

**THE EFFECT OF STRATEGIC PLANNING ON FINANCIAL
PERFORMANCE OF LOCAL NON-GOVERNMENTAL
ORGANIZATIONS IN NAIROBI COUNTY, KENYA**

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REQUIREMENTS OF THE MASTER OF COMMERCE AT
STRATHMORE UNIVERSITY**

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DECLARATION

I declare that this work has not been previously submitted and approved for the award of a degree by this or any other University. To the best of my knowledge and belief, the dissertation contains no material previously published or written by another person except where due reference is made in the dissertation itself.

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DEDICATION

This thesis is dedicated to my dear wife, our children and my parents for their inspiration, encouragement, and prayers towards the successful completion of my master's degree. I give praise and gratitude to God Almighty who gave me the strength and wisdom to undertake this degree.

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ABSTRACT

“Non-governmental organizations” (NGOs) play a vital role in advancing social development, driving economic growth, encouraging citizen participation, and enhancing communities. They are crucial in driving the socioeconomic progress of nations with scarce government resources and capabilities. The study sought to evaluate the effect of “strategic planning practices” on the financial performance of local non-governmental organizations (NGOs) in Nairobi County. The aim of this study was to evaluate the impact of stakeholder participation, strategic planning at different time scales, and the level of involvement among leadership and staff on the fiscal performance of non-governmental organizations in Nairobi County. Descriptive research design was used in this study. The study sample was from 561 registered Local Non-Governmental Organizations (NGOs) situated within Nairobi County. Simple random sampling method was used in this study to identify staff (specifically strategic managers) from sampled Local NGOs within Nairobi County. Primary data was gathered by use of questionnaire. SPSS software was used to calculate frequencies, and descriptive and inferential statistics, which were used to draw conclusions. Calculations were performed to describe the variables, such as percentages, means, frequency distributions, and standard deviations. The study findings indicated that external stakeholder engagement, long term, medium- and short-term strategic plans, and level of staff involvement were statistically significant to financial performance of local NGOs in Nairobi, Kenya. Results further revealed that the organizations actively promoted the involvement of all parties in the process of developing plans and were dedicated to effectively implementing organizational strategies by recognizing and resolving the unique needs and challenges of various groups. The study findings also revealed that the organizations focused on promoting the improvement of strategic plans and the vision statement of the organizations were both appealing and achievable. The study concluded that external stakeholder engagement, long term, medium- and short-term strategic plans, and level of staff involvement had an effect on financial performance. The NGO management should use strategic planning as a hinge where an organization swings for success. Strategic planning will ensure performance targets are met, and the NGOs continue to grow. Strategic planning will provide overall direction in implementation of plans and policies designed to achieve objectives and ensure equity in allocation of resources to implement the plans.

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ABBREVIATIONS AND ACRONYMS

GOK	Government of Kenya
RBV	Resource Based View
LNGOs	Local Non-Governmental Organizations
SWOT	Strengths, Weaknesses, Opportunities, and Threat
MTP	Medium Term Plans
NGOs	Non- Governmental Organizations
OECD	Organization for Economic Cooperation and Development
SPSS	Statistical Package for Social Sciences
NACOSTI	National Commission for Science and Technology

DEFINITION OF TERMS

Financial Performance

The ability of an NGO to allocate and use financial resources effectively and efficiently in order to achieve its predetermined goals (Wallstedt, Gross, & Almqvist, 2018).

Stakeholders

Individuals, organizations or groups, both within and outside the organization, who are influenced by or have an influence on the organization's actions. They also show a keen interest in the firm's performance and activities (Irvin & John, 2020).

Stakeholder's Engagement

It is crucial for individuals or groups with a stake in or affected by the outcomes of a specific intervention to be involved in the implementation process from the beginning (Pearce & Robinson, 2003).

Strategic Planning

Key processes utilized by a given organization in order to achieve the set goals, mission and objectives.

Strategic Plan

Mintzberg (2004), defines it as a well-crafted plan created by a corporation or organization to outline the steps needed to attain its goals and come with a clear standard that everyone in the firm understands and knows what is expected of them

CHAPTER ONE

1.0 INTRODUCTION

1.1 Background of the Study

Lewis & Kanji (2017), notes that the influence of “non-governmental organizations” (NGOs) on societal progress is significant in many countries across the globe. As per Wright's (2018) findings, the services offered by the NGOs play a crucial role in meeting the needs that have been overlooked by both the commercial and public sectors. However, with the worldwide economic and demographic growth, it appears that the inequality is widening to a level where charitable organizations are struggling to close the divide, making it increasingly challenging to achieve long-term financial sustainability. As per Adera (2015), NGOs are a wide array of organizations and institutions that are mainly "independent from government", primarily focusing on humanitarian instead of commercial gains. Although many NGOs strive to achieve their strategic goals, they often face challenges in successfully implementing them. These challenges can stem from a variety of internal and external factors (Mkutano & Sang, 2018).

For a corporation to be considered strategic, it must successfully navigate through the three phases of strategic planning - strategy development, implementation, and assessment - in the correct order. According to Mutuva (2015), it is crucial for organizations to successfully fulfill their stakeholders' needs in order to gain a competitive edge. However, numerous organizations often adopt a more laid-back and complacent approach when it comes to formulating plans. Based on a survey conducted by Fortune Magazine, a significant majority of strategies fail to achieve success, primarily due to ineffective implementation (Mitchell, Colantonio, Nguyen, and Larson, 2016). When implementing initiatives, many non-governmental organizations (NGOs) encounter challenges in funding, capabilities and structure, as well as issues with governance and leadership. Strategic plans are like schematic diagrams that have no impact on how they are carried. For effective implementation of strategic plans, bringing in new ideas, and the passion to address the challenging issues of persistent poverty with their partners, teams' members who are fully committed and dedicated are needed. However, the NGO faces challenges in implementing the plan due to the unpredictable nature of governmental preferences, shifting priorities of certain

development actors, the importance of effective relationship management, and limitations in securing the required funds.

Higgs and Dulwich (2016) suggest that despite the recognition of the importance of change for organizational development, a significant number of change initiatives aimed at implementing new strategies end up failing. Furthermore, according to Rajasekar (2014), the effectiveness of implemented strategies can range from 10% to 30%. The Harvard Business Review(HBR) (2017), asserts that NGOs must create, implement, and evaluate their strategy, but their actions are frequently hidden. The strategic planning process is often met with criticism due to the tendency of companies to ultimately ignore the resulting document. This is a result of the company's inability to effectively utilize the valuable information contained in the document for strategic planning purposes (Dibrell, Craig, and Neubaum, 2014).

Shivairo & Were (2017) discuss the analysis of an NGO's financial performance, which often includes exploring the idea of financial sustainability. According to Mian, Khan, & Alhashmi (2019), there is a significant challenge faced by many non-governmental organizations (NGOs) in securing sufficient funding for their program agenda and activities, despite their continuous growth. Without a steady stream of funding, the program activities and operations of the NGO are in danger of not attaining their goals and potentially closing down, because they cannot sustain their operations (Kristin, 2016). The evaluation of the long-term financial sustainability of an NGO depends on this crucial factor. Pratt (2018) explains that the financial sustainability of NGOs is dependent on having enough resources to seize opportunities and navigate risks, ensuring their long-term operations.

It is crucial for organizations outside of the government sector to grasp and implement strategies that can improve their overall performance and achieve the desired outcomes from their employees. However, according to a study by Kimunguyi, Memba, & Njeru (2015), this task is becoming increasingly challenging and demanding due to the intense competition in the corporate world. Kinyuma (2013) presents a compelling argument highlighting the various obstacles that NGOs face in their relentless pursuit of their objectives. Chebii, Lewa, & Ngari (2019) argue that non-governmental organizations (NGOs) face unique challenges in managing their strategic operations due to the significant amount of information generated while providing services.

Incorporating easily understandable information into the creation of value generation strategies improves businesses' ability to meet stakeholder needs, nurture their employees, and assess service performance efficiently (Batti, 2014). Organizations make use of this data for strategic planning process, which helps them enhance financial management and planning. Financial challenges are more prevalent to Non-Governmental Organizations (NGOs) in developing economies compared to their counterparts in developed nations as reported by Omondi and Mithini (2019). This can be attributed to the lack of effective strategic planning practices.

A study by Ebenezer, Musah, & Ahmed (2020), indicates that strategic planning is a vital component of strategic management, and is necessary for its successful implementation. Strategic planning is a crucial process utilized by organizations, especially non-governmental organizations (NGOs), to accomplish their goals and objectives and guarantee long-term financial viability. A strategic plan provides a roadmap for an organization, assisting it in identifying and prioritizing its objectives, goals and activities. Strategic planning is crucial for NGOs to ensure their long-term viability. It helps them remain focused on their goals, adjust to changing circumstances, and make the most of out their resources. The strategic planning plays a crucial role in determining the financial performance and long-term sustainability of an organization. It empowers organizations to anticipate and adjust to fluctuations and uncertainties in their surroundings. Strategic planning plays a crucial role in shaping the financial performance and long-term viability of organizations. It enables them to anticipate and respond to shifts and uncertainties in their operating landscape.

However, there is still no agreement among experts regarding the effect of strategic planning on the financial success of NGOs. Previous studies have explored the correlation between “strategic planning” and “corporate financial performance”, but the results have not provided a clear conclusion (Andersen, 2000; Falshaw, Glaister, & Tatoglu, 2006). As a result, there are still differing viewpoints on the influence of strategic planning practices on the financial performance of organizations. Therefore, it is crucial to conduct additional research in this area, particularly focusing on local non-governmental organizations (NGOs) operating in Nairobi County.

1.1.1 Strategic Planning

Organizations, including non-governmental organizations (NGOs), utilize this vital process to achieve their objectives and secure their long-term viability by maintaining a positive financial

performance consistently over time. Strategic planning practices ,involves guiding an organization's actions and helping to establish and prioritize its goals, objectives, and activities. Effective strategic planning is crucial for NGOs to improve their financial performance and stay dedicated to their mission. They have the ability to adjust to changing situations and effectively utilize their available resources. Strategic planning plays a crucial role in enhancing the financial performance of businesses, enabling them to anticipate and adjust to fluctuations and uncertainties in their surroundings. Achieving a sustainable future is within reach through the implementation of strategic planning.

In his work, Piccolli (2018) offered a clear and succinct explanation of strategic planning. He describes it as the crucial set of actions that companies employ to achieve their goals, objectives, and mission. It is crucial to establish an effective strategic planning process that caters to the unique needs of the company (Barney and Hesterly, 2016). As per Porter's (2018) findings, strategic management planning encompasses various crucial aspects such as a company's mission and vision, goal selection, environmental analysis, and strategic analysis. As per Yeow et al (2018), the absence of a properly crafted strategic plan can cause confusion among employees about the organization's mission, misunderstandings among stakeholders, project failures, and misallocation of resources, ultimately leading to overall failure. Strategic planning involves a methodical approach to examining, choosing, and implementing projects that enhance a company's long-term success by aligning its internal capabilities and organizational resources. In a study by Namadi (2018), it is highlighted that the primary objective of strategic planning, is to connect an organizations' initiatives to its environment, enabling the organization to grow and thrive.

Having a solid strategic plan is essential for understanding the potential opportunities and challenges that the company may face. This helps in recognizing and avoiding potential risks. Hamel (2014) argues that recognizing opportunities allows the company to improve the quality of its resources, leading to more effective engagement with the environment. The operational environment in which an organization operates has a significant impact on its internal and external behavior (Ugboro, Obeng, & Spann, 2011). Thus, in order for strategy development to give optimal results, it is crucial to incorporate the environmental factors of the organization. According to Heathfield (2016), effective strategic planning requires the backing of leaders, the active

involvement of employees, clear communication, and a thorough understanding of the firm's competitive advantages.

Strategic planning is an essential formal procedure that allows an organization to establish and maintain its objectives and goals (Grant, 2016). Dole (2013), notes that this approach involves developing strong corporate objectives and creating a clear mission and vision for the company in the long-term. Strategic planning is a dynamic process that evaluates an organization's present condition and forecasts its future performance. It also plays a crucial role in determining how the firm can successfully navigate and flourish in a dynamic business landscape (Grant & Jordan, 2015). Therefore, a skilled strategic planning approach allows a company to achieve impressive results in the face of industry competition. Muchira (2013), asserts that strategic planning plays a vital role in the field of strategic management, involving the development and implementation of strategic decisions. Strategic planning is a dynamic process that takes into account various factors within and outside the firm's operational environment. To better its financial and strategic performance, a business should focus on effective strategic planning, which involves setting long-term goals and objectives. It is crucial for organizations to carefully consider different strategic options, choose the most suitable and realistic strategy, and assess the potential consequences of their decisions (Wanjala and Rarieya (2014). Implementing strategic planning effectively enables companies to develop concise mission and vision statements as well goals to enhance performance. Therefore, having a well-thought-out plan is crucial for the success and long-term sustainability of a business (Owolabi and Makinde, 2012).

The key objective of strategic planning is to create a link between an organization's projects and its external environment, with the purpose of guaranteeing the company's survival and growth. Organizational action plans reflect the core values and ideals of a firm, outlining the desired behavior of employees and the actions, directions, and responsibilities they are expected to fulfill (Yeow et al., 2018). Establishing a clear vision, purpose, and set of values is of utmost importance for firms, according to Hawthorne (2019). Strategic planning begins by recognizing the obstacles that affect firms' operations, bringing together a skilled team of strategic thinkers at the corporate level, and coordinating the planning cycle to meet the unique needs of each company as reported by Baumgartner & Rauter (2017). Furthermore, it entails integrating human resources into the strategic plans. Strategic planning entails the development of a clear purpose and vision statement,

along with the formulation of an action plan and strategy (Skrt and Antoncic, 2016). Furthermore, according to the findings of Marco and Bert (2020), it is proposed that these procedures entail the formulation of a step-by-step plan to effectively accomplish the desired objectives of a company and align them with the overall vision of the organization.

Strategic planning has been shown to have a positive impact on corporate goals, resulting in improved financial and strategic performance (Mutijwaa and Rwelamila, 2017). According to Stauss & Seidel (2019), organizations can effectively respond to environmental changes by implementing a carefully crafted strategic plan. This involves making well-informed decisions about crucial activities and operations within the company. According to Smallwood (2019), strategic planning entails the identification of a company's objectives and the strategies to achieve them. A long-term and visionary approach is necessary for this. Furthermore, it entails supervising the financial planning process of the organization to ensure it aligns with strategic goals and objectives (Bryson, 2018). It also involves prioritizing resource allocation and enhancing accountability and transparency. David and David (2017), notes that there are four essential elements of strategic planning: a mission statement, a vision statement, an action plan, and strategy development. This study explored the effect of external stakeholders' engagement in strategic planning, the execution of action plans (including "long-term, medium-term, and short-term strategic plans"), and the level of staff involvement.

NGOs develop their strategic plans, by evaluating their financial and overall performance of the organization and working towards achieving their goals. In addition, they focus on establishing mission statements, values, and vision, as well as key indicators of performance and strategies. Many NGOs encounter challenges when it comes to carrying out formal strategic planning. These challenges arise from limited financial and non-financial resources, as well as time limitations. NGOs have adopted strategic planning to improve organizational performance, drawing from its successful track record in other companies (Ghoneim, 2012). However, the task of effectively adjusting to the ever-changing and highly competitive market has been delegated to non-governmental organizations (NGOs) (Khoshtaria, 2018).

In the beginning, NGOs were primarily concerned with raising enough funds to meet their expenses and fulfill the needs of the public. Their focus was not on making a profit or accumulating resources to support their organization's activities, unlike other organizations of a different nature.

As a result, NGOs tackle the challenging dynamic environmental forces that threaten their survival by implementing strategies. Weerasooriya (2014), posits that various forces and factors impact these organizations, such as the donor budgets allocation, stiff competition for international donors, the scale and extent of organizational operations, evolving client expectations, shortage of staff changing government policies, heightened competition from established and emerging NGOs, accountability arising from stakeholders groups like public managers, citizens, and employees, and the ongoing inability of government to fulfill public demands for services offered by these firms.

NGO funded Projects bring about significant real economic and social gains to the surrounding environments. According to Layton and Ostermiller (2017), achieving these advantages requires a comprehensive approach that includes careful planning, design, and programming from the beginning of the project. Byokusheka (2016), adds that the importance of implementing effective strategic planning as a solution for the increasing inefficiency and failure of NGOs and government organizations has been shown in African nations. Yogarajah et al (2016), notes that NGOs are deemed successful when they accomplish their objectives within specified timeframes and financial limitations, in accordance with predetermined criteria. According to Amayreh's (2020) research, NGOs strategically plan for the future with the aim of improving their financial and social performance. Muriuki et al (2017) highlight the potential benefits of utilizing strategic management methods for NGOs. By implementing these methods, organizations can make the most of their limited resources and improve the effectiveness of their projects and activities. Effective management plays a vital role in boosting the capabilities of NGOs to deliver services, resulting in enhanced program outcomes (Ogbechie, 2018). According to Ngoto and Kagiri (2016), a common challenge faced by many NGOs is the lack of effective strategic planning, which hinders the successful implementation of their proposals. Therefore, the aim of this research was to assess the effect of strategic planning on financial performance of local NGOs in Nairobi County.

1.1.2 Financial Performance

AIKhoury & Arouri (2019), notes that an NGO's financial efficiency is determined by its ability to raise income that meets its needs, continually enhance its operations, achieve desired results, and ultimately achieve a surplus. Financial performance is defined as the ability of an NGO to efficiently and effectively utilize its financial resources to accomplish its predetermined objectives (Wahlestedt, Gross, and Almqvist, 2018). Several approaches are employed to evaluate the NGO's financial performance. Century Business Services Inc. (2018), argues that financial performance can be evaluated using various factors including the overall liquidity and viability ratio, operating dependency ratio, change in net assets, fund mobilization efficiency ratio, and firms operating profit margin. Park and Cho (2020) utilized various indicators to evaluate the financial success of non-governmental organizations (NGOs), including revenue expenditure deficit/surplus, cost structure, and operational profit margin.

In Kenya, there has been a significant rise in the number of non-governmental organizations (NGOs) recently. However, even though non-governmental organizations (NGOs) have a positive impact, the majority of them struggle to achieve financial viability, with only 10% successfully reaching their desired level of financial sustainability (Nuka, 2010). Furthermore, a large majority of non-governmental organizations face challenges within the first six years of establishment, with a failure rate of seventy percent. The issue arises due to a lack of sufficient financial resources to support their operations and a lack of proper financial systems and accountability (NGO Council, 2016). According to the annual report for 2010 by the NGOs Co-ordination Board, a significant number of NGOs faced challenges in securing sufficient funding to support their project operations. Several studies have investigated the financial sustainability of NGOs, including research conducted by Alymkulova and Seipulnik in 2005, Turary in 2002, Moore in 2005, and USAID in 2010. According to most experts, local non-governmental organizations (NGOs) will continue to face the challenge of "financial sustainability" in the next decade. Based on a survey conducted by USAID in 2010, it was found that a mere 6.2% of Kenyan non-governmental organizations (NGOs) were considered to be financially stable.

Currently, sustaining and adequately funding operations is a major challenge faced by non-governmental organizations (NGOs) in Kenya. Therefore, NGOs need to establish innovative strategies to guarantee a long-term financial sustainability. A study by Miriti & Karithi (2020)

emphasized the significance of this issue, highlighting the negative consequences such as the decline in donor funding, the continued decrease in resource allocation to different regions, the shifting focus of donors to emerging markets, and the overall reduction in financial support for social programs. To ensure financial sustainability, NGOs should focus on cultivating robust connections with essential stakeholders, such as supporters, donors, employees, volunteers, and the communities they serve. NGOs must prioritize diversifying their sources of income, restructuring their governance structures, improving their financial management practices, strengthening their ability to anticipate and mitigate financial risks, investing in training and human resource development (HRD), establishing sufficient cash reserves, and minimizing costs such as organizational and overhead (Olando,2020).

The availability of financial resources for non-governmental organizations is becoming increasingly scarce, insufficient, and unpredictable (Ntimama, 2018). This prevents the ability to meet deadlines and compromises the quality of work done. Further, the operational context of non-governmental organizations (NGOs) has led to an increase in the influence of companies and specific local NGOs (LNGOs) over the allocation of financial resources. Ebenezer, Musah, & Ahmed (2020) argue that this results in a deficiency in the ability to acquire the necessary skills and capabilities. In addition, an overreliance on international donors has led to a lack of clear direction for NGOs, as they have to adapt their activities, to align with the requirements imposed by the donors. These factors contribute to a less effective government, reduced levels of accountability, and a lack of transparency. Weak networks and lack of centralization have resulted to the duplication of organizational methods and processes, conflicting strategies at different levels, and the NGOs' inability to effectively address the underlying causes of poverty due to limited resources and insufficient capital. For the purpose of this study, financial performance was measured using deficit/surplus income of expenditure, fundraising efficiency ratio and operating margin ratio.

1.1.3 Overview of NGOs

Non-governmental organizations (NGOs) play an essential role in driving economic and social progress, encouraging citizen engagement, and enhancing community development. Non-governmental organizations (NGOs) are instrumental in driving socioeconomic progress in countries where government capacity and resources are limited. Non-governmental organizations

(NGOs) are dedicated to serving the community in a wide range of areas such as; socio-economic development, education, reduction of poverty, health, agriculture, protection of the environment, labor community, democracy and human rights, culture and sports (Shubair, 2003). In their study, Morris et al. (2010) defines an NGO as an entity that serves the public and reinvests any surplus funds back into the organization. They also added that NGO's can be classified into different types; charities, which focus on providing resources to help the underprivileged and are driven by humanitarian goals; there are also advocacy organizations, which are dedicated to supporting various social causes such as animal or environmental protection; mutual aid organizations, prioritize offering services to a diverse clientele, sometimes at subsidized rates below actual expenses (Morris et al., 2010).

NGOs are increasingly exerting their influence on global events, with the World Bank reporting that nearly 15% of all overseas development aid is funneled through these organizations. There are a staggering number of International non-governmental organizations (INGOs) operating in numerous countries across the globe. Out of the total of 72,500 groups, only 40,300 are currently operational (Union of International Associations, 2020). As the years go by, the number of international NGOs continues to increase. These organizations encompass both intergovernmental organizations (IGOs) and LNGOs. Miliband (2012) argues that NGOs are the leaders of continuous innovation. The partnership between different sectors has led to significant progress in organizational development. NGOs are essential in addressing the unique needs of specific groups of individuals.

Non-governmental organizations (NGOs) work on a global scale and are responsible for various projects and initiatives. Agwu (2018) states that around 40,000 people are employed internationally. China and Russia have recognized and documented more than 65,000 non-governmental organizations (NGOs), with an additional 130,000 operating discreetly.

In India, there are a significant number of NGOs, while the United States boasts an even larger number of registered non-governmental organizations. According to Lasserre (2017), the African workforce is comprised of approximately 10.1 million individuals, making up nearly 7% of the global workforce.

The nonprofit sector in Africa is experiencing remarkable and swift expansion. According to Mathews (2017), South Africa has a staggering number of over 100,000 registered nonprofit organizations. On the other hand, Kenya has been experiencing consistently strong annual growth rates, surpassing 20%. However, according to Mohamed & Muturi (2017), many non-governmental organizations (NGOs) have encountered persistent difficulties in the past decade. Amidst this era, smaller private NGOs have emerged and successfully maintained their presence in Africa's fiercely competitive landscape. Nonprofit organizations often face difficulties in maintaining consistent long-term financial performance or improving their financial situation due to certain structural limitations.

NGOs have a crucial role to play in addressing governance, policy development, empowerment, and advocacy issues in Kenya. The number of non-governmental organizations (NGOs) in Kenya has seen a significant increase over the years. In the 1970s, there were only 100 NGOs, but by 2015, this number had grown to over 10,000. As of the end of 2019, there were a total of 12,000 registered NGOs in the country (NGOs Coordination Board, 2023). For the purpose of this study 561 NGOs operating in Nairobi were considered (NGOs Coordination Board, 2023). The NGO Co-ordination Board in 2019 highlighted the significant contribution of NGOs in Kenya towards the country's economic and social development. NGOs play a major role in implementing the "Big Four" initiative, which includes important areas such as universal health coverage, affordable housing, manufacturing, and food security. The Government of Kenya (GOK) acknowledges the importance of building strong partnerships with philanthropic organizations to effectively carry out the Medium-Term Plan (MTP III) and promote the socio-economic development of Kenya.

Based on 2019 report by the NGO Board, there has been an increase in the registration of companies catering to the health, education, and welfare sectors in the country. The study emphasizes the growing concerns surrounding the sustainability of businesses, funding, and the efficient use of spending, despite the sector's growth. In the year 2018/2019, non-governmental organizations (NGOs) received a total of Kes165.97 billion, with more than 88% of the funding from external sources. Only a fraction of the payment made to the 11,262 NGOs was actually used for project implementation in Kiambu, Nairobi, Kisumu, and other major towns with established infrastructure.

According to a study by Kamau (2018), it was found that only 79% (8,893) of the registered NGOs in the country are currently operational. These companies have shown strong support for government initiatives aimed at improving service provision, creating jobs, and improving the quality of life for people in Kenya. According to the NGO Council (2019), the financial sustainability of NGOs in Kenya is currently at 66.4%. There has been a significant decline in organizational capacity, networking and collaboration, and financial viability.

According to the NGO Coordinating Council (2017/2018), NGOs in Kenya play a vital role in providing healthcare, enhancing governance, promoting economic growth, and making a significant annual contribution to the Kenyan economy, amounting to approximately Ksh. 155 billion. As per the OECD (2011), it is crucial for NGOs to have a solid financial foundation in order to ensure stability and foster growth. However, with the depletion of financial resources, most non-governmental organizations had to stop their operations (Kerine, 2015). Based on the data provided by the NGO Coordination Council, it was found that a significant amount of KES 34.9 billion was invested by non-governmental organizations (NGOs) in various initiatives related to the government's "Big Four" agenda during the period of 2018/2019. Approximately KES 30.8 billion was spent on health-related projects, with an allocation of KES 3.8 billion on food nutrition and security. Manufacturing-related projects were allocated a total of KES 352.6 million, while KES 19.6 million was specifically allocated to housing and settlement purposes. In addition, these initiatives have provided job opportunities for many Kenyans. This study sought to assess the effect of strategic planning on the financial performance of local non-governmental organizations (NGOs) in Nairobi County, recognizing the crucial role that NGOs fulfill in the country.

1.2 Statement of the Problem

Strategic planning holds immense significance. The failure to well-execute a strategic plan is unquestionably the main cause of organizational downfall. Without a clear vision, a company would lack direction and constantly change its priorities, leaving employees unsure of their roles and purpose (online business adviser, 2003). It has been observed that numerous companies in Kenya lack well-defined planning and operating procedures, which hampers their ability to achieve their goals. Consequently, the failure rates among these companies have been on the rise (Maina,

2019). NGOs operating in a comparable unstable climate were among the first to implement various productivity-boosting tactics. They include strong visionary leadership, work teams, interdepartmental communication, boosting internal employee motivation and commitment, optimal organizational structure, clearly articulating the goal, vision, and objectives, and a solid financial foundation (de Waal & Olale, 2019). Kenyan NGOs face managerial challenges, as well as difficulties managing external collaborations with government agencies, the corporate sector, profit-making enterprises, and target communities (Mutole, 2019). Sponsors and stakeholders are also demanding better project management, transparency, and accountability. Increased competitiveness and cultural diversity are other rising difficulties affecting their ability to achieve their objectives.

Local Non- Governmental organizations plays a critical role in supplementing the efforts made by the Government of Kenya (GOK) in providing important social services like Health, governance, education and so on. Most Local NGOs (LNGOs) have not adopted strategic planning, as a result they close their doors when donor money ceases (Kerine, 2015). Failure by the local NGOs to continue after donor money ceases, points to lack of strategic planning. Despite the benefits brought by NGOs, most NGOs are not doing well financially, with only 10% of NGOs achieving desired financial results (Nuka, 2010). Furthermore, 70% of NGOs will fail within their six years in operations. This problem is due to the lack of funds to finance their activities (NGO Council, 2016). According to Kerzner (2017), more than half of all NGO projects in Kenya fail within a year after donors withdraw, failing to achieve their intended goals. Sohail (2018) also states that strategic planning improves project adaptability, robustness, and flexibility, which leads to an organization's financial and programmatic performance. However, most NGOs do not focus on strategic planning due to lack of understanding and knowledge (Ika & Donnelly, 2017; Jhuthi, 2015).

Despite the critical role and positive outcomes that strategic planning play on organizational performance in times when the contemporary business environment in which organizations operate is increasingly becoming uncertain and unpredictable, little is known of the implication of the implementation of strategic planning practices among non-profit organizations in developing countries (Njeri, 2016). Maina, (2019) associated increased inability to properly manage finances, was impacting Kenyan NGOs' ability to meet their strategic goals. Khoshtaria (2018) established

that comprehensive strategic planning leads to better performance. However, Andrews, Beynon, and Genc (2017) established that strategy implementation style does not have any effect on the performance of organizations. Meanwhile, Odera (2018) asserts that NGOs dealing with food insecurity have been ineffective in formulating and implementing strategies, and as a result, they have failed to improve food security levels among the poor.

Karuoya and Waithaka (2023) found that environment analysis, strategy formulation and strategy selection, were significant and had a positive relationship with SACCO performance. The studies done have conflicting and mixed findings with some showing positive relationship while others showed no significant relationship at all. Therefore, additional research is required to explore the relationship between strategic planning and financial performance among local non-governmental organizations in Nairobi County. The mentioned studies explored various facets of strategic planning, like vision, mission, organizational structure, and strategy formulation. Nevertheless, there are still conceptual gaps that required attention in this research. This study specifically examined external stakeholder engagement, along with the formulation of long-term, medium-term, and short-term strategic plans, and the extent of staff involvement. This study sought to fill these gaps by evaluating how strategic planning practices affect the financial performance of local NGOs in Nairobi County.

1.3 Objectives of the Study

1.3.1 General Objective

The main objective of this study was to assess the relationship between strategic planning and the financial performance of local NGOs in Nairobi County.

1.3.2 Specific Objective

Below are the specific objectives that guided this research

- i. To assess the effect of external stakeholder engagement on financial performance of local NGOs in Nairobi County.
- ii. To assess the effect of strategic plans period (long-term, medium, and short-term) on the financial performance of local NGOs in Nairobi County

- iii. To assess the effect of the level of staff involvement in strategic planning, on the financial performance of local NGOs in Nairobi County.

1.4 Research Questions

The research aimed at answering the following questions:

- i. What is the effect of external stakeholders' engagement during strategic planning, on the financial performance of local NGOs in Nairobi County?
- ii. What is the effect of strategic planning period (long-term, medium and short-term) on the financial performance of local NGOs in Nairobi County?
- iii. What is the effect of the level of staff involvement in strategic planning, on the financial performance of local NGOs in Nairobi County?

1.5 Significance of the Study

1.5.1 Policy Makers

The study aimed to contribute to the current understanding of the effects strategic planning the local NGOs financial performance in Nairobi County, Kenya. The findings of this study can offer valuable insights for policy makers, local NGOs in Kenya, and other important stakeholders who seek to improve the financial performance of these firms. Additionally, this study can serve as foundation for future research on is field.

1.5.2 Senior Management of NGOs

The findings of this study can be of great importance to managers of local non-governmental organizations (NGOs) in Kenya, as it sought to assist them in understanding effect of strategic planning on the financial prosperity of their firm. Strategic planning practices plays important role of aiding organizations achieve their desired outcomes in terms of growth and financial performance. Several local non-governmental organizations (NGOs) are interested in becoming sub-receivers of the main grant recipients. Although they receive some funding, it is not enough to adequately support their institutional financial performance and expansion. As a result, the

organizations are struggling to maintain sustainability, because of a lack of funding and a lack of strategic planning.

1.5.3 Donor Community

Nonprofit (NPO) organizations are widely recognized as one of the most rapidly expanding types of organizations worldwide, with some possessing substantial budgets that surpass even those of their respective host countries (Hall, 2005; Worth, 2009). The study of charitable organizations is increasingly gaining prominence worldwide. The increasing interest in this matter indicates a rising recognition among nonprofit managers, executives, administrators, policymakers, and scholars that effective leadership in nonprofit organizations in the 21st century necessitates a distinct approach. Nonprofit organizations are autonomous private entities that operate without the intention of generating profits for their owners or members. However, they offer specific advantages to the general public, which may involve the collection of fees or be provided free of charge (Nahavandi, 2012; Worth, 2009). Despite the escalating growth rate, NGOs organizations still present some issues that necessitate prompt interventions (Ahmed, 2013).

NGOs play a crucial role in Kenya's socio-economic development, yet they face significant challenges that jeopardize their existence. These considerations encompass elements such as rivalry from global benefactors, organizational magnitude, and donors' control over budgetary matters.

1.5.4 Academicians and Scholars

This study could be valuable for researchers as it will contribute to the current understanding of the effects strategic planning on the financial performance in NGOs in Kenya. Considering the lack of extensive research on this topic, this study will provide fresh perspectives and establish a basis for future investigations. As a result, the findings may inspire additional research, thus improving upon the current concept.

1.6 Scope of the Study

This study sought to assess how strategic planning impacts the financial performance of local NGOs in Nairobi County, Kenya. The focus of this study was to assess how strategic planning affects the financial performance of local NGOs in Nairobi, Kenya. Specifically, the study was limited to three variables: external stakeholder engagement, strategic planning period (long term,

medium and short term) and level of staff involvement. The study was carried out in Nairobi County, which is a hub for numerous registered NGOs in Kenya. The study focused on 561 NGOs situated in Nairobi County. The NGOs targeted are officially registered and actively operating within Nairobi County. NGOs often face challenges in sustaining their operations when their main source of funding is no longer available. This is often attributed to a lack of long-term planning and strategic foresight. Strategic planning is essential for local non-governmental organizations (NGOs) to ensure long-term financial performance, which is vital for maintaining financial stability and sustainability. The study methodology employed for the study was cross-sectional, descriptive research design and relied on primary data which was collected by use of semi structured questionnaires. The data collection was done from February 2024 for a period of two weeks and relied on primary data which was gathered using questionnaires.

1.7 Chapter Summary

This chapter provides an overview of the effect of strategic planning on the financial performance of local NGOs in Nairobi County, Kenya. The study began with an introduction to the study that explained the background of the study, focused on the concepts of strategic planning and financial performance, and provided an overview of NGOs in Kenya. This chapter also described the problem statement, objectives of the study, research questions, significance of the study, and scope of the study. The next chapter discusses the relevant literature to this study. The objective of this study was to investigate the effect of strategic planning on the financial performance of local NGOs in Nairobi County.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This section offered an in-depth analysis of the available literature, covering both theoretical and empirical aspects. The section on theoretical framework presents a comprehensive explanation of the theories that were used in this study. In the following section, we conducted an empirical evaluation by examining the existing literature on prior investigations. In addition, a conceptual framework has been presented to describe the correlation between the independent and the dependent variables of interest. The chapter concludes with a summary of the limited understanding and the conceptualization of the factors examined.

2.2 Theoretical Framework

This section offers a comprehensive overview of the theoretical literature explored by previous researchers that is pertinent to the variables under investigation. This study was supported by two theories: the stakeholder and Resource-Based Theory(RBT).

2.2.1 Stakeholders Theory

It was founded by Edward Freeman (1984), and it explores the interconnectedness and dynamics between businesses and different stakeholders such as employees, investors, shareholders, consumers, suppliers, communities, and other interested parties in the organization (Parmar, Harrison, Freeman, & Purnell, 2010). Basically, the idea centers on the interaction between the company and its primary as well as secondary stakeholders. According to Awan (2015), by embracing this theory, a company can create value for all its stakeholders, rather than solely prioritizing its shareholders. It is important to acknowledge and value the contributions of all stakeholders in the company, as their full participation is crucial for collective success. This theory classifies models as corporate stakeholders and includes them in the processes of crucial decision-making. Hayes (2016) suggests that stakeholder theory involves considering important decisions or factors that can benefit all individuals involved in the organization. “Internal and secondary” stakeholders are involved in various scenarios or issues that require making multiple decisions to ensure their satisfaction. To ensure the successful adoption of corporate choices or actions, it is crucial to take into account the various conditions among stakeholders.

González-Prendes & Resko (2017) states that the theory emphasizes the importance of involving all stakeholders in the process of decision-making to ensure the success of the company. This study is relevant to this study as it showcases the potential for a company to achieve effective "strategy implementation" by addressing the various factors that influence its stakeholders' needs. Business stakeholders can be influenced by various causes or conditions, which fall under business-level factors that contribute to enhancing their performance. If concerns of the stakeholders are given due consideration during the implementation of strategy, then the whole process is more likely to achieve success. According to Feng (2019), the theory suggests that a firm's processes and operations are dependent on the satisfaction of all the factors that affect stakeholders. Some argue that morality and ethics are essential in determining the well-being of a business and its stakeholders. Nevertheless, various internal and external factors play a crucial role in the success of a corporation (De Kluyver & Pearce, 2015).

Stakeholder theory basically refers to any actor involved in implementing a strategic plan. These are the participants and executors of strategic decision making. In other words, this includes management, shareholders, customers, creditors, government authorities, employees, etc. In this context, stakeholder input must be sought in order to make informed strategic decisions. Strategic planning and its implementation are highly dependent on strategic management levels such as corporate level, business level, and functional level. The above levels are formed by strategic planning and implementation stakeholders. If stakeholder input is not incorporated into the strategic plan, strategy implementation will ultimately be hampered, especially since stakeholders play a critical role in strategy implementation.

2.2.2 Resource Based Theory

This is a perspective that seeks to explain the factors behind the growth and diversity of businesses. The theory was first proposed by Penrose (1959), who emphasized the importance of underutilized management resources in driving growth. Wernerfelt (1984), argues that the hypothesis of this theory highlights the significance of a company's resources in preserving value and improving performance. The resource-based paradigm, as explained by Barney (1991), is founded on two basic assumptions, resource heterogeneity and resource immobility. Heterogeneity assumption suggests that businesses possess talents and resources. In addition, when companies share resources, they do not need to employ various strategies to outperform another firm. The concept

of resource immobility suggests that organizations have resources that are both immobile and scarce, which means they cannot be easily transferred in the short term.

Management capability is crucial for gaining a competitive advantage according to the resource-based view paradigm. Nayak et al (2022) argues that to improve organizational performance, it is crucial to have the ability to acquire resources and effectively utilize them to enhance expertise in a specific product domain. According to Barney (1991), this perspective helps a company maintain its competitive edge by ensuring the existence of valuable, unique, and irreplaceable resources. As per Barney (2001), the capacity of an organization to generate or acquire these resources has a direct impact on its success in relation to its competitors.

The importance of the "Resource-based view" (RBV) in this study is its focus on the power of resources to significantly enhance organizations' ability to seize opportunities and minimize the impact of threats. Therefore, this concept aligns well with the context of SWOT analysis, a strategic planning technique that focuses on evaluating a company's performance. The Resource-Based View (RBV) is crucial for understanding the importance of techniques for strategic planning techniques in achieving significant business performance. The importance of strategically allocating resources to achieve a "sustainable competitive advantage," which can significantly improve performance in management has been highlighted by Think Insights (2022). Internal resources play a vital role in shaping a company's strategy to maintain a competitive advantage, thereby enabling organizational growth. The company needs to adapt its existing strategies in order to improve its overall performance. As per Barney (2001), the success of a company hinges on its ability to strategically plan and effectively utilize its internal and external resources.

The theory's assumption has received criticism for its heavy focus on internal resources, while neglecting the importance of external resources (Lewis et al., 2010). This critique suggests that significant sales growth can only be achieved through internal resources. Kolesnikova et al (2014) posits that the approach has received criticism for being "static," which limits its ability to assess the influence of organizational activities on resource efficiency. Nonetheless, D'Oria et al. (2021), argues that the theory is constantly evolving and expanding its scope, making it more and more valuable.

However, many researchers have expressed criticism of the application of RBT(Ombaka et al., 2015), pointing out that there are external variables, such as innovation, that provide unique resources that an organization can use to achieve performance. Some complexities arise in certain areas, such as operations, marketing processes, etc. Thus, some argue that an organization's competitive advantage cannot be achieved solely through its specific internal capabilities. The resource-based perspective was considered applicable to this analysis because it emphasizes the importance of ensuring that a company's strategic strategy takes into account the specific resources internal to the organization as well as the external influences that the organization should use to improve its efficiency and productivity. Thus, the theory emphasizes the importance of organizational strategic planning to translate the selected strategy into organizational actions to achieve and achieve strategic goals and objectives.

2.3 Empirical Literature

The empirical literature that is relevant to the study variables was explored. These variables include stakeholder involvement, short, medium and long-term strategic plans, as well as the level of staff engagement in relation to financial performance.

2.3.1 Stakeholder Engagement and Financial Performance

According to Sam et al. (2017), stakeholder engagement contributed to the feedback mechanism in Nigeria. Communication needs to be responsive to ensure everything runs smoothly. This means that all paths are pointing in the correct direction. Feedback generally indicates that the person who inquired about the problem area is valued. Therefore, it can be attributed to a well-organized communication structure. Feedback shows that stakeholder engagement practices impact organizational performance.

In Yemen, Al-Haddad and Al-Abed (2021) state that stakeholder involvement in planning, engagement, and feedback is important. According to Lloyd and Aho (2020), management functions form the basis of organizational performance. Appropriate feedback mechanisms generate scores. Planning shows that the company is on a growth trajectory and moving forward vigorously, and monitoring focuses on minimizing errors. The company also shows that engaging stakeholders leads to goal achievement (Park & Lee, 2015).

Participation of stakeholders is crucial for the success of current management policies. To achieve good performance, it is essential to involve all stakeholders (Bal, 2018). In addition, a recent study conducted by Twaissi and Aldehayyat (2021) examined manufacturing companies in Jordan. The study found that involving stakeholders has a positive effect on how well the organization performs. The researchers also emphasized the importance of stakeholders as moderators, highlighting the different levels of stakeholder involvement. Stakeholders have a significant impact on performance, as increased levels of involvement lead to better performance. In their 2019 study, Adewale and Esther conducted an examination of the relationship between "organizational performance" and stakeholder involvement in strategic planning at the University of Venda. The investigation uncovered that the management unit exercise full control over the planning process, leading to a dearth of information for specific participants. These findings suggest a low level of engagement from the individuals who were directly engaged in the planning process. The research was carried out in Jordan and Venda, emphasizing the significance of conducting a study in an African context, specifically in Kenya.

In a study conducted in 2017, Age investigated the influence of strategic planning on the performance of local government in Norway. A subjective survey was conducted to evaluate the correlation between strategic planning, stakeholder engagement, strategy, and organizational performance. Based on the analysis of moderated multiple regression, it is evident that the integration of strategic planning has a positive effect on the overall performance of organizations. On the other hand, a study that utilized administrative data to assess performance reported all three variables had a slight positive effect on performance. The main focus of the research revolves around analyzing the influence of strategic planning on performance, specifically within the European environment. However, considering the importance of these consequences, this study focused on local NGOs in Nairobi County, Kenya.

In a recent study by Johnsen (2022), the importance of strategic planning in the public sector in Norway was examined. The findings revealed that strategic planning is crucial for businesses operating in unpredictable and turbulent business environments. Multivariate regression analysis was performed on data from 144 public sector organizations, revealing a noteworthy positive correlation between the searcher's adaptation, stakeholder engagement, the utilization of management tools, and the flexibility of the strategic planning process. Furthermore, a strong

correlation exists between these factors and the perceived value of strategic planning. However, the previous study failed to include evaluations of financial success, which was a significant oversight. This gap is now being addressed in the current study by introducing these metrics. This study was conducted in Norwegian, which presented a contextual void that needed to be acknowledged. Thus, this study centered on NGOs in Nairobi County, Kenya to address this void. NGOs must effectively manage their external relationships, including interactions with government entities, the corporate sector, and the specific groups they aim to assist (Aksel & Baran, 2006). People who believe they have a significant impact on the firm often show a strong sense of affiliation (Wamsler, 2017). In a research carried out by Leroy et al (2017), it was discovered that the inclusion of a greater number of individuals in a project resulted in significantly better outcomes when compared to projects with a smaller team size. According to George et al (2019), the participation of stakeholders plays a crucial role in enhancing outcomes and fostering a sense of ownership in businesses. Afandi et al. (2018) emphasizes the importance of strategic planning as a critical element in project management, highlighting its significance as the initial phase. In order to achieve success, a corporation must effectively implement its strategic plan. In their study, Bhattiprolu et al (2016) emphasize the crucial role that managers and stakeholders play in this concept. In their study, Cappanera et al (2019) highlight the significance of stakeholder engagement in effectively guiding the strategic plan towards achieving success in the implementation planning process. According to Afandi et al. (2018), stakeholders engaged in formulation of strategy are satisfied with their participation and are more motivated to contribute towards achieving the objectives of the plan. The effectiveness of organizations can be influenced by environmental factors (Machuki and Aosa, 2011). In her study, Munene (2019) found that stakeholder engagement played a vital role in influencing performance outcomes.

A recent study conducted by Chepkoech and Waiganjo (2020), the focus was on examining how stakeholders influence the successful implementation of strategic change within commercial banks in Kenya. The study employed a descriptive research approach and involved 120 participants who were chosen as branch managers at CBD NBK Nairobi. Data was collected by administering a questionnaire. Stakeholders are expected to play a crucial role in the implementation of Kenya's strategy to modernize its commercial banking sector. In their study, Ogachi and Kariuki (2020) utilized a descriptive study methodology to examine how stakeholder engagement influences the

performance of commercial banks in Kenya. The study's findings suggested that variations in bank financial performance could be attributed to stakeholder involvement. The study's findings suggest that the active participation of various stakeholders greatly influences the operations and functioning of commercial banks in Kenya. Therefore, it is essential for banks to develop strong relationships with their stakeholders to ensure ongoing participation.

Micheni, Were, and Namusonge (2023), conducted a study using a mixed method research design to assess how stakeholder participation affects the sustainability of health-care initiatives in Kenya that receive donor support. The study incorporated stakeholder involvement by assessing factors such as stakeholder relationship management, level of participation, and engagement pathways. A study has uncovered a connection between stakeholder involvement and the long-term viability of donor-funded projects in Kenya's healthcare sector. The research found that increasing stakeholder engagement can improve the sustainability of donor-funded programs in Kenya's health sector.

In a study conducted by Okoth (2016), the focus was on analyzing the effects of stakeholder engagement on the performance, strategy development, and implementation of storage businesses in Mombasa. The primary data collected suggests a strong link between stakeholder involvement and performance. This holds true even when participants have only a limited role in the strategic plan development and execution. Organizations that participate in the program demonstrate superior performance indicators compared to those that do not participate.

In their study, Sahal and Bett (2022) utilized a descriptive survey approach to evaluate how stakeholder involvement influences the performance of the Kenya Parliamentary Service Commission (PSC). The results of this study suggest that the involvement of various stakeholders significantly contributes to the effectiveness of the Kenya Parliamentary Service Commission. Research suggests that involving stakeholders can help reduce risk in business, promote collaboration, and improve governance by tapping into a wide range of talents, expertise, and information. Based on this study, it is crucial for the committee to focus on clear and direct communication. This will ensure that everyone involved, both inside and outside the company, comprehends their duties and obligations in supporting the company's goals.

2.3.2 Strategic Planning Period (Long-Term, Medium- and Short-Term) and Financial Performance

Strategic planning involves gathering statistics and knowledge about a company's internal and external operating environment (Kitsios, Kamariotou, Madas, Fouskas, and Manthou, 2019). As a result, the accumulated knowledge is analyzed and integrated according to the company's vision and objectives (Bryson et al., 2007). Identifying the organization's tasks, priorities, goals, and overall strategy are some of the other aspects and indicators of strategic planning. The main purpose of this step is to present a suitable plan that will better realize the company's vision and success when executed. At this level, multiple plans are designed and evaluated, and the optimal strategy is selected.

Non-governmental groups have utilized strategic planning to set medium and long-term goals. Some experts in strategic planning suggest that strategic plans in non-governmental organizations (NGOs) are often created based on tradition rather than a deliberate strategic objective. In this scenario, an organization may choose to engage in strategic planning because it is considered a necessary component for every organization. Additionally, financing opportunities often require a strategic plan as a crucial document (Peggy, 2017).

In a study conducted by Singh (2017), the researcher investigated the impact of strategic objectives and project implementation in India. The study discovered that having well-defined strategic objectives and goals greatly improved the ability to accomplish the desired purpose and vision. Innocent and Levi (2017) conducted a survey to examine the effects of clear strategic objectives on performance within a Nigerian bottling company. Their research uncovered that clearly defined and effective strategic objectives had a positive impact on the overall performance of the organization. In the United States, a study by Khoshtaria (2018) explored the effects of pre-planned strategic initiatives on corporate performance. The researcher found that effective strategic planning process and practice plays a key role in improving overall organizational performance. The study, also revealed that companies that place a strong emphasis on thorough and well-structured strategic planning tend to achieve superior performance metrics in comparison to those that do not prioritize this aspect.

Continuing along the same lines, Biondi and Russo (2022) carried out a qualitative study using a "multiple case study" approach to investigate the relationship between strategic planning systems and performance management systems in Italian institutions. Research indicates that incorporating strategic planning tools enhances the efficiency of performance management systems. In addition, research has indicated a link between performance assessment systems and a company's ability to create effective and successful strategic plans. Research suggests that organizational leadership plays a crucial part in guiding the decision-making process when it comes to setting long-term goals and implementing performance management systems (Biondi and Russo, 2022). The study focuses on academic institutions that have management procedures that differ significantly from local NGOs, leading to a contextual gap. This study focused on exploring the relationship between strategic planning and the financial performance of local non-governmental organizations (NGOs) in Kenya.

In Oladele's (2021) study, descriptive statistics were used to assess the influence of strategic planning on the performance of health services in Nigeria. The study was conducted by the Federal Medical Center Abuja, with a target population of 50 participants. Extensive research has clearly demonstrated a strong link between "strategic planning" and the financial success of organizations. The study also found a connection between the organizational structure and growth. There is a noticeable absence of an in-depth examination of how strategic planning measures, including formulation, execution, and control, directly affect the overall performance of the organization. In addition, the measurement of this performance is still unclear, highlighting the need to establish a contextual framework for the research. This study utilized measurable indicators to evaluate the relationship between strategic planning and organizational performance.

Tarifa (2021) utilized quantitative methodologies to critically evaluate fundamental theoretical aspects of strategic planning and their effect on corporate achievement. The study uncovered that having a clear sense of purpose and direction, strong guiding principles, a thorough analysis of strengths, weaknesses, opportunities, and threats, and well-defined objectives are all essential elements in attaining optimal organizational performance. The findings also suggest that these elements of strategic planning play a vital part in aligning the company with strategic activities that have a direct effect on firm performance. This study focused on analyzing the effectiveness of two key elements in strategic planning: values, vision, mission, and SWOT analysis. This study

delves deeper into the concept by considering two additional factors: stakeholder engagement and the level of participation, both in terms of leadership and personnel, in relation to financial performance.

In a study conducted by Burugu (2018), the researcher explored the effect of strategic planning on the performance of Naivas (Supermarkets) Limited in Kenya. The report's findings highlight the importance of strategic planning for senior management to align the company's vision, mission, and core values into a cohesive strategy plan, despite budget constraints. In addition, the findings of this study suggest that it is crucial for a company to conduct thorough analyses, both externally and internally, when making strategic decisions about their objectives and goals. According to the research, management has the capacity to effectively communicate strategic plans and priorities to increase stakeholders' involvement, thereby aiding the execution and assessment of the company's strategic objectives.

In a research study conducted in Kenya, Makokha, Samson, and Kamau (2018) examined the effects of following pre-planned activities on service delivery in the Nairobi County Government. The researchers determined that well-thought-out measures involving strategic planning had a significant effect on the provision of services. In their study, Munene and Nyaga (2021) investigated the correlation between strategic planning and performance in non-governmental organizations (NGOs). The study utilized a descriptive research design, with a specific focus on 1,475 non-governmental organizations (NGOs) operating in Kenya. The study found that strategic planning plays a crucial role in shaping the performance of non-governmental organizations (NGOs). The study proposed that NGOs should embrace "strategic planning" as a vital component for attaining organizational success.

In a study conducted in 2018, Obati, Awino, and Ogutu explored the correlation between organizational structure, strategic planning, and outcomes in NGOs in Nigeria. The study utilized a foundational positivist approach for data collection, which involved conducting online surveys. There was a notable correlation found between strategic planning and firm performance, indicating a strong relationship ($R\text{-Squared}=0.264$, $F=16.504$, $\beta= 0.504$, $t= 4.126$, $p<0.05$). The study emphasizes that the success of a company is greatly impacted by the choices and plans made by its leadership, as well as their vision, mission, and ability to effectively execute those plans. The findings suggest that the adoption of a "organizational structure" in companies led to enhanced

organizational effectiveness. On the other hand, this study specifically looked at Nigerian non-governmental organizations (NGOs), whereas the upcoming study analyzed the performance of local NGOs in Nairobi County.

2.3.3 Level of Staff Involvement and Financial Performance

Involving employees in all stages of the strategic management process is essential and effective (Singh et al., 2013). Emphasizing that only employees make the difference between leadership, followership, and failure, he argues that this is because everyone, from top to bottom, has equal access to information and technology; He argued that this shows that the government must demonstrate leadership and involve people in discussion and debate as well as in decision making. Strategic decision-making requires employees to be involved in the strategy so that they understand what it means at a personal level and what role they can play in driving change (Johnson & Scholes, 2012).

Participatory decision making is a method of employee involvement that is described as the extent to which employers involve employees in decisions important to the organization (Judge and Gennard, 2020). The goal of participatory decision making is to enable organizations to engage employees through participation, thereby achieving higher job performance (Latham, 2020). However, participatory decision making is a power-sharing initiative where decision-making authority is shared between managers and employees (Black & Gregersen 2017). Because it aims to solve employee problems and improve decision-making, effective participatory decision-making requires the participation of all employees in an organization (Locke & Schweiger, 2019).

In a recent study conducted by Hussein (2019), a survey was conducted to evaluate the effect of staff participation in decision-making processes on the financial performance of organizations. The researcher conducted a standardized questionnaire with 65 participants who were affiliated with the "Directorate of Scholarships and Cultural Activities" within the ministry of higher education and scientific research in Iraq. The study found a notable and statistically significant correlation between involvement in decision making and the success of the organization. Hussein (2019) argues that involving employees in decision-making processes can enhance their sense of importance, resulting in higher levels of productivity. Ultimately, active participation in the decision-making process significantly impacts the overall performance of an organization. This

study aimed to fill a research gap by conducting a comprehensive assessment into the correlation between leadership, employee engagement, and financial performance of local Nairobi County.

According to Lubega (2019), employees who are actively involved demonstrate positive attitudes. Staff involvement plays a crucial role in strengthening the bond between management and staff in the Ugandan public sector. This, in turn, creates a positive work environment that is vital for enhancing the organization's financial success. According to Sendawula and Kimuli (2019), employee engagement plays a vital role in boosting employee performance, resulting in enhanced overall organizational performance.

In the study titled *Dimensions of Organizational Performance*, Odongo, Wang, Suntu, and Bishoge (2019) conducted an evaluation on the impact of leadership strategy. The study objectives focused on various aspects such as organizational culture, leadership style, organizational adaptation, resources and expertise, and organizational environment. As per the research conducted by Odongo et al. (2019), factors such as the effectiveness of management teams and leadership skills have a significant impact on performance, both at the individual staff level, as well as within teams and organizations. This study highlights the effectiveness of a leadership strategy that encourages employee participation and representation in improving organizational performance. It emphasizes the importance of fostering employee passion and engagement. Effective leadership is crucial for guiding staff operations within an organization, ensuring that goals are achieved and limited resources are utilized efficiently.

A study conducted by Rahman, Othman, and Abyajid (2018) has shown that the application of leadership principles has a beneficial effect on the operations of non-governmental organizations (NGOs). This study delves into the leadership challenges faced by non-governmental organizations (NGOs) and highlights the significance of strategic planning in addressing these issues. NGOs need strong strategic leadership methods to successfully achieve their mission and goals. Furthermore, strategic leadership activities play a crucial role in shaping the strategic goals and ensuring the smooth functioning of a corporation (Presence, 2019). Strategic leaders play a crucial role in the organization as they bring significance and purpose to its operations. It is crucial for organizational leaders to consistently utilize strategic leadership tactics in order to motivate their followers to actively contribute towards achieving organizational goals and priorities.

Khazanchi and Owens (2018), posits that a shared vision can emerge when leaders effectively communicate their aspirations and future goals, potentially resulting in significant restructuring or revitalization. In this study, the focus is on creating a self-sustaining organization through the visioning process. Therefore, it is crucial for the senior leadership team to actively pursue financial success and sustainability. Leaders can benefit from utilizing hindsight (drawing on past experiences when strategizing for the future), supervision (maintaining a comprehensive perspective), and foresight (anticipating the future direction of the organization). In his work, Tully (2018) offers a comprehensive explanation of strategic foresight. He describes it as a methodical approach to envisioning and shaping the future, while also building resilience to swiftly overcome unexpected obstacles and minimize the effects of unforeseen risks. Having a clear vision helps in navigating uncertainty and developing long-lasting solutions. Through a qualitative investigation of prominent European corporations, Haessler (2020) found that when upper management displayed heightened consciousness, engagement, and dedication, it had a positive impact on financial performance and the sustainability of the industry.

However, the research carried out by Olaka, Lewa, and Kiriri (2017) on strategic leadership and strategy implementation in 40 Kenyan commercial banks found no significant connection between leadership competence in determining their strategic direction and educational attainment. This implies that educational and training institutions have not met their responsibility to help leaders understand their role in promoting the long-term financial stability of the company. Location. In a study conducted by Kitonga (2017), the focus was on the practices of strategic leadership and the success of organizations in the non-profit sector in Nairobi County, Kenya. The study proposes that nonprofit organizations should implement strategic leadership practices in order to improve their performance. Nonprofit leaders should prioritize identifying strategic directions to enhance the overall health of their organizations. Proactive measures in human resource development can greatly enhance the effectiveness of nonprofit organizations, especially when implemented by strategic leaders. In addition, more research was carried out to evaluate the influence of strategic control on the organizational performance of nonprofit organizations in Nairobi County, Kenya, as it has been found to have a lesser impact.

2.4 Summary of Knowledge and Research Gap

Table 2.1 Research Gaps

Author	Title	Research Methodology	Findings	Research Gaps
Ogachi and Kariuki (2020)	Influence of stakeholder engagement on financial performance of commercial banks in Kenya	Descriptive Research esign	The fluctuations in the banks' financial performance can be traced back to the level of engagement and contribution from stakeholders.	The study mainly focused on commercial banks, more specifically looked into one of the factors being investigated in this study.
Micheni, Were and Namusonge (2023)	Influence of stakeholder engagement on sustainability of donor funded projects in the health sector in Kenya	Explanatory research design	Greater engagement of stakeholders improves the sustainability of donor-funded projects in Kenya's health sector.	The research primarily focused on the health sector's capacity to sustain initiatives supported by donors in the long run. However, this study will analyse the financial performance of local NGOs.
Sahal and Bett (2022)	The influence of Stakeholders Involvement on the financial Performance of Kenyan Parliamentary Service Commission (PSC)	Descriptive Research Design	By actively involving stakeholders, businesses can minimise risks, improve governance, and foster knowledge through collaborative endeavours.	The study concentrated on the Parliamentary Service Commission in a unique setting, while this study, is centred on local non-governmental organizations (NGOs).
Twaissi and Aldehayyat (2021)	Do stakeholders matter? Stakeholders as moderators in the relationship between formal strategic planning and organizational financial performance	Descriptive Research Design	The findings showcase the importance of engaging stakeholders to reinforce the linkage between structured strategic planning and the overall effectiveness of the company.	The research was done in Jordan, with a unique environment in comparison to Kenya. The research investigated the significance of stakeholder engagement in connecting strategy planning with organizational

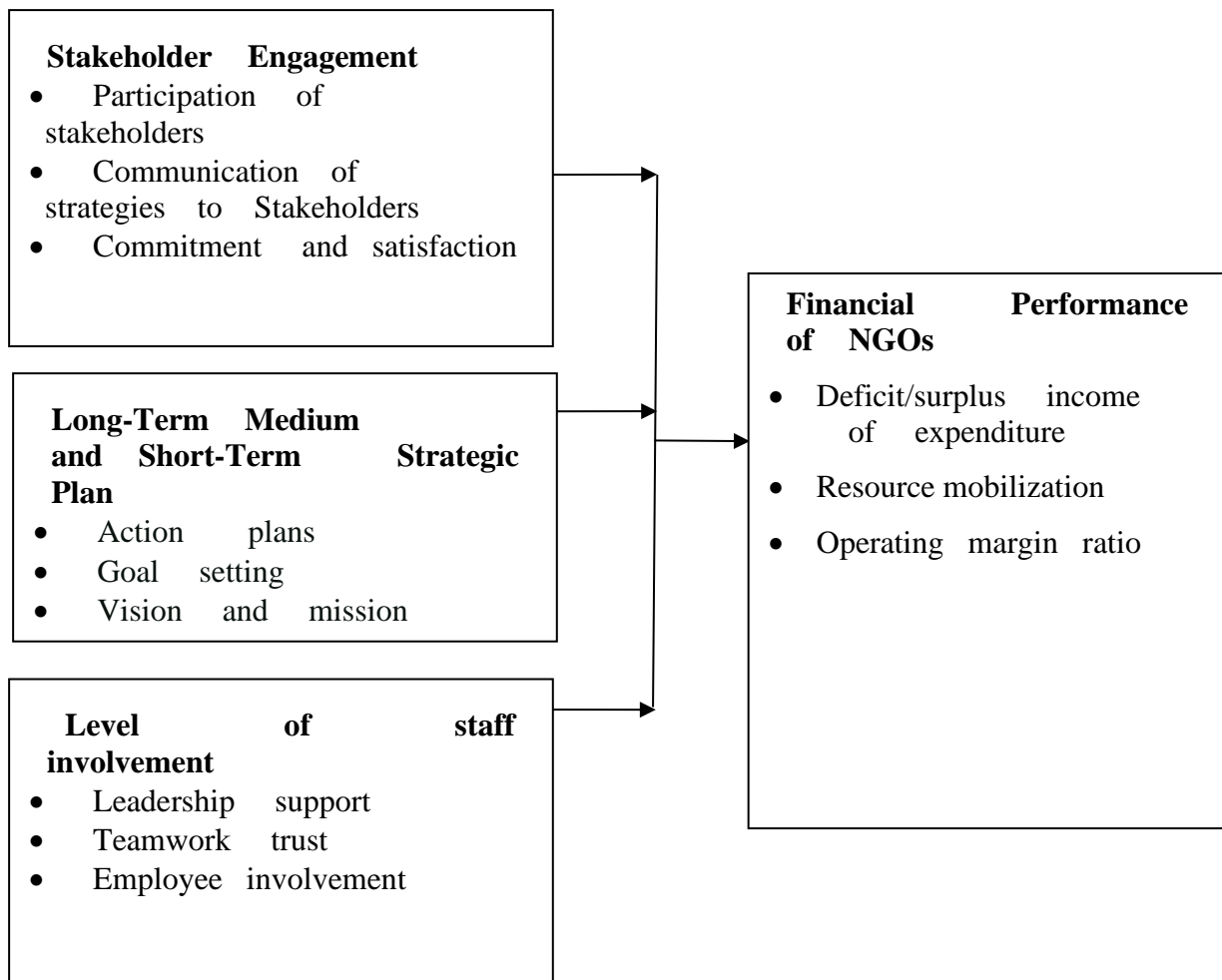
				performance, emphasizing the importance of additional research in this field.
Burugu (2018)	Influence of strategic planning on performance of retail industry in Kenya in reference to Naivas limited in Kenya	Case study	It is essential to have a well-thought-out strategic plan that aligns with the organization's goals, mission, and core values in order to stay within budgetary constraints	This study focuses on three key indicators: stakeholder participation, the formulation of strategic plans at different time horizons, and the level of staff engagement. Other strategic planning indicators, such as the mission, purpose, and vision, are not taken into consideration. The report gave higher priority to the retail business compared to the NGOs sector.
Biondi and Russo (2022)	Integrating strategic planning and performance management in universities: a multiple case-study analysis	Case study	Strategic planning tools have a beneficial effect on the effectiveness of performance management systems in academic institutions	The research primarily focuses on academic institutions rather than NGOs, resulting in a lack of context due to the changing management. In addition, the research was carried out at Italian universities instead of non-governmental organizations (NGOs).
Oludele (2021)	Impact of Strategic Planning on Organizational Performance of Health Care Services in Nigeria	Descriptive Research Design	This research highlights the dynamic nature of strategic planning, which encompasses the creation, implementation, evaluation, and management of plans to achieve an organization's strategic goals.	The study was conducted healthcare sector in Nigeria, investigating the overall performance of NGOs in Kenya with regards to their financial performance. There are notable differences in the way the two organizations operate, leading

				to gaps in both context and concept.
Tarifi (2021)	A Critical Review of Theoretical Aspects of Strategic Planning and Firms' Performance.	Exploratory research-qualitative research method approach in nature	The success of strategic planning depends on key principles, vision, mission, organizational objectives, and SWOT analysis, to achieve optimal organizational performance.	The research had an abstract limitation as it only focused on two variables. While this study, builds upon previous research by examining additional factors, including stakeholder involvement and staff participation, in financial performance.
Obati, Awino, and Ogutu (2018)	Influence of organizational structure on the relationship between strategic planning financial performance of NGOs in Nigeria	Cross-sectional survey	To achieve the best possible performance for a company, it is essential to actively participate in the development of strategies, carefully evaluate different options and objectives, establish a well-defined vision and goal, and efficiently implement control measures	This study examines the performance of local NGOs in Kenya, while the previous research focuses on Nigerian NGOs.
Hussein (2019)	Measuring the Impact of Employee Involvement in Decision-Making & Job Performance.	Descriptive Research Design	This study highlights how involving employees in decision-making can strengthen their sense of belonging and ultimately improve their performance.	This study comprehensively investigates the correlation leadership engagement and the performance of local NGOs in Nairobi County.
Bokaii (2023)	Impact of teamwork on the performance of the Employees in the NGO sector in Lebanon	Survey	Organizations that embrace collaborative workplace methodologies tend to outperform those that do not. NGOs can achieve better collaboration through improved communication.	This study seeks to address the current gaps by conducting a thorough analysis of the correlation between employee involvement, leadership support, and the performance of local NGOs in Nairobi County.

Johnsen (2022)	Strategic planning in turbulent times in public sector organisations in Norway	Descriptive Research Design	The results suggest a strong link between the effectiveness of strategic planning and various factors, including searcher adaptation, stakeholder involvement, the strategic planning process, and the utilization of management tools	This study will specifically focus NGOs, in contrast to the previous study that concentrated on groups within the public sector. The study was done in Norway, a country known for its prosperity, while the upcoming study will take place in Kenya.
Biondi and Russo (2022)	Integrating strategic planning and organizational performance management in universities: a multiple case-study analysis	Case study using qualitative approach	The research revealed that the organization's management plays a crucial role in enhancing their decision-making process when it comes to setting long-term objectives and implementing performance management systems.	The study was conducted in Italian universities instead of Kenyan non-governmental organizations. The study focused on analysing the organizational management support aspect of strategic planning.
Age (2017)	Impacts of strategic planning and management in Municipal government: an analysis of subjective Survey and objective production and efficiency Measures in Norway.	Cross-sectional survey	Through modulated multiple regression analysis, it becomes evident that strategic planning has a positive impact on organizational performance.	The study focused primarily on the impact of strategic planning on performance across various aspects within a European framework. However, the focus of this study is on non-governmental organizations (NGOs) in Kenya.
Khoshtaria (2018)	Effects of strategic planning on firm performance through strategic implementation of manufacturing companies in Georgia.	Quantitative strategy	Thorough strategic planning of a corporation enhances overall performance.	The study focused on manufacturing enterprises in Georgia. However, this study will analyse the strategic planning and financial performance of NGOs in Kenya.

2.5 Conceptual Framework

It captures the relationship, between the independent and dependent variables in the study (Adom, Hussein, and Adu-Agyem, 2018). The study centers on the financial success of local NGOs as the dependent variable. The factors that contribute to this include the active involvement of stakeholders, the development of long-term, medium-term, and short-term strategic plans, and the extent to which staff members are engaged. The study's conceptual framework is in line with the hypothesis illustrated in Figure 2.1 below.



Independent Variables

Dependent Variable

Figure 2.1 Conceptual Framework

2.6 Operationalization of Variables

Table. 2.2 Operationalization of variables

Objectives	Variables	Measurement scales	Sources
Dependent variable Financial performance	<ul style="list-style-type: none"> • Deficiency Deficit/surplus income of expenditure • Resource mobilization • Operating margin ratio 	Ordinal	Park and Cho (2020), Century Business Services Inc (2018)
Independent variables Stakeholder engagement	<ul style="list-style-type: none"> • Stakeholder participation • Strategy Communication to stakeholders • Satisfaction and Commitment 	Ordinal	Micheni et al (2023) and Murphy et al (2021),
Long-Term , Medium and Short-Term Strategic Plan	<ul style="list-style-type: none"> • Action plan • Setting of goals • Mission and vision 	Ordinal	Burugu (2018), Munene and Nyaga (2021), Asewe et al (2022)
Level of staff involvement	<ul style="list-style-type: none"> • Management support • Team work and trust • Employee involvement 	Ordinal	Kibara and Kiiru (2020), Odongo et al (2019), Mutole (2019)

2.7 Chapter Summary

In the above chapters, various theories to explain independent and dependent variables were identified and considered in this study. This chapter also explored the conceptualization of independent and dependent variables by analyzing the relationship between the two sets of variables. Additionally, an empirical review was conducted to review previous studies both globally and locally using criteria such as title, scope, and methodology leading to criticism. Based on these critiques, research gaps were identified. This study presents an opportunity to bridge the gaps identified in similar studies undertaken in the past.

CHAPTER THREE

RESEARCH METHODOLOGY.

3.1 Introduction

This chapter discussed the study methodology used, including the target population, research design, sample size and sampling methods. Furthermore, the chapter expounded on the data collection tools used, analysing the validity and reliability of those tools, and explaining the steps involved in data processing and presentation.

3.2 Research Philosophy

As per Ryan et al (2002), research involves a methodical approach to gaining, understanding, and applying knowledge to make it applicable to a specific area of study. Understanding the importance of philosophy in shaping knowledge and theories is essential for researchers to develop a comprehensive perspective. In their study, Sauders et al (2009) discuss two main philosophies, that is, positivism and interpretivism. Those supporting the positivism theory argue that realism is unchanging and can be analysed and understood from an individual's perspective, depending on their goals. Conversely, interpretivists highlight the notion that comprehending reality necessitates the use of deduction and personal interpretation. The research was grounded in positivism, which posits that various events directly influence an individual's perception of them. Willig (2013) found a clear link between various factors and how they are depicted. In addition, positivism is the only observable phenomenon and leads to the reliability of generated, thus aiding in the development of research approaches for data collection. As a result, it is a theory that is commonly used in the development of hypotheses.

However, it is important for researchers to remain independent and detached from their research subjects. This helps to minimize biases and ensure that a representative sample is selected, strengthening the impartiality of the study (Creswell, 2013). The study would greatly benefit from adopting a positivist approach, as it enables a direct examination of the correlation between strategic planning and financial performance of NGOs in Nairobi County, Kenya. The study also intends to utilize the positivism research philosophy because of its focus on objectivity and detachment from the researcher, as well as its ability to test hypotheses using a predetermined conceptual framework. The research aimed to investigate the causal link between financial

performance and strategic planning. The positivism philosophy has been widely applied in various research areas, including organizational performance and strategic management. In addition, various authors have explored the theory, such as Kaboub (2008), Petty et al. (2012) and Willig (2013). This study applied the cross-sectional descriptive design to objectively assess the effect of strategic planning on the financial performance of local NGOs in Nairobi County.

3.3 Research Design

In his work, Kothari (2014) provides a definition of a research design as a framework that is preliminary, strategic, and systematic, aiming to address research inquiries. The study utilized a cross-sectional, descriptive research design. The cross-sectional, descriptive research method, as described by Mugenda & Mugenda (2003), is a powerful method for evaluating phenomena, issues, or situations. It involves sampling the population of interest at a specific moment to observe the impact of relationships and their appropriateness. This research method is essential for this study as it effectively represents the current standing of the study procedures and provides comprehensive information about the research (Kothari (2014). The research design was considered appropriate since it helped to show the relationships that exist between the study variables without data being manipulated.

3.4 Target Population

According to Mugenda & Mugenda (2003), the target population is the specific group of individuals that a researcher aims to investigate. Draugalis and Plaza (2019), as quoted by Howe and Robinson (2018), provide a definition of the target population as the specific group of people the researcher seeks to make generalizations about. Additionally, Stuart et al. (2018) explain that a population is a comprehensive group of elements that share similar observable characteristics, allowing for specific conclusions to be made. The survey targeted the 561 registered NGOs in Nairobi County. As per the NGO Coordinating Council (2022) report, Nairobi County is home to 561 registered and operating NGOs, which were the main focus of this study. The unit of analysis of this study therefore was the 561 local NGOs operating in Nairobi while the unit of observation constituted of the strategic managers in the local NGOs operating in Nairobi County in Kenya.

3.5 Sample Size and Sampling Technique

Sampling techniques involved selecting a subset of elements from a larger population in order to study the features of the entire population. The selection of a sampling method depends on the specific characteristics of the research being done. There are numerous approaches to frequency sampling, including convenience sampling, snowball sampling, simple random sampling, and stratified sampling. Taherdoost (2016) states that, researchers have the option to use either probability or non-probability sampling methods in order to obtain research findings that accurately reflect the entire community. To address the task of analysing all operating NGOs in Nairobi County, Kenya, the research utilized simple random sampling to select a sample of strategic leaders from the registered NGOs. Random sampling was used because it ensured a greater statistical efficiency, and reduced sampling error. Kothari (2004) supports random sampling as it satisfies the law of statistical regularity ‘if a sample is chosen at random, on average it has the same characteristics and composition as the population’. The appropriateness of simple random sampling was due to the fact that the respondents have an equal chance of being selected and as a result was likely to reduce the level of biasness in the study.

Cooper and Schindler (2011) stipulate that a sample is a small portion or fraction of a larger population. Sampling gives room for researchers to gather the essential data on the population, especially in the context of descriptive research. Yamane’s (1967) formula was used to calculate the sample size, as illustrated below.

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

Given;

N is the target population,

n is the sample size

e is level of accuracy

$$n = \frac{561}{1 + 561(0.05)^2} = 233.5$$

This research utilized a sample size of 234 non-governmental organizations (NGOs), with one strategic manager being selected from each organization to contribute to the research. The study considered strategic managers appropriate for the study since they are responsible for strategy formulation and implementation in the organization and therefore have more knowledge on strategic planning and the effect it has on performance.

3.6 Data Collection Instruments

The primary data collection was done through a questionnaire that incorporated a combination of open-ended and closed questions. Respondents had the option of completing the questions at a more convenient time through ticking the appropriate answer. Structured questionnaires are commonly utilized in data collection because of their cost-effectiveness. In addition, this method reduced the amount of time needed and produces consistent results, making it easier to assess the responses from different participants. The questionnaire was divided into five segments. The first segment discussed the demographic characteristics, followed by three segments that discussed the independent variables. Finally, there was one section dedicated to the dependent variable. The research made use of the 5-point Likert scale to assess the dependent and independent variables.

3.7 Procedure for Collecting Data

Data collection was done through self-administered questionnaires. Before starting fieldwork, the researcher needed to get approval from the institution. The researcher then proceeded to visit NGOs to ensure that the senior executives gave permission for data collection. Experienced research assistants were used to collect data. The researcher took all the required measures to safeguard the confidentiality of the respondents and the information gathered. Questionnaires were administered by trained research assistants to gather data. Two hundred and thirty four (234) questionnaires were distributed to the NGOs employees. The researcher used drop and pick later method to give employee ample time to respond appropriately. Afterwards, the data was cleaned, organized, and consolidated. Afterwards, the gathered data was computerized for in-depth analysis and subsequent demonstration.

3.8 Research Quality

The evaluation of research quality was carried out using pilot research. A pilot study is a preliminary test done before the real data collection to help the researcher identify and address any

potential issues. In Kothari's (2014) perspective, a pilot study is seen as a valuable opportunity to gain practical experience before embarking on the main investigation. According to Newing (2011), pilot studies play a crucial role in helping researchers identify questions that may be misunderstood or misread by the community. In addition, conducting pilot studies can help to identify and eliminate any unclear or ineffective questions in the questionnaire, ensuring that valuable information is obtained. Additionally, to address survey fatigue, the participants in the pilot research were not used for the final study. The pilot research also assessed the validity and reliability of the instruments collecting data.

3.8.1 Validity of the Research Instrument

Mugenda and Mugenda (2003) asserts that the concept of validity is concerned with the accuracy and importance of the conclusions drawn from the research findings. The validity of an instrument is determined by how accurately data analysis results represent the variable under study. When the data collection instrument aligns with its intended measurement, then the obtained data holds inherent value. In order to assess and improve the questionnaire's validity, the researcher randomly picked two strategic managers and the research supervisor to have a discussion about the information captured in the questionnaire. By incorporating recommendations and views from the two managers and research supervisor, the questionnaire's validity was greatly enhanced.

3.8.2 Reliability of the Research Instrument

Reliability refers to the consistency, stability, and reproducibility of a questionnaire (Jack and Clarke, 2008). This study applied the Cronbach's Alpha to evaluate the questionnaire's reliability. Cronbach's Alpha is ideal for assessing multi-item procedures at the interim level and require only one administration. Additionally, Cooper and Schindler (2011) stipulate that it provides a straightforward and quantifiable evaluation of the internal consistency of a scale. The dependability of a data collection instrument relates to its capacity to consistently measure a given phenomenon when utilized in similar circumstances with comparable participants. One way to determine the reliability of an instrument is by comparing one individual's scores on the same test taken on two different occasions.

Thus, 23 questions were encoded, and the responses inputted into SPSS to calculate reliability coefficients. The Cronbach's Alpha was used to establish the internal consistency, which the

researcher calculated using SPSS software. This measure assessed the extent to which a single underlying factor is evaluated by taking into account a collection of test items. According to Sekaran (2012), the Cronbach's alpha coefficient has a positive correlation with the reliability of internal consistency. It is commended that newly created questionnaires should ideally have a 0.7 coefficient. Summary results indicate that the Cronbach Alpha coefficients for all variables were above 0.70 and therefore no changes were made to the items. As shown in Table 3.1, the measurements of all variables were considered reliable for the analysis and generalization of the results to the study population.

Table 3.1: Reliability Test Results

Variable	Cronbach's Alpha	Number of Items	Conclusion
External stakeholder engagement	0.893	6	Reliable
Strategic planning period	0.867	7	Reliable
Level of staff involvement	0.878	7	Reliable
Financial performance	0.883	5	Reliable

3.9 Data Analysis and Presentation

(SPSS) is a highly popular tool for analysing numerical data, covering both inferential and descriptive statistics. Descriptive statistics cover various methods of data representation, including pie charts, percentages, and frequency distribution tables. Descriptive statistics allow researchers to effectively portray results using numerical values or metrics. The collected data was structured based on the research questions to enable in depth discussions and observations, resulting to a significant conclusion and valuable research commendations. Inferential statistics involved the use of regression analysis and Pearson's correlation. Additionally, a multiple linear regression analysis was used to determine the statistical influence of the independent variables on the dependent variable.

In Teeboom's (2019) study, it is suggested that multiple regression analysis is the most effective model for showcasing the relationship between variables and how well predictor variables can justify the changes in the dependent variable. Using averages is a suitable method to condense the raw data into variables for inferential analysis. Furthermore, according to Frost (2021), the most

suitable method for utilizing Likert items in multiple regression analysis is to combine or average them to form a continuous variable. The researcher has proposed a regression model that can help in achieving the study objectives. Here is the formulation of the regression model:

The equation can be expressed as $Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \varepsilon$.

Where;

The NGOs financial performance is represented by Y.

X1 represents stakeholder engagement in the project.

X2 covers strategic approaches for the long term, medium term, and short term

X3 represents the staff participation levels.

Constant term is represented by the symbol β_0 .

Symbol " ε " denotes the error term.

The quantification of the sensitivity of the dependent variable (Y) to small changes in the predictor variables (X1, X2, X3) is done using $\beta_{ii} = 1 \dots 3$. The symbol ε denotes the residual term, indicating unexplained discrepancies in the model.

Data presentation plays a vital role in every research project. The analysed data was presented through visual aids such as tables, graphs, pie charts, and figures to improve the clarity of the findings. Visual aids such as tables and graphs are used to present information in a more easily understandable manner compared to just presenting raw data. The most effective method for presenting data relies on the number of observations in the sample or samples and the characteristics of the variables in need of the display. The study findings were effectively summarized by presenting the results using pie charts and tables.

3.10 Ethical Considerations

This study followed well-established research methodologies throughout the investigation. Before collecting data, it was necessary for the researcher to seek approval from the ethics board, National Council of Science and Technology (NACOSTI). The researcher ensured that the necessary licenses and approvals were obtained from the relevant authorities. The researcher ensured that individuals provided their consent prior to completing the survey. The questionnaire included an

opening section that highlighted the importance of the research and emphasized the reasons for participants to participate. The study participants were informed of their right to leave at any time and reassured that any information they provided will be treated with utmost confidentiality.

CHAPTER FOUR

DATA ANALYSIS, PRESENTATION AND INTERPRETATION

4.1 Introduction

This chapter is on the analysis, presentation and interpretation of findings that were obtained from the data analysis that was as a result of the administration of the data collection instruments in the field in the area under study. The chapter is thematically organized according to the research objectives for this study. However, it starts with the presentation of the instrument return rate and the demographic characteristics of the respondents, then descriptive statistics and finally the inferential statistics.

4.2 Response Rate

All respondents received 234 surveys. A total of 219 questionnaires were properly completed and returned from NGOs in Nairobi, Kenya. This resulted in an overall successful response rate of 93.6%. Mugenda (2013) defines a response rate of 50% or more as sufficient for analysis and reporting, 60% or higher as adequate, and 70% or higher as excellent. Babbie (2014) also believes that a response rate of 50% is acceptable for analysis and publication, 60% is good, and 70% is very good. Similarly, Wimmer and Dominick (2016) suggest that response rates of 21% to 70% for self-administered surveys are acceptable. Ensures accuracy and minimizes distortion. This resulted in an excellent response rate of 93.6%, which was used for further analysis and reporting.

Table 4.1: Response Rate

Response rate	Frequency	Percent
Filled	219	93.6%
Unfilled	15	6.4%
Total	234	100%

4.3 General Information

This part analyzes the general information of the respondents. This section describes the general demographic information of the respondents including their gender, age, duration of employment and their educational achievements. Results are presented in Table 4.2 below.

Table 4.2: Demographic Information of Respondents

		Frequency	Percent
Gender	Male	116	53
	Female	103	47
	Total	219	100
Age	Below 25 years	6	2.7
	26 to 35 years	99	45.2
	36 to 45 years	96	43.8
	Beyond 45 years	18	8.2
	Total	219	100
Duration of employment	Less than one year	11	5
	Within a span of 1 to 5 years	97	44.3
	Within a span of 6 to 10 years	96	43.8
	11 years or older	15	6.8
	Total	219	100
Educational Achievements	Secondary	1	0.5
	Diploma	37	16.9
	Undergraduate Degree	120	54.8

Postgraduate Degree	61	27.9
Total	219	100

The study participants were asked to specify their gender. The findings in Table 4.2 indicates that 47% of respondents were women and 53% of respondents were men. This suggests that both men and women work for NGOs. Despite their varying degrees of participation, these answers indicate that the survey was not skewed against any particular gender. This is an indication that the data from the respondents was balanced between the male and female respondents.

The study sought to find out the age range/ brackets of the respondents. The results in Table 4.2 show that 45.2% of the respondents are between 26 and 35 years of age, 43.8% of the respondents are between 36 and 45 years of age, and 8.2% are above 45 years of age. Only 2.7% of respondents were under 25 years old. The results of this study suggest that the respondents are well distributed in different age groups and therefore have different experience and knowledge in the research field. The findings imply that the age of respondents were well distributed across different age groups hence diversity of responses.

The study sought the length of time the respondents had been employed by their company and the findings are shown in Table 4.2. According to study data, 44.3% of the respondents had served in their organization for 1-5 years, 43.8% for 6-10 years and 6.8% for over 11 years and 5% for less than one year. The results show that the respondents had worked in the organization for a long time and were therefore aware of all the strategic decisions made. This meant that they had extensive experience in their respective areas of interest and were therefore of great help in determining the direction of this research.

On the highest level of education for the study participants the findings indicate that 54.8% of the respondents had reached degree level, while 27.9% of the respondents had attained post graduate degree and 16.9% had a diploma. The findings imply that the respondents have different academic qualifications. The study findings imply that majority of the respondents had the right qualification to work in the NGOs in Kenya; hence they were in a position to formulate and

implement strategic plans in the Non governmental organizations they worked in and thus to improve financial performance.

4.4 Descriptive Statistics

This section presents descriptive statistics for the study variables. This means that financial performance, external stakeholder involvement, strategic planning period (long-term, medium-term, and short-term), and levels of employee involvement are reported. Respondents were required to rate their level of agreement or disagreement with statements related to the study variables on a scale of 1 to 5; 5 means “completely agree” and 1 means “strongly disagree.” Mean and standard deviation were then computed for each variable.

4.4.1 External Stakeholder Engagement

The study's first objective was to evaluate the effect of external stakeholder engagement on the financial performance of local NGOs in Nairobi County. Table 4.3 summarizes the findings.

Table 4.3: Responses on External Stakeholder Engagement

Statement	Mean	Std. Deviation
Our organization actively promotes the involvement of all parties in the process of developing plans.	4.31	0.804
Our organization is dedicated to effectively implementing organizational strategies by recognizing and resolving the unique needs and challenges of various groups.	4.43	0.696
Engaging stakeholders in strategy planning is essential for achieving organizational goals in our business.	4.44	0.697
Effective communication within our organization is crucial for connecting all members and stakeholders, allowing us to implement a unified set of initiatives that ultimately lead to exceptional financial performance.	4.49	0.666
Encouraging stakeholder involvement within our organization fosters a sense of support and accountability for our projects.	4.43	0.69
We prioritize maintaining open communication channels with stakeholders.	4.56	0.567
Aggregate Score	4.44	0.687

Results in Table 4.3 illustrates that participants agreed that their organization actively promoted the involvement of all parties in the process of developing plans as shown by a mean of 4.31, and the organizations were dedicated to effectively implementing organizational strategies by recognizing and resolving the unique needs and challenges of various groups as shown by a mean of 4.43. The respondents also agreed that engaging stakeholders in strategy planning was essential for achieving organizational goals in their business as shown by a mean of 4.44. Additionally, the statement on effective communication within the organizations was crucial for connecting all members and stakeholders, allowing them to implement a unified set of initiatives that ultimately lead to exceptional financial performance attracted a mean score of 4.49. The respondents also agreed that encouraging stakeholder involvement within their organization fosters a sense of support and accountability for their projects as shown by a mean of 4.43. Further, the study participants agreed that they prioritized maintaining open communication channels with stakeholders as shown by a mean of 4.56. The aggregate mean score for external stakeholder

engagement was 4.44 which imply that external stakeholder engagement influences financial performance of NGOs to a large extent.

4.4.2 Strategic Planning Period (Long-Term Plan, Medium Term, and Short-Term)

On the effect of strategic planning period (long-term, medium, and short-term) on financial performance Table 4.4 presents the findings.

Table 4.4: Responses on Strategic Planning Period (Long-Term Planning, Medium Term, and Short-Term)

Statement	Mean	Std. Deviation
The mission statement of our organization is brief and clear.	4.30	0.671
Our organization focuses on promoting the improvement of strategic plans.	4.39	0.657
The vision statement of our organization is both appealing and achievable.	4.42	0.675
Our organization's staff fully comprehend and wholeheartedly follow the purpose of our vision statement.	4.35	0.676
The execution of our organization's action plan aligns with the established vision, mission, and strategies.	4.36	0.743
Our organization's action plan for the strategic planning process is both achievable and highly desirable.	4.36	0.711
Our organization has set short-term goals, that can be achieved within a year or less.	4.33	0.744
Aggregate Score	4.36	0.697

Table 4.4 reveals that majority of the participants agreed that the mission statement of their organization was brief and clear with a mean of 4.30, while the statement on our organization focused on promoting the improvement of strategic plans attracted a mean of 4.39 and the statement on the vision statement of their organizations was both appealing and achievable had a mean of 4.42. In furtherance, the respondents agreed that the organization's staff fully comprehended and wholeheartedly followed the purpose of their vision statement as shown by a mean of 4.35, the execution of their organization's action plan aligns with the established vision, mission, and strategies as shown by a mean of 4.36 and our organization's action plan for the strategic planning process was both achievable and highly desirable as shown by a mean of 4.36.

Finally, the study participants agreed that their organization had set short-term goals that can be achieved within a year or less as illustrated by a mean of 4.33. The total mean for this section was 4.35 and the standard deviation was 0.697. This means that long-term, medium-term and short-term strategic planning significantly influences the financial performance of local NGOs in Kenya.

4.4.3 Level of Staff Involvement

One of the study's objectives was to assess the effect of the level of staff involvement on financial performance of local NGOs in Nairobi County. Table 4.5 below displayed the results.

Table 4.5: Responses on Level of Staff Involvement

Statement	Mean	Std. Deviation
Our leadership team is focused on identifying and pursuing a mission that aligns with our business goals.	4.27	0.676
The executives of our organization skillfully convey the company's mission.	4.26	0.706
Our leadership group prioritizes our fundamental ideals in the strategic planning process.	4.32	0.729
Strong communication skills are crucial for fostering team member satisfaction and driving team success.	4.42	0.721
Our firm makes sure that employees are knowledgeable and have a thorough understanding of our policy.	4.27	0.793
At our organization, everyone is encouraged to actively contribute to the decision-making process.	4.27	0.783
Our company's personnel demonstrate a strong sense of dedication and passion for the organization.	4.3	0.771
Aggregate Score	4.30	0.740

The study findings show that the study participants agreed that their leadership team focused on identifying and pursuing a mission that aligns with their business goals as shown by a mean of 4.27, the executives of their organization skillfully conveyed the company's mission with a mean of 4.26 and their leadership group prioritized their fundamental ideals in the strategic planning process with a mean score of 4.32. The participants agreed that strong communication skills were crucial for fostering team member satisfaction and driving team success with a mean of 4.42. In addition, the respondents agreed that their firm made sure that employees were knowledgeable and had a thorough understanding of their policy as shown by a mean of 4.27, the respondents agreed that at their organization, everyone was encouraged to actively contribute to the decision-making

process with a mean of 4.27 and the company's personnel demonstrated a strong sense of dedication and passion for the organization as shown by a mean of 4.30. The overall mean score for this section was 4.30 with a standard deviation of 0.740. This means that the level of employee involvement has a significant effect on the financial performance of local NGOs in Kenya.

4.4.4 Financial Performance

Concerning financial performance of local NGOs in Nairobi County Table 4.6 presents the findings obtained.

Table 4.6: Responses on Financial Performance

Statement	Mean	Std. Deviation
Our firm consistently generates a surplus in its annual financial statement, indicating a strong financial performance.	3.67	1.002
Our organization receives funding from various sources, with the portion of funding from donors accounting for less than 40 percent of the total funding.	3.65	0.981
The proportion of fixed costs in our organization is lower than the overall cost.	3.68	0.995
Our organization consistently maintains a strong functional margin ratio.	3.74	0.977
Our firm is well-prepared to handle its ongoing expenses for the foreseeable future.	3.98	1.047
Aggregate Score	3.74	1.000

From the findings, the respondents agreed that their firm consistently generated a surplus in its annual financial statement, indicating a strong financial performance as shown by a mean of 3.67, the organization receives funding from various sources, with the portion of funding from donors accounting for less than 40 percent of the total funding as shown by a mean of 3.65 and the proportion of fixed costs in their organization was lower than the overall cost as shown by a mean of 3.68. Additionally, the respondents agreed that their organization consistently maintained a strong functional margin ratio as shown by a mean of 3.74 and the firms are well-prepared to handle its ongoing expenses for the foreseeable future as shown by a mean of 3.98. The aggregate mean score for financial performance was 3.74 with a standard deviation of 1.000.

4.5 Diagnostics Test

In this study, before calculating the multiple regression analysis,

tested whether the data met the assumptions for regression analysis. The assumption tested was a test of normality.

4.5.1 Normality Test

To determine normality, this study used the Shapiro Wilk test. Table 4.7 shows the results.

Table 4.7 Shapiro - Wilk Test of Normality

	Shapiro - Wilk		
	Statistic	df	Sig.
Stakeholders Engagement	0.835	219	0.056
Strategic Plans	0.876	219	0.061
Staff Involvement	0.883	219	0.071

For this test, the null hypothesis is that the data come from a normal population. Therefore, if the p-value obtained is greater than the selected significance (0.05), we accept the null hypothesis that the data follow a normal distribution. As shown in Table 4.7, all significance values were greater than 0.05. Therefore, I accepted the null hypothesis that the data comes from a normal distribution. Therefore, the normality assumption for regression analysis was met.

4.6 Inferential Statistics

This section covers multiple regression and correlation analysis.

4.6.1 Correlation Analysis

To determine whether a linear relationship exists between the study variables, the study used the Pearson product of moment correlation coefficients shown in Table 4.8 below.

Table 4.8: Correlation Matrix

		Financial Performance	Stakeholders Engagement	Strategic Plans	Staff Involvement
Financial Performance	Pearson Correlation	1			
	Sig. (2-tailed)				
	N	219			
Stakeholders Engagement	Pearson Correlation.	.715**	1		
	Sig. (2-tailed)	0.000			
	N	219	219		
Strategic Plans	Pearson Correlation.	.687**	.803**	1	
	Sig. (2-tailed)	0.000	0.000		
	N	219	219	219	
Staff Involvement	Pearson Correlation.	.718**	.813**	.802**	1
	Sig. (2-tailed)	0.000	0.000	0.000	
	N	219	219	219	219

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

The results in Table 4.8 showed strong positive relationship between external stakeholder engagement and financial performance of local NGOs as shown by $r = 0.715$, statistically significant $p = 0.000 < 0.01$; there was a strong positive correlation between long term, medium and short term strategic plans and financial performance of local NGOs as shown by $r = 0.687$, statistically significant $P = 0.000$; and there was a strong positive correlation between level of staff involvement and financial performance of local NGOs as shown by $r = 0.718$, statistically significant $P = 0.000$. The results show that external stakeholder engagement, long term, medium and short term strategic plans, level of staff involvement and financial performance significantly linked with local NGOs in Nairobi Kenya.

4.6.2 Regression Analysis

This section presents the regression analysis to show the direct effects on the independent variables on the dependent variable independently and combined together. The results are presented in subsequent sections.

4.6.2.1 Inferential Analysis for External Stakeholder Engagement

Univariate regression analysis was conducted to determine the impact of external stakeholder involvement on financial performance. The results are shown in Table 4.9.

Table 4.9: Model Summary for External Stakeholder Engagement

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.715a	0.511	0.509	0.56967

a Predictors: (Constant), Stakeholders Engagement

The results presented in Table 4.9 indicate that the fit between the regression of independent variables and financial performance was satisfactory. An R-square of 0.511 means that 51.1% of the variation in local NGOs' financial performance is due to variation in external stakeholder involvement. The adjusted R² for this model is 0.509, indicating that external stakeholder involvement explains 50.9% of the variation in financial performance. The correlation coefficient of 71.5% indicates that external stakeholder involvement has a strong and positive relationship with financial performance.

Table 4.10: Analysis of Variance for Stakeholder Engagement

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	73.584	1	73.584	226.743	.000b
	Residual	70.422	217	0.325		
	Total	144.007	218			

a Dependent Variable: Financial Performance

b Predictors: (Constant) , Stakeholders Engagement

The analysis of variance (ANOVA) in Table 4.10 shows that external stakeholder involvement is statistically significant in explaining changes in financial performance. This was evidenced by a p-value of 0.000, which was less than the acceptable limit of 0.05.

Table 4.11: Regression Coefficient for Stakeholder Engagement

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std .Error	Beta		
1	(Constant)	0.522	0.286		1.823	0.07
	Stakeholders Engagement	0.964	0.064	0.715	15.058	0.000

a Dependent Variable: Financial Performance

The model output reveals that the association between external stakeholders' engagement and financial performance of local NGOs in Nairobi was positive and significant (beta=0.964, p value, 0.000). The results suggest that a unit change that involves external stakeholders improves the financial performance of NGOs in Nairobi, Kenya by 96.4%.

4.6.2.2 Inferential Analysis for Long-Term, Medium, and Short-Term Strategic Plan

Univariate regression analysis was carried out to determine the influence of long-term, medium, and short-term strategic plan on financial performance. Table 4.12 presents the findings.

Table 4.12: Model Summary for Long-Term, Medium, and Short-Term Strategic Plan

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.687a	0.471	0.469	0.59225

a Predictors: (Constant) , Strategic Plans

The results presented in Table 4.12 indicate that the fit between the regression of independent variables and financial performance is satisfactory. An R-square of 0.471 means that 47.1% of the variation in local NGOs' financial performance can be attributed to variations in their long-term, medium-term, and short-term strategic plans. The adjusted R2 for this model is 0.469, indicating that long-term, medium-term, and short-term strategic planning explain 46.9% of the variation in financial performance. The correlation coefficient of 68.7% indicates that long-term, medium-term, and short-term strategic planning has a strong positive correlation with financial performance.

Table 4.13: Analysis of Variance for Long-Term, Medium, and Short-Term Strategic Plan

Model		Sum of Squares	df	Mean Square	F	Sig.
1	.Regression.	67.892	1	67.892	193.558	.000b
	.Residual.	76.114	217	0.351		
	.Total.	144.007	218			

a Dependent Variable : Financial Performance

b Predictors : (Constant) , Strategic Plans

The analysis of variance (ANOVA) in Table 4.13 shows that long-term, medium-term, and short-term strategic planning are statistically significant in explaining changes in financial performance. This is evidenced by a p-value of 0.000, which is less than the acceptable limit of 0.05.

Table 4.14: Regression Coefficient for Strategic Planning Period (Long-Term, Medium, and Short-Term)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.521	0.309		1.684	0.094
	Strategic Plans	0.985	0.071	0.687	13.913	0.000

a Dependent Variable : Financial Performance

The model output reveals that the relationship between long-term, medium, and short-term strategic plan and financial performance of local NGOs in Nairobi was positive and significant (beta=0.985, p value, 0.000). These results mean that a unit change in long-term, medium, and short-term strategic plan would lead to 98.5% improvement in financial performance of local NGOs in Nairobi.

4.6.2.3 Inferential Analysis for Level of Staff Involvement

Regression analysis was done to examine the influence of level of staff involvement on financial performance. Table 4.15 presents the study findings.

Table 4.15: Model Summary for Level of Staff Involvement

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.718a	0.515	0.513	0.56737

a Predictors: (Constant), Staff Involvement

The results presented in Table 4.15 indicate that the fit between the regression of independent variables and financial performance is satisfactory. An R-square of 0.515 means that 51.5% of the variation in the financial performance of local NGOs can be attributed to variations in the level of employee participation.

The adjusted R² for this model is 0.513, indicating that the level of employee ownership explains 51.3% of the variation in financial performance. The correlation coefficient of 71.8% indicates

that the level of employee engagement has a strong and positive relationship with financial performance.

Table 4.16: Analysis of Variance for Level of Staff Involvement

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	74.152	1	74.152	230.349	.000b
	Residual	69.855	217	0.322		
	Total	144.007	218			

a Dependent Variable: Financial Performance

b Predictors: (Constant) , Staff Involvement

The analysis of variance (ANOVA) in Table 4.16 shows that the level of employee engagement is statistically significant in explaining changes in financial performance. This is evidenced by a p-value of 0.000, which is less than the acceptable limit of 0.05.

Table 4.17: Regression Coefficient for Level of Staff Involvement

Mode		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.42	0.277		1.516	0.131
	Staff Involvement	0.972	0.064	0.718	15.177	0.000

a Dependent Variable: Financial Performance

The model output reveals that the association between staff involvement level and financial performance of local NGOs in Nairobi was positive and significant (beta=0.972, p value, 0.000). The findings imply that a unit change in level of staff involvement would lead to 97.2% improvement in financial performance of local NGOs in Nairobi County, Kenya.

4.6.2.4 Overall Multiple Regression Analysis

Regression model analysis was used to determine the statistical significance of the predictor variables on the dependent variable (financial performance). The results are shown in Table 4.18 below.

Table 4.18: Regression Model Fitness

Model	R	R Square	Adjusted R Square	Std Error of the Estimate
1	.759a	0.576	0.57	0.53322

a Predictors: (Constant), Staff Involvement, Strategic Plans, Stakeholders Engagement

The findings in Table 4.18 indicate that the fit between the regression of independent variables and financial performance is satisfactory. The R² value of 0.576 indicates that 57.6% of the variation in local NGOs' financial performance can be attributed to variation in external stakeholder involvement, long-term, medium-term, and short-term strategic planning, and employee engagement levels. The model has an adjusted R² of 0.57, indicating that external stakeholder involvement, long-term, medium-term, and short-term strategic planning, and levels of employee ownership explain 57% of the variation in financial performance. The correlation coefficient of 75.9% indicates that the total effect of the predictor variables has a strong positive correlation with financial performance. This also means that changing the drivers of financial performance (external stakeholder involvement, long-term, medium-term and short-term strategic planning, employee engagement levels) has a strong and positive impact on financial performance.

Table 4.19: Analysis of Variance

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	82.877	3	27.626	97.164	.000b
	Residual	61.129	215	0.284		
	Total	144.007	218			

a Dependent Variable : Financial Performance

b Predictors: (Constant), Staff Involvement, Strategic Plans, Stakeholders Engagement

Table 4.19 above shows the results of the model and shows that the overall model is significant (d = 91.164, p-value = 0.000). The results showed that all independent variables were statistically significant in explaining changes in financial performance. This is evidenced by a p-value of 0.000, which is less than the acceptable limit of 0.05.

Table 4.20: Regression Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	Constant	1.087	0.29		3.755	0.000
	Stakeholders Engagement	0.414	0.114	0.307	3.626	0.000
	Strategic Plans	0.26	0.118	0.181	2.193	0.029
	Staff Involvement	0.437	0.114	0.323	3.823	0.000

a Dependent Variable : Financial Performance

From the findings in Table 4.20, external stakeholder engagement is statistically significant to financial performance of local NGOs as shown by ($\beta = 0.414$, $P = 0.000$). This implies that a unit increase in external stakeholder's engagement will result to improved financial performance of local NGOs at a rate of 41.4 percent.

The study findings also indicated that long term, medium and short term strategic plans had a positive and significant relationship with financial performance ($\beta = 0.26$, $P = 0.029$). This implies that a unit increase in long term, medium and short term strategic plans will result to improved financial performance of local NGOs at a rate of 26 percent.

Level of staff involvement are statistically significant to financial performance of local NGOs as shown by ($\beta = 0.437$, $P = 0.000$). This implies that a unit increase in level of staff involvement will result to improved financial performance of local NGOs at a rate of 43.7 percent.

The fitted equation is as shown below

$$Y = 1.087 + 0.414 \text{ External Stakeholder Engagement} + 0.26 \text{ Long Term, Medium and Short Term Strategic Plans} + 0.437 \text{ Level of Staff Involvement}$$

CHAPTER FIVE

DISCUSSION, CONCLUSIONS, AND RECOMMENDATIONS

5.1 Introduction

This chapter included an overview of the research findings, inferences drawn from the findings, and recommendations made in response to them.

5.2 Discussion

The general objective of this study was to assess the relationship between strategic planning and financial performance of local NGOs in Nairobi County. The study aimed to assess the impact of external stakeholder involvement, long-term, medium-term and short-term strategic planning, and the level of staff involvement on the financial performance of local NGOs in Nairobi with three specific objectives. The research findings were developed using primary data analysis including descriptive and inferential analysis (correlation and regression analysis). The next section discuss the research findings based on the specific study objectives.

5.2.1 External Stakeholder Engagement and Financial Performance

The study findings established that external stakeholder engagement had a strong and statistically significant relationship with financial performance of local NGOs in Nairobi. The study findings are in support of Micheni, Were, and Namusonge (2023), who uncovered a connection between stakeholder involvement and the long-term viability of donor-funded projects in Kenya's healthcare sector. The research found that increasing stakeholder engagement can improve the sustainability of donor-funded programs in Kenya's health sector. The findings imply that stakeholder participation and involvement in strategic planning is vital in that they can decide whether the strategic plan succeeds or fails. It is therefore important to involve the stakeholders from the planning stages to the implementation as failure to involve the stakeholders from the onset of the strategy formulation would lead to strategy implementation failure while the opposite is true.

Results further revealed that the organizations actively promoted the involvement of all parties in the process of developing plans and were dedicated to effectively implementing organizational strategies by recognizing and resolving the unique needs and challenges of various groups. The

findings concur with George et al (2019) who asserted that the participation of stakeholders plays a crucial role in enhancing outcomes and fostering a sense of ownership in businesses. Similarly, the findings concur with those of Afandi et al. (2018) who emphasized the importance of strategic planning as a critical element in project management, highlighting its significance as the initial phase. The findings are consistent with those of Bhattiprolu et al (2016) who opined that managers and stakeholders play crucial role in strategic planning and thus improving the organizational/financial performance. The study findings from different authors showed that in order to achieve success, a corporation must effectively implement its strategic plan.

In addition, results showed that engaging stakeholders in strategy planning was essential for achieving organizational goals in their business, and effective communication within the organizations was crucial for connecting all members and stakeholders, allowing them to implement a unified set of initiatives that ultimately lead to exceptional financial performance. In furtherance, results revealed that encouraging stakeholder involvement within the organizations fosters a sense of support and accountability for their projects. The findings are in tandem with Cappanera et al (2019) who highlighted the significance of stakeholder engagement in effectively guiding the strategic plan towards achieving success in the implementation planning process. Similarly, the findings agree with those of Afandi et al. (2018) who asserted that stakeholders engaged in formulation of strategy are satisfied with their participation and are more motivated to contribute towards achieving the objectives of the plan. The findings concur with those of Munene (2019) who found that stakeholder engagement played a vital role in influencing performance outcomes. Stakeholder theory emphasized the need for companies to create value for all stakeholders, not just shareholders (Awan, 2015). Since an organization is built on the joint efforts or contributions of all business stakeholders, all contributions and participation must be considered. Therefore, stakeholder theory identifies the groups or models that are the stakeholders of a company and includes them in the most important decision-making processes.

5.2.2 Strategic Planning Period (Long-Term, Medium, and Short-Term) and Financial Performance

Results indicated that strategic planning period (long-term, medium, and short-term) had a strong and positive correlation with financial performance. Results are consistent with those of Singh (2017), who discovered that having well-defined strategic objectives and goals greatly improved

the ability to accomplish the desired purpose and vision. Similarly, the results concur with those of Innocent and Levi (2017) who found out that clearly defined and effective strategic objectives had a positive impact on the overall performance of the organization. Additionally, the organizations had set short-term goals that can be achieved within a year or less. Results are in line with Peggy (2017) who opined that Non-governmental groups have utilized strategic planning to set medium and long-term goals. Some experts in strategic planning suggest that strategic plans in non-governmental organizations (NGOs) are often created based on tradition rather than a deliberate strategic objective.

The study findings also revealed that the organizations focused on promoting the improvement of strategic plans and the vision statement of the organizations were both appealing and achievable. In furtherance, the study findings showed that the execution of the organization's action aligned with the established vision, mission, and strategies, as well as the organization's action plan for the strategic planning process was both achievable and highly desirable. The study findings are in support of Tarifa (2021) who found out that having a clear sense of purpose and direction, strong guiding principles, a thorough analysis of strengths, weaknesses, opportunities, and threats, and well-defined objectives are all essential elements in attaining optimal organizational performance. The findings also suggest that these elements of strategic planning play a vital role in aligning the company with strategic activities that have a direct effect on firm financial performance.

The study findings showed that the organizations had set short-term goals that could be achieved within a year or less. The findings concur with those of Biondi and Russo (2022) Biondi and Russo (2022) carried out a qualitative study using a "multiple case study" approach to investigate the relationship between strategic planning systems and performance management systems in Italian institutions. Research indicates that incorporating strategic planning tools enhances the efficiency of performance management systems. The Resource-Based View (RBV) is crucial for understanding the importance of techniques for strategic planning techniques in achieving significant business performance. The importance of strategically allocating resources to achieve a "sustainable competitive advantage," which can significantly improve performance in management has been highlighted by Think Insights (2022). Internal resources play a vital role in shaping a company's strategy to maintain a competitive advantage, thereby enabling organizational growth. The company needs to adapt its existing strategies in order to improve its overall

performance. According to Barney (2001), the success of a company hinges on its ability to strategically plan and effectively utilize its internal and external resources.

5.2.3 Level of Staff Involvement and Financial Performance

The study findings revealed that level of staff involvement had a strong and significant association with financial performance of local NGOs in Nairobi Kenya. The study findings agree with those of Hussein (2019) who revealed a notable and statistically significant correlation between involvement in decision making and the success of the organization. Further, Hussein argued that involving employees in decision-making processes can enhance their sense of importance, resulting in higher levels of productivity. Ultimately, active participation in the decision-making process significantly impacts the overall performance of an organization

Results also illustrated that everyone was encouraged to actively contribute to the decision-making process and the company's personnel demonstrated a strong sense of dedication and passion for their organization. Further, results show that leadership team focused on identifying and pursuing a mission that aligns with their business goals. This is in line with Khazanchi and Owens (2018), who posits that a shared vision can emerge when leaders effectively communicate their aspirations and future goals, potentially resulting in significant restructuring or revitalization. In this study, the focus is on creating a self-sustaining organization through the visioning process. Therefore, it is crucial for the senior leadership team to actively pursue financial success and sustainability. In addition, the executives of the organizations skillfully conveyed the company's mission while strong communication skills were crucial for fostering team member satisfaction and driving team success. Staff involvement plays a crucial role in strengthening the bond between management and staff in the Ugandan public sector. This, in turn, creates a positive work environment that is vital for enhancing the organization's financial success.

The study showed that the leadership team focused on identifying and pursuing a mission that aligned with their business goals. The study findings are consistent with those of Odongo et al. (2019) who found that effectiveness of management teams and leadership skills have a significant impact on performance, both at the individual staff level, as well as within teams and organizations. This study highlighted the effectiveness of a leadership strategy that encouraged employee participation and representation in improving organizational performance. It emphasized the

importance of fostering employee passion and engagement. Effective leadership is crucial for guiding staff operations within an organization, ensuring that goals are achieved and limited resources are utilized efficiently. Similarly, Sendawula and Kimuli (2019) found that employee engagement plays a vital role in boosting employee performance, resulting in enhanced overall organizational performance. From the stakeholder theory, the theory emphasizes that an organization can ensure effective strategy implementation by satisfying all of the elements affecting the organization's stakeholders, this includes both internal and external stakeholders.

5.3 Conclusion

The study concluded that there is a positive relationship between the financial performance of local NGOs and strategic planning. A strategic plan helps determine the direction an NGO should take and helps establish realistic goals and objectives that are consistent with the organization's vision and mission. Strategic planning provides the much-needed foundation from which an NGO can grow, measure its success, pay its staff, and establish boundaries to deliver effective decisions.

The study found that external stakeholder engagement was statistically significant to financial performance of local NGOs in Nairobi, Kenya. The study concludes that external stakeholder engagement had a positive and significant effect on financial performance of local NGOs in Kenya. The study further concludes that the organizations actively promoted the involvement of all parties in the process of developing plans and they were dedicated to effectively implementing organizational strategies by recognizing and resolving the unique needs and challenges of various groups. This thus implies that engaging stakeholders in strategy planning was essential for achieving organizational goals in their businesses.

Strategic planning period (long term planning, medium term planning and short term) was found to have a statistically significant relationship with financial performance of local NGOs in Nairobi, Kenya. The study concluded that the mission statement of their organization was brief and clear, the organizations focused on promoting the improvement of strategic plans and the vision statement of the organizations was both appealing and achievable. This thus means that strategic planning is the key in determination of long-term goals, objectives, purpose and activities of the organization.

Finally, level of staff involvement was found to have a statistically significant association with financial performance of local NGOs in Nairobi, Kenya. The study concluded that level of staff involvement had a positive and statistically significant effect on financial performance of local NGOs in Nairobi, Kenya. The study concluded that strong communication skills are crucial for fostering team member satisfaction and driving team success and involvement of all employees both in management and other levels in strategic planning decision making is key in determining financial performance of NGOs.

5.4 Recommendations

This study recommends that NGOs adopt strategic planning. NGOs should use strategic planning as a cornerstone of organizational success. Strategic planning ensures performance goals are met and the NGO continues to grow. Strategic planning provides general direction in the implementation of plans and policies aimed at achieving goals and also ensures fair distribution of resources to implement the plans. With a strong strategic plan, NGOs can not only react to situations as they arise, but also be proactive. By being proactive, companies can keep up with ever-changing market trends and stay ahead of their competitors.

This research recommends that organizational policy makers need to ensure that stakeholders have a voice, ensure that executives and leaders consult with stakeholders, and have the opportunity to not only question outcomes but also discuss future strategy and strategy. It recommends that accountability mechanisms need to be developed to ensure that Nonprofit direction.

This study recommends that managers develop strategic plans that target the long-term, medium-term, and short-term goals of the organization. NGOs not only need to create a strategic plan, they also need to review the plan regularly. Employee involvement and proper communication of strategic plans should be strongly encouraged.

Staff involvement in strategic planning should be kept to a bare minimum. Portfolio revenue growth was highest when at least employees were included in the plan. Because employees believe that involvement in strategic planning leads to better performance, NGOs need to develop communication strategies that let employees know that involvement in strategic planning actually leads to better results.

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APPENDICES

Appendix 1: Research Permit



REPUBLIC OF KENYA

Ref No: 312477

Date of Issue: 14/February/2024

NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION

RESEARCH LICENSE




This is to Certify that Mr.. Simon Kaburi Wanjogu of Strathmore University, has been licensed to conduct research as per the provision of the Science, Technology and Innovation Act, 2013 (Rev.2014) in Nairobi on the topic: ASSESSING THE EFFECT OF STRATEGIC PLANNING ON FINANCIAL PERFORMANCE OF LOCAL NON-GOVERNMENTAL ORGANIZATIONS IN NAIROBI COUNTY, KENYA for the period ending : 14/February/2025.

License No: NACOSTI/P/24/33149

312477
Applicant Identification Number

Wanjogu
Director General
NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION

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See overleaf for conditions

Appendix II: Authorization Letter

Ole Sangale Rd, Madaraka Estate,
P.O. Box 59857 00200, Nairobi, Kenya.
Cell: +254 703 414/6/7, Twitter: @SRSKenya
Email: info@sbs.ac.ke or visit www.sbs.strathmore.edu



12th February 2024

To Whom It May Concern,

RE: FACILITATION OF RESEARCH – SIMON NJOGU

This is to introduce Wanjogu, Simon Kaburi who is a Master of Commerce (MCOM) Student at Strathmore University Business School, admission number MCOM/31366. As part of our MCOM Programme, Simon is expected to do applied research and undertake a project. This is in partial fulfilment of the requirements of the MCOM course. To this effect, Simon would like to request appropriate data from your organization.

Simon is undertaking a research paper on “**Assessing the Effect of Strategic Planning on Financial Performance of Local Non-Governmental Organizations in Nairobi County, Kenya.**” The information obtained shall be treated confidentially and shall be used for academic purposes only.

Our MCOM Programme seeks to establish links with industry, and one of these ways is by directing our research to areas that would be of direct use to industry. We would be glad to share our findings with you after the research, and we trust that you will find them of great interest and of practical value to your organization.

We appreciate your support and shall be willing to provide any further information if required.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Njoki Kiagiri".

Njoki Kiagiri
Manager – Graduate Programmes
Strathmore University Business School.

Association of African
Business Schools



Strathmore Business School is a Proud member of



EFMD

AACSB

Appendix III: Ethical Approval Letter



8th February 2024

Mr Wanjogu Simon,
Simon.Kaburi@strathmore.edu

Dear Mr Wanjogu,

RE: Assessing the Effect of Strategic Planning on Financial Performance of Local Non-Governmental Organizations in Nairobi County, Kenya

This is to inform you that SU-ISERC has reviewed and **approved** your above **SU-masters** research proposal. Your application reference number is **SU-ISERC1961/24**. The approval period is from **8th February 2024 to 7th February 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 SU-ISERC.
- 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 SU-ISERC within 72 hours of notification.
- iv. Any changes anticipated or otherwise that may increase the risks or affected safety or welfare of study participants and others or affect the integrity of the research must be reported to SU-ISERC within 72 hours.
- v. Clearance for the 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 the expiry of the approval period. Attach a comprehensive progress report to support the renewal.
- vii. Submission of an executive summary report within 90 days of completion of the study to SU-ISERC.

Before 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 obtain other clearances needed.

Yours sincerely,

**Mr Ambrose Rachier,
Chairperson; SU-ISERC**



Appendix IV: Research Questionnaire

Dear Respondents

The aim of this research is to give valuable insights on the effectiveness of strategic planning on the financial performance of local non-governmental organizations (NGOs) in Nairobi County, Kenya. This questionnaire is intended for academic purposes only and all information provided will be remain confidential.

SECTION ONE: GENERAL INFORMATION

1. Gender

a) Male

b) Female

2. Age

Below 25 years

26 to 35 years

36 to 45 years

Beyond 45 years

3. Duration of employment in the organization

Less than one year

Within a span of 1 to 5 years

Within a span of 6 to 10 years

11 years or older

4. Educational achievements

Secondary

Diploma

Undergraduate Degree

Postgraduate Degree []

SECTION TWO: STRATEGIC PLANNING PRACTICES

To what extent do you agree with the following statements? Please indicate the degree of your agreement or disagreement on a scale of 1 to 5. Where, 1 represents strongly disagree, 2 represents disagree, 3 represents neutral, 4 represents agree, and 5 represents strongly agree.

Stakeholder Engagement

	Statement	1	2	3	4	5
1	Our organization actively promotes the involvement of all parties in the process of developing plans.					
2	Our organization is dedicated to effectively implementing organizational strategies by recognizing and resolving the unique needs and challenges of various groups.					
3	Engaging stakeholders in strategy planning is essential for achieving organizational goals in our business.					
4	Effective communication within our organization is crucial for connecting all members and stakeholders, allowing us to implement a unified set of initiatives that ultimately lead to exceptional financial performance.					
5	Encouraging stakeholder involvement within our organization fosters a sense of					

	support and accountability for our projects.					
6	We prioritize maintaining open communication channels with stakeholders.					

i) Long term, Medium- and Short-Term Strategic Plan

	Statement	1	2	3	4	5
1	The mission statement of our organization is brief and clear.					
2	Our organization focuses on promoting the improvement of strategic plans.					
3	The vision statement of our organization is both appealing and achievable.					
4	Our organization's staff fully comprehend and wholeheartedly follow the purpose of our vision statement.					
5	The execution of our organization's action plan aligns with the established vision, mission, and strategies.					
6	Our organization's action plan for the strategic planning process is both achievable and highly desirable.					
7	Our organization has set short-term goals, that can be achieved within a year or less.					

ii) Level of Staff Involvement (Leadership and Employees)

	Statement	1	2	3	4	5
1	Our leadership team is focused on identifying and pursuing a mission that aligns with our business goals.					
2	The executives of our organization skilfully convey the company's mission.					
3	Our leadership group prioritizes our fundamental ideals in the strategic planning process.					
4	Strong communication skills are crucial for fostering team member satisfaction and driving team success.					
5	Our firm makes sure that employees are knowledgeable and have a thorough understanding of our policy.					
6	At our organization, everyone is encouraged to actively contribute to the decision-making process.					
7	Our company's personnel demonstrate a strong sense of dedication and passion for the organization.					

SECTION THREE: FINANCIAL PERFORMANCE OF NGOS

This section provides details about the financial performance of NGOs Nairobi County. Kindly give your viewpoint on the issue by selecting the suitable option with a checkbox (✓), making sure to choose only one answer for each statement.

Evaluate your response using the following numerical scale. 1 representing a strong disagreement, 2 representing a disagreement, 3 representing a neutral stance, 4 representing agreement, and 5 representing a strong agreement.

	Statement	1	2	3	4	5
1	Our firm consistently generates a surplus in its annual financial statement, indicating a strong financial performance.					
2	Our organization receives funding from various sources, with the portion of funding from donors accounting for less than 40 percent of the total funding.					
3	The proportion of fixed costs in our organization is lower than the overall cost.					
4	Our organization consistently maintains a strong functional margin ratio.					
5	Our firm is well-prepared to handle its ongoing expenses for the foreseeable future.					

Appendix V: List of NGOs in Nairobi

1	Uppernile Kalaazar Education Association
2	A Better World (Kenya)
3	Abantu for Development
4	Abc Children's Aid - Kenya
5	ABIZERAMARIYA Kenya
6	Academy For Educational Development - Kenya
7	Action In Focus
8	Adra South Sudan
9	Adventist Centre For Care and Support
10	Adventist Health System East - Central Africa
11	Africa 21st Century Organisation
12	Africa Disaster Risk Reduction Organization
13	Africa Leadership & Reconciliation Ministries, Inc
14	Africa Network for Animal Welfare
15	Africa Peace Point
16	Africa World Foundation
17	African Agenda
18	African Beekeeping Resource Centre
19	African Biomedical Centre

20	African Broadcasting Network
21	African Centre for Economic Growth (ACEG)
22	African Centre for Rights and Governance
23	African Centre for Women and Environmental
24	African Community Advancement International
25	African Council for Communication Education
26	African Crop Science - Kenya Chapter
27	African Film and Arts Network
28	African Medical and Research Foundation
29	African Mental Health Foundation
30	African Music Research Centre
31	African Parliamentarians Network Against Corruption
32	African Rescue Organisation
33	African Water Network
34	African Women's Development and Communication Network
35	Afrika 21st Century Organization
36	Aged Children and Women Organization
37	Aged. Children And Women Organization
38	Aerosphere

39	Aids Healthcare Foundation, Kenya
40	Ayse Ka.
41	Aiesec Strathore
42	Alpha Youth Empowerment and Community Centre
43	Amda International-Kenya
44	Amici Del Mondo World Friends - Onlus
45	Amaka-Space for Women's Creativity
46	Amurt (International)
47	Amurt- Switzerland
48	Angaza Maisha Kenya
49	Angaza Youth Works
50	Anti - Drug International Organization
51	Appropriate Technologies for Enterprise Creation
52	Arcti
53	Arid Lands Integrated Programs Organization
54	Arid Lands Integrated Programs
55	Ashwin Brothers Foundation
56	Association For Education and Development
57	Association Of Christian Resource Organisations Serving Sudan

58	Association Of Former Kenya Ambassadors and Senior Diplomats
59	Aviation Sans Frontieres - Belgium
60	Avsi Foundation
61	Aweil Agency For Rehabilitation and Development Award
62	Baobab International Africa
63	Baylor College Of Medicine Children's Foundation - Kenya
64	Better Hope Institute
65	Better Network for People with Aids
66	Bildad M. Kaggia Foundation
67	Bishop Silvanus Owindu Foundation
68	Bloodlife Initiative- Kenya
69	Boa Wild - Life Care Kenya
70	Born To Aid
71	Bread For Children-Kenya
72	Breath Of Life Africa (Bola) Inc
73	Bridge Africa-Agency for Development Concerns
74	Bridges Development Agency
75	Brothers Of Charity, Kenya
76	Buckner Ophan Care International
77	Building Africa

78	Business Initiatives and Management Assistance Services
79	Buttercup Farms Kenya
80	Cana Family Life Education Hiv/Aids Programme
81	Capacity Kenya
82	Caritas Italiana
83	Casam (Kenya)
84	Center for Indigenous and Appropriate Technology
85	Center for Tropical Cultural Conservation and Research
86	Centre For Artists for Development
87	Centre For Development and Population Activities.
88	Centre For Development Communications and Media
89	Centre For Domestic Training and Development
90	Centre For Empowerment in Information Technology
91	Centre For Entrepreneurial Skills and Training
92	Centre For Health Education, Training and Information
93	Centre For Human Development
94	Centre For Life Perpetuation
95	Centre For Research and Development
96	Centre For Sustainable Regional Development - E.A.

97	Centro Internazionale Cooperazion Allo Sviluppo
98	Change Mtaani C.b.o Youth Organization
99	Changing Fortunes Organization
100	Charity Development for the Family
101	Chebosot Welfare, Health and Education Organisation
102	Child Rescue Link-Kenya
103	Childline, Kenya
104	Children Welfare Association Fund (Cwaf)
105	Children's International Summer Villages, Kenya
106	Christ Mission Continuous Ministries
107	Christian Aid (Uk/1)
108	Christian Concern Ministries
109	Christian Development Services
110	Christian Hostels Fellowship
111	Chyullu Initiative for Development Organization
112	Citizen Against Drug Addiction
113	Citizens Against Violence Organization
114	Communication Aid
115	Community Action Development Organization

116	Community Empowerment in Gender, Health and Environment Programme
117	Community Health Services International
118	Community Information Network
119	Community Outreach International
120	Community Productions and Development Centre
121	Community Rehabilitation and Environmental Protection Programme
122	Community Relief for Hope and Development
123	Community Resource Initiative
124	Community Training for Development and Environment
125	Community Vision (Community Liaison, Education and Actions for Development)
126	Concern Kenya Organization
127	Co-Operative Housing Foundation (Chf) International
128	Co-Operative Housing Foundation (Chf) International
129	Cornerstone Intercommunity Church
130	Corruption Watch International
131	Cottage Industries Development Organization (Cido)
132	Council For Human Ecology
133	Counselling And Health Information Centre
134	Cross Currents Indigenous Network

135	Cultural Video Foundation
136	David Sheldrick Wildlife Trust
137	Deaf Aid Kenya
138	Destitute International
139	Development Of Deaf Opportunity International
140	Development Support Programme Organization
141	Development Work in Education Livelihoods and Environment
142	Diase - K Organisation
143	Direct Aid International
144	Disabled For Education and Economic Development Support, Kenya
145	Disaster Support Agency
146	Dolphin Anti Rape and Aids Control Outreach.
147	Dolphins Group
148	Dorcas Aid International - Kenya
149	Dry Lands Community Services
150	Dutch International
151	Earthcare Africa Policy Monitoring Institute
152	Eastern Africa Environmental Network
153	Eastern Africa Federation of The Disabled
154	Eastern African Educational Network

155	Ecumenical Disability Advocates Network
156	Egalitarian Organization for Poverty Alleviation Kenya
157	Emerging Initiatives on Development
158	Empowerment For Sustainable Development
159	Enablis Kenya
160	Engender Health
161	Epicare International
162	Eve Foundation Africa
163	Fair Orphan Kenya (Foke)
164	Fairmile Organization
165	Faith In Action
166	Family Access Community Centre
167	Family Advancement in Development Affairs
168	Family Health International
169	Family Health Options Kenya
170	Family In Need Organization
171	Family Life Promotion and Services
172	Family Redemption Centre
173	Family Restoration International
174	Father's Way International

175	Federation Of Women Groups
176	Federation Of Women Groups in Nyamira District
177	Female Solution
178	Field Operation
179	First Avenue for Youth Development
180	Foster National Cohesion
181	Foundation For Biodiversity Conservation
182	Foundation For Sustainable Development in Africa
183	Foundation For Woodstove Dissemination
184	Free The Children
185	Functional Illiteracy Research and Education, Kenya (Fire, Kenya)
186	Furaha Organization for Care Upkeep, Shelter for Children
187	G.E.F Trust Fund Kenya
188	Gargaar Kenya
189	Gender, Environmental and Sustainable Development
190	German Foundation for World Population
191	Gibbun - Woori World
192	Global Children International
193	Global Concern, Inc.
194	Global Development Initiative

195	Global Development of Peaceful Environments
196	Global E - Schools and Communities Initiatives (Gesci) Kenya
197	Global Organization for Health and Development
198	Global Renewable Energy and Environmental Conservation
199	Global Vision International
200	Go Extra Mile International
201	Goal Ireland
202	Goal Kenya
203	Goezraal Springs Empowerment Foundation
204	Golden Hearth for The Needy Kenya
205	Good Samaritan with Vision
206	Grace And Mercy Sisters International Development Relief Agency
207	Grace Centre International (Gci)
208	Grace Foundation International
209	Grassroot Health & Self-Help Network
210	Grassroots Alliance for Community Education
211	Great Lakes Micro-Finance Programme
212	Green Belt Movement Kenya
213	Green Belt Movement
214	Green Care Habitat - Grecah

215	Green Neighbourhood Initiative Organization
216	Hand In Hand Kenya
217	Health Agriculture and Develop
218	Health Agriculture and Development Organization
219	Health Education Livelihood Project International Inc
220	Healthnet International
221	Helping Hand Foundation
222	Helping Orphans by Poverty Eradication
223	Highlands Community Development Organization
224	High vision Education Programme
225	Holistic Transformation Programme
226	Home Care Foundation-Kenya
227	Home Medicare Services
228	Hope Agency for Relief and Development
229	Housing Support Kenya
230	Humble Heart Development Programme
231	Imani Rehabilitation Centre
232	Impact In Health
233	Inada Lange Foundation for Aids Research - Kenya
234	Indigenous Development Partners

235	Innovative Communications Systems
236	Institute Of African Development and Cultural Perspectives
237	Integrated Co-Operative Services Network
238	Integrated Fisheries Research Organisation
239	Integrated Women Empowerment Programme
240	Interlink Care
241	International Bible Society East Africa
242	International Biomedical Research in Africa
243	International Community Assistance Organization
244	International De Mining Programme
245	International Drug Abuse Awareness Organization
246	International Islamic Relief Organisation
247	International Leadership Institute
248	International Nomadic Integrated Development and Research Organization
249	International Partners in Mission
250	International Somalia Rehabilitation Association
251	International Water Project
252	International Youth Empowerment Centre
253	Into Abbas Arms
254	Into Abba's Arms

255	Jikingo Organization
256	Jitegemee Kenya
257	Kenya Aids Education and Training
258	Kenya Alliance For Advancement of Children
259	Kenya Centre For Informal Sector Promotion
260	Kenya Christian Industrial Training Institute (Kciti)
261	Kenya Community Health Network
262	Kenya Ear Foundation
263	Kenya Education Communication and Economic Empowerment
264	Kenya Education Partnerships
265	Kenya Entrepreneurial Development Organization
266	Kenya Grand Lodge of International Organisation of Good Templars
267	Kenya Heart And Lung Research Centre
268	Kenya Institute of Urban Solid Waste Management
269	Kenya Inter Religious Aids Consortium (Kirac)
270	Kenya Literacy Decade Network
271	Kenya Medical Women's Association
272	Kenya Mission Of World Presbyterian
273	Kenya Paraplegic Organization
274	Kenya Restoration International

275	KENYA Retrenchees AND GENDER NETWORK ORGANIZATION
276	Kenya Road Accident Prevention Programme
277	Kenya Slum Youths Development Organization
278	Kenya Tourism Concern
279	Kenya Tourism Foundation
280	Kenya Trenchless Future Organisation
281	Kenya Vincentian Volunteers
282	Kenya Visionaries Organization
283	Kenya Water Energy Cleanliness and Health Project
284	Kenya Workers Rights and Harmonisation Program
285	Kenya Youth Motivators
286	Kibera Slums Youth Development Programme
287	Kiharu Constituency Development Organisation
288	Kivuli Community Youth Organization
289	Kochola Development Group
290	Kogweno Development Organization
291	Konrad Adenauer Foundation
292	Kuria Development Forum
293	L'ancre International
294	Lapfund, Trust

295	Life - Link Organization
296	Life Link Organisation
297	Lifelong Educational Opportunities
298	Linkages For Integrated Community Services Organisation
299	Linkages For Intergrated Community Service Organization
300	Liverpool Vct, Care and Treatment
301	Londiani Family Life Empowerment Programmes (Lofep)
302	Lurambi Development Initiative (Ldi)
303	Maahad Daawah Organisation
304	Maharaja Education and Health Resource Foundation
305	Maji International Kenya Project
306	Maji Mazuri Centre International
307	Make A Difference Africa
308	Manna Sudan
309	Margaret Wanzuu Foundation
310	Market Tug Project
311	Martyr self-help group
312	Mathare Youth Sports Association
313	Mccormack PARTNERSHIP AFRICA
314	Medical And Sports Evangelism Ministries

315	Medicos Del Mundo-Spain
316	Men Of Africa Network
317	Meno Outreach Programmes
318	Merciful Children Care and Education Centre
319	Midar Centre For Rural Development and Education
320	Millenium Education Charitable Organization
321	Mission For Youth Development
322	Mission Outreach Development Centre
323	Mission Scene For Justice Development
324	Missionary Board of The Church of God
325	Mitigation Against Illiteracy Due to Aids
326	Modu Health Management Centre
327	Moraa New Hope Foundation
328	Mothers Delight Moments
329	Mount Olives Learning Centres
330	Movimento Africa 70
331	Mukuru Community Centre Kwa Njenga
332	Muslim Aid
333	Mwangaza Social Reconstruction and Development Programme
334	Nairobi Peace Initiative - Africa

335	Nation Pillars Centre
336	National Aid for Pastoral Change
337	National Association for The Prevention of Starvation - Kenya
338	National Awareness and Focus Organisations
339	National Children in Need Network
340	Needy Communities Development Organization
341	Ngara Jared Community Development Foundation
342	NGO Ngong Road Children Association
343	Nile Agency For Relief and Development (Nard)
344	No Peace Without Justice
345	Nolow Community Development Organization
346	Nomadic Community Health Programme
347	North Imenti Development Network
348	Northern Kenya Development Foundation – (NKDF)
349	Novib Oxfam Netherlands
350	Nutriboost- Kenya
351	Nyamgondho Men and Women Support Organization
352	Nyota Development Organisation
353	Oasis Counselling and Training Institute
354	Oldoinyo Olmaa Organization

355	Ondiri Swamp Conservancy Trust
356	Ongata Rongai Allied Community Life Empowerment (Oracle)
357	Operation Save Innocent Liver
358	Operation Smile Mission in Kenya
359	Organization For Advancement of Social Welfare Projects
360	Organization For Better Environment and Child Care
361	Organization For the Conservation of Natural Resources & The Combat of Hiv/Aids
362	Orphanage Charitable Organization
363	Orphan care Centre
364	Palscom Ltd.
365	Panda Agency For Community Empowerment
366	Paramount Integrated Relief Initiative
367	Parasite Control Centre
368	Partners In Development
369	Pat And Jude (Exchange)
370	Pathways
371	Peace & Development Network Trust (Peace Net Kenya)
372	Peace And Development partners
373	Peace Tree Network

374	Pendekezo Letu
375	Pharmaccess Foundation
376	Physicians For Human Rights Inc
377	Plan International
378	Polythene Waste Recycling and Children's Rehabilitation
379	Postal Pensioners Association
380	Poverty Eradication Consortium of Africa
381	Premiere Urgence (First Emergency) Kenya Program
382	Program For Indigenous Community Initiatives
383	Programme For Positive Living with Hiv/Aids
384	Progressive Interventions Kenya
385	Project South (Progetto Sud)
386	Providence Whole Care International
387	Public And Land Affairs Advisory Initiative
388	Rafiki Caring Home
389	Rafiki Rehabilitation Programme
390	Regional Advisory Centre for Environmental Disasters and Crisis Management
391	Regional Development Centre for Gender Empowerment
392	Regional Disaster Information Centre
393	Regional Disaster Management

394	Relief And Development Initiative Support Programme
395	Relief Development and Initiative Support Programme
396	Relief International - Kenya
397	Relief, Reconstruction and Development Organization
398	Remy Youth Development and Relief Organization
399	Reproductive Health Services
400	Research web Center
401	Resource Centre for Slums
402	Resource Development Foundation for Africa
403	Resource Exchange in The Advancement of Community Health
404	Resource Network International
405	Restoration And Rehabilitation Centre
406	Retrak International
407	Revival Line International
408	Rhein Valley Hospital Association Switzerland/ Kenya
409	Rhino Ark Kenya Charitable Trust
410	Roots Africa Development Organization
411	Ruiru Rehabilitation Centre
412	Ruth Dawa Development Organisation
413	Safe Health Care Africa

414	Salama Childrens Education Trust Fund
415	Salama Community Association
416	Samaki Child Care and Rescue Project
417	Samaritan People's Vision
418	Samaritan's Ark Initiative
419	Samaritan's Heart Relief and Development Centres
420	Save The Children Federation Inc.
421	Save The Children Finland
422	Save life Operation International
423	Semi-Rural Aids Control Organization
424	Shade For Education and Development
425	Sight Savers International (Royal Commonwealth Society for The Blind)
426	Sightsavers International, Kenya
427	Simbula Centre For Development
428	Social Dimensions Against Poverty Kenya
429	Social Economic Mobilization Agency
430	Solidarity And Development Organization
431	Spears Of Hope
432	Spigo Institute
433	Sports World Africa

434	St. Joseph Shelter of Hope
435	Stara Peace Women Organisation
436	Stop Suffering Help Centre
437	Strategic Community Development Network
438	Strategic Intervention for Poverty Alleviation in Kenya (Sipak)
439	Strategy For Poverty Eradication and Advancement
440	Street Children International
441	Sudan Council of Churches - USA
442	Sudanese Women's Voice for Peace
443	Sunton Estate Residents Organisation
444	Sunton Estate Residents Organization
445	Support Initiative for Health Education and Development
446	Supporters For the Needy - Kenya
447	Sustainable Programme for Socio - Economic Empowerment and Development
448	Take Heart Association Project
449	Talent Empire
450	Technologies And Action for Integrated Development
451	Terre Des Homes Netherlands
452	Terre Des Hommes Netherlands
453	The 2nd Chance Foundation

454	The 410 Bridge International
455	The Affected United Against Spread of Hiv/Aids in Kenya
456	The African Forest Forum
457	The Association of People with Aids in Kenya
458	The Bible Society
459	The Centre for Intellectual Property Law Advocacy and Research International
460	The Christian Concern Ministries
461	The Cross-Disiplinary Network for Urban Research
462	The Federation of Women Groups
463	The Great Eastern Development Organization
464	The Institute of Cultural Affairs in Kenya
465	The Institute of Cultural Affairs Kenya
466	The Institute of Multilateral Trading System, Analysis and Research
467	The Inter - Sudanese Consultation on Peace and Justice
468	The Junior Shelters
469	The Kenya National Committee for The Prevention of Alcoholism and Drug Dependency
470	The National Centre for Learning Difficulties and Disabilities in Kenya
471	The Poorest of The Poor Poverty Eradication Programme
472	The Regional Aids Training Network (Ratn)

473	The Safe Centre
474	The Sempele Foundation
475	The Source Solution Integration Programme Kenya
476	The Usenge Community Health and Education Organization - Kenya
477	The Wildlife Foundation
478	The William Cheptumo Foundation
479	The World life Foundation
480	Torch For Foundation and Sustainable Programmes - Kenya
481	Traditional Food Promotion Association of Kenya
482	Traditional Healthcare Integration Network
483	Transformation Pastoral Missions
484	Tribune Insurance Agency
485	Trinity Centre For Excellence
486	Trocaire
487	Tumaini La Watoto Outreach Foundation
488	Turasha Water Network
489	Twaweza Afrika
490	U and I For Our Community Youth Groups
491	Upendo Children's Rehabilitation Centre
492	Urban Centre International

493	Vanilla - Jatropha Development Foundation
494	Venus Educational Centre and Charitable
495	Vetaid
496	Victory Charitable Centre
497	Victory Life Ministries
498	Vision Africa Give a Child A Future
499	Voices Of Africa for Sustainable Development
500	Volunteer For Africa Organization
501	Volunteer International Community Development Africa (Vicda)
502	Volunteers For Africa Organization
503	Wake-Up International
504	War Child Kenya Programme
505	Waste Management Centre (WMC)
506	Water Medicare and Environment Services
507	Wau Organization for Rehabilitation and Development (Ward)
508	Waudo Memorial Fund
509	Wellspring Kenya
510	WesoKenya, Nairobi
511	West Rural Development Programme
512	West Side Organization

513	Western Conservation Programme 2000
514	Winda Kenya
515	Wish Kenyan Children Well
516	Women Capacity Development International Organization
517	Women Enterprises Development
518	Women Fighting Aids in Kenya (Wofak)
519	Women Rural Development Programme
520	World Dominion Ministry International
521	World Service of Mercy
522	World Vision Kenya
523	Young Generation Self Help Techniques
524	Young Generation Self Help Techniques
525	Your Voices Centre (YVC)
526	Youth Aid Kenya
527	Youth Aids - Kenya
528	Youth Consciousness Development Programme
529	Youth Crime and Substance Abuse Control Initiative
530	Youth Development Centre
531	Youth Development Centre
532	Youth Educ. Network

533	Youth Enlightenment & Transformation
534	Youth For Conservation
535	Youth In Community Development & Self-Awareness Promotions
536	Youth Kids Foundation
537	Youth Leadership development for Africa
538	Youth Leadership development for Africa
539	Youth Ministry International – Kenya branch
540	Youth On the Move
541	Youth Peace for Africa International
542	Youth Rehabilitation & Environmental Organization
543	Youth Volunteer for Change
544	Zimmermann Public Library

Appendix VI: Research Work Plan

Objective	Activity	Timeline	Output
Ethical Approval	Application for ethical approval after supervisor's approval	23 October - 3 rd November 2023	Ethical approval
Proposal defense	Defend the proposal	6 th - 10 th November 2023	Defended proposal
Defense corrections	Do defense corrections and share with supervisor	14 th - 17 th November 2023	Final corrected and approved draft
Introduction letter and NACOSTI permit	Apply for NACOSTI permit and prepare an introduction letter	15 th - 22 nd January 2024	Permit and introductory letter
Data collection	Send out questionnaires	23 rd - 29 th January 2024	Questionnaires issued to respondents
Filling of questionnaires	Give respondents time to fill the tool	01 st - 3 rd February	Filled Questionnaires
Collection / consolidation of responses	Collect the filled questionnaires and consolidate online responses	4 th - 8 th February 2024	Consolidated responses
Data Analysis	Analysis of responses	10 th - 15 th February 2024	Data analysis
Report	Draft chapter 4 & 5	16 th - 21 st February 2024	Chapter 4 & 5
Sharing of draft with supervisor	Share Thesis draft with supervisor	22 nd February 2024	Draft shared
Amendments	Work on amendments	23 rd - 25 th February 2024	Corrections done

	from supervisor		
Sharing amended report	Share amended report with supervisor	28 th February 2024	Amended report shared
Thesis defense	Defend the final thesis	To be guided	-
Perform amendments arising from defense	Do the amendments	To be guided	-

Appendix VII: Research Budget

	Task / activity	Cost (KES)	Cost description & validation
1	Printing and Photocopying of Questionnaires	2,340	234 questionnaires @ Kes 10 each
2	Telephone and costs	5,000	Two research assistants at KES 500 per day for a duration of 5 days
3	Local travelling costs for collection of data	25,000	Caters for two research assistants
4	Emergency budget	10,000	Incase of any unplanned research activities
5	Allowance for 2 Research assistants	40,000	Two research assistants at KES 2,000 per day for a duration of 10 days
6	Communication and Data Collection costs	15,000	Caters for two research assistants @ Kes 10,000 each
	Total costs	97,340	