

**INDRA GANDHI NATIONAL OPEN UNIVERSITY
SCHOOL OF MANAGEMENT**



**Practices and Challenges of Formulating,
Implementing and Controlling Strategic Planning in
Selected NGOs**

By Tsehay Admassu

**MAY 2014
ADDIS ABABA, ETHIOPIA**

Practices and Challenges of Formulating, Implementing and Controlling Strategic Planning in Selected NGOs

**In partial fulfillment for the award of Master's Degree in Business
Administration (MBA) of Indra Gandhi National Open University**

By: Tsehay Admassu
Enrolment no. 099126444

Advisor: Dr. Tilaye Kassahun (PHD)
Associate Professor

May 2014

CERTIFICATE OF ORIGINALITY

This is to certify that the project titled ‘ **PRACTIES AND CHALLENGES OF FORMULATING, IMPLEMENTING AND CONTROLLING STRATEGIC PLANNING IN SELECTED NGOS**’ is an original work of the student and is being submitted in partial fulfillment for the award of the Master’s Degree in Business Administration of Indra Ghandi National Open University (IGNOU). This report has not been submitted earlier either to this University or to any other University/Institution for the fulfillment of the requirement of a course of study.

SIGNATURE OF GUIDE

SIGNATURE OF STUDENT

Place: _____

Place: _____

Date: _____

Date: _____

ACKNOWLEDGEMENTS

God Almighty be praised for giving me the wisdom and strength to accomplish this research paper.

First, my deepest appreciation and gratitude is to Dr. Tilaye Kassahun, my advisor, for his unreserved academic advice and guidance throughout the preparation of this paper.

Second, I would like to thank all the respondents to my research questions and those who shared their views and opinions, without their support and cooperation this work will not be completed.

Many thank to my colleague Mr. Habte Beyene, Head of CCRDA Resource Center, for his dedication and support in providing me different materials and also supporting me in data analysis and management on SPSS. I also thank Mr. Akalewold Bantigru for providing different perspectives which widens my thinking on the issue.

Finally, my special thanks to my family for the economical and moral support and encouragement for the successful accomplishment of this work. I love you.

Thank you all!

List of Acronyms

AIDS	Acquired Immune Disease Syndrome
AP	Action Plan
CBO	Community Based Organization
CCRDA	Consortium of Christian Relief and Development Association
C&S	Charities and Societies
CSO	Civil Society Organizations
FBO	Faith Based Organizations
HIV	Human Immunodeficiency Virus
INGOs	International Non-governmental Organizations
MDG	Millennium Development Goal
MoFED	Ministry of Foreign Economic Development
NBE	National Bank of Ethiopia
NGDOs	Non-government Development Organizations
NGO	Non-government Organizations
PEST	Political, Economic, Social and Technological
PANE	Poverty Action Network Ethiopia
SP	Strategic Planning
SPM	Strategic Planning and Management
WB	World Bank

Table of Contents

	Page No.
Certificate of originality	i
Acknowledgement	ii
List of Acronyms	iii
Table of Content	iv
List of Tables and Figures	vii
Abstract	viii
Chapter 1 – Introduction	1
1.1. Organizational Background: Operations of NGOs in Ethiopia	1
1.1.1. Who are NGOs	1
1.1.2. Characteristics of NGOs	3
1.1.3. Origin of NGOs in Ethiopia	4
1.1.4. Major Contributions of NGOs in Ethiopia	5
1.2. Background of the study	7
1.3. The Research Question	9
1.4. Objectives of the study	9
1.5. Significance of the study	10
1.6. Scope of the study	11
1.7. Limitation of the study	11
1.8. Organization of the paper	12
Chapter 2 – Review of Related Literatures	14
2.1. What is strategic planning	14
2.2. Key factors in strategic planning	20
2.3. Phases of strategic planning process	24
2.3.1. The preparation phase	25
2.3.2. The analysis and strategic plan development phase	27
2.3.3. Strategy execution phase	28
2.3.4. Strategy evaluation phase	29
2.3.5. Stakeholders consultation crosscutting issue in all phases	29

2.4. The benefits of strategic planning for the non-profit sector	30
2.5. Challenges of strategic planning for NGOs	32
Chapter 3 – Methodology of the Research	35
3.1. Research design	35
3.2. Research Method	35
3.3. Data Sources and data gathering tools	36
3.4. Sample size and sampling methods	37
3.4.1. Research sampling method	37
3.4.2. Sample size	38
3.5. Data analysis method	39
Chapter 4 – Results and discussions	40
4.1. Profile of the respondents	40
4.1.1. Year of establishment of the organizations	40
4.1.2. Respondents position in the organization	41
4.1.3. Respondents years of service in the organization	41
4.1.4. Organizational category	42
4.2. SPM practices of the organizations	43
4.3. Preparation phase of strategic planning	45
4.4. Data analysis and strategic plan development phase	47
4.4.1. Data gathering methods	48
4.4.2. Methods of analysis	49
4.4.3. Use of external expertise	49
4.5. The implementation and evaluation phases	50
4.5.1. Implementation capability	50
4.5.2. Implementation responsibility	53
4.5.3. Follow up and control	56
4.6. Stakeholders participation/consultation	57
4.6.1. Internal Stakeholders	57
4.6.2. External Stakeholders	58
4.7. Challenges of strategic planning	60
4.8. Respondents experiences and views about SP in the NGO context	62

4.9. Additional points of the respondents	65
4.9.1. Points from questionnaire respondents	65
4.9.2. Points from face to face interview	66
Chapter 5 – Summary, conclusion and recommendations	68
5.1. Summary and conclusion	68
5.2. Recommendation	72
Appendix;	
Appendix I - References	
Appendix II - Questionnaire	
Appendix III - Interview guide	
Appendix IV - List of respondent organizations	
Appendix V - Copy of the research proposal	
Appendix VI – Bio-data of the Advisor	

List of tables and figures

A. List of tables

Table no.	Table Title	Page no.
Table 1	Comparison of foreign exchange earnings from selected exports, NGOs and private transfers (in millions)	7
Table 2	Establishment year of the NGOs	40
Table 3	Years of experience of the respondents	41
Table 4	Types of organizations	42
Table 5	The advantages of strategic planning of NGOs	62
Table 6	Different views of strategic planning in the NGOs context	63

B. List of Figures

Figure no.	Table Title	Page no.
Figure 1	Fowler's Capacity framework	18
Figure 2	Hudson – Hierarchy of objectives	24
Figure 3	Respondents Position	41
Figure 4	Reason for strategic planning	43
Figure 5	Years of SP practices of the organization	44
Figure 6	Important factors of preparation phase	45

ABSTRACT

Strategic plan is one of the management tools which are used widely by different organizations to define the future direction of their organizations. The objective of this study is to examine the practices and challenges of using strategic plan in NGOs operation in Ethiopia. The study was carried out based on the information from the secondary and primary data sources which was administrated using questionnaire, interview and observation of the researcher. The data was organized using SPSS and the results are presented in tables and figures. The analysis was done by descriptive analysis method and finally it was found out that NGOs, these days, have good understanding about the benefits of strategic planning thus using it as an important tool that must be applied in their organization. Due to their peculiar organizational purpose which focuses on meeting social objectives, the challenges for implementing their strategic plan is diverse, especially securing funding for their program and involving stakeholders as real partners of their programs. Thus, this study had provided recommendations for the improvement of the practice and also suggested for anybody who has an interest on the topic to use as baseline information for next research to make in depth study on the application of the strategic planning in any organization.

CHAPTER 1

INTRODUCTION

Strategic planning was first originated in the Military and adopted to the business sector as important management tool in response to the unpredictable, turbulent, and chaotic world. It is the process of determining what an organization intends to be in the future and how it will get there. It is a tool which helps to define the best future for the organization and the best path to reach that destination. Through time, the importance of strategic planning has developed and its use and application beyond the business sector has become significant. NGOs are some of the not-for-profit organizations which have been applying the strategic management. This was due to the fact that NGOs are also operating in the same fast changing global environment which demands a management system that enables responding and positioning the organization accordingly. Therefore, if applied correctly, strategic planning process is exciting process as it provides diverse benefits to the organizations in terms of understanding the fundamental values of the organization, the context it operates, the dynamism around it, and generally define its future direction. It also helps linking the objectives of the organization to consecutive actions by allocating resources for maximum results.

1.1. Organizational Background: Operations of NGOs in Ethiopia

1.1.1. Who are NGOs?

Nongovernmental organizations are one of the key actors in the third or civil society sector. The third sector organizations are those established to serve others or to benefit their own members. They are diverse groups of organizations that range from small informal groups to large formal agencies playing different roles taking different shapes

within and across different societies. However, though their diversity challenges to give one general definition, many scholars and institutions have defined strategic plan and in this study the student researcher selects one definition and tries to elaborate the meanings of the key words in the definition. The term NGO is used mainly for private initiatives, involved in development issues on a non-profit basis. The term 'NGO' refers to those autonomous, non-membership, relatively permanent or institutionalized, non-profit (but not always voluntary) intermediary organizations, staffed by professionals or the educated elite, which often work with grassroots organizations in a supportive capacity (Desai, 2002: 519). NGOs are established by individuals to address certain development or humanitarian issues but not for financial gain and they are self-governed electing their own executive body from themselves. They are usually considered as intermediary between the donors and the grassroots community for addressing poverty by piloting, adapting and introducing new thinking, approaches, technologies, etc. using professional knowledge and practices. Many NGOs are committed to the idea of making a practical contribution to building a better world (Pearce, 2000: 31).

NGOs can be divided into three groups: (Handy, 1991: 13)

- i. **Service or intermediary NGOs** – are legally registered organizations with paid staff, providing development services. Many international and national NGOs including networks fall under this category
- ii. **Community-based organizations (CBOS)** – are organizations created by the people for serving their own interests and usually they are informal in nature and fulfill social functions however these days the roles of such organizations' are expanded to developmental roles

- iii. **Membership NGOs** – such organizations are serving the interest of the membership and owned by the members. Sometimes such organizations took wider role in development and provide their services beyond their members

1.1.2. Characteristics of NGOs

NGOs have some peculiar characteristics which differentiate them from organizations in the public and business sectors. These characteristics are shaping the way the organizations are functioning and being managed. The following includes some of the peculiar features of non-governmental organizations:

- **Voluntarism** – as most NGOs are founded by individuals and groups who are committed to address heartfelt gaps/problems/crisis, the idea of voluntarism is built in the NGO system as governing principle. Because of this, the NGOs corporate leadership usually called boards of directors serves the organization in a volunteer base. These people are committed to the cause of the organization and provide their time, knowledge and energy for the good cause of the NGO voluntarily. In addition NGOs are also benefiting from the free services of professionals who volunteer to contribute technically addressing different issues of development. In general, the system in NGOs is always open to accommodate volunteer services from top leadership up to down grassroots community level. Volunteers play a crucial role in many voluntary and non-profit organizations. (Batsleer, Cornforth & Paton, 1992: 82)
- **Value based** – NGOs are founded on a reason of commitment and they tend to generate a style of organization in which people ‘do what needs to be done’ and effort is highly valued as the organizations rely on personal values, commitment

and self-motivation. The self-motivation paves the way for individuals' empowerment to feel like co-owners and be able to adopt an appropriate stance towards their target community enhancing participation. (Fowler, 1997: 23)

- **Relationship with the external world** –NGOs' approach to the external world is the principle of negotiation and integration i.e. they have to negotiate with partners, stakeholders, etc in order to integrate their work with ongoing external processes.
- **Way of mobilizing resources** – NGOs do not recover the full cost of what they are providing to their beneficiaries hence they have to mobilize financial resources in an on-going base usually from donors & the beneficiaries this makes performance measurement difficult.
- **Performance & feedback** – for NGOs services there is no straightforward, uncontested performance measures, therefore it is constructed from multiple users (including intended beneficiaries, governors, volunteers and staff) based on credibility and legitimacy.

1.1.3. Origin of NGOs in Ethiopia

Some papers traced the emergence of civil societies to the 1930 but in most papers it is 1960 after it was recognized and codified by the law that most writers cited as a time for NGOs existence in Ethiopia. (Jeffery Clark, 2000: 4). NGOs are categorized under the formal group of Civil Society Organizations (CSOs) and they cover the highest number in the sector and their history in Ethiopia is directly correlates with the occurrence of severe droughts and famines during the last decades.

Through time, with the growth and increasing participation of local NGOs both in emergency and development operations, the composition of NGOs in Ethiopia has changed,. From the mid-1990's, their number grew rapidly and reaching over half of the total NGOs in the country; at present they constitute more than 88 percent of the total. As per the speech of the Charities and Societies Agency Director on the 2012 Charities National Good Practice Day, currently a total of 2,675 organizations are legally re-registered as Charities and Societies and actively operational in the country. The organizations named as Charities are both national and international NGOs and they are widely distributed in all the regions implementing grassroots development activities in the country.

Similar to other countries, the Ethiopian NGOs share the characteristics and the three types of NGOs are found in Ethiopia and this study focuses on the NGOs that are intermediaries and the NGO consortiums that all registered under the law as Charities. Currently they are primarily engaged in addressing the root causes of poverty and vulnerability, as well as striving to build institutions for good governance and democracy. As a whole, NGOs are well recognized by the government as important development force and partners due to their contribution to social and economic development through their various programs in agriculture, health, education, water, rural roads and other development activities to meet the MDG goals and objectives.

1.1.4. Major contributions of NGOs in Ethiopia

The role and contribution of NGOs in Ethiopia has been highly recognized since the 1973/74 when there was serious humanitarian crisis, which cost the life of millions of

people in the country. As per the study report of World Bank, more than 200,000 people died in the 70th and close to 1 million perished in the 80th catastrophe. ‘NGOs at that time were instrumental in preventing greater loss of life during both the catastrophic episodes when the emperor’s government nor the Derg (socialist government) was not well prepared to respond to the convulsions spreading across the country.’ (Clark, 2000:4) Hence, as a response to the cyclical emergency situations which was persistent in the country, NGOs has engaged in diverse emergency and rehabilitation activities to those affected by the crisis.

Moreover the contribution of NGOs in different development activities especially addressing the needs of grassroots communities is also very significant. The study which was commissioned by CSO/NGO Task Force in 2008 to assess the contribution of NGOs indicates that the contribution to agricultural and rural development by strengthening rural institutions, environmental rehabilitation, promoting conservation based sustainable development, addressing chronic food insecurities, water supply and sanitation, pastoralist livelihood development, market development and government capacity strengthening are few to mention. This further was assessed in terms of hard currency earning to the country due to the resources mobilized by the NGOs to implement different development activities. In this regard, the computation was done against coffee and oil seed exports and private individual transfers from 2004 up to mid 2008 using the data from NBE. The detailed computation is presented on the table below (Rahmato, Bantirgu & Endeshaw, 2008: 25).

Table 1: Comparison of Foreign Currency earnings from selected exports, NGOs and private transfers (in millions)

	2004/05	2005/06	2006/07	2007/08
Coffee export	335.2	354.3	424.2	145.0
Oil seeds export	125.0	211.4	187.4	66.9
NGO transfers (cash)	444.0	497.8	537.4	305.3
Private individual transfers (cash)	350.8	354.9	632.6	415.4

Source: NBE 2007; 2008

The contribution of NGOs in pushing global and emerging agendas to the forefront was also significant. In this regards, the campaign ‘Breaking the silence’ to make HIV/AIDS national agenda and the role NGOs took in designing the country development strategy plan can be cases in point. Furthermore, NGOs have played significant role in the implementation of the MDG starting from the designing of the county’s poverty reduction plan. The indispensable role of CSOs in the implementation of MDG at the national level has been recognized in the framework of the Millennium Summit, the Millennium Declaration and the MDGs themselves (PANE, 2012: 16).

1.2. Background of the study

Working as a program officer for more than ten years in one of the NGO Association, the researcher was involved in the implementation of institutional strengthening support program which mainly focused on improving organizational effectiveness by introducing

different operational systems, guidelines, manuals and expertise. In this program, strategic plan was one of the major areas where the support was provided for the member NGOs of the Association. Actually, at the beginning of the 1990s most development agencies were focusing on supporting NGOs in the South to build their organizational capacity through different institutional development programs. 'African NGOs need to define more clearly their own role and perspective on development in their countries and regions rather than simply taking on the tasks allocated to them by official aid and by the state.' (Fowler, Campbell & Pratt, 1992: 22)

Hence, to define the roles of the NGOs, Strategic planning is considered the best management tool as it helps to define long-term plan for organizational direction and program to maximize the impacts at grassroots level. Moreover, the existence of strategic plan was taken as indicator to organizational commitment for conscious decisions and actions hence most funding agencies requested strategic plan as a precondition to access grant from their sources. In this regards Fowler said, "Many non-governmental development organizations have grown haphazardly or opportunistically thus strategic planning is a useful way to sort them out and focus their skills and energies on what they can do best and where" (Fowler, 1997: 47). Based on the student researcher's experience of strategic planning in the NGO sector, though focusing on the programs and projects as guided by the strategic plan is important, the NGOs are also expected to respond to the diverse and unexpected needs of the target communities and this has created big challenge especially in light of the current ever-diminishing aid resources. Thus, the researcher wants to take this opportunity to study the current experiences of strategic planning among the NGOs. Based on this the study is going to

look into few randomly select NGOs' practices of strategic planning process i.e. from formulation to evaluation and also the importance and challenges they are facing while using strategic plan for their organizational effectiveness.

1.3. The Research Questions

This research is intended to address the following strategic planning issues in the context of non-government organizations:

1. What is the practice of strategic planning process among NGOs operating in Ethiopia? What benefit does it have?
2. How do NGOs formulate their strategic plan (How do they prepare themselves for the exercise? who is involved? What was the mechanism they use, etc.)
3. What mechanisms are the NGOs using in the implementation of the Strategic Plan? (planning, capacity, responsibility, etc)
4. How do they control, i.e. monitor and evaluate the implementation of the Strategic Plan?
5. What main challenges are the NGOs facing while going through the Strategic Planning process?

1.4. Objectives of the study

The purpose of this study is to assess and understand NGOs' practices of strategic plan development and implementation with specific practices in Ethiopia. It is aimed at sharing the real challenges and benefits of strategic planning in the non-profit and non-

governmental organizations' context. Hence, the general objective of this study is to examine the practices and challenges of the NGOs in developing, implementing and controlling Strategic Planning.

More specifically, the study intends to achieve the following objectives:

- a. To assess the practices of strategic plan development in selected NGOs
- b. To assess the implementation responsibilities of the Strategic Plan
- c. To identify the major benefits and challenges of the NGOs in the implementation of Strategic Plans
- d. To suggest possible points to overcome the challenges

1.5. Significance of the Study

Strategic planning is one of widely used management tools, which help organizations' to gauge their performance in the changing environment and keep on in the business in a sustainable manner. Therefore, this study is believed to have importance in terms of generating information on the practice of strategic planning in the NGOs context. It indicates the benefits the organizations acquired through the use of strategic planning and challenges they faced in the implementation of SP. Hence the information can be used as an input for organizations that have capacity building programs for strengthening institutionally the small and emerging NGOs.

Moreover, it is believed that the findings are providing information for those who further want to conduct in-depth study on the issue. It also provides academic and pragmatic

facts to researchers, readers and management practitioners to expand the existing stock of knowledge on the issue and serve as a source document for researchers.

1.6. Scope of the Study

The scope of this study is limited to assessing the practices of strategic planning from the preparation up to the implementation and control of the process in selected/targeted NGOs. It also looks at the benefits and challenges of strategic planning in four categories of NGOs: international, national, faith based and consortiums of NGOs working in Ethiopia. The sample organizations are working in both rural and urban contexts covering several issues of development. (The area of engagement of each organization is listed on the appendix)

Besides, since most of the respondents are from the national NGOs i.e. 17 out of 20 organization, the rest are INGOs 2 out of 5, faith-based 3 out of 5 and consortiums 2 out of 3, this might impact the result to represent the national NGOs more than the INGOs. However, since the focus of the study is on general practice of the process within the sector, the researcher takes it as an indicator of the group.

1.7. Limitations of the study

In conducting this research, time is the first constraint the researcher encountered in undertaking the study and look into general practices rather than checking each organization's strategic plan documents. The very limited research output on NGOs strategic planning experiences in Ethiopia have also limitation on the study.

The results of the findings depended on how the selected organizations' management react to the study and appreciate the work undertaken. Since the research is designed on the opinion and experiences of the respondents, the outcome is limited by the responses given and efforts made to assist the researcher to complete the work in the given time effectively and efficiently.

The study is an assessment on selected non-governmental organizations' practices and challenges in the formulation and implementation of strategic plan. Thus, the finding of this study cannot be taken as a generalization to all NGOs practices. However, the recommendations which are based on the findings can be used as a source of information for other similar projects in analyzing the practices of NGOs strategic operation deeply.

1.8. Organization of the paper

This paper is organized under four chapters; the first chapter is the introductory part which starts with brief backgrounds of NGOs and their operation in Ethiopia and also provide background information about the study. The background on the NGOs discusses the history, characteristics and major contributions of the organizations in Ethiopia. While the background of the study presents the reason of the research, the research questions, scope of the study, significance and limitations of the study. The second chapter presents review of related literatures on strategic planning. Under this chapter relevant definition of strategic planning is give and one framework was discussed. Then the phases of the strategic planning process are briefly presented and the practices and challenges of strategic planning in organizational setting is reviewed referring to different empirical studies,

articles, books, journals, etc. The third chapter deals on the research methodology explaining the research designing, data sources and data size, sampling method, and the data analysis. Then the fourth chapter presents the findings and discussions of the data. Finally, the fifth chapter shows the conclusion and recommendations of the study.

CHAPTER 2

REVIEW OF RELATED LITERATURE

This chapter discusses the relevant facts about strategic planning by analyzing the definitions given on the meaning of strategic planning in the context of the non-governmental organizations. In this respect, it first looks into a definition and one framework which is developed to address strategic planning implementation in the NGOs context is discussed. In addition, different phases of strategic planning are discussed in relation to the NGOs practices as well as the advantage and challenges of strategic plan. In doing so different literatures, books, research document, journals, etc are reviewed.

2.1. What is strategic planning?

Strategic planning is a management tool which is used to enhance the performance of an organization for achieving defined objectives and accomplishing the mission of the organization. Many scholars and institutions have defined strategic planning according to their perspectives though all the elements are more or less similar. To give the reader clear idea of the meaning, the researcher looked into the definition given by Balanced Scorecard Institute and also examined Alan Fowler's capacity framework which is specifically developed for NGDOs.

Balanced Scorecard Institute, defined Strategic *planning* as an organizational management activity that is used to set priorities, focus energy and resources, strengthen operations, ensure that employees and other stakeholders are working towards common goals, establish agreement around intended outcomes/results, and assess and adjust the organization's direction in response to a changing environment. (web: <http://balancedscorecard.org/Resources/...aspx>)

In this definition, there are some points which need elaboration to give more insight of the conceptual and operational definition of strategic planning.

1. **Strategic planning as Management Activity** – strategic planning is not staff function it is always a management responsibility. It is the management who has the power and responsibility to decide on the revision or defining organizational intent and overall engagements of the organization from the apex up to grassroots level. The revision might entail change in mandate, structure, program, in location, targeting, etc and this requires the approval and commitment of the leadership to pursue the change otherwise the whole exercise is going to be futile exercise. Therefore, in this particular definition it is tried to emphasize that strategic planning is a task for the management who lead the organizations.
2. **Setting priorities focus energy and resource, strengthen operations** – one of the reasons for undertaking strategic planning is to choose the best course of actions for meeting the objectives of the organization. In the NGOs operations the relationship between the project activities and the organizational objectives sometime seems far reaching beyond the capacity and objectives of the organization and such connection can be addressed through strategic planning process. Strategic planning helps the prioritization of tasks in choosing the best alternative actions which commensurate to the organizations' resources, operational capacity and this done in conformity to the needs or gaps of their target beneficiaries.
3. **Working towards common goal** – this is also another important point in the strategic planning. In the process of the exercise of strategic planning one of the important result

is the teamwork which the management, employees, the community and other stakeholders such as donors, sectoral government offices, NGOs with similar programs will involve through different consultation processes and this will create understanding and commitment to work towards common goal. Strategic planning help to involve them from the very beginning of setting the goal, up to defining the outcomes/results and activities of the organization. This is very important especially for the non-governmental organizations that strive to meet social objectives which require the involvement and contribution of multi-stakeholders especially the community they are serving.

Alan Fowler's 'NGO Capacity Framework'

Alan Fowler is one of the scholars who is deeply studying the context of civil society and serves as a management adviser for development NGOs. Fowler suggests strategic planning for enhancing organizational effectiveness of NGOs. He defined organizational effectiveness as *a capacity to achieve and impact at appropriate level of effort and cost.* (Fowler, 1997: 43)

According to Fowler, effective means doing the things that are necessary and doing them well within available resources and strategic plan helps NGOs to do the things that fit the organizations' available resources by consciously planning step by step actions. In technical terms, he said, this is moving from reaffirmation of mission to ensure it is still relevant, through strategic analysis, into operational planning and then development activities. (Fowler, 1997: 45)

Alan developed the capacity framework considering key characteristics which are critical to the roles and works NGOs have in society. He said, to do development well, NGDOs must have adequate capacity in five areas; each must be consistent with the other. (Fowler,1997: 43). He divided these areas of capacity into two as internal and external. The internal capacity relates to

the structure of the organization, the systems and policies to link vision to action through appropriate strategies, programs and projects; with competent well-managed people. The external capacity relates to areas which link the NGDO to the outside world in mobilizing resources, managing relations, producing results consistent to the mission of the organization.

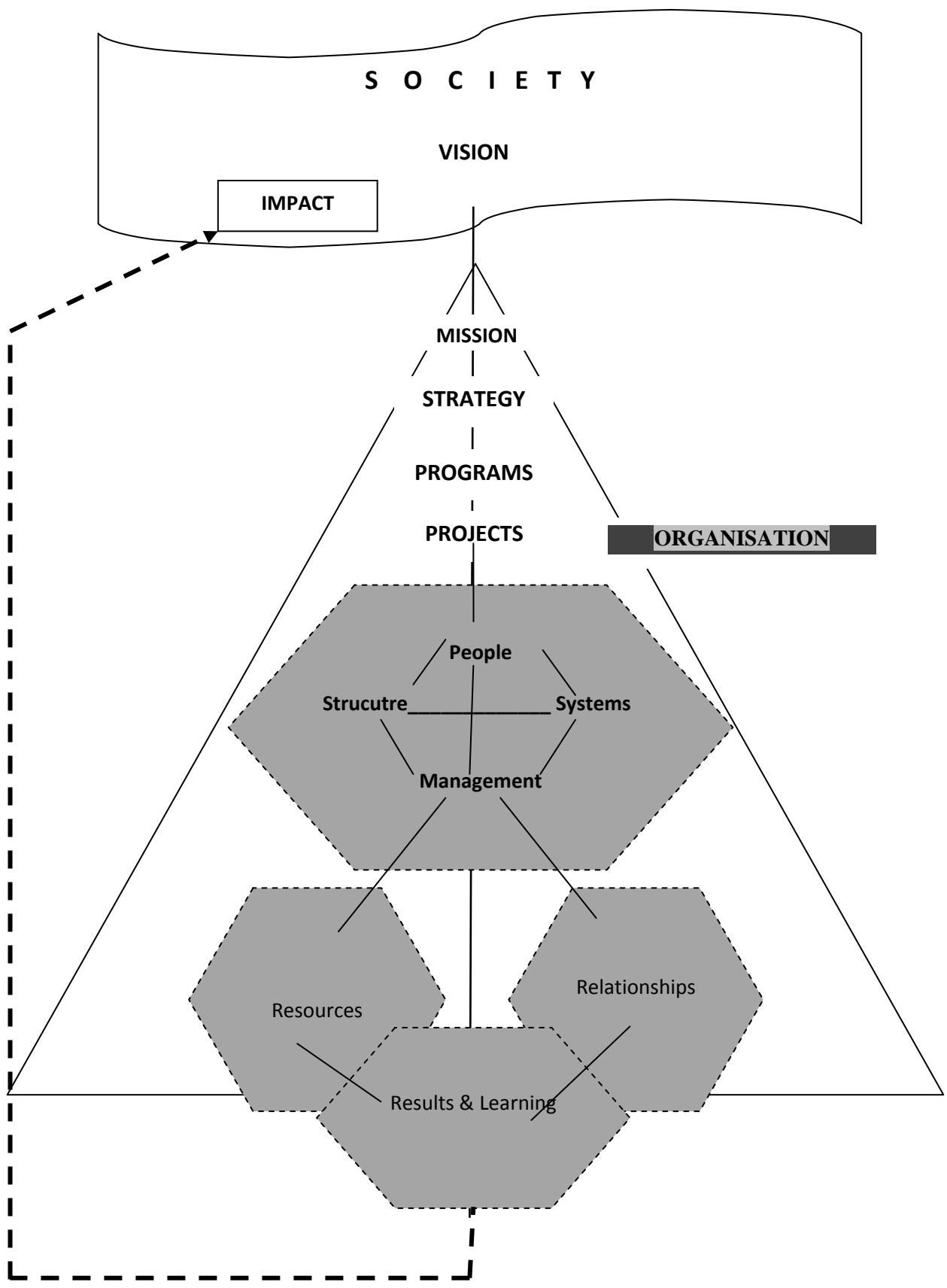


Figure 1: Fowler's Capacity Framework (Fowler, 1997: 44)

Fowler defined capacity as ‘the capability of an organization to achieve what it sets out to do: realize its mission’ and also he defined it as ‘the measure of NGOs capability to satisfy or influence stakeholders consistent with its mission’. (Fowler, 1997: 43) These two definitions are given in relation to the categorization he made as internal capacity and external capacity. Therefore, he said capacity should not be defined in terms of people, finance, buildings, procedures, etc but should be viewed in terms of organizational results in light of its mission. According to him, when setting the goals and objectives of the organization, equal consideration has to be given to assess the capacity of the organization to achieve the goals and objectives.

What is different in Alan’s framework is the emphasis given to assess organizational capacity to negotiate with stakeholders, capacity to commit for organizational mission and to focus on achieving it. This suggestion is crucial especially for the NGOs nature of work where they are accountable for beneficiaries, general public, donors, etc which have their own interests and priorities. Hence, considering the operational environment of NGOs and the complexity of development, Alan said, ‘moving from vision to action calls for two types of consistency: first, between vision and concrete development activities with stakeholders; second, between the chosen activities, the organizational structure and the principles of participation and empowerment. A successful strategic planning exercise will ensure consistency between the NGOs vision and the practical directions it will take in the environment in which it lives. (Fowler, 1997: 49)

Generalizing the above two thoughts, it can be said that strategic planning is a tool relevant for NGOs to define their future path which show them the maximum impact they can create in their

target community. It is a tool which can help them to systematically design their management system and external relation to meet their objectives and goals.

2.2. Key factors of Strategic Planning

Many strategic planning frameworks commonly highlight the vision, mission, values and objectives as the key factors in setting the long term direction of the organization. Because of this, understanding the conceptual definition of these factors is very important in the process of strategic planning.

Vision

Vision is a description of desired future state and it is a statement about what the organization wants to become. Vision explains how the organization wants the world in which it operates to be. (Hudson, 2005: 99) Vision provides direction and inspiration for organizational goal setting. NGOs organizational' vision is usually defined by individuals and may not be necessarily routed in realism or achievability. Hence, through strategic planning process the vision will be shared and shaped in such a way it serves as the driving force behind the work of an organization and it creates enthusiasm among all members of the organization. Hussey defined vision as a 'clear mental picture of a future goal created jointly by a group for a group for the benefit of other people which is capable of inspiring and motivating those whose support is necessary for its achievement.' (Hussey, 2003: 34)

For example, after going through consultation at different level in its strategic revision in 2009, an umbrella organization of 360 Charities working in Ethiopia, Consortium Christian Relief and Development Association (CCRDA), defined its vision as 'to see Charities &

Societies that contributes to the development and prosperity of Ethiopia. (CCRDA SPM, 2009: 43)

In this definition, it is clear that CCRDA's vision is to see many Charities & societies or NGOs, as it was defined earlier, that are capable of contributing to the country's prosperity. Above all, this vision has aspiration to see suitable environment for these organizations to contribute positively to the growth of the country.

Mission:

An organizational mission is a statement of its basic purpose of reason for existence. In the nonprofit organizations mission describes what the organization wants to achieve in the long run and with whom i.e. the target group of beneficiaries of the work. (Barry, 1994: 34)

Here, it can be said that when vision statement is about an idealistic extroverted view of what the organization wants to see or be, the mission describes what the organization does to realize its goal. For example, CCRDA's mission statement is 'to facilitate and enhance the contribution of members to the national development endeavors through harmonization of member's efforts, enhanced collective learning and capacity building in the expanded operational space'. . (CCRDA SPM, 2009: 44)

In this statement, it is expressed that the role CCRDA takes to see more strong organizations in the growth effort of the country is, by engaging in harmonization of efforts (i.e. development practices), enhancing the organizations' capacity and learning in the space given in the environment (within the available legal and operational framework). This is its mission as an organization.

Clarity about the organization's vision, mission is critical in strategic planning process as it further leads to the defining of the objectives, activities and organizational system and procedures. In the above example, there is clear distinction between the vision statement and mission statement of the organization. But usually defining vision of the NGOs seems open and far reaching as it focuses on just society or about the world. In this regards, there is a debate whether NGOs limit to a vision that can be achievable or they should make it like a dream but the researcher feels that vision should be open that can be realized by the next generation hence should not be limited especially if the vision is about disadvantaged and unfair society.

In this regard, the renown NGO management adviser, Professor Alan Fowler said, 'vision and mission are concepts and statements which tie NGOs to processes of desired social change, but they are not enough to position an organization and give it a clear identity and role which is understood both by insiders and outsiders.' There should be clearly defined beliefs and values which explains the ideology of the NGO. (Fowler, 1997: 45:46)

Values:

Values are beliefs that are shared among the stakeholders of an organization. Values drive an organization's culture and priorities and provide a framework in which decisions are made. Defining values is very crucial for voluntary and non-profit organizations than the organizations in the private sector as their establishment basically is value-driven. The process of defining values can guide employees on the way they behave and the principles to be adhered in carrying out their responsibilities. For Fowler value statements are not an

optional for professional NGOs as it is the most fundamental expression of what the organizations beliefs and stands for.

For example, the values of CCRDA are defined as integrity, professionalism, fairness and equity, transparency & accountability, people-centered, commitment to poverty eradication, gender sensitivity and non-Parisian. (CCRDA SPM, 2009: 44)

As we see in this example, value explains the guiding principles or way of delivering CCRDA's tasks, partnering with other organizations, and so on.

Goal

Goal is broader general intention of the organization. It is the ultimate end results which i to be accomplished by the overall plan over specified period of time. Goal and objectives are usually used inter changeably by many people but even if they are showing future results of the organization, they have differences in terms of scope. Goals show longer and wider achievement while objectives are ends that state specifically how the goals shall be achieved. In IGNOU MS-11 Booklet 1, goal is defined as 'a broad category of financial and non financial issues that a firm sets for itself.' For example, in the CCRDA strategic plan, the goal is stated as, 'Improved members' capacity and expanded space towards the development of Ethiopia.' (CCRDA SPM, 2009: 44)

Objectives

After defining the vision, mission and values of the organization, the goals and objectives will be defined and the objectives will be divided into time. Objectives and goals are concrete and it is a bridge to connect tangible actions to the overall direction of the organization. Objectives must be realistic and actionable, but avoid the common trap of

objectives being ‘well meant statements of good intentions that could be applied to many different organizations.’ (Hudson, 2005: 115)

Figure 2: Hudson - Hierarchy of Objectives (Hudson, 2005: 115)



As shown on the above diagram, strategic objectives must be translated from department to project/program and then individual level objectives. This process can enable to have actionable activities which connected the individual tasks to the overall direction of the organization.

2.3. Phases of strategic planning process

Strategic planning is a conscious process which needs to be undertaken step by step and these steps are stated differently by different authors. For the purpose of this study, the researcher uses the following division by clustering the tasks in convenient way for the discussion on this paper.

1. **Preparation phase:** where leadership commitment, resource allocation, team establishment and organizational readiness is ensured
2. **Analysis and strategy formulation phase:** a time where an understanding of the current internal and external environments is captured and the strategic plan is formulated
3. **Strategy implementation/execution phase:** where the high level plan is translated into more operational planning and actions and the plan is implemented, and
4. **Evaluation phase:** where ongoing refinement and evaluation of performance, culture, communications, data reporting and other strategic management issues occurs.

2.3.1. The preparation phase

The preparation phase is the first and most important phase where the organization decides and organizes its resources for the process. At this stage, the need for the strategic plan has to be clearly explained and leadership commitment has to be ensured. This phase includes the following major actions; reaching agreement on why the strategic planning, establishment of a team, securing resource person (if needed) to mentor the process, secure financial resources, outlining the planning process, fixing adequate time for the task, etc. (Barry 1994; page 22). Barry said, good work at this stage will help the organization planning go smoothly in later steps too. Weak groundwork in this stage often results in

wasted time, frustration and poor quality plans later. The first phase activities are crucial as all the groundwork and commitment ensured at this stage.

Deciding why strategic planning?

Answering the 'why' question is crucial for any organization to embark on strategic planning. In the previous days, strategic planning for nongovernmental organizations had been seen as a donor agenda which was imposed as a precondition to get funding for their programs and projects. In the 80's this might be the case but these days the story is different NGOs must have seen the benefit of crucial planning. As similar to profit making organizations, they are operating in a competitive environment where resources are meager hence this calls for purposeful action to adjust as per the requirement in the environment. Fowler said, 'strategic planning has been relatively neglected by NGOs during the period when resources were expanding with few questions being asked about effectiveness. Those days are over and strategic planning is now a common way of rationalizing and prioritizing resource allocations. (Fowler, 1997: 47)

Therefore, the leaders of the NGOs have to be able to define clearly the reason why their organization is entering into the strategic planning process. This gives purpose for undertaking the process and enhances commitment at all levels of the organization. Understanding the value of and need for a strategic plan is a great place to start, but just wanting something, is not enough. (Aileron website 2011)

Once the organization defined the reason and ensures the commitment especially from the leadership, the other preparatory tasks (team formation, training, resources allocation, plan

of action for the process, etc) are consecutive tasks that be facilitated by the management accordingly as they have their own importance for the preparation of the strategic plan.

2.3.2. The analysis and strategic plan formulation phase

The analysis and strategy formulation phase is a time where relevant data gathered and analyzed, synthesized to frame the future direction of the organization. ‘This step is a hard look at the organization and the world in which it operates, then identify the issues most central to the organization’s future success and step by step sort out the choices and formulate a realistic strategy for the organization.’ (Barry, 1994: 32)

The planning team is actively involved in analyzing the past history and present situation, mission and objectives, opportunities and threats of the external environment, strengths and weaknesses of the organization, stakeholders and the critical factors and summarize the crucial issues, analyze the alternative, chose the best and formulate a realistic strategy for the future.

At this stage most NGOs require having adequate skill for utilizing different analysis tools to generate the necessary data, analyze and define the critical factors and present the alternatives, for the final formulation of the strategic plan accordingly. Phase two is time for critical thinking to analyze the information and to change it into strategic plan document. This process is usually mentored or backed by professional consultants so that the final plan will be produced up to the standard.

2.3.3. Strategy execution phase

The strategy execution is the process of translating the strategic plan to operation plan and implementing it with close follow up and revision as deemed necessary. This phase is very crucial as it takes the strategic plan one step further to action. This is an area where most NGOs are challenged to keep the consistency between their intention to be and their actions to fulfill their intention. Fowler explains the NGOs inconsistency between vision and action as a common source of ineffectiveness. He said it is important to hang the path from vision to action together (the leadership and staff) to keep consistency throughout the organization. (Fowler, 1997: 45)

The execution phase is also known as the implementation phase and at this stage 3-5 years program engagements of the organizations will be defined and this further will be broken down into yearly operational plans. The organizational systems, structure, human resource and policy will also be revised to carry on the responsibilities of the newly defined strategic plan. This process has to be supplemented with periodic review and reflection plan to follow up the progress of the implementation. Usually strategic plan implementation is the role given to the staff and the management of the organization thus the internal capacity of the organization has to fit the requirement of the plan in terms of staffing, policies, procedures, finance and so on. Here Fowler's suggestion about capacity deserves attention; the NGO leadership has to look critically into the internal capacity whether it is able to implement the strategic plan.

2.3.4. Strategy evaluation phase

The final phase the evaluation phase is also very important and it is expected to be performed periodically and also at the end of the period. Strategic evaluation is not replacing the on-going task of monitoring and revising the day to day implementation of the strategic plan rather it is focusing on strategic management issues such as overall performance, culture, communication, and data reporting and so on. Strategic evaluation is the role of the top management and the board of directors. However, as per the researchers experience it is one of the most forgotten task as may be due to the attention given to resource mobilization to implement the program. In the NGOs working set up resource mobilization is a critical task which stresses all in the organization. Oliver Recklies on his paper 'Problems and barriers to strategic planning' argued that the corporate practice of strategic plan in most organizations show strategic planning as a separate activity from management's prime responsibilities and duties.

2.3.5. Stakeholders consultation a crosscutting issue at all phases

Stakeholders are defined by Rob and Chris as 'those who have a stake in the success of the organization' (Batsleer, Cornforth & Paton1991: 39). Due to the nature of the organizations, which mainly focus on meeting social purpose, stakeholders' consultation is proposed to be one of the critical factors for the success of NGOs strategic planning process. Fowler said, 'strategic planning is not a linear process for NGOs because the nature of sustainable development processes means that they cannot impose but have to negotiate. Therefore, for NGOs any plan has to be arrived through a process of consultation through down-up-down-up, inside-outside-inside process between the

organization and its key stakeholders. (Fowler, 1997: 48) Here what Alan tried to say is there should be consultation with the people at grassroots target groups level for their input on the development processes which need to be up to the organizational mission and objectives and it will go down back to the grassroots to show the agreement with the overall engagements of the organization to meet the needs of the people. This again has to be consulted with the other actors outside the organization and be synthesized with the internal organizational objectives. The consultation has to through all the phases i.e. designing, implementation, reviewing, evaluation and revision, etc. It is through these consultation processes, the strategic plan secure commitment from different groups and be able to share responsibility for meeting the organizations' objectives.

2.4. The benefits of Strategic Planning for the non-profit sector

The benefit of strategic planning especially to the non-profit volunteer organizations is immense. The first most important thing is it allows the organizations to see their surrounding environment and to systematically analyze the changes, the dynamism and finally to set their direction and frame their position within the turbulent environment they are operating. In this regards, many management advisory firms have confirmed that NGOs should utilize strategic planning to enhance their effectiveness and efficiency. In the following unit, the student researcher would like to look into some of the benefits to highlight few of the important factors in relation to the NGO sector.

Building team work and expertise – strategic planning is a process which involves multi disciplinary experts as a team, it helps to build teamwork, sharing of knowledge,

understanding, and better communication and improve managerial skills. Moreover, it brings experts to work together sharing common agendas which helps staff to know more the organization and enhance commitment. 'By working together in envisioning your future, the team will experience and enhanced teamwork and commitment, which leads to better implementation. (Speakman Management Consulting) However, for local NGOs in Ethiopia having multi disciplinary team might be luxury but as much as possible they are trying to work in a team as it will enhance knowledge about the context, the organization, and about the overall environment of the NGOs.

Improving performance – throughout the process i.e. from defining vision up to articulating the actionable activities, and further implementation of the strategic planning, it positively influences organizational performance in the following areas:

- ***Having comprehensive plan*** – the plan at work level will be linked to the strategic objectives of the organization and helps to assess the contribution of each work unit and employee to the overall objective of the organization. This further improves the reporting, performance evaluation, and awarding, etc systems of the organization.
- ***Having appropriate organizational policies and systems*** - strategic planning entails the revision of organizational polices and system compared to the program and activities designed to meet the objectives of the organization

Enables resource mobilization – strategic planning process always leads to programs and projects as well as the strategies to implement the plan. If it is clearly defined articulating the results (short term and long term), with monitoring indicators then the proposal for

fundraising is very easy. 'In proposal formats, we may have noticed how each donor agency wants to make sure that the project being implemented is in line with the organization's strategy. This is where the strategic plan can be very useful.' (FundsforNGOs, 2013) NGOs that focus on their strategic plan can have the power to negotiate and influence and control their world rather than simply responding to the changes in the environment. This is the phenomena in some organizations the more they are focused and specialized, the wider the chance for securing funds but this is a controversial issue. Some people see it as a threat, when they are more specialized they will be limited to specific donors and could not have access to other grants.

2.5. Challenges of strategic planning for NGOs

Strategic planning is not only considered from its benefits point of view, some studies show the challenges it has on the following factors:

- ***Cost can outweigh benefits*** – since strategic planning consumes time and money which can be spent more productively on other tasks, it might be wise to analyze the cost-benefits of the process before conducting the process. (Barry, 1994: 14). This is a challenge for NGOs if they have small number of experts who are taking the responsibility of implementing active projects of the organization. In such cases, usually, the task is going to be given for consultants this still have cost and ownership implication thus Barry in its strategic plan workbook advised the NGOs to assess the cost and time implication of the exercise before start the strategic planning process.
- ***Forced to respond to emergency situation by diverting resources*** – due to the nature of NGOs operations and the guiding values and principles, usually they are expected

to give priority for humanitarian crisis & life threatening problems in their target area. This is one of the factors which threaten NGOs when they are trying to respond to the situational problems by diverting their resources from the original plan and donors do not accept the diversion even if they appreciate the crisis and the obligation the NGO has towards its target beneficiaries.

- **Source of funding** – funding the programs of the NGOs is always a big challenge as most NGOs are dependent on donors funds. In the current global environment, economic crisis has affected many of the countries that used to be prime donors for the operation of NGOs. This situation has big implication for NGOs that depend on external funding. The World Bank report on ‘Civil Society, NGOs, and Development in Ethiopia: a snapshot view, explained, the viability and sustainability of the NGO sector in Ethiopia is quite fragile because of the scarcity of resources and the ongoing struggle for operating funds. (Clark, 2000: 14)

In general, this chapter looks into strategic planning from NGOs perspectives by defining the concept and looking into the framework which shows the organizations’ important areas of capacity to implement what they planned by going through those steps and devoting their time and energy. Then the phases of the process are discussed looking into the preparation phase where the necessary foundation for the exercise is going to be laid, the analysis and strategic plan formulation phase is discussed in relation to the methods and results. The third phase was the execution or implementation phase where the strategic plan will be decomposed into actionable activities, the follow up and controlling reviewing, etc seen in terms of organizational readiness. Strategic plan evaluation is the last phase where the

leadership oversees and assess the strategic management issues such as communication, data collection, culture, etc which are basic factors to facilitate smooth implementation of the strategic plan. Then the consultation as a crosscutting factor in all the phases is discussed and the chapter ended by looking some benefits and challenges of strategic planning for the non-profit sector. In the next chapter these issues will be discussed against the real practices of some selected NGOs in Ethiopia.

CHAPTER 3

METHODOLOGY OF THE RESEARCH

This chapter presents a description of the research design and the methodology used in the study. The research method, the sources and types of data, methods of data analysis are presented in detail.

3.1. Research Design

This study has been designed in such a way to generate both qualitative and quantitative information as both are relevant for the study. The qualitative research approach is used to get insight of the respondents on the very ideas of strategic planning in the NGO context. This has given chance for the respondents to express their views and opinions beyond ticking the structured questionnaire. Thus, interview and observation were used to capture and summarize the respondents' opinions on the use, benefit and challenges of strategic planning in their own experiences. On the other hand, questionnaire was also used for generating quantitative data which can be measurable to formulate facts which is helpful for generalizing findings.

3.2. Research Method

The study was focused on the non-governmental organizations practices of strategic planning process to enhance their organizational effectiveness. Since strategic planning is a management tool which used by all types of organizations, this study looks into the application of strategic planning as a management tool in the non-profit organizations taking few selected NGOs responses. Therefore, in this study, the student researcher uses

descriptive type of analysis as the main focus of the study is to look into the change in the sector with regards to the understanding the benefit strategic planning provides for the NGOs. Descriptive research is also known as statistical research, describes data and characteristics about the population being studied. It enables to answer the question what, who, where, when and how. Description method is used for frequencies, averages and other statistical calculations. Often the best approach, prior to writing descriptive research, is to conduct a survey investigation.

3.3 Data Sources and Data Gathering Tools

The researcher has used both primary and secondary sources of data to get adequate and relevant information about the topic.

Primary data sources

Primary data is data observed or collected directly from firsthand experiences. It can be generated through interviewing people, questionnaire administration, group discussions, etc. In this research, the primary data sources are questionnaire, observation and key informants interview where the researcher uses staff, consultants and people who were employed in the as key informants and very instrumental in enlightening the researcher with the practice and challenges of formulating and implementation of strategic plan in the respective organizations. In addition, NGO leaders opinions are gathered through questionnaire on the application and contribution to the strategic plan for the organization.

Secondary data sources

Secondary data sources are information collected and published in the past by other parties. It has already been on the shelf and on the internet in the form of books, journals, study papers, reports, etc to serve as relevant source of information on the conceptual clarification, use and advantages as well as challenges of strategic planning in the NGO practices. Hence, the researcher gathered the secondary data from desk reviews of the present or past strategic planning documents, books and research documents written on the use of strategic planning for enhancing NGOs effectiveness, various write ups that treatise strategic planning, internet and other relevant sources through documentary analysis technique.

3.4 Sample size and sampling methods

3.4.1. Research sampling method

There are two types of research sampling procedures: probability sampling and non – probability sampling methods. The probability sampling methods ensure the possibility of each person in the sample population to be chosen while the non-probability methods target specific individuals. The non-probability sampling methods include purposive sampling, quota sampling, etc. According to the definition given on the IGNOU Quantitative Analysis for Managerial Application (MS8) Booklet 4, purposive sampling is a non-probability sampling method where restrictions are put on the possible inclusion of a member in the sample. Purposive sampling method is used in many sampling survey as it is designed based on practical considerations.

In this particular study, the researcher had used purposive sampling methods as the focus of the study is mainly on non-governmental organizations practices of strategic planning

process. Thus, the questionnaire developed for the purpose was distributed only for NGOs in four different categories. In addition, people who have close know-how of the NGOs were selected to provide their opinion through interview guided checklist.

The population sampled was clearly defined using the following selection criteria:

- The NGO is legally registered by the C&S law;
- It is currently operational in Ethiopia;
- It has been engaged in the sector for a minimum of five years; and
- It has strategic plan for a minimum of five years i.e at lease for one cycle with or without revision.

3.4.2. Sample size

Based on this criterion, the potential respondent organizations were selected from the largest umbrella organization (CCRDA) membership list taking 38 (i.e. 10.5% of the total 360 organizations). Then each organization was contacted to ensure the accessibility of the respondents to share their practices as the main focus is on the NGOs executives.

Then the questionnaire was distributed to twenty eight organizations (i.e. almost 74%), as listed in the attachment. These organizations are engaged on diverse development activities in urban as well as rural areas of Ethiopia and they are composed of four categories from: national NGOs, international NGOs, faith-based Organizations,(FBOs) and Consortiums of NGOs. In addition to the organizations, individuals who know the sector such as consultants who have been involved in mentoring strategic plan for NGOs,

x-employees of NGOs and NGO directors were also consulted to include their opinions and suggestions in the study.

3.5 Data Analysis Method

Data analysis is a process of inspecting, cleaning, transforming and modeling data with goal of highlighting useful information, suggesting conclusions and supporting decision making. The analysis follows the type of data gathered and the research methodology employed for the analysis. For example, in quantitative research, the information obtained from the respondents is expressed in numerical form while in qualitative research the information cannot be numbered.

Thus, the data collected through questionnaire was edited, classified, coded and encoded into a computer using SPSS software. The frequency and percentage distribution of the respondents is presented in tabular and/or graphic forms. Then the results of the data are described in relation to the objectives of the study and few issues where both qualitative and quantitative data are generated the result is triangulated to ensure complementarities of ideas. Finally, the analysis and interpretation of the data have leads to conclusions and recommendations

CHAPTER 4

RESULTS AND DISCUSSIONS

This chapter depicts the findings and interpretations of the findings of the study on the practices of Strategic Planning exercises taking the case of NGOs working in Ethiopia. Both primary and secondary data sources are used for gathering the information. The questionnaire developed for the purpose was distributed for twenty eight organizations and twenty four of them had responded to the questionnaire. In addition, six people were interviewed using the interview guide prepared for the assessment.

4.1. Profile of the respondents

4.1.1. Year of establishment of the organizations

	Years of establishment	%
1	1958 – 1980	25.0
2	1981 – 2000	58.4
3	2001 – 2005	16.6

Table 2: Establishment year of the NGOs

The table above shows that 75% of the organizations have been established since the beginning of the 1980's when many NGOs emerged in the world. In many books, 1980s is cited as a time where NGOs have been seen as one vehicle for implementing government programs. (Cernea, 1988) (Putnam: 993)

4.1.2. Respondents position in the organization they are representing

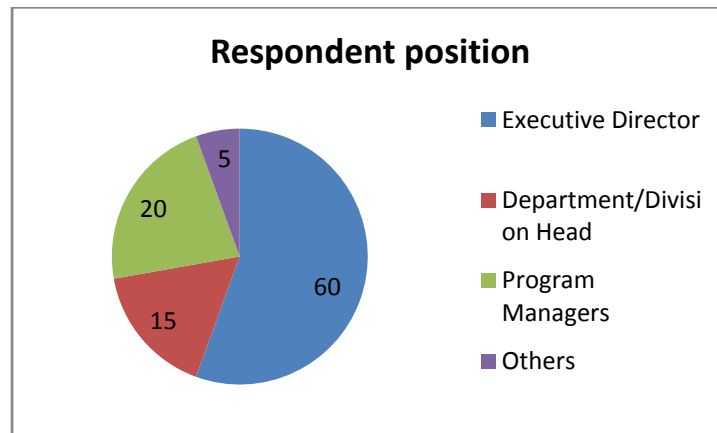


Figure 3 –Respondents’ position (in %)

Since strategic planning is one of the main responsibilities of managers, the composition of the respondents show that 95% of them are within top level leadership position that has access and involvement in the strategic planning process of their respective organization. This means the targeting meets the intention of the researcher.

4.1.3. Respondents years of service in the organization

	Respondents Service Years in the organization	%
1	2 – 5 years	19
2	5 – 10 years	38.1
3	10-20 years	28.6
4	Above 20 years	14.3

Table 3: Years of Experience of the respondents

In order to assess how far the respondents know their organization, the number of service year in the organization they are representing was assessed and the result indicated that 81% of them have served in the organization from 5-20 years.

4.1.4. Type of organizations

Table 4: Type of organizations

	Organizational Category	%
1	National NGOs	65.4
2	International NGOs	11.5
3	Faith based NGOs	15.4
4	Consortiums	7.7

Note: 2 organizations are both international and faith based

As shown on the table above, 65.4% of the respondent organizations are national or local NGOs this may not be so surprising as there are more local NGOs than the international NGOs. The second highest respondents (15.4%) are from faith-based agencies. The role of faith-based NGOs in Ethiopia is very significant especially during the 70th and 80th where there were very small number of NGOs to address the humanitarian crisis. Though the percentage representation of the international NGOs seems small, the researcher believes that it is enough as a representation to include input from the group. With regard to consortiums, the number can also be a representative as they are very small in number and most of them are established recently. Therefore, the information source which is used in this study is relevant for the researcher as it

represents the major group, i.e. the local NGOs, which are the major actors in the life of the target community as they operate all over the country to bring sustainable development.

4.2. Strategic planning practices of the organizations

Most of the time strategic planning is seen as an imposition by the donors but the finding of this study shows the contrary.

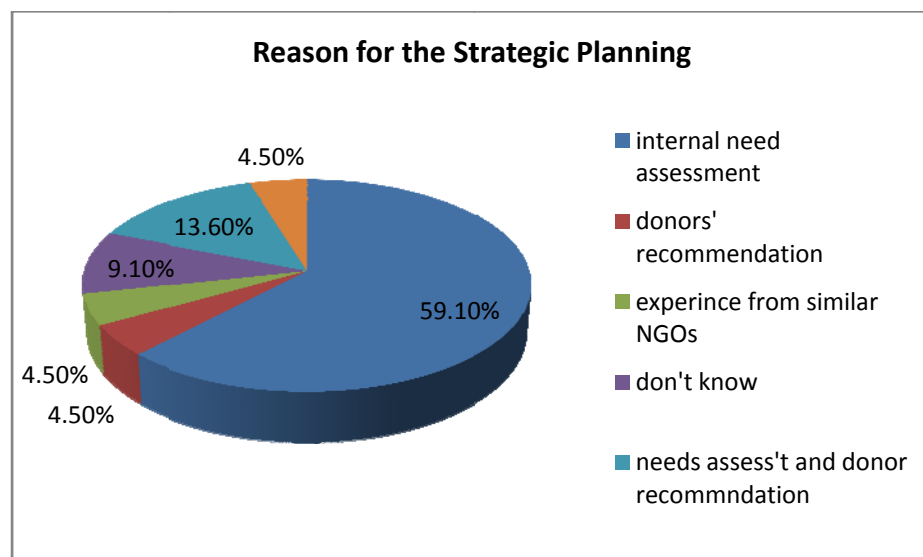


Figure 4: Reason for strategic planning

As depicted on the above chart almost 60% of the respondents have gone through strategic planning exercise as the result of the internal organizational assessment. This finding is a good indicator which can show that the NGOs in Ethiopia are aware of the importance of the strategic planning process for their organization in terms of sharing their vision with their stakeholders, focusing their effort and resources towards a maximum impact and also being able to have comprehensive plan with success monitoring indicators. Above all the

use of strategic planning for the NGOs in the current global and national environment can help them to change the threats into opportunities for their organization. One thing which came visible in this result is that still donor partners are advising the NGOs to undertake the exercise to make impact at the grassroots level. This is also not bad as long as the donors are not influencing the strategic planning process. When strategic planning first introduced within the NGO sector in Ethiopia, i.e., during the 1990th, it was the donors who initiated and supported the process.

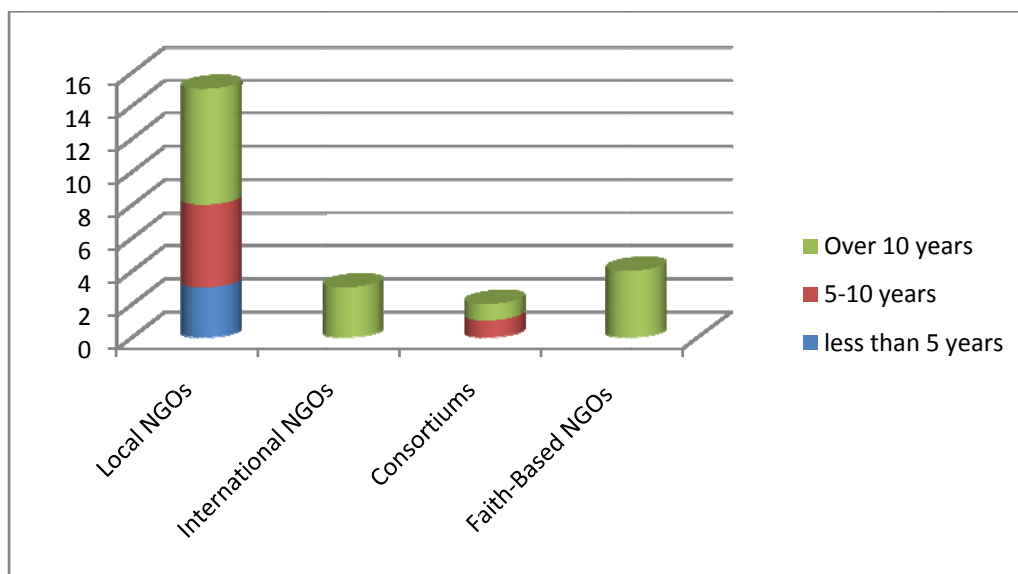


Figure 5. Years of SP practice of the organizations

As the above table shows most of the respondents of this study have practiced strategic planning within their organization for more than five years. This result is not surprise when we look at the year of establishment of the organizations which 83.4% of them are before 2000. In terms of strategic planning exercise, the above result indicates that the highest majorly of the organization have got a chance of reviewing their first SP more than once.

4.3. Preparation phase of Strategic Planning

As SP is an exercise which must involve everybody that have stake in the organization, being well organized is paramount important. Hence, holistic preparation i.e. securing the management commitment, establishing team, training the team, securing fund for the process and stakeholders orientation were issues discussed as a precondition for the successful engagement of the SP process and the whole result is presented in bar graph in figure 5.

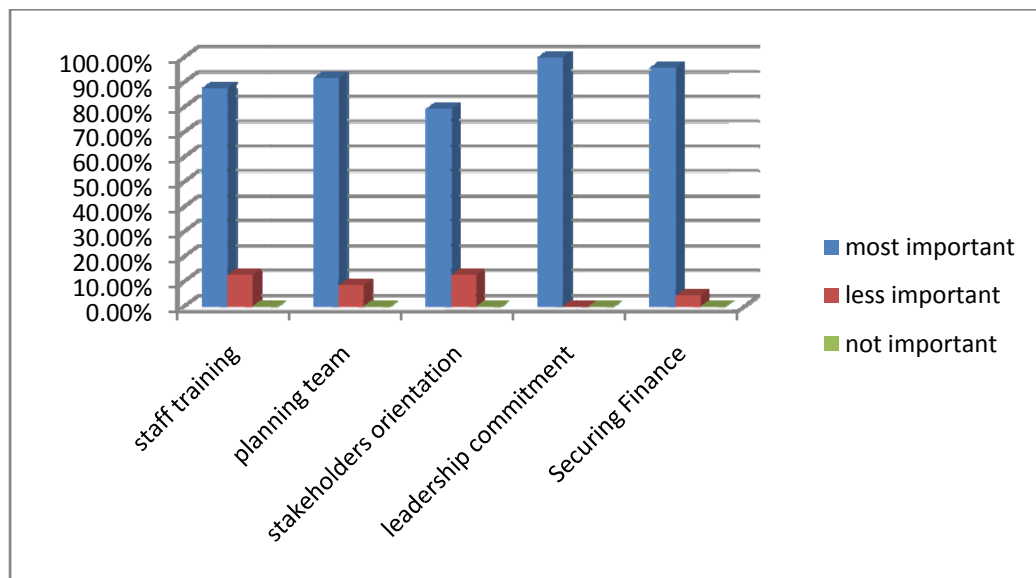


Figure 6 – important factors for preparation phase

The findings of the study show that:

Leadership commitment - leadership commitment was most important for all i.e. 100% of the respondents. If we look this result from the respondents' position in the organization (figure 3) where 95% are top level managers, it means that every executive has good knowledge and commitment when they apply strategic planning for their organization.

This further implies that these organizations have secured the major success factor which is the leadership support while developing their strategic plan.

Securing Finance - the next most important factor of the finding during the preparation phase is securing financial resources, 95.8% of the respondents confirmed it. This is not so surprising, strategic planning process has cost, both professional and facilitation, and this cost has to be covered from a clear source. Usually NGOs budget is specific which relates to projects and unless they have institutional donors who mostly fund such activities, they have to generate earmarked fund for the process. Hence the very few respondents who said less important might have institutional donor who provide fund to be used flexibility according to the priorities of the NGO otherwise it is always a gap which need to be addressed.

Planning team formation and training the team – these are also said most important for more than 90% of the organizations. According to the NGO strategic planning workbook which is developed by Barry, the planning team will do much of the planning tasks and training those people in the team are helpful to bring the team at equal level of understand.

Stakeholders' orientation - the other point of analysis was the orientation for stakeholders is also seen as most important factor by 87% of the respondents while few of them i.e. 12.5% see it as less important and the remaining 8.3% said it was not important at all. This finding indicates that though stakeholders consultation is important factor, it is still blurred area for some NGOs. However, stakeholders' orientation is very important as it facilitates

support for the process and this idea is well understood by many of the responding organizations.

In general, the findings on the preparation phase indicate that these days the NGOs executives have good understand about the importance of the preparation phase where their commitment has great impact on the team formation, training, financial resource securing and stakeholders orientation. Thus, the researcher believes that the preparation for strategic plan is a task which is handled well by most of the NGOs.

4.4. Data analysis and strategic plan formulation phase

The data analysis and strategy formulation phase is a time where the organization gather all the relevant information from the internal, external sources to analyze the present situation, organizational strength/weakness and the PEST factors in the environment which affects the organization. In addition, it is a time where the stakeholders are assessed in terms of their relevance for the organization. Moreover, all the information is used and the critical factors for the future engagements of organization will be identified, alternative strategies are assessed and the final strategic planning is developed based on the assessment. This is a time where the team becomes so busy and needs time for critical thinking and analysis. In this regards, the experience of the respondents were assessed in terms of the system and tools utilized for the process and the following were results from the questionnaire.

4.4.1. Data gathering methods

There are different tools which are widely used to generate the relevant data during strategic planning process. The findings of the respondents show that reviewing secondary sources was very relevant for 78.3% of them and the rest 21.7% said it was moderately relevant. With regards to primary data sources focus group discussion and brainstorming sessions were rated as very relevant for 74-78% of the respondents and the others see it as moderately relevant. On the hand, primary data sources, such as, key informants interview, workshop and questionnaire were also very relevant for 52 - 59% of the respondents while most of the others said moderately relevant. The unique result which is seen on the tools is the responses to questionnaire around 23% of the respondents rank it as less relevant. This shows that these organizations have understood strategic planning as a process that needs face to face discussion, brainstorming in groups so that it can consider different views, knowledge and experiences which are helpful for the designing of different strategies.

In conclusion, these results indicate most of the tools which are proposed as data gathering tools are utilized to gather the information from different sources and this process is not something which can be accomplished easily as all the primary data are supposed to come from other people. The tasks at this stage are more technical and it requires skill and time for reflection and critically analyzing and synthesizing the issues. Hence this process is further assessed from the methods of analysis and external technical input the organizations have used for the process.

4.4.2. Methods of analysis

The result of the respondents with regard to methods of analysis has shown that most of the tools which are exercised in the strategic planning exercise are also used by them. For example, SWOT (Strength, weakness, opportunity and threat) was very important tool for 95.7% of the respondents. This is obvious that this tool provides simplicity for summarizing the issues into two main topics as internal organizational issues i.e. the strengths and weakness and the external issues that affect the organization. In addition stakeholders' analysis and the critical factor analysis is also rated as very important by 87% of the respondents and the others said it is moderately relevant. The capacity analysis is the other area which needs critical thinking to propose the right capacity requirement for the organization. Capacity analysis was very important for 66.7% and moderately important for 28.6% of the respondents.

4.4.3. Use of external expertise

Strategic planning is most of the time seen as a process that need to be complemented by external expert. The strategic planning manual which is developed by PACT Ethiopia, suggests the importance of having mentor for the process and it has trained individual consultants to support the NGOs that were their partners. In this regards, CCRDA had also done the same by paying the mentor cost for the local NGOs to support the strategic planning process of its member organizations. This study tried to look into the use of external expertise for these organization's strategic planning exercise and 83% of the respondents have used external expert (consultants) inputs to mentor and backstop the planning team established for the task; 16.7% use the external expert (consultant) to

handle the whole process of the SPM development; 5.6% have said they use consultants, and capacity building organizations' service to support the SPM process of the organization. These findings show that the NGOs are still using external expertise to ensure the quality of their strategic planning process. This is a good move but the idea of giving the task fully to external consultant is not empowering as the learning through own research and interactions are more important than the consultant outpost.

In general, in the second phase most organizations are using different tools for gathering data and analyzing the situation which helps them to design the strategic plan. Though the process and the organization are good in most cases the few results which divert from the very principle of the process are indication that there are NGOs which still give the task for external consultant.

4.5. The implementation and evaluation phases

The implementation phase is another important stage where the strategic plan needs to be changed into actionable activities, the performance indicators are defined, monitoring and follow up plan designed, resource allocated, organizational system and guidelines revised to meet the new plan, and so on. This is a time where the organization is realizing the ideal future situation. In this study the implement phase of the respondent organizations was assessed from capability, responsibility and control point of view.

4.5.1. Implementation Capability:

The issue of capacity is one of the important factors to implement what the organizations have planned. As seen into Fowler's capacity framework, the organizational capacity and readiness to carry on further the NGO in implementing

the programs and fulfill its future commitment is crucial. In this assessment, the implementation capacity of the responding organizations are assessed in terms of defining action plan which meets the requirement in the strategic plan, financial capacity to undertake the activities, employing essential expertise/staff/, placing required organizational system and partnership building are assessed.

Capacity to translate strategic plan to action plan

The response on the capability of the organizations to translate the strategic plan to action plan is strong in 59.1% of the respondents and moderate for 40.9% of the respondents. This means that changing the strategic plan to actions and activities is still an area which NGOs need to work hard as this is a crucial factor to see whether the NGO accomplish its mission or not. The activities at the ground have to explain the organization's objective and belief. The NGO management adviser Fowler explained this process saying, Linking the aspirations and intentions of the organization to the right activities means understanding what is going on in the outside world and then 'fitting' the organization's work into the environment in a way which maximizes impact. (Fowler 1997: 46)

Financial Capacity

The response on financial capacity of the organizations indicate that 34.8% of the respondents said strong, 39.1% moderate and the remaining 26.1 mark it as weak. This means it is almost 35% of them who have strong capacity to mobilize the necessary resource for their projects and plans. As observed from practices of

different NGOs, finance is usually a challenge for many NGOs. They have to be able to design good projects for funding and this requires capacity and if there is a problem in translating the strategic plan into actionable activities keeping the consistency with the mission, objectives set earlier then the financial part will automatically face a challenge.

Human resource capacity

On the other hand, human resources are another area which is assessed and 26.1% of the respondents they have strong capacity and 39.1% said moderate capacity and the others 34.8% said weak. This figure, especially in the current NGO regulatory framework is not surprising as most of the salaries and benefits are considered as administrative cost. Having more staff is correlated with the high amount of administrative cost which is already fixed not to exceed 30% of the total cost.

Capacity for organizational system, structure, policy, and others

Having the required operational systems and structure is also a point which requires capacity of the NGOs. As per the response from the survey indicate, the capacity is strong for 39.1% of the organizations and moderate for 43.5% and weak for 17.4% of the organizations. Whenever new strategic plan is implemented, the system and structure has also to be revisited and be in place for smooth operation of the organization but as the outcome of the study indicate most organizations have moderate capacity to improve the system and structure whenever they develop a new strategic planning.

Capacity for external relation

These days the issue of external relation has widely accepted by many organizations whether they are operating in private or public ventures. As presented in the above Fowler's capacity framework building capacity to manage the relationship is very crucial. The survey has looked into the ability of the NGOs to establish and work with partnership and the results show that 56.5% said they have strong capacity while the other 34.8% said moderate and 8.7% said weak. This is a good indicator as it shows the importance given by most NGOs to work in partnership. Since NGOs are working towards achieving social change, they have many partners who have a direct impact on the realization of their mission this is the reason why NGOs must build their internal capacity for partnership management.

4.5.2. Implementation responsibility

Strategic plan implementation include the tasks of developing the action plan, implementing the day to day tasks, follow up and monitoring, reporting, reviewing and revising the plan, etc. These tasks are undertaken by different groups of people in the organization and the survey has looked into the responsibility taken by the board, executives, middle managers, external stakeholders, staff and consultants and the results shows the following.

Board role

The response with regard to the role of the board in strategic plan implementation is rated as low by 76.9% of the respondent and its control role was medium for 53.3% and low for 26.7% of the respondents. However, 50% of the respondents rate its

evaluation role as high while 35.7% said it was low. This result shows that board involvement is more on the evaluation and control of the strategic plan than taking part in the day to day implementation of the activities. Actually, most of the time the role given to the board is more of strategic leadership which focuses more on checking the performance of the organization against the success indicators which are defined at the beginning of the plan. Hence, in this case the response relates to the underline expected role of a volunteer board.

Managers' role

The top executives' responsibilities of strategic plan implementation control and evaluation is rated respectively as high by 73.3%, 82.4% and 62.5% of the respondents. In addition, the middle managers role of implementation, control and evaluation was respectively rated as high by 87.5%, 73.3% and 53.3% of the respondents while 33.3% of the respondents rated the evaluation role of the middle managers as medium. The two levels of managers are highly responsible for the day to day implementation, follow up and monitoring of the activities of the organization. As the name indicates they are managing tasks by solving problems at the spot and creating the favorable working environment. However, the evaluation role of the middle managers for 33.3% of the respondents is medium as most of the time evaluation is a task for top leadership. The other groups are the staff i.e. from the field to head office role in strategic plan implementation is rated 100% high, and its role in controlling is high for 46.7% and medium for 40% of the respondents. The evaluation role was low for 53.3% and medium for 33.3% of the respondents. This

result indicates that staff takes major responsibility in implementation and this ensured by the plan which is cascaded from the top up to individual plan. If it is done in such manner, the contribution of the staff is seen clearly and the reward could be designed based on the result from the implementation of the plan.

Stakeholders' role

The involvement of the external stakeholders in the implementation of the strategic plan is also assessed. The external stakeholders are donors, government, community, etc. and the responsibility in strategic plan implementation and control was rated respectively low by 76.9% and medium by 66.7% of the respondents but the evaluation role of the external stakeholder is rated as high by 68.8% of the respondents. This is the practice in many cases as the external stakeholders have no direct responsibility to implement the tasks rather they participate on the evaluation of the strategic planning and this is seen due to the accountability NGOs have towards their partners.

Consultant's role

Consultant responsibility was generally rated as low in the implementation and control of the SP and the evaluation role is rated high by 45.5% and low by 54% of the respondents. This result is very interesting, the finding of the study in more than 50% of the organizations show that organizations are not using consultant to evaluate their strategic planning. In strategic plan evaluation one of the issues for interview with consultant who used to be highly involved in mentoring strategic planning process for the NGOs and according to their comments, NGOs are not bothering to

evaluate the performance of their old strategic plan usually they just enter into next strategic plan through revision. However, this might not be the case, the researcher's experience during 2009 strategic plan revision, the first initial proposal was done by the management to revitalize the organization and this proposal was discussed by the board before taking decision to undertake the next strategic planning exercise. Of course, this research is done by the management and staff not by the consultant. In such incidences, it can be said that strategic evaluation is done by the leadership of the NGOs.

4.5.3. Follow up and controlling mechanisms

Effective implementation of the strategic plan depends on the close follow up and feedback of the responsible bodies. Different organizations are adopting different methods of follow up and feedback mechanism. This survey has also looked into the use of some mechanisms, such as annual review, continuous performance progress assessment, internal feedback workshop, biannual and annual stakeholders meetings, etc. In this regards, the response show that annual review of the implementation of the activities against the indicators was used by 28.6% of the respondents and continuous performance progress assessment was done by 4.8% of the respondents and 9.5% uses the two systems together. The other 9.5% use the annual review and internal feedback workshop, 14.3% use the annual review and bi-annual stakeholders' performance assessment meetings, 9.5% annual review, performance assessment and feedback mechanism, 14.3% use annual review, continuous performance assessment, internal feedback mechanisms and bi-annual stakeholders meeting and 4.8% use all the above

methods and others. This result shows that most organizations are using annual review meeting to assess the annual performance and the other use mixed mechanism as per the situation. Organizations can have different assessment mechanisms but the important thing is the attention given to follow up and assess annual performance and to use the feedback for the next planning as an input.

4.6. Stakeholders' consultation/participation

The stakeholder's consultation and participation in the strategic planning process is very crucial for the NGOs work as most of the tasks are requiring the involvement of other stakeholders in different forms. This study has also looked into the experiences of the respondents with regards to participation of the board, managers, technical staff, support staff, project beneficiaries, donors, government sectoral offices, other similar NGOs and the findings are presented into two category: as internal and external.

4.6.1. Internal stakeholders

The responses indicate that Board members participation in the strategic planning is very active in 43.5% and moderately active in 47.8% of the NGOs while in the remaining 8.7% of the organizations is less active. This result confirms the comments of the respondents on the executive leadership role of the NGO board. Some of the respondents said that the board members should have to be active in strategic leadership especially in terms of supporting the NGOs in resource mobilization and giving direction to the executives. Their role should go beyond approving the annual plan and annual reports.

The participation of the project and Program staff is rated as very active for 82.6% of the respondents, moderately active for 13.0% and less active for 4.3% of the respondents. This is also an indication to the work style of the NGOs where the technical staff is always taking the major part in the assessment and formulation of the strategic plan and later implementation of the plan. With regards, to the support staff, the result shows that their participation is very active in 17.4% of the organizations, moderately active in 43.5% of the organizations, less active in 34.8% and not involved in 4.3%. This shows that very few NGOs are actively involving the support staff in the process while most keep them at support level. However, in modern management system, support staff roles are also considered as important for the realization of the organizational objectives and the NGOs have to see into this aspect and enhance it further.

4.6.2. External stakeholders

The other stakeholders are the project beneficiaries which are very crucial for the sustainability of the impact of the project. The result shows that their participation is very active in 21.7% organizations, moderately active in 43.5%, less active in 30.4% and not involved in 4.3% of the organizations. This result means the principle NGOs are preaching, 'community participation' has not getting proper attention and this needs more analysis why they are not actively involved on the issues which concerns their life.

The other result is donor partners participation in the strategic plan formulation, shows very active in 17.4% of the respondents, moderately active in 43.5% of the respondents, less active for 34.8% and not involved for 4.3% respondents. This

implies that donors participation is not so active and not so low but why this is also a point in consideration. The active involvement of the donors can help the NGO for real partnership of the donors between the two organizations. The researcher's experience is that if they are involved in the major engagement of the NGO, donors are reliable partners who share the challenges of the NGO and try to provide assistance whenever there is a need. On the other hand, the low participation of the donors indicates that they are not involved and dictated the NGOs strategic plan to their own agenda and in this point low participation of the donors in these organizations can be good indicator.

The participation of government sectoral offices in the strategic planning process of the NGO is rated moderately active by 60.9%, less active by 26.1%, very active by 4.3% organizations and not involved at all by 8.7% respondents. This also depends on the relationship between the NGO and respective government offices though there are other challenges. Finally the participation of other similar NGOs is also assessed and it indicates moderately active in 30.4% organizations, less active for 39.1% and not involved for 30.4% of the organizations. The result implies that the relationship and communication between NGOs hasn't yet reached at a level where they support each other as the involvement of other similar organizations in the area has a positive impact on the sharing knowledge and practices which are tested and gained result.

The overall results indicate the importance given to involve stakeholders in the strategic plan process of most of the organizations. The very active involvement of the

management and technical staff confirmed that the major responsibility of strategic plan to be internal (management and staff) while the board involvement ranges between very active and moderately active in 43.5% and 47.8% of the organizations, respectively. In respect to the participation of the beneficiaries, government and other similar NGOs there is still much to be done. Each of these groups are very relevant for the sustainability of the interventions the NGO's work and for the recognition of the results.

4.7. Challenges of Strategic Plan

Strategic planning has its own challenges for NGOs and as the survey indicates, the major challenge for the organizations' is time which 60.9% of the respondents rank as a strong challenge. This indicates that time is one of the crucial factors which the NGOs need to consider while thinking of strategic planning. Internal capacity is strong challenge for 43.5% and moderately challenge for 43.5% and for 13% of the respondents it was not a challenge. This result shows that it is few of the organizations that plan according to their capacity and have the preparation to take further the plan into action. Most of the organizations are facing strong or moderately challenged by their technical capacity. The very reason for this is the staff turnover which is seen in most organizations as most technical people are moving from organization to organization. According to the study report of the CCRDA on organizational change actions, staff turnover is one of big challenges which threaten local NGOs affecting their technical capability.

The other challenging factor is finance, the survey result shows that finance was strong challenge for 33.3% of the respondents, moderately challenging for 33.3% and less

challenging for 19% and for 14.3% of the respondents it was not a challenge at all. This result can be explained further according to the category of the organizations as for international NGOs finance could be no problem as the country office is always planning according to the resource availability. For the majority of the respondents, which are the local organizations, it depends on the reliability of their partnership with their fund providers. If the NGO is showing concrete result at grassroots level and fulfill its obligations by being accountable for its engagements then the donors will most of the time stay with the organization for longer period of time. For example; an organization called 'Facilitator for Change' is one of the local NGOs that operates in two regional states and at its annual meeting in 2013 report, the long time donors are always providing them grant according to the organization's program year plan, in this case for five years, and their funding situation is so far stable. Their result is also recognized by their donor partners' web posting the performance of the organization as one of their partner which creates impact at grassroots level in Ethiopia. However, these days the issue of finance for development programs is critical as the issue of poverty and humanitarian crisis become a phenomena for the world not only for the developing countries.

Getting the right data for the analysis is very import for the final outcome of the strategic plan, in his regards, the survey looked into the availability of information or data during the exercise, 33.3% of the respondents said it is strong challenge, 42.9% said moderately challenge, 19% said less challenging and for 4.8% of the respondents it is not a challenge at all. This result shows that the availability of information is more or less a challenge in 75% of the organizations and this could be internal - due to the data storing method NGOs are

using within the organization. There should be a system where the information could be gathered and stored appropriately from field up to head office level, here the role the monitoring and data gathering system should be improved. On the other hand it could be external – the information sharing between organizations and access to different research outputs on the good practices of grassroots interventions, availability of adequate information in the resource centers, and the internet connection could be some of the points that need attention.

In general terms, the study tried to get feedback on the practical challenges the NGOs are facing in the strategic plan process and these challenges are further assessed in relation to the opinions of the interviewees with regards to the challenges they observed.

4.8. Respondents’ experiences and views about SP in the NGO context:

Table 5: The advantage of SP for non-profit organizations

	Strongly agree (5)	Agree (4)	Neutral (3)	Disagree (2)	Strongly Disagree (1)
The organization have comprehensive plan	78.3%	13%	8.7%		
Enhances understanding and sharing of vision, mission, values and strategic objectives	77.3%	18.6%	9.1%		
Enables the translation of the vision into action	28.6%	61.9%	4.8%	4.8%	
Enables program impacts articulation	39.1%	30.4%	17.4%	8.7%	4.3%
Helped defining the right policies and procedures	31.8%	27.3%	40.9%		
Enables mobilization of adequate resources	36.4%	40.9%	22.7%		
Enables timely adjustment of organizational objectives and its projects/programs	39.1%	34.8%	26.1%		

The above table shows most of the respondents strongly agree to the above points, which are extracted from the literatures reviewed with regards to the benefits of strategic planning for NGOs. This indicates that most of the NGO leaders believe on the importance of strategic planning for their respective organization and this answer is also in conformity with the result on the leadership commitment which is rated by all the respondents as very important factor. However, some respondents are neutral on the advantage of strategic planning for policy revision, resource mobilization, and timely adjustment of objectives as all these points are tasks which need to be performed after the formulation of the strategic plan. They are part and parcel of the implementation process and it is the responsibility of the management to take action. This further indicates that even if they believe on the importance of the strategic planning for the process the implementation at organizational level is still a challenge.

Table 6: Different views of SP in the NGO Context

	Strongly agree (5)	Agree (4)	Neutral (3)	Disagree (2)	Strongly Disagree (1)
SP relevant management tool for NGOs	66.7%	28.6%		4.8%	
Meeting diverse stakeholders expectations is main challenge	50%	31.8%	4.5%	13.6%	
The strategic plan is not always the basis for projects decision	4.5%	45.5%	4.5%	22.7%	22.7%
SP evaluation could not generate concrete quantifiable results		40.9%	18.2%	31.8%	9.1%
Mobilizing adequate resource is always the major challenge	43.5%	43.5%	8.7%		4.3%
The return from SP exercise is not	4.5%	9.1%	18.2%	40.9%	27.3%

worth of the cost					
Stakeholders participation always challenging	17.4%	52.2%	4.3%	17.4%	8.7%
NGO Boards control & evaluation of the SP is not strong		65.2%	21.7%	13.0%	
A high staff turnover is major challenge for NGOs	17.4%	47.8%	21.7%	8.7%	4.3%
SP implementation requires strong partnership, alliances and networks	47.6%	38.1%			14.3

In the above table the researcher has tried to look into the complementarily of some points with what the respondents are practicing. For example, securing adequate resource (financial, human resources, etc) are rated as strong challenge by most respondents earlier and in the above table 87% of the respondents agreed and strongly agreed that resource is big challenge for NGOs strategic plan implementation. Meeting stakeholders' expectation is the other point which is discussed as a challenge for NGOs management. The book written on 'Issues in Voluntary and non-profit management' explains the challenge of management of the non-profit organizations in dealing with their diverse stakeholders as they all have stake on the success of the organization. (Batsleer, Chris & Rob, 1991: 39)

The respondent are divided in two (50% agreed while 45.5% not agreed) on the issue of the strategic plan not always being the base for the projects of the organization. Why the respondents are divided is a point which need to be assessed further but the very idea of this point is emanated from the report of strategic review of Oxfam which it is clearly discussed the time when the NGO could go out from its focus as it target to change the life of the target group in a holistic manner. (Wallace & Burdon,1994: page 5)

4.9. Additional points and remarks of the respondents

4.9.1. Points from the questionnaires:

Most of the respondents wrote general remarks on the importance of SP for NGOs as it enhances organizational learning by allowing reflection, critical thinking and rational change, creating opportunity to listen the views of others, understanding the external environment, creating better closeness and understanding between the staff, board, management and other stakeholders. In addition, it is said that strategic planning is a tool for maximum impact in swiftly changing environment. There are remarks cited as a challenge NGOs are facing to meet diverse needs in their target area while their resources are very limited.

These remarks are all relevant as it shows how far the respondents are practicing strategic planning within their organization. During the interview, one person was strongly arguing on the advantage of strategic planning as a tool for learning rather than for quantifying further activities to meet the objective of the organization. The argument was that due to the uncertainties of the implementation of the strategic plan, the visible advantage of the process is the learning aspect which the organization acquires in the internal and external analysis process. This is a new dimension of thinking but since the very purpose of the strategic plan is to improve the performance of the organization in terms of creating impact at the ground, it could not be seen as a tool for learning though the process is an opportunity for learning and understanding the context. As Fowler said strategic plan is not for shelf, it has to be implemented.

4.9.2. Points from the face to face interview

During the face to face discussion with the consultants and people who once used to work in the sector, the following points are given as important points for the success of strategic plan implementation:

1. Organizational readiness for uncertainties and readiness for changes is mandatory - as the implementation challenge in most NGOs are related to the commitment for change and strategic execution entails change
2. Planning for maximum impact in rapidly changing environment has to be one of the tasks of the NGO managers, they have to be able to assess the environment continuously to track the changes which will affect their operation they don't have to wait for proper strategic plan process
3. Full participation of the staff from all discipline and also internal team handling the process is crucial for the ownership and for replaying the process and this has to be done by empowering and motivating them to commit themselves for the cause of the NGO
4. Make sure that the SP fits the organization's development commitment and responsibility
5. NGOs mostly plan ambitiously but they have to plan according to the organization's ability to perform

All these points are very relevant and one way or the other they are discussed in the document and based on the responses most of them have good understanding on the importance of the points but the problem is the implementation i.e. the strategic management. 'One problem in the way NGOs are going about strategic planning is they confuse strategic planning with strategic management.' (Fowler, 1997: 47) He further explained it that

strategic plan could not take the organizations smoothly for the plan years, development is a complex and open ended agenda it needs rigor of thinking and arguments.

This chapter has presented the findings of the study on the practices of strategic planning in the NGO context. Though it is in a very crude form, the study reveals very important points which show the commitment and preparation of the organizations' for the exercise which is good as it indicates that most of the respondents (who are people in the leadership position) have the understanding on the benefit of the strategic plan. It has also shows that great effort is exerted in most of the organizations for gathering the data and analyzing it with the support of consultants and because of this most of the tools for gathering data and for analysis are used. The implementation and execution phase is an area which needs improvement as most NGOs have challenges to finance their programs and keeping their technical personnel and unable to revisit their systems, structure and other operational guidelines. Next chapter will try to present the concluding points and recommendations.

CHAPTER 5

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1. Summary and Conclusion

The main objective of the study focused on examining the practices and challenges of the NGO in developing, implementing and controlling Strategic Planning. It was also aimed at assessing the benefits and challenges of the strategic planning for the NGOS. With this broad objective, the study had tried to answer the following basic research questions: (1) What is the practice of strategic planning process among NGOs operating in Ethiopia? (2) What benefit does it have? (3) How do NGOs formulate their strategic plan? (4) What mechanisms are applied in the implementation of the strategic plan? (5) How do they control the implementation of their strategic plan? (6) What main challenges are they facing while going through the process?

To accomplish the study, both primary and secondary data sources were used and the data was gathered through questionnaire, interview and observation of the researcher as a primary data sources. Twenty four NGOs composed of national NGOs, international NGOs, faith-based NGOs and consortium of NGOs had responded to the questionnaire and consultants and x-employees of NGOs had also shared their views and opinions during the face to face interview. The information is presented in tables, figures and descriptive analysis was the main method used in producing the findings of the study and based on the discussions as presented in chapter four, the researcher concludes the following:

1. Strategic planning these days has become a need for most NGOs and, in most cases, they have been self-initiated to prepare a comprehensive strategic plan rather than considering

as an imposition of their donors.. Moreover, the benefit of using strategic plan as management tool is recognized by most of the NGO leaders and top managers and the great majority of the respondents have strongly agreed that strategic planning enhances understanding on the context in which the organization operates and also enables sharing of organizational vision, mission, values and objectives among key stakeholders. Thus, irrespective of the concerns of its lengthiness and costliness, most organizations have gone through it more than once and this was due to the belief that the return from the SP exercises does worth the efforts. This could be the reason for the majority of the organizations' well preparation providing leadership commitment through the formation of team to handle the task, recruitment of resource person for training the staff and backing the technical gap on the process, availing time and finance for the process and closely following up the process. This has further paved the way for the team to use the required data gathering and analytical tools for developing the strategic plan document. Therefore, the researcher concluded that most NGOs look strategic planning process as relevant process especially to understand their position in the environment and to plan according to their purpose and the acceptance within the sector have grown up to the level where the organizations take it as a need or must be done endeavor.

2. NGOs strategic plan implementation was found to be of more challenging than the designing process. Most respondents confirmed their capability of translating the strategic plan into action plans. However, the major challenge seems to be availing finance for the implementation of the programs and project. In this regard, only 34.8% of the respondents confirmed their organizations' strong ability to secure funding while 39.1% said moderately and the rest said their organization was not able to generate

enough finance for its programs. This point has also been widely agreed by (87%) of the respondents and the financial challenge can be due to the stiff competition for grant globally compared to what it was in the earlier periods. Staff turnover is also another major challenge for NGOs to implement whatever plan they have. Moreover, though NGOs have believed on the importance of working in partnership, the participation of the stakeholders' especially external stakeholder is another challenge and above all the beneficiaries involvement is very crucial which need to be the basic principle for the sustenance of the programs at the grassroots level. On the other hand, some interviewed people argued that the very purpose of going through SP process is to address the challenges of the organizations. If due attention was given, while analyzing the critical issues in the organization, strategic plan provide plan which can further leads to the kind of structure, system, policies, and so on necessary to implement the plan. Therefore, they said, the challenges the organizations have faced in the implementation phase should also be analyzed from other perspective.

3. The cross-cutting issue – stakeholders' participation in all the phases of the process is believed as decisive factor by the NGOs though it is strongly challenging task. Since NGOs are mostly aspiring to change some social problem, it needs other stakeholders' hands to realize the change. Hence from the study, the researcher concludes the issue of participation by dividing it into two categories as internal and external. Internal stakeholders are the employees of the organization and the board – since it is their prime responsibility- they are highly involved in all the phases of the strategic planning process. Though, the result on the role of the board depends on the situation in the organization as the respondents divided in equal parts. During the discussion there was strong argument

on the role of the board in strategic leadership especially on strategic issues of the organizations; such as, resource mobilization.

External stakeholders are those outside the organization which includes the beneficiaries, donors, public offices, other NGOs with similar objectives, etc. The participation of the external stakeholders' in general needs improvement as the responses indicate it as a big challenge. The researcher believes that this is not simple task it needs a plan and conscious move on how and who should participate at what level and this has to be under the strategic planning exercise and the follow up plan of action when the organization define its system and strategies of implementation.

4. Benefit and challenges of strategic planning for NGOs – the benefit of strategic planning is well understood by the respondents in terms of knowing the internal and external operational environment, sharing vision and enhancing commitment, linking the organization vision to action, developing comprehensive plan with clear monitoring indications which are the basis to evaluate impact, etc. This has given them reason to commit most of the leaders to undertake the exercise more than once. However, some issues are seriously challenging them while trying to implement it. These serious challenges are related to the capacity of their organization especially with regard to funding and staffing with the necessary people which are the basis for the realization of their plan. In this regard, Fowler said on its capacity framework, NGOs need to see their capacity in terms of their ability to design the right system, procedures, structure, etc and their capacity to negotiate and create real partnership with the external actors.

The overall implication of the above points is that strategic planning process is one of the recognized tools in the management of the non-profit organizations in Ethiopia and it is practiced by most of the NGOs even if they are facing serious challenge in the implementation of the plan. These challenges need to be aggressively and systematically confronted by the NGOs in collaboration with their key partners so as to ensure the achievements of their goals and objectives properly.

5.2. Recommendations

Based on the findings and conclusions, the following recommendations are made:

1. The world is in a continuous change and as long as NGOs are operating in this moving environment, strategic planning is a useful tool to look and adjust their organizations in the changing environment. In this regard, NGOs in Ethiopia are in the right track at least they have recognized the importance of the tool and used it to set their future direction, and to link their vision to their activities and interventions at the ground. Nevertheless, as per the findings of this study some things need further revisiting and the researcher recommends the following points to get attention for the effectiveness and efficiency of the strategic plan in the NGO sector in Ethiopia.

- 1.1 Though most things in the preparation phase of the strategic planning seems right, the NGO has to give due attention in defining the purpose of the exercise. Why does the organization do the strategic planning? (To be focused, to position the organization, for changing the vision, for improving performance, etc.) This has to be clearly answered based on facts and with consultation with the stakeholders as this will help the organization to get the parameters for measuring whether the organization meets

its objective then the strategic plan has to be designed as per the needs of the organization with serious consideration of the capability of the organization. This can help to solve the future challenge of implementing a strategic plan.

1.2 Strategic plan should not be for shelf, it has to be implemented and for this the NGOs has to plan according to their capacity and also plan to build the necessary capacity too. This requires strategic management not strategic planning only. Hence, to meet the objective of the organization by impacting the target community, the NGO has to have leadership role of the board. In addition, it has to have a plan to build its own capacity and in this regard it has to be innovative as partnership building is one option, building the beneficiaries capacity (empowerment) is another best option, etc. In general, the NGOs have to share their best experiences in the implementation of their strategic plan.

1.3 The involvement of the stakeholders is a must for NGOs as social objectives could not be addressed by one small organization even if it wishes there is the issue of mandate. Therefore, as it has been said yesterday, the participation of the beneficiaries for whom the NGO works is still relevant today. They have to take part in the identification of the gap or need where they want support from the NGO and the role they have to play and so on. The researcher's general remark is the NGOs have to work hard to change their relationship with their stakeholders in general and with the beneficiaries in particular. They have to work together to ensure the impact of their projects at grassroots level within the community.

- 1.4 Whatever the situation, challenges are always there and that is one of the reasons for the strategic planning process, hence the NGOs have to look into their challenges critically and should plan for changing them into opportunities here is the very purpose of strategic thinking and guidance of the leadership. In this regards, thinking of management including board training is very important as most NGOs managers are not investing on themselves which could have more value for the organization.
2. The issue of strategic planning in the NGO context is very interesting topic as it will help them to adopt business management tools to the challenges of managing non-profit organizations. This research is more focus on the findings of responses of the NGO's executives and top managers as well as people who engage with the NGOs in strategic planning process. The researcher believes that deeper assessment into the practices at each organizational level (looking into reports, plans, systems, leadership etc.) might reveal different picture. Therefore, any student researcher can take up the study further and assess the NGOs leadership and strategic management practices as well as organizational preparedness for implementing the strategic plan for providing wider scope on the issue.

Appendix – I

References

ADAB (1995). *NGO Programs Effectiveness Review*. Australians International Development Assistance Bureau, Canberra.

Anheier, H. (1995) *Theories of Nonprofit Sector: three Issues*. *Nonprofit and Voluntary Sector quarterly* Vol. 24.

Assefa, T. & B. Zewde (2010). *Civil Society at the Crossroads: Challenges and Prospects in Ethiopia*. Forum for Social Studies and European Union, Addis Ababa.

Baldwin, G. (1990). *Nongovernment Organizations and African Development: an inquiry. Paper on long term perspectives study for sub-Saharan Africa, institutional and socio-political issues*. The World Bank, Washington, DC.

Batsleer, J., Cornforth, C. & R. Paton (1992). *Issues in Voluntary and Nonprofit Management*: The Open University. Addison-Wesley Publishing Company.

Barry, W.B. (1994). *Strategic Planning Workbook for Nonprofit Organizations*. Amherst H. Wilder Foundation. Publishing center for Cultural Resources, New York City.

Brown, D and J. Covey (1987). *Development Organizations and Organization Development: Towards an expanded paradigm for Organization Development*. Research in Organizational Change and Development Vol. 1, JAI Press, Boston.

Bryson, J. (1988). *Strategic Planning for Public and Nonprofit Organizations: a guide to strengthening and sustaining organizational achievement*. Jossy-Bass, London.

Butler, P and D. Wilson (1990). *Managing voluntary and Non-Profit Organizations: Strategy and Structure*, Routledge, London.

Campbell, P. (1990). *Strengthening Organizations, NGO Management*, Vol. 18. International Council of Voluntary Agencies, Geneva.

CCRDA (2010). *Strategic Plan for the Organizational Repositioning of CCRDA 2011-2015*. Consortium of Christian Relief & Development Association, Addis Ababa.

CCRDA (2013). *Journal of Ethiopian Civil Societies Organization, Vol.III*. Addis Ababa.

CCRDA (2012). *2012 Charities National Good Practice Day: Principled GO-Charties Partnership for Development*. Addis Ababa.

Clark, J. (2000). *Civil Society, NGOs, and Development in Ethiopia: a snapshot view*. NGO and Civil Society Unit, The World Bank, Washington, DC.

- Cooke, B. (1996). *Participation, Process and Management: lessons for Development in the History of Organization Development*. Working paper 7, Human Resources Development Group, Institute for Development Policy and Management, Manchester University, Manchester.
- Covey, J. (1988). *Organization Development and NGOs: NGO Management*, International Council of Voluntary Agencies, Geneva.
- CRDA and DPPC (2005). *Information package on NGO Contributions*, By Development Studies Association (DSA), Addis Ababa.
- CRDA (2008). *Concept paper for the Organizational Repositioning of the CRDA*. Addis Ababa, unpublished.
- CRDA and Oxfam GB (2003). *Constituency Building: Diagnostic Survey on Ethiopian NGOs*, by Horn Consult, Addis Ababa.
- De Lange, P. (2009). *Evaluating capacity development support*. Capacity.org 37, 2009
- Desai, V. and P. B. Robert (2008). *The Companion to Development Studies*. Hodder Arnold: member of the Hodder headline group.
- D, Kumlachew & D. Hailegebriel (2012). *Assessment of the Impact of the Charities and Societies Regulatory Framework on Civil Society Organizations in Ethiopia*. Task force on enabling environment for Civil Societies in Ethiopia, Addis Ababa.
- Drukker, P. (1990). *Managing the Nonprofit Organization: Principles and Practices*, HarperCollins, New York.
- Drukker, P. (1989). *What Business Can Learn from Nonprofit Organizations*, Harvard Business Review, Boston.
- Eade, D. & J. Pearce (2000). *Development, NGOs and Civil Society*: Oxfam GB. 2006 edition.
- Fowler, A., Campbell P. and B. Pratt (1992). *Institutional Development & NGOs in Africa: Policy perspectives for European Development Agencies*. INTRAC, Novib.
- Fowler, A. (1997). *Striking the Balance: a guide to enhancing the effectiveness of non-governmental Organizations in International Development*. Earthscan Publications Ltd, London.
- Giuliani, A. P. & Partner (no date) *Implementation – The Gutsy Challenge in Strategic Planning*. SMOCK STERLING Strategic Management Consultants, Chicago.
- Handy, Charles (1988). *Understanding Voluntary Organizations*. Penguin Books Ltd.

- H/Gebriel, D. (2012). *Contribution of Charities and Societies for Achievement of the MDGs and PRSP in Ethiopia*. Poverty Action Network in Ethiopia (PANE), Addis Ababa.
- Horton, D., Alexaki, A., Bennett-Lartey, S. and K. Brice (2003). *Evaluating Capacity Development: Experiences from Research and Development Organizations around the World*, Ottawa, Canada, ISNAR, IDRC, CTA.
- Hudson, M. (1995). *Managing without Profit*. Penguin. London.
- IGNOU (2009). *MS-8 Quantitative Analysis for Managerial Applications: Sampling and Sampling Distributions-Booklet 4*. Berry Art Press, New Delhi.
- IGNOU (2010). *MS-11 Strategic Management: Introduction to Strategic Management Booklet 1*. Bengal Offset Works, New Delhi.
- James, N. Roseman & C. Ernst-Otto (1992). *Governance without Government Orders and Change in World Politics*.
- Johnson, B. and L. Christensen (2008). *Educational research: Quantitative, qualitative and mixed approaches*. Thousand Oaks, CA: Sage Publications.
- Lewis, D. (2009). *Nongovernmental Organizations: Definition and History*, London School of Economics and Political Science.
- Lewis, D. (2003). *The Management of Non-governmental Development Organizations*. First Edition. Routledge.
- Osborne, S. (1996). *Managing in the Voluntary Sector*. First Edition. International Thomson Publishing Inc.
- PACT Ethiopia (2001). *Strategic planning guideline*. Addis Ababa, Unpublished.
- Rachlies, O. (2008). *Economic and Organization of enterprise: Problems and barriers to strategic planning*. Vol. Institute of Organization and Management.
- Rahmato, D., Bantirgu, A. & Y. Endeshaw (2008). *CSOs/NGOs IN ETHIOPIA: Partners in Development and Good Governance*. A Report Prepared for the Ad Hoc CSO/NGO Task Force, Addis Ababa.
- Silverman, L. L. (2000). *Using real time strategic change for strategy. Partners for \progress, Madison*.
- Stiftung. R. B. (2013). *Riding the Wave: Proposal for board and CEOs on how to prepare their organizations for disruptive change*. International Civil Society Center. Rockefeller Foundation.
- Tandon, R. (1996). *Organizational Development in NGOs: An Overview Society for Participatory Research in Asia, New Delhi*.

Thomas, S. (1993). *HRD needs of non-governmental Organizations*. Occasional paper2, Academy of Human Resource Development, Ahmadabad.

Tvedt, T. (1995). *Non-governmental Organizations as Channel for Development Assistance*. The Norwegian System Ministry of Foreign Affairs, Oslo.

Uphoff, N. (1992). *Local Institutions and participation for sustainable development*. Gatekeeper series 34, International Institute for Environment and Development, London.

USAID (1982). *Effective Institution Building: a guide for project designers and project managers based on lessons learned from the AID portfolio AID program evaluation*. discussion series report 11, Washington, DC.

Wallace, T. & T. Budon (no date) *Strategic Planning Review: Oxfam Research Paper 10*, Oxfam (UK and Ireland).

Weisbrod, M. (1991). *Productive workplaces: organizing and managing for dignity, Meaning and community*. Jossy-Bass, Oxford.

World Bank (1992). *Governance and Development*. The World Bank, Washington, DC.

Internet sources:

www.namac.org

[www.wikipedia.org/wiki/Strategic planning](http://www.wikipedia.org/wiki/Strategic_planning)

<http://balancedscorecard.org/Resources/StrategicPlanningBasics/tabid/459/Default.aspx>

<http://www.businessdictionary.com/definition/strategic-planning.html>

www.forbes.com

www.smocksterling.com \

www.internationalcivilsocietycenter.com

Appendix - II

The Practices and Challenges of the formulation, implementation and control of Strategic Planning in Non-Governmental Organizations

QUESTIONNAIRE - TO BE FILLED BY EXECUTIVES AND MANAGEMENT MEMBERS

Dear respondent

This questionnaire is dispatched to you in order to assess your organization's experiences and also your personal views and feelings on the practices and challenges of undertaking Strategic Planning & Management process in the non-governmental organizations. Your responses to the specified questions in this instrument shall provide the study with the chance to generate balanced and objective findings on the subject matter. The questions are designed to assess your organization's experiences in going through strategic intent definition, environmental analysis, identification of the critical/strategic paths; designing needs based programs, implementation of the strategic plan as well as the control of the SP. This questionnaire also enquires your personal views on the importance of the strategic planning process for strategic thinking in the non-governmental and Civil Society Sector.

The responses to this questionnaire will be used for no other purposes than those specified here above; your anonymity shall be maintained; and that the outputs of the study will not be used for other purpose.

Explanation (references) of Terms

- **SPM** stands for Strategic Plan and Management
- The **SECTOR** is meant to be the Civil Society Sector (CSO)
- **Management** represents the structure and system of EXECUTIVE LEVEL management of the ORGANIZATION you work for
- The term **STAKEHOLDERS** represents the Donors, Government, and Beneficiaries and Staff of the your organization

Instruction

The instrument is a mix of a structured, key-informant interview guide and a questionnaire. The questions in this instrument are classified/organized in to three parts. The first part addresses your representation in the organization and basic information about the organization. At the second part, your organization's practices of SPM in relations to your job environment will be inquired. The third part is particularly represented by questions in a five-point Likert-scale where you shall specify your views on the practices of the SPM process in the NGO context. Please put a tick (v) mark on the answer of your choice (where choices are provided) and finally provide additional views opinions on the overall practices and challenges.

Thank you for Your Cooperation!

Part I:

A. Personal information of the respondent

Please indicate your years of service in the sector.

Up to 1 year

Up to 20 years

Up to 5 years

longer than 20 years (please specify)

Up to 10 years

Respondent's position in the organization

Executive

Department/Division Manager/Director (specify)

Program head/manager

Other (specify) _____

B. Information about the Organization

Name of the organization _____

Year of establishment _____

Main services your organization provides to the community?

Part II - SPM Practice of the organization

1. How the SPM was **initially introduced** in the organization?

Based on internal needs assessment

Based on donors' recommendations

Based on recommendations from consultants

Based on experiences from similar organizations

Others (please specify)

I do not know

2. How long has been since the organization engaged on SPM process

Less than 5 years

Over 5 years

Over 10 years

I do not know

3. How do you rate the importance of the following actions as a **preparatory** step of your NGO SP exercise:

Action	Most important	Less important	Not important
SPM Training for the staff			
Organizing planning team			
Stakeholders orientation			
Securing corporate (executive level leadership) commitment			
Securing resources (financial & human)			
Preparing detail plan of the process			

4. How do you rate the involvement of **stakeholders** in the strategic planning process

Action	Very Active	Moderately Active	Less Active	Not Involved
Executive Managers (Board)				
Middle Managers				
Project/Program staff				
Support staff				
Project Beneficiaries				
Donors				
Government offices				
Other similar NGOs				
Others, specify				

5. Which **tools** were very relevant for **gathering the information** on the external and internal environment?

Tools	Very relevant	Moderately relevant	Less relevant
Document review			
Focus Group discussions			
Key Informant interview			
Brainstorming			
Workshop			
Questionnaire			

6. Which **methods** were useful (important) to analyze the information?

Action	Very important	Moderately important	Less important
SWOT analysis			
Stakeholders analysis			
Critical factors analysis			
Capacity analysis			
Others, specify			

7. Have you used **expertise** from **outside**? If yes, in what form and what was the responsibility of the expert?

- Consultant who took the responsibility for the whole process
- Mentor who backstop the planning team established for the task
- Backstopping service form Capacity building organization
- Other arrangements, specify

8. How do you rate the **challenges** in the process of **developing the SP** of your organization?

Challenges	Strong	Moderately	Less	Not at all
Time				
Internal expertise (capacity)				
Finance for the exercise				
Information (data) gathering				
Getting the right consultants who knows the sector				
Others, specify				

9. Who **defined** the **strategic intents** and major engagements of the organization?

Strategic Intents/ engagements	Founder	Top leadership	Middle managers & experts	Benefi ciaries	Others specify
Vision					
Mission					
Values					
Strategic Directions					
Major program engagements					
Strategies for implementation					

10. How do you rate the capability of the organization in the **implementation** of the SP?

Actions	Strong	Moderate	Weak	Other
Translating the SP to Plan/Program plan or action plan				
Availing financial resources for the plan (fund raising)				
Availing/enhancing capacity of the expertise				
In placing the required organizational systems and procedures				
Establishing partnership with different institutions				

11. Indicate the **responsibilities** of each body in **strategy implementation, control** and **strategy evaluation** (write: high, medium or low)

Action	Implemen tation	Monitoring & Control	Evaluation
Board			
Top executives			
Middle managers			
External Stakeholders (donors, government, community, etc)			
All the staff from head office up to filed workers			

Consultant			
------------	--	--	--

12. What **mechanism** is used to **follow up and control** the implementation of the SP?

- Annual review of the implementation against the set indicator
- Continuous performance progress assessment
- Organizing internal feedback mechanism with the staff
- Bi-annual stakeholders performance assessment meeting
- Other, specify

Part III: Respondent’s experience, and views regarding the Strategic planning in the NGO context

Please rate your responses based on your experiences of SPM in your non-profit organization. The highest score is 5 points and is selected if you have the most favorable view (strongly agree) in relation to that issue.

A. The advantage of SPM for your non-profit organization

	Strongly agree (5)	Agree (4)	Neutral (3)	Disagree (2)	Strongly Disagree (1)
Though it was time taking process, the Strategic Planning exercise has helped the organization to have comprehensive plan which set clear future direction of the organization					
SP process enhances the understanding and sharing of vision, mission, values and strategic objectives of the NGO with its stakeholders					
SP process has helped the translation of the vision into action through top-down and bottom-up process of discussion and agreement with the external stakeholders					
The strategic plan is not always the basis of the organization's program and project design decisions					
The strategic plan enables to clearly state the impacts of the organization and its programs in the target area/community					
SP helped defining the right policies and procedures for the proper implementation of the SP					
SP enabled mobilization of adequate resources as programs and projects are focused with clear goals					
SP facilitates timely adjustment of organizational objectives and its projects/programs in line with changes in the internal and external environment					

B. Different views of SPM in the NGO context

	Strongly agree (5)	Agree (4)	Neutral (3)	Disagree (2)	Strongly Disagree (1)
Though SPM was originally proposed for profit making organizations, it is equally relevant management tool for					

NGOs					
The main challenge for NGOs SPM process is meeting the expectations of the diverse stakeholders					
Since end results or development goals of NGOs is social which cannot be easily quantifiable to set measurement for evaluation, SP evaluation could not generate concrete results as to the profit making organizations					
Mobilizing adequate resource for the implement of the strategy is always the major challenge for NGOs which most of the time threaten the implementation of programs					
The return from SPM exercise is not worth of the cost which it takes in terms of finance and time of the NGO					
Ensuring active participation of stakeholders in the SPM process is always major challenges for the NGO					
Since NGO Boards are voluntary, the interest and efficiency in control & evaluation of the SPM is not strong to that of the profit making organizations					
A high staff turn over is one of the major challenges which NGOs are facing in the implementation of its SPM					
The success of the implementation of the SP needs strong partnership, alliances and networks around policy, specific issues and practices with different organizations engaged on similar programs					

C. Comment/Remark on the overall practice of Strategic planning in the NGO context.

Appendix - III

Interview Guiding Questions

Dear Sir/Madam.

My name is Tsehay Admassu, Master of Business Administration (MBA) student at the School of Postgraduate Studies of Indira Gandhi National Open University. Currently, I am working on my thesis on the topic '**Practices and Challenges of Formulating, Implementing and Controlling Strategic Planning in Selected NGOs**'. This thesis is my final paper for graduation. I'm conducting this interview to get deeper understanding on the topic. So far a questionnaire is developed and distributed for selected NGOs which include the local, international, faith-based and consortiums working in Ethiopia. This interview is additional information gathering method which will help me to get different opinions and views on the topic and you are selected as a key informant, who knows the sector well while your involvement in the sector. Therefore, your unreserved support and honest views/opinions are valuable for the quality of the work. The information you are providing is used only for academic purpose hence, your anonymity shall be maintained that the output of the interview shall be used only for this study.

Question No. 1

Would you please tell me who you are, how long have you know/involved in the NGO sector, on what level (staff, manager, consultant, etc) and overall view about the NGOs in Ethiopia.

Question No. 2

What is your experience on strategic planning in the NGO context? How do NGOs organize their strategic planning exercise (responsibility, capacity, monitoring, reporting, etc), who are involved, how do you evaluate the expertise in analyzing the information and converting it to Strategic Plan document and implementing it?

Question No. 3

What are the benefits of strategic plan for NGOs, which one do you think is very relevant for NGOs the NGOs in Ethiopia, how do NGOs decide for SP process, etc.

Question No. 4

What challenges NGOs are facing when they engage on strategic planning process, which one is the most challenging factor (prioritize them) and why, how shall they overcome or reduce these challenges, etc.

Question No. 5

Do you have any additional points, remarks, suggestions, etc on the overall use of strategic planning by the NGOs?

Thank you very much

Appendix IV - List of respondent Organizations

No	Name of the organization	Year of Establishment	Major program engagement
I. National NGOs			
1	Agri Service Ethiopia	1969	<ul style="list-style-type: none"> • Community Empowerment • Integrated Rural Development • Integrated Food security program • Local actors draught preparedness program
2	Children Aid Ethiopia	1995	<ul style="list-style-type: none"> • Prevention and rehabilitation program for Children at risk • Non formal education • HIV/AIDS prevention and care • Adolescent reproductive health services
3	Cheshire service Ethiopia	1962	<ul style="list-style-type: none"> • Rehabilitation of Children with Disability through mobile outreach services • Rehabilitation of persons with disabilities
4	Ethiopian Rural Self Help Association (ERSHA)	1997	<ul style="list-style-type: none"> • Integrated Rural Development program (food security, social services, gender, natural resource management, community capacity building, etc)
5	Facilitator for Change Ethiopia	1997	<ul style="list-style-type: none"> • Women capacity enhancement through self-help approach • Education and skill training • House hold food security and market promotion
6	Jerusalem Children and Community Development Organization (JeCCDO)	1985	<ul style="list-style-type: none"> • Access to basic services (health, education, environmental sanitation, community based Orphan & Vulnerable Children care and support) • Climate change adaptation, disaster risk reduction and livelihood promotion • Capacity development of community based institutions
7	Live-Addis Ethiopian Resident Charity	2005	<ul style="list-style-type: none"> • Livelihood improvement for youth through vocational training • Employment creation (self-employment) scheme
8	Matiwos Wondu Ethiopia Cancer Society	2004	<ul style="list-style-type: none"> • Cancer impact mitigation through awareness raising program • Palliative and hospice care project with Black Lion Hospital
9	Maedot	2000	<ul style="list-style-type: none"> • Integrated education, care, support and empowerment program for disadvantaged & orphan children • Community/ family empowerment • School feeding program
10	Oromo self help Organization	1991	<ul style="list-style-type: none"> • Food security and livelihood • Natural resource management • Water sanitation and hygiene

			<ul style="list-style-type: none"> • Pastoral development
11	PROGYNIST	1997	<ul style="list-style-type: none"> • Alternative basic education • Water, hygiene and sanitation • Orphan and vulnerable Children Support program • Support program for victims of rape and domestic violence
12	Pro Pride	1995	<ul style="list-style-type: none"> • HIV & AiDS prevention and control • Basic education & livelihood promotion • Access for health services and rights of young people • Radio sensitization program on children • Addressing gender issues • Orphan and Vulnerable Children care and support • Transaction program
13	Redeem the Generation	2001	<ul style="list-style-type: none"> • Women empowerment program • Orphan & vulnerable Children (OVC) • Youth empowerment program • Palliative, economic and social support program for people living with Aids • Community mobilization program
14	SUNARMA	2000	<ul style="list-style-type: none"> • Forest and land use management • Conservation through the market • Women sustainable agriculture and natural resource management • Livelihood improvement
15	Talent Youth Association	2003	<ul style="list-style-type: none"> • HIV/AIDS prevention program • Career building program for youth aged from 15-29 • Awareness raising program for youth on reproductive health • Youth empowerment program to take active role in development
16	Organization for Women in Self Employment (Wise)	1997	<ul style="list-style-type: none"> • Women micro entrepreneurs economic advancement program •
17	Wabe Children's aid and training	1993	<ul style="list-style-type: none"> • Non-formal basic education • Community based Orphan & Vulnerable Children livelihood support • Family economic empowerment and vocational training • Formal schools capacity building
II. International NGOs working in Ethiopia			
1	Catholic Relief Service (Ethiopia) (Represents both INGO and Faith-based)	1958	<ul style="list-style-type: none"> • HIV/AIDS, Community Based Health Care program • Agriculture and natural resource management • Micro financing • Health program for farmers, children and women
2	Plan International Ethiopia	1995	<ul style="list-style-type: none"> • Child survival and development program • Quality universal learning for life program • Food and nutrition security program • Child participation and protection program

III. Faith Based organizations			
1	Ethiopian Orthodox Church - Development Commission (DICAC)	1972	<ul style="list-style-type: none"> • Food security • Water supply, sanitation and health education • Rehabilitation • Integrated rural development program • Skill training
2	EECMY – Ethiopian Evangelical Church - Dev't and social service commission	1972	<ul style="list-style-type: none"> • Preventive, promotion and curative health care program • Community based reproductive health and family planning service • HIV/AIDS prevention, care, VCT, PMTCT & ART • Capacity building of health facilities and health staff • Nutrition and hygiene program • Vocational training center
3	Lutheran World Federation – Ethiopia (Represents both INGO and Faith-based)	1971	<ul style="list-style-type: none"> • Integrated community capacity development program • Rehabilitation program • Small scale earth dam • HIV/AIDS, Health, Clean water supply, • Women empowerment • Natural resource management • Refugee work
IV. Consortiums/Forums			
1	Consortium of Christian Relief and Development Association	1973	<ul style="list-style-type: none"> • Dialogue, networking and partnership building • Development Information communication • Capacity Building • Access facilitation to development resources
2	Sustainable Land Use Forum	1995	<ul style="list-style-type: none"> • Capacity building, on environment protection and database management • Sustainable land use management • Networking and information provision

Source: I, II, III – CCRDA members' profile November 2010 and for IV – website of the respective organization

Appendix - V

***Practices and Challenges of Formulating,
Implementing, and Controlling Strategic Planning
in Selected NGOs***

By
Tsehay Admassu

***Submitted to - The Coordinator (Projects) School of Management
Studies, IGNOU, MaidanGarhi, New Delhi-110068***

***In partial fulfillment for the award of Master's Degree in Business
Administration (MBA) of Indra Gandhi National Open University***

Advisor: *Dr. Tilaye Kassahun*

September, 2012

Table of Content

1. Introduction	2
2. Background of Non-profit organizations	4
3. NGOs in Ethiopia	6
4. Statement of the Problem	7
4.1. Research Questions	8
4.2. Objectives of the Study	9
5. Rationale for the study	9
6. Scope of the study	10
7. Significance of the Study	11
8. Limitation of the study	12
9. Research Methodology	12
10. Sample size and sample composition	13
11. Data Analysis	14
12. Tentative Schedule of the study.....	14
13. Organization of the study	15

Attachments:

- Attachment I – Sample Questionnaire
- Attachment II – List of Organizations
- Attachment III – Bio-data of the Advisor

Introduction

Strategic planning was first originated in the business sector as important management tool and style that developed in response to the unpredictable, turbulent, and chaotic world. It is the process of determining what an organization intends to be in the future and how it will get there. It is a tool which helps to find the best future for the organization and the best path to reach that destination. Strategic plan has significant aspects that characterize strategic thinking and approach. The following are the aspects of strategic planning: (SPM Manual – PACT)

- **Future aspect** – strategic plan deals with the future of current decisions. It recognizes that the environment will change and it is uncontrollable thus anticipating the future, it will help to shape and modify the impact of the changes in the environment.
- **External aspect** - strategic planning takes into account several components of the external environment like PEEST (Political, Economic, Environmental, Social, and Technological) and recognized their impact as constraint or facilitator.
- **Internal aspect** – strategic planning has also provide recognition to the internal issues like stability of the staff and sustainability of the leadership as important factor which can impact the realization of the strategic plan.

- **Dynamic aspects** – giving due consideration to the dynamism of the environment, strategic planning process is a continuous process which is open to changing goals and activities in light of shifting circumstances within the environment. Strategic planning is not a one shot approach, it is on-going process.

Therefore, strategic management requires an organization to be dynamic and flexible to plan for maximum impact in a fast changing environment. In order to do this, the organization and its management must be able to monitor the external environment closely, to identify events that are relevant to their area of work, and adapt the work quickly to take account of these external changes and also of the lessons learnt from past experiences. Strategic planning and management requires good internal and external monitoring systems and a work-force able to adapt and change.

Due to its flexibility and dynamism, strategic planning process is widely used by different organizations as a tool which can facilitate learning by building knowledge and skill within the staff and the leadership. It can also serve as a basis to enhance strategic leadership giving framework for strategic thinking.

Hence, as the importance and use of strategic planning grows from time to time, the use and application within the other sectors have also become significant as they are also operating in the same dynamic and fast

changing global economic, political and social environment which demands modern and professional management system.

Looking into the practice of strategic planning in the non-profit sector, we can say that these days many of them have strategic planning which frame their strategic intents and operations to achieve the optimum results setting clear future direction. “Strategic planning swept into the nonprofit sector in the mid1980s. Non-profits were becoming seriously interested in management techniques, and strategic planning -- along with meeting facilitation and fundraising training -- was a focal point for that interest. Twenty years later, today no organization would dare say it doesn't have a strategic plan.” (MASAOKA, 2011)

1. Background of Non-profit organizations

Non-profit organizations are those organizations with the purpose of improving and enriching society and not for profit. The non-profit organizations are made up of different groups but since the focus of this paper is mainly on the non-governmental organization (NGOs), it will stick to NGOs. NGOs are a diverse group of organizations that ranges from small informal groups to large formal agencies. NGOs play different roles and take different shapes within and across different societies. Due to their diversity, NGOs are best clarified under the characteristics of the third sector which comprises of being:

- **formal** – means the organization institutionalized regular meetings, office bearers and some organizational permanence
- **private** – it is institutionally separate from government, though it may receive some form of supports
- **non-profit distributing** – financial surplus does not accrue to owners or directors
- **self-governing** – control and manage its own affairs
- **voluntary** – existence of voluntary participation, such as voluntary board of directors (D.Lewis, 2009)

Being member of the third sector, NGOs are key actors in development, human rights, humanitarian actions, environment and many other areas of public actions. Taking these characteristics, Vakil (1997:2060) draws the structural-operational definition of NGOs as ‘self-governing, private, not-for profit organizations that are geared to improving the quality of life for disadvantaged people.’ On the other hand, the New World Encyclopedia defined NGOs in its general form as ‘a legally constituted, voluntary association of individuals or groups that is neither a governmental agency nor a for-profit enterprise, although it may and often does receive both government and corporate funds.’

2. **NGOs in Ethiopia**

NGOs in Ethiopia are categorized under the formal group of Civil Society Organizations (CSOs) and cover the highest number of the sector. The composition of NGOs has changed, with the growth and increasing participation of local NGOs both in emergency and development operations. From the mid-1990's, their number grew rapidly and reaching over half of the total NGOs in the country; at present they constitute more than 88 percent of the total. As per the speech of the Charities and Societies Agency Director on the 2012 Charities National Good Practice Day, currently a total of 2,675 organizations are legally re-registered and actively operational in the country. These organizations are both national and international NGOs which are widely distributed and can be found in all regions of the country.

Similar to the other countries, NGOs in Ethiopia are engaged on humanitarian, development and advocacy activities. Currently they are primarily engaged in addressing the root causes of poverty and vulnerability, as well as striving to build institutions for good governance and democracy. In rural areas, short-term relief distribution is not any more an important part of their engagement. Instead, they are concerned mainly with strengthening of awareness, transfer of skills and technologies, supporting institutions and promoting linkages.

3. Statement of the Problem

NGOs are working in an increasingly demanding environment characterized by growing competition for shrinking aid budgets. They are under pressure to demonstrate that the resources they are given made a visible and lasting impact. Due to the increasingly turbulent environment where resources are becoming more unpredictable, the political and economic environments are often changing fast and public expectations can be volatile. Hence, strategic planning as one of important tools enables NGOs to analyze the internal and external environment, framing their strategic intents and defining operational framework to achieve the optimum results using the scarce resources. In this regard, most donor organizations have played the major role by enforcing NGOs to have strategic plan as a precondition to get funding support for their programs.

Therefore, today irrespective of its recent phenomena in the sector, the idea of strategic planning and management has got wide acceptance by many NGOs to think and act like a business institutions to meet future targets. It has also helped NGOs to focus and adapt to the environment they are operating by involving in a continuous environment scanning and flexible planning processes. Nevertheless, it is always a dilemma for organizations which always operate in a very uncertain and tense environment where resources are scarce and activities are project based, to implement the

programs planned and developed for the realization of the anticipated vision/mission and objectives. Since NGOs management is different than the management of profit making organizations, the assessment of the practices and challenges of NGOs in the formulation and implementation as well as controlling of their SP can help to adopt the tool to the purpose of the sector. This study, therefore, is aimed at assessing the practices and challenges of NGOs in developing and implementing strategic planning process in selected NGOs working in Ethiopia.

3.1. Research Questions

This study tries to answer the following research questions:

1. To what extent is strategic planning process exercised in NGOs operating in Ethiopia?
2. How do NGOs formulate their strategic plan (how/who define the mission, vision, values, objectives, etc.)
3. What mechanisms are the NGOs using in the implementation of the Strategic Planning?
4. How do they control i.e. monitor and evaluate the implementation of the Strategic Planning?
5. What main challenges are the NGOs facing while going through the Strategic Planning process?

4.2. Objectives of the Study

The general objective of this study is to examine/assess the practices and challenges of the NGOs in developing, implementing and controlling of Strategic Planning and provide academic and pragmatic facts to researchers, readers and management practitioners.

More specifically, the study intends to achieve the following objectives:

- a. To examine the practices of strategic plan development in the NGOs sector i.e. the process of defining the mission, vision, values, objectives and programs
- b. To assess the implementation mechanism of the Strategic Planning within these organizations
- c. To identify the major challenges of NGOs in the development and implementation of Strategic Planning
- d. To suggest possible points to overcome the challenges

4. Rationale for the study

As the number and roles of NGOs grow from time to time, the need for their effectiveness and efficiency has also become significant to challenge the environment they are facing. These days, similar to other organizations, NGOs are operating in a competitive world where resource is becoming

scarce more than what it had been in the past. The global financial crisis and high level of inflation has become a threat for those countries which at one time were main sources of aid for financing humanitarian as well as development projects of developing countries. These days, poverty is no more third world phenomenon; it has become a global agenda which challenges the developed nations too. In such condition, the situation for NGOs has become more challenging than what it had been earlier. Therefore, NGOs have to be capable enough to proactively assess and respond to the environment so that they can keep on in the business by enhancing their relevance. This situation needs critical thinking and a flexible system which calls up on strategic management and leadership.

Strategic planning exercise is one of the tools which are widely used by many organizations to facilitate the revision or formulation of organizational mission, vision, values, objectives, goals, engagements, etc. The researcher believes that, similar to business organizations, NGOs are utilizing Strategic Planning as a tool for framing their operation, clarifying what they are trying to achieve and the approach they intends to use for achieving the intended objectives by critically assessing the environment.

6. Scope of the study

The scope of this paper is limited to assessing the process of strategic plan formulation, implementation, control and challenges of selected NGOs both

national and international working in Ethiopia. It will focus on NGOs that have been in the business for more than five years so that they have passed enough time to implement at least one period of their strategic plan time. In addition, NGOs operating in both rural and urban context will be considered and as most NGOs are focusing on service delivery the majority of them will be included in the study. Moreover, the paper will contain theoretical and practical importance of strategic planning process. Based on the study, the researcher will summarize findings, conclude and recommend important points which can improve strategic planning process of NGOs.

7. Significance of the Study

This study is believed to contribute:

- To find out the practices of strategic planning exercises within the NGO sector
- To Identify the challenges of NGOs in the formulation and implementation of strategic planning
- Make inputs for capacity building organizations, like CCRDA, and other donor organizations in their support for NGOs in the development and implementation of SPM.
- To provide inputs for individuals who are interested in the subject matter to undertake similar studies.

8. Limitation of the study

In conducting this research, time is the first constraint the researcher will encounter in undertaking the study. The absence of research output on the issues and material as well as financial constraints are the limiting factors of the study.

A lot will depend on how the selected organization management and employee react to the study and appreciate the work undertaken. It will be limited by responses which will be given and efforts made to assist the researcher to complete the work in the given time effectively and efficiently.

The study is an assessment on selected non-governmental organizations' practices and challenges in the formulation and implementation of strategic plan. Thus, the finding of this study cannot be taken as a generalization to all NGOs practices.

However, the recommendations which are based on the findings can be used as a source of information for other similar projects in analyzing the practices of NGOs strategic operation.

9. Research Methodology

The research utilizes descriptive techniques in analyzing the issues and research questions that have been raised in this study. The data for the

analysis of the findings will be generated from both primary and secondary data sources.

Primary data will be collected through interview, observation and or questionnaire to supplement the secondary data for the analysis of the qualitative part of the study. NGO leaders and managers as well as staff will be key informants who are expected to be very instrumental in enlightening the researcher with the practice and challenges of formulating and implementation of strategic plan in their respective organizations. In addition, different stakeholders' opinions will be gathered through questionnaires on their participation and contribution to the strategic plan formulation process. The primary information sources will be chosen on purposive sampling method.

The secondary data will be gathered from desk reviews of the present or past strategic planning documents, books, various write ups that treatise strategic planning, internet and other relevant sources.

10. Sample size and sample composition

Since the focus of the study is mainly on the practices of strategic planning process in non-governmental organizations, the research have selected twenty eight organizations (ref. to attachment II) that engaged on diverse development activities in urban as well as rural areas of Ethiopia for

gathering information. These organizations are composed of four categories. The first group is twenty organizations representing the **national NGOs** i.e. NGOs established by Ethiopian citizens to serve vulnerable communities in the country. The second group represents the **international NGOs** i.e. foreign NGOs working in Ethiopia as a field office keeping their head quarter at country of origin and under this category five organizations are selected. As a pioneer in humanitarian activities in the country, five **faith based organizations** will be taken as a separate group as the third category. The last group will be national **umbrella organizations** of CSOs. In addition to these groups, the researcher will consult different experts who are actively involving in mentoring and consulting SP processes of different organizations.

11. Data Analysis Method

The collected data will be subject to edition, classifying, coding and encoding into a computer. The appropriate analysis will be generated in tabular and/or graphic forms. Following the analysis and interpretation, conclusion will be drawn and recommendations forwarded.

12. Tentative Schedule of the study

No.	Major Activities	Timelines	Remark
1	Literature review	March 2013	
2	Primary data collection	April – 2013	
3	Data organization and analysis	April – May,2013	
4	Outlining the report	May - June 2013	
5	Producing draft of the report	June 2013	
6	Submission for comment	July 2013	
7	Incorporation of feedback	July 2013	
8	Final Submission	August 2013	

13. Organization of the study

As indicated above on the scope of the study, the paper will be organized systematically making the facts clear in the most comprehensive manner.

The entire project will have five chapters:

- Chapter one will incorporate an introduction consisting of the background, statement of the problem, objective, scope, expected contribution and limitation of the study.
- Chapter two will contain an extensive but selected review of related literature on the subject.

- Chapter three will explain the methodology used in conducting the study which incorporates the type of and source of data and the method of data analysis used in the study.
- Chapter four will contain the finding or results, discussions and analysis of the study.
- Chapter five will consist of conclusion and possible recommendations based on the findings.