strategic plans. The study's conclusions demonstrate a favorable relationship between business performance and the level of strategic management practice. Therefore, as most strategic changes fail due to poor execution, businesses need to focus more on strategy. Furthermore, effective company performance is largely dependent on strategic management methods. Following the discovery that a number of strategic management aspects influence a firm's performance; the conclusion is that a firm's performance and competitiveness will improve the more rigorously it conducts strategic management.

General productivity is the overall effectiveness or output of activities completed in any organization. Literature recognizes two ways to deal with performance: the financial, or 'sales-based' approach, and the non-financial, or 'firm-based' approach. Dimensions such as profitability, growth, productivity, sales revenue level, market and product share, return on investments, and product added value quantitatively assess the financial approach. Qualitative indicators such as employee development, customer satisfaction, job satisfaction, and efficient, streamlined organizational internal processes gauge the non-financial aspect. Therefore, organizations justify the practice of strategic management by

recognizing its contribution to enhancing their performance (Wheelen and Hunger 2010; Agha, Man, and Chen 2011). As stated by Nzuve & Nyaega (2011), performance measurement is essential because it is a way of ascertaining whether an organization is on the right track in achieving its objectives, which Makanga & Paul (2017) described as the evaluation of an organization's health, hence strategic.

Compassion International Kenya (CIK), a Christian non-governmental organization, is a non-profit organization that focuses on strengthening and empowering children in poverty. Today, Compassion Kenya provides assistance to more than 67 000 needy children in Kenya through 290 leading Church Partners (FCPs). Compassion operates from age 3 years to 22 years using a long-term model that reflects the commitment to child individuality, integrated developmental approach, partnership with the church, and facilitation. At its core, compassion is the main strategy for child development through a program known as the Child Sponsorship Program (CSP).

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Jerono (2016) examined how Kenya's Ministry of Foreign Affairs' service delivery was impacted by strategic change management techniques. The study's main focus was on

communication, employee participation, stakeholder involvement, and leadership management techniques. According to the report, the ministry underwent adjustments, and the leaders were in charge of the process. According to the report, one of the biggest obstacles to implementing change was opposition to change. According to the study, effective leadership, stakeholder, staff, and communication management techniques improved service performance.

The program aims to achieve the following four child development outcomes in each child's life over the course of his or her participation in the program: Spiritual development outcome, physical development outcome, cognitive development outcome, and socio-emotional development outcome. Students enroll in the CSP at the age of three, and they give out the program at nine years, while pupils complete the CSP at the age of twenty-two years. The CDSP provides necessary education, healthcare, supplementary food, health promotion, life enrichment, a safe and loving environment for children to learn and play, as well as the opportunity to hear the message of God's love in Jesus Christ and learn how to apply it to their lives. The Child Development Centers prioritize ministry to children, emphasizing their crucial participation during the Saturday program. Compassion also prepares and supports local church partners to deliver a range of child development. The amount provided by the sponsors to the local churches monthly is useful in outreaches, while the caretakers pay forty shillings per month to enable their ownership of the program. The caretakers use the amount for security and food preparation expenses.

## 1.2 Statement of the Problem

Strategic management practices are concerned with issues that are either unclear or fall outside of the whole firm's normal working and operational procedures rather than a single functional issue. Despite understanding the need and importance of the enterprise's strategic management practice, managers who primarily handle day-to-day issues found it extremely challenging to implement this practice. According to Scholes and Johnson (2002), for strategic management practices to succeed, an organization should have knowledge of its internal resources, stakeholders' expectations and power, competence, and external environment.

Compassion international Kenya operates in synergy with frontline church partners who have shown their efficiency in implementing best strategic management practices, as demonstrated above. Some of these are as follows: These factors include having an adequate and clear vision and mission, having sound strategic plans, and having adequate, skilled, and motivated human resources. However, many non-profit organizations (NPOs) have struggled to exhibit the aforementioned traits, leading to management-related issues or forced closures. People have long accused the management of natural resources of violating the business environment and human rights. Simultaneously, this failure has led to significant criticism of the state, characterizing it as excessively bureaucratic in its ability to cater to all public requirements. This has resulted in a heightened focus on non-profit organizations, as demonstrated in the following discussion: Nevertheless, the increased attention has put pressure on these organizations, forcing them to address the shortcomings of both the private and public sectors. They must

demonstrate their accomplishments, which necessitates an evaluation of various strategic management practices.

In order to ascertain the level of stakeholder participation in the strategic management process in a nongovernmental organization focused on health in Nairobi County, Kenya, Osano (2013) carried out research studies. The strategic change management techniques used by foreign non-governmental organizations in Kenya served as the foundation for Mutindi's (2013) research. State firms were included in a study by Kathama (2012) that sought to assess performance using strategic planning techniques. Ochieng (2013) adopted a more comprehensive approach to investigating the performance and strategies of strategic change management employed by non-governmental organizations in Nairobi. On the other hand, little is known about research projects conducted by nonprofit organizations, particularly in Kenya's Kisumu, Nandi, and Vihiga counties. The application of strategic management techniques in humanitarian settings has drawn more attention recently. Donors want to understand how systems work and how to use their funds. Given this, the goal of this study was to generate fresh insights to bridge the identified gap.

### **1.3 Purpose of the Study**

The purpose of this study was to determine how strategic management techniques affected a non-profit organization's performance in the Kenyan counties of Vihiga, Nandi, and Kisumu.

#### **1.4 Research Objectives**

- i. To establish a connection between the environmental scanning practices and the performance of non-profit organizations in the Kenyan counties of Vihiga, Nandi, and Kisumu.
- ii. To examine how strategic formulation practices affect non-profit making organizations' performance in Vihiga, Nandi, and Kisumu counties, Kenya
- iii. To assess how strategic implementation practices affects the performance of nonprofit making organizations in Vihiga, Nandi, and Kisumu counties in the Republic of Kenya.
- iv. To examine the effects of strategic evaluation practices on performance of non-profit making organization in Vihiga, Nandi, and Kisumu counties, Kenya.

#### **1.5 Research Questions**

- i. What is the impact of the formulation of these strategic practices on the performance of the selected non-coal-making organization in Vihiga, Nandi, and Kisumu counties in Kenya?
- ii. What key activities exist in strategic formulation practices and how do they impact the performance of non-profit-making organizations in Vihiga, Nandi, and Kisumu counties, Kenya?
- iii. What effects do strategic implementation practices have on the performance of nonprofit organizations in Vihiga, Nandi, and Kisumu counties,?
- iv. What Strategic evaluation practices have an impact on non-profit-making organizations in Vihiga, Nandi, and Kisumu counties, Kenya?

## **1.6 Significance of the Study**

This study will assist the leaders in enhancing their knowledge on factors that relate to strategic management and performance of non-profit making organizations in Vihiga Nandi and Kisumu counties in Kenya. It would benefit the leaders in decision-making in non-profit organizations.

Information on the impact of strategic management practices on the performance of nonprofit organizations in Vihiga Nandi Kisumu counties, Kenya, will empower the staff. The research outcomes from this study will extend existing information in the area of strategic management and, as such, be a benchmark for other researchers in the subject area.

## **1.7 Scope of the Study**

The study was conducted in FBOS, which comprises three counties: the Nandi, Kisumu, and Vihiga. The researcher chose to conduct this study in the specified region due to its convenient accessibility. It is also believed that it could have been simple getting information from the area of study given that the researcher hails from the said area.

This research aimed at establishing the impact of strategic management practices on nonprofit-making organizations in Vihiga, Nandi, and Kisumu County, Kenya. Some of the target population included the top leaders (ASM), staff, teachers, parents, and the subordinate staff. The research was conducted between the periods of September 2023 and March 2024.

## 1.8 Limitations of the study

Best and Kahn (2008) define limitations as external factors that can impact the generalizability of the study's conclusions and their ability to explain other circumstances. During the research period, the researcher encountered many limitations. Firstly, respondents refused to give the researcher information. In order to address this issue, the researcher had to assure the respondents that the information they provided would remain confidential. The second limitation was that the respondents only completed most of the questionnaire, with some not filling it out at all. Therefore, the researcher had to rely on the complete questionnaire she received from the respondents. Thirdly, the researcher had a specific time constraint to work within, as she needed to submit the project to the school department within nine months. Consequently, she only conducted the study on the non-profit organizations in Vihiga, Nandi, or Kisumu, avoiding the need to target a larger population.

## 1.9 Operational Definition of Key Terms

**A nonprofit organization:** Is one that owes allegiance to its donors, founding promoters, volunteers, program or service recipients, and the larger society in general.

**Environmental scanning:** An activity that systematically gathers and analyzes information about external conditions that might pose potential threats or opportunities for future developments.

**Formulating a strategy:** Involves using available knowledge to outline a business's direction and the path to achieve its goal.

**Performance:** A series of communication initiated and sustained by the supervisor and the employee over the course of one year aimed at achieving the organization's strategic goals and objectives.

**Strategy:** This is a broad strategy for attaining one or more objectives in uncertain environments.

**Strategy evaluation:** This is an evaluation of how the chosen strategic plan has been put into practice and how effective or otherwise the strategy as identified by the management has been.

**Strategy implementation:** The process of implementing plans with the goal of achieving an intended result. The process involves transforming plans into actions and steering towards the desired outcome.

**SWOT analysis:** It indicates how you are well differentiated in the market, how you can expand, and how you are ill prepared for competition.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.0 Introduction**

The theoretical framework, empirical review, conceptual framework, and research gap have all been described in this chapter.

## **2.1 Empirical Review**

### **2.1.1 Environmental Scanning and Performance of Non-Profit Making Organizations**

In order to formulate a strategy, an organization must conduct an analysis to identify external threats and opportunities, as well as a SWOT analysis to identify internal strengths and weaknesses. Environmental analysis involves the identification and filtering of external and internal information and its dissemination to corporate employees. A corporation uses this tool to avoid surprises in strategic matters and ensure its sustainability. The literature review shows that there is an apposite correlation between conducting environmental scanning and profits. A global survey by McKinsey & Company in 2008 revealed that approximately seven out of ten executives believe that global social, environmental, and business issues are becoming increasingly relevant to business strategies. SWOT analysis is one of the most popular business tools applied to strategic planning and strategic management. One can also apply it in the development of organizational and competitive strategies. Organizations are open totalities in interaction with the environment and include sub-totalities, according to the system approach. In this sense, an organization has two worlds: inside and outside. Studying these environments is necessary for strategic management practices to be effective, it is necessary to study these environments. SWOT analysis is the process of identifying opportunities and threats within an organization's context and operating settings.

Strategic management uses SWOT analysis as an evaluative framework to discuss an organization, a plan, a project, or a business activity. SWOT analysis, therefore, is a valuable tool of situation analysis that helps managers identify both internal and external

factors. SWOT analysis has two dimensions: systemic and non-systemic. The internal dimension covers organizational factors, including strengths and weaknesses. The external dimension covers the environmental factors, opportunities, and threats.

SWOT Analysis is a process that involves four areas into two dimensions. It has four components: 'Strengths', 'weaknesses', 'opportunities', 'threats. Strengths and weaknesses are internal factors and attributes of the organization, opportunities and threats are external factors and attributes of the environment. Organizational Strengths: Strength is the characteristic that adds value to something and makes it more special than others. Strength means that something is more advantageous when compared to something else. In this sense, strength refers to a positive, favorable and creative characteristic. Strength at organizational level involves properties and abilities by which an organization gains an advantage over other organizations and competitor organizations that are revealed as a result of the analysis of its internal environment. In other words, organizational strength defines the characteristics and situations in which an organization is more effective and efficient compared to their competitors. An organization can be described as strong, equal or weak compared to their competitors based on five criteria's:

Relative market situation, relative financial structure, relative production and technical capacity, relative research and development potential, relative human capacity and management effectiveness (Dinçer, 2007). "A strength is something an organization is good at doing or a characteristic the organization has that gives it an important capability" (Thompson and Strickland, 2019). In this context "a strength is a resource, skill, or other advantage relative to competitors and the needs of the markets an organization serves or

expects to serve. It is a distinctive competence that gives the organization a comparative advantage in the market place. Strengths may exist with regard to financial resources, image, market leadership, buyer/supplier relations, and other factors” (Pearce and Robinson, 2012). Organizational strengths consist of the organizational competencies playing an active role in achieving organizational goals. Before going into action when encountered a problem or opportunity, an organization has to know the potential that it has and the aspects that makes it more advantageous than its competitors. Being strong and having strengths are quite important for an organization.

Otherwise, the opportunities created by the outside environment cannot be used. Moreover, the organization has to answer to the threats of the outside environment by using its strengths. All these issues highlight the importance of organizational strengths (Ülgen and Mirze, 2010: 161).

Organizational Weaknesses: Weakness refers to not having the form and competency necessary for something. Weakness means that something is more disadvantageous when compared to something else. In this regard, weakness is a characteristic that is negative and unfavorable. Weakness at organizational level refers to the situations in which the current existence and ability capacities of an organization are weaker compared to other organizations and competitor organizations. In other words, organization weakness means the aspects or activities in which an organization is less effective and efficient compared to its competitors. These aspects negatively affect the organizational performance and weakens the organization among its competitors. Consequently, the organization is not able to respond to a possible problem or opportunity, and cannot adapt to changes. “A weakness is something an organization lacks or does poorly -in comparison to others or a condition

that puts it at a disadvantage” (Thompson and Strickland, 1989: 109). In this context “a weakness is a limitation or deficiency in resource, skills, and capabilities that seriously impedes an organization’s effective performance. Facilities, financial resources, management capabilities, marketing skills, and brand image can be sources of weaknesses” (Pearce and Robinson, 1991: 182). For the organization, it is as important to know its weaknesses as its strengths. The reason is that no strategy can be built upon weaknesses. The organizational weaknesses that have the potential to lead the organization to inefficiency and ineffectiveness should be known and improved. Solving the existing problems that would cause difficulties and limitations for long-term plans and strategies, and foreseeing potential problems are obligatory.

**Environmental Opportunities:** Opportunity means a situation or condition suitable for an activity. Opportunity is an advantage and the driving force for an activity to take place. For this reason, it has a positive and favorable characteristic. For organizational managements, an opportunity is the convenient time or situation that the environment presents to the organization to achieve its goals. Opportunities are those that would yield positive results for the organization determined as a result of the analysis of its environment. Competition and the intense work present organizations big opportunities. In fact, “opportunities are conditions in the external environment that allow an organization to take advantage of organizational strengths, overcome organizational weaknesses or neutralize environmental threats” (Harrison and St. John, 2004: 164).

**Environmental Threats:** Threat is a situation or condition that jeopardizes the actualization of an activity. It refers to a disadvantageous situation. For this reason, it has a negative

characteristic that should be avoided. For organizational managements, a threat is the element that makes it difficult or impossible to reach the organizational goals. Threats are the situations that come out as a result of the changes in the distant or the immediate environment that would prevent the organization from maintaining its existence or lose its superiority in competition, and that are not favorable for the organization (Ülgen and Mirze, 2010: 161).

They can constitute an impediment to the success of the organization, and cause unrecoverable damages. All environmental factors that can impede organizational efficiency and effectiveness are threats. The new world order formed as a result of globalization involves both opportunities and threats. This system enhancing opportunities as well as threats directs organizational managements to be careful of and act more strategically on the developments in and outside their External opportunities and external threats- refer to economic, social, cultural, demographic, environmental, political, legal, governmental, technological, and competitive trends and events that could significantly benefit or harm an organization in the future. Opportunities and threats are largely beyond the control of a single organization -thus the word external.

Internal strengths and internal weaknesses are an organization's controllable activities that are performed especially well or poorly. They arise in the management, marketing, finance/accounting, production/operations, research and development, and management information systems activities of a business. Identifying and evaluating organizational strengths and weaknesses in the functional areas of a business is an essential strategic management activity. Organizations strive to pursue strategies that capitalize on internal

strengths and eliminate internal weaknesses (David, 2003: 10-11). “Understanding the story involves evaluating the strengths, weaknesses, opportunities, and threats and drawing conclusions about how the organization’s strategy can be matched to both its resource capabilities and its market opportunities, and how urgent it is for the organization to correct which particular resource weaknesses and guard against which particular external threats” (Thompson and Strickland, 2001: 127) an example of a SWOT Analysis for Nike, Inc., which is an American multinational corporation that is engaged in the design, development, manufacturing and worldwide marketing and selling of footwear, apparel, equipment, accessories and services. It is one of the world’s largest suppliers of environments. Athletic shoes and apparel and a major manufacturer of sports equipment and most valuable brand among sports businesses. The company was founded in 1962 by Bill Bower man and Philip Knight as a partne rship under the name, Blue Ribbon Sports. The company takes its name from Nike, the Greek goddess of victory. Since Germany conquered the domestic market in America, Nike came with low-cost and high-quality products for the American people. Today, Nike Inc. is the world’s leading innovator in athletic footwear, apparel, equipment and accessories.

### **2.1.2 Strategic Formulation and Performance of Non-Profit Organization.**

The goal or rationale for an organization's formation is its mission. It describes the goods or services the company offers to the public, such as cars or housecleaning services. A well-crafted mission statement outlines the core, distinctive goal that distinguishes a business from others in its industry and indicates the range or area of the business's activities in terms of the markets it serves and the goods and services it offers. Studies show that companies with mission statements that clearly outline the kind of consumers they serve

and the technologies they employ expand at a substantially faster rate than those without such declarations. The company's principles and philosophies on business operations and employee treatment may also be included in a mission statement. It articulates the company's current state as well as the strategic direction management hopes to take the company in the future. In addition to communicating a public image to significant stakeholder groups in the company's task environment, the mission statement fosters a feeling of shared expectations among employees. Some prefer to think of vision and mission as two distinct ideas: While the organization's vision outlines its desired future state, the mission explains the organization's current state. We would rather condense these concepts into a solitary mission statement. Some businesses would rather include their corporate philosophy and values in a separate document known as a values statement.

The outcomes of a planned action are called objectives. They should specify what has to be done by when and, if possible, be quantified. They should be expressed as action verbs. A corporation's mission should be fulfilled as a consequence of achieving its goals. In essence, this is what society returns to the corporation in the event that it successfully accomplishes its goal. For instance, Cadbury Schweppes has grown to be the greatest confectioner in the world in terms of sales by giving society gums, candies, iced tea, and carbonated beverages.

Its purpose is to boost sales by 4%–6% on an annual basis. Even so, its management set the target of achieving profit margins of roughly 10% in the 2007 fiscal year and to the mid-teens for the 2011 financials, despite the fact that it showed lower profit margins than

rivals in the candy industry like Nestlé, Kraft, or Wrigley, or in the soft drink industry like Coca-Cola or Pepsi.

Ansoff (1965) applies an analytical approach to company policies for growth and expansion, as promised in his subtitle. "He is eager to ensure the provision of tools for business executives in the development of business strategies," reads the subtitle. What Is Strategy? is his article. Strategy is "the development of a defensible and valuable position that requires a different set of activities," according to Michael Porter (1996). In the same way, in his piece "Getting Back to Strategy," Strategy, according to Kenichi Ohmae (1988), is "the attempt to understand and meet a customers' basic wants and, in doing so, reevaluate the true meaning of a given product category. Henderson, in his September 1989 article "The Origin of Strategy" in the Harvard Business Review, defined strategy as a "deliberate search for a plan of action that will develop a business' competitive advantage and compound it." "The determination of the 'long-term' goals and objectives of an enterprise, the adoption of courses of action, and the allocation of resources necessary for carrying out those goals" is how Alfred Chandler describes strategy in his 1962 book, Strategy and Structure. It is noteworthy that every strategy definition accomplishes one of the two objectives.

For each of the four grand strategy types, there is a rich history of hundreds of strategists and organizations using many different approaches to strategy formulation for different strategic goals. As a result, over the years, organizations, consultants, and academics have provided literally hundreds of different situation-specific definitions of strategy. These

definitions may be suitable for use under the above-stated conditions, but as the saying goes, a definition rarely holds true for any conditions at all.

To balance this and dispel the confusion, it is essential to distinguish between a strategy, its creation process, and its expected outcomes. A strategy, on the other hand, is just a planned path forward. A set of procedures and actions that must be carried out in order to accomplish a predetermined goal. Generally speaking, people view a strategy as something that is not quite there, palpable since nothing in it can be grabbed, touched, or seen—that is, it has no physical attributes. Simplified, a strategy is an organization's blueprint outlining how it plans to accomplish a specific purpose. Companies usually develop company strategies, product and service strategies, and the tactics that guide operational, functional, and managerial.

The process of developing a strategy is called the strategy formulation process. The strategy formulation process results in the implementation of the strategy, plan, or process solution. Such a process even prescribes all the required steps to take in order to arrive at the much-needed and hopefully best strategy or solution. As a result, it is clear that the idea presented in this book falls under the category of strategy formulation processes. This book delineates the necessary steps to cultivate innovative concepts and cognitive processes. A desirable strategic formulation process should help an organization generate strategies and solutions to enhance its position in strategy maps.

When people say that strategy means "the art of devising plans toward a goal" or "the deliberate search for a plan of action," they are actually defining what it takes to develop a strategy. Instead of defining a strategy, they elucidate the process of its creation. For this

reason, it becomes problematic to differentiate a strategy as a plan and “strategy” as a sequence of actions that produce a plan.

One must accept the fact that gathering and using all relevant information for formulating strategies and solutions is not always possible. Henry Mintzberg acknowledges in *The Rise and Fall of Strategic Planning* (1994) that "much of what is considered as 'hard' data is often anything but". He then goes on to conclude that "there is a soft underbelly to hard data" and that the common mistake is to "measure what is measurable." The author notes that many organizations simply take the information that is available to them and incorporate it into the process of strategy formulation without ever considering how useful it really is. This evidently hampers the efficiency of the majority of strategy formulation processes and the impact of the resulting strategies. In *Frames of Mind*, Howard Gardner cites the 1983 formulation of the Theory of Multiple Intelligences as an example, asserting that individuals utilize a limited number of human mental abilities, not exceeding seven in quantity.

It follows that when formulating a strategy, it would be nearly impossible for an individual to accurately define the optimal solution for any complex situation given that there are often hundreds of possible solutions from which to choose and over 100 different evaluation criteria that must be considered. As a result, individuals often fail to effectively process all the information that must be considered when attempting to formulate a breakthrough strategy.

### **2.1.3 Strategic Implementation and Performance of Non-Profit Making Organization**

The stage of strategy implementation is when a company uses the strategic management approach to carry out the actual work. (Allio, 2005). It is the series of actions that transform an organization's strategic strategy into rigorous performance standards.

Planning does need to shift strategically, but the process can be a little difficult. "Organizations invest a lot of time and resources in the planning of strategy, but very little of it will get successfully implemented," states Brink Schroder (2014). As a result, the study suggests that it is one of the most important factors in every successful firm. (Lubis, Torong, & Muda 2016); since it necessitated a thorough comprehension of the plan and implementers' endorsement of it (Misankova & Kocisova 2014, 865). Implementation addresses the questions of who, what, where, and when to accomplish organizational goals (Allio 2005; Misankova & Kocisova 2014,).

The process of developing plans, budgets, and processes in order to carry out strategies and policies is known as strategy implementation. This process may entail modifications to the organization's overall management system, structure, and/or culture. However, strategy is usually implemented by middle- and lower-level managers, with top management reviewing the plan, unless such radical corporate-wide changes are required. Implementing strategies frequently entails making daily decisions about how to allocate resources; this process is sometimes referred to as operational planning.

To guarantee a cooperative operation, the entire company is involved in the strategic implementation process. Van der Kolk and Schokker (2016) assert that of all the

components of the comprehensive supervisory approach, strategic management is the most laborious and difficult to implement, requiring a great deal of work to advance a company.

It requires all-inclusive plans to ensure that all the objectives of the org Successful organizations across the world such as the Coca-Cola Company implement strategic plans to ensure that the organization operates proficiently. Such approaches create a vision for the future, and the methods required attaining all the stipulated goals. However, there are still some organizations, which are unable to understand the vision and the mission of the organization, and they fail to deliver the required services (Grant 2016). Unluckily, the managerial team may fail to pinpoint all the reasons for the failure of the business, believing that repeating the strategic planning time to time will have better results. In most cases, such an approach does not work (Deraman et al., 2017). Therefore, there is a need to ensure that strategic methods are implemented to attain maximum results.

To do so, five significant constituents support the effective execution of strategies. People, resources, structure, systems, and culture are some of the factors that support strategy implementation in any firm (Palinkas et al. 2015).

The people responsible for implementing the company's plan are known as personnel or human resources. For the organization's goal to be successful, the team needs to be of a certain size and possess the requisite skills, competence, and commitment. The organization needs personnel not just to carry out its stated objectives but also to be competent and possess the necessary abilities to improve the achievement of the stated objectives in an organization. According to research by Lubis, Torong, and Muda (2016),

expanding an organization's workforce is a simple solution to the problem of employee count. The main issue is making sure that the proper individuals have the abilities, information, and skills required to carry out the work that would carry out the strategy.

Since having the proper people in an organization will significantly increase its chances of success (Aspridis & Kyriakou 2012). In addition, the company has to have adequate capital and time. The provision of assets, which take the shape of monetary or nonmonetary resources available within an organization, is the most important strategy implementation task. Furthermore, an organization's absence of certain economic and non-economic resources does not negate the need for those resources when it comes to implementing strategy (Powell et al. 2015).

During the strategy implementation, the first thing that comes into the mind of an individual is the amount of money needed to support the application by covering all the costs and the expenses that should be acquired during the implementation of the strategies. Another critical resource is time (Lubis, Torong, & Muda 2016). There should be enough time to ensure that the policy is implemented throughout the process. As such, it creates an environment where all the undertakings can be tactically planned to achieve all the objectives bring the policy to fruition. According Rani and Mishra (2014) claim that are accomplished. The organizational structure, according to Cristian-Liviu (2013), guarantees that the company has the proper mindset, resources, and configuration to enable the strategy's execution. Furthermore, according to Cristian-Liviu (2013), the organization's structure needs to be understandable, in accordance with its capabilities, and emphasize accountability in a manner that aligns with the organization's goals. Every everyone in an

organization needs to be aware of their roles and responsible for them. In particular, Aspridis and Kyriakou (2012) state that supervisors are assessed based on a variety of criteria, including business formation, work quality, credibility, and communication competence. The organization's communication channels should also be described by the management. In order for employees in different areas of expertise to work together to accomplish the goals of the company, they must effectively communicate with managers and other departments (Powell et al. 2015). Maintaining open lines of communication between managers and staff fosters openness and allows for the exchange of ideas, particularly about concerns that could impede the company's growth and potential solutions.

According to Arzenšek and Košmrlj (2017), open communication fosters passion, debate, disagreement, support, and feedback in addition to personal warmth and understanding. Another factor supporting policy implementation practice is an organization's culture. It is an organization's overall culture with regard to its employees. Its employees should feel valued and satisfied with their specific roles within the firm.

For example, they may be worried about the planned delivery strategy and are essential in making sure that they are included in matters such as making decisions. Employee motivation is raised and performance is enhanced by the culture of taking accountability for various procedures. It fosters an atmosphere where everyone is motivated to help put the strategies needed to accomplish the enterprise's goals into practice (Deraman et al. 2017). For example, a major culture in some organizations is performance appraisal, whereby top performers are compensated or given promotions within their respective areas.

An atmosphere like this encourages employees to become more competent in order to receive the same benefits from the organization.

#### **2.1.4 Strategic Evaluation and Performance of Non-Profit Making Organizations**

Strategy evaluation process identifies the level of strategy implementation (Elshamly, 2013), gives early signals about factors that might hinder the success of the strategy by prompting management to ask questions on the execution process or the leaders' reliability and competency (Carpenter & Sanders, 2009). Evaluation of strategies examines how firms perform in responding to new risks that enable them to accomplish strategic goals (Johnson & Scholes, 2002). Furthermore, firms should also self-assess the firm's strengths and skills as prerequisites to strategy implementation (Popa et al., 2012). As a result, while putting their goals into practice, businesses may adapt to any risk of environmental changes with the aid of the strategy evaluation process. Actually, management might learn why the company's strategic direction has failed from a thorough strategy examination. As Elshamly (2013) notes, strategy evaluation really shields the company from failure, keeps businesses from making poor decisions, and helps them anticipate problems in the event that the internal or external environment changes.

The evaluation of strategy can reveal gaps in previously implemented strategic plans, thereby initiating the process anew. According to Ivancic (2013), the evaluation method's efficiency is significant because the primary purpose of the evaluation process is to assess the extent to which strategy implementation aligned with firm goals. Similarly, Hunger and Wheelen (2011) asserted that the evaluation of a strategy's results signals any obstacles affecting the firm's operations towards its intended goal, prompting further action in the

strategy evaluation process. Therefore, firms should consistently review their strategies (King'ola, 2001; Tunji, 2013) to tackle any obstacles that could impede the achievement of the firm's goals and objectives (David, 2011). Gonçalves (2009) explained that regular checkups make the strategic plan dynamic and relevant to the firm's competencies. According to David (2001), inadequate evaluation can constrain achievement or even result in worse problems among firms. Therefore, according to Onwe (2014), management has to ask the right questions in order to be efficient. Moreover, the strategy evaluation process helps to avoid a wrong decision, which can lead to significant damage and many changes.

## **2.2 Theoretical Framework**

Four theories guided this study: agency theory, resource-based theory, stakeholder theory, and theory of organization adaptation.

### **2.2.1 Agency Theory**

Scholars from a variety of disciplines have applied agency theory, including organizational behavior (Eisenhardt, 1985), law (Lan & Heracleous, 2010), marketing (Bergen, Dutta, & Walker, 1992), healthcare (Jiang, Lockee, & Frasier, 2012), accounting (Reichelstein, 1992), and family business (Tsai, Hung, K.). Agency theory typically centers its perspective on either the principal-agent issue (principal-agent research) or the governance structures (positivist research). Simply put, agency theory stems from the economic concept of risk sharing (Eisenhardt, 1989), involving two parties: the principal and the agent. Each party can have a different conception of sharing, which is problematic because the principal has entrusted certain responsibilities to the agent with a view to achieving

similar objectives. The principal expects these cooperative behaviors (Barnard, 1938) to produce the specified outcomes. But arguably at the core of the agency problem is the aspect of self-interest behavior, which may see an overenthusiastic agent not performing as expected by the principal (Burnham, 1941). For the principal, this divergence poses a challenge and modifies the agency costs (Fama, 1980). Most of the time, the principal becomes aware of the agency costs as soon as they establish the principal-agent relationship. Nonetheless, should the agent defy his/her principals by engaging in a particular course of action contrary to the agreement of both parties, then the principal feels that he/she has taken more risks. Therefore, approaches to address the first agency problem, specifically shifts in risk sharing, emerge (Jensen & Meckling, 1976).

The first agency problem informs the second one. The agency theory assumes that agents who own company stocks will want to carry out the principals' wishes (Fama & Jensen, 1983). Eisenhardt (1989) proposed that when such actions are outcome-based, the agent becomes responsive to the principal's wants.

However, should there be a perception of inequity, agents are bound to act in a self-serving manner. In the current model, the agent's self-seeking tendencies lead to situations in which the principal cannot monitor the agent's actions. This leads to another problem of monitoring agent behavior and the measurability of outcomes (Anderson 1985). The nature of the two agency problems necessitates the development of specific structures to reintroduce risk and monitor the agent, thereby returning to the positivist perspective of agency theory.

To summarize, two perspectives in agency theory have emerged: principal-agent research and the value-based agency theories, also known as the positivist agency theories. Principal-agent research identifies two possible agency problems: Of the two, we found evidence for risk-sharing and agent monitoring. A divergence in risk-sharing leads to information asymmetries, thereby impeding the principal's ability to monitor the agents. Regardless of the nature of change in risk-sharing, perceived or actual, it is inherently impossible to design an “ideal” contract between the principal and the agent. By extension, positivist agency theory is interested in those crucial modes of controlling agents’s egoism (Eisenhardt, 1989). These mechanisms are assumed to achieve the intended focus on goals and objectives for principals and agents; however, Dalton, Ragatz, and Richardson (V) argue whether such mechanisms work. In order to examine this issue, we intended to provide a historical overview of the main ideas that accounted for the emergence of agency theory. While new research has recently focused on this topic (Bendickson et al., 2016), there are four important historical influences that have yet to be fully studied: the ideas of Max Weber and Herbert Simon; the Great Depression of the 1930s and Berle's ideas about some managerial factors that contributed to this problem; the cooperation that Barnard and Follett helped to create; and finally, the Chicago School and neoclassical economic theories again.

### **2.2.2 Resource based theory**

This theory is used to explain the impact of the external environment on organizational behavior. Pfeiffer and Salancik (2003) describe the core concept of the relationship between an NGO and its surroundings as follows: The NGOs' reliance on external resources

influences their decision-making process. The paper argues that the longevity of NGO leadership is not solely dependent on internal strength, but also heavily depends on the external environment, as most NGOs maintain close ties with the community. As for mapping, the key stakeholders' role is to assist the NGOs in identifying beneficiaries, as previously stated. Examples of the stakeholders may include chief administrators, local chiefs, the commissioners, the village elders, etc. This theory enables us to understand the impact of the external environment on the performance of NGOs (Pfeiffer & Salancik, 2003). The ability to acquire resources from the surrounding environment determines how well an NGO will survive in space. The NGO's interaction with the environment, particularly in marketing and partnerships, serves to illustrate, when applied appropriately, the concept of sustainability in NGOs (Kobonyo, 2011). This is particularly true for NGOs, as they are primarily focused on business and often need to connect their beneficiaries with other profit-making entities to gain access to markets. According to Ongore (2011), technical skills and knowledge are another area where senior managers could help their organizations achieve this goal. Huse (2004) also notes that directors helped to link the NGOs with the external environment by incorporating the resources required for performance. Therefore, the organization cannot achieve its mission unless the directors can effectively marshal the external factors.

Supply assets, such as specialized skills or expertise, technology, cooperation, and coordination between programs, improve NGOs' performance (Del Baldo 2012). Consequently, this theory validates the directors' roles in sourcing information and creating networks that contribute to the organization's success. Similarly, as mentioned by Berrone

et al. (2012), both non-executive directors and executive directors are motivated in their posts as they observe the changes in the community.

### **2.2.3 Stakeholder Theory**

Stakeholder theory, as previously mentioned, falls under the category of management theory. It also enlightens stakeholders in NGOs. Employees, beneficiaries, and partners should be struck between the major stakeholders and the minor stakeholders. This theory incorporates a component of morality and ethics in the operation of NGOs (Bondy et al., 2011). Mansell (2013) notes that this theory accurately depicts the performance of NGOs. This theory expands upon the strategic fit theory, scrutinizing the alignment of an NGO with both external and internal contexts. According to the theory, NGOs must manage the affairs of all their stakeholders, including society. Minimising their expenditure is an attractive notion for NGOs because it enables them to provide more service. In this case, employees look for reimbursement and several other expenses associated with the program. Therefore, when exercising the responsibility of creating the budget, it is necessary to strike a balance to ensure that all stakeholders have been taken into account. Therefore, NGOs must demonstrate how they can strike a balance between these conflicting and paradoxical requests in their decisions. Robins (2008) argued that stakeholder management determines the effectiveness of NGOs. Hence, managers should be independent and include considerable skills in recognition to guarantee everyone's self-interest in the organization. As postulated by Miles (2012), stakeholder theory presupposes that other stakeholders have more significance than others. This should not be the case if performance is key. This theory presupposes that all the external and internal actors, including those employed with

NGO, should be able to contribute insights. It thus calls for directors to be able to balance all ends. This theory's overall output is an accommodative or win-win goal (Friedman & Miles, 2006). Thus, the distribution of the resources both outside and inside is what defines stakeholder management (Mitchell & Cohen, 2006). According to Enz (2008), NGOs that fail to address the concerns of the primary stakeholders in their performance, especially the beneficiaries and employees, ultimately suffer and are closed. Hence, there is a need for NGOs to try as much as possible to keep or establish a rapport with the people who benefited. Angle (2008) established the importance of understanding stakeholders' interests in NGOs. This ultimately leads to increased efficiency, effectiveness, and the achievement of long-term goals and objectives. He also argued that information must remain a source of knowledge and should be a constant concern in NGOs to improve performance.

#### **2.2.4 Theory of Organization Adaptation**

The concept of adaptation initially arose relatively easily from the combination of strategic management and organizational theory, as best illustrated by Chandler's 1962 publications, which overlaid the concepts of functional efficiency and strategic decisions on top of the adaptation concept. A Behavioral Theory of the Firm (Cyert & March, 1963) and Differentiation and Integration in Complex Organizations (Lawrence & Lorsch, 1967) are two classic works that meticulously discussed and made subtle references to the related, more general conceptual ideas of "adaptation" and "fit." The structural contingency theory was founded on Arthur's definition of the basic stages of differentiation and integration, while Lawrence and Lorsch (1967) developed the idea of the strategy-structure link. This indicates that improved organizational performance resulted from a suitable fit between internal structures and external subenvironments

(Lawrence & Lorsch, 1967).

Adaptation and fit are two pioneering studies that developed the ideas that describe the connections between environments and organizations. In order to better clarify the relationship between these two concepts, Merriam-Webster defines "adaptation" as the noun form of the verb "adapt," which means "to make fit (as for a new use), often by modification."

Behavioral theory, evolutionary economics, and RBV theories all offer insights into the search for adaptation. This field of study's level of in-depth investigation focuses on adaptation as a decision consequence that results from the core concepts that are applied. (Cyert & March, 1963; Nelson & Winter, 1982). As a topic, when an organization starts to explore new options, resources, search, and behavioral change connect it with its surroundings. As change agents in this context, businesses adapt by either developing resources and abilities through evolutionary processes (Ahuja & Katila, 2004) or by gaining knowledge that facilitates the recognition and seizing of opportunities (Starbuck, 1983). Similar to this, search initiatives are helpful for adaptation efforts since they have the capacity to learn and improve performance (Walter, Lechner & Kellerman, 2016).

Ahuja and Katila (2004) provide an example of how businesses should intentionally develop actions on triggers like technology fatigue and worldwide expansion in order to learn how to create search processes that result in resource development. A learning balance between "using known ways" and "searching for new opportunities" is required for opportunity recognition in the behavioral stream (March, 1991: 71). From a cognitive perspective, managers use schemas to direct their attention to particular environmental elements in order to find new opportunities (Li et al., 2013). Lastly, evolutionary economics

adds a tiny bit of detail to this subject by pointing out that prospects for new opportunities are not always found solely through external forces.

Further studies on routines, competencies, and information required to identify opportunities support the notion that adapting can provide you with a competitive advantage by assisting you in improving your resource positions or making better strategic decisions (Deeds et al., 2009; Helfat et al., 2007; Helfat & Martin, 2015; Sharma & Chrisman, 1999; Teece, 2007). Behavioral theory is based on the principles of restricted rationality and satisfaction in the pursuit of adaptation, according to strategy experts (Cyert & March, 1963). In keeping with this tradition, current research indicates that adaptive behavior and decision-making can be supported by attention control (Ocasio, 1997) and the pursuit of an ambidextrous structure that balances exploration and exploitation (Benner and Tushman, 2002).

As one advances in analysis, it becomes increasingly crucial to adjust to both internal and external constraints. Limited rational agents that interpret their decision circumstances differently hinder the adaptation process (Gavetti & Leventhal, 2000). Accordingly, strategy experts have observed that, while pursuing new technologies, deeply held ideas may take precedence over the abilities required for dynamic adaptation, or that adaptation through strategic alliances significantly depends on these initial benefits (Doz, 1996). Tripsas and Gavetti (2000) demonstrated that although Polaroid had the know-how and assets (digital imaging patents, among other things), it was unable to innovate and adapt to the digitization of the photo industry. The problem of "asymmetric causality" means that, while this kind of research concentrates on the reasons behind non-adaptation, it may not always be applicable to the explanation of adaptation. Additionally, managers' attention

must be integrated across hierarchical levels in order for an organization to explore new opportunities (Joseph & Ocasio, 2012). Changes in the environment must also be appropriately categorized as either dangers or commercial opportunities (Barr et al., 1992; Gilbert, 2006). Changes in the environment must also be appropriately categorized as either dangers or commercial opportunities (Barr et al., 1992; Gilbert, 2006).

According to a study conducted by Barr (1998) on the pharmaceutical industry, managers' interpretations of events vary based on their level of expertise. They also wait to take strategic action until they feel that the stimulus would have a direct impact on the business's performance or well-being. The agency of organizations is therefore gradually conditioned by real or perceived dynamics in the environment, which presents a challenge because "adaption is dependent on environments. "Theoretically, an organization may be able to adapt to these efforts, whether or not adaptation is desired, thanks to the shift toward contingency theory and organizational sociology, which define adaptation as performance (Lawrence and Lorsch 1967), legitimacy (Meyer and Rowan 1977), or survival (Hannan and Freeman 1977).

The contingency strategy focuses on search, behavioral change, and determining the best possible match between an organization's environment and its resources. For instance, Hill and colleagues (1992) highlight the strong relationship between (related and unrelated) diversification and financial performance, with fit serving as a significant mediator. It is shown that organizations find it challenging to attain and regain fit, which has been referred to as the functionality of contingency (Donaldson, 1987). Therefore, to appropriately highlight the need of "getting back" fit, it must be important to highlight its relational and conditioned nature, whereby setting modifications only improve performance under certain

circumstances (Cardinal et al., 2011). Performance is a prerequisite for adaptation in these circumstances, which may cause people to confuse the two once more (difficulty: "The phenomenon of adaptation without good performance" is a statement that can be applied to their plan).

Sociologists go into detail on how and where internal elements connect to exterior requirements of the company. Neo-institutionalisms show that members of organizations work to fit in with social norms, while network perspectives support the idea that social connections that allow for information sharing can also be used as a social control mechanism (Uzzi, 1997). DiMaggio and Powell (1983) illustrate this point. Viewpoints on resource dependence characterize survival as a developing condition brought about by the mutual reliance of companies involved in strategic partnerships. According to Xia (2011), cross-border coalitions have a better probability of surviving if there is a lot of cross-border trade between nations. Nevertheless, subsequent advancements depict populations within organizations as having the ability to search for and acquire the knowledge necessary to maintain survival odds, which are fundamentally associated with organizations being in tune with their surroundings (Dobrev et al., 2006; Le Mens et al., 2011). But the main body of work by Hannan and Freeman (1984) emphasized the objectivity and stability of organizational forms over the agency. If adaptation can occasionally imply survival, then it can also imply the absence or existence of certain selecting mechanisms that slant organizations. The idea that "adaptation is contingent on competition" is highlighted by Durand and Jourdan (2012), who show how industrial organizations respond to minority players' demands to rectify power disparities with dominant players from a neo-institutional and resource dependence perspective.

The concepts of routines, abilities, and knowledge demonstrate how adaptation is planned and managed and acknowledge the necessity of environment-specific structure. managerial discretion and the right export strategies in the right markets, according to contingency theories (Aulakh, Rotate, & Teegen, 2000; Peteraf & Reed, 2007).

A comprehensive case study of Vanguard by Siggelkow (2002) highlights important processes related to the organization's core competencies and their interdependencies, implying that an organization's capacity for adaptation might not be evident until opportunities arise (difficulty: Another trend centers on a construct known as 'unobservable adaptive ability'). Sociologists who examine this topic explain that the best approach to build skills is to sustain social contacts (McEvily & Zaheer, 1999) or that specific institutional space systems are required for the benefits of internationalization (Meyer et al., 2009).

Furthermore, categorization experts demonstrate how and why companies may offer value by expressing their identities and forms to various audiences (Lo & Kennedy, 2014; Paoletta & Durand, 2016; Wry et al., 2014). VSR models portray organizations as change agents in circumstances where unique and selective surroundings create conflicting influences that must be obeyed (Henderson and Stern, 2004). These professions use performance, positive evaluations, and survival to show adaptability in response to requirements from various contexts or circumstances.

It is well recognized that the idea that organizations are always adapting to a single environment is extremely troublesome (difficulty: This concept is also known as "environmental multiplicity.") Environments affect adaptation more than they don't, as the governance and stakeholder management themes show. By stressing the advantages of

alignment for competitive objectives (Powell, 1992), broadening the idea of business model deployment in particular contexts (Zott & Amit, 2008), and positing organizational-environment fit as a positive concept (Priem, 1994; Randolph & Dess, 1984), contingency perspectives draw attention to adaptation enablers. However, the institutional view focuses primarily on organizational domains and internal issues from moral, coercive, and mimetic isomorphic forces (DiMaggio and Powell, 1983). The manner in which organizational identities and regulations work together to limit adaptation (Fiss & Zajac, 2006; Fox-Wolfgramm et al., 1998) and how businesses employ imitation to establish their place in recently emerging markets (Haveman, 1993) are two examples.

According to this interpretation, adaptation is seen by neo-institutionalists as presuming compliance with the actors' judgments, while convergence results from decisions that are made under constraint in order to fit within institutional structures (Greenwood & Hinings, 1996). In the context of sustainability programs, Murillo-Luna et al. (2008) corroborate that environmental pressures have an impact on proactive OB. Convergence toward organizational templates is based on isomorphism and conformity, according to institutional logics (Greenwood, Díaz, Li, & Lorente, 2010). The term "functionalist adaptation fallacy" describes this concept, which illustrates how certain choices—acts of conformity—indicate adaptation (difficulty).

The necessity of convergence through homeostasis, in which internal and external influences govern the process of strategic development and may result in evolutionary entrapment (problems arising from possible coevolution across levels), was demonstrated by Burgelman (2002) using Intel. The artificial agentic views that were present in the

previous descriptions either go forward or backward when external forces force an organization to evolve. The emphasis in this field of study is still on characterizing the environmental stimuli that lead to adaptation, even in spite of the prevalence of VSR models, organizational sociology, and contingency theory.

Environmental constraints that need to be adapted to are defined by prestige and mandates, and the core idea of contingency theories—though it has several meanings depending on the context—is fit. Six unique types of fit were recognized by Venkatraman (1989); These forms are known by a number of terms, such as matching, gestalt, consistency, mediation, moderation, and deviation. Examining institutional and economic circumstances as potential barriers to organizational reform is made possible by the presence of deviance in this list. Chung and Beamish (2010) claim that frequent ownership changes in global joint ventures result in a loss of cultural continuity, which lowers partner performance.

Organizational agents have limited power over the social force, according to neoinstitutionalisms. Using the entry, exit, and organizational form changes, together with indications of selection pressures in the technical environment, Haveman and Rao (1997) examine the early thrift sector to show how variation emerges inside institutions. For starters, "over time, the effect of form change became beneficial" (Haveman & Rao, 1997: 1633) is advantageous to commercial bankers. This suggests that although the two forms of form modifications have advantages that increase over time, they are not essentially the same or comparable. This is important knowledge for understanding form-change dynamics as a transitory, dynamic process that is neither discrete nor fixed. Despite the common perception that environmental selection and strategic choice are the same thing,

VSR models offer similar visuals (Levinthal, 1991; Lewin & Volberda, 1999). According to these viewpoints, organizations' changes also affect the institutional and financial contexts in which they operate. In addition to placing more pressure on local peer organizations (Durand, 2001; Lewin & Volberda, 1999; Spisak, O'Brien, Nicholson, & van Vugt, 2015), this furthers the idea that enterprises and environments are interdependent (difficulty: The latter is known as "coevolution across levels").



## 2.3 Conceptual framework

### Independent variables

### Dependent variable

#### Strategic Management Practices

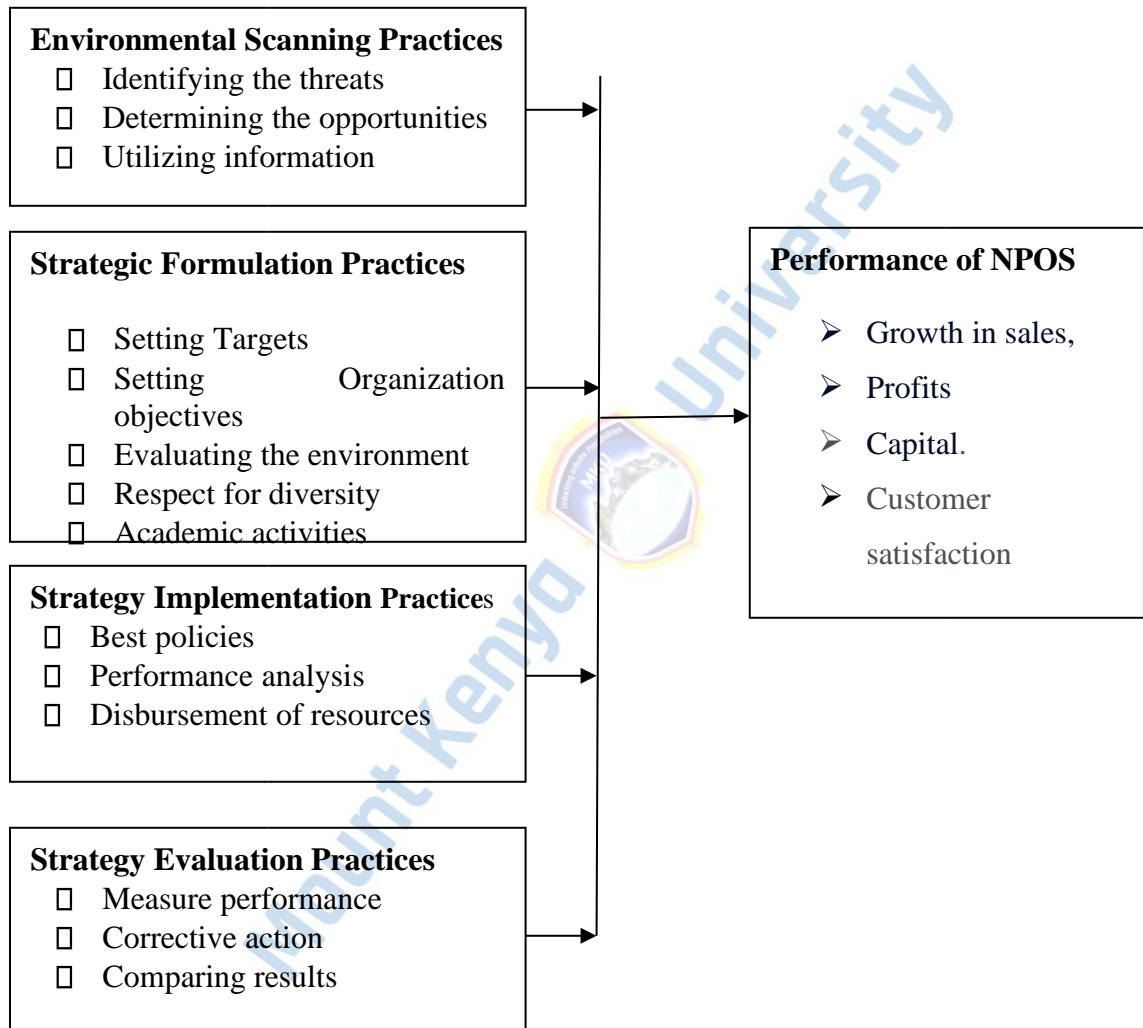


Figure 1: The Conceptual Framework

**Source:** Researcher (2024)

## CHAPTER THREE

### RESEARCH METHODOLOGY

#### 3.1 Introduction

The research design, target population, study area's geographic description, sample size techniques, sampling methods, data collection tools, validity and reliability, data collection processes, ethical considerations, and data analysis procedures are all covered in detail in this chapter.

#### 3.2 Research Design

A descriptive survey research design was employed in this investigation. Nonetheless, Kothari (2004) states that the purpose of the descriptive survey research design is to determine the what, where, and how of a particular event. It was decided that a descriptive survey research strategy would be practical because it does not require changing the variable being studied and enables the researcher to ascertain the phenomenon's present state of affairs.

#### 3.3 Location of the Study

The study was conducted among FCPS in Vihiga and Kisumu Nandi counties. This is because the three counties are considered to have pioneered the partnership agreement between Compassion International Kenya and the non-profit organizations. In addition, it was determined that most of the non-profit organizations in the indicated area are in the maturity stage of development.

### 3.4 Target Population

A population is defined by Sigmund et al. (2010) and Kothari (2004) as all objects in any field of study that are also referred to as the "universe." As indicated in Table 1 below, the study's target group comprised all parties involved with the non-profit organizations in the counties of Vihiga, Nandi, and Kisumu.

**Table 1: Population Distribution of the Stakeholders**

Region	Category	Population
Vihiga /Nandi /Kisumu	Lead staff	60
	Teachers	180
	Subordinate staff	72
	Parents	1800
	Church leaders	162
	Total	

**Source:** FCPS (2023)

### 3.5 Sample Size and Sampling Procedures

Sample size, on the other hand, is the number of cases, subjects, or respondents that is adequate for data collection purposes (Kombo & Tromp, 2010; Mugenda & Mugenda, 2008). Different authors have proposed different methods of determining the appropriate sample size for research needs. Orodho (2002), on the other hand, argues that the larger the sample size, the smaller the sampling error. The researcher shall then take 4 pieces of paper randomly, and the participants are the FCPS with their names written on the four papers picked. Random sampling is the type of sampling that Gay (2012) describes as the best because it provides all subjects in a population with an equal probability of being included in the sample. Yamane (1967) recommended the following formula to determine the

sample size in this study: Yamane (1967) recommended the following formula to determine the sample size in this study:

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

Where: n = Desired sample size  
 N = Population of the study  
 e = precision of sampling error (0.05)

Therefore,  $n = \frac{2274}{1 + 2274(0.05)^2}$

=n=399.

Thus, 399 responses made up the sample size.

### 3.6 Construction of Research Instruments

Due to the nature of the data to be collected, the time available, and the objectives of the study, the main data collection instrument adopted for the study was the structured questionnaires and the interview schedule. Creswell (2014) defines data collection as the process of getting information from the subjects chosen in a given study. In order to achieve the research objectives, the study will employ both primary and secondary data. In this study, we collected primary data from respondents using a structured questionnaire, and gathered secondary data from books, journals, application data, and other printed media information. The strength of a structured questionnaire is that the study has been useful for collecting data from multiplex numbers of research participants (Denscombe, 2010). The structured questionnaire will only contain parallel questions with a combination of open

and closed-ended questions. The order of interview questions was divided into three categories. The first section had questions that aimed at identifying the general background of the respondents, such as gender, age, and level of education; part two was strategy formulation; part three was strategy implementation; part four was strategy evaluation; part five was strategy environmental scanning; and in the last section, the performance of the non-profit organization was also assessed.

### **3.7 Validity and Reliability of Research Instruments**

#### **3.7.1 Validity of Research Instruments**

Validity is the degree to which the test assesses what it usually intends to assess (Sing, 2014). According to experts, validity is defined as whether a measure captures the intended subject of measurement, with or without other properties. Concerning content validity, the researcher first consulted with supervisors and experts in an attempt to check the applicability of the items in the data collection tools.

#### **3.7.2 Reliability of Research Instruments**

The degree of reliance on a tool to accomplish a particular goal is known as reliability. wallen and Franke. Expanding on this, Grewal and Mehta (2009) said that a measuring device is deemed dependable if it consistently produces the same results. Donald (2006) defined dependability as the degree to which a research tool yields consistent outcomes across time. It needs to be able to produce findings that are comparable every time the same settings are used for measurements.

In essence, reliability refers to the reliability coefficient (dependability over time) and internal consistency when, in fact, the research instrument's items are flawless and should produce the same results (Neuman, 2012). In this study, the researcher aimed to determine the internal reliability of the research instrument by utilizing the Cronbach's alpha coefficient, which is derived from the correlation of the tool's items. If the above Cronbach's alpha has a value of .7 or more, it is said to be consistent; otherwise, the tool is inconsistent in nature (Kothari, 2012). When the tool is inconsistent, the faulty items are identified and subjected to editing or deletion, depending on the extent of the inconsistency. In this study, internal consistency was used to establish reliability of the instruments through Cronbach's alpha correlation coefficient of 0.7 and above, as shown in Table 2, after conducting the study using SPSS version 28.0.

**Table 2: Reliability Results**

<b>Variable</b>	<b>No of Items</b>	<b>Cronbach Alpha</b>	<b>Remark</b>
<b>Valid</b> Environmental Scanning	5	0.736	Reliable
Strategic Formulation Practices	5	0.774	Reliable
Strategic Implementation Practices	5	0.783	Reliable
Strategic Evaluation Practices	5	0.720	Reliable
Performance of FBOS	5	0.713	Reliable
N = Cronbach's Alpha	25	0.745	Reliable

**Source:** Researcher (2024)

According to the results above, the overall questionnaire's Cronbach's alpha score was 0.745. Christodoulou et al. (2016) state that this was higher than the cutoff point of 0.7. Because the tool was so dependable, the current items were retained.

### **3.8 Data Collection Procedures**

Once the School of Postgraduate Studies approves the project, the researcher will obtain an introduction letter from the university, which will then be used to obtain a permit from the National Commission for Science, Technology, and Innovation (NACOSTI). Once the researcher has obtained the research permit, data will be collected.

### **3.9 Data Analysis Procedures**

Data analysis is the process of finding and sorting field data with the goal of presenting it (Bogdan & Biken, 2012). It therefore involves a set of tasks encompassing data, the process of sorting, categorizing, or partitioning the data into smaller items, integrating, the search for relationships and patterns, and the identification of what is relevant and dimensional zed as important to reveal. To perform quantitative analysis, questionnaire responses shall be coded into categorical variables, and then a Statistical Package for Social Sciences (SPSS Version-28) will be used to conduct analysis techniques as suggested by Kombo and Tromp (2009). In order to address the three objectives, frequencies and percentages were used, and the results will be presented in tables. In data analysis, a computer spreadsheet is needed, and therefore Statistical Package for Social Sciences (SPSS Version 28) was applied. To establish the correlation between the variables, independent and dependent of the study.

After collecting qualitative data, it was analyzed qualitatively by using content analysis to assign meanings and implications to the respondent data and compare the results with written information about how strategic management practices affect the performance of a non-profit organization in Kenya's Vihiga, Nandi, and Kisumu counties. The qualitative

data analysis was done thematically in accordance with the specific study's objectives. In the analysis of the relationship between the dependent and independent variables, a multiple regression model was used. The multiple regression model was as follows: The multiple regression model was structured as follows:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$$

Where;

Y = is the dependent variable (Performance of NPOS),

$\beta_0$  = Constant Term;  $\beta_1$ - $\beta_4$  = Regression Coefficients;

$X_1$  = Environmental Scanning;

$X_2$  = Strategic Formulation;

$X_3$  = Strategic Implementation;

$X_4$  = Strategic Evaluation and

$\varepsilon$  = Error Term.

### **3.10 Ethical Considerations**

This included explaining the research's content, what the participants needed to do, how to obtain informed consent, and how to maintain confidentiality.

#### **Confidentiality and Privacy**

In this study, the researcher sought to ensure that any information disclosed by the respondents regarding their person or their private life remained confidential. The researcher informed the respondents that their identities and specific details were not shared

with a third party. The respondent was informed that no personal details about the respondent would be disclosed in any writing or otherwise in connection with the injunction application. To ensure the respondent's anonymity, they were told that their information would only be used for the intended purpose and would not be shared with outside parties

### **Anonymity**

Additionally, the respondent received assurances from the researcher that no information about their personal identify would be shared. Moreover, no information that could be used to identify the person or organization would be communicated verbally, in writing, or online.

### **Informed Consent**

The researcher explained this to the participants in order to determine the purpose and nature of the study. By informing the respondents of the protocol that would be followed during data collection, this step was done to ensure that they would willingly participate in the study. The participants were asked to sign consent forms after providing the researcher with their informed consent.

### **Storage of Data Collected**

After that, the collected raw data was filed for convenient access during the following steps. Soft copies were kept on disks, CDs, flash drives, and other storage media, and many printouts of the data analysis were kept in filing cabinets.

## CHAPTER FOUR

### DATA ANALYSIS, PRESENTATION AND DISCUSSION

#### 4.0 Introduction

This chapter comprises data analysis, data interpretation, and data presentation of the study. The purpose of this study was to evaluate the impact of strategic management practices on the performance of a non-profit organization in Vihiga, Nandi, and Kisumu counties, Kenya. Sampling techniques and data analysis for analysis and discrete variable analysis, we used both qualitative and quantitative data, which we then presented as frequency tables.

#### 4.1 Response Rate

The study employed a cross-sectional survey and targeted a total of three hundred and ninety-nine (399) respondents from the non-profit organizations in the Vihiga, Nandi, and Kisumu counties. However, out of the one hundred and ninety-nine employees targeted for questionnaires, one hundred and forty-five (145) completely filled out and returned the questionnaires, thereby representing 75.69% of the total respondents. This response is favorable for data analysis due to its reliability. According to Mugenda and Mugenda (2009), a response rate of 60% is considered good, while a response rate of 70% and above is considered excellent. Table 3 displays the response rate findings.

**Table 3: Response Rate**

	Frequency	Percentage
Returned Questionnaires	302	75.69

Questionnaires Not Returned	97	23.31
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<b>Total</b>	<b>399</b>	<b>100.00</b>
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**Source:** Field Data, (2024)

## 4.2 Demographic Data

This consisted of the respondents' demographic profile information. In particular, the demographic data pertained to all FBOS stakeholders within the non-profit organizations in Vihiga, Nandi, and Kisumu counties. We discussed the respondents' age bracket, gender, level of education, and experience as illustrated: The discussion revolved around the age bracket, gender, level of education, and experience of the respondents:

### 4.2.1 Respondents Age

Table 4 below displays the measured responses of the respondents in the age bracket.

**Table 4: Respondents Age**

**Table 4: Respondents Age**

Age bracket	Frequency	Percent
Above 21-30 Years	78	25.8
Above 31-40 Years	103	34.1
Above 41-50 Years	97	32.1
Over 51 Years	24	7.9
<b>Total</b>	<b>302</b>	<b>100.0</b>

According to the results presented in Table 4, the highest 34.1% of respondents are between the ages of 31 and 40 years, followed by those between the ages of 41 and 50 years, the 21 to 30 year age group, and the remaining 7.9 percent are over the age of 50 years.

Stakeholder analysis indicates that the study incorporates the views of participants across a broad age bracket. According to Franssen et al. (2020), this diverse age representation makes it possible to have a broad view of how the various ages may consider or experience the variables under study. Third, it increases the external validity of the obtained results to other populations with similar age characteristics.

#### 4.2.2 Respondents' Gender

Table 5 presents the results for the respondents' gender.

**Table 5: Respondents' Gender**

<b>Gender</b>	<b>Frequency</b>	<b>Percent</b>
Male	197	65.2
Female	105	34.8
<b>Total</b>	<b>302</b>	<b>100.0</b>

Table 5 below illustrates the gender representation in the study. Of the respondents, 34.8% were women and 65.2% were men. The study's lack of bias in gender rules indicates that the sample set accurately represented both genders, thereby ensuring an unbiased perception in the study results. It plays a crucial role in making accurate inferences and generalizing the results to a wider population.

#### 4.2.3 Education Level

Table 6 presents the results of the study on the respondents' level of education.

**Table 6: Education Level**

<b>Education level</b>	<b>Frequency</b>	<b>Percent</b>
Certificate/ Diploma level	156	51.6

Degree level	115	38.1
Postgraduate level	31	10.3
<b>Total</b>	<b>302</b>	<b>100.0</b>

Table 6 revealed that the majority (51.1%) of the respondents had a certificate or diploma level, 38.1% had a degree, and the remaining 10.3% had a certificate. In this case, a greater number of respondents possess a diploma, followed by a smaller proportion of those with degrees and certificates. This distribution illuminates the educational diversity of the sample population, allowing researchers to explore the potential impact of varying educational attainments on subjects' perceptions, behaviours, and responses to specific research variables. This aligns with the important study by Gkintoni, Halkiopoulos, and Antonopoulou (2022), which highlights the impact of educational attainment on individuals' worldview, decision-making, and information analysis.

#### 4.2.4 Work Experience

Table 7 shows the study's findings regarding respondents' work experience level.

**Table 7: Work Experience**

<b>Work experience</b>	<b>Frequency</b>	<b>Percent</b>
Less than 5 Years	107	35.4
6-10 Years	93	30.8
11-15 Years	71	23.5
Over 16 Years	31	10.3
<b>Total</b>	<b>302</b>	<b>100.0</b>

The work experience of the respondents is presented in Table 7 below: From the table above, it is clear that the majority, 35.4% of the respondents, had work experience of less than 5 years. 30.8% had work experience ranging from 6 to 10 years. 23.5% had work

experience of 11 to 15 years, and the remaining 10.3% had work experience of over 16 years. Researchers, organizations, or policymakers can use these findings to gain a deeper understanding of the distribution of work experience among the employees targeted by this survey. Anwar and Abdullah's (2021) assertion that work experience influences strategic management practices on the performance of non-profit organizations in Vihiga, Nandi, and Kisumu counties, Kenya, aligns with our findings.

### **4.3 Descriptive Statistics**

The fundamental descriptive statistics of the study sample data were carefully reviewed before we performed any inferential data analysis. The following main research objective were attempted to be accomplished by the study: The objective of the research was to evaluate how strategic management techniques affected the performance of non-profits in the Kenyan counties of Kisumu, Nandi, and Vihiga. Many strategic management techniques were identified, and respondents were asked to score how they affected the performance of non-profits in Kenya's counties of Vihiga, Nandi, and Kisumu. We used a five-point Likert scale to measure the extent of compliance, providing the following choices: 1 = a tiny extent, 2 = small extent, 3 = neutral, 4 = substantial extent, and 5 = very high extent. We used standard deviation and mean as descriptive measures of central distribution from the answers to facilitate easy interpretation and potential generalization of the findings. The following sub-headings contain the analysis's working title.

#### **4.3.1 Environmental Scanning and Performance of Non-Profit Making Organizations**

We asked the respondents to express their level of agreement on how environmental scanning practices affect the performance of non-profit making organizations in the

selected counties of Vihiga, Nandi, and Kisumu in Kenya. We conducted the analysis, summarized the results, and presented them in tabular form, including the mean and standard deviation, in Table 8.

**Table 8: Environmental Scanning Practices**

<b>Statements</b>	<b>N</b>	<b>Min</b>	<b>Max</b>	<b>Mean</b>	<b>Std. Deviation</b>
Presence of objectives mission and vision statements within FCPS assist in conducting situational analysis during the planning process	302	1	5	4.24	0.841
The organization has developed clear communication and engagement channels with stakeholder	302	1	5	4.01	0.907
The organization undertakes strategic alternative development processes	302	1	5	3.82	1.023
The organizations regularly participate in stakeholder assessment to ensure attainment of synergy	302	1	5	4.47	0.743
Proper involvement of all the stakeholders during the documentation of strategic plan	302	1	5	4.14	0.852
Valid N (listwise)	302				

Source: Researcher (2024)

Table 8 displays the mean and standard deviation of the respondents. They confirmed the statement that 'in FCPS, objectives, mission, and vision statements aid in conducting a situational analysis during the planning process', with a mean score of 4.24 and a standard deviation of 0.841. Additionally, "the organization has established clear communication and engagement channels with stakeholders" was affirmed by the respondents. Stakeholders should be suitably included in the strategic plan's documentation, according to respondents' universal agreement (M = 4.14, SD = 0.852).

This is in accordance with Thompson and Strickland (2019), who define strength as an activity in which an organization excels or a feature that an organization possesses that is critical for its functioning. In this case, “a strength is an area of competency relative to rivals and the requirements of the markets an organization currently serves or anticipates serving in the future.” It is a unique selling proposition. The strengths could be in respect of financial muscle, image, market dominance, buyer-supplier relations, and other related attributes (Pearce & Robinson, 2012). Organizational strengths involve the functioning of the organizational competencies and their contribution to the organization’s aims. When an organization encounters a problem or opportunity, it must assess its potential and identify the areas that provide it with a competitive advantage over its competitors. This paper concludes that having strengths is crucial for an organization. Otherwise, one cannot make use of the opportunities that the outside environment presents. Furthermore, the organization must respond to threats from the external environment using its strengths. These problems prove that organizational strengths are paramount for any organization (Ülgen & Mirze, 2010).

#### **4.3.2 Strategic Formulation Practices and Performance of Non-Profit Making Organizations**

We expected the respondents to rate, on a four-point scale, the level of consensus on the statements about how strategic formulation practices impact the performance of nonprofit organizations in Vihiga, Nandi, and Kisumu counties, Kenya. The findings that were established using mean and standard deviation were synthesized and captured in Table 9.

#### **Table 9: Strategic Formulation Practices**

Statements	N	Min	Max	Mean	Std. Deviation
Presence of objectives mission and vision statements within FCPS assist in conducting situational analysis during the planning process	302	1	5	3.78	0.710
For stakeholder participation and communication, the organization has established clear routes.	302	1	5	4.58	0.965
The organization has set up channels for clear communication and interaction from stakeholders.	302	1	5	3.91	0.758
The organizations regularly participate in stakeholder assessment to ensure attainment of synergy	302	1	5	2.24	0.662
Proper involvement of all the stakeholders during the documentation of strategic plan	302	1	5	4.47	0.792
Valid N (listwise)	302				

**Source:** Researcher (2024)

Table 9 shows that respondents agreed that having objectives, mission, and vision statements in FCPS helps with situational analysis during the planning process (mean = 3.78, standard deviation = 0.710). The respondents also concurred that the following stakeholder engagement and communication processes have improved in the organization: The business has built channels of communication and interaction with stakeholders, based on the self-developed measure of stakeholder engagement, which has a score of 3.91 and a standard deviation of 0.758. Regarding the existence of strategic alternative development processes within the organization, the respondents (M = 2.24, Std Dev = 0.662) disagreed. On the same note, respondents clearly agreed that the organizations frequently engage in stakeholder mapping for synergy (average = 4.47, standard deviation = 0.792) and that all the stakeholders are appropriately involved during the documentation of strategic plans (average = 4.58, standard deviation = 0.965).

These findings align with the findings of Agu, Nnabugwu, and Okocha (2019), indicating a general consensus that the strategy formulation process comprises six key steps. These steps may not necessarily be in sequence as mentioned and described here; however, they are very logical and straightforward to follow in this order. Omisore (2019) investigated the impact of strategy formulation on firms' performance levels in Nigeria's manufacturing industry. The study's independent variables were organizational structure and employee behavior. The study employed a survey research design, selecting subjects based on the Freud and Williams model, which involved the inclusion of 100 respondents. We employed quantitative data analysis techniques to scrutinize the research questionnaires. According to their findings, a firm's productivity is increased by a wellconceived and planned strategy, and any attempt to develop a strategy is rendered futile when behavioral and methodological obstacles to strategic dynamics are present. It is important to note, though, that the study was conducted on manufacturing companies, therefore the results cannot be applied to other industries. As a result, the current study will concentrate on the NGOs operating in Kenya's Mombasa County.

According to their findings, a firm's productivity is increased by a well-conceived and planned strategy, and any attempt to develop a strategy is rendered futile when behavioral and methodological obstacles to strategic dynamics are present. It is important to note, though, that the study was conducted on manufacturing companies, therefore the results cannot be applied to other industries. As a result, the current study will concentrate on the NGOs operating in Kenya's Mombasa County.

In order to gather empirical data on strategy design and performance, Pasha, Poister, and Edwards (2018) looked at 236 of the US's most local public transit agencies. The study's

overall response rate was 43 percent. Online surveys of the managers and the National Transit Database (NTD) were used to gather the data. We used multiple regression analysis, specifically ordinary least squares (OLS) regression, to assess the extent of the relationship between strategy formulation and objective performance. Studies also revealed that strategy formulation has a significant and positive relationship with productivity in the public transit services industry. The current analysis deemed the study's results inadmissible, as they measured performance in the public transport sector. Third, the study was conducted in the UK's mature economy. Thus, NGOs in poor nations will be the main focus of the current study.

In Lahori, Pakistan's private sector, Khan, Tahir, and Zafar (2016) evaluated the relationship between company performance and strategy design and content using a cross-sectional research approach. The departments themselves served as the analysis's unit due to the departments' varied methods within the organizations under examination.

We employed a survey design for the sampling, obtaining a response rate of 66.8% from 325 participants who answered questionnaires. Logic instrumentalism, prospector posture, defenders, reactors, and strategy substance were all used to assess the formation of strategies. The logical planning, strategy content, reactors, defenders, and prospector position all showed favorable correlations with company success, we found. However, we have found that a lack of strategy and logical instrumentalism both have a detrimental effect on a company's ability to execute. The research used a longitudinal strategy to establish the validity of the conclusions drawn, which is positive, although the study was cross-sectional.

In a study published in 2022, Salau and Nurudeen examined the influence of strategy formation in business enterprises situated in Nigeria's Enugu State. In the organizations, the study sought to assess how well the developed strategies were being implemented. To collect data from the target population of 185 workers, we therefore used a descriptive survey technique. Three groups of workers were created: The sample space we created was based on the 106 respondents in Freud and William's study. In our research, we incorporated descriptive statistics that were obtained through the use of questionnaires. The results validated that strategy design has an impact on the success of firms. Nevertheless, the results are constrained by the study's exclusive use of descriptive statistics. To examine the data, the current study will use both descriptive and inferential statistics.

#### **4.3.3 Strategic Implementation Practices and Performance of Non-Profit Making Organization.**

Furthermore, we asked the respondents to score their agreement with the comments made about how strategic implementation strategies affect the success of non-profit organizations in Kenya's counties of Vihiga, Nandi, and Kisumu. Mean and standard deviation were used to evaluate, summarize, and report the results in Table 10.

**Table 10: Strategic Implementation Practices**

<b>Statements</b>	<b>N</b>	<b>Min</b>	<b>Max</b>	<b>Mean</b>	<b>Std. Deviation</b>
Ensuring the stakeholders in the nonprofit organization have a full understanding of the strategic plan's objectives.	302	1	5	3.89	0.692
The organization has established welldefined procedures to improve executive assistance in business operations.	302	1	5	4.19	0.891

There is ability to state the measures put in place to recruit and retain good leaders within the Non-profit making organization	302	1	5	3.14	0.840
The organization has established common standards and principles to facilitate the achievement of specific objectives.	302	1	5	3.89	0.909
Clear structures have been established by the organization to direct the operationalization of specific <b>objectives</b> .	302	1	5	4.45	0.866
Valid N (listwise)	302				

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**Source:** Researcher (2024)

Table 10 shows that, with a mean of 4.45 and a standard deviation of 0.866, the respondents felt that the goals of the strategic plan were effectively conveyed to the nonprofit making organization's stakeholders. Additionally, all participants agreed that organizations have given top management support structures the proper steps to ensure firm functioning (mean = 4.19, standard deviation = 0.891). This study also revealed that there is a measure of capability to articulate the steps taken in the recruitment and retention of excellent leaders in the non-profit organization (mean = 3.74; SD = 0.840). In addition, the respondents concurred that the institution has produced a culture that is appropriate in achieving the objectives of the firm (mean = 3.89, standard deviation = 0.909). Lastly, the respondents were neutral on the statement that the institution has put in place structures to support the realization of firm goals and objectives (mean = 3.14, standard deviation = 0.840).

These results align with Lubis, Torong, and Muda's (2016) research, which asserts that an organization's workforce size is a significant concern due to its easier resolution through workforce recruitment. The primary concern is ensuring the availability of individuals who

possess the necessary skills, knowledge, and capacity to carry out tasks that align with the strategy.

According to Aspridis and Kyriakou (2012), an organization's chances of success are greatly increased when it employs the proper people. In terms of money and time, the company must also have sufficient resources. The main effort involved in putting a strategy into action is providing assets, which can be cash or easily accessible resources inside an organization. There are limited non-economic and economic capital resources in addition to the organization's physical structure and personnel.

Organizations continue to anticipate the implementation of strategies (Powell et al., 2015). During the process of implementing a specific strategy, the initial consideration is the financial resources needed to support the application, including the necessary funds and the costs associated with its implementation. Time is another critical resource (Lubis, Torong, & Muda 2016). Ideally, there should be ample time to ensure adherence to the policy throughout the process. Thus, it creates a framework that enables the strategic execution of all activities, ensuring the achievement of all the necessary goals for the policy's success. Rani and Mishra (2014) emphasize that it achieves the following objectives: Cristian-Liviu (2013) pointed out that the organizational structure creates attitude, tools, and structure fit for strategy implementation. Furthermore, the organization's structure should be easily comprehensible, aligned with capabilities and accountability, and clearly and prominently display the organization's objectives (Cristian-Liviu 2013). An organization must establish clear expectations for everyone and implement accountability measures. More specifically, Aspridis & Kyriakou (2012) assess supervisors' performance based on their ability to create

businesses, the quality of their work, their communication skills, their credibility, and other factors. Alternatively, the management should also clarify the channels of communication throughout the entire organization. Regardless of a person's specialization, he or she must communicate with other departments and supervisors effectively in order to successfully meet the goals and objectives of the firm (Powell et al. 2015). Promoting communication among employees and between employees and managers makes it easy for everyone to have an explicit idea of what is taking place and come up with various solutions to any issue that may hinder the firm's growth.

Additionally, the transparency promotes discussion, disagreement, encouragement and criticism, zeal, and interpersonal warmth for deeper comprehension (Arzenšek & Košmrlj 2017). Another element that affects how policies are implemented is the culture of the company. This is a reference to the amount of energy that officials or staff members produce in an organizational context. Employees should be content with their tasks and duties and feel appreciated for what the company expects of them.

They can influence decision-making by focusing on deliberate administration to ensure their involvement. A culture of being accountable for different practices enhances the morale of the workers, and they work hard to do a fantastic job. It motivates them to implement strategies that could help the enterprise achieve its goals and objectives (Deraman et al. 2017). For instance, some firms have made performance appraisal their core culture, taking the time to reward or promote the best-performing employees within their various departments. Such a culture encourages employees to enhance their competencies in order to reciprocate the organization's courtesy.

#### 4.3.4 Strategic Evaluation Practices and Performance of Non-Profit Making Organizations

The respondents were to provide their level of agreement concerning the statements on how strategic evaluation practices affect the performance of non-profit making organizations in Vihiga, Nandi, and Kisumu counties, Kenya. Table 11 synthesized, categorized, and outlined the findings based on means and standard deviations.

**Table 11: Strategic Evaluation Practices**

Statements	N	Min	Max	Mean	Std. Deviation
Ability to list the measures of success of the strategies within Vihiga, Kisumu, Nandi Counties, Kenya.	302	1	5	4.37	0.950
The organization has established welldefined strategy plans to oversee firm service operations.	302	1	5	4.07	0.923
To determine whether organization objectives are being met, the organization has established explicit evaluation techniques.	302	1	5	3.41	0.974
The establishment of mentorship programs by the organization facilitates the evaluation of firm operations.	302	1	5	3.82	1.010
The organization is always coming up with new standards and performance measures that guide its activities.	302	1	5	3.94	0.915
Valid N (listwise)	302				

**Source:** Researcher (2024)

From the table 11, the respondents agreed with the factors such as the measures of success of the strategies within Vihiga, Kisumu, Nandi Counties, Kenya with Mean 4.37 and Std Dev 0.950, the organizations have established precise strategic plans with Mean 4.07 and Std Dev 0.923 for tracking firm service operations, and the companies have created precise assessment methods to determine the achievement of organizational objective.with

MeanFurther, there was a general consensus that the organisation has put in place mechanisms for mentoring for purposes of reviewing firm operations (Mean=3.82, Std Dev=1.010) and that the organisation is equally establishing new performance indicators and benchmarks for firm operations (Mean=3.94, Std Dev=0.915).

The study conducted by Hieu and Nwachukwu (2019), who looked at the performance relationship and strategy evaluation process of international telecommunications corporations in Nigeria, is supported by this study. With 120 managers engaged in strategic management, the study looked at four different organizations. In order to obtain data, we employed questionnaires. Questions from both structured and unstructured categories were included in the questionnaires that were prepared for the study. In order to examine the gathered data, we used regression analysis, descriptive statistics, and Pearson correlation coefficients. It was determined that the 87.5% response rate was enough for the study. The strategy review approach enhanced company performance among telecommunications businesses, according to the study. Despite the study's concentration on the telecom sector, its conclusions might not be applicable to other businesses. The current study looks on the company performance and strategy evaluation of NGOs in the Kenyan counties of Kisumu, Nandi, and Vihiga.

The impact of strategy evaluation and control on the productivity level of the Office of the Kenyan Auditor General (OAG) is examined by Chepkwony (2016). A descriptive survey design was utilized to focus on 438 employees, including front-line managers, middle-level managers, and supervisors. The instruments used to formulate the questions were

distributed to 43 respondents, and we obtained 79 percent of the answers. According to the report, strategy evaluation and control are essential to a business's performance when it

In 2015, Abdalla carried out study on how strategy evaluation affected Center Star Company Limited's productivity in Nairobi, Kenya. Abdalla (2015) gave 200 employees a descriptive research design. We used stratified random sampling to pick respondents from three departments inside the organization, and we used structured questionnaires to collect data. The data analysis consists of both descriptive and inferential statistics. The investigation' findings verified that strategy evaluation greatly enhanced contracting firms' performance.

#### 4.3.5 Performance of Non-Profit Making Organizations

The dependent variable in this investigation was the performance of non-profit making organizations. The researcher aimed at evaluating the impact of SM on the performance of non-profit organizations in Vihiga, Nandi, and Kisumu counties-Kenya. The response were summarized using the mean and standard deviation, as Descriptive statistics Table 12 below illustrates.

**Table 12: Performance of Non-Profit Making Organizations**

Statements	N	Min	Max	Mean	Std. Deviation
Through the execution of their programs, the organizations have been able to attain successful results.	302	2	5	4.04	0.898
The institution's decision-making processes are carried out more effectively.	302	1	5	4.54	0.902
The organizations have succeeded in creating enduring alliances with FBOS sector participants.	302	1	5	3.45	0.878

Better service delivery to beneficiaries has been achieved by the organizations.	302	1	5	3.28	0.863
The organization's performance is being executed with greater excellence	302	1	5	4.14	0.978
Valid N (listwise)	302				

**Source:** Researcher (2024)

Analyzing the results from the questionnaires, Table 12 revealed that respondents strongly agreed to the fact that organizations have been able to achieve positive outcomes in the implementation of their programs (mean = 4.04, standard deviation = 0.898) and the general efficiency in the execution of the institution's decisions (mean = 4.54, standard deviation = 0.902). In addition, respondents agreed with the statement that organizations have been able to achieve improved service delivery to beneficiaries (mean = 3.28, standard deviation = 0.863). However, regarding the degree of the improvement of the organization's performance, respondents had a similar opinion that the quality of implementing the performance has been enhanced to a better level (mean = 4.13, standard deviation = 0.978).

This aligns with the perspective of Coombs (2018), who argued that through strategic management, management can determine the most advantageous strategy option among the feasible ones. The development of the organization could be either internal or external. For instance, when it comes to internal growth, the organization can employ either the augmentation or diversification method. Significant emphasis on external and internal environment analysis aids in identifying business strengths and weaknesses, as well as threats and opportunities. By doing so, the firm is able to respond to changes in the

environment in which the business carries out its operation. This can only be achieved through strategic management. This has hugely engaged the clients and empowered the sellers and buyers ahead, along with significantly reducing the transaction and intermediary costs to create more sustainable markets for the buying and selling of goods and services (Gunasegaram, Marri, McCaughey & Nebhwani, 2020).

Strategy is a systematic arrangement or design of an organization's activities, decisions, and courses of action to accomplish long-term organizational objectives, and management identifies how an organization will attain these objectives, stating how an organization will operate and function in the long term (Burnes, 2004; Quinn, Mintzberg, & James, 2011). It is an approach to achieving corporate objectives for long-term success, as Kreikebaum posited in 2013.

Strategic management enhances the effectiveness and position of an organization that is operating with different societal and political conditions (Lawal et al. 2012). Studies by Johnson et al. (2008), Otieno (2013), and Schrader (2002) determined that the firm's performance depends on the application of strategic management. However, the impact of strategic management depends on the extent of strategic formulation, execution, and assessment of strategies (Wanjiku, 2009). The notion that an organization is a deliberate assembly of productive resources, people, equipment, and capital with the intention of achieving a specific goal generally underpins the concept of organizational performance (Barney, 2012).

Any organization views performance as the outcome of its work, focusing on general efficiency or productivity. Literature has recognized two approaches to performance: the

financial approach, also known as "sales-based," and the non-financial approach, also known as "firm-based." The assessment of the financial aspect includes elements such as profitability, growth, productivity, sales revenue, market share, product, return on investments, and product added value, while the evaluation of the non-financial aspect focuses on employee development, customer satisfaction, job satisfaction, and the efficiency of internal organizational processes (Eniola & Ektebang, 2014). Therefore, enhancing organizations' performance justifies the practice of strategic management (Wheelen & Hunger, 2010; Agha et al., 2011). According to Nzube & Nyaega (2011), it is crucial to measure performance as it serves as a benchmark for assessing whether an organization is progressing towards its goals and objectives (Makanga & Paul, 2017). This process also evaluates the overall health of the organization, thereby establishing its strategic nature.

#### 4.4 Diagnostic Test

In this section, the researcher has performed two diagnostic tests, namely the normality test and multicollinearity; this part of the study incorporates the diagnostic test findings.

##### 4.4.1 Normality Test

Table 13 below displays the study's normality test among the participants' responses.

**Table 13: Normality Test Kolmogorov-Smirnov<sup>a</sup>      ShapiroWilk**

		Statistic	df	Sig.	Statistic	df	Sig.
Environmental	Scanning	.249	302	.210	.776	302	.715
	Practices						

Strategic Practices	Formulation	.288	302	.170	.805	302	.510
Strategic Practices	Implementation	.287	302	.050	.843	302	.619
Strategic Practices	Evaluation	.302	302	.245	.837	302	.409

a. Lilliefors Significance Correction

At the conclusion of the study, the Kolmogorov and Shapiro-Wilk Test statistical values exceeded 0.05, indicating a normally distributed response of the variables.

#### 4.4.2 Multi-Collinearity Test

We define moderate collinearity as the presence of multiple predetermined variables that quantify related objects. Four factors measured the independent variable: environmental scanning practices, strategic formulation practices, strategic implementation practices, and strategic evaluation practices. Therefore, we needed to verify the influence of multicollinearity to guarantee that it doesn't affect other statistical results or various regressions. Tolerance and variance inflation factor (VIF) tests were performed to verify multicollinearity. When multicollinearity is close to 1, it suggests that there is little to no difficulty with it; when it is close to 0, it suggests that there might be a problem.

**Table 14: Multicollinearity Test**

Model	Collinearity Statistics	
	Tolerance	VIF
(Constant)		
Environmental scanning Practices	.273	3.663
Strategic Formulation Practices	.294	3.401
Strategic Implementation Practices	.278	3.597
Strategic Evaluation Practices	.252	3.968

**Source:** Researcher (2024)

The study shows that there is no multicollinearity between the variables because the VIF values for environmental scanning practice are 3.663, 3.401, 3.597, and 3.968, which are all close to 1-10.

#### **4.5 Inferential Statistics**

The findings of the diagnostic test verified that the data was normally distributed, thus the study performed additional parametric analysis on the data, such as regression and correlation analysis. The following section displays the findings of this study's regression and correlation analyses.

##### **4.5.1 Correlation Analysis**

To test the hypothesis and examine the relationship between strategic management practices and the performance of non-profit organizations in Vihiga, Nandi, and Kisumu counties, Kenya, the researcher used Pearson's correlation analysis. As Johnson and Christensen (2014) say, the correlation analysis of all the independent variables was used to show how they related to the dependent variable, which in this case was the performance of non-profits, and to get an idea of the properties of the population from samples. Pearson's correlation analysis is useful in providing evidence on the nature of the relationship between the variables.

Table 15 shows that environmental scanning, strategic formulation practices, strategic implementation practices, and strategic evaluation practices are significant predictors of the performance of non-profit organizations in Vihiga, Nandi, and Kisumu counties,

Kenya.



**Table 15: Correlation Results**

		<b>Performan ce of NPOS</b>	<b>Environm ental Scanning</b>	<b>Strategi c Formula tion</b>	<b>Strategic Implement ation</b>	<b>Strategi c Evaluati on</b>
Performance of NPOS	Pearson's correlatio n Sig. (2- tail) N	1 302				
Environmen tal Scanning	Pearson's correlatio n Sig. (2- tail) N	0.647** 0.000 302	1 302			
Strategic Formulation Practices	Pearson Correlati on Sig. (2- tailed) N	0.736** 0.000 302	.224** 0.004 302	1 302		
Strategic Implementat ion Practices	Pearson Correlati on Sig. (2- tailed) N	0.603** 0.000 302	.373** 0.000 302	0.078 0.324 302	1 302	
Strategic Evaluation Practices	Pearson Correlati on Sig. (2- tailed) N	0.446** 0.018 302	0.070 0.376 302	-.354** 0.000 302	.373** 0.000 302	1 302

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

**Source:** Researcher (2024)

The study of the data showed that there was a strong positive relationship between the variables and the performance of non-profit organizations in Vihiga, Nandi, and Kisumu counties. The correlation values were 0.647 for environmental scanning, 0.736 for strategic formulation practices, 0.603 for strategic implementation practices, and 0.446 for strategic evaluation practices. Therefore, the examination validated that adopting the four strategic management practices under consideration would enhance the performance of non-profit-making organizations in Vihiga, Nandi, and Kisumu counties. Highlights We analyzed all the descriptive variables of strategic management practices— environmental scanning practices, strategic formulation practices, strategic implementation practices, and strategic evaluation practices—using the Pearson correlation coefficient.

#### 4.5.2 Regression Analysis

This study aimed to investigate the impact of strategic management practices, such as environmental scanning, strategic formulation, strategic implementation, and strategic evaluation, on the performance of non-profit organizations in the Kenyan counties of Vihiga, Nandi, and Kisumu. In order to investigate the connection between non-profit organizations' performance and SM processes (environmental scanning, formulation, implementation, and assessment), we regressed the data, as indicated in Tables 16, 17, and 18.

**Table 16: Model Summary**

Model	R	R Square	Adjusted Square	R Std. Error of the Estimate
1	.857 <sup>a</sup>	0.734	0.714	1.14652

a. Predictors: (Constant), Environmental Scanning, Strategic Formulation Practices Strategic Implementation Practices, and Strategic Evaluation Practices

**Source:** Field Data, (2024)

As expected, the model summary results reveal that there is a positive correlation between the various strategic management practices (environmental scanning, strategic formulation practices, strategic implementation practices, and strategic evaluation practices) and the performance of a non-profit organization in Vihiga, Nandi, and Kisumu counties in the regional analysis, with a regional correlation coefficient of  $R = .857$ . The regression results showed that there were a joint satisfactory level of significance for the Environmental Scanning, Strategic Formulation Practices, Strategic Implementation Practices, and Strategic Evaluation Practices in explaining the performance of non-profit making organizations in the Vihiga, Nandi, and Kisumu counties in Kenya, where the model explained 73.4 percent of the variability of the performance of the selected nonprofit making organizations. This implies that on average, about 73.4% of the proportion of total variations in performance of non-profit making organizations could be accounted for by environmental scanning, strategic formulation practices, strategic implementation practices, and strategic evaluation practices. It therefore became evident that other variables not included in the study account for the other 26.6% of variation in performance of non-profit-making organizations.

**Table 17: ANOVA**

<b>Model</b>	<b>Sum of Df</b>	<b>Mean Square</b>	<b>F</b>	<b>Sig.</b>
<b>1</b> Regression	31.791 4	7.948	197.500	.000 <sup>b</sup>
Residual	11.521 297	0.040		
Total	43.312 301			

- a. Dependent Variable: Performance of Non-Profit Making Organizations
- b. Predictors: These include continuous environmental scanning, strategic formulation practices, strategic implementation practices, and strategic evaluation

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practices.

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**Source:** Field Data, (2024)

The analysis of variance in the ANOVA table showed that, in non-profit organizations in the Kenyan counties of Vihiga, Nandi, and Kisumu, the four strategic management practices had a significant impact on environmental scanning practices, strategy formulation, strategy implementation, and performance evaluation (p-value = 0.000). An F statistic utilizing the analysis's general model showed that the model was, in fact, significant (F = 197.5 and  $p < .05$ ). This illustrated the importance of the implemented model and its ability to forecast shifts in the non-profit organizations' performance in Kenya's counties of Vihiga, Nandi, and Kisumu. The coefficient values showed how much the independent factors influenced the change in the dependent variable, as shown in Table 18.

**Table 18: Coefficient's Regression**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	3.281	0.172		7.454	0.000

Environmental Scanning	0.657	0.065	0.479	3.897	0.000
Strategic Formulation Practices	0.453	0.065	0.435	3.553	0.001
Strategic Implementation Practices	0.518	0.047	0.285	3.598	0.000
Strategic Evaluation Practices	0.355	0.042	0.010	0.129	0.011

a. Dependent Variable: Performance of Non-Profit Making Organizations

**Source:** Researcher (2024)

These coefficients are used to identify the level of change made by the independent variables to the dependent variable. The findings of this study showed that environmental scanning practices were statistically significant at ( $\beta = 0.657$ ,  $P = 0.000$ ), strategic formulation practices were significant at ( $\beta = 0.453$ ,  $P = 0.001$ ), strategic implementation practices were significant at ( $\beta = 0.518$ ,  $P = 0.000$ ), and strategic evaluation practices were significant at ( $\beta = 0.355$ ,  $P = 0.011$ ).

We can use the following resultant multiple regression equation to predict the performance levels of non-profit making organizations in Vihiga, Nandi, and Kisumu counties, Kenya, with a 1 standard deviation enhancement in strategic management practices (environmental scanning, strategic formulation, strategic implementation, and strategic evaluation practices). We can employ the following multiple regression equation to predict the performance levels of non-profit making organizations in Vihiga, Nandi, and Kisumu counties, Kenya, with a 1 standard deviation enhancement in strategic management

practices (environmental scanning, strategic formulation practices, strategic implementation practices, and strategic evaluation practices):

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4$$

$$Y = 3.281 + 0.657X_1 + 0.453X_2 + 0.518X_3 + 0.355X_4$$

Y = Performance of Non-Profit Making Organizations

2.321 = y-intercept; Constant

0.657, 0.453, 0.518, 0.355 = the slope coefficients

X<sub>1</sub> = Environmental Scanning Practices

X<sub>2</sub> = Strategic Formulation Practices

X<sub>3</sub> = Strategic Implementation Practices

X<sub>4</sub> = Strategic Evaluation Practices  $\varepsilon$  =

Error Term

The unstandardized beta coefficients for the environmental scanning, strategic formulation, strategic execution, and strategic evaluation processes, respectively, were 0.657, 0.453, 0.518, and 0.355 for a unit standard deviation improvement in the performance of non-profit making organizations in Vihiga, Nandi, and Kisumu counties, Kenya. This means that for every standard deviation increase in the practices of environmental scanning, strategic formulation, strategic implementation, and strategic evaluation, the non-making organizations in the counties of Vihiga, Nandi, and Kisumu will perform at a higher level by a factor of roughly 0.657, 0.453, 0.518, and 0.355, respectively.

## CHAPTER FIVE

### SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

#### 5.0 Introduction

This chapter summarizes the study's overall conclusion in relation to the research findings and recommendations. The research sought to establish the impact that management practices have on the performance of non-profit making organizations in Vihiga, Nandi, and Kisumu counties in Kenya. The summary, conclusions, and recommendations align with the study's objectives and the conclusions drawn from the analysis and interpretations.

#### 5.1 Summary of the Findings

This study aimed at examining the impact of strategic management practices on the performance of non-profit-making organizations in Vihiga, Nandi, and Kisumu counties in Kenya. The correlation analysis findings revealed that the strategic management practices had a positive and significant relationship with the performance of the nonprofit-making organization in Vihiga, Nandi, and Kisumu counties, Kenya. It was found that environmental scanning, strategic formulation practices, strategic implementation practices, and strategic evaluation practices all had an effect on the performance of nonprofit organizations. In fact, they explained 73.4 percent of the variation in performance of non-profit organizations ( $R^2 = 0.734$ ).

##### 5.1.1 Environmental Scanning Practices and Performance of Non-Profit Making Organizations

The study's initial research question aimed to determine the degree to which environmental scanning practices affect the performance of non-profit organizations in Vihiga, Nandi,

and Kisumu counties in Kenya. Most participants (mean = 4.24; standard deviation = 0.841) agreed that FCPS's mission, vision, and objectives statements aid in scenario analysis throughout the planning phase. Additionally, the majority of respondents stated that the company engages in strategic planning. Moreover, the respondents (M = 4.14, SD = 0.852) agreed with the statement that all stakeholders should be suitably included in the strategic plan document's development.

### **5.1.2 Strategic Formulation Practices and Performance of Non-Profit Making Organizations**

The second research question focused on the following specific question: What are the effects of strategic formulation practices on the performance of a non-profit organization in Kenya's Vihiga, Nandi, and Kisumu counties? The study found that most of the people who answered agreed that having objectives, mission, and vision statements in FCPS helped them do a situational analysis while they were planning (M = 3.78, Std Dev = 0.710). There was also consensus that the organization has fostered channels of communication and engagement with the stakeholder (M = 3.91, Std Dev = 0.758). However, with a mean score of 2.24 and a standard deviation of 0.662, respondents did not agree with the statement that the company uses strategic alternative development processes. The respondents also unequivocally agreed that all stakeholders should actively participate in the formulation of strategic plans (M = 4.58, SD = 0.965) and that firms regularly undertake stakeholder assessments to improve synergy (M = 4.47, SD = 0.792).

### **5.1.3 Strategic Implementation Practices and Performance of Non-Profit Making**

#### **Organizations**

The third research question aimed to determine the extent to which strategic implementation practices impacted the performance of non-profit organizations in Vihiga, Nandi, and Kisumu counties, Kenya. The respondents scored this statement, and the study findings revealed that the non-profit-making organization communicated the objectives of the strategic plan properly to the stakeholders (mean = 4.45, standard deviation = 0.866). Respondents also agreed that the organization has ensured that there are effective structures in place to support leadership in organizational operations in firms (mean = 4.19, standard deviation = 0.891). The findings also showed that the non-profit organization can articulate the measures implemented to attract and retain skilled leaders (mean = 3.74, standard deviation = 0.840). In addition, respondents agreed that the institution has established comparative policies and standards for meeting firm goals (mean = 3.89, SD = .909). Finally, the respondents responded neutrally to the statement that the institution has established a structure for implementing firm strategies (mean = 3.14, SD = 0.840).

### **5.1.4 Strategic Evaluation Practices and Performance of Non-Profit Making**

#### **Organizations**

The fourth research question aimed at determining the relationship between strategic evaluation practices and the performance of non-profit organizations in Vihiga, Nandi, and Kisumu counties, Kenya. The research study results showed that the respondents confirmed several assertions related to the research questions. These included the measures of success of strategies within Vihiga, Kisumu, and Nandi Counties, Kenya (mean = 4.37, standard deviation = 0.950), and the specific assertion that the organizations have developed clear strategic plans for monitoring firm service operations (mean = 4.07, standard deviation =

0.923). Additionally, the respondents agreed with the statement that the organization has established structures that include mentoring to review the firm's operations, with a mean value of 3.82 (St. Dev; 1.010). The organization also continues to identify new measures and standards of performance to guide the firm's activities, with a mean score of 3.94 (St. Dev; 0.915).

## 5.2 Conclusions

The analysis reveals that the implementation of strategic management practices impacts the performance of non-profit organizations in the Kenyan counties of Vihiga, Nandi, and Kisumu. It was found that the four SM practices—environmental scanning practices, strategic formulation practices, strategic implementation practices, and strategic evaluation practices—had a big impact on the performance of non-profits. In fact, they explained 73.4 percent of the variation in the performance of non-profits in the counties that were studied ( $R^2 = .734$ ). According to the research outcomes, the researchers postulated that environmental scanning practices, strategic formulation practices, strategic implementation practices, and strategic evaluation practices affected the performance of non-profit making organizations in Vihiga, Nandi, and Kisumu counties, Kenya.

The correlation study's findings revealed a significant relationship between the environmental scanning practices and the performance of non-profit organizations in the Kenyan counties of Vihiga, Nandi, and Kisumu. The regression analysis presented the objectives, mission, and vision statements as true, indicating the respondents' belief that the organization (FCPS) must practice high levels of these statements to conduct the situational analysis during the planning process. The respondents moderately agreed that the organization possesses strategic alternative development processes, indicating potential

for further value addition. The study concurs that the organization has welldefined strategic plans for monitoring service operations, despite the variability in some measures and their perception or implementation. This demonstrates the organization's frequent adoption of new performance measures and standards, indicating a relatively consistent level of agreement, but with room for improvement.

### **5.3 Recommendations**

Strategic management practices significantly influence performance of non-profit making organization in Vihiga, Nandi, and Kisumu counties, Kenya. The study recommended the following:

- i. Despite a generally positive perception, it is recommended that organizations continue to enhance and possibly standardize their communication and engagement channels with stakeholders in light of the high value placed on strategic management practices. This will help to minimize response variability and guarantee that all stakeholders feel equally engaged. Given the moderate mean score and higher variability, the organization should focus on enhancing its processes for developing strategic alternatives.
- ii. On the issue of strategic formulation practices, the study recommends that organization should focus on better integrating its mission and vision statements into the situational analysis during planning processes to increase their effectiveness and relevance. Given the high satisfaction with communication and engagement channels, these should be maintained and refined to reduce variability and ensure consistency across the organization. The organization should prioritize improving its stakeholder assessment processes to ensure synergy and this could involve more frequent

assessments and inclusive practices to gather diverse perspectives and strengthen collaboration.

- iii. On the issues of strategic implementation practices, the study recommends that the organizations should aim to enhance the clarity and frequency of communication regarding the strategic plan's objectives to ensure that all stakeholders fully understand and align with them. The organization should focus on developing and clearly articulating measures to recruit and retain good leaders.
- iv. Lastly, for the strategic evaluation practices, the study recommends that efforts should be made to ensure that these measures are consistently applied and understood across all stakeholders. The organization should focus on enhancing its evaluation techniques for measuring the attainment of objectives.

#### **5.4 Suggestions for Further Studies**

- i. Conduct a comparative study of strategic management practices in non-profit organizations across different regions or counties in Kenya. This could help identify regional differences and best practices that could be shared or adapted.
- ii. Perform a longitudinal study to assess the long-term impact of strategic management practices on the performance of non-profit organizations. This could help in understanding how sustained strategic management efforts influence organizational success over time.

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**APPENDICES**

**APPENDIX 1 –Consent Form**

As a master's student at Mount Kenya University, my name is Adema Bella. I am conducting a study on **the effects of strategic management practices on the performance of non-profit making organizations, a case study of Vihiga, Nandi, and Kisumu counties, Kenya.**I would want to let you know that this study counts as a portion of my master's degree requirements. I'm requesting your permission to conveniently recruit you to take part in this study. Visit numbers were used in place of names to ensure confidentiality, and no one will learn the information collected without your permission. Engagement in this research is entirely voluntary. There is no risk to participants in this investigation.

Researchers who want to teach at universities and other educational institutions, carry out more research in the same or adjacent fields, or both might benefit from the knowledge and resources this study offers. Please sign the following declaration before I involve you in this study.


I have read the study's purpose and, if I choose to join, I do so at this time.

I have read the purpose of this study and hereby agree or disagree to participate.

Respondent

Sign.....Date.....

Principal Investigator

Sign .....  .....

Mobile Number 0708535097

Ethics Review Committee Office

The Chairman

Mount Kenya University, Ethics Review Committee

P O Box 342 – 01000-THIKA

**APPENDIX II-QUESTIONNAIRE**

Effects of strategic management practices on non-profit making organization a case study of Vihiga, Nandi, Kisumu counties Kenya.

**SECTION A: BACKGROUND INFORMATION**

1. What is your gender? Male
- Female
2. What is your age bracket? 0-25 years
- 26 -35 years
- 36-45years
- 45-70 years
3. What is your highest level of education attained? Illiterate
- Primary level
- Secondary level
- College /university level
- Masters
- PHD level
4. What is your role in the FCP? Church leader

Staff

Part –time Teacher

Parent

Sub-ordinate

5.How many years have you worked at the church? Less than 5

5-10

10-15

15-20

Above 20 years

### SECTION A: Environmental Scanning Practices

In this section, please tick against the answer that closely represents your view on effects of environmental scanning practices on performance of Non-profit making Organization.

Key: 1= strongly disagree; 2=Disagree; 3=Not sure; 4=Agree; 5 strongly agree.

Statements	1	2	3	4	5
The organization always monitors the environment for all chances that could improve accomplishment of organization objectives					
That they understand the capacity to be able to list the strengths of strategic management practices on Non-profit making organizations					
That they understand the capacity to be able to list the weakness of strategic management practices on Non-profit making organizations					
The organization regularly reviews its internal strengths and weaknesses through need analysis.					

That they understand the capacity to be able to list the threats of strategic management practices on Non-profit making organizations					
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**SECTION B: Strategic Formulation Practices**

In this section, please tick against the answer that closely represents your view on effects of strategic formulation practices on performance of Non-profit making Organization.

Key: 1= Strongly disagree; 2=Disagree; 3=Not sure; 4=Agree; 5 Strongly agree

Statements	1	2	3	4	5
Presence of objectives mission and vision statements within FCPS assist in conducting situational analysis during the planning process					
The organization has developed clear communication and engagement channels with stakeholder					
The organization undertakes strategic alternative development processes					
Organizations often engage in stakeholder assessments in order to achieve synergy.					
Proper involvement of all the stakeholders during the documentation of strategic plan					

**SECTION C: Strategic Implementation Practices**

In this section, please tick against the answer that closely represents your view on effects of strategic implementation practices on performance of Non-profit making organization.

Key: 1= Strongly disagree; 2=Disagree; 3=Not sure; 4=Agree; 5 Strongly agree

Statements	1	2	3	4	5
That there is proper communication of the objectives of the strategic plan to the stakeholders in the Non-profit making organization					
The organization has implemented well-defined structures that enhance leadership involvement in firm operations.					
There is ability to state the measures put in place to recruit and retain good leaders within the Non-profit making organization					
The institution has created common norms and ideals to assist with realize organization objectives.					

The organization has established unique structures to guide the operationalization of firm objectives.					
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**SECTION D: Strategy Evaluation Practices**

In this section, please tick against the answer that closely represents your view on effects of strategy evaluation practices on performance of Non-profit making Organization. Key:

1=Strongly disagree; 2=Disagree; 3=Not sure; 4=Agree; 5 Strongly agree

Statements	1	2	3	4	5
Ability to list the measures of success of the strategies within Vihiga, Kisumu, Nandi Counties, Kenya.					
The institution has established well-defined strategy plans for monitoring firm service operations.					
The firm has created precise evaluation techniques to determine whether its objectives are being achieved.					
The organization has created mentorship programs to assist with the evaluation of firm operations.					
The institution firm constantly identifies new performance measures and standards to guide firm activities					

**SECTION F: PERFORMANCE OF NPOS**

In this section, please tick against the answer that closely represents your view on performance of non-profit making organization. Key: 1= Strongly disagree; 2=Disagree;

3=Not sure; 4=Agree; 5 Strongly agree

Statements	1	2	3	4	5
Through the execution of their programs, the organizations have been able to achieve positive outcomes.					
The way the institution conducts out its decisions is now more effective.					
The organizations have succeeded in building lasting connections with FBOS sector					

The beneficiaries are receiving improved services from the organizations.					
The organization's performance is being executed with greater excellence.					

**Appendix III-Work Plan**

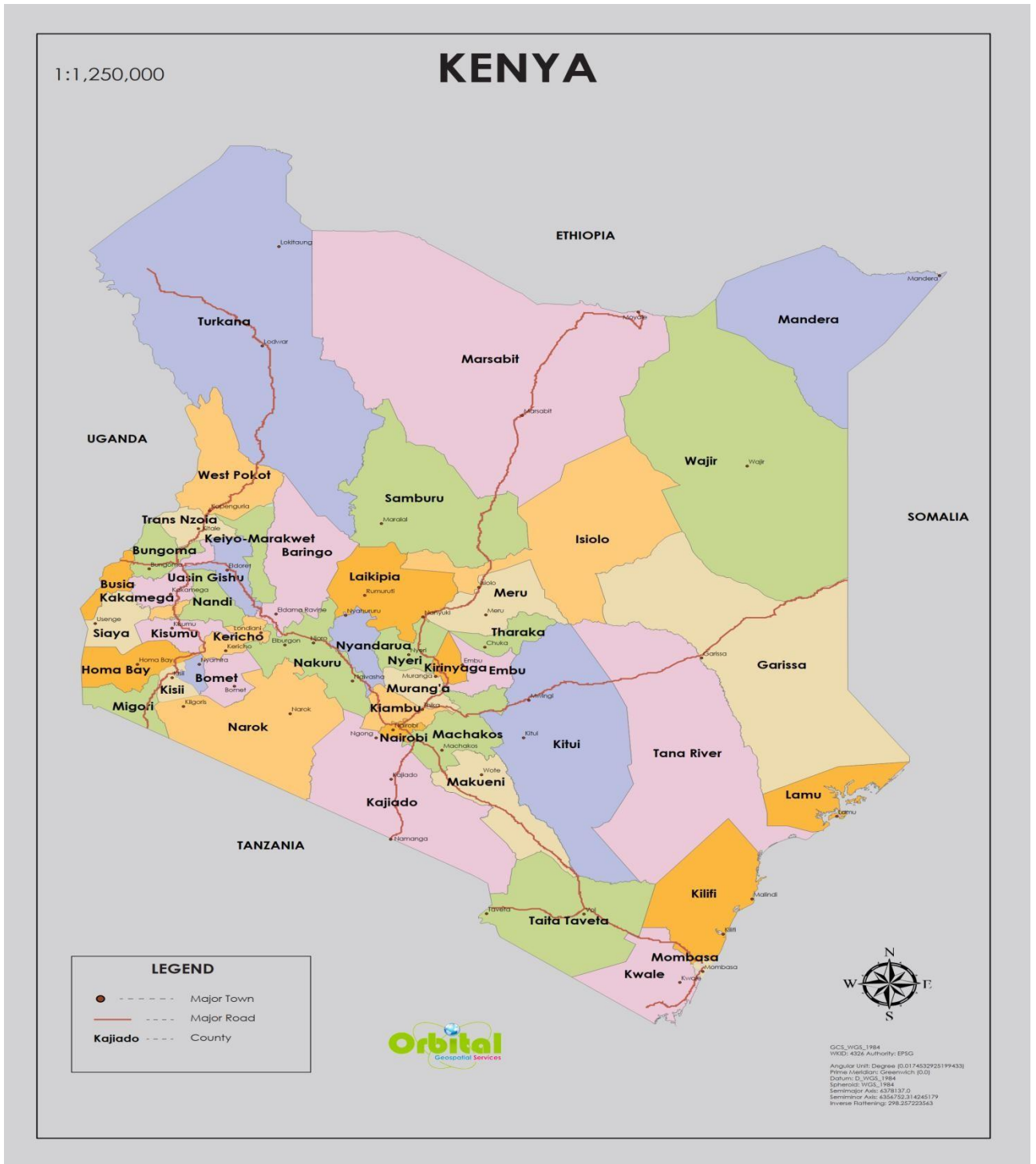
Activity	September	October	November	December	January	February
Project writing						
Construct data Instruments						
Pre-test the questionnaire						
Data collection						
Data analysis						

Final submission						
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**Appendix IV –Budget**

S/N	ITEM	DESCRIPTION	TOTAL
1	Stationery	1 ream of photocopy papers @700 each Computer accessories & other writing materials	1400.00 4000.00 TOTAL=kshs. 5,400
2.	Research Assistant	Research assistant @800 per day for 14days	11,200 TOTAL=kshs. 11,200
3.	Referencing	Internet surfing ii Printing of relevant pages	2000.00 2,000.00 TOTAL=Kshs.4000.00
4.	Support services	Secretarial and binding services Consultations	5000.00 5,000.00 TOTAL=Kshs10,000.00
5.	Administration Transport Subsistence		10,000 15,000 10,000 TOTAL= Shs. 25,000
<b>6.</b>	<b>Totals</b>		<b>kshs. 255,600</b>

**APPENDIX V –STUDY MAP**



**APPENDIX VI: REGIONS /CHURCHES**



## Appendix VII –Approval Letter



REF: MKU/ISERC/3823  
TO: ADEMA BELLA

Date: 26 June 2024

REG: MBA/2018/37876

Dear Sir/Madam,

**RE: EFFECTS OF STRATEGIC MANAGEMENT PRACTICES ON PERFORMANCE OF NON PROFIT MAKING ORGANISATION IN VIHIGA, NANDI, AND KISUMU COUNTIES, KENYA**

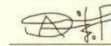
This is to inform you that **Mount Kenya University** has reviewed and approved your above research proposal. Your application approval number is **2867**. The approval period is **26/06/2024 - 25/06/2025**.

This approval is subject to compliance with the following requirements;

- i. Only approved documents including informed consents, study instruments, MTA will be used
- ii. All changes including amendments, deviations and violations are submitted for review and approval by **Mount Kenya University**
- iii. Death and life-threatening problems and serious adverse events or unexpected adverse events whether related or unrelated to the study must be reported to **Mount Kenya University** within 72 hours of notification
- iv. Any changes, anticipated or otherwise that may increase the risks or affect the safety or welfare of study participants and others or affect the integrity of the research must be reported to **Mount Kenya University** within 72 hours
- v. Clearance for export of biological specimens must be obtained from relevant institutions
- vi. Submission of a request for renewal of approval at least 60 days prior to expiry of the approval period. Attach a comprehensive progress report to support the renewal
- vii. Submission of an executive summary report within 90 days upon completion of the study to **Mount Kenya University**

Prior to commencing your study, you will be expected to obtain a research license from National Commission for Science, Technology and Innovation (NACOSTI) <https://research-portal.nacosti.go.ke> and also obtain other clearances needed.

Yours sincerely,



**MOUNT KENYA UNIVERSITY**  
**ETHICS REVIEW COMMITTEE**  
P.O. Box 342 - 01000,  
THIKA

**Dr. Alfred Owino, PhD**  
Chairman, Mount Kenya University ISERC

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Main Campus, General Kago Road, P.O. Box 342-01000 Thika.  
Cell: +254 709 153 000 / +254 709 153 200  
Email: [info@mku.ac.ke](mailto:info@mku.ac.ke), Web: [www.mku.ac.ke](http://www.mku.ac.ke)  
Chartered and ISO 9001 : 2015 Certified Institution.  
**Unlocking Infinite Possibilities**



## DIRECTORATE OF GRADUATE STUDIES

MBA/2018/37876

28<sup>th</sup> June, 2024

National Commission for Science Technology & Innovation (NACOSTI)  
Off Waiyaki Way, Upper Kabete,  
P.O Box 30623- 00100  
NAIROBI, KENYA

Dear Sir/Madam,


**RE: ADEMA BELLA - REGISTRATION NO. MBA/2018/37876**

The purpose of this letter is to introduce the above named student who is pursuing **Master of Business Administration** in the department of **Accounting and Finance** in the school of **Business and Economics**.

The title of the research is **"Effects of Strategic Management Practices on Performance of Non Profit Making Organisation in Vihiga, Nandi and Kisumu Counties, Kenya."** It has been cleared by the University's Ethics Review Committee (Certificate attached) and now has to proceed to the field to collect data between **July, 2024 and September, 2024**.

Any assistance accorded to the student will be highly appreciated.

Thank you.

  
**Dr. Samuel M. Kafenga, PhD**  
**Director, Graduate Studies**  
Enc.

Mount Kenya University  
P.O. Box 342 - 01000, Thika  
Office of the Director,  
Graduate Studies

**APPENDIX IV –RESEARCH PERMIT**

  
REPUBLIC OF KENYA

  
NATIONAL COMMISSION FOR  
SCIENCE, TECHNOLOGY & INNOVATION

Ref No: **973236** Date of Issue: **30/August/2024**

**RESEARCH LICENSE**



**This is to Certify that Ms. ADEMA BELLA of Mount Kenya University, has been licensed to conduct research as per the provision of the Science, Technology and Innovation Act, 2013 (Rev.2014) in Kisumu, Nandi, Vihiga on the topic: EFFECTS OF STRATEGIC MANAGEMENT PRACTICES ON PERFORMANCE OF NON PROFIT MAKING ORGANISATION IN VIHIGA, NANDI, AND KISUMU COUNTIES, KENYA for the period ending : 30/August/2025.**

License No: **NACOSTI/P/24/39481**

Applicant Identification Number: **973236**

  
Director General  
NATIONAL COMMISSION FOR  
SCIENCE, TECHNOLOGY &  
INNOVATION

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