

THE INTERNATIONAL JOURNAL OF HUMANITIES & SOCIAL STUDIES

Funding as a Determinant of Strategic Planning Implementation Case of Health Project in Action against Hunger in Kenya

Feisal Dakhane Abdullahi

Officer, Department of Inter-governmental
The County Government of Garissa, Kenya

Dr. Jane Gakenia Njoroge

Lecturer, Department of Public Policy and Administration,
Kenyatta University, Kenya

Abstract:

The purpose of the study is to determine the extent to which funding determine the strategic planning implementation of health project by ACF. The ACF works on different projects with different partners increasing the challenges of strategic planning implementation, which is imperative for sustained funding and meeting the organizational objectives of eradicating hunger. The research based on their source dependency theory, which implies that NGOs have constrained resource at their disposal and communication is imperative for the effective engagement of all stakeholders in the implementation process. The research was to be accomplished through a case study research design, which helped to focus on ACF as the source of data, avoiding disparities that might emerge from deviation to other organizations. The census sampling approach was used to ensure that the target population of 100 ACF employees were engaged. The research established that strategic implementation of strategies in the organization is influenced by resource allocation through level of funding.

Keywords: Funding, non-governmental organization, strategic planning, project

1. Introduction

Determinants of strategic planning implementation case of health projects in action Against Hunger, Kenya is critical in our study. Organizations, whether for-profit or non-profit operate in a dynamic environment that is manifested by constant changes in regulations, technological solutions, as well as new behaviors among the people and employees. According to (Stavros & Hinrichs, 2009) these factors that impact on the effectiveness of strategic planning in health projects include inadequate funding, wrong timing in funds disbursement, lack of human resource capacity in terms of knowledge and skills, lack of accountability, use of substandard materials, insecurity, disagreements among beneficiaries, and social-cultural obstacles. The challenges faced in strategic planning implementation are largely attributed to the lack of effective management practices that include financial management, human resource management, and stakeholder management.

Usually, NGOs rely on donors for funding but the increased number of NGOs competing for donor-based financing has raised the level of challenges in meeting the financial requirements of each organization. The success of NGOs projects is imperative for sustained funding and meeting the organizational objectives of eradicating hunger. According to (Dixon-Fowler, Ellstrand, & Johnson, , 2017) there are reasons to believe that the NGOs grassroots activities are directly linked to the rise of fall of international availability of funding and that diminishing funds would mean the failure of organizational initiatives. Notably, strategies allude to patterns of activities and resource allocations that are designed to achieve the goals of the organization (Bryson J. M., 2004)

According to the Dependency Theory the conceptualization of the need for funding and an engaged workforce in NGOs is well aligned (Brown, 2005). The resource dependency theory shows that organizations are dependent on other stakeholders in the immediate operating environment to access the necessary resources for success. To survive, firms need to acquire resources from partners in the external setting, in this case, donors. Additionally, there are intangible resources such as knowledge and facilities that increase the opportunities for better performance (Bryson J. M., 2004)

2. Theoretical Literature

2.1. Resource Dependency Theory

Resource Dependency Theory is based on three core ideas; social setting, self-governance and interest and power which is important for understanding internal and external actions of NGOs. (Pfeffer & Salancik, 2003) published The External Control of Organizations, which discussed their study of where power and dependence originate, and how

organizations may use their power and manage those that are dependent upon them. According to (Emerson, 1962) also provides a classical approach on power and exchange. Through Emerson, power- dependency relations are important to management, public policy, and other organization departments.

Resource Dependency theory improved the sociological theories of organizations and argued that organizations should manage all interests and uncertainties that cannot be managed. The strategies in External Control for how firms can manage problematic external dependencies extended Thompson's original insights and provided the foundation for subsequent empirical work (Thompson, 1967). Organizations are both economic and political systems, and power and authority are dispersed throughout the web of interactions comprising its environment. (Zald,, 2005) provides a framework for examining internal and external sources of power that both constrain and confer legitimacy to organizations. Resource Dependency theory through Pfeffer and Salancik contributed to Zald's insights to argue that firms should engage in political activity to alter their environment. Strategic planning implementation on resource allocation process acts like a filter that determines which intended and/or emergent initiatives get funding and pass through, and which initiatives are denied resources (Mintzberg & Waters, 1985)

Strategic planning was widely believed to be the answer for all problems facing organizations. According to the (World Bank, 2011) strategic planning is the process by which leaders of an organization determine what it intends to be in future and how it will reach this targeted level or position. Funding is a key resource and power principle and its scarcity, resulting in many entities competing for the same or similar sets of limited resources. The resource dependency theory is premised on the resource-based view of organizations. This theoretical perspective is aligned with the need for funding and an engaged workforce in NGOs (Brown, 2005). To survive, firms need to acquire resources from partners in the external setting, in this case, donors. Additionally, there are intangible resources such as knowledge and facilities that increase the opportunities for better performance (Bryson J. M., 2004).

The theoretical bases are on how external resources of the firm have an impact on the behavior of an organization. Suggestively, it is based on the perspective that environments are the origin of limited resources, and organizations are reliant on these rare resources to survive and achieve success. Resultantly, to create a high performance the firms must develop appropriate means of exploiting these resources, which are also a matter of interest for other competitors in the same environment. Resources can take many shapes or forms, including raw materials, workers, and even funding. If one company maintains most of resources, then another company will become dependent on it to operate, creating a symbiotic relationship. Too much dependency creates uncertainty, which leaves organizations subject to risk of external control. External control may be imposed by the government or other organizations, and can have a significant effect on operations, such as funding or personnel policies. Managers strategize alternative business plans to lower this risk.

The result of strategic planning process is a strategic plan which is a blueprint for the organization as it moves into the future. Funding for NGOs is important for them to achieve their goals and engage in strategic plans that benefit their target populations. Financial resources allude to the money organizations such as ACF require to fund the budget of implementing new strategies. Strategy implementation entails the organization of the available resources and motivation of the workforce to meet objectives. There is a consensus among scholars that adequate financial resources are necessary for success in strategy implementation. According to (Banks & Hulme, 2012) there are reasons to believe that the NGOs grassroots activities are directly linked to the rise of fall of international availability of funding and that diminishing funds would mean the failure of organizational initiatives. Notably, strategies allude to patterns of activities and resource allocations that are designed to achieve the goals of the organization (Bryson J. , 2006). The amount and availability of resources for the organization's influences how they are distributed across projects and the subsequent impact they have on the strategy implementation due to the impact on how workers are committed or motivated to achieve objectives.

Although there is a general conceptualization that NGO funding is mainly from donors, (Lang, 2012) shows that NGO revenue is categorized into three contexts: government funding, private giving, and self-generated income. Through the effective implementation of strategies, the direction and scope of the organization are over the long-term used in creating an advantage for it through the configuration of resources within a changing environment as well as meeting the stakeholders' expectations (Corrigan, Hambene, Hudnut, & Levitt, , 2005). This raises the need for strategic management within organizations, which based on clear thought and sound judgment. In this context, financial resources can impact the implementation process through the budgetary allocations, financial controls, and revenue efficiency (Kelchen & Stedrak, 2016)

2.2. Empirical Review

2.2.1. Funding and Strategic Planning Implementation

Funding for NGOs is important for them to achieve their goals and engage in strategic plans that benefit their target populations. A strategic plan is a company's or organization's course of action that empowers it to perform effectively. The implementation of a strategic plan is characterized by an organizational approach that allows the organization to engage in planning, actualizing, and assessing the appropriate choices that enable an association to accomplish its objectives (Salih & Doll, 2013). The implementation process upholds that the administrative initiatives of actualizing and executing the plan entail surveying what it will take to build up the required hierarchical abilities and to achieve timely objectives. Researchers identify that NGOs are complex organizations, which impacts on the ability to operate in the dynamic health environment (Lambell, Ramia, Nyland, & Michelotti, 2008). This has influenced a key concern for increased efficiency in resource utilization.

The formality of strategic planning process requires a detailed planned budget by NGOs which will provide an outline of all funds that need to be used for a certain project. Funding plays an important role which strategic planners can refer when implementing strategic plan creating a platform that ensures resolution or any disagreements pertaining to strategic planning and implementation (Tamimi, 2018). According to (Aldehayyat & Twaissi, 2011) each and every actors role in the execution of the strategic plan is clearly defined from employees to senior management. Components include budget detailing the resources allocated for strategy implementation, time frame, duties and responsibilities of various actors. Funding is an important aspect for planning due to the future implications emanating from current decisions (Rutto and Njoroge, 2019). Proper strategic planning in funding provides direction and ensures focus is maintained on the mission and vision of the organization. This in turn enables the organization to identify problem areas in advance, anticipate challenges and provide for an approach to deal with any unforeseen eventualities.

The organization's top management must allocate sufficient financial resources and invest in modern tools and equipment to assist in the implementation of the strategic plan. On the other hand, employees provided with better wage structure remain highly motivated and work tirelessly enhancing productivity in their work (Elbanna, 2010). This will also lead to increased productivity, high quality engagements, cost reduction, overall efficiency and effectiveness in the process of project execution within the NGOs.

3. Methodology

3.1. Research Design

The research was accomplished through a descriptive research design. Descriptive survey facilitates gathering data at a particular point in time with the intention of describing the existing conditions or identified standard against which existing condition can be compared in determining the relationship between specific events. The descriptive survey was chosen to describe the situation to eliminate bias in the collection of data and reduce errors in the interpretation of the data collected. The descriptive survey was thus instrumental in this study in determining the relationship between the study variables that have an impact on the strategic implementation of health initiatives at ACF. In this light, a descriptive research design was facilitated focusing on ACF and specifically the health-related projects. Using the descriptive research design ensures that the findings are more aligned to the research objective and addresses the research question in a comprehensive manner.

3.2. Empirical Model

The study used linear regression model in analyzing the quantitative data collected. Linear regression is important to understand the effects and correlation between the dependent and independent variables. Triangulation of the primary and secondary research was conducted to develop a comprehensive report on the insights gathered. The model was presented in a linear equation form based on other factors being constant:

$$Y = \alpha + \beta_1 X_1 + \epsilon$$

Y = Represents the dependent variable (Strategic planning implementation)

α - the constant of equation (represents the changes that cannot be explained by independent variables in the model)

β_1 is the coefficient of independent variables

X_1 Represents Level of funding

ϵ - error term

3.3. Target Population

The target population of this study was workers at ACF. Three groups of respondents were involved including the senior management who are the key decision makers, the middle management who supervise the workforce, and employees who are the support staff and engaged in the implementation processes of the strategic plans. The target population was 100 persons from ACF employees.

3.4. Sampling Design and Procedure

The census sampling method was employed to determine the respondents engaged in this study. The sampling approach was appropriate to achieve high levels of accuracy considering the organization under investigation was small. Through Regression model, the correlation between the level of funding, and the dependent variable: Strategic planning implementation was measured. The finding was presented in ANOVA Model and regression coefficients to show the relationship between the variables.

3.5. Data Collection Instruments

The study was accomplished by administering questionnaires to the respondents. The questionnaires were self-administered, and they were physically delivered to the study location, where they were the questionnaire transcripts were picked after being filled by the respondents. The study gathered statistical data and qualitative data from the open-ended responses for data analysis.

3.6. Data Analysis Methods

The study gathered statistical data and qualitative data from the open-ended responses. The quantitative data was conducted through inferential statistics and descriptive statistics through the application of Statistical Package for Social

Sciences (SPSS) version 23. The questionnaire structure was used to develop the coding of the quantitative. The descriptive statistics included frequency distribution, means, percentages, and standard deviation. The relationship between the dependent and independent variables was achieved through correlation analysis. This was conducted at a significance level of 0.05 and applied a 95% confidence level. In this context independent variables had a significant effect on the dependent variable where the p-value was less than the significance level of 0.05.

3.7. Analysis and Result

Model	Coefficients			t	Sig.
	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta		
(Constant)	0.369	0.224		1.648	0.105
Level of funding	0.170	0.026	0.319	6.604	0.000

Table 1: Analysis and Result
Dependent Variable: Strategic Planning Implementation of Ngos

From the regression equation, the results indicate that there is a positive relationship between the level of funding and strategic planning implementation whose beta is 0.170 and the level of significance is 0.000 thus there is consensus among scholars that adequate financial resources are necessary for the success in the strategic planning implementation in NGOs, according to Fowler (2017). The P value is less than 0.05, $r=0.170$. $P=0.000$. with this result where the level of funding P is high than the critical P value of 0.05 the study alludes that the level of funding has a positive result on the strategic planning implementation of the NGO.

5. Summary, Conclusion and Recommendations

5.1. Summary

The study findings revealed that 76.0% (mean=3.80) were of the view that the organization practices budget preparation, 75.8% (mean=3.79) were of the view that the organization review its level of funding procedures, 80.8% (mean=4.04) were of the view that managers are charged with the responsibility of determining the level of funding in the firm, 78.6% (mean=3.93) were of the view that having a stable level of funding influence the performance of the company.

5.2. Conclusion

This study concludes that although there might be substantial funding of the organization, the determinant of the success achieved in the implementation of strategic health plans lies on how the management allocates funds to different projects. The commitment of leaders and workers to a particular objective or project ensures that there is completion in time, on budget, and the set goals are met.

5.3. Recommendations for Policy Implication

The study shows that ACF and similar NGOs need to implement organizational policies that facilitate effective sharing of resources including funds among the different projects to ensure success and maximize the productivity of the workforce by offering the relevant tools, equipment, and technologies necessary to enhance and sustain high performance

5.4. Recommendation for Further Research

There is need for further research that seeks to address the impact resource allocation techniques used by different NGOs have the sustainability of projects.

6. References

- i. Aldehayyat, J. S., & Twaissi, N. (2011). Strategic planning and corporate performance relationship in small business firms: Evidence from a Middle East country context. *International Journal of Business and Management*, 6(8), 255.
- ii. Banks, N., & Hulme, D. (2012). The role of NGOs and civil society in development and poverty reduction. . *Brooks World Poverty Institute Working Paper*, (171).
- iii. Brown, W. A. (2005). Organizational Performance in Nonprofit Organizations. *Nonprofit Management and Leadership*. <https://doi.org/10.1002/nml.71>.
- iv. Bryson, J. (2006). *Managing information services: a transformational approach*. Ashgate Publishing, Ltd.
- v. Bryson, J. M. (2004). Strategic planning for public and nonprofit organizations: A guide to strengthening and sustaining organizational achievement. *Psyc CRITIQUES*, 34(4), xxvi, 430 p. <https://doi.org/10.1037/027983>.
- vi. Corrigan, M. B., Hambene, J., Hudnut, W., & Levitt, . (2005). *Ten Principles for Successful Public / Private Partnerships*.
- vii. David , F. R. (2011). *Strategic management concepts and cases*. Upper Saddle River, New Jersey: Prentice.
- viii. Dixon-Fowler, H. R., Ellstrand, A. E., & Johnson, . (2017). The role of board environmental committees in corporate environmental performance. *Journal of Business Ethics*, 140(3), 423-438.

- ix. Elbanna, S. (2010). Strategic planning in the United Arab Emirates. *International Journal of Commerce and Management*.
- x. Emerson, R. M. (1962). Power-dependence relations. *American sociological review*, 31-41.
- xi. Kelchen, R., & Stedrak, L. J. (2016). Does performance-based funding affect colleges' financial priorities? *Journal of Education Finance*, 302-321.
- xii. Lambell, R., Ramia, G., Nyland, C., & Michelotti. (2008). NGOs and international business research: Progress, prospects and problems. *International Journal of Management Reviews*, 10(1), 75-92.
- xiii. Lang, S. (2012). *NGOs, civil society, and the public sphere*. Cambridge University Press.
- xiv. Mintzberg, H., & Waters, J. A. (1985). Of strategies, deliberate and emergent. *Strategic management journal*, 6(3), 257-272.
- xv. Pfeffer, J., & Salancik, G. R. (2003). *The external control of organizations: A resource dependence perspective*. Stanford University Press.
- xvi. Ruto S. K & Njoroge J. N (2019) Analysis of the Structural Determinants of Funding Allocation Implementation in the Kenyan Judiciary. *International Journal of Arts and Commerce* www.ijac.org.uk Vol. 8 No. 10 November 2019
- xvii. Salih, A., & Doll, Y. (n.d.). 2013. A middle management perspective on strategy implementation.
- xviii. Salih, A., & Doll, Y. (n.d.). 2013. A middle management perspective on strategy implementation.
- xix. Stavros, J., & Hinrichs, G. (2009). *Thin book of SOAR: Building Strengths-based strategy*. Thin Book Publishers.
- xx. Tamimi, S. A. (2018). Applications of Strategic Management Practices in Public Sector: Cases From Some Middle East Countries. *Advances in Social Sciences Research Journal*, 5(9).
- xxi. Thompson, J. D. (1967). *Organizations in action*. New York: McGraw-Hill. Thompson Organizations in Action.
- xxii. World Bank. (2011). *Strategic planning: a ten-step guide*. Retrieved from http://siteresources.worldbank.org/INTAFRREGTOPEIA/Resources/•_mosaica_10_steps.pdf.
- xxiii. Zald, M. N. (2005). The strange career of an idea and its resurrection: Social movements in organizations. *Journal of Management Inquiry*, 14(2), 157-166.