

## Strategic Organisation Development and Project Performance of Not for Profit Organisations' In Isiolo Sub-County-Kenya

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### **Abstract**

*The study was conducted to establish the influence of strategic organization development strategies on the performance of not for profit organizations projects in Isiolo district. The study was developed from a problems facing sustainability of not for profit organization projects due to inadequate application of strategic methods of running their operations. As a result many projects after completion an handover fail to continue delivering the benefits they were intended to. The findings of the study were found to be of great use to not for profit organization programme managers who will have more information on the techniques they can apply to enhance project sustainability. The study revealed areas of further research for future researchers. The study was guided by the specific objectives to establish how resource mobilization, stakeholder participation and strategic partnerships influence the performance of not for profit organizations' projects. Hypotheses were also tested and data analyzed using logistic regression. The survey research design was used, purposive, convenient sampling and the primary data collection technique was structured questionnaires. The number of respondents was fifty two not for profit organization programme managers. The findings of the research established that stakeholder participation and resource mobilization do not significantly affect performance of not for profit organization projects whereas there is a significant relationship between strategic partnerships and performance of not for profit organization projects. The researchers therefore recommend that more levels of stakeholder involvement be undertaken and financial resources be prioritized for projects under implementation.*

**Key Words:** Strategic Organisation, Performance and Non-Profit Organisations.

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### **Introduction**

The strength of a not for profit organisation as summarised in the UNAIDS technical update (1997) includes awareness of individual and collective vulnerability to social problems, motivation to address their

vulnerability, knowledge of the options that they can take to reduce such vulnerability and the time, skills and other resources that they plan to invest. A project is sustainable when it continues to deliver benefits to the project beneficiaries and/or other constituencies for an extended period after financial assistance has been terminated.

A widely held assumption concerning resource mobilisation is that it is solely about securing additional resources or new ones. However within the context of strategic approaches, it is particularly important to emphasize that mobilising resources is as much about making judicious or better use of available resources (Barry, 1997) after conducting a thorough environmental analysis. This makes it imperative to establish if current organisational practices and responses are still relevant and effective in terms of cost and goals and if there are opportunities and imperatives for reallocation and reprogramming in light of where priorities are (Mulwa, 2009).

It is critical to adopt strategic approaches to community issues and planning because their situations are not static. Scenarios change - at times rapidly-over time and place, hence strategies that are perfectly relevant now may be less so or even not at all, in future. Hence the importance of strategy in situation analysis and environmental scanning to inform strategic planning teams about the relevance of specific strategies and activities as any one particular time.

Analysing the effectiveness of specific community interventions or strategies cannot be over simplified. The diversity of social contexts within which interventions take place, the choice and appropriateness of the outcome measures that can be used as proxy indicators of effectiveness and a complex interaction between different programmes and strategies all complicate attempts at the estimation of effectiveness. Nonetheless, there are factors that account for success or failure such as adequacy of resources, technical soundness and cost effectiveness.

People's level of commitment to a cause that calls for collective action is directly symmetrical to the level that the people themselves are involved in the initial decision making and planning stages of the intervention. The more involved or consulted people are, the greater will be their commitment in its implementation and sustenance of the projects. (Mulwa, 2002). Making of strategic choices involves the determination of the pathway to be adopted after assessment of the numerous alternative paths to an already established mission or objective. In other words, strategy outlines how management plans to achieve its objectives. (Rue, et.al., 1989)

Programs are often discontinued or radically reduce and alter their original activities when resources are reduced or discontinued. Failure to plan for resource performance is a critical problem for many programs. When it comes to continued funding, there are only a limited set of planning alternatives. Either external resources need to be provided by a not for profit organisation basis, resources have to be redeployed from within the organisation in which the program has been located, new resources have to be recruited, or some combination of these alternatives has to be organised. Failure to plan for resource performance is often a failure to adequately specify both the time period and outcome criteria. (Mulwa, 2009)

When funders routinely fail to consider resource performance and withdraw resources from otherwise effective programs as part of their funding approach program providers are likely to adapt. Some become disillusioned and unwilling to participate in future trials and project funding. Others divert funding during the initial project period for other purposes knowing that future funding is unlikely. In the absence of planning for resource performance, program providers can also divert considerable resources into recruiting additional funding to sustain program activities. Often this is accompanied by strategies to reorganise program activities so that available resources last for longer while further resources are sought. This creates uncertainty and anxiety amongst program staff and can undermine program effectiveness and outcomes. Paradoxically, this can also lead to judgements that a program is ineffective and should be discontinued. (Mulwa, 2009)

## Problem Statement

Most programmes being donor funded phase out prematurely or cease to continue abruptly due to withdrawal of external donors leaving the communities and their facilitating organizations vulnerable donor dependent Not for profit Organizations find themselves progressively unable to respond adequately to these sudden changes in their environment. The availability of a donor makes the Not for profit Organizations fail to create other critical grassroots partnerships and collaborations to carry on the activities once the external donor has wound up. not for profit organization heavily rely on external resources that often bring inconsistency and incompatibility issues where the externally mobilized resources do not easily combine with local/internal resources.

The problem of programme non performance is further demonstrated by unequal participation in the project management process as gender inequality, failure to work in line with their objectives due to donor pressure and dependency, absence of linkages with relevant local organizations and government. Planning in organizations is a preserve of the top management activity that does not value people and grassroots' staff participation nor contribution. They detach themselves and fail to understand and prioritize actual needs. The strategic incompetence of the not for profit organization practitioners and the low impact of many development projects can also be traced to the non-functionality of management systems of the facilitating organization. Training is more oriented towards technical aspects as opposed to managerial preparedness especially at the top management level. The not for profit organization sector has not appreciated that every organization is a business, with different management levels that require different business management skills. Most directors and senior managers are qualified in areas such as rural development which is more of technical skills more useful for field staff (Barry, 1997).

Due to this antagonism people do not own nor show interest in donor driven projects, theirs is lack of human accountability hence resource mismanagement, confusion and lack of cooperation in project processes and disunity among members as they get divided between donor interests and their actual interests and felt needs. Not for profit organizations implement many unrelated projects addressing a myriad of beneficiaries with diverse needs with particular impact as they aim to please all and accumulate funds and projects for prestige without a particular focus. Some Not for profit Organizations actually do this to stay afloat, with diminishing resources they want to secure as much donation as possible, while it is a temporal remedy it is suicidal as eventually they become ineffective, support is withdrawn with no internal measures for performance. Not for profit organizations have failed to facilitate the development of self determination of the people for whom it operates. Strategic goals have often been stated in their documents; however, more often than not they remain a wishy-washy utopia. Leadership in not for profit organizations often seeks to maintain and protect status quo or their vantage positions of power thus failing to offer the kind of administration that will respond quickly and creatively to changes (Rondinelli, 1983). This is made worse by 'founders' syndrome' where pioneer members are so protective of their original ideology, vision and identity that any proposal for change is perceived as dissidence or personal attack, yet quality community service is effectively facilitated by organizations that have the capacity and attitude of a learning entity. According to Barry, not for profit organizations have not had a so good experience with it as they get bogged down by the process or develop a not so useful strategic plan (Barry, 1997). He further argues that, the strategic management process tends to make organizations' stakeholders nervous and confused as planning is generally regarded as a preserve of business managers or expert planning bureaucrats resulting in a disjointed participation by some segments of stakeholders (Barry, 1997).

## Objectives of the Study

- i. To determine the role of resource mobilisation techniques in project performance.
- ii. To determine the contribution of stakeholder participation in the performance of projects.
- iii. To determine the role of strategic partnerships in project performance.

## Research Hypotheses

The research was guided by the following hypotheses:

- i.  $H_0$ : There is no relationship between resource mobilisation and project performance.
- ii.  $H_0$ : There is no relationship between stakeholder participation and project performance.
- iii.  $H_0$ : There is no relationship between strategic partnerships and project performance.

## Limitations of the Study

This study was limited to a determination of the influence of organisation development strategies on performance of NPOs' projects in Isiolo district and specifically to determine the role of resource mobilisation techniques, determines the contribution of stakeholder participation and to determine the role of strategic partnerships in project performance. Therefore it is not possible to establish if the challenges experienced by this project are also encountered in other projects that were not investigated or other factors that were not considered in this study.

## Scope of the Study

The study was conducted within the following confines. Geographically the study was conducted in Isiolo County, eastern province in Kenya. However, its findings can be generalised universally across all not for profit organisation in the world. The area of focus was on the influence of stability strategies. A sample of 60 respondents were selected which constitutes 30% of (200) the accessible population of NPO project managers in Isiolo, the study covered period of three year.

## Research Methodology

### Research Design

The research design used was descriptive in order to describe the characteristics of variables in this study; this involves collecting information by interviewing or administering a questionnaire to a sample of individuals (Orodho, 2003). It can be used when collecting information about people's attitudes, opinions, habits or any of the variety of education or social issues (Orodho and Kombo, 2002). This design is concerned with describing the characteristics of a particular individual or group.

### Target Population and Sample

The researcher studied fifty two NPOs projects within Isiolo County. The number of operating not for profit organisations was obtained from the Isiolo county council from which a sampling frame was drawn. A sample is a small part of a large population which is taken to representative of a large population (Schindler and Cooper 2003). A sample of 60 respondents were selected which constitutes 30% of (200) the accessible population of NPO project managers in Isiolo county

### Sampling Procedures

The purposive and convenient sampling methods that are both non-probability were used in the selection of the not for profit organisations. They allowed the researcher to identify and use respondents who have the required information with respect to the objectives of the study. Convenient sampling entailed the selection of units of study as they are available to the researcher (Mugenda, 1999). This method helped the researcher to reduce the chances of landing on not for profit organisations not under study such as the

international organisations that are also quite prevalent with the study area. The sample size was fifty two non-profit not for profit organisations.

### Data Collection Tools

The primary tool that was applied in data collection was questionnaires and the secondary tools were observations, analysis of secondary data and field notes. Respondents were required to fill in their responses to the questions and the researcher was not engaged orally unless there was need for clarification of a point.

Participant observation and field notes were used to collect data of physical nature such as other activities undertaken by not for profit organisations, behavioural dynamics and environmental aspects. Observed phenomenon was recorded as field notes for analysis and fitting in the research findings. Secondary data was collected from available social and economic profiles, journals, text books, articles and other documented sources.

### Reliability and Validity of The Research Tools

The questionnaires were precisely structured to avoid vagueness and in order to facilitate answers to all the research questions. The questionnaires were pre-tested in a pilot study through a sample of 10 NPO project managers and necessary amendments were made to ascertain reliability. The validity of the research instrument was subjected to validity testing through the use of Cronbach's Alpha with a 60% acceptance level.

### Data Analysis and Presentation

In this study, both qualitative and quantitative data was collected. Mugenda and Mugenda (1999) say that in order to save time and increase the accuracy of the results, a computer should be used. The data to be collected was organized, coded and entered into the Statistical Package for Social Sciences (SPSS) computer program for data analysis. The output was presented in frequency tables, numerical values and percentages based on which interpretations and conclusions were made. Regression analysis using the logit model was used to test the hypothesis. The Log linear regression model used was:

$$Y = B_0 + B_1X_1 + B_2X_2 + B_3X_3 + B_4X_4 + e \quad \text{where}$$

Y= Performance of Non-Profit Organizations' Project  
 B<sub>0</sub>- Constant  
 X<sub>1</sub>- Stakeholder participation  
 X<sub>2</sub>- Strategic partnerships  
 X<sub>3</sub>- Resource mobilisation  
 e- Error term.

This includes other factors that affect Performance of Non-Profit Organizations' Project not covered by the study. The output was presented in frequency tables, numerical values and percentages based on which interpretations and conclusions were made.

## Summary, Discussions, Conclusions And Recommendations

### Introduction

This chapter presents the summary of the research findings, discussion of the findings and conclusion. It also presents the thesis title with a direct link between the variables and the findings to the empirical and

theoretical literature review in the study. The chapter ends with recommendations for improvement and suggestions for further research.

### Summary of Findings

The study sought to determine the influence of strategic organization development on project sustainability of non-governmental organizations, and the objectives included to describe the role of internal resource mobilisation in project sustainability, to explain the contribution of stakeholder participation and empowerment in the performance of projects and to establish how strategic partnerships influence project sustainable.

The study found that the Female gender had majority of the respondents, while Education level Bachelors degree holders were majority of the respondents. There were majority of agencies who had a strategic and the planning period that took 2-4 yrs. On rate the achievement of agency objectives majority was fairly and on frequency of achieving community objective majority was occasionally. International sources of project resources were most predominant among majority of the surveyed not for profit organisations, and majority of not for profit organisations had adequate skilled manpower available to meet project demands with majority of not for profit organisations. Majority of the not for profit organisations were relying on expatriates.

The research established that majority of the projects did not intend to continue offering their services of free and that majority of the not for profit organisations had put in place self sustaining measures for their projects with majority rely on other sources of funds to sustain their projects. There was majority who had confidence that the resources were sufficient to manage the projects while majority felt that the projects may face shortages of resources in the future. The study found that majority of these committees met monthly and majority and that community participation was low. However majority of the committees meet the required meeting quorum and majority of community members do not attend meetings. There were majority of the respondents, who involved community stakeholders during the implementation phase.

Majority of the not for profit organisation projects surveyed did not have any strategic linkages and majority of those that existed were short term that is below five years respectively. A majority of the not for profit organisation projects derived financial benefits from the partners. However, majority of these partners were not actively involved in the matters of the project while majority were actively involved in the operations of the project. The research established that a majority of the programmes managers were not sure of the sustainability of their projects and majority of the respondents provided that the high sustainability and that majority of surveyed projects had spare parts readily available as and when needed and that majority of the surveyed not for profit organisation projects conduct assessments for their projects.

On the level of awareness of the community of the project facilities, the survey established that majority of the projects had made to create awareness to the community and the community did not have access to nor benefit from the projects and that majority of the poor had the highest level of access of the projects while majority lead to increased income among the community. While majority were entrusted to the community members for management, majority were managed by the not for profit organisation and that majority of the studied projects were not properly maintained, while majority of the projects did not receive any form of community contribution for sustenance.

The study accepts the Null Hypothesis that there is no significant relationship between stakeholder participation and Project Sustainability of Non-Governmental Organisations, Study rejects the Null Hypothesis and accepts the alternative hypothesis that there is a significant relationship between use of strategic partnerships and project sustainability of non-governmental organisations. Study finally accepts the Null Hypothesis that there is no significant relationship between internal resource mobilizations and Project Sustainability of Non-Governmental Organisations.

## Discussion

### **There is no significant relationship between stakeholder participation and Project Sustainability of Non-Governmental Organizations**

Study accepts the Null Hypothesis that there is no significant relationship between stakeholder participation and Project Sustainability of Non-Governmental Organisations. Similar findings were made by Wood (1991) who studied community participation in rural water supply in Ethiopia. He complained that there was inadequate beneficiary involvement in the same. He noted that community involvement was merely a way of mobilizing cheap community labour to dig trenches for pipelines and to provide local building materials and that the community did not have the power to make decisions affecting the planning, construction, operation and maintenance of its water systems. The findings are consistent with Njage (2007) who had similar results and recommended that community members must be encouraged to participate by mobilizing their own resources, initiating and taking responsibility for their own development activities. This is supported by Ngayu (1997) who asserted that people must be given opportunities to participate in projects that benefit them. She continues to say that activities especially in the initial stages of development should meet the felt needs by a significant proportion of the communities involved.

### **There is no significant relationship between use of strategic partnerships and Project Sustainability of Non-Governmental Organisations**

Study rejects the Null Hypothesis and accepts the alternative hypothesis that there is a significant relationship between use of strategic partnerships and project sustainability of non-governmental organisations. This findings are supported by Bwisal (2006) who found that project inputs and outputs characteristics define the impact of the project on the project implementing body and the environment, and on the development of the beneficiaries of the project and are more acceptable. This position is buttressed by Burns and Stalker (1961) who concluded that if an organisation is to achieve maximum performance then its structure must fit with or match the rate of change in its environments

### **There is no significant relationship between internal resource mobilisations and Project Sustainability of Non-Governmental Organizations**

Study accepts the Null Hypothesis that there is no significant relationship between internal resource mobilizations and Project Sustainability of Non-Governmental Organisations. This is a position supported earlier by Dolores (1997) who found Community participation as the voluntary and democratic involvement of residents in decision making in issues directly affecting their lives and development. It is a process by which community mobilizes its resources, initiating and taking responsibility for its own development activities and sharing in decision making for the implementation of all development projects for the overall improvement of their status

## Conclusions

The study concludes that the influence of strategic organization development on project sustainability of non-governmental organizations, are that the internal resource mobilisation in project sustainability that, there is no significant relationship between internal resource mobilizations and Project Sustainability of Non-Governmental Organisations and that on stakeholder participation and empowerment in the performance of projects that there is no significant relationship between stakeholder participation and Project Sustainability of Non-Governmental Organisations, while on strategic partnerships, there is a significant relationship between use of strategic partnerships and project sustainability of non-governmental organisations project sustainable

## Recommendations

From the findings of the study, the researcher recommends that NOT for profit organisations increase the level of strategic partnerships linkages in projects that offer a variety of support. This will ensure that, after phase out and hand over, the project continues to essential support to enhance continuity of project services. These partnerships can be enhanced by increasing long term partnerships and putting in place measures to motivate active participation of the partners in the projects.

Project managers should have adequate knowledge on application of strategic methods in the management of their projects. This is to ensure that every course of action and decisions made are adequately considered in terms of their short term and long term implications on projects and the communities. Capacities of communities and partners to participate in projects should be enhanced through for example communicating benefits they will accrue from their participation.

## Suggestion For further Research

This research studied three factors that influence the sustainability of not for profit organization projects. There are many other variables that influence the sustainability of projects. There are other dimensions to project sustainability that can be investigated by future research such as technical and financial sustainability of projects. This study was conducted in Isiolo whereas not for profit organizations are widespread and thus future research can be carried in other districts/counties/regions. The research can also take a gender dimension where it may want to establish if top management gender may influence sustainability. The research was business management oriented and other researchers in other fields of study, such as education, finance and entrepreneurship can assess how variables in their fields contribute to project sustainability.

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