INFLUENCE OF STRATEGIC LEADERSHIP PRACTICES ON THE PERFORMANCE OF NON-GOVERNMENTAL ORGANIZATIONS LISTED IN THE ENVIRONMENTAL CAMPAIGN BY UNITED NATIONS ENVIRONMENTAL PROGRAMME (UNEP) IN KENYA

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Influence of Strategic Leadership Practices on the Performance of Non-Governmental Organizations Listed in the Environmental Campaign by United Nations Environmental Programme (UNEP) in Kenya

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A Thesis Submitted in Partial Fulfillment for the Degree of Doctor of Philosophy in Leadership and Governance in the Jomo Kenyatta University of Agriculture and Technology

2019
DECLARATION

This thesis is my original work and has not been presented for a degree in any other University.

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This thesis has been submitted for examination with our approval as University Supervisors.

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Signature…………………………………….. Date…………………………

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JKUAT, Kenya
DEDICATION

I wish to dedicate this research thesis to my family who gave me enormous support and limitless encouragement during my scholarly journey. Thank you for being there for me.
ACKNOWLEDGEMENTS

I thank God, the Almighty for the gift of life that has enabled me to complete this research thesis. The successful completion of this thesis would not have been possible without the advice, assistance and support of other people. I would like to acknowledge both the material and moral support I received from all those who were instrumental in the completion of this thesis. My appreciation goes to all staff of Jomo Kenyatta University of Agriculture and Technology, Main Campus for providing a wonderful environment for me to pursue my studies. I would like to specifically thank my supervisor, Prof. Mike Iravo, whose unwavering support provided me with the impetus to complete the project. I would also like to thank Dr. Esther Waiganjo, my second supervisor, for her great support in this work. Her attention to detail and the pace at which she gave me her corrections was a great encouragement to me.

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<td>Broker oriented NGOs</td>
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<td>CEO</td>
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<td>DCI</td>
<td>Data Collection Instrument</td>
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<td>ECOSOC (UN)</td>
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<td>FFT</td>
<td>Fast Fourier Transform</td>
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<td>GDP</td>
<td>Gross Domestic Product</td>
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<td>GOK</td>
<td>Government of Kenya</td>
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<td>HRM</td>
<td>Human Resource Management</td>
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<td>IEA</td>
<td>Institute of Economic Affairs</td>
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<td>IGO</td>
<td>International Organization</td>
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<td>INGO</td>
<td>International Non-Governmental Organization</td>
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<td>JKKUAT</td>
<td>Jomo Kenyatta University of Agriculture and Technology</td>
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<td>LDC</td>
<td>Least Developed Countries</td>
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<td>MLQ</td>
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<td>SPSS</td>
<td>Scientific Package for Social Science</td>
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<td>STONGOs</td>
<td>Strategic stakeholder oriented NGOs</td>
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<td>UNEP</td>
<td>United Nations Environmental Programme</td>
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DEFINITION OF TERMS

Accountability: Collier (2013) defines accountability as the acknowledgment and assumption of responsibility for actions, products, decisions, and policies, including the administration, governance, and implementation within the scope of the role or employment position and encompassing the obligation to report, explain and be answerable for resulting consequences.

Board Governance: a system by which an organization makes and implements decisions in pursuit of its objectives (Kalay & Lynn 2015).

Delegation: is the assignment of any responsibility or authority to another person (normally from a manager to a subordinate) to carry out specific activities (Plance 2016).

Leadership According to Northouse (2010), leadership is the process by which an individual influence a group of individuals to achieve a common goal.

Leadership practices: The practices of the entire workforce in an organization that promote the organizations performance carried out by the leaders in particular organizations (Lewis, 2003).

Non-governmental Organizations: Lewis (2003) refers to non-governmental organizations as associations, charities, cooperatives, and other voluntary organizations formed to further cultural, educational, religious, professional, or public service objectives.
Performance: Performance is the measure of actual output or results of an organization against its intended outputs, namely goals and objectives (Weir & Laing, 2010).

Stakeholders: Stakeholders are people, groups, or institutions, such as suppliers, customers, shareholders, financial institutions, unions or local communities, who are likely to be affected by an organization’s proposed interventions (either negatively or positively), or those which can affect the outcome of the intervention (Friedman & Miles, 2006).

Strategic control: A process used by strategic leaders to frame, maintain, and alter organizational activities in order to fulfill its plans and strategies thereby fulfilling its goals (Carnall, 2007).

Strategic direction: Strategic direction can be defined as a long-term roadmap of the organization (Ivancevich, 2004).

Strategic leadership practices: These can be defined as specific leaders’ practices that give an organization a competitive advantage over competitors. They are in most cases aligned to the strategy and the leadership style of a leader in an organization (Lesage, 2009).

Strategic leadership: Rowe (2011) defines strategic leadership as “the ability to influence others to voluntarily make day-to-day decisions that enhance the long-term viability of the organization, while at the same time maintaining its short-term financial stability.”
Strategic vision: A statement that guides the leader towards the desired attractive and ideal future (Lewis, 2003).

Strategy implementation: Strategy Implementation refers to the process that turns plans into action assignments and ensures that such assignments are executed in a manner that accomplishes the plan’s stated objectives (Chaffey et al., 2009).

Strategy: According to Jim Riley (2012), “Strategy is the direction and scope of an organization over the long-term: which achieves advantage for the organization through its configuration of resources within a challenging environment, to meet the needs of markets and to fulfill stakeholder expectations"
ABSTRACT

Identifying strategic leadership practices that drive organizational sustainability and create sustainable enterprises has become an important quest for both practitioners and academics. To shape and maintain effective governance, numerous scholars around the world have called for a new genre of leadership that embraces strategic leadership practices. These writers urge leaders to look beyond the traditional practices of simply embracing green strategies on cooperate social responsibility practices. The advice is to re-examine the entire set of organizational systems and processes. Over the last decade, diverse performance concepts at the strategic macro level of leadership such, performance contracting stakeholder-based leadership, ethical leadership, sufficiency economy philosophy business practices and sustainable leadership approach have been proposed. These approaches share similar characteristics, to different degrees, in advocating for effective governance. There is a dearth of research on how these concepts translate for the organizations in non-profit sector given that the motivation in setting up non-profit is different. This research will delve into this aspect with a specific emphasis on the practices of setting clear a strategic direction, exercising accountability to shareholders, delegation and effective board oversight, and their impact on effective management of Non-governmental organizations in Kenya. A cross sectional survey design was used in this study. The study target population was 26 non-governmental organizations listed in environment campaign by the United Nations in Kenya. The questionnaires were administered to the targeted respondents through drop and pick method. There after the researcher conducted a pilot study of 12 respondents. The pilot study sufficiently addressed the reliability and validity of the study tools. The researcher embarked on a full study by use of purposeful sampling of the target population. The study used questionnaires to collect data. The study used statistical package for social sciences (SPSS) for data analysis. The results were presented using tables, charts and graphs. The study concluded that shareholder’ accountability, strategic direction, and delegation influence the performance of NGOs. The study recommends that shareholders accountability should be encouraged and maintained since it influences organizational performance. The study also recommends that strategic leadership practices influences the performance of non-governmental organizations listed in the environmental campaign by the United Nations Environmental programme (UNEP) in Kenya. The study established that board governance, shareholders, accountability, strategic direction, and delegation influence NGOs’ performance at a combined effect of 60.8%, an indication that 39.2% is due to other factors. The study recommends that further research be conducted to establish these other factors that influence NGOs’ performance in Kenya. It further recommends a similar study but with a wider population in order to generalize the findings more broadly.
CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

In their pursuit of funding from donor agencies and a sincere desire to bring forth change in their areas of focus, most Non-Governmental Organizations (NGOs) engage the best consultants who work with their top leaders in developing very clear strategic plans. If well implemented and executed, the results are expected to be remarkable in the given areas of focus such as poverty alleviation, agricultural improvement, and social economic empowerment of the target populations. Research has, however, indicated that this is not always the case (Baugley, 2005; Irrera, 2013). One of the reasons that have been advanced by the different research findings is that part of the problem is the lack of strategic leadership that can transform organizational strategies developed by professionals to effective tools of community transformation (Irrera, 2013).

As Bharti and Sahu (2009) say, leadership is an important factor that determines the health and overall growth of an organization. It is a concept that has continued to grow as different people have engaged in the subject. Although there are many forms and styles of leadership, this research is limited to strategic leadership practices and how they impact on organizational governance in order to realize performance.

Bharti and Sahu (2009) posit that the aim of strategic leadership is sustainable competitive advantage or the enduring success of an organization. They argue that it is the role of leadership to move an organization so that it will thrive in the long run. When an organization is enduring, then it gives its customers value for their investments. Finkeilsten, Hambrick and Canella Jr. (2009) have argued that strategic leadership involves the whole organization or enterprise. According to them, this implies “substantive decision-making responsibilities beyond the interpersonal and relational aspects usually associated with leadership.”
Kenya has a host of non-state actors that fall into the category of NGOs. Faith-based organizations, non-governmental organizations and other civil society organizations exist with different areas of focus but they all have a general objective of improving the social economic welfare of Kenyans. Rahma (2009) observes that its Sessional Paper of 2006, the Government of Kenya (GOK) explicitly recognizes that NGOs are a potent force for social and economic development, important partners in national development, and valuable agents in promoting the qualitative and quantitative development of the Gross Domestic Product (GDP).

Researches by Irrera (2003); Ongonge (2013) illustrate that if indeed strategic leadership practices were to be exercised in many non-governmental organizations in Kenya, we shall have better governance that will positively impact results achieved as stated in their desires and quest. However, since we have not seen such great result, this study hypothesizes that part of the reason as to why we have not seen the full potential of NGOs is fault lines in the strategic leadership affecting governance in such institutions – rewrite this sentence not to start with however.

This study examines strategic leadership practices and their influence on effective governance NGOs in Kenya in order to contribute to the body of knowledge in this area thus providing a resource for leaders on how to effect good leadership practices that will enhance the achievement of organizational goals.

1.1.1 Strategic Leadership Practices and Effective Governance

Bharti and Sahu (2009) argue that leadership is an important factor that determines the health and overall growth of an organization. Leadership as an academic discipline has continued to grow as different people study and write on the subject. Correspondingly, strategic leadership has grown both in terms of how people understand it and how it impacts on governance (Rahma, 2009). In the past, strategic leadership used to be defined as determining where an organization was headed and how it intended to get there. It was mainly about leaders engaging in strategic and ‘long-range’ planning, and was seen as a process that exclusively involved top management alone, often taking place behind closed doors (Cheng, 2000). When
leaders engaged in the management processes of analyzing, planning, implementing, monitoring and evaluating, they were basically considered to be strategic.

Strategic leadership involves more than the rational linear processes of writing the vision and mission statement and establishing strategic plans. In 2008, when researching on leadership in schools, Davies found that strategically focused schools are those that use strategic approaches and strategic processes - which includes strategic planning, and also have strategic leadership.

Strategic leadership is defined as “the leader’s ability to anticipate, envision, and maintain flexibility as well as to empower others to create strategic change as necessary” (Hitt & Hoskisson, 2007). Strategic leadership is multifunctional and involves managing through others. It helps organizations cope with change that seems to be increasing exponentially in today’s globalized business environment (Rowe (2011), Strategic leadership requires the ability to accommodate and integrate both the internal and external business environment of the organization, and to manage and engage in complex information processing.

The aim of strategic leadership is sustainable competitive advantage that allows an organization to endure in the long run (Bharti & Sahu, 2009). The result of such an organization is that their customers and shareholders end up receiving value for whatever investments they have made in the organization.

Strategic leaders position themselves to look beyond the present into an uncertain future. It is about strategic intent, which is a powerful concept used to describe how an organization can take a strategic perspective in a rapidly changing and turbulent environment (Davies & Ellison, 2003). Strategic intent is about ‘we know what major change we want but we do not yet know how to achieve it’ Strategic leaders will acknowledge the complex and unpredictable nature of the future and develop strategies to ‘prepare for the unexpected; rather than just ‘plan for the known’

Strategic leaders strive to make a difference. They just don’t talk about what they might do. Instead they plan deliberately, implement their plans and review them when the need arises. It must, however, be emphasized that there is nothing less
strategic than being a leader who is an unrealistic visionary – a ‘dreamer’ – someone who has little idea about what can be achieved and what cannot (Davies & Ellison, 2003).

Getting things done involves nurturing the staffs’ technical, mental and emotional capacities, and mobilizing these to achieve the desired outcomes. Strategic leaders draw on their tacit knowledge and position to focus on what is important. They get things done both personally and in collaboration with others (Ongonge, 2013). In terms of ‘getting things done’, one criterion upon which strategic leaders are often judged is their talent for ‘strategic resourcing’ (Robinson, 2007). This is about leaders securing the resources that their organizations need. Strategic leaders have the ‘knack’ for ‘finding the money needed’ to get initiatives running – although, as Robinson (2007) points out, ‘strategic’ refers to resources that are aligned to organizational purposes, rather than the leadership skill in securing resources per-se. Thus, this principle should not be interpreted as an indicator of skill in fundraising, grant writing, or partnering with business, as those skills may or may not be applied in ways that serve key organizational purposes.

Strategic leadership is different from other forms of leadership in that it is exerted when decisions and actions of leaders have strategic implications for the organization. Bharti and Sahu (2009) have pointed out that strategic leadership is broad in scope. Its impact is felt over a long period of time and more often involves significant organizational change on the one hand. Governance, on the other hand, is a broad concept, and operates at every level, such as household, village, municipality, nation, region or globe (Nzongola- Ntalaja, 2002).

Governance is defined as the process of providing strategic leadership to an organization (Fukuyama, 2013). It entails the functions of setting direction, making policy and strategy decisions, overseeing and monitoring organizational performance, and ensuring overall accountability. Non-profit governance is a political and organizational process involving multiple functions and engaging multiple stakeholders (Newman, 2000).
In the United States and many other nations, an incorporated NGO must have a governing board and, as a matter of law, this board constitutes “the organization.” It is common for boards to hire staff to actually do the work of the organization, often with support from volunteers.

1.1.2 Performance of NGOs

According to de Waal (2007), performance management is the process by which an organization is steered through the systematic definition of the mission, strategy and objectives of the organization, making these measurable through critical success factors and key performance indicators in order to take corrective actions to keep the organization on track.

This is a very important practice for strategic leadership. Strategic leaders must lead their organizations in the strategy making process and work out an organizational structure that will ensure that the strategy is well implemented. According to Thompson et al. (2007), the executives of a company have strategic roles. The chief executive officer must wear the mantle of the chief strategy maker. This is because the ultimate responsibility for leading the strategy making and execution process and its full alignment to the mission and vision of the organization rests with the chief executive officer (CEO). Even though others may and should assist in the strategy making process, it is the ultimate responsibility of the CEO to ensure that a working strategy is available for the organization. Strategic leaders will make the work of management easier when they have helped in crafting a good strategy. A good strategy that is well aligned to the organizational goals and well executed is a sign of good organizational management (Chaffey et al., 2009). As discussed earlier in this study, the process of making a strategy begins with an agreement on the vision, mission and values of the organization. Rughase (2006) clearly articulates the importance of strategic leaders. They must ensure that there is a consensus on the identity of the firm among the key leaders in the organization, if they are to identify with the output, which is the strategy document.
After agreeing on the identity, strategic leaders will help the organization in setting up the objectives. According to Thompson et al. (2007), “objectives are an organization’s performance targets—the results and outcomes that management wants to achieve. They function as yardsticks for measuring how well the organization is doing”. This argument is corroborated by Mintzberg (2004) who has elaborated that objectives fall into two main categories: financial and strategic. Financial objectives define the expected profits, annual dividends for stakeholders, strong bond and credit ratings, and stable earnings during recession periods among others. Strategic objectives include gaining a certain percentage of market shares, achieving lower overall costs than rivals, achieving technological leadership, and employing better solutions than rivals among others.

Objectives can either be short-term or long-term (Schein, 2005). Thompson et al. (2007) assert that, “as a rule, a company’s set of financial and strategic objectives ought to include both near-term and longer-term performance targets. Quarterly and mid-year targets are part of the short-term targets while five-year goals form part of the long-term targets.

Strategic leaders will ensure that there is hierarchy within the organization that aligns the strategy in all the departments of the organization. There will always be one corporate strategy that represents a company’s wide game plan for managing a set of business. This is followed by a business strategy that will guide each business line. Each business will, in turn, have functional area strategies and, lastly, will have operating strategies within each business (Thompson et al., 2007). Once all the above are achieved, then a company will have a strategic plan.

Having a strategic plan is one thing and implementing it is another. As Chaffey et al. (2009) notes, the best-formulated strategies will inevitably fail to produce superior performance in an organization if they are not successfully implemented. Results from several surveys have confirmed this view. For example, an economic survey conducted in two thousand and five conducted in China found that a discouraging 57 percent of the studied firms were unsuccessful at executing strategic initiatives over a period of three years.
This study was conducted among 276 senior operating executives in two thousand and four (Allio, 2005). According to the White Paper on Strategy Implementation of Chinese Corporations in 2006, strategy implementation has become “the most significant management challenge which all kinds of corporations face at the moment”. The survey reported in that white paper indicates that 83 percent of the surveyed companies failed to implement their strategy smoothly, and only 17 percent felt that they had a consistent strategy implementation process. One of the issues strategic leaders must consider when rolling out a strategy is the structure of the organization. In his book ‘principles and practices of organizational performance excellence,’ Cartin (2010) asserts that people and how they are positioned in an organization can either lead to failure or success of such an organization. He contends that every organization must have a structure that aligns the human resource well so that people can easily be mobilized to utilize their strengths and talents and achieve optimally. Strategic leaders, therefore, ought to clearly think through how the structures they have contribute to strategy execution.

1.2 Statement of the Problem

Lack of Strategic Leadership and Planning in NGOs appear to be incapable of predicting what they will do future (Kanyora & Okello, 2015). Most of their activities look like one time shots. However, a single event is not enough to change the attitude towards some problem. In part, it happens because the activists are trying to diversify their activities, organize events of different kinds and in different areas so that they do not let themselves drown in monotony (Plance, 2016). Civic activists should start learning how to do a long-term planning and develop their strategy. There has been significant interest in researching on the impact of Non-governmental organizations in Africa. A perusal of the findings shows that poor leadership and poor performance experienced in many not-for-profit organizations affect their performance (Kuchio, 2012). In their research, Odhiambo, Njanja, and Zakayo (2014) noted that the performance of not-for-profit organizations in many developing countries especially in Africa is worrying.
Salamon, Sokolowski and Gellar (2012) stated that not-for-profit organizations continue to respond to diverse and growing demands of their services even with limited resources and growing competition in this sector. Carter and Greer (2013) argued that strategic leadership practices in organizations influence performance. The authors however, did not get to the details of what practices and how they influence performance. Ndunge (2014) reported that lack of strategic leadership practices in NGOs hurts the not-for-profit organizations as well as their constituents, because most failures in these organizations, will less likely be detected if there are no studies investigating the correlation between strategic leadership practices and organizational performance in this context.

Kuchio, 2012; Ng’ang’a, 2013; Nthini and Mutia (2015) stated that the application of strategic leadership practices is missing in not-for-profit organizations. It is against this background that this current research sought to address the problem of organizational performance of not-for-profit organizations from the context of strategic leadership practices as observed by scholars such as Phipps and Burbach (2010). Therefore, this study sought to establish whether strategic leadership practices could be legitimately used to explain organizational performance in not-for-profit organizations.

1.3 Objectives of the Study

1.3.1 General Objective

The general objective of the study was to examine the influence of strategic leadership practices on performance of non-governmental organizations listed in the environmental campaign by the United Nations Environmental Programme (UNEP) in Kenya.
1.3.2 Specific Objectives

1. To establish the influence of a strategic direction on the performance of NGOs listed in the environmental campaign by the UNEP in Kenya.
2. To examine the influence of shareholders’ accountability on the performance of NGOs listed in the environmental campaign by the UNEP in Kenya.
3. To establish the influence of delegation on the performance of NGOs listed in the environmental campaign by the UNEP in Kenya.
4. To establish the moderating effect of the strategic leadership practices and performance of NGOs listed in environmental campaign by the UNEP in Kenya.

1.4 Research Hypothesis

In order to examine the role played by strategic leadership development practices on the performance of Non-Governmental organizations in Kenya, the researcher used the following null hypotheses to test the variables.

\textbf{H}_{01}: \text{Strategic direction has no significant influence on the performance of NGOs listed in environmental campaign by the UNEP in Kenya}

\textbf{H}_{02}: \text{Shareholders’ accountability has no significant influence on the performance of the NGOs listed in the environmental campaign by the UNEP in Kenya.}

\textbf{H}_{03}: \text{Delegation has no significant influence on the performance of NGOs listed in the environmental campaign by the UNEP in Kenya.}

\textbf{H}_{04}: \text{There is no significant moderating effect on strategic leadership practices and the performance of the NGOs listed in the environmental campaign by the UNEP in Kenya.}
1.5 Significance of the Study

Policy Maker: This research is significant in many aspects. To the policy maker, the relevance of this study rests on its empirical basis for identifying policy options to enhance the growth of Non-Governmental making organizations.

However, apart from filling the gap in the body of knowledge, the study will be a documented resource not only for scholars, but also for other persons who would be interested in broadening their knowledge base in strategic leadership practices.

The NGOs: the study gives great importance to the influence of strategic leadership practices on the performance of Non-Governmental Organizations listed in the environmental campaign by the United Nations Environmental Programme in Kenya.

The scholars, the research provides literature review in areas of strategic leadership on the performance of NGOs listed in the environmental campaign in Kenya. With so much potential investment, effort and wealth generation at stake, the researcher initiated a long overdue and highly pragmatic research study to enable organisations identify the impact of strategic leadership practices on the performance of NGOs in Kenya.

1.6 Scope of the Study

This study sought to examine the influence of strategic leadership practices on the performance of non-governmental organizations listed in the environmental campaign by the UNEP in Kenya. The specific objectives narrowed on the influence of the following on the performance of NGOS: strategic direction, shareholder accountability, and delegation and board governance. The target population for this study was 26 Non-Governmental Organizations accredited and listed in the environment campaign by UNEP in Kenya.


1.7 Limitations of the Study

Several limitations were encountered in this study. In some organizations, respondents were initially suspicious and resistant to giving information to the researcher. This affected and delayed the study but the researcher provided the letter from the University that indicated that the research was being conducted for academic purposes only. The respondents who did not to fill in and return the questionnaires also affected the study. The researcher followed up the respondents with calls, emails and visits; also the researcher provided the consent letter from the university to the respondents to show that the research was being conducted for the academic purpose only.

This study was also limited to NGOs that are supported by the UNEP only and not all not-for-profit sector. This was in-line with the research design.
CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter reviewed the theories pertaining to strategic leadership and governance and how they influence performance in an organization. However, the study concentrated on leadership philosophy/or value-based theories, strategic leadership theories, stakeholder/shareholder participation theories, delegation and management theories, and performance monitoring theories. The researcher chose these theories because they have a direct relevance to the area of research.

2.2 Theoretical Framework

2.2.1 Strategic Leadership Theory

Strategic leadership theory has evolved from the original upper echelons theory developed by Hambrick and Mason (1984) to a study of not only the instrumental ways in which the dominant coalition impacts organizational outcomes, but also the symbolism and social construction of top executives (Hambrick & Pettigrew, 2001). Hambrick and Pettigrew also highlight two distinctions between the terms leadership theory and strategic leadership theory. According to them, leadership theory refers to leaders at any level in the organization, whereas strategic leadership theory refers to the study of people at the top of the organization on the one hand. Leadership research, on the other hand, focuses particularly on the relationship between leaders and followers and has been examined in many perspectives. Strategic leadership does not focus on the characteristics of the relationship between leaders and their immediate followers, but rather on how the dominant coalition of the firm influences the strategic process of organizational learning (Yukli 2006).

The roles and behaviors of effective top managers differ considerably from those of middle managers (Vera & Crosan 2004). In most prior research, scholars have looked almost exclusively at small group leadership and made it applicable to middle
and lower managerial levels (Yukli, 2006).

Davies and Davies (2004) find that effective strategic leadership revolves around the tension between short-term and long-term; change and stability; and bureaucracy and anarchy. It is the ability to influence others to voluntarily make day-to-day decisions that enhance the long-term viability of the organization while at the same time maintaining its short-term financial stability (Rowe, 2011).

Effective strategic leadership includes change visions with sustained capacity for change implementation. The leadership, therefore, needs to accept the change/stability paradox in order to understand the complexity of change as a collective and multi-level organizational competency (Taylor-Bianco & Schermerhorn, 2006) between the inertia of Weberian-style bureaucracy and anarchy.

Boal and Schultz (2007) point out that in order to appreciate the ways in which strategic leadership impacts an organization, it is useful to discuss the organization as a complex adaptive system with strategic leadership providing the balance between complete stability and unmanageable disorder. This description point to the enduring and overarching issue in the management sciences that success depends on the ability of organizational leadership to exploit its current capabilities while simultaneously exploring fundamentally new competencies (Schein, 2010). The study support the influence of a strategic direction on the performance of NGOs listed in the environmental campaign by the UNEP in Kenya.

2.2.2 Shareholder Participation Theory

Shareholder theory is the dominant economic theory in use by business. Maximizing shareholder wealth as the purpose of the firm is established in our laws, economic and financial theory, management practices, and language. Business schools hold shareholder theory as a central tenet. Friedman (1970) strongly argues in favor of maximizing financial return for shareholders. His capitalistic perspective clearly considers the firm owned by and operated for the benefit of the shareholders. He says ‘there is one and only one social responsibility of organization to use its resources
and engage in activities designed to increase its income so long as it stays within the rules of the game, which is to say, engages in open and free competition without deception or fraud Friedman’s statements reflect three fundamental assumptions that lend support to the shareholder view of the organization.

The first is that the human, social, and environmental costs of organization performance should be internalized only to the extent required by law. All other costs should be externalized. The second is that self-interest as the prime human motivator. As such, people and organizations should and will act rationally in their own self-interest to maximize efficiency and value for society. The third is that the organization are fundamentally a nexus of contracts with primacy going to those contracts that have the greatest impact on the profitability of the firm (Friedman, 1970).

According to this perspective, maximizing shareholder value as the goal of the organization is the means to most efficiently achieve the best outcome for society (Jensen, 2008).

Taken literally, however, this theory holds that management should run the organization to maximize cash flow to shareholders maximizing revenue, minimizing cost, and reducing risk. One way to reduce cost is by externalizing it through such means as polluting the environment. A way to decrease pollution is to sell products that have a greater pollution to society at a high cost than is covered in the costs of the product, such as cigarettes or oil emission vehicles. In a contrast to Friedman (1970). Carroll and Buchholtz (2014). developed a framework for legitimizing ethical and philanthropic considerations in management action. Though Carroll’s stakeholder view of the firm is offered as an alternative to Friedman, both consider the economic aspect of organization as the primary benefit for society. Carroll goes beyond Friedman in defining four legitimate roles of organization. The Shareholder theory thus supports shareholders’ accountability on the performance of NGOs. The theory support the influence of shareholders’ accountability on the performance of NGOs listed in the environmental campaign by the UNEP in Kenya.
2.2.3 Delegation Theory

Management is concerned with pooling of resources so that jobs are done efficiently and objectives met within the time-scale laid down. Of prime importance among those resources are the people involved, thus, effective management of people is essential, if we are to take full advantage of their skills and aptitudes (Mullins, 2016). It is not just a question of using skills and aptitudes for the benefit of the firm, but also of providing encouragement and motivation for the people concerned and thus maintain the benefit to the firm in the longer term (Mullins, 2016). One way of providing encouragement is by showing trust through delegation. Effective delegation provides benefits in both directions. It is up to the supervisor or manager concerned to pay very close regard to the abilities, strengths and weaknesses of his or her staff and allocate work to them accordingly (Robinson, Lloyd, & Rowe, 2011).

To get through the work, the staff also must have the appropriate authority and so the manager must delegate it. It is in this activity that the manager is exercising one of his or her most important functions. As the firm or organization expands, so does the size and complexity of tasks. In turn, they require an appropriate division of functions to achieve maximum effectiveness in relation to objectives. Holding power in one pair of hands is just not practicable if all decisions have to be pushed upwards before actual decisions are made. The well-known bottleneck occurs (Mullins, 2016).

Delegation enables managers to concentrate on managing, that is in making sure that the resources are in place at the right time so that tasks can be completed. Delegation also allows them to keep themselves abreast of developments generally, and to devote time to updating their own particular skills Hawkins, Lake, Nielson, and Tierney (Eds.) 2006). It has to be emphasized that management, in this broad sense, is as much concerned with planning for the future as it is in dealing with today's problems.

Delegation improves the morale of junior staff by giving a real edge to work. If staff know that they will have to answer for the decisions they make, it will improve the status of their work and provide a motivational factor. Another point to be recognized is that actually taking decisions can lead to a growth of confidence: and
getting and analyzing the information on which the decision is taken trains staff for greater responsibility (Hawkins, Lake, Nielsen and Tierney, (Eds.) 2006). Fanti and Mecherri (2013) observe that delegation is, however, not a simple abdication of responsibility; it must be properly planned.

The task to be delegated must be clearly identified – with the boundaries – and must include an indication of performance requirements, in terms of completeness and quality (Fanti & Mecherri, 2013). According to Hawkins, Lake, Nielsen and Tierney, (Eds.) 2006). vagueness destroys the whole purpose of delegation and leaves staff confused. Indeed, lack of clarity ultimately leads to a situation where every decision is once more referred upwards. Some work certainly will be routine and repetitive, but all the work needs to be examined to see what can be passed down. Hawkins, Lake, Nielsen and Tierney, (Eds.) 2006). finds that delegation can only work where staffs are able to take the required decisions. There is a prime need, therefore, to recruit staff of adequate competency and then to train and develop them.

In addition, Fanti and Mecherri (2013) point out that the requisite authority to act must accompany delegation but other people in the company must know what is happening. If this important step in communication is omitted, then the lack of apparent authority will neutralize the objective. Other staff in other departments will be hesitant to deal with a staff member who may have been given authority by his or her superior, but who does not display leadership skills. Delegation cannot mean that managers lose the responsibility for the work (Fanti & Mechari, 2013). However, managers cannot always be checking on the performance of subordinates - this is not delegation. What the managers must do as part of the overall plan is to devise a monitoring system. This enables them to be aware of what is happening, while at the same time leaving their subordinates to get on with the job within the limits of the delegated authority.

In performing delegated tasks receiving tasks, the subordinate must be aware of the company’s objectives and the policies to achieve them. This feature should be developed whether delegation is practiced or not. The more staff is aware about the way their company functions, what it hopes to achieve, and what the problems are,
the more resourceful will be their contribution (Fanti & Mecchari 2013). Communication between managers and their staff assumes a new importance when delegation becomes a general policy approach to work. Staff naturally must be informed about the limits and extent of the authority delegated to them. For instance, the limits on their ability to commit company funds, both direct or in the form of labour time, must be explained to them. The theory support the influence of delegation on the performance of NGOs listed in the environmental campaign by the UNEP in Kenya

2.2.4 Performance Monitoring Theory

Performance measurement and monitoring are high on the agenda of managers worldwide and across different industries (Hudson, Smart, & Bourne, 2001; Neely, 1999). In their discussions on the reasons for the performance measurement revolution, (Neely, 1999) identifies increasing competition, different bases for competition and specific improvement initiatives as part of key issues that drive companies to do performance monitoring. He suggests that the key questions facing managers are to identify the determinants of business performance and how to measure them. Business performance has traditionally been measured in financial terms but this has broadened. For example, Greer, Youngblood and Gray (1999) note that firms that subscribe to the balanced scorecard approach to measuring effectiveness look not only at financial measures of success but also customer and employee measures of service quality. Similarly, Hudson et al. (2001) suggest that there are six general dimensions in a strategically aligned performance measurement system, namely quality, time, flexibility, finance, customer satisfaction, and human resources.

The broadening of performance indicators noted above does not appear to have extended into outsourcing, where performance measurement, usually dependent on price, often neglects less tangible, but equally real issues of performance and quality (Avery, 2000). If the objective of outsourcing is solely to reduce costs, the cost cutting implications may be passed on to the vendor. Consequently, the vendor's profit margin decreases and the quality or performance is likely to suffer, with the
negative effects on customer satisfaction unknown because performance has not been satisfactorily monitored (Casalino, Elster, Eisenberg, Lewis, Montgomery, & Ramos, 2007). In the context of contracting, performance monitoring appears to encapsulate three key areas: ensuring the contractor's work is faithful to the contract terms; identifying the extent of variation in quality and its relationship to cost factors; and determining whether clients and the contracting agency are satisfied with the service (Casalino, Elster, Eisenberg, Lewis, Montgomery, & Ramos, 2007; Industry Commission of Australia, 1996). Apart from achieving these three goals, contracting organizations are also concerned with performance monitoring because they need to determine the most cost-effective approach to ensure that efficiency and innovation gains from outsourcing are not eroded (Avery, 2000). However, there is limited evidence on costs associated with contract management and such evaluation is, therefore, difficult (Noe, Hollenbeck, Gerhart, & Wright, 2017).

The extent to which it is important to monitor performance is not only related to the risks associated with contract failure but also the extent to which the purchasing organization is confident that the contractor is capable of delivering to the required quality standards. The Industry Commission of Australia (1996) suggests that there are two elements of risk associated with competitive tendering and contracting (CTC): first, whether contractors have the capacity to perform to agreed standards and, second, whether those standards are being attained. Here, the Industry Commission of Australia (1996) states that the two main approaches to minimizing risk are the adoption of quality assurance (QA) strategies, and the development of a performance-monitoring regime. Noe, Hollenbeck, Gerhart, and Wright (2017) suggest that QA requirements are linked to risk assessments, and that when high levels of risk exist, suppliers should be required to have quality accreditation and systems certification. There is, however, little guidance from the literature about the contracting situations in which such third party certification occurs or when a good performance record and/or evidence of internal management systems are an appropriate substitute.
The Industry Commission of Australia report (1996, p126) also states that the way that QA and performance monitoring are used First Fourier Transform (FFT) is highly interdependent in that the more comprehensive the QA arrangements, the less will be the need for detailed performance monitoring. This assertion can be challenged, based on whether more emphasis is placed on outcomes or processes (that is, the dominating perspective on quality), and whether the complex processes and long-term outcomes associated with many services are adequately ensured by QA management systems and/or accreditation. Such complexities are evident in contracted services such as health care multi-dimensional (Casalino, Elster, Eisenberg, Lewis, Montgomery, & Ramos, 2007 and public transport services, which involve risk compensation for imprecise performance measurements (Muren, 2000). Further, Wheeler (2012) asserts that given the partnership approach to contracting which organizations are adopting, both the purchaser and the service provider may need to be accommodated in contracts and subsequent performance monitoring. The theory supports the moderating effect of the strategic leadership practices and performance of NGOs listed in environmental campaign by the UNEP in Kenya.

2.3 Conceptual Framework

A conceptual framework is an analytical tool with several variations and contexts (Berg, 2001). It is used to make conceptual distinctions and organize ideas. Donald (2006) finds that a strong conceptual framework captures something real and does this in a way that is easy to remember and apply.

The conceptual framework illustrates the dependent, moderating and independent variables as illustrated in figure 2.1. The study was to examine the influence of strategic leadership practices on performance of non-governmental organizations listed in the environmental campaign by the United Nations Environmental Programme (UNEP) in Kenya.
Figure 2.1: Conceptual Framework

- **Independent variables**
  - Strategic Direction
    - Action Plan
    - Vision Management
  - Shareholders Accountability
    - Shareholders’ reliability
    - Reporting
  - Delegation
    - Individual staff responsibility

- **Moderating Variable**
  - Board Governance
    - Board composition
    - Board monitoring Activities

- **Dependent variable**
  - NGO’s Performance
    - Goals
    - Output
    - Asset Value
2.4 Review of Literature on Variables

2.4.1 Strategic Direction

Thompson et al. (2009) describes a strategic vision as the route a company intends to take in developing and strengthening its business. In this step, a strategic vision of where the company needs to head and what its future is in regard to its products, customers, market and technology focus is sought and detailed. This managerial step provides long-term direction, infuses the organization with a sense of purposeful action, and communicates to stakeholders the aspiration of the management for the company.

As earlier noted from the work of Thompson Jr et al., a vision describes a company’s present business and purpose. A strategic vision, they argue, describes the route a company intends to take in developing and strengthening its business. In the real sense, it lays down a company’s strategic cause in preparing for the future. This is corroborated by Sabrautzki (2009) who states that, the vision is the source and the main idea of the company. It is a picture of how a company should look like in the future, formulating the core ideology and purpose of the existence of the company guiding the basic direction for desired company development. Bharti and Sahu (2009) emphasize that leadership starts with having a vision then developing a plan to achieve it, which is based on data assessment, intuition, hope and fear.

Extensive research is documented on how the vision contributes to growth and performance. Examples are included in the works of Millar, Hind and Magala (2012). Jing (2011); Aga (2011); Pierre, (2000). The study by Millar, Hind and Magala (2012), for example, consisted of a carefully selected representative sample of more than 700 CEOs to define the best of the best with respect to the opinion of CEO’s of Fortune companies. According to them, visionary companies espouse value-based cultures that keep them in the leading ranks, are the crown jewels in their industries, possess a history of success, and are widely admired by their peers. Millar, Hind and Magala (2012), cite Merck as an excellent example of an organization that epitomizes the ideological nature of a highly visionary company. Here, utilizing the core ideology of the company’s vision of victory against disease
that affect humankind, Merck donated the Mectizan drug. The drug is used to cure river blindness, to one million patients in third world countries who could otherwise not afford the drug. Similarly, Flynn, Dooley, O'sullivan, and Cormican, (2003), advocate for a vision strategy as the most powerful tool that a company can use to implement change. They find that a vision statement is the number one most satisfactory planning tool identified by CEOs in a 1994 survey conducted by Bain and Company and The Planning Forum (Flynn, Dooley, O'sullivan, & Cormican, 2003).

Organizations need a shared powerful vision that provides the enabling direction to become proactive and sustain the transformation process to create the future (Goodale, 2011). Goodale (2011) find that a shared organizational vision suggests positive measures for organizational effectiveness through increased adaptability and flexibility. As such, living the reality through a shared genuine vision becomes the driving force that will foster the respective employees to gain the personal initiative to grow and learn and, subsequently, increase the opportunity to improve competitive advantage (Senge, 2009). Peters (2005) observes that organizational survival is based on uniqueness and the ability to identify strategic distinction within the marketplace. He recommends that this uniqueness should be eminent in the shared organizational vision. Peters, (2005) identifies a successful vision as providing the direction to be a tiebreaker in decision-making and general enough to take the opportunity of the ever-changing marketplace.

Additionally, Falsey (1989) cites the Johnson and Johnson (J and J) Tylenol issue to demonstrate an organizations commitment to its vision. He notes that J and J’s response to the incident was based on the organization’s belief in its vision and values. Thus, realizing that the corporate image and customer safety were the integral parts of their vision, the decision to remove the contaminated product from the shelves and respond to the public with open and honest feedback was made immediately. The mounting pressure of the short-term financial burden was given secondary priority to restoring the vision’s identified long-term need for customer confidence and loyalty to the organization. The vision-driven decisions carried out by J and J resulted in their rebound as market leaders within their industry (Falsey,
Other authors suggest that there is a good deal more to achieving supernormal profits than just the traditional strategic positioning paradigm (Harris, 2001). In their study of 26 manufacturing organizations from privately held firms (Harris, 2001) suggest that a combination of subjective (organizational) and objective (strategic) measures should be utilized in measuring a firm’s performance. An effective vision driven-strategy translates directly into organizational effectiveness, which can be measured by sustained competitive advantage, improved sales, solid leadership, greater employee commitment, and increased shareholder value (Gruca & Rego, 2005).

Bou, and Satorra (2007) studied firm performance from the perspective of inter-firm variance in profit rates. They utilized accounting rates of return (for example: return on sales, return on investment, and return on assets, among others.) classified as economic and organizational factors, from a sample of 60 Fortune 1000 firms. Their results indicate that both economic and organizational factors are roughly independent and each represents a significant indicator of a firm’s success. Bou, and Satorra (2007). also found that organizational factors explain twice the variance in a firm’s profit rate as economic factors, 38 percent to 18.5 percent respectively. This implies that the future trends may be in developing organizational effectiveness, as well as the traditional strategic concepts as a competitive advantage within selected industries. Further supporting works by Kartabutra and Avey (2010) have similar findings of the 2:1 ratio reported by Bou, and Satorra (2007). The study identifies a Determinants of Organizational Performance Model, which infers that the firm is a repository of skills and capabilities exhibiting aligned resources and leadership styles that mobilize the firm through the creation of a shared vision (Kartabutra & Avey, 2010).

To create an understanding of the core elements of vision driven organizations, one must become knowledgeable with the concept of what a vision is. In the available literature, numerous variations on the definition of a vision can be identified. For example, Kartabutra and Avey (2010) see vision as capturing the worth of work, allowing the individual to identify their contributions toward accomplishing an ideal. Davis and Nanus (2001) explain a vision is an ideal and unique image of the future
while Morphew and Hartley (2006) define a vision as an evolving phenomenon appealing to motivation and values. The emerging trend within literature distinguishes the alignment of vision and strategy as critical, with vision preceding strategy (Morphew & Hartley, 2006). The process of visioning entails two conceptual challenges; focusing strategic choices facing the organization, and creating the vision of the organizational capabilities, products and markets of the future (Kartabutra & Avey, 2010). Kartabutra and Avey (2010), espouse a process termed the Driving Force which utilizes strategic questions, focusing on organizational and economic factors that frame an organization’s vision as the essential catalyst for organizational survival (Kartabutra & Avey, 2010).

A mission statement is primarily a management tool (Bart & Hupfer, 2004) in the pursuit of organizational excellence. The development of a mission statement can significantly impact on the survival and growth of a business (Analoui, Moghimi, & Khanifar, 2009; Kakabadse & Kakabadse, 2001). The most common objectives for a mission statement are to communicate the direction for an organization, to guide decision-making, and to motivate staff. They primarily communicate the strategic direction of the organization (Bartkus, Morris, & Seifert, 2004) in order to guide strategic planning. This is the case for both large firms (Bart & Hupfer, 2004) and for small enterprises (Analoui et al, 2009). The influence of the mission statement on all staff is very important. Bart and Hupefer (2004), as well and Analoui et al. (2009), find that a mission statement is ranked as the third most important rationale to establish a common purpose amongst employees. Bartkus et al. (2004) found that in the United States of America (USA), Europe and Japan business operators view the motivation and inspiration of employees as the second most important objective for a mission statement.

In the not-for-profit sector, mission statements act as the surrogate “bottom line” (Bart & Hupefer, 2004). “Providing a common purpose” (Bart & Hupefer, 2004,) has been identified as the top driver in this sector. Charitable organizations focus more on mission than on strategy (Rangan, 2004). The commitment of the whole staff is needed for the mission statement to be effective (Stovel & Bontis, 2002). It has to be owned by all the employees.
Most of the research on mission statements has evaluated the impact of different mission statements introduced to different organizations. A mission statement is not normally a single sentence but comes in a “package”, along with a vision statement and various core values or standards. Consistent with (Bartkus *et al.* 2004), mission statements have been developed for many differing reasons. Bart and Hupfer, (2004) is a leading authority on the use of mission statements in several business sectors, including the not-for-profit and hospital sectors. Through literature review, Bart and Hupfer have highlighted ten rationales that can be considered for mission statements in the not-for-profit sector. Rangan (2004) finds that the prevalence of mission statements also suggests a “copy-cat” factor.

While it has been argued that it is the specific components of a statement that affect performance, Bart and Hupfer, (2004), Mullane (2002) outline how studies have evaluated the effects caused by the introduction and process of developing the mission statement in totality. Since employees’ understanding and motivation is consistently a top priority when creating a mission statement, it is vital to know how accepting and committed all levels of staff are to the introduction and expectations of their organization’s mission statement. It has been argued that until an organization’s values are aligned with those of its members, there is little chance of it operating at optimum efficiency (Bart & Hupfer, 2004). However, it must also be realized that failure to understand where values fit in an organization’s structure and culture is a significant factor in the inability of so many organizations to live their values successfully (Henderson & Thompson, 2003). Values provide the embedded codes of a culture, which means that the starting point for attempting to understand cultural values is to identify the beliefs, behaviors, rituals, icons, symbols, actions, systems, and decisions of the group (Hultman & Gellermann, 2002). Hence, any process that endeavors to establish a more appropriate organizational culture needs to begin by clarifying the strategic values that are deemed to be essential for the ultimate success of the group as a whole.

Strategic values clarification is not sufficient on its own. Once the strategic values have been named, there must be a supportive process that brings about values alignment amongst the collective group of people that form the organization
According to Senge (2009), building alignment within an organizational context is about enhancing the group's capacity to think and act in new synergistic ways, and with full coordination and a sense of unity; because each person knows the others’ hearts and minds. Building strategic values alignment is about providing a cooperative and collaborative process. When done, members of the organization can develop strategies, systems and capabilities that not only support those values that have previously been clarified as being essential for the ultimate success of the group as a whole, but are also supported by the majority of people within the group as acceptable guidelines for directing their behavior (Henderson & Thompson, 2003). One such framework for achieving organizational values alignment is that developed by Mullane (2004), who suggests that an organization is the result of the interaction of what he refers to as its “logical levels”. Each logical level, although clearly defined as an entity in itself, is dependent on and influences all other levels. Mullane identified a number of logical levels that typically define an organization’s culture. These are: purpose, identity, values and beliefs, capabilities, behaviors and environment. According to Mullane (2004), these levels represent the natural relationships that exist in social systems, with each level being more abstract than the one below, whilst also having a greater degree of impact on the overall system.

While Mullane’s logical levels model focuses attention on the organization’s culture and clearly establishes the place of values as a fundamental element of this culture, it can be argued that it is anthropological, rather than a psychological and values theory. Mullane’s theory does not fully capture the broad power and impact of the values. The nominated values appear as an adjunct aspect, rather than as an integral and embedded component of the culture. By being seen as an adjunct aspect of the culture, the meaning and significance of any preferred organizational values are likely to remain vague and abstract. For such values to positively influence the individual consciousness dimension of those who work in the organization, the employees must be able to understand and proactively support the place and significance of these values within the culture (Hultman & Gellermann, 2002). “Following the lead” established by Branson (2005) in researching the influence of personal values on behavior, it is proposed that the key to positively influencing the
The employee's individual consciousness is in helping her/him to know how the organization’s strategic values are formed, and how they are to be applied in order to create an appropriate and successful organizational culture (Branson, 2005). Just as it is important to know and understand the formational influences on one's personal values so as to recognize how they are able to influence one's behavior, it also is argued, that organizational employees need to know and understand the formational factors of any preferred strategic organizational values (Mullane, 2004) The people need to be able to clearly see how these values are important to the organization’s culture, and how the application of these values can lead to a better and more successful organization. They need to be able to know and understand the antecedent forces that support the adoption of these preferred values. Also, they need to be able to see how the application of these values will change the organization for the better. It is in this way that the employees are able to develop alignment between their personal values and the perceived strategic values of the organization (Henderson & Thompson, 2003).

According to Thompson Jr, Strickland III, and Gamble (2007), a company’s vision describes present business and purpose. A strategic vision, they argue, describes the route a company intends to take in developing and strengthening its business. In the real sense, it lays down a company’s strategic cause in preparing for the future. This is corroborated by Sabrautzki (2009) who states that, the vision is the source and the main idea of the company. It is the picture of how a company should look like in the future, formulating a core ideology and purpose of existence of a company, and guiding the basic direction for desired company development.

It is important to note that leadership starts with having a vision then developing a plan to achieve it. It is based on data assessment and intuition, hope and fear (Bharti & Sahu, 2009). If a leader does not have a vision, then it follows that the future of the company is not guaranteed. When the top executives are crafting the vision, they are basically making a decision on what path to commit a company against other paths that could be there. To be able to do this, they have to assess both the external and internal environment so that they can address all the factors, which can impact on achieving the vision of the business. This gives rise to the aspirations of the
management for the business, providing a panoramic view of where the company is going and a convincing rationale for why this makes good business sense for the company (Sabrautzki, 2009).

Thompson et al. (2007) define the mission as the description of the companies present business purpose of a company. Sabrautzki (2009) suggests that a mission provides a code of how a company’s employees will behave as they seek to fulfill the vision of the organization. It explains the core purpose of the company, which sets it apart from other companies, some of which are involved in similar businesses. It is normally captured in a few words in the form of a mission statement (Sabrautzki 2009). The intent of a mission statement should be the first consideration that any employee, who is evaluating a strategic decision, ought to look at. As such, the mission statement does not only provide orientation for employees and all other stakeholders by expressing the companies underlying values and norms. It also determines the corporate identity and a sense of community among employees by encouraging them to work towards achieving a company’s vision. Indeed, as Andrews (2009) points out that, “mission statements remain fancy statements to most companies unless there are some guiding principles that enunciate them”.

According to Andrews (2009), values are “fundamental beliefs and guiding principles that shape the culture of an organization”. Similarly, Thompson et al. (2007) define company values as the beliefs, traits and behavioral norms that company personnel are expected to display in conducting a company’s business and pursuing its strategic vision and strategy.

Whether good or bad, values exist in all organizations. Examples of values include fair treatment, integrity, ethical behavior, innovation, teamwork, high quality, superior customer service, social responsibility and community citizenship. Thompson et al. (2007) state that in companies where stated values are genuine rather than cosmetic, managers relate these values to the pursuit of strategic vision and mission. They work towards nurturing these values among the workers and ensure that the said values to become of the culture of the company, thus, creating character, identity, and behavioral norms of the company.
Bharti and Sahu (2009) argue that the leadership role starts with a thorough understanding of the followers’ needs, aspirations and concerns, which need excellent listening and facilitation skills. Leaders must, therefore, first understand and then communicate their own value systems if they have to be trusted and followed. When these values agree with the organizational values, it means that a leader is able to meet the objectives of the organization within the set rules and values communicated by the board of management.

During the strategic planning process, strategic leaders will ensure that they have adopted the above three concepts because they will carry with them the philosophy of the organization (Saxena, 2009). It is from the above that the organization will now begin developing its objectives that will be fulfilled in line with the guiding principles that help set a culture in the organization that is helpful in achieving the set goals. The study was to establish the influence of a strategic direction on the performance of NGOs listed in the environmental campaign by the UNEP in Kenya

**2.4.2 Shareholders Accountability**

Stakeholders are people, groups, or institutions, such as suppliers, customers, shareholders, financial institutions, unions or local communities, who are likely to be affected by an organization’s proposed interventions (either negatively or positively), or those that can affect the outcome of the intervention (Friedman & Miles, 2006). They depend on the organization to fulfill their own goals and in turn the organization depends on them (Johnson, Scholes, & Whittington, 2008). Key stakeholders in a business organization include creditors, customers, directors, employees, government (and its agencies), owners (shareholders), suppliers, unions, competitors, and the community from which the business draws its resources.

Although stake holding is usually self-legitimizing (those who judge themselves to be stakeholders are de facto so), all stakeholders are not equal. Different stakeholders are entitled to different considerations. For example, a firm’s customers are entitled to fair trading practices but they are not entitled to the same consideration as the firm’s employees. External shareholders can be divided into market environment, sociopolitical, and technological environments, depending on the nature of their
relationship with the organization, and therefore how they might affect the success or failure of a particular strategy (Cummings & Doh, 2000). Stakeholders are therefore very influential individuals and groups who are vitally interested in the actions of an organization looking back into the past, present, and future operations plus the environment of the organization (Pearce & Robinson, 2009). Alongside the corporate governance chain that provides the formal requirements and boundaries within which strategy is being developed, it is important to understand stakeholder expectations in detail, how these might differ from each other, and the extent to which they are likely to seek influence over an organization’s purposes and strategies (Johnson, Scholes, & Whittington, 2008).

In order to achieve planned objectives effectively with much efficiency, the planners of every strategy feel obliged to stakeholders in every aspect of implementation that will reflect a clear follow up of the planned process. Vasi, and King (2012), terms as stakeholder activism the demands placed on an organization by each foreign environment. This aspect of foreign environment is replicated in virtually every NGOs as we find that in one way or another, the majority of NGOs are related to foreign stakeholders. During the strategic planning process, this stakeholder activism cannot be ignored as the foreign stakeholders are bound to have their strategic desired outcomes accomplished in the future. One of the most important features of effective implementation is time factor or planning. Stakeholders’ time consciousness would inspire the management team to ensure the implementation was as effective as required by the very stakeholders. With the incorporation of foreign stakeholders, NGOs find it difficult not to accomplish set objectives due to effective monitoring and evaluation, especially by those foreign stakeholders. Simpson and Freeman (2010) note that different stakeholders, each with their own needs and expectations will have different views of what a programme will seek to achieve. Whereas some stakeholders can be nominated, others such as the government and politicians cannot be disregarded yet they are crucial in the successful implementation of any strategic plan. The various needs must be grouped in order to identify which needs are in conflict with the others and hence align them with the strategic implementation process. When the management pulls to one side while stakeholders pull in the opposite direction, it results in non-performance and wastage.
of enormous resources. The future is too complex and uncertain for top management alone to create and implement strategies that would be effectively implemented to the satisfaction of all shareholders.

Strategic leaders know that they are accountable to stakeholders. Freeman, Harrison, Wicks, Parmar and Colle (2010) define stakeholders as groups and individuals who have a stake in the success or failure of a business. They may not have a legal mandate but they will have a legitimate expectation that the organization has to live to its promise. In the case of a non-governmental organization, like the one that is the focus of this study, the stakeholders could be the community, which will benefit from the interventions of such an NGO in the community.

Gregor (2008) definition of stakeholder as any identifiable group or individuals who can affect the achievement of an organization’s objective or who are affected by the achievement of the organization’s objectives. It also includes groups or constituents who have legitimate claim on the firm. Defining the former group as those who without their continued participation, the organization cannot survive as a viable unit can make a distinction on whether one is a stakeholder or not. Whether we look at them from a primary view or secondary view, those who operate NGOs know that there has to be value for the money that is donated by having an effect on the intended recipient. Strategic leaders will, therefore, ensure that not only are they demonstrating that their stakeholders are benefiting, they will also ensure that they can expressly show the society such benefits. Shareholders are people who have invested in an organization (Gossy, 2008). Since shareholders are people that expect a profit as a reward, most NGOs will not have shareholders. However, there are NGOs that manage investment portfolios that are curiously referred to as shareholding NGOs (SHANGOs), Strategic stakeholder oriented NGOs (STONGOs) and Broker oriented NGOs (BRONGOs). These NGOs have a responsibility, depending on how they are set up, to legally ensure that they are accountable to their shareholders (Van Tulder & Van Zwart, 2005). They must, at the end of the year, for example, bring all their shareholders together using legal instruments such as annual general meetings during which they discuss and present their achievements for the year and receive feedback from their shareholders on the next step to take.
Shareholders will also appoint the board in such NGOs and give the appointees specific mandates that they must achieve within a given time frame (Gossy 2008). Given this scenario, it, therefore, follows that strategic leaders must work within the legal framework provided so that they can ensure that they provide accountability to those that they need to. The study was to examine the influence of shareholders’ accountability on the performance of NGOs listed in the environmental campaign by the UNEP in Kenya.

2.4.3 Delegation

Management is concerned with the pooling together of resources so that tasks are done efficiently and objectives are met within the time-scale laid down. Of prime importance among those resources are the people involved. Effective management of people is essential if the organization is to optimize on their skills and aptitudes. It is not just a question of using their skills and aptitudes for the benefit of the firm but also of providing encouragement and motivation for the people concerned that maintains the benefit to the firm in the longer term (Weir & Laing, 2010).

One way of providing encouragement is by showing trust through delegation. Effective delegation provides benefits in both directions. It is up to the supervisor or the manager concerned to pay very close regard to the abilities, strengths and weaknesses of his or her staff and allocate work to them accordingly. To accomplish given tasks, the staff also must exercise the appropriate authority and so the manager must delegate it. It is in this activity that the manager discharging an important leadership function.

Delegation is widely acknowledged as an essential part of effective management (Yukli, 2006). Indeed, it has been suggested that the essence of management is the ability to accomplish tasks through others (Bushardt, Lambert & Duhon, 2007). However, accomplishing tasks through others can present many challenges. On the one hand, delegation may help ease challenges associated with work overload, need for greater responsiveness to local conditions, and developing employees (Yukli, 2006).
On the other hand, delegation could raise fears among top management that subsidiary managers might work toward their own specific ends rather than working toward the general interests of the company (Bushardt et al., 2007). Additionally, it has been suggested that managerial delegation can be influenced by the internal and external factors at play in the country of operation (Pellegrini & Scandura, 2006). Understanding why leaders do or do not delegate and the influence of country factors on leaders’ delegation behaviors will help industry practitioners better frame their strategies for training and developing global distribution/logistics managers.

Klen, Ziegert, Knight and Xiao (2006) noted that delegation was a fairly unexplored concept. While several studies have investigated delegation as a distinct management practice (Zhang et al., 2012), further studies on the benefits of delegation, as well as the circumstances in which these benefits would most likely occur for example, boundary conditions, may lead to better training of managers to successfully manage their resources in the global work environment. According to Klen et al., (2006), delegation refers to the passing of decision-making authority from superior to a subordinate. Delegation has also been defined as “the empowerment received from one’s superior to take responsibility for certain activities originally reserved for the superior” (Zhang et al., 2012). In other words, delegation involves assigning responsibilities, previously held by the superior, to subordinates, and giving them the additional authority needed to carry out those responsibilities (Yukl, 2006). Past literature has highlighted potential motives organizations may have for encouraging the practice of delegation among its managers.

Delegation offers several valuable benefits to organizations. One such benefit is that delegation decreases management’s workload, while growing and developing subordinates. Delegation provides lower level employees the opportunity to gain new experience and possibly become knowledgeable leaders, which in turn improves the organization. Leaders are motivated to develop the skills and confidence of their subordinates particularly when the skillsets of the followers are underdeveloped and more malleable to external influence (Yukli, 2006). Through delegation, managers can utilize organizational resources more efficiently and subordinates can make decisions and perform their tasks more effectively (Zhang et al., 2012). Additionally,
delegation has been found to be positively related to job satisfaction, task performance, organizational commitment, and innovative behavior (Chen & Aryee, 2007). Delegation provides a way for leaders to empower their subordinates (Yukl, 2006). Used appropriately, empowerment can increase decision quality, decision acceptance, job satisfaction, and skill development. Ineffective use of the function include delegating in a way that allows no real influence, or giving too much autonomy or influence to people who are unable or unwilling to make good decisions (Yukli, 2006). While delegation does offer potential benefits to organizations, there are also potential dangers that may arise from delegation. Unfortunately, delegation can also involve some risk and uncertainty. Delegation has been described as a double-edged sword referring to the potential rewards gained through delegation as well as the risks involved (Zhang et al., 2012). Leaders who delegate still remain responsible for whether the delegated activities are carried out effectively or not (Klen et al., 2006). When delegation is successful, it can bring recognition to the organization as well as the leader. However, when delegation is unsuccessful, the result can be detrimental to the organization and the leader initially responsible for the delegated action.

In a global context, it may be particularly difficult and challenging to take full advantage of the benefits of delegation. The GLOBE studies of culture and leadership by House, Hanges, Javidan, Dorfman, and Gupta (2004) likely apply to how delegation may be viewed by other cultures. GLOBE researchers divided the data collected from 62 countries into regional clusters. As part of their study on culture and leadership, GLOBE researchers identified several global leadership behaviors. One of these behaviors is participative leadership that reflects the degree to which leaders involve others in making and implementing decisions (Northouse, 2012). Participative leadership may be similar to delegation in that both involve sharing responsibilities. The following clusters, or group of countries, ranked participative leadership low as a desired leadership behavior: Eastern Europe, Confucian Asia, Southern Asia, and Middle East. The following clusters ranked participative leadership moderately to high: Latin America, Latin Europe, Nordic Europe, Anglo, sub-Saharan Africa, and Germanic Europe. As with participative leadership styles, using delegation in a global context involves risks since different
cultures may vary in how leadership and effective work performance is perceived (House et al., 2004). As a result, delegation may not function beneficially as expected across cultures.

Managers may refrain from using delegation because of the inherent risks involved in delegating responsibilities. Since choice is a key element in delegation, prospect theory is a way to understand the antecedents of delegation. Chen and Aryee (2007) paper on prospect theory, analyzing of decision under risk has been called a seminal paper in behavioral economics (Serens, 2010). According to prospect theory, people make decisions based on gains and losses instead of the final outcome. In addition, gains and losses are viewed differently in that losses are viewed more negatively when making decisions. Individuals are likely to be risk averse when they feel that they are facing a choice among gains. When they are facing a choice among losses, the theory predicts that people will act to avoid the loss by engaging in risk-seeking behavior. This theory is particularly insightful regarding loss aversion. Prospect theory predicts that losses will be evaluated more negatively than the positive evaluation made about comparable gains (Shafir & Le Boeuf, 2002).

In other words, the attractiveness of the possible gain is not nearly sufficient to compensate for the averseness of the possible loss (Shafir & Le Boeuf, 2002). Regarding delegation, managers who are risk averse may not want to delegate an important task to a subordinate who may not perform the task to the manager’s expectations. However, they may be more willing to take a risk and delegate the task to such a subordinate if they perceive the choice not to delegate as a sure loss. The study was to establish the influence of delegation on the performance of NGOs listed in the environmental campaign by the UNEP in Kenya.

### 2.4.4 Board Governance

An effective governance framework imposes appropriate standards to recognize and protect the rights, relationships, and interests of all the involved parties in an organization, including its stakeholders. It also prevents the abuse of self-serving conduct along with the imprudent and high-risk behavior (Serens, 2010). A governance framework also resolves the conflict of interest between the following
groups: shareholders and management; policyholders (creditors) and shareholders; policyholders (creditors) and management, major and minor shareholders and employees and management (Tzafrir, 2005).

Governance can be defined as the combination of policies, systems, structures and a strategic/operational framework; which the governing body puts in place. The aim is to ensure that the leadership of the organization makes appropriate decisions, and takes appropriate actions to deliver services in an effective and accountable manner (Giraud & Mueller 2010). This includes transparent and equitable stewardship of resources, which will sustain the organization, and keep it relevant to both the community in which it operates and the clients and the customers it serves. Today and into the future, the standards for what comprises good governance are rising, thus demanding more time and attention from those serving as board members.

The Board of directors (BOD) is a focal point of the corporate governance system. It should ultimately be held accountable and responsible for the actions of the management and that is why the latter should be prudent in discharging their functions. The board can be formed in different structures. However companies are expected to have a significant number of independent directors who have no employment or other material business relationship in the company. Seren (2010) indicates that director independence is believed to enhance the independent business judgment by boards for the benefit of the company’s shareholders and other stakeholders.

In addressing the board composition Giroud and Mueller (2010) posit that board ownership is generally explained by the incentive alignment argument with board ownership which reduces manager–shareholder conflicts in stock ownership by board members (both executive and non-executive). To the extent that executive board members own part of the firm, they develop shareholder-like interests and are less likely to engage in behavior that is detrimental to shareholders. Therefore, managerial ownership is inversely related to agency conflicts between managers and shareholders.
Models of governance have evolved over the years. Beginning with the structural model whose foundation is the concept that the Board is the legal ownership entity, and in some ways even the body corporate itself. This model of governance has two major characteristics. Firstly, the CEO and the management, and then the board committees including the executive committee of the board are delegated with the responsibility of running the institution. The main challenge with this model is the accountability back to the board (Giraud & Mueller, 2010). The second model is the policy model popularly known as the Carver model named after its originator John Carver. This model emphasizes that the work of the board is centered around defining the “ends” of an organization and creating policies by which the management and the board must abide by in getting to the ends (Carver & Carver, 2009).

Then we have the third model called the Cortex model that challenges the Carver model. The Cortex Model challenges the Board to focus on the following: the customers/clients, the community/marketplace, legislation, best practices of other similar organizations, and employee knowledge. This enables them to define the standards, expectations and performance outcomes to which the organization aspires (Giraud & Mueller 2010). The Board’s main job under this model is to clarify and set the outcome measures of success. To do this, the Board must truly seek to understand the value their organization provides to the community. Finally, the board creates an accountability framework around the outcome measures, and identifies who is responsible for leading/taking action in each area – board, CEO or Staff (Giraud & Mueller 2010).

The fourth model is the consensus model. This model is anchored in the understanding that all board members are equal – with an equal vote, equal responsibility, equal liability for decision-making, and equal accountability for the actions of the organization or the board. It also recognizes, however, that board members have different areas of expertise, knowledge, and wisdom to bring to the table (Seren, 2010). This model is very much practiced in the non-profit sector.
The last model is the competency model. This model is essentially a developmental one. It strives to ensure all members of the Board have the appropriate knowledge, skills and attitudes to be effective board members. It does address the board as a team (Seren, 2010). This approach seeks to continuously improve the performance of the board over time. The study was establish the moderating effect of the strategic leadership practices and performance of NGOs listed in environmental campaign by the UNEP in Kenya.

2.4.5 Performance of NGOs

Over the past decades, performance management (PM) has attracted much research interest from both academic and business communities. The effectiveness of the process of performance management is defined as the achievement of both the financial and non-financial targets, the development of skills and competencies, and the improvement of customer care and process quality (de Waal, 2007). In this respect, PM focuses on organizational performance rather than on individual performance. It also focuses on the combination of performance measurement and acting on the results of the measurement. Since its introduction, many authors have listed the advantages of applying PM (Epstein & Wisner, 2001; Davis & Albright, 2004; Neely et al., 2004). Epstein and Wisner talk of the feedback that PM gives to employees while Neely et al. emphasize the importance of PM in creating linkages and communications throughout different divisions of an organization.

Davies and Albright have looked through PM and its importance in creating clear goals between staff and line managers, thus allowing for better performance. The general tendency in this literature is that organizations that have implemented PM perform better in both financial and non-financial terms than organizations that are less performance management-driven. This is explained by the fact that PM directs attention and motivates the organization to act in a strategically desirable way. It also helps the management to assess progress made towards strategic goals (Davis & Albright, 2004) while at the same time helping individuals to see their part in the wider enterprise with greater clarity (Neeley et al, 2004). However, many of the studies in which these benefits are mentioned are anecdotal and thus there is little
empirical evidence about the impact of PM on performance (Davis & Albright, 2004; Neely et al., 2004; Neely & Lewis, 2005). In this respect, Davis and Albright (2004) remarks that the link between organizational effectiveness and the use of performance measures have been widely recognized. However explanations for this link are constrained by the lack of clear theoretical foundations for many measurement tools and techniques, and an apparent preference for description and prescription on the part of writers in the field (Davis & Albright, 2004). Some studies do not find an explicit link between the use of non-financial measures and organizational performance.

Neeley and Lewis (2005) suggests that this could be caused by the fact that organizations might consider introduction of PM less important than organizational structural arrangements; or that the main benefits of the use of PM are motivational rather than instrumental; or that performance is a complex variable with a multiplicity of factors contributing to the level of global performance at any point in time.

de-Waal (2007) draw attention to the fact that it is often difficult to establish (forward) causation when they stated that one could not prove that X produces Y, but neither can one prove that it does not. They give the example that when a study claims to establish that there is a proven connection between PM and measures of organizational performance, it is a matter of speculation as to whether the results in the most effective companies were created by PM, or whether the most effective companies were the ones most likely to introduce PM. Showing the impact of PM in non-profit organizations is even more problematic than in profit organizations (Greatbanks & Tapp, 2007). Implementing and using PM in the non-profit sector is more difficult due to a relative lack of clarity in the purpose and direction of PM in non-profit organizations and the distinct scarcity of empirical longitudinal studies in this area (Radnor & McGuire, 2004; Adcroft & Willis, 2004; Greatbanks & Tapp, 2007).
Discussing the outsourcing of public health laboratory services, Avery (2000) suggests that the agency should establish a system of performance monitoring and feedback from users and service providers. He recommends the development of written performance goals and monitoring of external providers to ensure contract fulfillment in terms of performance and quality. Similarly, with reference to HR outsourcing, Delmotte and Sels (2008), list a number of activities that organizations should participate in, for example, “establish performance targets for vendors, and enhance vendor performance through performance standards”. However, these authors do not provide further details of the mechanisms for performance monitoring.

Non-Governmental Organizations are different from those in the private or public sectors in that their primary objectives are social rather than financial or economic. They are driven by a cause and tend to be established and managed by those who believe in the cause. The very nature of working for an organization with a cause is that employees believe in the cause and it is this that often motivates them in joining the organization and what keeps them together during difficult times (Fowler, 2002).

The competitive market forces that drive commercial organizations, which either succeed and survive, or are driven out of the market because they are uncompetitive, do not exist to such an extent in the voluntary sector. Historically, it could be said that this lack of competitive environment meant that voluntary organizations lacked professionalism and led to accusations of wasted funds and inefficiency within the organizations. However, recent years have seen the emergence of a much greater demand for accountability from donors, beneficiaries, and the general public as to how effectively funds are spent and how effectively they are used. This has led to increasing levels of professionalism within the sector and a rise in awareness of the need for strategic planning in running a successful organization (Hudson, 2005). Fowler (2002) comments that ‘strategic planning has been relatively neglected by the voluntary sector, where resources were expanding with few questions asked about effectiveness. He finds that those days are over and strategic planning is now a common approach in rationalizing and prioritizing resource allocations.
There are key factors to success in running any organization, for profit or social good. They include all the functions of management such as planning, coordinating, controlling, staffing, and directing organizational resources with prudence in order to achieve impact. It is also the case that people in the voluntary sector can learn a lot from strategic planning in the private sector. The main difference is in the business models in both sectors. Both types of organizations have customers, and products or services (Hudson, 2005). The main difference in the voluntary sector is that often the customers, or beneficiaries, as they are commonly known, are not empowered to benefit from the products or services that are offered to them. As such, the organization needs to raise funds from a third party, often a donor, to facilitate this empowerment for the beneficiaries to receive their products or services that will help build livelihoods and sustainable futures. Hudson finds that strategic planning is increasingly playing an important role in the success of organizations in the voluntary sector. This is often driven by the increased competition for funds and a greater call for accountability from the general public. Additionally, strategy is important because voluntary organizations are ‘coalitions of people with different aspirations that need to be integrated to enable the organization to thrive’ (Hudson, 2005).

The increasing importance of strategic planning has been identified as one among various influences on United Kingdom NGO’s policy and procedures. The increasing need for NGOs to get people working together towards common objectives has arisen only in the last 15 years (Hudson, 2005). This need has led to an increasing importance of the role of strategic planning within the sector. There has also been increasing academic interest as to how commercial world management theories can be applied in the volatile environment within which NGOs operate. Although there is a wealth of literature on the subject, the intention here is not to review it all in detail. For the purposes of this study, the researcher seeks to build an in depth understanding of the meaning of the commonly shared concepts and also understand the advantages of the process and the pitfalls to avoid, as well as the process for achieving them in practice.
According to Mehta and Krishnan (2004) organizational culture can be defined as beliefs, assumptions and values that members of a group share about rules of conduct, leadership styles, administrative procedures, rituals, and customs. Organizational culture can also be defined as an ‘amalgamation of the values and beliefs of the people in an organization’. In this context, culture is a reflection of the expected behavior of the organization and its employees. The strategic planning process can be influenced by the culture within the organization and different cultures can make the process easier or harder. In addition, the vision, mission, and values can also have a significant impact on the culture and set the parameters for the expectations of employees and external stakeholders.

Organizational culture can either be weak or strong. Mehta and Krishnan (2004) suggest that successful companies have a strong culture. As a background to the strategic planning process it can, therefore, be valuable for an organization to understand the ‘type’ of organization it is. This can then influence the way in which the process is managed internally and externally, and identify some of the pitfalls that may appear throughout the process. Charles Handy has looked closely at the culture in organizations in the voluntary sector. He identifies ‘four of these basic styles from which all organizations choose. Some mix, depending on their history, the kind of work they do, and the kind of people who do it’

These organizations act like a set of boxes, each with a job title and all linked to each other with responsibilities. The name of the person in the box is secondary to the box itself. These organizations are managed rather than led and tend to be formalized with systems and procedures. People are clear in what they have to do and measures are in place to monitor how they are performing. These organizations are successful where the environment is stable, but struggle with change (Veisi, Veisi, & Hasnvand, 2012). A changing environment is common in voluntary organizations operating in unstable countries and such organizations could be vulnerable to criticism if they are not flexible in adapting to these changes. Organizational structure can be defined as a mechanism which links and co-ordinates individuals within the framework of their roles, authority, and power. Organizational structure represents a useful tool that directs individuals’ behaviors through shared values, norms, and goals (O'Neill &
Lee, 2003; Liao, Chuang & To, 2011). However, it has been characterized as a technique in which the organizations are differentiated and integrated themselves by the allocation of work roles and activities (Tran & Tian, 2013). In recent years, researchers have sought to determine which structure brings the most advantages for organizations and they have suggested that organizational structures should be responsive to a variety of individual needs in businesses (Conner & Douglas, 2005). One of these widely used structures is presented by Liao et al., (2011) labeled as a mechanistic and organic.

Mechanistic organization structure is characterized by highly formalized, standardized and centralized functions. Accordingly, in mechanistic organizations individuals have a clear understanding about their job responsibilities and it is expected of them to follow certain guidelines specified by policies, practices, and procedures. On the other hand, organic organizations are more flat, flexible and adaptable to environmental conditions, so individuals’ behaviors are guided by shared values and goals. Moreover, organic organizations have characteristics such as informal network of authority and informal network of communication and opportunities for participating in the decision-process (Danzfuss, 2012; Dust, Resick, & Mawritz, 2013).

Therefore, organizations need to design their structures in accordance with the organizational strategies, as well as the internal and external working environmental conditions. Organizational structure has numerous and significant effects on both individuals and organizations. In literature, researchers have suggested that types of organizational structures have considerable impact on leadership styles, organizational performance, innovation, employees trust and job satisfaction levels, perceived fairness, individual job performance, job involvement and learning organization (Campbell, Fowles, & Weber, 2004; Garg & Krishnan, 2003; Jiang, 2011; Mehrabi, Alemzadeh, & Jadidi, 2013).

Learning organization can be defined as an organization that focuses on “learning” as a crucial component in its values, vision and goals, as well as all of its functions. A type of organization, which continuously and proactively emphasizes to facilitate
learning activities and to develop strategies and structures to encourage learning, has characterized it. In the last two decades, learning organizations have been considered as a key element, which provides organizations with competitive advantage, and make them different from their rivals in the future. (Van Grinsven & Visser, 2011; Dahanayake & Gamlath, 2013).

Organizational structures have to take care of job embeddedness. This refers to the combination of forces, which keep individuals from leaving their jobs. In other words, it represents the factors that influence an individual’s decision to remain in or leave an organization (Halbesleben & Wheeler, 2008; Bergiel, Nguyen, Clenney, & Taylor, 2009). However, job embeddedness is conceptualized as a way through which employees are attached to the workplace and community in three different forms such as links, fit, and sacrifice (Dawley & Andrews, 2012). Fit refers to the match between the individual’s abilities and organizational requirements and the compatibility between his or her skills and the organization. Links show the extent of the number of connections, which an individual possesses with other people and activities at work. Sacrifice refers to the tangible resources or psychological benefits that an employee could lose if he or she leaves the organization (Murphy, Burton, Henagan, & Briscoe, 2013; Ng & Feldman, 2010).

Job embeddedness is considered as a beneficial state for both organizations and individuals. Individuals who are more embedded work harder, perform their jobs better, tend not to absentee themselves are prone to get involved in positive organizational behaviors, and have higher individual adaptive performance (Widianto & Abdullah, 2013). Individual adaptive performance is defined as adjusting behaviors to the demands of the environment. It has been characterized by an individual’s requirement to perform their work roles effectively and to be responsive in variable and new situations. However, individual adaptive performance is seen as a vital component for gaining competitive advantage and coping with changing environment (Stokes, Schneider, & Lyons, 2010; Upchurch, 2013).
As the individual adaptive performance has an important influence on how quickly an employee responds in unknown and ambiguous situations, researchers have begun to focus on the antecedents that underlie individual adaptive performance (Wheeler, 2012). An NGO is an organization that is not part of the government and is not funded by the state. NGOs are, therefore, typically independent of governments (Lee & Arrington, 2008). Although the definition can technically include profit corporations, the term is generally used to mean social, cultural, legal and environmental advocacy groups having the goals that are primarily non-commercial. NGOs are usually Non-Governmental organizations that obtain at least a portion of their funding from private sources (Lee & Arrington, 2008). Korten observes that since some may consider the label NGO too broad, most NGOs prefer to be called Private Volunteer Organizations (PVOs).

The Non-Governmental Organizations Co-ordination Act, 1990 no. 19, amended through the Kenya Gazette Supplement No. 85 (Act No. 8) 23 October 1992, defines a Non-Governmental Organization as “a private voluntary grouping of individuals or associations, not operated for profit or for other commercial purposes but which have organized themselves nationally or internationally for the benefit of the public at large and for the promotion of social welfare, development, charity or research in the areas inclusive of, but not restricted to, health, relief, agriculture, education, industry, and the supply of amenities and services”.

Traditionally, NGOs depend on donors for funding. However, overtime, the increased numbers of NGOs competing for donor funding has constrained the amount and level of funding available for each NGO (The Economist, 2000). As such, donors have reviewed funding policies, preferring to work in blocs of “like-minded donors” or in regional blocs. Some foundations have transferred their headquarters to the regions nearer the partners, for example, The Ford Foundation, Rockefeller Foundation, and Church World Service, amongst others. The situation has meant additional effort for NGOs competing for the meager funds to emerge as leaders in best practice of governance, accountability, efficiency, effectiveness, timeliness and sustainability (www.ngobureau.co.ke, 22.11.2011).
According to the Institute of Economic Affairs ([IEA], 2006), the Government of Kenya (GOK) has transferred resources near the community through devolved funds, for example, the Constituency Development Fund (CDF), Local Authority Transfer Fund (LATF), Free Primary Education Fund (FPE) and Youth Enterprise Fund. This has meant that NGOs with structures at the grassroots level engage through enhanced approaches for implementation of strategic plans. This is very fundamental especially considering the recent shift in planning which has given priority to a devolved framework of funding development proposals. The need for sustainability calls for prudent management, which involves strategic leadership. Evans (2007), however, observes that Strategic Planning process per se is not effective unless there is leadership that will ensure that the organization maintains a competitive advantage.

### 2.5 Empirical Review

Alabi, Alabi, and Mohammed (2014) conducted a study on factors that influence leadership effectiveness of deans in Ghana. The study finds that the effectiveness of deans is largely influenced by inadequate leadership competences and grooming, absence of clearly defined and well communicated job descriptions, as well as performance management practices that seek accountability of deans in Ghana. The study recommends the appointment of deans through standard recruitment practices, rather than election or selection. It also recommends leadership assessment and training for leadership competences before a dean takes office.

Serfontein (2010) conducted a study on the impact of strategic leadership on the operational strategy and performance of business organizations in South Africa. This study asserted that effective strategic leadership practices could help business organizations in South Africa to enhance their performance while competing in turbulent and unpredictable environments. Measurement instruments have also been developed, which may be used by executives, consultants, and other researchers to measure these phenomena in future.
Kalay and Lynn (2015) conducted a study on the impact of strategic innovation management practices on firm innovation performance. The analyses revealed that innovation strategy, organizational structure, and innovation culture significantly increased firm innovation performance. However, no significant impacts of technological capability and customer and supplier relationships on firm innovation performance were determined.

Muraguri, Kimencu, and Thuo (2017) conducted a study on the influence of organizational leadership on performance of universities in Kenya. The findings of this study established that organizational leadership has positive and significant influence on university performance in Kenya. This suggests that the quality of leadership traits directly impacts on the extent to which a university attains its goals. The study recommends that for universities in Kenya to sustain their performance, there is need for careful integration of carefully designed leadership strategies as well as optimal investment in the development of leadership skills.

Noor (2015) conducted a study titled, “The factors of strategic leadership on commitment: an empirical banking in Indonesia”. The results of this study show that organizational commitment is positively affected by training, organization culture, and ethical practice. The implications of commitment might have been effected by training, organizational culture and ethical practice as a component of strategic leadership.

Kanyora and Okello (2015) conducted a study on the influence of strategic management practices on the performance of construction firms in Kenya. It was established that both portfolio analysis and goal setting were equally important in enhancing the performance of construction firms. It was, therefore, recommended that construction firms enhance their competitive strategies in order to gain competitive advantage over their business rivals.

Maroa and Muturi (2015) conducted a study on the influence of strategic management practices on the performance of floriculture firms in Kenya. The study recommends that strategy formulation, implementation, evaluation, and control had significant influence on the performance of flower firms to a moderate extent. The
researchers recommended that top-level managers should seek more input from the lower level managers and supervisors when formulating strategy so that the formulated plans are effective and in line with both long-term and short-term objectives of the organization.

Juma and Okibo (2016) conducted a study on the effects of strategic management practices on the performance of public health institutions in Kisii County, Kenya. The specific objectives of the study were to establish the extent to which human resource management strategy, technology architecture strategy, and organizational structure strategy influence on the performance of the health care institutions in Kisii County, Kenya. The study employed a descriptive survey research design. The questionnaires were used for data collection and data was analyzed using descriptive statistics. The findings revealed to a great extent that technology architecture strategy, if fully embraced, would lead to efficient service delivery in health care provision.

Monday, Akinola, Ologbenla and Aladeraji (2015) conducted a study on strategic management and firm performance of selected manufacturing companies in Nigeria. The results showed that strategic management had significant effects on the profitability and operational performance of the selected manufacturing firms. Also, strategic management had positive relationship with the level of competition of the firms. This study concluded that the practice of strategic management is sine qua non in boosting firm performance in the manufacturing industries in Nigeria.

Plance (2016) conducted a study on the effect of strategic management practices on the performance of savings and loans companies in Kumasi. Finally, the study showed that strategic management practices have a direct and positive relationship with corporate performance (as depicted with sales growth). Based on the findings, the study recommended that managers of savings and loans companies’ factor into their strategic management decisions, in the marketing environment and the prevailing macro conditions, this would result in effective strategic plan that would have positive impact on corporate performance. Kitonga (2017) conducted a study on strategic leadership practices and organizational performance in not-for-profit
organizations in Nairobi County in Kenya. The study, recommends the following: the adoption of strategic leadership practices in not-for-profit organization’s to enhance organizational performance; that not-for-profit leaders find ways in which the practice of determining strategic direction can be used to improve the of not-for-profit organizations; that strategic leaders be proactive in their practice of developing human capital in order to increase the organizational performance of not-for-profit organizations; and that further research be carried out to establish the impact of ethical practices and strategic control, which were found to be less significant in influencing organizational performance of not-for-profit organizations in Nairobi County in Kenya.

Nthini (2013) conducted a study on effect of strategic leadership on the performance of commercial and financial state corporations in Kenya. This study adds to the body of knowledge generated by Barney and Arikan (2001) who explained that the most important task for a strategic leader is to effectively manage the firm’s portfolio of resources, which can be categorized into financial capital, human capital, social capital, and organizational culture. Nithi’s findings also added to the literature that supports the position that effective strategic leadership promotes organizational performance. The researcher recommended that balanced organizational controls should be effectively applied to realize good performance; and that a further study can be undertaken on the effect of strategic leadership on the performance of regulatory state corporations in Kenya.

Waweru and Omwenga (2015) conducted a study on the influence of strategic management practices on the performance of private construction firms in Kenya. The study established that use of strategic management practices within the construction industry ensures that the holistic view of performance is pegged on strategic planning, strategic choice, and strategic implementation; and that it does not merely concentrate on measures of success on the traditional pillars of cost, quality, and time. These practices are directly related to the strategic objectives set as the core nature of a business entity, which is to perpetuate success through a robust and successful road map chartered through the firm’s mission and vision. It, therefore, involves the development of a framework upon which performance measures can be
developed and implemented in order to identify the degree to which an organization is able to implement its strategy. Zia-ud-Din, Shabbir, Asif, Bilal, and Raza (2017) conducted a study on the impact of strategic leadership on employee performance. All the hypotheses in their study presented significant outcomes. The study concluded that, learning would guide the leaders employ strategic leadership to enhance employee’s performance for upcoming in a globally competitive commercial business environment.

Joel (2016) conducted a study on the effect of strategic leadership on the performance of commercial banks in Kenya. The study concluded that leadership determines nearly all factors of strategy implementation, making it a very critical factor in the performance of an organization. The study also established that leadership plays a pivotal role in creating the most essential connection between different elements, units, and departments in an organization to craft unanimity of resolve and a singularity of focus, which are all essential for the success of the organization. The study also established that strategic leaders develop the vision and mission of the organization and serve as an important link between all the factors of strategy implementation. Mulei (2016) conducted a study on the effects of strategic management practices on growth of NIC bank limited. The study found that the bank has brought together various strategies to adequately adapt to the new changes that are experienced in the banking sector. Some of the major strategies that were observed are good corporate governance, acquisition, automation of business processes, branch network expansion, and the acquisition of new technologies that allow further penetration in various markets. Mulei’s study was therefore, recommended that for the bank to gain more competitive advantage it had to put in place strategies for their customers to benefit from agency banking across the country. The study also recommended the institution of Islamic/Sharia compliant policies to tap the growing Islamic believers market and further boost the generation of non-interest income.

Ndung’u (2016) conducted a study on the influence of strategic management practices on the performance of Christian churches in Nairobi, Kenya. The study revealed that most Christian churches in Nairobi have a strategic plan, which
provides clear plans for the operations of the respective churches. The findings further revealed that strategy had a significant positive relationship and played a major role in the performance of Christian churches. The study recommended that church leadership should strive to involve members of the congregation in the formulation of the strategic plans in order to increase buy-in as well as expedite the implementation. Nyariki (2013) conducted a study on the strategic management practices as a competitive tool in enhancing performance of small and medium enterprises in Kenya.

The study concluded that strategic management has a positive relationship with competitive advantage of the organizations and that SMEs adopted varied strategies in order to achieve competitive advantage. The study recommended the following: that the management develop a positive rethink towards the adoption of strategic management; that the management accrue the right resources as the success of a business or a strategy depends primarily on the value judgment, energy, and skill of its top managers; and that the strategic implementation be within the context and parameters of the uncertainty and ambiguity of the environment subjected to volatility. Other recommendations were as follows: strategic training should be given to all employees in the SMEs in order to enhance their performance; management should undertake a comprehensive study and adoption of strategic management and every aspect and area of concern so as to synergize, restructure, re-engineer, and reposition its operations and thus enhancing competitiveness and performance.

Kitonga (2016) conducted a study on strategic leadership and organizational performance in not-for-profit organizations in Nairobi County in Kenya. The findings demonstrate that if not-for-profit leaders adopt strategic leadership they are likely to improve their organizational performance significantly.

Lukorito (2015) conducted a study on the factors influencing organizations strategic performance in Kenyan corporates, a case study of Kenya Airways (KQ) Limited. The study revealed that there was a significant relationship between the organization structure and the strategic performance of KQ. This was evidenced by the 60% of the respondents who agreed that they would work with KQ for the next five years. It was
also clear that the majority of the employees were aware of the organizations’ vision. Further, the study revealed that the knowledge that the employees had on the history of the organization contributed to strategic performance of the organization. In answering the first and second research questions the study revealed that respect accorded to the employees by leadership was important to the organization’s strategic performance; and that that employee involvement in strategy-making process was important for KQ to achieve its strategic goals. The study further revealed that by listening and acting on to the employee’s contribution KQ was able to achieve employee commitment to the organization. Further, the study revealed that communication was key to achieving positive strategic performance of the organization. Strategy can be seen as a plan for an organization. After recognizing the need for strategic change, the manager sets goals and then determines actions to achieve those goals with the resources available (Lukorito, 2015).

According to Noble (2009), planning and formulation of the strategy are vital. Prior to the implementation of the strategy, members of several functions should be involved in the formulation stage. Those who get involved should have credibility; thus, other staff follow their lead and recognize the importance of embracing change. Therefore, those involved must have proper knowledge and be willing to educate others. In the planning stage, the manager has to organize the implementation effort successfully. Resources have to be allocated, responsibilities and authorities assigned, and capabilities and concerns of functions resolved.

In this regard, it is necessary that strategy adapts to the changes and become more dynamic and gets consecutively revised. Slater and Olson (2001) point out that the consistency of strategy is vital; meaning that strategy throughout the company should be in line with its overall direction and its goals. Govindarajan (2008), however, has a different view on this. He finds that different business units within the same corporation often pursue different strategies and that the administrative mechanism that corporate headquarters use to manage those businesses should differ. The opinion that an organization should move together in one direction and that cooperation and harmony will help to implement strategy more efficiently. Govindrajan’s study therefore agrees with Beer and Eisenstat (2000) that responsible
people in this phase should consider stating what not to do and stressing what is most important. This leads to a higher understanding of employees that are expected to behave according to the new strategy.

Olsen, Slater and Hult (2005) conducted their research on the moderating influence of strategic orientation in the strategy formation capability performance relationship. They carried out the study for Michigan State University. Their findings indicate that the firm performance is strongly influenced by how well a firm’s strategy is matched to its organizational structure and the behavior of its employees. They observed that many organizations adopted structures and encouraged behaviors that reinforce their market strategy and, therefore, concluded that firms that match structure and behavior to strategy fare better than those that do not. This is indicative of the connection of strategy, structure and behavior. In contrast to Olsen et al., see the interplay not only as structure and behavior should not only be adapted to strategy but also the new strategy should be aligned to the existing structure and behavior of an organization. This is because these are already established and harder to change. However, if a radical new strategy does not align to the existing structure and behavior, these may need to be adapted to the new strategy. The influence can happen in both directions, an argument that is shared by Govindarajan (2008), who finds that “matching administrative mechanisms with strategy is likely to be associated with superior performance”. Administrative mechanism is used to mean the same as structure in this study.

An issue that goes hand in hand with strategic planning is the governance of the organization. Doing one without considering the other can lead to many administrative problems such as lack of accountability, lack of direction, and general all-round confusion as to what is going on. According to Chait (2005), if strategic planning is implementing a set of activities that aim to achieve the vision and the mission, then governance refers to the organizational structures, rules, and procedures that are put in place to monitor the achievements and drive the organization forward. In the context of his research, Chait was looking at the internal governance rules and procedures of the organization relating specifically to the roles of the board and its trustees, rather than wider issues relating to ‘good governance’
and state governments or private organizations. Primarily, governance is concerned with the establishment of a board of trustees to govern the organization, and how this body engages with its daily activities. The cohesiveness between the board and the management of the organization is important in not only being successful, but also being seen to be successful (an important quality in the sector). However, this is easier said than done. Osborne (2006) argues that working with governing bodies is one of the most difficult challenges of voluntary sector management. In this context, it is important to understand what governance is and what is the best practice.

Good governance should be a theme that runs throughout the organization. It should not be restricted to the chief executive reporting to a board of trustees, although this is certainly an important aspect. In the voluntary sector, where organizations exist to do good, there is increased pressure from donors, beneficiaries, and the general public for greater accountability, transparency, and openness, all of which are related to governance. It is also increasingly important for voluntary organizations working in developing countries where corruption and bad practice are widespread. They must lead by example and govern themselves in a way that reflects best practice and current thinking in terms of accountability and transparency (Plance, 2016).

Although the demarcation of where governance stops and management starts can be blurred, we must realize that governance is not the same as management. Hudson (2005) suggests that governance is the board’s responsibility and management is a staff responsibility. This might be true at a theoretical level, but for governance to really work, it must be a theme throughout the organization. It is the role of the chief executive to act as a link between the staff and the trustees. His or her role is to ensure that all parties have a clear understanding of the strategic plan and how it translates into the daily activities of all staff employed by the organization. Trustees will not and should not get involved in the daily operations of the organization, but they should be involved in ensuring that these daily activities are reflective of the organization’s vision, mission, and objectives. An example of this division might be in the appointment of new staff members.
The board could be expected to approve the need for a new position, but the chief executive would make the appointment since he or she understands the daily operations of the organization and would be best placed to appoint someone who would fit in the existing work place environment. Top management must be involved in monitoring the direction and reviewing the process in order to intervene where the view for the objective is lost or where resources may need reallocation. Lorange (2008) suggests that some new strategy activities could be abandoned at an early stage if they are deemed to be unprofitable. This way resources can be better utilized where they really have major, potential payoffs. Another important aspect of control is that managers should try to let people be creative, let them do what they think is best in specific situations. Most of the time, employees have their personal areas of specialization; they know what task to prioritize and how to work with other team members. Too much control can hinder this creativity and interfere with a fast adoption of the strategy. What is essential is that employees understand the direction the organization is taking and the managers give the necessary guidance, but how they carry out the activities towards the desired direction must be left to the employee’s own judgment. Crittenden and Crittenden (2008) agree with this observation. They point out that too much control inhibits creativity, which is a fundamental resource to organizations. Thus, a balance between hierarchy, independence, and self-responsibility must be found in connection of the strategy (Olson et al., 2005). It has also been observed that incentives are connected with control where appropriate behavior should be rewarded.

2.6 Critique of Existing Literature

In systems theory, specialization has led to isolation of teams with subcultures and miscommunication. It also assumes that all parts are working and know the end result and those outsiders to the system are not taken care of by the theory. This however, is not practically accurate (Hannagan, 2002). Most management theories lack empirical support. Management models become complex as they expand, thus lacking robustness. Similarly, not all the people under a manager will accept moderate challenges. Management theories fail to realize that people on the ground leading to revolts on non-achieving leaders might set performance. The assumption
that democracies are the solution to people’s work is not universally applicable. It places people into two distinct groups without considering the intermediate levels (Olsen et al., 2005).

The assumption in communication theories is that all the steps are followed procedurally. However, the practical reality is that the environment has lots of disturbances, called noise, which interferes with communication. The theories also fail to recognize that in some communications, no feedback is ever expected (Bauer, 2005).

Theories on organization culture concentrate very much on macro-level studies of groups and organizations leaving out the individual and do not consider resistance to change assuming that all people will obey culture. Employees are assumed to crave for recognition and responsibility yet some employees are happier without either of those as long as they get a salary Bright (2009). In addition, the needs ladder does not take place in the given order over a time and one can achieve self-esteem or actualization under risky environment; for example, in an environment without security and adequate physiological needs, we still get people who have achieved the higher levels of Maslow’s hierarchy of needs Bright (2009).

Stakeholder theories emphasize core management without really showing how the non-legitimate groups are catered for. Although the focus is on interrelationships, it assumes that the interests of stakeholders are balanced against each other. The truth, however, is that some stakeholders never know they are stakeholders. Thus, resource dependency theories fail to recognize that the complexities of relationships in the environment means that an organization can break from its immediate environment, for example, in outsourcing (Jassawalla & Sashittal, 2001). The theories can be faulted for assuming that all resources come from the external sources, which is not practical for example, during economic sanctions or political turmoil, organizations still obtain resources.

The studies carried out in the variables mentioned have tended to wrongly assume that each of the variables appears in isolation although other studies tend to believe none of the variables can appear in isolation (Jassawalla & Sashittal, 2001). A
combination of seemingly related variables such as management and leadership is not particularly effective since the two aspects have distinct features, which should be studied independently.

Studies on communication tend to ignore the fact that in some cultures, the community defines communication and not the work environment. Therefore, studying communication in isolation without other factors gives a biased assessment of that variable. Scholars who have studied resource dependency theory did not consider the fact that sometimes, the resources control the resource user and in most cases the user becomes the control variable (Chait, 2005). In all the studies for all variables, the assumption was that, applicability is universal. However, different regions of the world view each of the variables in a completely different way and more so, the African context does not come out clearly even for the studies carried out on the African continent (Ong’ayo, 2012).

### 2.7 Research Gaps

Olsen et al. (2005) conducted in their research on the moderating influence of strategic orientation in the strategy formation capability performance relationship, a study that they carried out for Michigan state University found that firm performance is strongly influenced by how well a firm’s strategy is matched to its organizational structure and the behavior of its employees. They observe that many organizations adopted structures and encouraged behaviors that reinforce their market strategy and, therefore, concluded that firms that match structure and behavior to strategy fare better than those that do not. This is indicative of the connection of strategy, structure and behavior. The study by Olsen et al. (2005) was conducted in a developed country, thus indicating there are limited studies done on strategic leadership in Kenya. The limitation with the cited study is that it was done in a profit-making; institution, therefore this current study will fill the gap on strategic leadership practices on performance of non-governmental organizations in Kenya.

According to Chait (2005), if strategic planning is implementing a set of activities that aim to achieve the vision and the mission, then governance is the organizational structures, rules and procedures that are put in place to monitor the achievements and
drive the organization forward. In the context of this research, the researcher is looking at internal governance rules and procedures of the organization relating specifically to the roles of the board and its trustees, rather than wider issues relating to ‘good governance’ and state governments or private organizations. The research by Chait studied on government, state governments, or private organizations rather than NGOs. The study variables were roles of the board and its trustees, and good governance. Thus this study will fill the missing gap investigating strategic leadership practices on performance of non-governmental organizations in Kenya using variables such as strategic direction, delegation, and shareholders accountability and monitoring performance. Board governance is a moderating variable.

2.8 Summary

The practice of strategy planning has today gained prominence worldwide and across businesses both in the public and private sectors. Various scholars: Aosa (1992); Arasa (2008); Cater and Pucko (2010); Hannagan (2002); Letting (2009); Mintzberg (1994) argue that strategic planning facilitates effective organization performance. This research has examined the relationship between specific strategic leadership practices and their influence on governance in NGOs, giving attention to Kenya and in particular selected NGOs that are supported by UNEP.

The prescriptive strategic management literature implies that there is a positive association between strategic leadership practices and effective governance. When a strategic leader uses specific practices and in cooperate them in governance, then most likely the organization will be able to meet its strategic goals. Enhancing good strategic leadership practices is, therefore, a critical success factor in performance.
CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents a description of how the study was approached. It presents the plan of the research; that is, the research design, how data was collected and from whom, and the data analysis techniques that were adopted to analyze the data in order to generate the findings of the study. The chapter, therefore, comprises the following sub-sections: research design, target population, sample design, data collection methods, pilot study and procedures, and data analysis techniques and reporting.

3.2 Research Design

Borg, Gall, Meredith, and Joyce (2008) define research design as a detailed plan for how the research is conducted. Donald (2006) notes that a research design is the structure of the research, it is the ‘glue’ that holds all the elements in a research study together.

The study used descriptive and cross-sectional survey research design. This design was considered to be robust for effects of relationship studies and suitable for studies that aim to analyze a phenomenon, situation, problem attitude, or issue by considering a cross-section of the population at one point in time (Mugenda & Mugenda, 2003). The research designs survey was important to this study since it helped to describe the elements of research the way they are and it also helped in getting in-depth of information from the study (Kothari, 2003).

3.2.1 Research Philosophy

Research philosophy can be defined as the development of the research background, research knowledge and its nature (Saunders & Thornbill, 2009). In the words of Cohen, Manion, and Morrison (2007) research philosophy can be defined as the broad framework, which comprises perception, beliefs and understanding of several
theories and practices that are used to conduct research. Research philosophy is characterized by its precise procedure which involves various steps through which a researcher creates a relationship between the research objectives and questions. The research study adopted positivism as its research philosophy. Positivists in research studies believe that the researcher is independent of the whole work and thus the research study can be purely objective (Cooper & Schindler, 2003).

3.3 Target Population

According to Orodho (2003), a population is a well-defined set of people, services, elements, events, groups of things, or households that are being investigated. In research, a target population is drawn from the population from which a sample is obtained, studied, and conclusions made based on this sample (Mugenda & Mugenda, 2003). The target population for this study was 26 non-governmental organizations accredited and listed in the environment campaign by UNEP in Kenya (UNEP, 2015).

The respondents of this study were four leaders in each of the listed organizations. They included the following: one leader who drives strategy in the organization such as strategic managers; the chief executive officer or executive director; the operations manager or director; and the finance manager or director. The respondents were believed to have the requisite knowledge on organizational performance.

3.4 Sampling Frame

A sample is a finite part of a statistical population whose properties are studied to gain information about the whole. A good sample should be adequate and representative of the underlying population. The sampling frame consisted of all the 26 non-governmental organizations listed in the environment campaign directory of UNEP in Kenya (UNEP, 2015). Appendix III has listed these organizations. Four (4) individuals were purposively selected in every organization leading to a sample of one hundred and four (the chief executive officer or executive director; the operations manager or director; and the finance manager or director).
3.5 Sample Size

Orodho and Kombo (2002) define a research sample as a finite and representative number of individuals or objects in a population to be studied. The study used a census, where all the 26 non-governmental organizations listed in the environment campaign by UNEP in Kenya were involved. A total of one hundred and four (104) respondents participated in the research.

A sample is a finite part of a statistical population whose properties are studied to gain information about the whole. A good sample should be adequate and representative of the underlying population (Mugenda & Mugenda, 2003). The study used purposeful sampling where four (4) respondents were chosen in each of the 26 non-governmental organizations. The respondents were chosen on the criteria of their leadership position in the organization, as well as their involvement and knowledge base in the area of strategy formulation, implementation, and leadership in the organization.

3.6 Data Collection Instruments

The study used questionnaires that contained both open-ended and close-ended questions. Questionnaires were preferred because they are effective data collection instruments that allow respondents to give their opinions pertaining to the research problem (Kothari, 2003).

Respondents were presented with descriptive statements in a 5-point Likert scale on which they were required to rate by scoring the extent to which they perceived a particular statement as descriptive of the force in the corporations. According to Kothari (2003) the information obtained from questionnaires is free from bias and researchers’ influence, and thus accurate and valid data was gathered. The secondary data was used to measure the performance. The secondary data was collected from organization that had been in existence for the last four years.
3.7 Data Collection Procedure

Data collection is the process of gathering and measuring information on targeted variables in order to obtain an established answer relevant and evaluate outcomes (Mugenda & Mugenda, 2003). A self-administered questionnaire was used as the data collection instrument among the selected strategic leaders such as executive directors, project managers, and the CEO of the non-governmental organizations listed in the environment campaign by the UNEP in Kenya. The study used both primary and secondary data. Secondary data was collected covering a span of 4 years.

The researcher administered the 26 questionnaires to the relevant respondents in the 26-targeted sample, in an effort to achieve the necessary information. The questionnaires were administered through a drop-and-pick later method because of the busy schedule of the target respondents.

3.8 Pilot Test Study

A pilot study was done to assess the effectiveness of the research instrument to collect the required data for the study. Pilot test is a method that is used to test the design and instrument before carrying out the main research (Cooper & Schindler, 2006). A sample of 1% to 10% can help in ascertaining the reliability and validity of the instrument (Mugenda & Mugenda, 2003). The study used 10% of the target sample of this study. This means that three (3) organizations were chosen to participate with a total number of four (4) in each organization to make a total of 12 respondents.

3.8.1 Validity of Instruments

Validity refers to the appropriateness, meaningfulness and usefulness of inferences made by researchers (Cooper & Schindler, 2006). According to Kothari (2003) an instrument can be validated by proving that its items or content and construct validity is established to determine if the items are a representative sample of the skills and traits that comprise the area to be measured.
According to Oso and Onen (2008) validity is the degree by which the sample of test items represents the content the test is designed to measure. The authors define content validity, which was employed in this study as a measure of the degree to which data collected using a particular instrument represents a specific domain or content of a particular concept. Mugenda and Mugenda (2003) contend that the usual procedure in assessing the content validity of a measure is to use a professional or expert in a particular field.

3.8.2 Reliability

According to Shanghverzy (2003) reliability refers to the consistency of measurement and is frequently assessed using the test–retest reliability method. Including many similar items on a measure, by testing a diverse sample of individuals and by using uniform testing procedures increases reliability (Shanghverzy, 2003). The survey instruments were subjected to overall reliability analysis using the Cronbach alpha’s formula.

$$\alpha = \frac{K}{K - 1} \left(1 - \frac{\sum_{i=1}^{K} \sigma_{Y_i}^2}{\sigma_X^2}\right).$$

To this end, a 0.7 Cronbach alpha level of reliability was deemed reliable (Cronbach, 2002).

3.9 Data Analysis and Presentation

Data analysis is the process of inspecting, cleaning transforming and modeling data with the goal of discovering useful information, suggesting conclusion, and supporting decision making (Cooper & Schindler, 2006). The questionnaires were sorted, and cleaned.

The questionnaires were coded and checked for completeness and consistency and entered into Statistical Package for Social Sciences (SPSS version 22). Analysis involved descriptive statistics and inferential analysis. Descriptive analysis technique gave simple summaries about the sample data in quantitative descriptions and this
included, mean standard deviation, frequencies, and percentages. Pearson correlation analysis was conducted to establish the relationship between variables. A multiple linear regression analysis was conducted to establish the relationship between the dependent and independent variables using both the T-test and F-test statistics.

3.9.1 Statistical Model

\[ Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_2Z + \beta_5X_3Z + \varepsilon \]

Whereby: \( Y \) = Governance of NGOs (G);

\( \beta_0 \) = Constant

\( X_1 \) = Strategic Direction (SD);

\( X_2 \) = Accountability to shareholders (AS);

\( X_3 \) = Delegation (D);

\( X_iZ \) = Board Governance

\( \beta_0, \beta_1, \beta_2, \beta_3, \beta_4, \beta_5 \) = Regression model coefficients.

\( \varepsilon \) = Error Term.

3.9.2 Hypothesis Testing

The study used Pearson correlation analysis to measure whether there is a relationship between independent and dependent variables. This correlation coefficient determined the nature and significance of such relationship. Analysis of variance (ANOVA) and t-test and F-test were used to measure the hypothesis and significance of the model and model’s coefficients. These tests were two-tailed and tested at 95% significance level (\( \alpha \leq .05 \)). Multicollinearity (also collinearity) is a phenomenon in which one predictor variable in a multiple regression model can be linearly predicted from the others with a substantial degree of accuracy. Heteroscedasticity Test it is used to test for heteroskedasticity in a linear regression
model and assumes that the error terms are normally distributed. It tests whether the variance of the errors from a regression is dependent on the values of the independent variables.
CHAPTER FOUR

RESEARCH FINDINGS AND DISCUSSION

4.1 Introduction

This chapter presents the research findings with the discussion from the data results of pilot study, response rate, descriptive findings, and inferential statistics.

4.2 Results of Pilot Test

The coefficient of the data gathered from the pilot study was computed with the assistance of Statistical Package for Social Sciences (SPSS) version 22. A coefficient of above 0.7 was obtained and this indicated that the data collection instruments were valid (Kothari, 2005).

4.2.1 Reliability of Instruments

The study population was the non-governmental organizations listed in the environment campaign by the United Nations in Kenya and the respondents were the strategic managers, CEOs, executive directors and finance managers or their equivalents. The participants in the pilot were excluded from the main study. For the purposes of more efficient data collection process, three independent research assistants were contracted. The research assistants were trained on the tools before embarking on the data collection process. The researcher actively supervised the assistant researchers. There were no improvements made on the final instrument in the light of findings and observations relating to individual items and variables. The pilot study was used to review the instruments for ambiguity, clarity and to test the reliability status of the items.

All the items in the variables were noted for acceptable ratings on the Cronbach’s alpha. Strategic Direction showed a Cronbach’s alpha of 0.789. This falls within the excellent range and is highly accepted as shown in the table below.
Table 4.1: Pilot Test Results

<table>
<thead>
<tr>
<th></th>
<th>Scale Mean if Item Deleted</th>
<th>Scale Variance if Item Deleted</th>
<th>Corrected Item-Total Correlation</th>
<th>Squared Multiple Correlation</th>
<th>Cronbach’s Alpha if Item Deleted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic Direction</td>
<td>3.6667</td>
<td>1.152</td>
<td>.685</td>
<td>.727</td>
<td>.789</td>
</tr>
<tr>
<td>Shareholder Accountability</td>
<td>3.4167</td>
<td>.811</td>
<td>.684</td>
<td>.667</td>
<td>.785</td>
</tr>
<tr>
<td>Delegation</td>
<td>3.5833</td>
<td>.992</td>
<td>.664</td>
<td>.700</td>
<td>.779</td>
</tr>
<tr>
<td>Board Governance</td>
<td>3.5833</td>
<td>.992</td>
<td>.664</td>
<td>.700</td>
<td>.779</td>
</tr>
</tbody>
</table>

The variable, Shareholder Accountability, gave a Cronbach’s alpha of 0.785 this is above the 0.7 minimum acceptable ranges in the Cronbach’s alpha. The variable, delegation, exhibited a Cronbach’s alpha of 0.779 representing consistently reliable tool. Board governance returned a Cronbach’s alpha of 0.779 and demonstrated a highly reliable instrument. The researcher keenly explored ways of further improving the consistency of the stem, clarification of statements, and increasing the number of items in each variable.

4.2.2 Validity Test

Validity is the extent to which a measure measures what it is supposed to measure. Golafshani (2003) suggests that the following processes are important in a research study: reviewing a large body of literature to carefully identify concepts, ideas, relationships and issues under study; developing the questionnaire from existing related studies, and pre-testing the questionnaire formally to evaluate whether individual items were valid. These measures have been undertaken in this study and all suggestions and comments regarding the structure, wording and questions were considered in the final draft of the questionnaire.
Face validity was carried out through relevant literature review, peer review, including the use of accepted methods in other relevant studies (Salvatori, 2001). To ensure content and construct validity, the preliminary questionnaire was pre-tested with a sample of respondents from non-governmental organizations listed in the environment campaign by the UNEP in Kenya for comprehension, logic, relevance, and validation.

Table 4.2: Validity Test

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cases Valid</td>
<td>12</td>
<td>100.0</td>
</tr>
<tr>
<td>Excludeda</td>
<td>0</td>
<td>.0</td>
</tr>
<tr>
<td>Total</td>
<td>12</td>
<td>100.0</td>
</tr>
</tbody>
</table>

a. Listwise deletion based on all variables in the procedure.

The number of cases (participants) in this study was 12. This means that the pilot tested a sample of 12 and the response rate was 100% responsive.

Table 4.3: Pilot Test Cronbach's Alpha Reliability Statistics

<table>
<thead>
<tr>
<th>Reliability Statistics</th>
<th>Cronbach's Alpha Based on:</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Cronbach's Alpha</td>
<td>.828</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Standardized Items</td>
<td>.843</td>
<td></td>
</tr>
<tr>
<td></td>
<td>N of Items</td>
<td>4</td>
<td></td>
</tr>
</tbody>
</table>

The study indicated the number of items tested were 4 and the reliability Cronbach's Alpha was 0.828
Table 4.4: Cronbach's Alpha Reliability Statistics Scale Variance if Item

<table>
<thead>
<tr>
<th>Scale</th>
<th>Mean if Item</th>
<th>Variance if Item</th>
<th>Corrected Item-Tot Correlation</th>
<th>Squared Multiple Correlation</th>
<th>Cronbach's Alpha if Item Deleted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic Direction</td>
<td>3.66667</td>
<td>1.152</td>
<td>.685</td>
<td>.727</td>
<td>.789</td>
</tr>
<tr>
<td>Shareholder Accountability</td>
<td>3.41667</td>
<td>.811</td>
<td>.684</td>
<td>.667</td>
<td>.785</td>
</tr>
<tr>
<td>Delegation</td>
<td>3.58333</td>
<td>.992</td>
<td>.664</td>
<td>.700</td>
<td>.779</td>
</tr>
<tr>
<td>Board Governance</td>
<td>3.58333</td>
<td>.992</td>
<td>.664</td>
<td>.700</td>
<td>.779</td>
</tr>
</tbody>
</table>

Table 4.4 indicates the results of reliability if the particular item is removed. Strategic Direction .789, Shareholder Accountability .785, Delegation .779, and Board Governance .779. This column on Cronbach's Alpha if Item Deleted presents the value that Cronbach's alpha would be if that particular item were deleted from the scale. Removal of any question, therefore, would affect results by reducing the value of Cronbach's Alpha, which was .828 in table 4.3.

Cronbach’s alpha reliability coefficient normally ranges between 0 and 1. However, there is actually no lower limit to the coefficient. The closer Cronbach’s alpha coefficient is to 1.0, the greater the internal consistency of the items in the scale.

The study established the degree to which each item correlated with the total score. The results were as follows: Strategic Direction .685; Shareholder Accountability .684; Delegation .664; and Board Governance .664. The study indicated that there existed a strong relationship among the variables.
4.3 Response Rate

The response rate of the respondents in this study was 75%. 25% of the targeted respondents did no return questionnaires. According to Mugenda and Mugenda (2003), a response rate of 50% or more is adequate. Orodho (2004) considers a response rate of 50%, as moderate, 60% good and 70% very good.

Table 4.5: Response Rate

<table>
<thead>
<tr>
<th>Response Rate</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Returned</td>
<td>78</td>
<td>75%</td>
</tr>
<tr>
<td>Unreturned</td>
<td>26</td>
<td>25%</td>
</tr>
<tr>
<td>Total</td>
<td>104</td>
<td>100%</td>
</tr>
</tbody>
</table>

4.4 Descriptive Statistics

4.4.1 Strategic Direction

The study sought to establish the level at which the respondents agreed or disagreed on the influence of strategic direction on the performance of NGOs listed in the environmental campaign by the UNEP in Kenya. The results are tabulated as follows:
Table 4.6: Strategic Direction

<table>
<thead>
<tr>
<th></th>
<th>Description</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>The organization defines the strategy clearly.</td>
<td>78</td>
<td>3.6795</td>
<td>1.03815</td>
</tr>
<tr>
<td>2</td>
<td>The organization culture is clearly defined.</td>
<td>78</td>
<td>3.8077</td>
<td>.91251</td>
</tr>
<tr>
<td>3</td>
<td>The leadership team is always aware of changes in organization strategy that may affect performance.</td>
<td>78</td>
<td>3.6923</td>
<td>1.06060</td>
</tr>
<tr>
<td>4</td>
<td>The leadership team identifies the mission that enhances reaching out to your goals.</td>
<td>78</td>
<td>3.5385</td>
<td>1.21348</td>
</tr>
<tr>
<td>5</td>
<td>The generation of new ideas is done in line with the organization’s vision and mission.</td>
<td>78</td>
<td>3.6025</td>
<td>1.165965</td>
</tr>
<tr>
<td>6</td>
<td>The leadership ensures the development of long-term vision of the organization.</td>
<td>78</td>
<td>2.3590</td>
<td>.70203</td>
</tr>
<tr>
<td>7</td>
<td>The leadership ensures that core values are emphasized in strategic implementation of plans.</td>
<td>78</td>
<td>3.5897</td>
<td>1.14456</td>
</tr>
</tbody>
</table>

Valid N (listwise). 78
The study established that the majority of the respondents agreed with the given statements as follows: that the organization defines the strategy clearly with a mean of 3.6795; the organization culture is clearly defined with a mean of 3.8077; the leadership team is always aware of changes in organization strategy that may affect performance with a mean of 3.6923; the leadership team identifies the mission that enhances reaching out to your goals with a mean of 3.5385; the generation of new ideas is done in line with the organization’s vision and mission with a mean of 3.6025, the leadership ensures development of long-term vision of the organization with a mean of 2.3590; and the leadership ensures that the core values are emphasized in strategic implementation of plans with a mean of 3.5897.

The study results concur with those of Serfontein (2010) who conducted a study on the impact of strategic leadership on the operational strategy and performance of business organizations in South Africa. This study concluded that effective strategic leadership practices could help business organizations in South Africa to enhance their performance while competing in a turbulent and an unpredictable environment. Measurement instruments have also been developed, which may be used by executives, consultants, and other researchers to measure these phenomena in future.

The findings of this study also agree with those of Noor (2015) who conducted a study on the factors of strategic leadership on commitment on fine banking sector. The research was an empirical study in Indonesia. The results of this current study show that organizational commitment is positively affected by training, organizational culture, and ethical practices which are crucial elements in strategic leadership. The study is in agreement with Zia-ud-Din, et al. (2017) on the impact of strategic leadership on employee performance. The hypotheses presented significant outcomes. Thus, learning will guide the leaders of administrations to cost out the part of strategic leadership inputs so as to enhance employee’s performance in order to cope with the anticipated global commercial competition.
4.4.2 Shareholder’s Accountability

The study sought to establish the level at which the respondents agreed or disagreed on the influence of shareholder’s accountability on the performance of NGOs listed in the environmental campaign by the UNEP in Kenya.

**Table 4.7: Shareholder’s Accountability**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>The organizational leadership maintains and improves values of</td>
<td>78</td>
<td>3.615</td>
<td>1.48788</td>
</tr>
<tr>
<td></td>
<td>the organization.</td>
<td></td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Leadership discloses information to relevant stakeholders in</td>
<td>78</td>
<td>3.243</td>
<td>.79259</td>
</tr>
<tr>
<td></td>
<td>a timely and proper manner.</td>
<td></td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>The leadership ensures cooperation and coordination for the</td>
<td>78</td>
<td>4.050</td>
<td>1.318</td>
</tr>
<tr>
<td></td>
<td>solutions of environmental and other problems with stakeholders.</td>
<td></td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>The organizational leadership ensures timely release of annual</td>
<td>78</td>
<td>3.320</td>
<td>1.09892</td>
</tr>
<tr>
<td></td>
<td>reports to relevant stakeholders.</td>
<td></td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Leadership ensures effective communication of daily procurement</td>
<td>78</td>
<td>4.167</td>
<td>.63280</td>
</tr>
<tr>
<td></td>
<td>activities to the relevant stakeholders.</td>
<td></td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Leadership ensures that accurate financial results briefing</td>
<td>78</td>
<td>2.885</td>
<td>1.08089</td>
</tr>
<tr>
<td></td>
<td>is given to all stakeholders.</td>
<td></td>
<td>4</td>
<td></td>
</tr>
</tbody>
</table>

Valid N (listwise) 78

The study established that the majority of the respondents agreed with the statements that the organizational leadership maintains and improves values of the organization with a mean of 3.6154; leadership discloses information to relevant stakeholders in a timely and proper manner with a mean of 3.2436; the leadership ensures cooperation and coordination for the solutions of environmental and other problems with
stakeholders with a mean of 4.05; the organizational leadership ensures timely release of annual reports to relevant stakeholders manner with a mean of 3.3205; and leadership ensures effective communication of daily procurement activities to relevant stakeholders with a mean of 4.1667. The statement that leadership ensures that an accurate financial result briefing is done to all stakeholders was the least agreed upon with a mean of 2.8846.

The results of the current study concur with those of Monday, Akinola, Ologbenla, and Aladeraji (2015) conducted on strategic management and firm performance selected manufacturing companies in Nigeria. The results showed that strategic management had significant effects on the profitability and operational performance of the selected manufacturing firms. Additionally, strategic management had a positive relationship with the level of competition of the firms. This study concluded that the practice of strategic management is sine qua non in boosting firm performance in the manufacturing industries in Nigeria.

The study is in agreement with that of Kitonga (2017) on strategic leadership practices and organizational performance in not-for-profit organizations in Nairobi County in Kenya. The study, therefore, recommends the following: the adoption of strategic leadership practices in not-for-profits since it was found to enhance organizational performance; that not-for-profit leaders find ways in which the practice of determining strategic direction can be used to improve the of not-for-profit organizations; that strategic leaders proactive in their practice of developing human capital in order to increase the organizational performance of not-for-profit organizations; that further research be carried out on the impact of ethical practices and strategic control which were found to be less significant in influencing organizational performance of not-for-profit organizations in Nairobi County in Kenya.

4.4.3 Delegation

The study sought to establish the level at which the respondents agreed or disagreed on the influence of delegation on the performance of NGOs listed in the environmental campaign by the UNEP in Kenya. The results were as follows:
Table 4.8: Delegation

<table>
<thead>
<tr>
<th></th>
<th>Description</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>The heads of departments communicate tasks to subordinates on time.</td>
<td>78</td>
<td>3.6154</td>
<td>1.48788</td>
</tr>
<tr>
<td>2</td>
<td>The roles of all staff in the organization are clearly defined.</td>
<td>78</td>
<td>3.4615</td>
<td>.93548</td>
</tr>
<tr>
<td>3</td>
<td>The heads of departments work towards enhancing good working conditions.</td>
<td>78</td>
<td>2.5256</td>
<td>1.54352</td>
</tr>
<tr>
<td>4</td>
<td>Duties are delegated to staff according to qualifications.</td>
<td>78</td>
<td>3.5000</td>
<td>1.13675</td>
</tr>
<tr>
<td>5</td>
<td>Managers are provided with a clear direction and goals from the top leaders and the governing body.</td>
<td>78</td>
<td>4.2821</td>
<td>.62205</td>
</tr>
<tr>
<td>6</td>
<td>The responsibilities are assigned fairly amongst staff in the organization.</td>
<td>78</td>
<td>3.2051</td>
<td>1.19912</td>
</tr>
<tr>
<td>7</td>
<td>There are sufficient training opportunities to improve staff competencies and update them on any new policies and procedures.</td>
<td>78</td>
<td>3.6282</td>
<td>1.23907</td>
</tr>
<tr>
<td>8</td>
<td>The organization chart is current and accurate.</td>
<td>78</td>
<td>4.8462</td>
<td>.62579</td>
</tr>
<tr>
<td>9</td>
<td>The organization chart enhances work performance</td>
<td>78</td>
<td>2.7949</td>
<td>1.49769</td>
</tr>
</tbody>
</table>

Valid N (listwise) 78

The study established that the majority of the respondents agreed with the statements as follows: the heads of departments communicate tasks to subordinates on time with a mean of 3.6154; the roles of all staff in the organization are clearly defined with a mean of 3.4615; duties are delegated to staff according to qualifications with a mean of 3.5000; managers are provided with a clear direction and goals from the top leaders and the governing body with a mean of 4.2821; the responsibilities are assigned fairly amongst staff in the organization with a mean of 3.2051; there are sufficient training opportunities to improve staff competencies and update them on any new policies and procedures with a mean of 3.6282; the organization chart is current and accurate with a mean of 4.8462; the organization chart enhances work performance with a mean of 2.7949.
leaders and the governing body with a mean of 4.2821; and that the responsibilities are divided fairly amongst staff in the organization with a mean of 3.2051, there is sufficient training opportunity to improve competency and update employees on new policies and procedure available with a mean of 3.6282, the organization chart is current and accurate with a mean of 4.8462. The statements the heads of departments are careful about enhancing good working conditions and that the organization chart enhances work performance were the least agreed upon with a mean of 2.5256 and 2.7949 respectively.

This current study is in agreement with Maroa and Muturi (2015) who recommend that strategy formulation, implementation, evaluation, and control had significant influence on the performance of flower firms to a moderate extent. The researcher recommended that top-level managers should seek more input from the lower level managers and supervisors when formulating strategy so that the formulated plans are effective and in line with both long-term and short-term objectives of the organization.

This study is in agreement with Joel (2016) who concluded that it is crucial for those in leadership to interact and determine nearly all factors of strategy implementation, making it a very critical factor in the performance of the organizations. The study also established that leadership plays a pivotal role in creating the most essential connection between different elements, units and departments of an organization to craft unanimity of resolve and also singularity of focus, whereas essential for success in the organization. Strategic leaders develop the vision and mission of the organization and serve as an important link between the factors of strategy implementation.

4.4.4 Board Governance

The study sought to establish the level at which the respondents agreed or disagreed on the influence of board governance on the performance of NGOs listed in the environmental campaign by the UNEP in Kenya
Table 4.9: Board Governance

<table>
<thead>
<tr>
<th></th>
<th></th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>The board is composed of executive directors only.</td>
<td>78</td>
<td>3.4872</td>
<td>1.48362</td>
</tr>
<tr>
<td>2.</td>
<td>The board is composed of both executive and non-executive directors.</td>
<td>78</td>
<td>3.8077</td>
<td>1.05754</td>
</tr>
<tr>
<td>3.</td>
<td>The board and committee meetings discuss organizational performance.</td>
<td>78</td>
<td>3.1154</td>
<td>1.70546</td>
</tr>
<tr>
<td>4.</td>
<td>The board exercises objective judgment, independent from management.</td>
<td>78</td>
<td>3.7949</td>
<td>1.23119</td>
</tr>
<tr>
<td>5.</td>
<td>The board fulfills certain key functions effectively in the governance of the organization.</td>
<td>78</td>
<td>4.4103</td>
<td>.65338</td>
</tr>
<tr>
<td>6.</td>
<td>The board members and senior managers disclose material interests.</td>
<td>78</td>
<td>3.6795</td>
<td>1.35315</td>
</tr>
<tr>
<td>7.</td>
<td>The board communicates with shareholders and donors frequently.</td>
<td>78</td>
<td>3.8718</td>
<td>1.30293</td>
</tr>
<tr>
<td>8.</td>
<td>The board makes timely and balanced disclosure of all material information to all donors.</td>
<td>78</td>
<td>3.5641</td>
<td>1.47349</td>
</tr>
<tr>
<td>9.</td>
<td>The board complies with the applicable laws in Kenya.</td>
<td>78</td>
<td>3.8718</td>
<td>1.04892</td>
</tr>
<tr>
<td>10.</td>
<td>The board acts on informed basis, in good faith, with due diligence and care, and in the best interests of the organization.</td>
<td>78</td>
<td>3.2179</td>
<td>1.69528</td>
</tr>
<tr>
<td>11.</td>
<td>The board safeguards integrity in financial reporting.</td>
<td>78</td>
<td>3.8590</td>
<td>1.22447</td>
</tr>
<tr>
<td>12.</td>
<td>The board has established strategic objectives and has set organization values, clear lines of responsibility and accountability.</td>
<td>78</td>
<td>4.4359</td>
<td>.65643</td>
</tr>
<tr>
<td>13.</td>
<td>The board ensures there are strong governance structures and policies at all times.</td>
<td>78</td>
<td>3.7308</td>
<td>1.32580</td>
</tr>
</tbody>
</table>

Valid N (listwise) 78
The study established that majority of the respondents agreed with the statements given in the research tool. The scores are as follows: that the board is composed of executive directors only with a mean of 3.4872; the board is composed of both executive and non-executive directors 3.8077; the board and committee meetings discuss organizational performance with a mean of 3.1154; the board exercises objective judgment, independent from management with a mean of 3.7949; the board fulfills certain key functions effectively in the governance of the organization with a mean of 4.4103; the board members and senior managers disclose material interests with a mean of 3.6795; the board communicates with shareholders and donors frequently with a mean of 3.8718; the board makes timely and balanced disclosure of all material information to all donors with a mean of 3.5641; the board complies with the applicable laws in Kenya with a mean of 3.8718; board act on informed basis, in good faith, with due diligence and care, and in the best interests of the organization with a mean of 3.2179; the board safeguards integrity in financial reporting with a mean of 3.8590; the board has established strategic objectives and set organization values, clear lines of responsibility and accountability with a mean of 4.4359; and what board ensures there are strong governance structures and policies at all times with a mean of 3.7308.

This current study is in agreement by Nyariki (2013) who concludes that strategic management has a positive relationship with competitive advantage of the organizations, and that SMEs adopt strategies in order to achieve competitive advantage. Nyariki’s Study recommends the following: that the management needs to have a positive rethink towards the use of strategic leadership principles; the need to have the right resources as the success of a business or a strategy depends primarily on the value judgment, energy, and skill of its top managers; and the strategic implementation within the context and parameter of the uncertainty and ambiguity of the environment subjected to volatility. Strategic training should be given to all employees in the SMEs in order to enhance their performance. Management should undertake a comprehensive study and adoption of strategic management in all areas of its concern so as to synergize, restructure, re-engineer, and reposition its operations, and thus enhancing competitiveness and performance.
Ndung’u (2016) conducted a study on the influence of strategic management practices on the performance of Christian churches in Nairobi, Kenya. The study revealed that most Christian churches in Nairobi have a strategic plan, which provides clear plans for the operations of the respective churches. Ndungu’s findings further reveal that strategy had a significant positive relationship and played a major role in the performance of Christian churches. The study recommends that church leadership involve members in the formulation of the strategic plans in order to increase buy-in and expedite the implementation.

4.5 Inferential Statistics

4.5.1 Correlations Analysis

Correlation is a term that refers to the strength of a relationship between two variables (Weir, 2005). A strong or high correlation means that two or more variables have a strong relationship with each other while a weak or low correlation means that the variables are hardly related. Correlation coefficient can range from -1.00 to +1.00. The value of -1.00 represents a perfect negative correlation while a value of +1.00 represents a perfect positive correlation. A value of 0.00 means that there is no relationship between variables being tested (Orodho, 2003). The most widely used type of correlation coefficient is the Pearson R, which is also referred to as linear or product-moment correlation. This analysis assumes that the two variables being analyzed are measured on at least interval scales. The coefficient is calculated by taking the covariance of the two variables and dividing it by the product of their standard deviations. A value of +1.00 implies that the relationship between two variables X, and Y is perfectly linear, with all data points lying on a line for which Y increases and X increases. Conversely a negative value implies that all data points lie on a line for which Y decreases as X increases (Orodho, 2003).
### Table 4.10: Correlations

<table>
<thead>
<tr>
<th></th>
<th>NGO’s Performance</th>
<th>Strategic Direction</th>
<th>Shareholders’ Accountability</th>
<th>Delegation</th>
<th>Board Governance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>NGO’s Performance</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pearson Correlation</td>
<td>1</td>
<td>.293**</td>
<td>.204*</td>
<td>.711**</td>
<td>.487**</td>
</tr>
<tr>
<td>Sig. (1-tailed)</td>
<td>.005</td>
<td>.047</td>
<td></td>
<td>.003</td>
<td>.030</td>
</tr>
<tr>
<td>N</td>
<td>78</td>
<td>78</td>
<td>78</td>
<td>78</td>
<td>78</td>
</tr>
<tr>
<td><strong>Strategic Direction</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pearson Correlation</td>
<td>.293**</td>
<td>1</td>
<td>.191*</td>
<td>.304**</td>
<td>.214*</td>
</tr>
<tr>
<td>Sig. (1-tailed)</td>
<td>.005</td>
<td>.047</td>
<td></td>
<td>.003</td>
<td>.030</td>
</tr>
<tr>
<td>N</td>
<td>78</td>
<td>78</td>
<td>78</td>
<td>78</td>
<td>78</td>
</tr>
<tr>
<td><strong>Shareholders’ Accountability</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pearson Correlation</td>
<td>.204*</td>
<td>.191*</td>
<td>1</td>
<td>-.112</td>
<td>-.112</td>
</tr>
<tr>
<td>Sig. (1-tailed)</td>
<td>.036</td>
<td>.047</td>
<td></td>
<td>.163</td>
<td>.164</td>
</tr>
<tr>
<td>N</td>
<td>78</td>
<td>78</td>
<td>78</td>
<td>78</td>
<td>78</td>
</tr>
<tr>
<td><strong>Delegation</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pearson Correlation</td>
<td>.711**</td>
<td>.304**</td>
<td>-.112</td>
<td>1</td>
<td>.810**</td>
</tr>
<tr>
<td>Sig. (1-tailed)</td>
<td>.000</td>
<td>.003</td>
<td>.163</td>
<td>.000</td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>78</td>
<td>78</td>
<td>78</td>
<td>78</td>
<td>78</td>
</tr>
<tr>
<td><strong>Board Governance</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pearson Correlation</td>
<td>.487**</td>
<td>.214*</td>
<td>-.112</td>
<td>.810**</td>
<td>1</td>
</tr>
<tr>
<td>Sig. (1-tailed)</td>
<td>.000</td>
<td>.030</td>
<td>.164</td>
<td>.000</td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>78</td>
<td>78</td>
<td>78</td>
<td>78</td>
<td>78</td>
</tr>
</tbody>
</table>

**. Correlation is significant at the 0.01 level (1-tailed).

*. Correlation is significant at the 0.05 level (1-tailed).

The correlation was measured at the significant level of 0.05 level (* Correlation at the 0.05 level). The shareholder’s accountability had a significant level of 0.036, strategic direction had a significant level of 0.005, delegation had a significant level of 0.000; and board governance had a significant level of 0.000. This indicated that the variables were significant. Pearson correlation of delegation was at .711** and board governance the Pearson correlation was .487**; this indicated the two variables had a strong relationship. Strategic Direction Pearson correlation was at .293** and Shareholders Accountability Pearson correlation was at .204*; this indicated that the relationship was a weak positive relationship.
4.5.2 Linear Regression for Strategic Direction versus Performance

Linear regression model of strategic direction on the performance of NGOs listed in the environmental campaign by the UNEP in Kenya.

Table 4.11: Model Summary for Strategic Direction versus Performance

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.293a</td>
<td>.086</td>
<td>.074</td>
<td>.62838</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Strategic Direction
b. Dependent Variable: NGO’s Performance

The coefficient of determination of model summary indicates that $R^2$ was .086 which is 8.6% of the variation on NGOs performance is influenced by strategic direction. These findings are in agreement with other scholars (Goodale, 2011) who posit that strategic direction setting is an important pillar if an organization is to achieve good performance.

Table 4.12: ANOVA Strategic Direction versus Performance

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Regression</td>
<td>2.823</td>
<td>1</td>
<td>2.823</td>
<td>7.150</td>
</tr>
<tr>
<td></td>
<td>Residual</td>
<td>30.010</td>
<td>76</td>
<td>.395</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>32.833</td>
<td>77</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: NGOs Performance
b. Predictors: (Constant), Strategic Direction
The results of Analysis of variance (ANOVA) had a significance of 0.009, which is less than P-Value of 0.05. This indicated that the strategic direction had a strong influence on the NGO’s performance. Despite these findings, most of the literature reviewed by the researcher suggests that there is a strong influence between strategic direction and performance. Thompson et al. (2009) for example says that strategic direction is what will describe the route an organization will take and thus has a direct bearing on performance.

**Table 4.13: Linear Regression for Strategic Direction versus Performance**

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>4.308</td>
<td>.209</td>
<td>20.630</td>
</tr>
<tr>
<td></td>
<td>Strategic Direction</td>
<td>.133</td>
<td>.050</td>
<td>.293</td>
</tr>
</tbody>
</table>

a. Dependent Variable: NGOs Performance
b. Predictors: (Constant), Strategic Direction

The results for linear regression had a significance of 0.009, which is greater than P-Value of 0.05. This indicated that the strategic direction had a weak influence on the NGO’s performance.

**4.5.3 Linear Regression for Shareholders Accountability versus Performance**

Linear regression model of the influence of shareholders accountability on the performance of NGOs listed in the environmental campaign by the UNEP in Kenya is summarized in table 4:14.
Table 4.14: Model Summary for Shareholders’ Accountability versus Performance

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.204a</td>
<td>.042</td>
<td>.029</td>
<td>.6439</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Shareholders Accountability  
b. Dependent Variable: NGOs Performance

The coefficient of determination of model summary indicates that $R^2 .042$, which is 4.2% of the variation on NGO’s performance and that it is influenced by shareholders accountability.

Table 4.15: ANOVA for Shareholders Accountability versus Performance

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>df</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Regression</td>
<td>1.373</td>
<td>1.373</td>
<td>3.317</td>
</tr>
<tr>
<td></td>
<td>Residual</td>
<td>31.460</td>
<td>.414</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>32.833</td>
<td>77</td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: NGO’s Performance  
b. Predictors: (Constant), Shareholders’ Accountability

The results of Analysis of Variance (ANOVA) had a significance of 0.073, which is greater than P-Value of 0.05. This indicated that the shareholders’ accountability had a weak influence on NGOs performance.
The results for linear regression had a significance of 0.073, which is greater than P-Value of 0.05. This indicated that the shareholders’ accountability had a weak influence on NGO’s performance. This result is different from the findings of other scholars. For instance, Vasi, and King (2012), argues that being accountable to shareholders inspires the management team to ensure that implementation is effective as required by the stakeholders, thus giving a direct bearing to performance.

### 4.5.4 Linear regression for Delegation versus Performance

The results of the linear regression model of on the influence of delegation on the performance of NGOs listed in the environmental campaign by the UNEP in Kenya are summarized in table 4:17.

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.711\textsuperscript{a}</td>
<td>.506</td>
<td>.500</td>
<td>.46188</td>
</tr>
</tbody>
</table>

\textsuperscript{a} Predictors: (Constant), Delegation
\textsuperscript{b} Dependent Variable: NGO’s Performance
The coefficient of determination of model summary indicates that $R^2$ is 0.506, which is 50.6% of the variation on NGO’s performance and that it is influenced by delegation.

**Table 4.18: ANOVA for Delegation versus Performance**

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Regression</td>
<td>16.620</td>
<td>1</td>
<td>16.620</td>
<td>77.909</td>
</tr>
<tr>
<td></td>
<td>Residual</td>
<td>16.213</td>
<td>76</td>
<td>.213</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>32.833</td>
<td>77</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: NGO’s Performance  
b. Predictors: (Constant), Delegation

The results of Analysis of Variance (ANOVA) had a significance of 0.000, which is less that P-Value of 0.05. This indicated that delegation strongly influences NGO’s performance.

**Table 4.19: Linear Regression Delegation versus Performance**

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>1.572</td>
</tr>
<tr>
<td></td>
<td>Delegation</td>
<td>.678</td>
</tr>
</tbody>
</table>

a. Dependent Variable: NGO’s Performance  
b. Predictors: (Constant), Delegation

The results for linear regression had a significance of 0.000, which is less than P-Value of 0.05. This indicated that the delegation had a strong influence on NGOs’ performance. This result is consistent with Bushardt et al. (2007); Pellegrini and Scandura, (2006); Yukli (2006). They all that argue that if delegation is well handled, it can be effective in building staff morale and ensuring performance.
4.5.5 Linear Regression on Board Governance versus Performance

The results of linear regression model of board governance influence on the performance of the NGOs listed in the environmental campaign by the UNEP in Kenya are summarized in table 4.20 below.

Table 4.20: Model Summary for Board Governance versus Performance

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.487a</td>
<td>.237</td>
<td>.227</td>
<td>.57398</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Board Governance  
b. Dependent Variable: NGO’s Performance

The coefficient of determination of model summary indicates that $R^2$ is 0.237, which is 23.7% of the variation on NGO’s performance and that it is influenced by board governance.

Table 4.21: ANOVA for Board Governance versus Performance

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Regression</td>
<td>7.795</td>
<td>1</td>
<td>7.795</td>
<td>23.661</td>
</tr>
<tr>
<td></td>
<td>Residual</td>
<td>25.038</td>
<td>76</td>
<td>.329</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>32.833</td>
<td>77</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: NGO,s Performance  
b. Predictors: (Constant), Board Governance

The results of Analysis of Variance (ANOVA) had a significance of 0.000, which is less P-Value of 0.05. This indicated that the board governance strongly influence on NGO’s performance. This result is consistent with the findings of scholars. Carver
Carver (2009); Mueller (2010) agree that an organization’s board can be one of the biggest motivators for performance.

**Table 4.22: Linear Regression Board Governance versus Performance**

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>2.435</td>
<td>.497</td>
<td>4.896</td>
</tr>
<tr>
<td></td>
<td>Board Governance</td>
<td>.498</td>
<td>.102</td>
<td>.487</td>
</tr>
</tbody>
</table>

a. Dependent Variable: NGOs Performance  
b. Predictors: (Constant), Board Governance

The results for linear regression had a significance of 0.000, which is less P-Value of 0.05. This indicated that the board governance strongly influences NGO’s performance.

**4.6 Combined Effect**

**4.6.1 Regression Model Summary**

**Table 4.23: Model Summary (Combined Effect)**

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.780a</td>
<td>.608</td>
<td>.587</td>
<td>.41982</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Board Governance, Shareholders Accountability, Strategic Direction, Delegation  
b. Dependent Variable: NGOs Performance

The combined effect of coefficient determination of model summary indicates that $R^2$ is 0.608 which is 60.8% of the variation on NGO’s performance and that it is influenced by board governance, shareholders’ accountability, strategic direction, delegation.
4.6.2 Analysis of Variance (ANOVA) Combined Effect

Table 4.24: Analysis of Variance (ANOVA)

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>19.967</td>
<td>4</td>
<td>4.992</td>
<td>28.322</td>
<td>.000b</td>
</tr>
<tr>
<td>Residual</td>
<td>12.866</td>
<td>73</td>
<td>.176</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>32.833</td>
<td>77</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: NGOs Performance
b. Predictors: (Constant), Board Governance, Shareholders Accountability, Strategic Direction, Delegation

The results of Analysis of Variance (ANOVA) had a significance of 0.000, which is less P-Value of 0.05. This indicated that the board governance, shareholders accountability, strategic direction, and delegation strongly influence NGOs’ performance.

4.6.3 Multiple Regression Coefficients

Table 4.25: Multiple Regression Coefficients

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
</tr>
<tr>
<td>1 (Constant)</td>
<td>.015</td>
<td>.619</td>
</tr>
<tr>
<td>Strategic Direction</td>
<td>.003</td>
<td>.036</td>
</tr>
<tr>
<td>Shareholders Accountability</td>
<td>.355</td>
<td>.096</td>
</tr>
<tr>
<td>Delegation</td>
<td>.892</td>
<td>.123</td>
</tr>
<tr>
<td>Board Governance</td>
<td>-.245</td>
<td>.128</td>
</tr>
</tbody>
</table>

a. Dependent Variable: NGO’s Performance
b. Predictors: (Constant), Board Governance, Shareholders’ Accountability, Strategic Direction, Delegation

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The results for regression had a constant term significance of 0.981, which is greater than P-Value of 0.05. This implies that the constant term was not significant (insignificant). The significant level of the variables was as follows: strategic direction had a significant value of (.941 greater than P-value 0.05); and the board governance (.059 greater than P-value 0.05). This indicated that strategic direction and board governance had a weak influence on NGOs’ Performance. The shareholders’ accountability (.000 less than P-value 0.05) and delegation (.000 less than P-value 0.05). This indicated that shareholders accountability and board governance had a strong influence on NGOs’ Performance.

4.7 Hypothesis Testing

The study used hypothesis testing to measure the statistical significance of the model as well as the usefulness of each of the independent variables (X1–4) was ascertained by conducting an F-test and T-test using the following hypothesis:

\[ H_0: \beta_1=0, \beta_2=0, \beta_3=0, \beta_4=0 \beta_5=0 \]

\[ H_1: \beta_1 \neq 0, \beta_2 \neq 0, \beta_3 \neq 0, \beta_4 \neq 0 \beta_5 \neq 0 , \]

Whereby, \( H_0 \) (the null hypothesis) implies the model is not useful at predicting NGOs Performance and \( H_1 \) (the alternate hypothesis) implies that the model is not useful.

The following null hypotheses were used to test the variables:

\( H_{01} \): Strategic direction has no significant influence on the performance of NGOs listed in the environmental campaign by the UNEP in Kenya

The strategic direction significance level was 941 (greater than P-value 0.05). Strategic direction has no significant influence on the performance of NGOs listed in the environmental campaign by the UNEP in Kenya

\( H_{02} \): Shareholders’ accountability has no significant influence on the performance of NGOs listed in the environmental campaign by the UNEP in Kenya.
The shareholders’ accountability significance level was .000 (less than P-value 0.05). This indicated that shareholders’ accountability had a strong influence on NGOs Performance.

H_03: Delegation has no significant influence on the performance of NGOs listed in the environmental campaign by the UNEP in Kenya. The delegation significance level was .000 (less than P-value 0.05). This indicated that shareholders accountability and board governance had a strong influence on NGO’s Performance.

H_04: There is no significant moderating effect on strategic leadership practices and the performance of NGOs listed in the environmental campaign by the UNEP in Kenya. The board of governance significance level was 0.059 (greater than P-value above 0.05). The board governance has significant influence on the performance of NGOs listed in the environmental campaign by the UNEP in Kenya.

4.8 NGOs Performance

The study sought to establish the performance of NGOs listed in the environmental campaign by the UNEP in Kenya.
4.8.1 Goals Achieved in the Last four years

The study established that in the last four years 2014, 2015, 2016, and 2017, the goals achieved in the last four years, which were 20% and below were 51%, 39%, 40%, and 36%. Those between 21 and 30 in the last four years 2014, 2015, 2016, and 2017 were 22% 28%, 33%, and 32%. Those between 31 and 40 15%, 18%, 15% and 17%. Those 41 and above in the last four years 2014, 2015, 2016, and 2017 were 12%, 15%, 10%, and 15%.

This study is in agreement with Joel (2016) who concluded that leadership interacts and determines nearly all factors of strategy implementation, making it a very critical factor in the performance of organizations. The study also established that leadership plays a pivotal role in creating the most essential connection between different elements, units and departments of an organization to craft unanimity of resolve and also singularity of focus essential for success in the organization. Strategic leaders come up with the vision and mission of the organization and serve as an important link between the factors of strategy implementation.
4.8.2 NGOs’ Output

![Output Diagram]

**Figure 4.2: NGOs Output**

The study established that in the last four years 2014, 2015, 2016, and 2017 the percentage of NGOs which were able to build stronger relationship with partners were as follows: 22%, 39%, 40% and 36%; those that built collaborative strategies in 2014, 2015, 2016, and 2017 were as follows: 25%, 28%, 33% and 32%. Implementation of organization strategy in 2014, 2015, 2016 and 2017 was as follows 15%, 18%, 15% and 17%; those that produced a periodic financial report for donors in 2014, 2015, 2016 and 2017 were as follows: 20%, 15%, 10%, 15%; and those that had proper control over fixed assets in 2014, 2015, 2016 and 2017 were as follows: 18%, 6%, 1%, and 7%.
4.8.3 NGOs Assets Value

Figure 4.3: NGOs Assets Value

Values in USD

The assets values of between $100,000-500,000 in 2014, 2015, 2016, and 2017 was 15%, 23%, 23%, and 14%. The assets value of $ 500,001 and1, 000,000 in 2014, 2015, 2016, and 2017 was 26%, 33% 28%, and 27%. The assets value of $ 1,000,001 and1, 500,000 in 2014, 2015, 2016 and 2017 was 59%, 44% 49%, and 59%.

This current study is in agreement with Maroa and Muturi, (2015) who recommend that strategy formulation, implementation, evaluation, and control had significant influence on the performance of flower firms to a moderate extent. The researcher’s recommended that top-level managers should seek more input from the lower level managers and supervisors when formulating strategy so that the formulated plans are effective and in line with both long-term and short-term objectives of the organization.
4.9 Linear Line

As presented in the scatter diagram in Figure 4.4 all the plots are in the first quadrant and the line of best of fit indicates an estimate line that is increasingly positively upwards. This therefore demonstrates that there is a positive linear relationship between strategic leadership practices on performance of non-governmental organizations listed in the environmental campaign by the United Nations Environmental Programme (UNEP) in Kenya.

Figure 4.4: Linear Line
CHAPTER FIVE

SUMMARY, CONCLUSION, AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the summary of the findings, conclusions and recommendations of the study objectives and the corresponding hypotheses. It then draws conclusions based on these findings and discussions are put forth for the recommendations of the study based on the influence of strategic leadership practices on the performance of non-governmental organizations listed in the environmental campaign by the United Nations Environmental Programme (UNEP) in Kenya.

5.2 Summary of Major Findings

5.2.1 Influence of Strategic Direction on the NGOs Performance

The study established that strategic direction influences the performance of NGOs listed in the environmental campaign by the UNEP in Kenya. The leadership team is always aware of any changes in organization strategy that affect performance. The leadership team also identifies the mission that enhances achievement of goals is a strategic leadership role that was strongly agreed by the respondents. Strategic direction had a weak positive Pearson correlation on the NGOs’ performance. The coefficient of determination of linear model summary indicates that p-value had a weak variation of strategic direction influence on the NGOs’ performance. The significant value of strategic direction had a strong influence on the NGOs’ Performance.

5.2.2 Influence of Shareholders’ Accountability on the NGOs’ Performance

The study established that shareholders’ accountability influences the performance of NGOs listed in environmental campaign by the UNEP in Kenya. The statement on leadership ensures effective communication of daily procurement activities to the relevant stakeholders was strongly agreed upon by the respondent in order to influence the NGOs’ performance. Shareholders’ accountability had a weak positive
Pearson correlation on the NGOs’ performance. The coefficient of determination of linear model summary indicates that $R^2$ had a weak variation of shareholders accountability influence on the NGOs’ performance. The significant value of shareholders’ accountability had a strong influence on the NGOs performance.

5.2.3 Influence of Delegation on the NGOs’ Performance

The study established that delegation had a strong positive Pearson correlation on the NGOs’ performance. The coefficient of determination of linear model summary indicates that there was a strong variation of delegation influence on the NGOs’ performance. The significant value of delegation had a strong influence on the NGOs’ performance.

5.2.4 Moderating effect of Board Governance on the Relationship between Shareholders’ Accountability, Strategic Direction, Delegation and NGOs’ Performance

The study established that board governance had a strong positive Pearson correlation on NGOs’ performance. The coefficient of determination of model summary indicates that $p$-value had a strong variation of board governance influence on the NGOs performance. The $p$-value had a strong moderating influence on shareholders accountability, strategic direction, delegation and the NGOs’ performance.

5.3 Conclusion

5.2.1 Influence of Strategic Direction on the NGOs Performance

The study concluded that strategic leadership practices influence the performance of non-governmental organizations listed in the environmental campaign by the United Nations Environmental Programme (UNEP) in Kenya. The study also established that strategic direction had a weak positive Pearson correlation on the NGOs’ performance. The linear model summary indicates that $p$-value had a weak variation
of strategic direction influence on the NGO’s performance, which indicated that other variables had a strong influence on NGOs performance.

The study established that strategic direction influences the performance of NGOs listed in the environmental campaign by the UNEP in Kenya. The leadership team is always aware of any changes in organization strategy that affect performance. The leadership team also identifies the mission that enhances achievement of goals is a strategic leadership role that was strongly agreed by the respondents. Strategic direction had a weak positive Pearson correlation on the NGOs’ performance. The coefficient of determination of linear model summary indicates that p-value had a weak variation of strategic direction influence on the NGOs’ performance. The significant value of strategic direction had a strong influence on the NGOs’ Performance.

5.2.2 Influence of Shareholders’ Accountability on the NGOs’ Performance

The majority of the respondents agreed on the statement on shareholders accountability influence on the NGOs’ performance, and that leadership ensures effective communication of daily procurement activities to the relevant stakeholders. The study established that significant value of shareholders’ accountability had a strong influence on the NGOs’ performance.

The study established that shareholders’ accountability influences the performance of NGOs listed in environmental campaign by the UNEP in Kenya. The statement on leadership ensures effective communication of daily procurement activities to the relevant stakeholders was strongly agreed upon by the respondent in order to influence the NGOs’ performance. Shareholders’ accountability had a weak positive Pearson correlation on the NGOs’ performance. The coefficient of determination of linear model summary indicates that R^2 had a weak variation of shareholders accountability influence on the NGOs’ performance. The significant value of shareholders’ accountability had a strong influence on the NGOs performance.
5.2.3 Influence of Delegation on the NGOs’ Performance

The study established that delegation had a strong positive Pearson correlation on the NGOs’ performance. The coefficient of determination of linear model summary indicates that there was a strong variation of delegation influence on the NGOs’ performance. The significant value of delegation had a strong influence on the NGOs’ performance. The study concluded that delegation influence on the NGOs’ performance.

5.2.4 Moderating effect of Board Governance on the Relationship between Shareholders’ Accountability, Strategic Direction, Delegation and NGOs’ Performance

The study established that board governance had a strong positive Pearson correlation on NGOs’ performance. The coefficient of determination of model summary indicates that p-value had a strong variation of board governance influence on the NGOs performance. The p-value had a strong moderating influence on shareholders accountability, strategic direction, delegation and the NGOs’ performance. The study concluded that moderating influence on shareholders accountability, strategic direction, delegation and the NGOs’ performance.

5.4 Recommendations

The study concludes that strategic leadership practice influences on the performance of non-governmental organizations listed in the environmental campaign by the United Nations Environmental programme in Kenya. The study recommends that the NGOs’ management should prioritize delegation of duties and concentrate on key operations since delegation has a strong relationship with performance, and also has a strong significance influence on the NGOs performance. The study recommends that shareholders accountability should be encouraged and maintained since it influences NGOs performance.

The study recommends policy makers in organizations should ensure that stakeholders have a voice and that an accountability mechanism is developed that
will ensure that management and leadership consults with the stakeholders so that they have the opportunity not only to interrogate results, but also to speak into future strategies and the direction of non-profits.

The study recommends that NGOs should all have a strategy policy and charter that is owned and known by all senior and middle level staff. This will ensure that they understand their organization in a manner that ensures they can progress towards a desired future for the organization. This study also contributes to new knowledge in that some of the theories that have been known to be true, if not well applied, may not give the desired results. For instance if management ignores shareholders and useful information is not availed to them, it follows that their ability to contribute to the performance of the organization is weakened by this lack of access to crucial information.

5.5 Areas for Further Research

The study established that board governance, shareholders, accountability, strategic direction, and delegation influence NGOs’ performance at a combined effect of 60.8%, an indication that 39.2% is due to other factors. Thus the study recommends that further research be conducted to establish these other factors that influence NGOs’ performance in Kenya.

This research only concentrated on organizations that are listed in the environmental campaign by the UNEP. However to generate more generalized knowledge that applies to a larger section of the non-profit sector in Kenya, it will be important for other researchers to broaden their research scope to include other non-governmental organizations in Kenya.

The researcher also recommends that similar studies be undertaken using other research methods that could understudy some of these organizations over a long period of time. Such studies will help to establish other factors that have a moderating effect on the organizational performance of the non-profit sector in Kenya.
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APPENDICES

Appendix I: Letter of Introduction

RESEARCH PROPOSAL

I am a student at the Jomo Kenyatta University of Agriculture and Technology pursuing a degree of Doctor of Philosophy in Leadership and Governance. Pursuant to the pre-requisite course work, I would like to conduct research to assess the influence of implementation of governance strategies and planning of Non-Governmental Organizations (NGOs) in Kenya.

I kindly seek your authority to conduct the research at your financial institution through research interviews and use of relevant documents. I have enclosed an introductory letter from the University. Your assistance is highly valued. Thank you in advance.

Yours faithfully,

JOHNSTONE NDUNDE

Registration Number: HD419/4291/2013

Researcher
Appendix II: Questionnaire

Questionnaire 1 (To be filled by middle level managers)

The purpose of this study is to investigate the implementation of governance strategies and planning of Non-Governmental organizations in Kenya. Honest responses to all questions are requested.

INSTRUCTIONS

i) Please respond to all the items

ii) Please tick ( √) the most appropriate response.

SECTION A: GENERAL INFORMATION

1. What is your age?

   i) 21-30 years {   }
   ii) 31-40 years {   }
   iii) 41-50 years {   }
   iv) 51-60 years {   }

2. What is your highest academic qualification?

   □ Secondary education
   □ Diploma
   □ Bachelor’s degree
   □ Master’s degree
   □ Any other, specify ___________________
3. Position/Designation of respondent: _______________________________

4. How long have you worked for your organization? (No. of Years) __________

SECTION B:

Part 1: Strategic Direction

To what extent do you agree or disagree with the following statements regarding your organization? Use a scale of 1 = Strongly Disagree, 2 = Disagree, 3 = Moderate Agree, 4 = Agree, 5 = Strongly Agree.

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly</th>
<th>Disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. The organization defines the strategy clearly.</td>
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<tr>
<td>2. The organization culture is clearly defined.</td>
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<tr>
<td>3. The leadership team is always aware of changes in organization strategy that may affect performance.</td>
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<td>4. The leadership team identifies the mission that enhances reaching out to your goals.</td>
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<td>5. The generation of new ideas is done in line with the organization’s vision and mission.</td>
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<td>6. The leadership ensures the development of long-term vision of the organization.</td>
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<td>7. The leadership ensures that core values are emphasized in strategic implementation of plans.</td>
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</table>

Could you suggest how strategic direction influence on the performance of NGOs listed in the environmental campaign by the UNEP in Kenya? (Explain)………………………………………………………………………………………………………………
………………………………………………………………………………………………………………
Part 2: Shareholders Accountability

To what extent do you agree or disagree with the following statements regarding your organization? Use a scale of 1 = Strongly Disagree, 2 = Disagree, 3 = Moderate Agree, 4 = Agree, 5 = Strongly Agree.

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. The organizational leadership maintains and improves values of the organization.</td>
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<tr>
<td>2. Leadership discloses information to relevant stakeholders in a timely and proper manner.</td>
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<td>3. The leadership ensures cooperation and coordination for the solutions of environmental and other problems with stakeholders.</td>
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<td>4. The organizational leadership ensures timely release of annual reports to relevant stakeholders.</td>
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<td>5. Leadership ensures effective communication of daily procurement activities to the relevant stakeholders.</td>
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<td>6. Leadership ensures that accurate financial results briefing is given to all stakeholders.</td>
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</table>

Could you suggest how Shareholders Accountability influence on the performance of NGOs listed in the environmental campaign by the UNEP in Kenya? (Explain)

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...

Part 3: Delegation
To what extent do you agree or disagree with the following statements regarding your organization? Use a scale of 1 = Strongly Disagree, 2 = Disagree, 3 = Moderate Agree, 4 = Agree, 5 = Strongly Agree.

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
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</thead>
<tbody>
<tr>
<td>1. The heads of departments communicate tasks to subordinates on time.</td>
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<tr>
<td>2. The roles of all staff in the organization are clearly defined.</td>
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<td>3. The heads of departments work towards enhancing good working conditions.</td>
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<td>4. Duties are delegated to staff according to qualifications</td>
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<tr>
<td>5. Managers are provided with a clear direction and goals from the top leaders and the governing body.</td>
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<tr>
<td>6. The responsibilities are assigned fairly amongst staff in the organization.</td>
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<td>7. There are sufficient training opportunities to improve staff competencies and update them on any new policies and procedures.</td>
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<td>8. The organization chart is current and accurate.</td>
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<tr>
<td>9. The organization chart enhances work performance.</td>
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</tbody>
</table>

Could you suggest how delegation influence on the performance of NGOs listed in the environmental campaign by the UNEP in Kenya? (Explain)

…………………………………………………………………………………………
…………………………………………………………………………………………
…………………………………………………………………………………………

Part 4: Board Governance
To what extent do you agree or disagree with the following statements regarding your organization? Tick where appropriate

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. The board is composed of executive directors only.</td>
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<td>2. The board is composed of both executive and non-executive directors.</td>
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<td>3. The board and committee meetings discuss organizational performance.</td>
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<td>4. The board exercises objective judgment, independent from management.</td>
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<td>5. The board fulfills certain key functions effectively in the governance of the organization.</td>
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<tr>
<td>6. The board members and senior managers disclose material interests.</td>
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<td>7. The board communicates with shareholders and donors frequently.</td>
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<td>8. The board makes timely and balanced disclosure of all material information to all donors.</td>
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<td>9. The board complies with the applicable laws in Kenya.</td>
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<td>10. The board acts on informed basis, in good faith, with due diligence and care, and in the best interests of the organization.</td>
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<td>11. The board safeguards integrity in financial reporting.</td>
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<td>12. The board has established strategic objectives and has set organization values, clear lines of responsibility, and accountability.</td>
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<td>13. The board ensures there are strong governance structures and policies at all times.</td>
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</tbody>
</table>

Could you suggest how Board Governance influence on the performance of NGOs listed in the environmental campaign by the UNEP in Kenya? (Explain)
THANK YOU FOR YOUR PARTICIPATION IN THIS STUDY

END
Questionnaire 2

To be responded by the Finance Managers/Directors only.

NGOs Performance

Kindly indicate in percentage the measures of the NGOs performance in Kenya as stated below

<table>
<thead>
<tr>
<th>Statement</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goals</td>
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<tr>
<td>In the last 4 years have you achieved your goals</td>
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<tr>
<td>1. 20% and below</td>
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<td></td>
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<tr>
<td>2. 21-30%</td>
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<td></td>
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<tr>
<td>3. 31-40%</td>
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<td></td>
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<tr>
<td>4. 40% and above</td>
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</table>

Output

5. Build stronger relationship with partners
6. Build collaborative strategies
7. Implementation of organization strategy
8. Produces periodic financial report for donors
9. Proper control over fixed assets

Assets Value

10. The assets values 100,000-500,000
11. The assets values 500,001 -1,000,000
12. The assets values 1,000,001 -1,500,000

THANK YOU FOR YOUR PARTICIPATION IN THIS STUDY

END
Appendix III: NGOS Listed in Environmental Campaign by the UNEP in Kenya

1. Afforestation Agricultural Livestock Improvement and Soil Conservation Programme (FALIASCOP)
2. Africa Network for Animal Welfare
3. African Biodiversity Network (ABN)
4. African Center for Technology Studies (ACTS)
5. African Council for Communication Education (ACCE)
6. African Council of Religious Leaders (ACRL-RfP)
7. African Population and Health Research Center (APHRC)
8. African Wildlife Foundation
9. Agency for Co-operation and Research in Development (ACORD)
10. All Africa Council of Churches (AACC)
11. Centre for Environment Justice and Development
12. Climate Network Africa
13. Eastern Africa Environmental Network (EAEN)
15. Environment Liaison Center International (ELCI)
16. Environmental Compliance Institute
17. Forest Action Network
18. Friedrich-Ebert-Stiftung
19. Heinrich Boell Foundation: East and Horn of Africa Region
20. International Center for Environmental, Social and Policy Studies (ICESPS)
21. International Committee of the Red Cross (ICRC)
22. Light and Power Centre World Outreach
23. Mazingira Institute
24. Pan African Climate Justice Alliance (PACJA)
25. Sustainable Environmental Development Watch (SUSWATCH Kenya)
26. The Green Belt Movement

Source (UNEP, 2015).
Appendix IV: Introductory Letter from JKUAT
Appendix V: NACOSTI Research Clearance Permit

Ref no: NACOSTI/P/18/32167/23154

Johnstone Ndunde Mutole
Jomo Kenyatta University of Agriculture and Technology
P.O. Box 62000-0200
NAIROBI

Date: 11th June, 2018

RE: RESEARCH AUTHORIZATION

Following your application for authority to carry out research on “Influence of strategic leadership practices on performance of Non-Governmental Organizations listed in environmental campaign by United Nations environmental programme in Kenya,” I am pleased to inform you that you have been authorized to undertake research in all Counties for the period ending 8th June, 2019.

You are advised to report to the County Commissioners and the County Directors of Education, all Counties before embarking on the research project.

Kindly note that, as an applicant who has been licensed under the Science, Technology and Innovation Act, 2013 to conduct research in Kenya, you shall deposit a copy of the final research report to the Commission within one year of completion. The soft copy of the same should be submitted through the Online Research Information System.

Copy to:
The County Commissioners
All Counties.

The County Directors of Education
All Counties.

NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY AND INNOVATION

NACOSTI, Upper Kabete
Off Waiyaki Way
P.O Box 30623-00100
NAIROBI-KENYA

Phone: +254-20-2213476
Fax: +254-20-31829249
E-mail: info@nacost.go.ke
Website: www.nacost.go.ke
When replying please quote

Dr. STEPHEN K. KIBIRU, PHD.
DIRECTOR-GENERAL/CEO
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3. Upon request of the Commission, the Licensee shall submit a progress report.
4. The Licensee shall report to the County Director of Education and County Governor in the area of research before commencement of the research.
5. Excavation, filming and collection of specimens are subject to further permission from relevant Government agencies.
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7. The Licensee shall submit two (2) hard copies and upload a soft copy of their final report.
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