



Strathmore
UNIVERSITY

SU+ @ Strathmore
University Library

Electronic Theses and Dissertations

2024

The Effect of corporate parent roles on the operational performance of subsidiaries in international NGO's in Kenya.

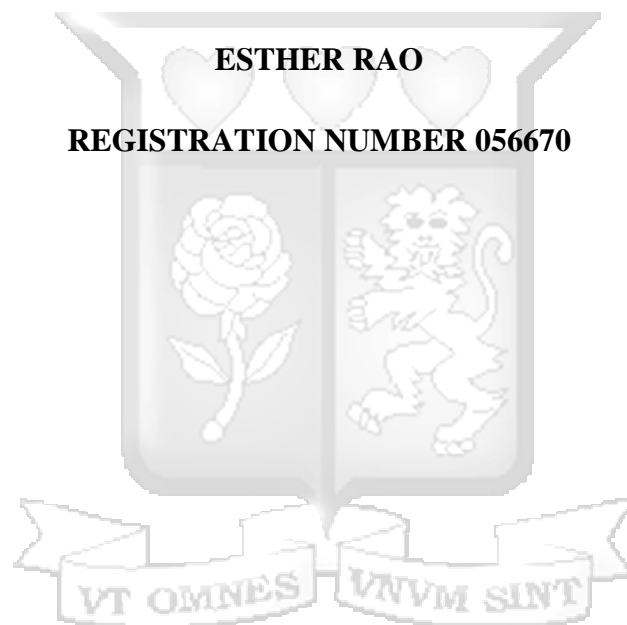
Rao, Esther
Strathmore Business School
Strathmore University

Recommended Citation

Rao, E. (2024). *The Effect of corporate parent roles on the operational performance of subsidiaries in international NGO's in Kenya* [Strathmore University]. <http://hdl.handle.net/11071/15490>

Follow this and additional works at: <http://hdl.handle.net/11071/15490>

**THE EFFECT OF CORPORATE PARENT ROLES ON THE OPERATIONAL
PERFORMANCE OF SUBSIDIARIES IN INTERNATIONAL NGO'S IN KENYA**



ESTHER RAO

REGISTRATION NUMBER 056670

**DISSERTATION SUBMITTED IN PARTIAL FULFILLMENT OF THE
REQUIREMENTS FOR THE AWARD OF MASTERS IN COMMERCE DEGREE
AT STRATHMORE UNIVERSITY**

NOVEMBER, 2023

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.

© No part of this research proposal may be reproduced without the permission of the author and Strathmore University

Name of Candidate

Esther Rao (Reg No. 56670)

Signature: 

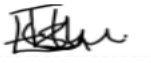
Date: 4th March 2024

Approval

The thesis of Esther Rao was reviewed and approved by the following:

Name of Supervisor: Dr. Kuthea Nguti

School/Institute/Faculty: Strathmore Business School

Signature: 

Date: 8th March 2024

Dr. Ceaser Mwangi

Executive Dean

Strathmore University Business School.

Dr. Bernard Shibwabo

Director, Office of Graduate Studies

ACKNOWLEDGEMENT

I would like to thank God who opened this chapter and saw the end before I embarked on this journey. My sincere gratitude goes to my supervisor Dr. Kuthea Nguti for her guidance, unwavering support and warmth. I thank my employer, for creating an enabling environment with a culture that is supportive of professional development. I thank the love of my life, my forever classmate and life partner for being my constant sounding board. Lastly, I express gratitude to my classmates at SBS for being great accountability partners and friends.



DEDICATION

To my daughter`s Tamnai and Temko & my son Sankara, may you realize God`s purpose for your life.



Table of Contents

DECLARATION	i
ACKNOWLEDGEMENT	ii
DEDICATION	iii
LIST OF FIGURES	vii
LIST OF TABLES	viii
ABBREVIATIONS	ix
ABSTRACT	x
CHAPTER ONE: INTRODUCTION TO THE STUDY	1
1.1 Background of the study	1
1.2 Problem definition	2
1.3 Research Objectives	3
1.4 Research Questions	4
1.5 Scope of the study	4
1.6 Significance of the study	4
1.7 Chapter Summary	5
CHAPTER TWO: LITERATURE REVIEW	6
2.1 Introduction	6
2.1.2 Corporate parental roles	6
2.1.2 Operational performance	7
2.1.3 International Non-Governmental Organisations	9
2.2 Theoretical review	10
2.2.1 Systems Theory	10
2.2.2 The Agency theory	11
2.3 Empirical literature review	12
2.3.1 The portfolio manager role and Operational Performance	12
2.3.2 The Synergy manager role and Operational Performance	15
2.3.3 The Parental developer role and Operational Performance	17
2.4 Research Gap	18
2.5 Conceptual Framework	22
2.6 Operationalization of Variables	23
2.7 Chapter Summary	26
CHAPTER THREE: RESEARCH METHODOLOGY	27

3.1 Introduction	27
3.2 Research Philosophy	27
3.3 Research Design	27
3.4 Population of the study	28
3.5 Sampling Technique	28
3.6 Data Collection Instruments and Techniques	29
3.7 Quality of Research	29
3.7.1 Reliability	29
3.7.2 Validity	30
3.8 Data Analysis	30
3.9 Ethical Considerations	31
3.10 Chapter Summary	31
CHAPTER FOUR: PRESENTATION OF RESEARCH FINDINGS	33
4.1 Introduction	33
4.2 Response Rate	33
4.3 Demographic Results	33
4.4 Descriptive Findings	37
4.4.1 Descriptive results of the Corporate Parent Roles at INGOs in Kenya.....	37
4.4.2 Descriptive Results of the Operational Performance of INGOs in Kenya	39
4.5 Pearson Correlation Results	43
4.6 Regression Analysis Results	45
4.6.1 Effect of the Portfolio Manager Role on the Operational Performance of Subsidiaries in INGOs in Kenya.....	48
4.6.2 Effect of the Synergy Manager Role on the Operational Performance of Subsidiaries in INGOs in Kenya.....	49
4.6.3 Effect of the Parental Developer Role on the Operational Performance of Subsidiaries in INGOs in Kenya.....	49
4.7 Chapter Summary	50
CHAPTER FIVE: SUMMARY OF RESEARCH FINDINGS, CONCLUSIONS AND RECOMMENDATIONS	51
5.1 Introduction	51
5.2 Discussion of Findings.....	51
5.2.1 Effect of the Portfolio Manager Role on the Operational Performance of Subsidiaries in INGOs in Kenya.....	51

5.2.2 Effect of the Synergy Manager Role on the Operational Performance of Subsidiaries in INGOs in Kenya.....	52
5.2.3 Effect of the Parental Developer Role on the Operational Performance of Subsidiaries in INGOs in Kenya.....	53
5.3 Conclusion.....	54
5.4 Recommendation	54
5.5 Study Limitations and Suggestions for Further Research.....	55
5.5 Chapter Summary	55
REFERENCES	56
APPENDIX 1: INTRODUCTORY LETTER.....	65
APPENDIX 2 : QUESTIONNAIRE.....	66
APPENDIX 3 : SAMPLING FRAME.....	72
APPENDIX 4: NACOSTI RESEARCH LICENSE	73
APPENDIX 5 : ETHICS APPROVAL LETTER.....	74



LIST OF FIGURES

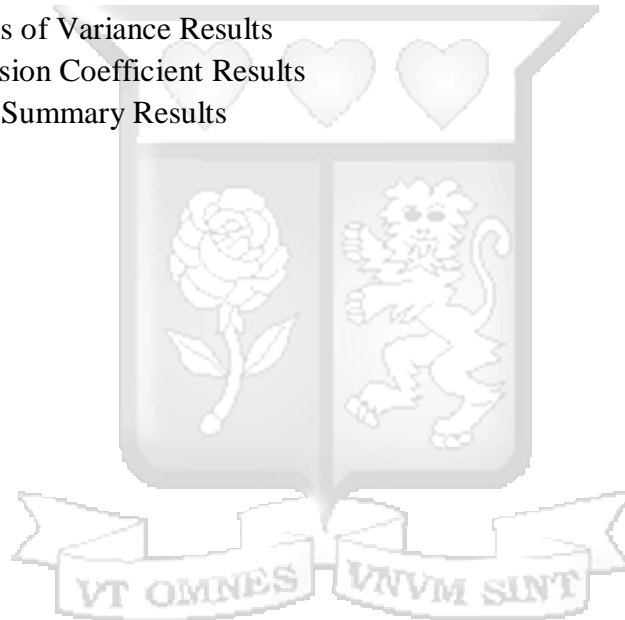
Figure 2.1 Conceptual Framework

Figure 4.1 Conceptual Framework Analysis



LIST OF TABLES

Table 1: 2.1 Summary of research gaps 1	28
Table 2: 2.2 Operationalization of Variables	34
Table 3: 3.1: Reliability Test Outcomes	40
Table 4: 4.1: Respondents' Demographic Information	44
Table 5: 4.2: Descriptive Mean and Mode Results of the Corporate Parent Roles of INGO's in Kenya	46
Table 6: 4.3: Descriptive Frequency Results of the Corporate Parent Roles of INGO's in Kenya	47
Table 7: 4.4: Descriptive Mean and Mode Results of the Operational Performance of INGOs in Kenya	49
Table 8 : 4.5: Descriptive Frequency Results of the Operational Performance of INGOs in Kenya	50
Table 9: 4.6: Pearson Correlation Results	52
Table 10: 4.7: Analysis of Variance Results	53
Table 11 : 4.8: Regression Coefficient Results	54
Table 12 : 4.9: Model Summary Results	55



ABBREVIATIONS

NGO`s- Non-Governmental Organisations

INGO`s- International Non-Governmental Organisations

HQ- Head Office

NACOSTI-National Commission for Science and Technology

SBS- Strathmore Business School



ABSTRACT

The not-for-profit sector has been rapidly growing in Africa and around the world playing a leading role in improved livelihoods and poverty alleviation. Through their work with multiple stakeholders across various geographic areas, organisations in the NGO sector come across challenges that necessitate the adoption of a decentralised structure including the need for operational performance and optimal service delivery. There is however lack of clarity on what drives the decentralisation including which functions ought to be decentralised and the impacts of decentralisation on the organisation's performance. Additionally, there exist staff disagreements between the home and field office staff that could potentially impede the organisations work and deter responsiveness to partners and community concerns. Corporate parent roles arise because of the need to strengthen the decentralised entities, realize synergistic benefits and align the vision across the organisation. The value addition efforts have been seen to be challenging but essential for an improved business strategic position with effects that both improve or destroy value. This study sought to establish the effect of corporate parent roles (Portfolio manager, Synergy manager and the Parental developer) on the operational performance of subsidiaries in international NGO'S in Kenya. The systems theory and agency theory were used to anchor this study. A descriptive research design technique was employed and by use of a questionnaire, responses from 270 respondents in the 30 leading INGO`s by spend in Kenya were considered. The data that was collected was then analysed using correlation and regression analysis and descriptive statistics, to determine the relationship between the study variables to draw conclusions of the study. The results showed that the portfolio manager role, the synergy manager role and the parental developer role all have a significant positive influence on operational performance of INGO subsidiaries in Kenya. This study contributes to the policy formulation and operational structures of INGO`s. It also provides tools and techniques for practicing managers therefore enriching the Systems theory. The findings of this study were however limited to the Kenyan, INGO context and focused on corporate parent roles, limitations that future research should address.



CHAPTER ONE: INTRODUCTION TO THE STUDY

1.1 Background of the study

Kaba, (2021) states that non-governmental organizations (NGOs) work around the world as pivotal actors in international affairs. They work to shape global policies and standards while managing billions of dollars in funding. Matthews, (2017) further agrees that NGOs play a crucial role in responding to poverty and related suffering and in Africa they play a leading role in improving livelihoods through better healthcare and education. Through a study conducted by Matthews, (2017), it is evident that there has been rapid growth in Africa and around the world in the non-profit sector. Between 1997 and 2006, there was a 400% growth in the number of NGO`s who display themselves as well intentioned actors. An additional 100,000 NGO`s were registered in South Africa around the same time.

Fowler, (1992), notes that as a result of the nature of the work carried out by NGO`s, with multiple stakeholders across various geographic areas, they come across challenges in their delivery that necessitate the adoption of a decentralised structure. He however agrees that not too much is known on the impacts of the decentralisation on the performance of the NGO`s. Pratt & Gibbs, (2020) also bring out relevant concerns on decentralisation of such entities including how to impose a shared vision and ensure a clean corporate identity in the absence of a strong bottom line. Additionally, they note the need for monitoring the performance of decentralised entities staff against a specific performance criterion. They also highlight the lack of clarity as to what drives the decentralisation process for such entities with the bottom-line assumption being that from a mechanical level it makes sense to decentralise services such as book-keeping.

From a functional perspective, Kaba, (2021) agrees that while decentralisation could be desirable, its accountability is ambiguous and chameleon –like. Pratt & Gibbs, (2020) bring out the lack of evidence that links decentralisation to improved services by NGO`s. They also further point out to the lack of clarity on what regional offices set up have achieved apart from value destroying activities such as increased overheads and increased management levels while international organisations are still positively inclined to such structures. Davis et al., (2012) also acknowledge staff disagreements between the home and field office staff that could potentially impede the organisations work and deter responsiveness to partners and community

concerns. They also go ahead to further note the disagreements being stemmed from different perceptions of accountability practices.

Chandler Jr, (1991) notes that the corporate headquarters (HQ) functions are both administrative (loss prevention) and entrepreneurial (value-creation) with the headquarters ability to carry them out being determinants for either successful or limited growth. With De Lima & Caldana, (2021) also noting limited information on NGO operational performance, this study therefore sought to look at the effect of the roles carried out by the NGO headquarters, herein referred to as corporate parent roles on the operational performance of their decentralised subsidiaries with a focus on international NGO`s in Kenya.

1.2 Problem definition

The NGO sector is key and has continued to grow over the years as evidenced by Matthews, (2017) with its increased contribution to improved livelihoods, alleviation of poverty and related suffering especially in Africa. In Kenya, the annual NGO sector report of 2020 reveals a 56% increase in registered NGO`s between the years 2010 and 2020.

Azim et al. (2015), show the significance of operational performance to an organisation by linking it to the measurable aspects of the end result of the processes of an organisation that affects measures of business performance both internally and externally. For NGO`s, Thapa, (2019) highlights it as a way of addressing the varied stakeholder desires including the society that keeps it running. In the quest for operational performance and optimal service delivery, NGO`s adopt a decentralised structure with the nature of their work that involves multiple stakeholders across various geographic areas. In Kenya, NGO`s work in multiple counties with multiple stakeholders as they complement government initiatives.

Fowler, (1992) notes that information is available on how the decentralised structures can be organised. He however noted that various concerns exist on decentralisation of NGO`s. He acknowledges that not too much is known on the impacts of the decentralisation on the performance of the NGO`s. How to impose a shared vision and ensure a clean corporate identity in the absence of a strong bottom line, the need to monitor performance of decentralised entities and the lack of clarity as to what drives decentralisation are key issues brought out by Pratt & Gibbs, (2020). They also point to lack of evidence that links decentralisation to improved services by NGO`s and the lack of clarity on what regional offices set up have achieved apart from value destroying activities. Additionally, Davis et al., (2012) also bring out staff

disagreements that could arise between the field and home office staff when they differ on accountability practices that could impede the work carried out by organisations and partner responsiveness.

The corporate headquarters (HQ) as outlined by Chandler Jr, (1991) carry out crucial functions in the quest for value creation or loss prevention in multi-business firms. Those roles however are determinants for either successful or limited growth. Scholes et al., (2002) argue that freedom from parenting authorities is increasingly being given to public sector institutions such as schools and hospitals with the independence being seen to be more effective. They bring out a need for more value to be created and demonstrated by the corporate parent than it brings about costs. With decentralisation comes corporate parent roles which according to Goold & Campbell, (1991) can either be value adding or value destroying. Abdullah & Mehmood, (2013) view corporate parent value addition being challenging but essential for an improved business strategic position. This makes it important to examine the corporate parent roles in the context of the value they bring to a decentralised organisation even as organisations seek to improve their operational performance.

The NGO sector plays a crucial role in society with operational performance being a key driver to its success. Decentralisation for operational performance and subsequently optimal service delivery has been seen as inevitable for NGO`s because of the nature of their work. Decentralisation yields corporate parent roles which can either be value adding or value destroying. While information on decentralisation structures exists, there exists challenges that could affect subsidiary performance and the work carried out by NGO`s. This study therefore sought to establish the effect of corporate parent roles on Kenya INGO`s subsidiary operational performance.

1.3 Research Objectives

The main objective of this study is to establish the effect of the corporate parent roles on the operational performance of subsidiaries in International NGO`s in Kenya.

- i. To establish the effect of the portfolio manager role on the operational performance of subsidiaries in INGO`s in Kenya.
- ii. To establish the effect of the synergy manager role on the operational performance of subsidiaries in INGO`s in Kenya.

- iii. To establish the effect of the parental developer role on the operational performance of subsidiaries in INGO`s in Kenya.

1.4 Research Questions

Based on the research objectives, this study sought to address three research questions

- i. What is the effect of the portfolio manager role on the operational performance of subsidiaries in INGO`s in Kenya?
- ii. What is the effect of the synergy manager role on the operational performance of subsidiaries in INGO`s in Kenya?
- iii. What is the effect of the parental developer role on the operational performance of subsidiaries in INGO`s in Kenya?

1.5 Scope of the study

This study concentrated on three corporate parent roles as categorised by Scholes et al., (2002). The roles are the portfolio manager, the synergy manager and the parental developer and their effect on the operational performance of INGO subsidiaries. Responses were sought from the 30 leading INGO`s by spend as detailed in the 2020 NGO sector report by the NGO Coordination board of Kenya. The targeted respondents were the officer(s) in charge of operations or those in functions that collaborate with the operations team due to their perceived knowledge on the operations of the organisation. A quantitative approach informed this research, with data being collected between May and October of 2023.

1.6 Significance of the study

This study will benefit the operational policies of NGO`s as guidance for the day-to-day operations of their field or country offices. Funding partners or donors will also find this study useful with the regulations and rules that are required of their grantees.

With the evidence that decentralisation is inevitable for enhanced NGO service delivery and the lack of clarity that currently exists on decentralisation effects on performance, the practical contribution of this study will be solutions that will emerge on how to better manage NGO decentralisation structures and align the parent-subsidiary (Field or country office) understanding and expectations for improved operational performance and subsequently overall stakeholder satisfaction.

The theoretical contribution of this study will be its advancement to system theory by providing additional tools and techniques that can be applied by practicing managers. It will also allow for application of the agency theory to the not-for-profit sector.

1.7 Chapter Summary

This chapter introduced the study's background and its variables. It outlined the study's goals and presented the problem statement. This chapter also provides an overview of the study's significance and scope.



CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

An overview of previous studies on the roles of parental developers and operational performance is provided in this study chapter. It also includes information on research ideas and models of parental developer roles that are pertinent to the study. The objectives, a study gap analysis, and the conceptual framework outlining the current relationships between the study's variables are then covered in the empirical review.

2.1.2 Corporate parental roles

Feldman, (2020) defines a corporate parent as an entity that owns one or more subsidiaries. Functions carried out by the corporate parent for the subsidiary are therefore referred to as corporate parent roles. Kaplan, (2020) brings out corporate parenting as that which examines the head office and strategic business units' relationship with a view to add value to the individual business units.

Corporate parent roles have been categorized differently in the past with Porter (1987) outlining four categories that include: transferring skills, restructuring, portfolio management and sharing activities. Johnson et al. (2005, 2008, 2011) on the other hand considered coherence and uniqueness while categorizing and shared three categorizations of corporate parenting roles: portfolio manager, synergy manager and parental developer.

Similarly, Goold & Campbell, (1991) while exploring the corporate parent roles bring out several value adding activities that can be provided by the parent with a decentralised structure. Some of them include more access to resources for subsidiaries, provision of central services also known as parental developer roles to improve efficiency and reduce costs, access to markets and increased value for money while procuring for items, improved performance through monitoring, shared knowledge and expertise and cross functional collaboration.

They also highlight value destroying activities by the corporate parent in the context of decentralisation such as increased administrative cost, increased bureaucracy, and a lack of understanding of the strategic direction. Abdullah & Mehmood, (2013) further advance this by stating that wrong decisions on recruitment, selection, performance expectations and assessment, by corporate managers could destroy value. Though essential, value addition by

the corporate parent is viewed as a difficult aspect of corporate strategy by Abdullah & Mehmood, (2013). They claim that a clear understanding of the organisation and use of its capabilities at the corporate level is essential for an improved business strategic position.

As a result of the need to avoid value destroying activities, Scholes et al., (2002) highlight three main corporate parent roles. First, the portfolio manager who is an active investor and acts as an agent on behalf of the shareholder. Secondly, the synergy manager who enhances the business units value through managing synergies among business units. Thirdly, the parental developer who employs its own central capabilities as value addition to its businesses. These three main corporate parent roles were the focus of this study.

The measure of the portfolio manager role for this study was as prescribed by (Cooper, et al , (2001) where the role is seen to be a continuous process in which an entity details its active products and development projects while evaluating, selecting and prioritising based on available resources and organisational priorities. The synergy manager role was measured as defined by Scholes et al., (2002) as a three-fold role that entails envisioning for a common purpose, facilitation of cooperation across businesses, and central services and resources provision with the aim of achieving synergistic benefits. Lastly the measure of the parental developer roles were as those equated by Abdullah & Mehmood, (2013) to stand alone influence with value addition by the parent on business units of recruitment, better budgetary controls , strategy reviews ,selection of business managers, and effective investment decisions.

2.1.2 Operational performance

As described by Stevenson, (2014), an organisations operational performance is determined by comparing it to established benchmarks or guidelines for efficacy, efficiency, and environmental responsibility. Examples of these benchmarks are cycle time, productivity, waste reduction, and regulatory compliance. Azim et al., (2015) also connect the quantifiable elements of an organization's process outputs to its operational performance which in turn influences metrics for business performance both internally and externally. For NGO`s, performance a crucial function in meeting stakeholder expectation and is therefore a key satisfier for all the different stakeholders and the society that keep it running. Thapa, (2019) therefore brings out operational performance as a way to addressing stakeholder desires for NGO`s.

Various operations management practices are highlighted by Slack et al., (2010) comprising enterprise resource planning (ERP), lean synchronization, project planning and control, quality management, layout, operations improvement, supply chain planning and control, inventory planning and control, capacity planning and control, supply chain planning and control, and product and process design. Teelken, (2008) used efficiency, effectiveness, economy and efficacy as the performance indicators to evaluate NGOs operations. This is supported by Fine & Snyder, (1999) mention of efficiency and effectiveness as key indicators of NGO performance measurement. They define efficiency as the relationship between the inputs used and the results obtained. García-Sánchez, (2010) considers efficiency as the rational use of resources in order to maximize benefits. On the other hand, Fine & Snyder, (1999) define effectiveness as a metric for assessing how well a company is accomplishing its predetermined objectives.

Reider, (2004) while establishing how to conduct operational reviews of not for profits, focuses on economy, efficiency and effectiveness. In this study, economy focuses on the cost of operations with conservation of resources, efficiency focuses on the methods of operations with minimum expenditure of efforts while carrying out responsibilities and lastly effectiveness focuses on the results of operations with a view of the set goals and objectives.

For the purposes of this study, the measures of operational performance as prescribed by Reider, (2004) were adopted. Economy, which he defines as the cost of operations will be measured by the subsidiaries ability to follow sensible purchasing procedures, employing more people than is required to do essential tasks, keeping excess inventory on hand, utilising more expensive equipment than is required, and minimising resource waste. Effectiveness, which Reider, (2004) defines as the methods of operations will be measured by the inappropriate use of computerised or manual processes, ineffective paperwork flow, ineffective operating systems and procedures, disorganized communication patterns and/or organisational hierarchy, redundant work, and needless steps in the work process. Effectiveness, which Reider, (2004) defines as the results of operations will be measured by the organisations the creation of attainable goals, objectives, and thorough strategies; the suitability of the performance management system; the assessment of the degree to which results are attained; and the identification of the impediments to the achievement of satisfying results.

2.1.3 International Non-Governmental Organisations

According to Lewis & Kanji, (2009), NGOs as independent organisations have existed for millennia in a variety of forms, but in the 1980s and 1990s they experienced a sharp increase in population and gained significant relevance in global development. They carry out their role as implementers, catalysts and partners around the world in various sectors including emergency relief, microfinance, healthcare, human rights, and agricultural extension. International NGO`s as defined by Galkina & Yang, (2020) are those that extend their reach across national boundaries.

In their article on the Internationalization of Nongovernmental Organizations, (Gaspar et al., 2022) recognize that NGOs operate their main project activities out of bases in big cities, and then they open offices across the country to make it easier for them to carry out their work and achieve the desired impact. While looking at the relationship between parents and subsidiaries as outlined by (Abodohoui et al., 2013) cross-border offices established by INGO`s are deemed to be subsidiaries of the parent. INGO`s have become focused on changing their delivery model to empower their country team`s delivery by enabling more networked international structures. This is based on the Plowden Fellowship Report. They however face challenges of compliance inside their newly established, more powerful network structures.

In Kenya, the NGO coordination board is mandated to facilitate and oversee the activities of all foreign and domestic NGOs that are present in Kenya.. As at the end of 2020, the board had registered 11,624 national and international organisations of which 9,255 were active with only 2,816 having filed their annual reports with the coordination board as their spend exceeded the threshold of KES 1 million. The number of National NGO`s versus International NGO`s of the cumulative registered 11,624 NGO`s is not available in the database maintained by the coordination board. However, the 2020 NGO sector report lists 30 INGO`s as leading by spend or funds utilisation. Of the KES 84.4 billion cumulatively spent on project implementation by the NGO`s, KES 31.2 billion which amounts to 37% was spent by the 30 leading international NGO`s in Kenya. The list of the 30 INGO`s is provided in Appendix 3 of this study.

One of the major characteristics of INGO`s as highlighted by Jayawickrama & Mccullagh, ,(2009) is the strong operational systems that allow them to manage operations, human resources and finances efficiently and effectively therefore positioning them as a trustworthy steward of large grants. This characteristic therefore links funds utilisation to INGO operations.

This study therefore focused on the 30 leading INGO`s by funds utilisation in order to establish the effect of corporate parent roles on the operational performance of subsidiaries in international NGO`s in Kenya.

2.2 Theoretical review

This section highlights the two main theories relevant for this study on corporate parent roles and operational performance.

2.2.1 Systems Theory

According to systems theory, any phenomenon may be understood as a network of connections between its constituent parts, or as a system, and all systems have common patterns, behaviours, and characteristics like entropy and adaptive capacity. While looking at the system approach to management, Gordon, (2021), considers that an organisation is an open system with interconnected and dependent pieces that interact as subsystems, making it the cornerstone of organisational development. The theory recognizes five main characteristics under the system approach to management. The characteristics include the subsystems which are interrelated, holism that recognises the subsystems working together to make the whole system thus decisions in the subsystem affect the whole system, the synergy which is the collective output, the closed and open system and the system boundary.

The theory also highlights the inputs, which include capital, information, technology, human resources, and raw materials; the transformational process, which includes employee work activities, management activities, and operations methods; the outputs, which include financial results, information, and human results; the feedback, which is the result of inputs influencing outputs; and the environment, which includes internal and external factors that affect the system. This theory has been seen to help to study the functions of complex organisations and the functional interrelations. On the downside, this theory is seen to be vague as it does not provide tools and techniques for practicing managers.

Scott et al., (2017) states that each system's components are arranged hierarchically and that each system's components are so dependent on the others that no component could function without the assistance of the others. This is similar to Chikere & Nwoka, (2015) view who recognise the relationships among the parts as opposed to breaking down an entity into its constituent parts or elements. They view the organisation as a system made up of interconnected pieces that need to be coordinated in order to function effectively.

The systems theory brings out the need for integrated parts of the system in an organisation to be coordinated for efficiency and effectiveness. It therefore helps to support the study by showing that operational performance through efficiency and effectiveness is a product of the interactions of components in a subsystem. However, the theory has been criticised as not providing tools and techniques for practicing managers. This study, by establishing the effect of corporate parent roles on the operational performance of subsidiaries in international NGO'S in Kenya, demonstrated the practical effect on the operational performance of one component in a subsystem to another and therefore inform decisions on INGO operational structures.

2.2.2 The Agency theory

As stated by Yong, (2014), the agency theory was advanced by Alchian and Demsetz in 1972 and Jensen and Meckling in 1976. Eisenhardt,(1989) describes the principal-Agency Theory as one where the agent behaves in a self-serving or self-interested manner and the principle wishes to be able to exert control over the agent so that the agent will act in the principal's best interests.

Managers are described as agents by Yong, (2014) while shareholders as described as principals. The theory brings out a need for appropriate incentives and adequate monitoring to be provided in order to prevent company managers from maximizing their personal gains by exercising their own judgement. He further states that two issues are evident from the theory. First being the need to match the interests of both the principals and the agents in order to overcome their different preferences relating to activity of the firm and risk exposure attitude. Secondly, the information asymmetry that arises from the different levels of information held by both parties where compared to the principal, the agent has access to more information. This makes it challenging and costly for the principal to keep an eye on the behaviour of the agents. Keep an eye on management, holding the agent accountable and residual losses are identified by Jensen & Meckling ,(1976) as the three agency costs for principals to monitor agent behavior.

Perrow, (1986) recognizes the role played by agency theory in understanding corporate governance and the working of firms in the 20th century. He further advances the role of agency theory in shaping organizational thinking on incentives and self-interest. The main contribution as stated by Eisenhardt, (1989) of the theory is its identification of how to handle information and risk in a company's operations . Both Eisenhardt, (1989) and Ghoshal, (1996) see the limitation in this theory being linked to the assumption that human beings are self-interested

and individualistic which is contrary to Doucouliagos, (1994) on his thoughts that such behaviour is not in line with the nature of human action. Other weaknesses as advanced by Eisenhardt, (1989) are the simplicity of confining a firm`s participants to only managers and shareholders thus ignoring other firm complexities.

Main assumptions of this theory as put across by Mitnick, (2013) include, first the rational behaviour and expectations portrayed by both the agent and the principal, Secondly the external effects on the principal`s success by the agents actions, thirdly the asymmetrical information between the two parties that gives the agent more discretionary freedom and lastly, the divergence of interests between the two parties. The divergence of interests is advanced by the opportunistic behaviour in hidden characteristics, intentions and actions by the agent.

The agent's self-interest and the principal's desire to have control over the agent so they may compel the agent to work in the agency's best interests, explains the existence of corporate parent roles .This study further enhanced the principal-agent theory in the INGO sector context by exploring the relationship between the parent and the subsidiary of INGO`s and the value derived from parent roles .

2.3 Empirical literature review

This section covers a review of previous studies that have been done on the corporate parent roles and their effect on operational performance.

2.3.1 The portfolio manager role and Operational Performance

Cooper et al., (2001) view portfolio management as a dynamic decision-making process wherein a company lists its ongoing projects and products and evaluates, chooses, and ranks them according to organisational priorities and the resources at hand. It is described by Morris & Pinto, (2007), as that which ensures the right projects get done. It involves taking the right measures, managing opportunities, risk and available resources while making decisions relating to multiple projects. This is aligned to De Lima & Caldana, (2021) thoughts where it`s seen as a technique to align goals while managing several individual projects at the same time. Subedi, &Wagner, (2018) also view portfolio management as that which aligns an organisations strategic objectives, values and stakeholder priorities.

In their book, Portfolio management of new products, Cooper et al., (2001) seek to address the goals of portfolio management and the importance of having in place a high-quality stage-gate system. They establish that portfolio management ensures project prioritisation within competing resources. It comprises finding the ideal project balance, optimising the portfolio's worth, making sure the portfolio is strategically linked, and making sure there aren't too many projects for the available resources. Müller & Blomquist, (2004) also state that portfolio management helps to find projects that are in line with the organization's goals, offer the necessary benefits, and optimise the portfolio's project mix.

They also look at solutions to making portfolio management more effective where they establish that ineffective project prioritisation in cases of limited resources ails most companies' development portfolio. They further link this to poor performance with low impact projects and higher than acceptable failure rates. They further provide four solutions to effective portfolio management which include the development of a product innovation and technology strategy that aids in the selection of the best projects, the implementation of a systematic gating or Stage-Gate new product process, the incorporation of resource capacity analysis, and the integration of portfolio management into the organization's gating process.

Similarly, Müller & Blomquist, (2004) also evidenced a link between the performance of portfolio management and project portfolio control while looking at this in different contexts relating to both the internal and external environment. Their research, using a worldwide questionnaire with 242 respondents showed that various performance metrics are linked to distinct portfolio control systems.

Spradlin & Kutoloski, (1999) extended this in a different dimension by linking portfolio management to shareholder value in their journal on action-oriented portfolio management. Here they stated that efficient portfolio management is critical to adding shareholder value in any organisation. Filippov et al., (2012), while looking at the role of project portfolio management in strategy implementation in Netherlands view it as a critical tool in managing the complex project environment.

With a focus on developing countries, in a quantitative survey involving a sample of 71 Brazilian firms, Jugend et al., (2016) also established that product portfolio management practices adopted by an organisation affect product portfolio performance. They further acknowledged the challenge faced by companies while trying to balance out their product portfolio which is further aggravated by the major focus on innovation of new products.

The influence of portfolio management on the strategy of an organisation was also looked into by Kopmann et al., (2017). Their findings from the research involving 138 firms showed the critical role that is played by project portfolio management on meaningful management of emergent strategies. This is referred to as outperformance by Moore, (2009) where he states that an organisations strategy can be made real through organisational change brought about by effective portfolio management. Müller & Blomquist, (2004) , while analysing the roles of portfolio managers also view it as a necessary step for any organisation to be successful., they however note that little guidance is available on the roles and responsibilities of a portfolio manager.

Subedi, & Wagner, (2018), in their handbook on project portfolio management acknowledge the need for professional portfolio management by non-Governmental organisations due to the increasing demands imposed by beneficiaries, a growing number of projects and challenging requirements imposed by donors. They mention portfolio management as key to success in working through projects and programmes.

With a focus on the not-for-profit sector, Jalocho & Bogacz, (2020), while examining project portfolio management as a tool for putting strategies into practice analyse project portfolio management practices of organisations. Here, they establish that it helps develop their portfolio in accordance with the strategic plan, which can then aid in the successful and efficient achievement of their strategic goals. As stated by De Lima & Caldana, (2021), when working on social initiatives, managing limited resources and information is essential to accomplishing each project's specific objective. They sought to establish the best methods in choosing projects that fit in a portfolio and increasing the success rate of individual projects. They however acknowledged a gap in their research with limited information due to the respondents' level of knowledge and reports from NGO communications that need to be improved for better results. Working with different sized NGO`s while trying to manage their expectations was also highlighted as a challenge.

Previous research has highlighted the role played by portfolio management in an organisation both in the profit sector while looking at portfolio management of products and in the not-for-profit sector while looking at portfolio management of multiple projects. They have linked it to organisational performance, strategy, and shareholder value. However, the effect on operational performance is a specific gap that this research sought to fill by establishing the effect of the portfolio manager role on the operational performance of subsidiaries in NGO`s.

Based on the literature review, the study hypothesized that the portfolio manager role affects the operational performance of subsidiaries in INGO`s in Kenya.

2.3.2 The Synergy manager role and Operational Performance

As defined by Scholes et al., (2002), the synergy manager role is a threefold role that entails visualizing the creation of a shared goal, promoting cross-organisational collaboration, and offering central services and resources.

Abdullah & Mehmood, (2013) define the synergy manager role as that which is concerned with development of synergies across diverse companies in a variety of ways, such as by establishing a shared corporate culture. This is further elaborated by Winden & Carvalho, (2015) who define synergy production as the interaction of several system components to produce an effect larger than the sum of their separate effects by improving resource usage efficiency, reputation, image, and the promotion of innovation and helpful knowledge. The value creation as a result of effective collaboration between business units, companies and resources in synergy management is also highlighted by Toth, (2007).

Business synergies can be in multiple forms to generate greater value with collaboration as stated by Goold & Campbell, (1998). The forms include knowledge or skills sharing, sharing of physical resources or assets, pooled negotiating power with suppliers or governments, coordinated strategies and vertical integration. While acknowledging the critical role played by synergies in a business, they are keen to note that if poorly managed, synergy efforts can undermine organisational confidence, and erode trust among business units through damaging brands, customer relationships and employee morale. In their review they mention that more often than not, synergy initiatives often fail to meet management expectations and are viewed as “learning experiences.”.

This view is shared by Daum, (2013) who notes that synergies do not get realised by themselves but instead need to be identified and actively developed within a professionally coordinated process. Weber & Roventa, (2006) and Kaplan & Norton, (2006) also highlight the critical need for intensive efforts to identify and coordinate opportunities for integrating the behaviour of decentralised business units in synergy management beyond daily operations. Iversen, (2000) looks at how different kinds of synergies can be coordinated while acknowledging that high coordination costs could cause dissonance if the costs outweigh the efficiency.

Additionally, the loss of accountability by the business units could erode any benefits of the synergy. Garzella & Fiorentino, (2016), when examining the impact of synergy management on mergers and acquisitions, note that it is important to acknowledge that it plays a part in both the decision-making and performance evaluation processes. They however state that synergy may be difficult to achieve and has been overestimated in the past.

Basri & Arafah, (2020) while focusing on businesses that undertook mergers and acquisitions between 2010 and 2016 looked at how acquisition synergy affected business performance. The results of their study showed that maximising operating synergy during an acquisition improves the Buy and Hold abnormal return therefore increasing shareholder wealth. Similarly, Kimetto, (2019) with a sample size of 118 employees of Sidian bank, looked at the impact of mergers and acquisitions' synergy on a company's financial performance. The findings of this study established a strong and positive association between acquisition synergy and a firm's financial performance. The study however focused on the banking industry and recommended further research to include non-financial firms.

Kathambara, (2020) looked at the impact of synergy on performance of public and private partnerships in Kenya with a study population of 200 staff from the Afya Elimu Fund partners. Findings from the study established a significant influence of synergy on the performance of public and private partnerships in Kenya with a need to examine other synergy elements that influence similar partnerships. A study by Wandera, (2016) also sought to examine the synergy between shared services centres and how it affects performance in some international companies in Kenya. This study revealed that the synergy from shared service centers is fundamental to the core competence and knowledge of an organisation, controls and enhancing output. While creating efficiency such as reduced costs, time and improved quality. This study however highlights a gap with the limitation to multinationals thus does not cover any other organizations such as parastatals, private sector and non-governmental organizations.

Piyawongwathana, & Onkvisit, (2021) while looking at the corporate parenting advantage agree that central functions and services support business effectiveness. However, they are careful to bring out the enlightened self-interest paradox where the forced cooperation by the parent managers often fails to recognise and provide solutions to the different needs in business units. They mention that the shared services often yield excessive overhead costs and delays decisions while providing sub-standard or unresponsive support. The business units also become captives with no option as the parent fails to see the need to improve the services.

Additionally, they claim that economies of scale is often an illusion as the same services could be outsourced to a specialist entity at a lower cost.

Previous research shows the significant influence of synergy on both financial and overall firm performance with a need to expand the research to the not-for-profit sector. It is also evident that while the synergy between business units can be good for an organisation, the benefits do not always outweigh the cost. This research therefore sought to address the gap in research by extending to the not-for-profit sector with a focus on operational performance by specifically addressing the effect of the synergy manager role on the operational performance of subsidiaries in NGO`s. Based on the literature review, the study hypothesized that the synergy manager role affects the operational performance of subsidiaries in INGO`s in Kenya.

2.3.3 The Parental developer role and Operational Performance

The parental developer role, according to Medvedev & Amann, (2021) involves the parent employing own skills and competencies to add value to the business units. The skills and resources include advanced technology knowhow, innovation culture, high level executives, negotiation ability with governments, branding and marketing expertise and should be helpful to the business units.

Abdullah & Mehmood, (2013) equate it to stand alone influence with value addition through activities by the parent such as recruitment, selection of business managers, better budgetary controls, strategy reviews and effective investment decisions. This is in line with Johnson et al., (2017) who state that the capability developers improve the performance of business units as they transfer resources and capabilities downwards.

As per the Ashridge Portfolio Matrix, (n.d.), there is need for the parent to have a clear understanding of their own capabilities and that the business unit needs as with parental development, specific skills such as research and development and financial management are applied by the parent on the business units.

Piyawongwathana, & Onkvisit, (2021) bring out the 10%-vs.100% paradox while looking at the value created by the parent through standalone influence on the business units. They note that the part time manager who is the parent can only devote 10% of their time to a business unit with the dedicated business manager devoting 100% of their time making it difficult to agree that the parent would know more about what is best for the business units. (Goold et al.,

(1998) while laying the foundation for concepts related to corporate parenting and the ways in which parenting theory affects management choices, stated that in order for a parent to add value, they must acquire unique abilities, resources, and sway over procedures that take advantage of particular chances that the business units present. They however note a gap in having a more precise means of measuring the net value added or subtracted by the corporate parent.

Previous research recognises the parental developer role and its relevance to business units with a caution on the need to establish the degree of value addition by the parent. There need to establish the effect of the parental developer role on a firm’s operational performance was a gap that this research sought to fill by establishing the effect of the parental developer role on the operational performance of subsidiaries in INGO`s. Based on the literature review, the study hypothesized that the parental developer role affects the operational performance of subsidiaries in INGO`s in Kenya.

2.4 Research Gap

The table below highlights the summary of research gaps.

Table 1: 2.1 Summary of research gaps 1

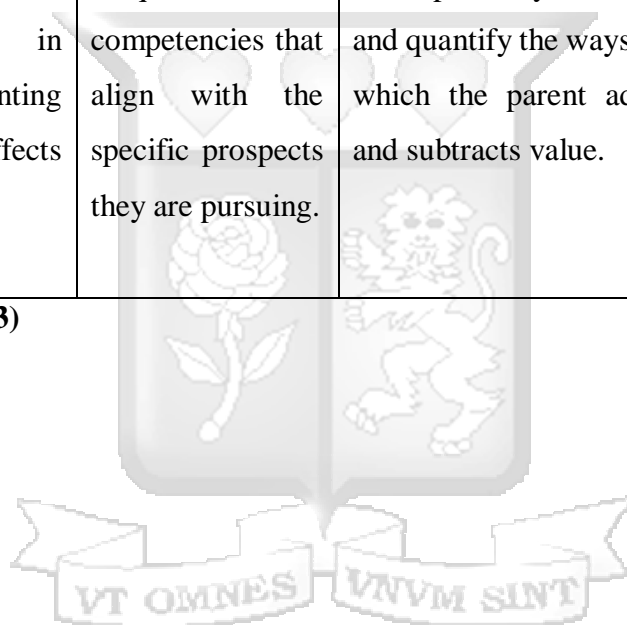
Scholars	Study Objectives	Findings	Research gaps	How Gap was addressed
(De Lima & Caldana, 2021)	To establish the best methods in choosing projects that fit in a portfolio and how to increase the success rate of individual projects.	When working on social initiatives, managing limited resources and knowledge is essential to reaching each project's specific objective.	Population gap Limited information due to the respondents’ level of knowledge and reports from NGO communications that need to be improved for better results. Working with different sized NGO`s while trying to manage their expectation.	Primary data was drawn from responses sought from officers in the selected INGO`s who are knowledgeable on the organisations operations. The 30 leading INGO`s by funds utilisation formed the population of the study therefore ensuring similar sized organisations.

(Wandera,2016)	To examine the performance and synergy of shared services centres in multinational companies in Kenya	The study has established that SSC synergy makes a significant contribution to an organization's core competencies and expertise. It is also essential for improving output and control systems. Results showed that the synergy created by shared services is essential for generating efficiency, which includes reduced expenses, less time spent, and excellent quality	<p>Contextual gap</p> <p>The study's findings only apply to multinational corporations; they do not apply to parastatals, the private sector, or non-governmental organisations.</p>	This study extended research to the not for profit sector .
(Piyawongwathana, & Onkvisit, 2021).	Advantages of corporate parenting: Conceptual, methodological, and empirical aspects	The reasons and methods by which parent managers are superior to business-unit managers in identifying and	<p>Empirical gap</p> <p>It is necessary to determine whether parent managers are more adept at recognizing and executing connections</p>	This study sought to establish the impact of synergy roles played by parent managers.

		executing connections and synergies are up for debate.	and synergies than business-unit managers.	
(Müller & Blomquist, 2004)	It examines the duties and obligations of portfolio and programme managers..	Programme and portfolio managers play a critical role in creating connections across large, diverse organisations by opening up the possibility of synergies.	Empirical gap More direction is required regarding the duties and responsibilities of portfolio managers. Empirical study is required to fully understand the difficulties that arise in managing a portfolio in the actual world.	This study sought responses with a target on specific portfolio management roles carried out by the parent managers.
(Garzella & Fiorentino, 2016)	It examines how synergy management functions in merged companies and acquisitions.	Synergy is real and can increase the value of merged companies if executives and managers can create an efficient management strategy that stays clear of traps.	Empirical gap Need to look at other strategic management process in an organisation as this study focused on mergers and acquisitions .	This study looked at the synergy management role in the context of day to day operations of INGO`s.
(Filippov et al., 2012)	Using data from the Netherlands, it examines the strategic role of	Administration and bureaucracy in project portfolio	Methodological gap The methodology is case based leading to generalization of results.	This research sought responses from multiple INGO`s.

	project portfolio management.	management presents a common challenge.	The need to consider multiple stakeholder perspectives in future and involve several corporate layers.	
(Goold et al., 1998)	It establishes the framework for our conceptions of corporate parenting and the ways in which parenting theory affects managerial choices.	Corporate parents ought to concentrate their efforts on developing unique competencies that align with the specific prospects they are pursuing.	Empirical gap It is necessary to identify methods that are being used or might be developed in order to more precisely identify and quantify the ways in which the parent adds and subtracts value.	By establishing the effect of the corporate parent roles on the operational performance of the subsidiaries, this study was able to demonstrate the parent value. However, future research can help to provide ways to quantify the value.

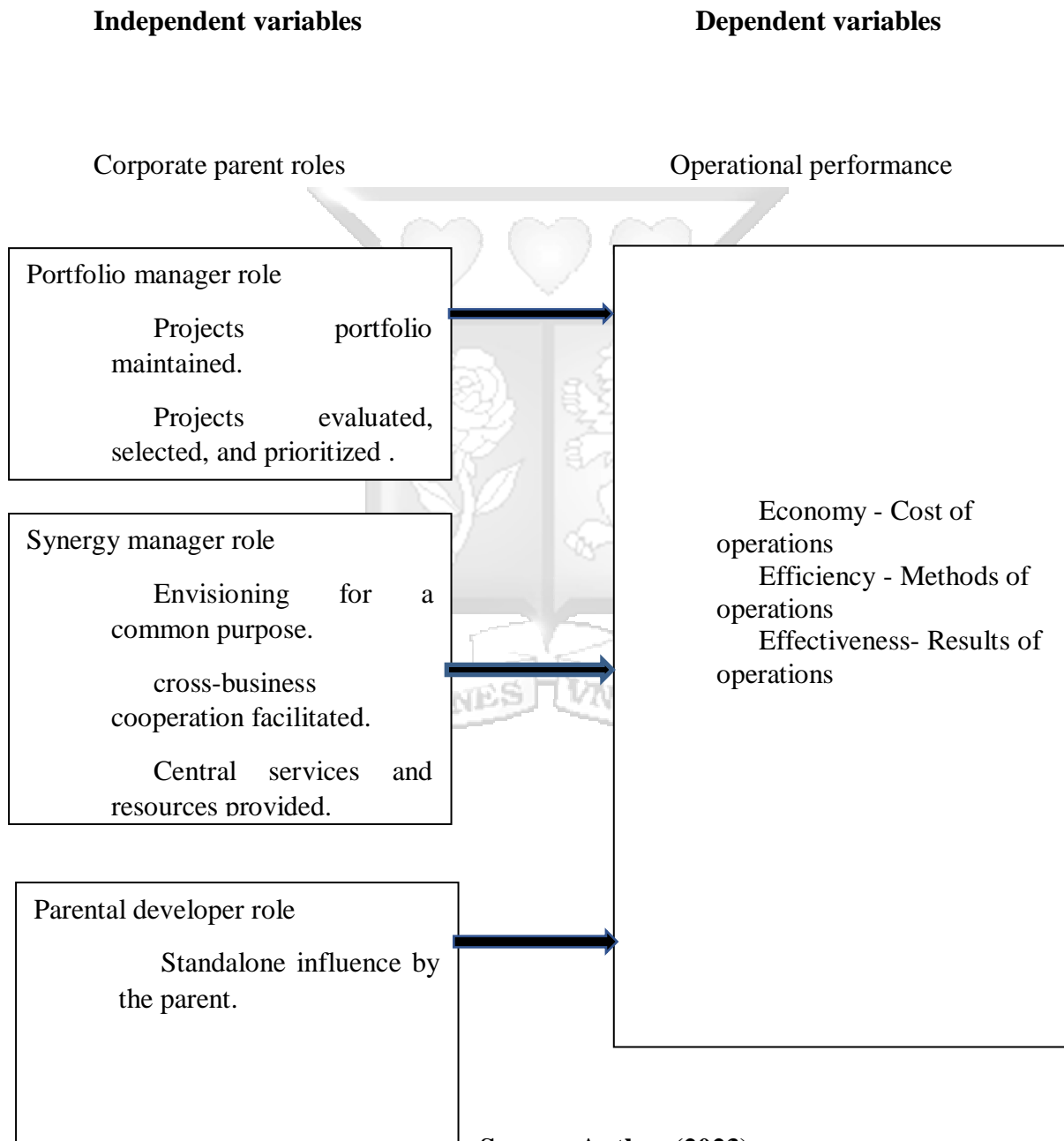
Source: Author (2023)



2.5 Conceptual Framework

Below is a conceptualization of the independent and dependent variables of the study from the literature review.

Figure 2.1 Conceptual Framework



2.6 Operationalization of Variables

Based on the review of empirical literature, the researcher used the definitions and measurements that are stated below.

Table 2: 2.2 Operationalization of Variables

	Construct	Adopted definition	Indicators	Measurement	Supporting literature
Corporate parent roles (Independent variable)	Portfolio Manager role	A dynamic decision-making process wherein a company lists its ongoing initiatives and products and evaluates, chooses, and ranks them according to organisational priorities and the resources at hand.	Projects portfolio maintained. Projects selection and prioritization criteria.	The responses were on a five-point Likert scale where 1-strongly disagree, 2-disagree, 3-neutral, 4-agree, 5-strongly agree.	(Cooper et al., 2001)
	Synergy Manager role	A triple role consisting of conceiving and constructing a shared objective, promoting collaboration amongst enterprises, and offering central services and resources in order	Envisioning for a common purpose Cross-business unit cooperation. Central services and resources.	The responses were on a five-point Likert scale where 1-strongly disagree, 2-disagree, 3-neutral, 4-agree, 5-	(Scholes et al., 2002)

		to attain synergistic advantages.		strongly agree.	
	Parental Developer role	Equated to stand alone influence with value addition through activities by the parent on the business units such as recruitment, selection of business managers, better budgetary controls, strategy reviews and effective investment decisions.	Stand-alone influence	The responses were on a five-point Likert scale where 1- strongly disagree, 2- disagree, 3- neutral, 4- agree, 5- strongly agree.	(Abdullah & Mehmood, 2013)
Operational performance (Dependent variable)	Economy	Focuses on the cost of operations with conservation of resources.	Sound purchasing practices. Optimal office staffing. Material wastage Unnecessary expensive material	The responses were on a five-point Likert scale where 1- strongly disagree, 2- disagree, 3- neutral, 4- agree, 5-	(Reider, 2004).

				strongly agree.	
	Efficiency	Focuses on the methods of operations with minimum expenditure of efforts while carrying out responsibilities.	Manual or computerised procedures. Inefficient paperwork flow. Inefficient operating systems. Cumbersome organisational hierarchy Duplication of effort and unnecessary work steps.	The responses were on a five-point Likert scale where 1-strongly disagree, 2-disagree, 3-neutral, 4-agree, 5-strongly agree.	(Reider, 2004).
	Effectiveness	Focuses on the results of operations with a view of the set goals and objectives.	Clear goals, objectives and detailed plans. Adequacy of the performance management system Performance review	The responses were on a five-point Likert scale where 1-strongly disagree, 2-disagree, 3-neutral, 4-agree, 5-strongly agree.	(Reider, 2004).

Source: Author (2023)

2.7 Chapter Summary

This chapter covered the theories that served as the study's foundation, included an empirical analysis of earlier research, and indicated areas that needed more investigation. This chapter also includes a table that summarises the operationalization of the independent and dependent variables along with their relationships.



CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

The research approach employed for this study is described in this chapter. It describes the instruments, target population, sample and sampling techniques, validity and reliability of the instruments, research design, data collection and analysis methods, and research philosophy that were employed in this study. This chapter's last portion also addresses the ethical consideration.

3.2 Research Philosophy

Research philosophy is defined by Saunders et al. (2009) as a set of presumptions and beliefs regarding the advancement of knowledge. These presumptions include ontological assumptions about realities encountered throughout the research process, axiological assumptions about the degree to which your own values impact the research process, and epistemological assumptions about human knowledge. These presumptions influence how the researcher approaches the study questions, how the methodology is applied, and how the results are interpreted. Realism, Interpretivism, Positivism, and Pragmatism are the four primary research philosophies.

In order to determine the relationship between corporate parent roles and operational performance in NGO subsidiaries, the researcher objectively analysed and interpreted data, adhering to the factual and quantitative positivist research philosophy. The meaning of phenomena was drawn through empirical means in this study. This made sure that the study was conducted objectively and methodically to meet its goals.

3.3 Research Design

Akhtar (2016) defines the suggested research work's plan as that which serves as the binding agent amongst all the components of the research project. It makes clear the nature of the research, its goals, the resources needed, the sampling strategies to be applied, and the procedures for gathering and analyzing data. The four categories of research design that Akhtar (2016) describes in his work are exploratory, descriptive, explanatory, and experimental. This study used a descriptive research design in order to gather data on an existent phenomena. This study's specific goal was to determine how corporate parent positions, which served as the

independent variable, and operational success, which served as the dependent variable, related to one another.

3.4 Population of the study

The latest report as published by the NGO Coordination board of Kenya shows a cumulative 11,624 registered national and international organisations of which 9,255 are considered active with only 2,816 having filed their annual reports after meeting the spend threshold of KES 1 million. While a separate list or ratio of national to international organisations is not provided in the 2020 annual report by the governing body, 30 INGO`s are specifically mentioned as leading by spend or funds utilisation (Table 2.7. pg. 13). Their cumulative spend accounts for 37% of the KES 84.4 billion reported annual sector spend. The 30 leading INGO`s by spend/funds utilisation as listed by the 2020 annual NGO sector report formed the sampling frame of this study with 300 respondents being cumulatively targeted representing at least 10 officers per organization. Their responses were considered satisfactory to form the basis of the findings of this study.

3.5 Sampling Technique

Israel, (1992) acknowledges various factors including the level of precision, confidence level and degree of variability that are crucial in determining the sampling approach. For a small population of 200 or less he recommends a census approach which involves getting responses from the whole population to achieve a desirable level of precision.

Due to the limited count, a census approach was undertaken where responses from all the 30 listed INGO`s as leading by spend as per the 2020 annual NGO sector report were sought for the study with each organisation being represented by at least 10 respondents. The 10 targeted respondents in each of the INGO`s were the officer(s) in charge of operations and those in functions that collaborate with operations in the respective organisations such as project coordinators and officers due to their perceived knowledge on the organisation`s operations. Preference was on respondents who are based in the Nairobi based office location of the INGO`s.

3.6 Data Collection Instruments and Techniques

For the purposes of this study, quantitative data were collected using a closed-ended questionnaire, and responses were based on a 5-point Likert scale: 1-strongly disagree, 2-dispute, 3-neutral, 4-agree, 5-strongly agree.

Electronic forms through an online survey link were distributed to the respective INGO respondents. The use of electronic means was necessitated by the evolved hybrid work environment for many organisations post-covid. The 3 sections of the questionnaire covered the respondents bio-data, structured questions relating to the independent variable and structured questions relating to the dependent variable respectively to obtain primary data. Section A sought responses on the respondents Bio-data and that of their respective organisation. For confidentiality, respondents were not required to provide their names or identify their respective organisations.

Section B was structured around corporate parent roles prescribed by Scholes et al., (2002) as the independent variable where a five-point Likert scale—1 for strongly disagreeing, 2 for disagreeing, 3 for neutral, 4 for agreeing, and 5 for strongly agreeing—was used to measure the replies. Section C was structured around operational performance as the dependent variable where the measures of operational performance as prescribed by Reider, (2004) informed the questions to the respondents. Here, the five-point Likert scale was also used.

3.7 Quality of Research

3.7.1 Reliability

Reliability is the capacity of measuring devices to produce comparable outcomes when used at various intervals as directed by Bashir & Marudhar (2018). This study used a scale of 0 to 1, with a score of 0.7 or above regarded acceptable, for the Cronbach's Alpha Coefficient to ensure the measure instrument can produce consistent results when used at different times. Five operations officers from different INGOs provided answers to the questionnaire during a pilot study that took place in March 2023. The pilot replies were excluded from the final research study in order to prevent bias.. The results which are presented in Table 4.1 of this study had findings that observed the 3 independent variables together with the dependent variable posted Cronbach's Alpha values that were greater than the benchmark figure of 0.7.

Table 3: 3.1: Reliability Test Outcomes

Reliability Statistics			
Variable	Cronbach's Alpha	No. of Items	Classification
Portfolio Manager Role	0.878	2	Reliable
Synergy Manager Role	0.850	3	Reliable
Parental Developer Role	0.943	4	Reliable
Operational Performance	0.852	12	Reliable

Source: Primary Data (2023)

The findings observed that the study variables portfolio manager role, synergy manager role, parental developer role and operational performance posted Cronbach's Alpha values of 0.878, 0.850, 0.943 & 0.852 respectively. With the values being above the benchmark 0.7, it meant that the questionnaire was indeed reliable to obtain similar results when used multiple times by different respondents (Bashir & Marudhar, 2018).

3.7.2 Validity

In their study, Bashir & Marudhar, (2018) describe validity as the meaningful and appropriate interpretation of the data obtained from the measuring instrument as a result of the analysis. In order to ensure meaningful and appropriate interpretation of the data is obtained from the measuring instrument, this study applied logic to test the content validity and ensure the questions in the questionnaire relate to the research objectives and questions. By reviewing responses from the pilot study, the researcher established that the questionnaires were well structured to get the required responses to inform the findings of the study. The questionnaire was also subjected to the reviews prescribed by the institution.

3.8 Data Analysis

Following the receipt of the questionnaire responses, the data was examined and cleansed to remove any common errors and gaps and guarantee consistency and completeness. After that, the data was input into the SPSS programme to provide descriptive statistics. These were then utilised to further analyse the data and make inferences, such as figuring out how the independent and dependent variables related to one another. Multiple regression analysis and the Pearson's correlation test were used to examine the relationship between the dependent and independent variables. Data on the individual questionnaire items as well as demographic characteristics were analysed using frequencies and percentages. To show the tabulated

responses from every study participant, average scores and standard deviations were calculated for Likert scale items.

The model will be as follows;

$$Y = \alpha + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \varepsilon$$

Where: Y = Dependent Variable (Operational Performance)

X = Independent variables, which are:

X1 Portfolio Manager role

X2 Synergy Manager role

X3 Parental Developer role

3.9 Ethical Considerations

An introduction letter, a study permission from the National Commission for Science, Technology, and Innovation (NACOSTI), and ethical approval from the Strathmore University Ethics Review Committee were received to assist data collection as part of the mandatory research procedures. After that, consent was acquired from the participants during the questionnaire administration process. Each questionnaire was accompanied by a cover letter assuring participants' voluntary involvement and providing assurances on confidentiality and quality control. The letter also outlined the goal of the study. The promise to protect the respondents' identities and confidentiality was honored throughout the investigation. To make sure that responses were given, reminders were sent. To prevent plagiarism, all responses—both published and unpublished—were acknowledged with data collection only being limited to the specific period allowed.

3.10 Chapter Summary

The research problem methodology that will be applied in this study has been described in this chapter. It has described the methods for collecting and analysing data for this study, as well as the research design, target population, sample and sampling techniques, instruments, validity and reliability of the instruments, and research philosophy. It has also stipulated the ethical considerations that apply to this investigation.



CHAPTER FOUR: PRESENTATION OF RESEARCH FINDINGS

4.1 Introduction

The data analysis and study findings are presented in this chapter. Along with the demographic, descriptive, and correlational results, it describes the validity and reliability of the test results. The regression results for each study aim are then shown. The targeted respondents' (workers') demographic traits and those of their individual organisations were explained by the descriptive data that were acquired. This chapter also includes the factor analysis results that were utilised to determine the independent variables for correlation and regression analysis, namely corporate parent roles as the independent variable and operational performance as the independent variable. Results from correlation and regression analyses were utilised to determine how corporate parent responsibilities affected the operational performance of INGO subsidiaries in Kenya.

4.2 Response Rate

The data collection exercise for this study was carried out between May and October of 2023 subsequently after completion of the pilot study. In line with the census approach adopted for this study, responses were obtained from all the 30 leading INGO`s with 300 targeted respondents representing at least 10 officers from each of the 30 organizations. The study respondents were officers involved in the operations of the respective INGO`s. There was a 90% response rate with 270 respondents of the targeted 300 participating in the study. This was therefore considered sufficient to address the study objectives as it was in line with Fincham, (2008), where a benchmark of 60% is considered to be sufficient for inferences to be drawn from collected data.

4.3 Demographic Results

To establish the gender, age, the respective department that the respondents relate to, their organisations years of operation and no of country /national offices, demographic data was obtained as part of the questionnaire. This data was key to determining as to whether the findings meant to address the objectives of the study could be relied upon. The data was then run through SPSS and the findings were presented in Table 4.1 of this study. Descriptive

statistics that involved frequencies and percentages were used to establish the state of affairs of the aforementioned demographic aspects.

Table 4: 4.1: Respondents' Demographic Information



Respondents' Demographic Information		Frequency	Percentage (%)
Sex Orientation	Male	140	51.9
	Female	130	48.1
Respondent's Age	25 years & below	-	-
	26-30 years	-	-
	31-35 years	59	21.9
	36-40 years	56	20.7
	40-45 years	24	8.9
	46-50 years	13	4.8
	51-55 years	118	43.7
	56-60 years	-	-
	61 years and above	-	-
Department of Duty	Finance	24	8.9
	Grants	25	9.3
	Communications	25	9.3
	Human Resource & Admin	25	9.3
	ICT	25	9.3
	Audit, Risk & Compliance	25	9.3

	Monitoring & Evaluation	25	9.3
	Resource Mobilization	25	9.3
	Programs	24	8.9
	Procurement	24	8.9
	Strategy	23	8.5
Years of Operation of the HQ	0-10 years	-	-
	11-20 years	60	22.2
	21-30 years	40	14.8
	More than 30 years	170	63.0
No. of National/Country Offices	0-5	-	-
	6-10	20	7.4
	11-20	35	13.0
	21-40	80	29.6
	More than 40	135	50

Source: Researcher (2023)

The findings established that 51.9% of the total respondents were male while 48.1% were female. While the findings showed a slight gender gap, the responses to address the study objectives were considered satisfactory and could be relied upon as the focus of the study was on the organisations therefore a respondent's gender would not vary the feedback provided for an organisation. On the demographic aspect relating to the of the respondent's age, it was noted that most of the respondents studied amounting to 43.7% were aged between 51-55 years, those aged between 31-35 years at 21.9% , those aged between 36-40 years at 20.7% with the remaining 13.7% being between 40 to 50 years. The findings showed that most of the respondents, amounting to 78.1%, were more than 36 years of age. This, therefore meant that

the information obtained from the field to address the study objectives was obtained from employees who were considered to be experienced and knowledgeable on their organizations state of affairs, specifically the corporate parent roles and operational performance.

The demographic findings also observed that 8.9% (24) of the total responses came from officers working in the Finance Department, with another 9.3% (25) from each of the Grants ,Human Resource, Communications, ICT, Audit , Monitoring and Resource Mobilization departments , followed by 8.9% (24) from each of the programs and procurement departments and lastly 8.5% (23) from the strategy department. In general, there was an almost equal distribution of respondents studied in each particular department. With at least 70% of the responses being drawn from departments which are ordinarily considered to be in touch with an organisation’s operations, it meant that the findings obtained to address the study objectives could be relied upon. Additionally, the demographic findings observed that all the organisations had been in existence for 11 years or more showing stability of the organisations with at least 79.6% respondents confirming their organization had more than 21 subsidiaries making the findings obtained reliable to address the study objectives.

4.4 Descriptive Findings

The descriptive findings relating to each study variable are presented and discussed in the succeeding subsections. A 5-point Likert scale was used by the researcher to obtain responses on the of level of agreement in the questionnaire regarding each variable The responses were then converted into figures to enable statistical analysis. The data for each of the variables was run through SPSS and mean scores together with standard deviations used to analyse the data.

4.4.1 Descriptive results of the Corporate Parent Roles at INGOs in Kenya

The descriptive results relating to the corporate parent roles at INGOs in Kenya is presented below in Table 4.2. From the questionnaire, the respondents evaluated the extent to which corporate parent roles are carried out within their respective organisations.

Table 5: 4.2: Descriptive Mean and Standard Deviation Results of the Corporate Parent Roles of INGO`s in Kenya

Portfolio Manager Role			
No.	Statement	Mean	Standard. Deviation

1.	The HQ office evaluates, selects and prioritizes projects to be implemented by the organisation based on available resources and organisational priorities.	3.119	1.353
2.	The HQ office maintains a database of all active projects in the organisation.	2.778	1.459
Overall Score		2.949	1.406

Synergy Manager Role

3.	A majority of core functions such as Finance, Procurement, HR and Resource Mobilization are shared across the organisation.	3.252	1.596
4.	Common systems, policies and procedures are used across the organisation.	2.930	1.468
5.	The HQ leads the organisation in setting a common vision and purpose for the organisation that is adopted by all country / field offices.	2.848	1.477
Overall Score		3.010	1.514

Parental Developer Role

6.	Field / Country office budgets are controlled and monitored by HQ.	3.137	1.302
7.	Investment and cash management decisions are made by HQ.	3.119	1.453
8.	Organisational strategy reviews are carried out by HQ.	3.067	1.381
9.	Recruitment of field/ country office staff is carried out by HQ.	2.748	1.367
Overall Score		3.018	1.376

Source: Researcher (2023)

Most of the respondents agreed that the HQ office evaluates, selects, and prioritizes projects to be implemented by the organisation based on available resources and organisational priorities

as presented in Table 4.2 above with a mean of 3.119 alongside a standard deviation of 1.353.. Besides that, it was observed that most HQ offices maintain a database of all active projects in the organisation supported by a mean of 2.778 (and a standard deviation of 1.459) indicating that most of the respondents moderately agreed with it.

Table 4.2 above shows that HQs in the Kenyan INGO sector lead their organisations (including subsidiaries) in setting a common vision and purpose for the organisation that is adopted by all country / field offices as evidenced by a mean of 2.848 (and a standard deviation of 1.477) indicating that most of the respondents agreed with it. The descriptive results also observed that a majority of core functions such as Finance, Procurement, HR and Resource Mobilization are shared across a particular INGO with the statement being supported by a mean of 3.252 (and a standard deviation of 1.596) indicating that most of the respondents agreed with it. The findings also observed that common systems, policies and procedures are used across a particular INGO set-up as justified by a mean of 2.930 and a standard deviation of 1.468.

As displayed in Table 4.2 above, it was observed that the field / country office budgets are controlled and monitored by the HQ. This statement was supported by a mean of 3.137 (and a standard deviation of 1.302) indicating that most of the respondents agreed with it. Besides that, it was observed that investment and cash management decisions are made by HQ as supported by a mean of 3.119 (and a standard deviation of 1.453) indicating that most of the respondents agreed with it. The findings also noted that organisational strategy reviews are carried out by HQ, supported by a mean of 3.067 (and a standard deviation of 1.381) indicating that most of the respondents agreed with it . Finally, it was observed that the recruitment of field/ country office staff is usually carried out by HQ as supported by a mean of 2.748 (and a standard deviation of 1.367) indicating that most of the respondents moderately agreed with it.

4.4.2 Descriptive Results of the Operational Performance of INGOs in Kenya

The descriptive results relating to the operational performance of INGOs in Kenya has been presented below in Table 4.3 of this study. From the questionnaire, the respondents evaluated the operational performance within their respective organisations.

Table 6: 4.3: Descriptive Mean and Standard Deviation Results of the Operational Performance of INGOs in Kenya

Operational Performance

Economy

No.	Statement	Mean	Standard. Deviation
1.	The field/ country office follows sound purchasing practices that ensure value for money to the organisation.	3.700	1.462
2.	The field /country office is not overstaffed with multiple role duplication across functions.	3.611	1.456
3.	The field / country office does not have excess equipment/furniture/ vehicles than is necessary for the operations of the office.	3.078	1.442
4.	There is no wastage of organisational resources in the field / country office.	2.926	1.364
Overall Score		3.329	1.431

Efficiency

5.	The field/ country office fully utilizes the IT systems.	3.744	1.439
6.	The approvals required at country /field office level is not too hierarchical / cumbersome.	3.700	1.462
7.	There is no duplication of effort and unnecessary work steps at country and field office level.	3.611	1.456
8.	There is no inefficient paperwork flow in the field/country office.	3.585	1.468
Overall Score		3.660	1.456

Effectiveness

9.	The organisations performance management system is adequate.	3.744	1.439
10.	Mechanisms have been put in place to determine the extent to which results are achieved and factors inhibiting satisfactory performance of results are identified.	3.585	1.468
11.	Detailed work plans guide execution of tasks across the organisation.	3.078	1.442
12.	Clear and realistic goals are set across the organisation.	2.926	1.364
Overall Score		3.333	1.429

Source: Researcher (2023)

Regarding the cost of operations (economy), the study observed that the field/ country offices follow sound purchasing practices that ensure value for money to the organisations as supported by a mean of 3.700 and a standard deviation of 1.462. The findings also observed that the field /country offices are not overstaffed with multiple role duplication across functions as supported by a mean of 3.611 and a standard deviation of 1.456. The findings also established that the field / country office does not have excess equipment/furniture/ vehicles than is necessary for the operations of the office’s supported by a mean of 3.078 and a standard deviation of 1.442. Finally, the findings observed that there is no wastage of organisational resources in the field / country offices as supported by a mean of 2.926 and a standard deviation of 1.364.

With regards to the methods of operations (efficiency), Table 4.3 above shows that the field/ country office utilizes the IT systems with the approvals required at country /field office level not being too hierarchical / cumbersome as supported by the means of 3.744 and 3.700 respectively together with standard deviations of 1.439 and 1.462 respectively. Additionally, the findings observed that there is no duplication of effort and unnecessary work steps at country and field office level and there is no inefficient paperwork flow in the field/country

offices as supported by means of 3.611 and 3.585 respectively together with standard deviations of 1.456 and 1.468 respectively.

Lastly, regarding the results of operations (effectiveness), the findings established that the INGO`s performance management system is adequate and that mechanisms have been put in place to determine the extent to which results are achieved and factors inhibiting satisfactory performance of results are identified. This was justified by means of 3.744 and 3.585 respectively together with standard deviations of 1.439 and 1.468 respectively. .Finally, the findings observed that detailed work plans guide execution of tasks across the INGOs and that the same INGOs set clear and realistic goals across their whole organisational body. This was justified by means of 3.078 and 2.926 respectively together with standard deviations of 1.442 and 1.364 respectively.



4.5 Pearson Correlation Results

The Pearson Correlation results illustrating the relationship between the study variables has been presented in Table 4.4 below.



Table 9: 4.4: Pearson Correlation Results

		Correlations			
		Portfolio Manager Role	Synergy Manager Role	Parental Developer Role	Operational Performance
Portfolio Manager Role	Pearson Correlation	1	0.807**	0.783**	0.807**
	Sig. (2-tailed)		0.000	0.000	0.000
	N	270	270	270	270
Synergy Manager Role	Pearson Correlation	0.807**	1	0.818**	0.837**
	Sig. (2-tailed)	0.000		0.000	0.000
	N	270	270	270	270
Parental Developer Role	Pearson Correlation	0.783**	0.818**	1	0.938**
	Sig. (2-tailed)	0.000	0.000		0.000
	N	270	270	270	270
Operational Performance	Pearson Correlation	0.807**	0.837**	0.938**	1
	Sig. (2-tailed)	0.000	0.000	0.000	
	N	270	270	270	270

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

Source: Researcher (2023)

Based on the findings presented in Table 4.4 above, it was noted that portfolio manager role had a strong positive significant relationship with the operational performance of the

subsidiaries of INGOs in Kenya as evidenced from the results with a correlation coefficient value of 0.807** and a *p*-value of 0.000 . It was also established that the synergy manager role had a strong positive significant relationship with the operational performance of the subsidiaries of INGOs in Kenya since the results posted a correlation coefficient value of 0.837** and a *p*-value of 0.000. Finally, the correlation results observed that parental developer role had a strong positive significant relationship with the operational performance of the subsidiaries of INGOs in Kenya because the results posted a correlation coefficient value of 0.938** and a *p*-value of 0.000.

4.6 Regression Analysis Results

To establish the effect of corporate parent roles on the operational performance of subsidiaries in INGOs in Kenya, regression analysis was carried out. The findings were presented in Tables 4.5, 4.6 and 4.7.

Table 10 : 4.5: Model Summary Results

Model Summary					
Model	R	R Square	Adjusted R Square	Standard. Error of the Estimate	Durbin-Watson
1	0.949 ^a	0.900	0.899	0.42184	2.107

a. Predictors: (Constant), Parental Developer Role, Portfolio Manager Role, Synergy Manager Role

b. Dependent Variable: Operational Performance

Source: Researcher (2023)

Table 4.5 that has been presented above displays the model summary results. As noted in Table 4.5 the R-value was 0.949^a. This meant that 94.9% of the entire analysed data was statistically explained by the regression model making the regression findings reliable as the study’s regression model possessed a considerably high predictive power. It can also be noted that the model posted R-Square value of 0.900 which meant that the 90.0% variability witnessed in operational performance of the subsidiaries of the INGOs in Kenya was caused by portfolio

manager role, synergy manager role and parental developer role. The standard error of the estimate was 0.42184 which was very low, thus, indicating that the data was highly concentrated along the regression line. This provided evidence that the goodness of fit of the model was commendable. The Durbin-Watson value of 2.107 meant that the error terms were not seriously correlated, thus, the independence assumption was fulfilled as a requirement needed to be adhered to before regression analysis is considered suitable to be carried out (Field, 2013).

Table 11: 4.6: Analysis of Variance Results

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	426.273	3	142.091	798.489	0.000 ^b
	Residual	47.335	266	0.178		
	Total	473.607	269			

a. Dependent Variable: Operational Performance

b. Predictors: (Constant), Parental Developer Role, Portfolio Manager Role, Synergy Manager Role

Source: Researcher (2023)

The study conducted Analysis of Variance (ANOVA) in order to establish if the variability caused on operational performance was significantly (p -value < 0.05) caused by the 3 corporate parental role variables. The findings were presented in Table 4.6 above. The findings posted an F-Statistic figure of 798.489 and a p -value of $0.000^b < 0.05$. This meant that 90.4% variance observed in the operational performance of subsidiaries in INGOs in Kenya was significantly caused by the three corporate parental role variables (portfolio manager role, synergy manager role and parental developer role). Therefore, in regard to addressing the general objective of

the study, it's evident that corporate parent roles significantly influence the operational performance of subsidiaries in INGOs in Kenya.

Since the ANOVA model could not tell us how each of the corporate parental role variable influenced the operational performance of the subsidiaries in INGOs in Kenya and if the influence was negative or positive, the Regression Coefficient analysis was carried out to shed more light on these concerns. The findings were presented in Table 4.8 below.

Table 12 : 4.7: Regression Coefficient Results

Model	Coefficients					Collinearity Statistics		
	Unstandardized Coefficients		Standardized Coefficients	t	Sig.			
	B	Standard. Error	Beta			Tolerance		
1	(Constant)	0.385	0.068		5.671	0.000		
	Portfolio Manager Role	0.125	0.035	0.126	3.574	0.000	0.304	3.292
	Synergy Manager Role	0.136	0.036	0.146	3.844	0.000	0.259	3.855
	Parental Developer Role	0.755	0.038	0.720	19.938	0.000	0.288	3.475

Dependent Variable: Operational Performance

Source: Researcher (2023)

The unstandardized beta coefficients together with their corresponding *p*-values provided a clear view of how each corporate parental role variable influenced operational performance in line with each specific objective. For the independent variables to be considered to have an influence on a particular dependent variable, they have to be autonomous from each other

(Pallant, 2007). This means that there must be no cases of Multicollinearity existing between the independent variables (Ringle, Wende & Becker, 2015). Multicollinearity is deemed to be absent among the independent variables if they post tolerance values that are at least 0.1 and that their VIF figures ranges between 1 and 5 (Ringle et al., 2015).

Based on the findings presented in Table 4.6 above in the Collinearity Statistics section, it was noted that all the corporate parental role variables gave tolerance values that were greater than 0.1 and the VIF figures lied between 1 and 5. This meant that the independent variables did not rely on each other, thus no cases of Multicollinearity existed. Therefore, their influence on operational performance was confidently relied on.

Based on the Regression Coefficients that we have been given in Table 4.10 above, the study obtained the following regression model;

$$Y = 0.385 + 0.125X_1 + 0.136X_2 + 0.755X_3$$

Whereby;

Y = Operational performance of the subsidiaries in INGOs in Kenya

X₁ = Portfolio manager role

X₂ = Synergy manager role

X₃ = Parental developer role

The constant term of the model was 0.385, meaning in the absence of the 3 corporate parental variables when everything else is held constant, then the level of operational performance of the subsidiaries in INGOs in Kenya would be at 0.385. This actually shows that corporate parental roles are highly instrumental in boosting the operational performance of the subsidiaries in INGOs in Kenya. The regression coefficients of the 3 independent variables representing the corporate parental roles are discussed in line with the study objectives in the subsections that follows.

4.6.1 Effect of the Portfolio Manager Role on the Operational Performance of Subsidiaries in INGOs in Kenya

The study sought to establish the effect of the portfolio manager role on the operational performance of subsidiaries in INGOs in Kenya. The unstandardized beta coefficient value of 0.126 was used to address the specified objective. Based on the regression coefficient, it was established that the HQ`s involvement in the portfolio manager role would subsequently increase the operational performance of subsidiaries in INGOs in Kenya by 12.6% in a significant manner ($p\text{-value} = 0.000 < 0.05$). Therefore, it`s evident that portfolio manager role

has a positive significant effect on the operational performance of subsidiaries in NGOs in Kenya. The findings meant that an increase in the HQ's involvement in the portfolio manager role regarding the HQ office deciding on which projects to prioritize on and maintaining a database of all active projects managed by the subsidiaries would considerably increase the efficiency, effectiveness and the economic performance of the INGO subsidiaries in Kenya.

4.6.2 Effect of the Synergy Manager Role on the Operational Performance of Subsidiaries in INGOs in Kenya

The study also sought to establish the effect of the synergy manager role on the operational performance of subsidiaries in INGOs in Kenya. The unstandardized beta coefficient value of 0.146 was used to address the specified objective. Based on the regression coefficient, it was established that the HQ's involvement in the synergy manager role would subsequently increase the operational performance of subsidiaries in NGOs in Kenya by 14.6% in a significant manner ($p\text{-value} = 0.000 < 0.05$). What this actually meant was that an increase in HQ's involvement in the synergy manager role in terms of the head office having a common vision and systems to be adopted by all country/field offices and functional departments significantly improves the efficiency, effectiveness and the economic performance of the INGO subsidiaries in Kenya.

4.6.3 Effect of the Parental Developer Role on the Operational Performance of Subsidiaries in INGOs in Kenya

Lastly, the study sought to establish the effect of the parental developer role on the operational performance of subsidiaries in INGOs in Kenya. The unstandardized beta coefficient value of 0.720 was used to address the specified objective. Based on the regression coefficient, it was established that the HQ's involvement in parental developer role would subsequently increase the operational performance of subsidiaries in INGOs in Kenya by 72.0% in a significant manner ($p\text{-value} = 0.000 < 0.05$). This meant that an increase in the HQ's involvement in the parental developer role in terms of the head office controlling and monitoring the financial management of the field/country offices besides reviewing their organizational strategies and conducting the recruitment of the employees of the field/country offices considerably improves the efficiency, effectiveness and the economic performance of the INGO subsidiaries in Kenya.

4.7 Chapter Summary

The research's examined data and conclusions were given in this chapter. It demonstrated the connection between the study's independent and dependent variables.



CHAPTER FIVE: SUMMARY OF RESEARCH FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

The results of Chapter 4's discussion of the impact of corporate parent responsibilities on the operational success of subsidiaries in Kenyan non-governmental organisations (NGOs) are summarised in this chapter. The study's conclusions for each of the particular goals are then given, along with suggested recommendations.

5.2 Discussion of Findings

This section summarizes the discussion of findings in line with each specific study objective .

5.2.1 Effect of the Portfolio Manager Role on the Operational Performance of Subsidiaries in INGOs in Kenya

This study sought to establish the effect of the portfolio manager role on the operational performance of subsidiaries in INGOs in Kenya. To establish this, descriptive and regression analysis were employed. The descriptive results noted that HQ office evaluates, selects and prioritizes projects to be implemented by the organisation based on available resources and organisational priorities. Besides that, the descriptive findings observed that most HQ offices maintains a database of all active projects in the organisation. Databases are essential for tracking project activities in order to enhance overall efficiency and to make real-time decisions (AppMaster, 2022). Moreover, maintaining a portfolio database of project activities provides a better project performance since it can help the HQs to improve their business strategies and processes linked to the subsidiaries for better operational effectiveness and to take advantage of arising organizational opportunities in a timely manner (Stedman & Vaughan, 2023). The regression analysis results observed that portfolio manager role had a positive significant effect on the operational performance of subsidiaries in INGOs in Kenya.

The findings meant that the HQ`s involvement in the portfolio manager role by deciding on which projects to prioritize on and maintaining a database of all active projects managed by the subsidiaries , would considerably increase the efficiency, effectiveness and the economic performance of the INGO subsidiaries in Kenya. The findings of the study agreed with Muller and Blomquist (2004) who provided evidence of a positive relationship between project

portfolio control and portfolio management performance. The findings also concurred with the observations made by Jugend et al. (2016) on a sample of 71 Brazilian firms that product portfolio management practices adopted by a given organization improves product portfolio performance. The findings were also congruent with the observations made by Okechukwu and Egbo (2017) that project portfolio management boosts the performance of business organizations in Enugu, Nigeria. Portfolio management by NGOs has become of extreme importance due to increasing demands imposed by beneficiaries based on the growing number of projects entrusted to be executed by the NGOs (Subedi & Wagner, 2018).

Portfolio management helps organizations to take the right measures, manage opportunities, risk and available resources that would make the success of the multiple projects to be feasible (Morris & Pinto, 2007).

5.2.2 Effect of the Synergy Manager Role on the Operational Performance of Subsidiaries in INGOs in Kenya

This study also sought to establish the effect of the synergy manager role on the operational performance of subsidiaries in INGOs in Kenya. To establish this, descriptive and regression analysis were employed. The descriptive results observed that HQs in the Kenyan INGO sector lead their organisations (subsidiaries) in setting a common vision and purpose for the organisation that is adopted by all country / field offices. This meant that there exists synergy in the operational processes of the Kenyan INGO sector through the effective collaboration of various subsidiaries and business units which as a consequence yields greater efficiency in the utilization of resources and stimulation of useful knowledge and innovation (Scholes et al., 2002; Winden & Carvalho, 2015; Toth, 2007). The descriptive results also observed that a majority of core functions such as Finance, Procurement, HR and Resource Mobilization are shared across a particular INGO. The findings also observed that common systems, policies and procedures are used across a particular INGO set-up. The regression results found that the synergy manager role significantly increases the operational performance of subsidiaries in INGOs in Kenya.

The findings meant that the HQ's involvement in the synergy manager role by having a common vision and systems adopted by all country/field offices and functional departments significantly improves the efficiency, effectiveness and the economic performance of the INGO subsidiaries in Kenya. The findings concurred with Winden & Carvalho, (2015) who

posited that synergy production as the interaction of different elements in a system yields a greater effect than the sum of the individual effects in terms of realizing greater efficiency in utilisation of resources, image, reputation and stimulation of useful knowledge and innovation. The findings agreed with Wandera (2016) who observed that synergy from shared service centres enhances firm output and creates efficiencies such as reduced costs, improved product and service quality together with timely delivery. The study also concurred with Kathambara (2020) who also observed that synergy in regard to partnerships between public and private entities boosts organizational performance. The findings also agreed with Piyawongwathana and Onkvisit (2021) who observed that corporate parenting involving central functions in regard to merging all departmental units to follow a certain central vision boosts business effectiveness.

This study also confirms the theoretical proposition of the Systems Theory that the integration of the organizational departments as the subsystems of the whole INGO system through having a common vision, policies and procedures improves the overall performance of an organization.

5.2.3 Effect of the Parental Developer Role on the Operational Performance of Subsidiaries in INGOs in Kenya

Lastly, the study sought to establish the effect of the parental developer role on the operational performance of subsidiaries in INGOs in Kenya. To establish this, descriptive and regression analysis were employed. The descriptive results observed that the field / country office budgets are controlled and monitored by HQ. Besides that, it was observed that investment and cash management decisions are made by HQ. The findings also noted that organisational strategy reviews are carried out by HQ. Finally, it was observed that the recruitment of field/ country office staff is usually carried out by HQ. The regression results observed that the parental developer role considerably increases the operational performance of subsidiaries in INGOs in Kenya. This meant that the HQs` involvement in the parental developer role in terms of the head office controlling and monitoring the financial management of the field/country offices besides reviewing their organizational strategies and conducting the recruitment of the employees of the field/country offices considerably improves the efficiency, effectiveness, and the economic performance of the INGO subsidiaries in Kenya.

The findings of this study expand knowledge to the Agency Theory by confirming that the principals (HQ/head offices) control the agents (field/country offices) in such a way that they

enforce the agents through direct parental control to act in the best interest of the principals in order to achieve shareholder value which in this case is improved operational performance (Jensen & Meckling, 1976; Mitnick, 2013). The findings of the study agrees with Johnson et al. (2017) who suggested that the capability developers improve the performance of business units as they transfer resources and capabilities downwards. According to Medvedev and Amann (2021) together with Abdullah and Mehmood (2013), value addition to business units is conceived when the parent organization is directly involved in employing its own skills and competencies to the business units including the management of the recruitment process and the financial decisions of the business units.

5.3 Conclusion

For the first objective, this study concludes that the portfolio manager role regarding the HQ office deciding on which projects to prioritize on and maintaining a database of all active projects managed by the subsidiaries would considerably increase the operational performance of the INGO subsidiaries in Kenya.

For the second objective, this study concludes that the synergy manager role regarding the head office having a common vision and systems to be adopted by all country/field offices and functional departments significantly improves the operational performance the INGO subsidiaries in Kenya.

Finally, for the third objective this study concludes that the parental developer role regarding the head office controlling the financial management of the field/country offices , reviewing their organizational strategies and conducting the recruitment of the employees of the field/country offices improves the operational performance of the INGO subsidiaries in Kenya.

5.4 Recommendation

This study recommends that subsidiaries of INGO`s operating in Kenya should structure their operations and align their policies with the HQ carrying out specific corporate parent roles for improved operational performance. Specifically, the improved operational performance will be evidenced from improved cost, methods, and results of operations in the country and field offices. The corporate parent roles to be carried out by the HQ include maintaining a database of active projects to track project activities for efficiency and real-time decision making. Databases are essential for tracking project activities in order to enhance overall efficiency and

to make real-time decisions (AppMaster, 2022). Moreover, maintaining a portfolio database of project activities provides a better project performance since it can help the HQs to improve their business strategies and processes linked to the subsidiaries for better operational effectiveness and to take advantage of arising organizational opportunities in a timely manner (Stedman & Vaughan, 2023). The HQ should also drive a common vision and deploy shared systems for synergy. Finally, the HQ should have stand-alone influence with value addition through employing budget controls, selecting business managers, carrying out strategy reviews and leading investment decisions.

The study also contributes to the existing literature on corporate parent roles by establishing the effect of corporate parent roles on the operational performance of subsidiaries in INGOs in Kenya. Lastly, this study contributes to the Systems theory by providing tools and techniques for practicing managers as it shows how to better coordinate sub-sets in a system for improved operational performance.

5.5 Study Limitations and Suggestions for Further Research

Future researchers should expand the scope geographically to other countries or to a global level as this study was limited to the Kenyan context. Additionally, this study solely relied on questionnaires to address its objectives; future studies can consider qualitative approaches such as interviews and focus group discussions to provide more in-depth information on other specific roles that can be employed by the Head office. Additionally, future study should examine all other operational roles carried out by the subsidiaries and how those roles impact on operational performance in INGO`s.

5.5 Chapter Summary

This final chapter summarized the research findings discussions, conclusions drawn from the study, the recommendations for further research and the limitations of the study.

REFERENCES

Abdullah, H. H., & Mehmood, K. K. (2013). Corporate parent value addition and challenges. *Middle East Journal of Scientific Research*, 15(11), 1606-1617.

Abdullah, H. H., & Mehmood, K. K. (2013). Corporate parent value addition and challenges. *Middle East Journal of Scientific Research*, 15(11), 1606-1617.

Abodohoui, A., Osunlalu, B., & Guihua, N. (2013). Roles of Subsidiaries to Parent and Motivations Justifying Their Presence in Developing Countries (DCs): Synthesis of Literature. *IBusiness*, 05(03), 123–127. <https://doi.org/10.4236/ib.2013.53b026>

Adam, A. M. (2020). Sample Size Determination in Survey Research. *Journal of Scientific Research and Reports*, 26(5), 90–97. <https://doi.org/10.9734/jsrr/2020/v26i530263>

Akhtar, I. (2016). Research Design. *SSRN Electronic Journal*.

Ashridge Portfolio Matrix. (n.d.). Charlesworthbgs.com.

<https://charlesworthbgs.com/blog/post/ashridgeportfolio>

AppMaster (2022, June 10). *10 reasons why business needs a good database*.

<https://appmaster.io/blog/10-reasons-why-your-business-needs-a-good-database>

Azim, Md & Ahmed, Helaluddin & KHAN, A.T.M.. (2015). Operational performance and profitability: an empirical study on the bangladeshi ceramic companies. *International Journal of Entrepreneurship and Development Studies*. 3. 63-73.

Baglieri, Enzo, & Bruno, Marcos, & Vasconcellos, Eduardo, & Grandó, Alberto (2010). The parent-subsidiary relationship. *International technology cooperation: The fiat auto case*.

Basri, Y. Z., & Arafah, W. (2020). The effect of acquisition synergy on firm performance moderated by firm reputation.

Bashir, J., & Marudhar, M. (2018). Reliability & Validity of the Research. *Scientific Journal of India*, 3(1), 66–69. <https://doi.org/10.21276/24565644/2018.v3.i1.23>

Budiyanto, C. (2016). GRIN - The Reciprocal Influence of Parent-Subsidiary Relationships and Enterprise Systems Implementation. <https://www.Grin.Com/Document/383736>.
<https://www.grin.com/document/383736>

Campbell A, Goold M, Alexander M (1995) Corporate strategy: the quest for parenting advantage. *Harv Bus Rev* 73(2):120–132

Campbell, A., Goold, M., & Alexander, M. (1995). The Value of the Parent Company. *California Management Review*, 38(1), 79–97. <https://doi.org/10.2307/41165822>

Caren Rodrigues & Anup Krishnamurthy (2021) When subsidiaries follow their parents' CSR focus: the influence of organizational characteristics on CSR towards target groups, *The International Journal of Human Resource Management*, DOI: 10.1080/09585192.2021.1875492

Carolyn Callahan, Jared Soileau, Does Enterprise risk management enhance operating performance?, *Advances in Accounting*, 2017

Chandler Jr, A. D. (1991). The functions of the HQ unit in the multibusiness firm. *Strategic management journal*, 12(S2), 31-50.

Comparative Study of AMDA Nepal and General Welfare Pratisthan (GWP). *JMC Research Journal*, 8(1), 15–28. <https://doi.org/10.3126/jmcrj.v8i1.43076>

Cooper, R. G., Edgett, S. J., & Kleinschmidt, E. J. (2000). New problems, new solutions: making portfolio management more effective. *Research-Technology Management*, 43(2), 18-33

Cooper, R. G., Edgett, S. J., & Kleinschmidt, E. J. (2001). *Portfolio Management*. Pegasus, New York.

Chikere, C. C., & Nwoka, J. (2015). The systems theory of management in modern day organizations-A study of Aldgate congress resort limited Port Harcourt. *International Journal of Scientific and Research Publications*, 5(9), 1-7.

Chrispine, A., & Simba, F. (2015). *Effects of Public Procurement Processes on Organization Performance* .

Daum, P. (2013). *International synergy management: A strategic approach for raising efficiencies in the cross-border interaction process*. Anchor Academic Publishing (aap_verlag).

De Lima, A. K. A., & Caldana, V. M. (2021). Portfolio management of social projects: A case study in IFSP. In 2nd South American Conference on Industrial Engineering and Operations Management, IEOM 2021 (pp. 1456-1464).

Feldman, E. R. (2020). The Corporate Parenting Advantage, Revisited. *Strategic Management Journal*. <https://doi.org/10.1002/smj.3218>

Fine, T., and Snyder, L. (1999). What is the difference between performance and benchmarking?. *Public Management*, 81(1), pp. 24-25

Fincham, J. E. (2008). Response rates and responsiveness for surveys, standards, and the Journal. *American Journal of Pharmaceutical Education*, 72 (2), 43.

Fiscal Policy: How to Improve the Financial Oversight of public corporations. <https://www.imf.org/external/pubs/ft/howtonotes/2016/howtonote1605.pdf> . Date accessed February 19, 2022

Fowler, A. (1992). Decentralisation for International NGOs. *Development in Practice*, 2(2), 121–124. <http://www.jstor.org/stable/4028771>

Filippov, S., Mooi, H., & Weg, R. V. der. (2012). Strategic Project Portfolio Management: an Empirical Investigation. *Journal on Innovation and Sustainability*. RISUS ISSN 2179-3565, 3(1), 9. <https://doi.org/10.24212/2179-3565.2012v3i1p9-23s>

Galkina, T., & Yang, M. (2020). Bringing Nordic Slush to Asia: Entrepreneurial internationalization of an NGO as a social movement. *International Business Review*, 29(6), 101749. <https://doi.org/10.1016/j.ibusrev.2020.101749>

Gaspar, B., Moreira, A. C., Cercas, C., Queirós, R., & Campos, S. (2022). The Internationalization of Nongovernmental Organizations: Characteristics and Challenges. *Administrative Sciences*, 12(4), 140. <https://doi.org/10.3390/admsci12040140>

Garzella, S., & Fiorentino, R. (2016). M&A Success and Failure: The Role of Synergy Management. *Contributions to Management Science*, 9–34. https://doi.org/10.1007/978-3-319-40671-8_2

Ghertman, M. (1988). Foreign Subsidiary and Parents' Roles during Strategic Investment and Divestment Decisions. *Journal of International Business Studies*, 19(1), 47–67. <http://www.jstor.org/stable/154986>

Goold, M., Campbell, A., & Alexander, M. (1998). Corporate strategy and parenting theory. *Long Range Planning*, 31(2), 308-314.

Gordon, J. (2021, September 23). Systems Theory of Management - Explained. The Business Professor, LLC. https://thebusinessprofessor.com/en_US/management-leadership-organizational-behavior/systems-theory-of-management

Gorel, S. (2016). The influence of parent company and subsidiary company support on expatriate's affective commitment: The moderating effect of consensual support. <Http://Arno.Uvt.Nl/Show.Cgi?Fid=141573>. <http://arno.uvt.nl/show.cgi?fid=141573>

Hadli, Hazirah, The Determinants of Firm Operational Performance (June 19, 2017). Available at SSRN: <https://ssrn.com/abstract=2988730> or <http://dx.doi.org/10.2139/ssrn.2988730>

Huang W. (2019) Service and Oversight Functions of Accounting. In: Built on Value. Palgrave Macmillan, Singapore. https://doi.org/10.1007/978-981-13-7507-1_12

Indeed Editorial Team (2023, March 11). *Reliability in research: definition and assessment types*. <https://www.indeed.com/career-advice/career-development/reliability-in-research#:~:text=What%20is%20research%20reliability%3Fnot%20influenced%20by%20external%20factors>

Israel, G. D. (1992). Determining sample size.

Iversen, M. (2000). *Managing Synergy: The case of Danfoss*. Institut for Industriøkonomi og Virksomhedsstrategi, Handelshøjskolen i København.

Jałocha, B., & Bogacz-Wojtanowska, E. (2017). Project Portfolio Management: Tool for Strategy Implementation in Non-Governmental Organizations. In L. West, & A. Worthington (Ed.), *Handbook of Research on Emerging Business Models and Managerial Strategies in the Nonprofit Sector* (pp. 87-103). IGI Global. <https://doi.org/10.4018/978-1-5225-2537-0.ch006>

Jałocha, B., & Bogacz-Wojtanowska, E. (2020). Project Portfolio Management: Tool for Strategy Implementation in Non-Governmental Organizations. In *Start-Ups and SMEs: Concepts, Methodologies, Tools, and Applications* (pp. 547-563). IGI Global

Jayawickrama, S., & Mccullagh, N. (2009). What Makes International NGOs Distinctive? Contributions, Characteristics and Challenges. https://cpl.hks.harvard.edu/files/cpl/files/distinctive_contributions_of_ngos.pdf?m=14401810

17

Johnson, G., Scholes, K., & Whittington, R. (2008). Exploring corporate strategy: Text and cases (8th edition). NJ: Prentice Hall.

Jugend, D., da Silva, S. L., Salgado, M. H., & Miguel, P. A. C. (2016). Product portfolio management and performance: Evidence from a survey of innovative Brazilian companies. *Journal of business research*, 69(11), 5095-5100.

Kaplan Financial Limited. (2020). Corporate parenting. Default. Retrieved March 9, 2022, from <https://kfknowledgebank.kaplan.co.uk/business-strategy/strategy-into-action/corporate-parenting>

Kathambara, C. M. (2020). The influence of synergy on performance of public private partnership in Kenya: A case study of the afya elimu fund (Doctoral dissertation, Africa Nazarene University).

Katri Kauppi, Annachiara Longoni, Federico Caniato, Markku Kuula, Managing country disruption risks and improving operational performance: risk management along integrated supply chains, 2016,

Khakata, S. (2014). Procurement methods and operational performance of state corporations in Kenya.

Kimetto, M. (2019). Effect of Synergy through Mergers and Acquisitions on a Firm's Financial Performance in Kenya: A Case of Sidian Bank (Doctoral dissertation, United States International University-Africa).

Kumar, R. (2021). Resource Relatedness and Its Effect on the Performance of Parent Firm and Foreign Subsidiary. <https://www.ejbmr.org/index.php/ejbmr/article/download/998/542>

Lewis, D., & Kanji, N. (2009). Non-Governmental Organizations and Development. Routledge.

Manal Munir, Muhammad Shakeel Sadiq Jajja, Kamran Ali Chatha, Sami Farooq, Supply chain risk management and operational performance: The enabling role of supply chain integration,2020,

Marcel Kaba, NGO Accountability: A Conceptual Review across the Engaged Disciplines, *International Studies Review*, Volume 23, Issue 3, September 2021, Pages 958–996,

Matthews, S. (2017, April 25). The role of NGOs in Africa: are they a force for good? The Conversation. <https://theconversation.com/the-role-of-ngos-in-africa-are-they-a-force-for-good-76227>

Medvedev, A., & Amann, W. (2021). *The Essence of International Management*. Walnut Publication, C.

Michael Goold, & Andrew Campbell. (1998, September 1). Desperately Seeking Synergy. *Harvard Business Review*; [hbr.org. https://hbr.org/1998/09/desperately-seeking-synergy](https://hbr.org/1998/09/desperately-seeking-synergy)

Mitnick, Barry. (2013). Origin of the Theory of Agency: An Account By One of the Theory's Originators. *SSRN Electronic Journal*. 10.2139/ssrn.1020378.

Moore, S. (2009). *Strategic project portfolio management: enabling a productive organization* (Vol. 16). John Wiley & Sons.

Morris, P. W., & Pinto, J. K. (2007). *The Wiley guide to project, program, and portfolio management* (Vol. 3). John Wiley & Sons.

Müller, Ralf & Blomquist, Tomas. (2004). *Analysis of Roles and Responsibilities of Program and Portfolio Managers*.

Mwaura, P.M. (2013). *The effects of financial accountability on the Performance of Non-governmental organizations in Kenya*.

Ngunyi, I. (2014). *Procurement practices and the performance of parastatals in kenya* .

Omondi, C. (2015). *Parent-subsidiary relationship and how it affects performance in telkom Kenya* (Orange).

Okechukwu, E. U. & Egbo, D. E. (2017). Effect of project portfolio management on the performance of business organizations in Enugu Nigeria. *International Journal of Academic*

Research in Business & Social Sciences, 7 (9), 591-604.

<http://dx.doi.org/10.6007/IJARBSS/v7-i9/3345>

Pallant, J. (2007). *SPSS survival manual: a step by step guide to data analysis using SPSS for windows* (3rd Ed., [fully rev.]). Maidenhead: Open Univ. Press.

Porter, M. E. (1987). From competitive advantage to corporate strategy. *Harvard Business Review*, May-June, 43-59.

Pidun U. (2019) Corporate Portfolio Analysis. In: Corporate Strategy. Springer Gabler, Wiesbaden. https://doi.org/10.1007/978-3-658-25426-1_4

Piyawongwathana, P., & Onkvisit, S. (2021). Corporate parenting advantage: Conceptual, methodological, and empirical considerations. *Journal of Global Business Insights*, 6(1), 27-39.

Pratt, B., & Gibbs, S. (2020). Decentralised NGO Management.

Rahman, S. (1998). Theory of constraints. *International Journal of Operations & Production Management*, 18(4), 336–355. <https://doi.org/10.1108/01443579810199720>

Reider, R. (2004). Improving the economy, efficiency, and effectiveness of not-for-profits: Conducting operational reviews. John Wiley & Sons.

Ringle, C.M., Wende, S., & Becker, J-M. (2015). *SmartPLS 3*. Bönningstedt: SmartPLS

Saunders, Mark & Lewis, P. & Thornhill, A.. (2009). Understanding research philosophies and approaches. *Research Methods for Business Students*. 4. 106-135.

Scholes, K., Johnson, G., & Whittington, R. (2002). Exploring corporate strategy. Hoboken: Financial Times Prentice Hall.

Scholes, K., Johnson, G., & Whittington, R. (2002). Exploring corporate strategy. Hoboken: Financial Times Prentice Hall.

Scott, C. R., Lewis, L. K., Barker, J. R., Keyton, J., Kuhn, T., & Turner, P. K. (2017). The international encyclopedia of organizational communication. John Wiley & Sons, Inc.

Stedman, C. & Vaughan, J. (2023). *What is data management and why is it important*. TechTarget. <https://www.techtarget.com/searchdatamanagement/definition/data-management>

Stevenson, W. J., (2014). *Operations Management - Operations and Decision Sciences*, 12th Edition McGraw-Hill Series

Slack N., Chambers S. & Johnston R., (2001). *Operations Management* (Prentice Hall).

Spradlin, C. T., & Kutoloski, D. M. (1999). Action-oriented portfolio management. *Research-Technology Management*, 42(2), 26-32.

Subedi, S., & Wagner, R. (2018). Portfolio management in non-governmental organizations. In *The Handbook of Project Portfolio Management* (pp. 143-152). Routledge.

Teelken, C. (2008). The intricate implementation of performance measurement systems: exploring developments in professional-service organizations in the Dutch non-profit sector. *International Review of Administrative Sciences*, 74(4), 615–635. <https://doi.org/10.1177/0020852308098471>

Thapa, S. (2019). *Measuring Performance of Non Government Organizations: A*

Thomas W. D. Davis, Kate Macdonald & Scott Brenton (2012) Reforming accountability in international NGOs: making sense of conflicting feedback, *Development in Practice*, 22:7, 946-961, DOI: [10.1080/09614524.2012.696093](https://doi.org/10.1080/09614524.2012.696093)

Third Sector Research Centre Plowden Fellowship Report. (n.d.). <https://www.birmingham.ac.uk/Documents/college-social-sciences/social-policy/tsrc/working-papers/working-paper-142.pdf>

Tóth, K. (2007). Synergy management in acquisitions. In *Acquisition strategies in European emerging markets* (pp. 58-71). Palgrave Macmillan, London.

Van Winden, W., & Carvalho, L. (2015). Synergy management at knowledge locations. *Making 21st century knowledge complexes: Technopoles of the world revisited*, 62-81.

Walker, H., Chicksand, D., Radnor, Z., & Watson, G. (2015). Theoretical perspectives in operations management: an analysis of the literature. *International Journal of Operations & Production Management*, 35(8), 1182–1206. <https://doi.org/10.1108/ijopm-02-2014-0089>

Wandera, M. (2016). Shared services centers synergy and performance in selected multinationals in Kenya (Doctoral dissertation, University of Nairobi).

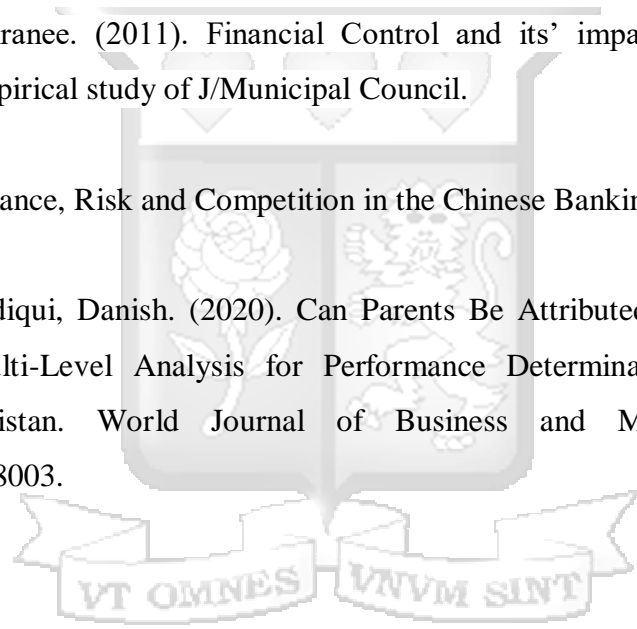
Wen, J.S. and Yang, R. (2014) The Research of the Transferring Knowledge between the Parent and Subsidiary Company (Based on Taiwan). *Open Journal of Business and Management*, 2, 151-161. <http://dx.doi.org/10.4236/ojbm.2014.22018>

Wieland, A. and Wallenburg, C.M. (2012), "Dealing with supply chain risks: Linking risk management practices and strategies to performance", *International Journal of Physical Distribution & Logistics Management*, Vol. 42 No. 10, pp. 887-905. <https://doi.org/10.1108/09600031211281411>

Yogendrarajah, Rathirane. (2011). Financial Control and its' impact on Organizational performance – An empirical study of J/Municipal Council.

Yong Tan, in Performance, Risk and Competition in the Chinese Banking Industry, 2014

Zahra, Nayab & Siddiqui, Danish. (2020). Can Parents Be Attributed to Their Subsidiary Performance? A Multi-Level Analysis for Performance Determinants of Multinational Enterprises in Pakistan. *World Journal of Business and Management*. 6. 34. 10.5296/wjbm.v6i2.18003.



APPENDICES

APPENDIX 1: INTRODUCTORY LETTER

Esther Rao

Strathmore University,

Strathmore Business School

P.O. Box 59857 – 00200,

Nairobi.

Dear Respondent,

RE: REQUEST FOR COLLECTION OF RESEARCH DATA.

I am a Master's student at Strathmore University – Strathmore Business School. I'm pursuing a Master of Commerce Degree with a specialization in Strategic Management.

I am currently conducting research on The effect of corporate parent roles on the operational performance of subsidiaries in international NGO's in Kenya. The 30 leading INGO's by spend as ranked in the 2020 annual NGO sector report by the NGO Coordination Board of Kenya will form the population of this study.

This research is in partial fulfillment of the award of the Master's Degree. I humbly request your participation in this study.

I would like to assure you that all the information shared in this study will be kept confidential and used solely for the purposes of this research. It is in this regard that I request you not to indicate your name in the questionnaire. Your participation in this study will be fully appreciated.

Yours sincerely,

Esther Rao.

APPENDIX 2 : QUESTIONNAIRE

This questionnaire is designed for purposes of collecting data for a research study on :

The effect of corporate parent roles on the operational performance of subsidiaries in international NGO`s in Kenya.

You are kindly requested to fill it with a tick (✓) or explanation where necessary.

All responses provided will be strictly confidential and will be used for academic purposes only. Your participation will be highly appreciated

SECTION A; BACKGROUND INFORMATION

1. Gender

Male

Female

2. Age

25 years & below

26- 30 years

31-35years

36-40 years

41-45years

46-50years

51-55 years

56-60years

61 years and above

3. Department

Finance

Grants

Communications

Human Resource & Admin

ICT

Audit , Risk & Compliance

Monitoring & Evaluation

Resource Mobilization

Programs Procurement Strategy

1. Office

HQ Country office/
Field Office

2. For how many years has your Global HQ/Head office been in operation?

0-10 years 11-20 years 21-30 years

 More than 30

3. How many National /country offices does your organisation have ?

0-5 6-10 11-20

 21-40 More than 40

SECTION B; CORPORATE PARENT ROLES

In this section you will be assessing the following statements on the indicators of corporate parent roles

Please tick a number from (√) 1 to 5 using the scale below where applicable:

	Portfolio Manager role	1 Strongly	2 Disagree	3 Neutral	4 Agree	5 Strongly Agree

		Disagree				
5	The HQ office maintains a database of all active projects in the organisation .					
6	The HQ office evaluates, selects and prioritizes projects to be implemented by the organisation based on available resources and organisational priorities.					
	Synergy Manager role	1 Strongly Disagree	2 Disagree	3 Neutral	4 Agree	5 Strongly Agree
7	The HQ leads the organisation in setting a common vision and purpose for the organisation that is adopted by all country / field offices.					
8	Common systems, policies and procedures are used across the organisation.					
9	A majority of core functions such as Finance, Procurement, HR and Resource Mobilization are shared across the organisation					
	Parental developer role	1 Strongly Disagree	2 Disagree	3 Neutral	4 Agree	5 Strongly Agree
10	Recruitment of field/ country office staff is carried out by HQ					

11	Field / Country office budgets are controlled and monitored by HQ .					
12	Organisational strategy reviews are carried out by HQ.					
13	Investment and cash management decisions are made by HQ.					

SECTION C; OPERATIONAL PERFORMANCE

In this section you will be assessing the following statements on the indicators of operational performance

Please tick a number from (√) 1 to 5 using the scale below where applicable:

	Economy	1 Strongly Disagree	2 Disagree	3 Neutral	4 Agree	5 Strongly Agree
14	The field/ country office follows sound purchasing practices that ensure value for money to the organisation					
15	The field /country office is overstaffed with multiple role duplication across functions.					
16	The field / country office has excess equipment/furniture/ vehicles than is necessary for the operations of the office.					
17	There is wastage of organisational resources in the field / country office.					

	Efficiency	1 Strongly Disagree	2 Disagree	3 Neutral	4 Agree	5 Strongly Agree
18	The field/ country office does not fully utilize the IT systems					
19	There is inefficient paperwork flow in the field/country office.					
20	The approvals required at country /field office level is too hierarchical / cumbersome .					
21	There is too much duplication of effort and unnecessary work steps at country and field office level.					
	Effectiveness	1 Strongly Disagree	2 Disagree	3 Neutral	4 Agree	5 Strongly Agree
22	Clear and realistic goals are set across the organisation					
23	Detailed workplans guide execution of tasks across the organisation.					
24	The organisations performance management system is adequate.					
25	Mechanisms have been put in place to determine the extent to which results are achieved and factors inhibiting satisfactory performance of results are identified					

Thank you for your participation



APPENDIX 3 : SAMPLING FRAME

No	Name of NGO	Fund spent in Kenya (KES)
1	WORLD VISION KENYA	6,321,889,577
2	COMPASSION INTERNATIONAL INC.	4,288,573,450
3	AMREF HEALTH AFRICA IN KENYA	2,795,771,048
4	THE AFRICAN ACADEMY OF SCIENCES(AAS)	2,102,639,960
5	PLAN INTERNATIONAL	1,250,315,003
6	CENTERS FOR INTERNATIONAL PROGRAMS - KENYA	1,054,038,375
7	FAMILY HEALTH INTERNATIONAL (FHI 360) / KENYA	1,042,206,763
8	WINDLE INTERNATIONAL -KENYA	955,190,538
9	GIVEDIRECTLY KENYA	951,071,558
10	CHILDFUND KENYA	903,762,970
11	DAVID SHELDRIK WILDLIFE TRUST	740,969,839
12	MEDICINS SANS FRONTIRES - FRANCE	719,807,808
13	IMA WORLD HEALTH	659,548,500
14	QATAR CHARITY	646,467,237
15	CHRISTIAN AID KENYA	585,747,582
16	SAVE THE CHILDREN INTERNATIONAL (KENYA)	567,833,208
17	DIRECT AID	554,342,495
18	MARIE STOPES KENYA	537,400,905
19	ISLAMIC RELIEF-KENYA	449,962,378
20	INTRAHEALTH INTERNATIONAL	448,148,832
21	MISSIONS OF HOPE INTERNATIONAL	441,893,613
22	VETERINAIRES SANS FRONTIERES SUISSE/KENYA	432,381,099
23	INTERNATIONAL RESCUE COMMITTEE	392,938,064
24	MERCY CORPS	384,218,431
25	AVSI FOUNDATION	383,282,478
26	CARE INTERNATIONAL	345,444,923
27	GLOBAL PROGRAMS FOR RESEARCH & TRAINING	341,897,591
28	AFRICAN WILDLIFE FOUNDATION	332,360,882
29	DANISH REFUGEE COUNCIL	330,062,199
30	MEDECINS SANS FRONTIERES - SWITZERLAND	316,155,487

Leading International NGO`s in utilisation of funds on projects

(Source : 2020 Annual NGO sector report)

APPENDIX 4: NACOSTI RESEARCH LICENSE

Republic of Kenya
NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION

Ref No: 181479

RESEARCH LICENSE



This is to Certify that Ms. Esther Rao 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: **THE EFFECT OF CORPORATE PARENT ROLES ON THE OPERATIONAL PERFORMANCE OF SUBSIDIARIES IN INTERNATIONAL NGO'S IN KENYA** for the period ending : 24/May/2024.

License No: NACOSTI/P/23/26042

Applicant Identification Number: 181479

Director General
NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION

Verification QR Code



NOTE: This is a computer generated License. To verify the authenticity of this document, Scan the QR Code using QR scanner application.

See overleaf for conditions

APPENDIX 5 : ETHICS APPROVAL LETTER



11th May 2023

Mrs Rao Esther,
esther.rao@strathmore.edu

Dear Ms Rao,

RE: The Effect of Corporate Parent Roles on the Operational Performance of Subsidiaries in International NGO'S in 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-ISERC1730/23**. The approval period is from **11th May 2023 to 12th May 2024**.

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,

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

