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DEDICATION

This dissertation is dedicated to my wife, Julie, daughters, Lisa and Gina, and son Nish for enduring my absence during this study. Their support and tolerance was greatly appreciated.
ACKNOWLEDGEMENTS

This dissertation would not have been possible without the professional supervision by Dr. S. Ruturi. His guidance throughout the study made this research easier for me. I thank Practical Action Southern Africa for allowing me to use the organisation as the unit of my study including access and the use of organisational data and IT services. Acknowledgements and appreciation go to the directors of Goal Zimbabwe, Trocaire, Action Aid and Centre for Community Development Solutions for their permission to access information from their organisation for use in this study. Discussions with them were very insightful.

I thank my family for the understanding and support which enabled me to work from home as well as away from home. This work would not have been possible without their sacrifice.
ABSTRACT

This study was conducted to explore and recommend the short-term and medium-term measures for improving the overall performance of Practical Action Southern Africa (PASA). The research proposition was that PASA was failing to achieve its strategic objectives due to misalignment among its strategy, structure, systems, leadership style, shared values, staff relations and skills management.

Data was collected through a semi-structured questionnaire survey on directors of four similar International non-governmental organisations (INGOs). A structured Likert scale questionnaire survey was also conducted on the employees of the same INGOs. Qualitative data was subjected to content analysis while quantitative data was analysed using the Pearson’s Chi-Square tests on SPSS in order to understand the relationship of views between directors and employees about their respective organisations. The McKinsey’s 7S model was applied to evaluate the extent of strategic alignment of PASA.

Limited availability of donor funding was found to be the most critical external factor that was negatively affecting the attainment of the strategic objectives of PASA. The internal factors which needed urgent attention by the PASA management were the operational systems, the organisational structure, operationalization of organisational values, skills development and management, and staff relations. PASA is also advised to develop and incorporate process indicators in its performance monitoring and management system.

This research concluded that PASA management could gain a competitive edge over its competitors by reviewing and improving their systems, structure, leadership style, employee skills development, innovative capabilities as well embedding the organisation’s values into their culture of doing business. The researcher suggested that future research should focus on the operations and contributions of the different types of INGOs in specific geographical and socio-economic settings, as well as measurement of their impact on communities. Further research is also needed to understand how INGOs try to attain competitive advantage in their line of business, including an analysis of partnership models.
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**LIST OF ACRONYMS AND ABBREVIATIONS**

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<th>Full Form</th>
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<tr>
<td>AusAid</td>
<td>Australian Aid</td>
</tr>
<tr>
<td>CIDA</td>
<td>Canadian International Development Assistance</td>
</tr>
<tr>
<td>DFID</td>
<td>Department for International Development</td>
</tr>
<tr>
<td>EU</td>
<td>European Union</td>
</tr>
<tr>
<td>FAO</td>
<td>Food and Agriculture Organisation</td>
</tr>
<tr>
<td>GAO</td>
<td>U.S. General Accounting Office</td>
</tr>
<tr>
<td>GIZ</td>
<td>Gesellschaft für Internationale Zusammenarbeit</td>
</tr>
<tr>
<td>HIV/AIDS</td>
<td>Human Immuno Virus/Acquired Immuno-Deficiency Syndrome</td>
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<tr>
<td>HRM</td>
<td>Human Resource Management</td>
</tr>
<tr>
<td>INGO</td>
<td>International Non-governmental Organisation</td>
</tr>
<tr>
<td>LNGO</td>
<td>Local Non-governmental Organisation</td>
</tr>
<tr>
<td>MSF</td>
<td>Médecins Sans Frontières</td>
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<tr>
<td>NANGO</td>
<td>National Association of Non-governmental Organisations</td>
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<tr>
<td>NGO</td>
<td>Non-governmental Organisation</td>
</tr>
<tr>
<td>PASA</td>
<td>Practical Action Southern Africa</td>
</tr>
<tr>
<td>PESTELG</td>
<td>Political, Economic, Social, Technological, Environmental, Legal and Governance</td>
</tr>
<tr>
<td>SMT</td>
<td>Senior Management Team</td>
</tr>
<tr>
<td>SWOT</td>
<td>Strengths, Weaknesses, Opportunities and Threats</td>
</tr>
<tr>
<td>UNDP</td>
<td>United Nations Development Programme</td>
</tr>
<tr>
<td>USAID</td>
<td>United States Assistance for International Development</td>
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<tr>
<td>WASHE</td>
<td>Water, Sanitation and Hygiene Education</td>
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CHAPTER ONE: INTRODUCTION

1.0 Introduction

Zimbabwe has over 1500 non-governmental organisations (NGOs) that are undertaking humanitarian and developmental work (National Association of NGOs, 2014). Developmental NGOs such as Plan International, World Vision, CARE International, OXFAM and Practical Action claim that they complement government efforts by promoting infrastructural projects such as water reticulation, irrigation schemes, agricultural production and processing, roads, off-grid energy alternatives, as well as the training and capacity building of disadvantaged communities. The current global economic crunch has led to a reduction of financial resources available from the donors and members of the public that support NGO work. Donors want to see a lot more innovation, impact and accountability among recipient NGOs. Thus NGOs such as Practical Action have to be more competitive in their unique selling propositions and cost-effectiveness in order to strengthen and sustain donor confidence and interest. Some NGOs are folding-up due to lack of funding as they fail to attain competitive advantage. This study applies McKinsey’s 7S model to explore the short-term and medium term options for enhancing the strategic alignment and business performance improvement of Practical Action Southern Africa (PASA). The results will inform and guide senior management to undertake the necessary organisational changes so that the organisation becomes more competitive in the NGO sector in Zimbabwe.

1.1 Background

The background presents a brief overview of the NGO sector, including the functional definition of the term NGO as used in this study. This section also puts PASA into context by giving detailed description of the organisation in terms of its origin, vision, mission and structure. The challenges being experienced by PASA are also presented.
1.1.1 General overview

The Private Voluntary Organisation Act (17:05, 1996) of Zimbabwe defines a non-governmental organisation (NGO) as a not-for-profit legal entity whose activities are for the benefit of the community, in line with the NGO’s objectives. According to Martens (2002) the NGO is defined and interpreted in various ways which sometimes are not consistent. NGOs can be defined in terms of their legal status (the juridical perspective) or in terms of their structure and function (the sociological approach). NGOs can broadly be categorised as either humanitarian or developmental, and also as International NGOs (INGOs) or local NGOs (LNGOs). For the purpose of this study, NGOs are defined as non-profit making civic society organisations whose activities are meant to enhance the delivery of social and economic development of a nation, especially focussing on the marginalised socio-economic groups or communities.

Although NGO missions and strategies are diverse, this paper specifically focuses on Practical Action Southern Africa, a developmental INGO, which is defined as an institution that operates on a non-profit basis, generally serves the public sector, and is engaged in long-term development work in line with the framework of international development agreements (Kareithi and Lund, 2012). NGOs deliver their services through different types of programmes, roles and functions (Nikkhah and Redzuan, 2010).

NGOs in Zimbabwe are funded through foreign aid by development agencies such as the United Nations Development Program (UNDP), the Food and Agriculture Organisation of the United Nations (FAO), GIZ institutional donors such as Department for International Development (DFID), European Union (EU), Australian Aid (AusAid), Canadian International Development Agency (CIDA) and United States Assistance for International Development (USAID), foundations such as the Ford Foundation, Big Lottery Fund as well as individuals. Most of the development money is disbursed through competitive bidding processes in which contracts are awarded to the most cost-effective and relevant proposal in line with the donor focus.
Over the past decade pressure has been increasing on NGOs to improve their effectiveness, efficiency and accountability in the delivery of their services (Fowler, 1996). In response to the changing donor financing mechanisms and demands by national governments, INGOs have been undergoing strategic and structural transformations in a bid to stay relevant and competitive. NANGO (2014) highlights the diversity of NGO activities covering thematic areas such as advocacy, children, youth and women, democracy and governance, disabled, economics, environment, gender, health, HIV/AIDS, human rights, research & development, and arts. Thus NGOs do contribute to the social and economic development of Zimbabwe. Schwenger, Straub and Borzillo (2014), highlight that some of the traditional principles of strategic management have not met the needs of NGOs. While the concept of value-for-money is now widely understood in the NGO sector, there is very little known on how NGOs strive to gain competitive advantage.

1.1.2 Background of Practical Action Southern Africa

This section gives the reader an idea of the global strategic mission of Practical Action as well as how PASA fits in this global structure. The strategic objectives, structure and geographical coverage of PASA are also presented in this section.

1.1.2.1 The vision, mission and organisational structure

PASA is a regional office for an INGO (Practical Action) whose head office is in the UK, where the Board of Trustees is based. Practical Action has regional offices in Southern Africa, Latin America, North Africa, East Africa and South-East Asia as shown in figure 1.1(page 14).
PASA currently operates in four countries (Zimbabwe, Zambia, Malawi and Mozambique) and is headed by a Regional Director who reports to the International Director (Policy and Programmes), who is based in the UK. The International Director reports to the Chief Executive Officer, who, in turn reports to the Board of Trustees in the UK. The Practical Action vision, mission and values are summarised in Table 1 below.

**Table 1.1** Practical Action Southern Africa's vision, mission and values

<table>
<thead>
<tr>
<th>Vision</th>
<th>Mission</th>
<th>Values</th>
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<tr>
<td>A Southern Africa region free of poverty where technology is used for the benefit of all</td>
<td>To promote access to sustainable technology in energy, water and sanitation, sustainable agriculture and livelihoods, and market systems that alleviate poverty.</td>
<td>We will adhere to Group values: justice, democracy, empowerment, diversity and sustainability. We will place emphasis on accountability to stakeholders in all our work.</td>
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The current regional office strategy (2012 -2017) was developed following a PESTELG and SWOT (Appendix 1) analyses in a process that engaged all the employees. It is however important to note that the new strategy is somewhat a transition from a ‘hard’ human resource management (HRM) model towards a ‘soft’ HRM model. The HRM framework at Practical Action attempts to apply the Choice HRM Model as described by Analoui (2002), which places emphasis on the role of employee relationships in determining team and organisational performance. Employee satisfaction is monitored by the quarterly application of a staff morale scalar survey whose results are integrated into the organisational quarterly reporting as one of the key performance indicators (KPIs).

PASA focuses on three programme areas, namely, Universal Energy Access, Sustainable Agriculture and Livelihoods, and Urban Water, Sanitation and Hygiene Education (WASHE) headed by qualified programme leaders. The Regional Director works directly with four heads of programmes, a business development manager, a monitoring and evaluation manager, as well as the finance and human capital manager (see figure 1.2 below) in delivering the regional strategy, fundraising and implementation of development projects.

![Practical Action Southern Africa Organogram](image)

**Figure 1.2 Practical Action Southern Africa Organogram.**

The performance of programmes is measured through agreed fundraising targets, beneficiary reach and impact, as well as the extent of influencing identified policies and practices.

1.1.3 Strategy delivery approach for Practical Action Southern Africa

Programme Leaders discuss with the Regional Director and agree on specific fundraising and growth targets for Zimbabwe, Zambia, Malawi and Mozambique. The Programme Leaders are responsible for the developing programmes of work through proposal development, partnerships and fundraising as well as supervising the delivery of projects through project managers (PMs). Project field activities are mostly executed through implementing partners (local NGOs) or, to a lesser extent, directly through field officers. A Senior Management Team (SMT) comprising all Programme Leaders and heads of support services such as Human Capital & Administration, IT, Quality Assurance, Finance and Fundraising and chaired by the RD meets every month to review technical progress and internal compliance processes. In the current strategy, Practical Action places emphasis on employee and team learning and development. Learning and development is understood to go beyond formal training and hence the organisation introduced the 70/20/10 concept (see Figure 3) which is premised on the recognition that opportunities for learning and development are varied, and that learning is best achieved through a combination of both formal and informal delivery.
Although there is no exact formula, the 70/20/10 concept provides a balanced basis for skills development and performance improvement through employee development opportunities that come through on the job activities and through learning from others.

In delivering its strategy, Practical Action monitors and evaluates its performance by measuring value for money, based on five key parameters, namely economy, efficiency, effectiveness, equity and sustainability. These are also briefly described in the strategy as:

- ‘Minimising costs of delivering contract and costs of running the organization.’
- ‘Effective use of resources (human, time, equipment).’
- ‘Timeliness, performance management.’
- ‘Exercising due diligence and prudence in service procurement.’
- ‘Demonstration of value for money in project designing and delivery’.

1.1.4 Some key challenges being experienced in the delivery of the strategy

Although the different programmes are focusing on the organisational mission, management has a challenge in achieving overall coherence and consistency in integrating all organisational values. Sometimes role conflicts emerge among support services such as Finance, Quality Assurance and Human Resources and Administration units, as well as counter-accusations with the programme teams when project activities are not completed in time.
Halfway through the current strategy the cumulative amount of funds raised falls far short of the planned targets, and the organisation is mulling a downward revision of its targets. This failure to raise funds has, in turn, led to the inability to reach planned beneficiary targets, as well as very limited progress on the policy and practice influencing objectives. Only the energy programme has made some reasonable progress while the agriculture and urban WASHE programmes lag behind. This calls for urgent catch-up planning in order to ensure that the strategic targets are realised.

Practical Action Southern Africa has persistently posted annual budget deficits over the past 3 years, mainly due to high administrative costs and unplanned project costs. This has led to over-dependence on unrestricted allocation of funds as underwritten by head office, which leads to less money available for research and development. The money allocated from head office has so far been made possible by support from a DFID Programme Partnership Agreement (PPA), which is likely to discontinue in the next two years. This calls for the need for Practical Action Southern Africa to urgently explore more sustainable business models.

Over the past three years PASA has also been failing to deliver projects in time, leading to donor dissatisfaction and pressure on the organisational resources (see figure 1.4). This has a negative effect on the image of the organisation among donors and other stakeholders such as government and communities, which may impact negatively on the fundraising and partnership development objectives.
The delivery of projects and contracts is the backbone of our business model. While many projects do go well, enough of them don’t and this is now affecting us in a number of ways including:

- Cash flow, (delays with overhead recovery).
- Lost u/res income is lost, (paying for staff time during “no cost project extensions”), and
- Quality & impact, (last minute rushed work is rarely good quality!).

In recognition of this challenge, improving our project delivery is one of four group priorities for the remainder of the Strategy Period.’

Source: International Director’s feedback report, December 2014

Internal audits conducted in 2010 and 2014 highlighted persistent weaknesses in the administrative system in Southern Africa as evidenced by poor procurement practices and poor quality reporting. Financial and management accounts have been submitted late and were of substandard quality, which always attracted numerous queries from head office.

The results of staff surveys have always shown low staff morale mainly due to poor staff relations, with most complaints against the conduct of some senior managers who tend to belittle junior staff and employ dictatorial tactics. If left unaddressed, Practical Action Southern Africa faces a risk of employee flight, and usually it is the more experienced and the good performers that get frustrated and leave. This issue has been on the risk register since 2010, and remains unresolved.

Feedback reports by Practical Action’s International Director (2013; 2014), underline the need to develop a viable business model which aligns with the strategy and eliminate recurrent budget deficits. Halfway through the current strategy, targets are way behind, with the office consistently posting annual budget deficits, failing to manage the wage bill, and not managing to deliver projects within contractual timeframes.
The Regional Director (RD) for Southern Africa resigned at short notice and left on the 18th of June, 2014. The researcher is the new Regional Director with specific assignment to review the Practical Action Southern Africa business model in a way that will show a positive financial situation and become more competitive in the NGO sector, as well as ensure cost-effective delivery of Practical Action’s strategy. Specifically the remit as stipulated by the International Director was to "Establish a revised staffing structure, and begin implementing a financially viable business model". Although this task is specific, it is necessary to take a broader analysis of the structural, operational dimensions and processes in order to effectively identify the critical problems and generate relevant and comprehensive suggestions for improvement. These concerns have motivated the researcher to perform a comparative review into how Practical Action is implementing its current strategy in order to identify areas for improvement in order to guide the current and possibly future leadership in guiding the effective delivery of the current and future strategies.

1.2 Statement of the Problem

The main research problem investigated in this study is that although Practical Action Southern Africa has made written commitments in its current strategy to make a 'step-change' in its overall performance, very little if any progress has been achieved as evidenced by recurrent budget deficits, failure to deliver projects in time, late submission of internal and donor reports and low employee morale. Successive internal audits (2010 and 2014) highlight the same areas of risk, which indicate limited or inappropriate effort being made to take corrective action. Practical Action Southern Africa itself has not conducted a detailed evaluation of its overall performance with a view to inform the necessary improvements that will ensure its future viability and sustainability. It is therefore imperative that an urgent review of the organisations’ strategic alignment and performance be undertaken to ensure that Practical Action remains in business in the medium term.
1.3 Research Questions

The comparative study will help answer the following research questions:

1.3.1 What external and internal factors have contributed to failure by Practical Action Southern Africa to meet its strategic targets?
1.3.2 Are the strategy, structure and systems effectively aligned and operationalised?
1.3.3 To what extent are the shared values, staff, skills and style effectively aligned and operationalised?
1.3.4 Are the performance indicators being used at Practical Action sufficient to guide management decision-making and business effectiveness?
1.3.5 What short-term and medium-term measures could be recommended to senior management to enable them to ensure realisation of strategic targets?

1.4 Research Objectives

This research will be undertaken in order to achieve the following objectives:

1.4.1 To gain insight into the external and internal factors inhibiting Practical Action Southern Africa from effectively achieving its strategic targets.
1.4.2 To evaluate the extent to which organisational strategy, structure and systems of Practical Action Southern Africa are aligned and operationalised.
1.4.3 To assess the alignment and effectiveness of shared values, staff, skills and style of Practical Action Southern Africa’s.
1.4.4 To assess the adequacy of business performance indicators used by Practical Action Southern Africa in guiding its decision-making and performance.
1.4.5 To identify short to medium term interventions for improving overall performance of Practical Action Southern Africa.

1.5 Research Proposition

The theoretical proposition of this study is that Practical Action Southern Africa’s failure to attain its desired strategic alignment and improve overall organisational performance is due to non-conformance with the principles of McKinsey’s 7S model.
1.6 Scope of the Study

The primary target of this study is Practical Action Southern Africa, which is based in the Harare, the capital city of Zimbabwe. This study is partly cross-sectional as it compares Practical Action Southern Africa with three other INGOs with offices in Harare. The targeted comparator INGO were purposively selected based on the similarity of their fields of work to Practical Action. A longitudinal assessment of the performance of Practical Action Southern Africa, from 2009 to 2014 is also conducted through reviewing of secondary data. The key informants for this study were senior executives in these INGOs were interviewed. Where possible the strategy documents and organisational performance reports were reviewed. The work analysed the organisational strategies, structures and business performance in relation to attainment of the planned strategic objectives.

1.7 Justification of the Research

There is need to improve the complementary contribution by NGOs to the economic development of Zimbabwe and other developing countries. This research provides an insight on how NGOs can enhance their developmental impact through increased cost-effectiveness, looking at their strategies, structures, systems and business operations. This study will also inform donors and government on how better NGO performance can be evaluated, beyond the project–community interface as alluded to by Kareithi and Lund (2012). Increasing the cost-effectiveness of NGO operations can free-up financial resources that can be better deployed to reach many more needy communities, thereby effectively complementing the meagre resources within developing economies such as the case with Zimbabwe. Improved business performance of NGOs presents an opportunity for them to begin to create strategic partnerships with private sector through corporate social responsibility financing.

Some NGOs are reportedly closing down, while others are downsizing, thereby contributing the high unemployment levels in Zimbabwe. Unless they adapt and implement improved business models, NGO effectiveness in complementing government efforts towards attainment of development goals remains very weak. This work provides insights into enhancing the strategic leadership and performance of
Practical Action Southern Africa. NGOs are currently under pressure from donors and national governments to transform their business models to become much more cost-effective, including the need to work in partnerships with private sector. This research will inform NGOs to become more cost-effective thereby delivering value for money on donor funds as well as add positive value to the national economic development.

Unless NGOs demonstrate tangible value addition to the economic and social development of the nation, they will continue to be regarded with suspicion and criticism by governments and other development agencies. It is therefore necessary to undertake studies into NGO operations and effectiveness in order to increase understanding of their role as well as explore ways of improving their effectiveness. Currently there is very little research on NGO performance in Southern Africa and Zimbabwe in particular. According to Lunenburg (2012), there is limited research work done to understand the interface between strategy, organisational structure and systems. Hence this work will contribute to knowledge on how McKinsey’s 7S model can be applied to improve business performance among NGOs.

This work directly contributes directly to the strategic improvements that are urgently required to enable Practical Action Southern Africa to re-align itself with its strategic intent. This study also contributes to the body of knowledge on understanding the organisation of NGOs. Lastly, this work will enable the researcher to fulfil the academic requirements of the Graduate School of Management as part of the Master in Business Management qualification.

1.8 Limitation of the Research

The findings of this research are context-specific and may not be applicable to other INGOs or countries as the study focused on a limited number of purposively selected INGOs. Data collected from interviewed senior managers may be influenced by the value systems and interpretations of both the respondents and the researcher. However, the evidence was useful in informing the Practical Action Southern Africa management on possibilities for improving the strategic alignment and business performance of their organisation.
1.9 Conceptual Framework of the Study

A conceptual framework is a diagrammatic representation of the link between theory and the objectives of the research. It is a broad view of the study which informs the research design, by positioning the key research question within current theory. The researcher developed the conceptual framework of this research as presented in figure 1.5 below.

![Conceptual Framework Diagram]

**Figure 1.5 The conceptual framework of the research**

Fowler (1996) reports an increasing trend by NGOs to demonstrate accountability and performance, in response to stringent aid requirements, the international debate on
whether NGOs really perform better than governments, and the need for NGOs to evolve and transform in line with the ever-changing operational environment. The ‘non-profit’ nature of NGOs and the aid delivery mechanisms are key challenges for NGOs as they make efforts to demonstrate programme effectiveness as well as value for money. Some of the weaknesses levelled against NGOs include annual recurrence of a budget deficits, unclear and ineffective budgetary allocations, inappropriate organisational structures, inefficient business systems and processes. However there is a paucity of research into the nature and efficacy of NGO strategies and structures in relation to their performance.

1.10 Structure of the Dissertation

The first chapter of this dissertation reviews the definitions of NGOs and identifies an operational definition relevant to this research. A background of the roles, operations and challenges of NGOs in general and Practical Action Southern Africa in particular is presented, which leads to the articulation of the research problem as well as the research objectives. Based on the research objectives, this paper poses the research questions and delineates the scope of the research, and guide the development of the conceptual framework. The significance of this research is presented in terms of its contribution to the social, economic and academic development in Zimbabwe.

Chapter two presents literature review, guided by the key concepts, particularly focusing on McKinsey’s 7S model, as well NGO performance in relation to effectiveness and efficiency. This chapter reviews how NGO strategies are formulated and also describes and evaluates some of the common business models being implemented by NGOs. Factors influencing NGO performance and how NGO performance can be assessed are also reviewed.

Chapter three begins by outlining the research methodological framework in relation to the research philosophy and paradigm. The research methods and tools are identified and justified. The research site and sample are identified and justified, including the attendant advantages and disadvantages. Methods for collecting and analysing data are described, with the limitations identified. The chapter concludes
with how ethical issues were considered and mainstreamed. Chapter 4 presents the summaries of data analysis, results of the research, testing of the research proposition and discussion. The dissertation ends with chapter 5 which presents the research conclusions, the validation of the research proposition, recommendations and suggested areas for future research. The list of references is presented using the Harvard style. Relevant tools and source documents such as the questionnaires and sample of introductory letter and sample of data analysis by SPSS are appended.

1.11 Chapter Summary

Over the past two decades there has been increasing pressure on NGOs to be more cost-effective in the delivery of their humanitarian and development work. This comes as a result of concerns that hunger and poverty continue to increase in developing countries, despite the billions of dollars committed through both NGOs and governments, as well as increasing economic pressure within the donor country economies. In Southern Africa in general and Zimbabwe in particular, there is very scanty research conducted to validate whether and how NGOs have been responding to the call to improve their effectiveness and efficiencies. This chapter specifically develops the case for Practical Action Southern Africa, with a view to guide the field work and analysis, which will generate some short to medium term options for its senior management to improve their organisational business performance.
CHAPTER TWO: LITERATURE REVIEW

2.0 Introduction

This chapter presents findings from literature on key concepts that define the framework of the research. It begins by presenting the definition of NGO as found in literature, so as to demonstrate the salient differences between NGOs and private companies. These differences may have implications on the measures of performance as well as the recommendations to improve the business performance of Practical Action Southern Africa. The chapter also presents an in-depth review of the current theoretical understanding of the key concepts of this study, guided by the conceptual framework in figure 2 above as well as the summary concept of the research design (Appendix I).

2.1 Defining NGOs and their Roles

The term, NGO, was first used at the end of the Second World War in 1945 as the United Nations (UN) sought to make a distinction in its Charter between the rights to participate by specialised agencies of government and the international private organizations (United Nations Economic Commission for Europe, 2006; Allard and Martinez, 2010). According to the UN, any private organisations that are independent from government are regarded as NGOs. Their membership can be made up of individuals, groups, communities or organisations at community, national or international level; but, in the strict sense, will not include government officials. Although NGOs can be professional in orientation, they promote the common good, and never for-profit.

NGOs are primarily financed by private donations, and hence independent from government, although they can receive limited financial support from government. Being legal entities, NGOs are formal organizations with constitutions and structures that enable them to provide services. Their structures include head offices, field offices and permanent or contract-based staff. INGOs, unlike local NGOs usually
have their headquarters in the developed countries, with their country or regional offices operating in developing countries.

2.2 The strategic objectives of development INGOs

The NGO sector (also called the third sector) developed as a response to the need to make national and regional development programmes and services more effective (Girdon, 2010). This development was in realisation that most government programmes and services were largely top-down and failed to reach the intended segments of the population. Hence the emergence of NGOs brought with it diversity of development options and pressure on governments by strengthening the voices and representation of the disadvantaged communities (Alessandrini, 2011). Thus the efforts of most NGO are meant to complement the community development and poverty reduction development plans of governments. INGOs mobilise financial and technical resources from developed countries to support development work in developing countries, usually working in partnership with the respective governments and local NGOs.

2.3 Some main external factors affecting INGO performance

Over the past two decades, the pace of change in the NGOs’ operating environment is faster than ever before, (Saif, Razzaq, Rehman, Javed and Ahmad, 2013). INGO organisational behaviour is influenced by both, the external and internal environmental factors, mainly the national regulatory environment, the donor or aid rules and regulations, its strategy, management and organisational culture. Just like in the private sector, mangers in INGOs will need to create enough time to work with employees so that they understand uncertainties and effectively participate in organisational change, to ensure timely and relevant response to the ever-changing environment. To this end, it is imperative that managers should have the requisite skills and necessary expert support to manage change.
2.3.1 National regulation

NGOs are emerging as key vehicles for delivering social services and environmental management particularly in developing countries such as Zimbabwe and, more so, where states are failing. Their roles has included the influencing of policy and practice in an attempt to ensure reach to and uplifting of the wellbeing of disadvantaged communities (Allard and Martinez, 2008). Donors deliberately channel development aid through NGOs, usually in light of issues of bureaucracy, corruption, accountability, honesty and transparency, especially in countries such as Zimbabwe where political risk and corruption are rated highly.

Government laws and regulations influence the conduct and effectiveness of NGOs by allowing, enhancing or prohibiting specified processes and activities (Bloodgood, Tremblay-Boire and Prakash, 2013). For example in Zimbabwe an NGO has to seek state approval to conduct a meeting with a group of farmers. More often such procedures tend to lead to delays in the execution of planned project activities, thereby compromising delivery and effectiveness. Governments could also enforce regulations that restrict or allow NGOs to access different types of funding such as money from trusts, foundations, government grants, or to engage in income generating. On the other hand, in more democratic states government regulations have been seen to enabling environment for NGOs to participate in national socio-economic debates, or even access some funding from government.

The effectiveness of NGOs in promoting good governance, citizen participation and social inclusion largely depends on the willingness of national governments to embrace these global best practices. According to Lawrence, Hardy and Phillips (2002), non-democratic governments tend to impose restrictive measures on NGO activities, thereby suffocating the potential for creativity, innovation and effectiveness of programme delivery. In more open states some NGOs have been reported to have effectively monitored and challenged specific development policies and agreements, leading to improvements that have benefited the wider communities (Doh and Teegen, 2003). Governments and private sector have been pressured to mainstream ethical considerations for the health of the environment and citizens. Allard and
Martinez (2008) observed a strong positive correlation between the business-society-government nexus and foreign direct investment inflows. In this equation NGOs play an important role in strengthening the self-confidence and engagement of communities or society. But in autocratic states NGOs are not able to effectively play this role due to restrictive regulations imposed by governments. Governments usually impose restrictions through legal statutes such as the PVO Act [Chapter 17:05] of Zimbabwe or the NGOs Act in Kenya.

2.3.2 Donor rules

Edwards and Hulme (1996) observe that the ‘New Policy Agenda’ for international development encouraged donors to fund NGOs on the assumption that they are champions of good governance. Donors also prefer to channel their aid through NGOs rather than support the central national budget as they believe that delivery of development work, especially in Africa, through NGOs has lower costs of transaction than through government systems (Woodcock and Garinger, 2001; Peterson, 2010).

Donors may also prefer to work with NGOs based on their own political decisions and not necessarily because of the economic considerations. In more open states donors prefer to support the central budget relative to NGOs. In such situations some governments such as Mozambique and Zambia will then engage some NGOs through their tender procedures to deliver specific programmes on behalf of government. Although this mechanism is scantily researched, there are reservations that NGOs that receive official funding tend to have less effective performance and weaker accountability as their autonomies are compromised compared to NGOs that do not get government grants.

2.3.3 Global economic situation

The global economic crisis has seen a reduced but more consolidated flow of donor funding as donor countries concentrated more on efforts to stabilise their own national economies. This essentially means less budgetary allocation to foreign aid by the donor countries through their overseas development institutions such as DFID,
USAID, AusAid and the EU. This development has seen increased demand by donors for improved accountability and value for money from NGOs (Lekorwe and Mpabanga 2007). This demand, in turn, has put pressure on NGOs to review their delivery models in order to achieve expected cost-effectiveness.

2.3.4 Political situation

However, in countries that are more politically stable such as Mozambique and Zambia, more aid money comes as central budget support. In these countries may deliver some of the social and economic development projects through NGOs and private sector, with government playing more of regulatory roles. In Zimbabwe there have been cases where NGO work was suspended as a result of suspicions and mistrust by government, especially in the runner up to national elections. In some cases some anticipated donor funding has taken longer than usual to come to reality due to prevailing or perceived political uncertainties.

2.4 Key internal factors influencing INGO performance

There are a number of internal organisational factors such as availability of expertise, employee involvement, leadership, performance management and accountability which contribute the ability of NGOs to achieve their objectives (Girdon 2010; Alessandrini 2011). Thus managers need to be fully aware of the internal determinants of their organisational performance and manage them judiciously for the attainment of their strategic objectives. A comparative studies by Okorley and Nkrumah (2012) found that organisation material resources were less critical then Leadership.

Although operating on non-profit basis, NGOs are governed by boards, whose members are recruited by nomination or by volunteering. They are managed by CEOs or Directors, depending on their sizes. NGOs are guided by their missions and medium-term strategies, and their finances are audited annually. This section reviews some of the key internal factors that influence organisational performance using McKinsey’s 7S model(cited in Waterman Jr., Peters and Julien, 1980), which provides a comprehensive tool in assessing or determining the business viability and
sustainability of an organisation. The 7Ss which are namely the strategy, structure, systems, staff, skills, shared values and style are discussed below.

2.5 How INGOS strive to gain competitive advantage

The competitive advantage concept states that organisations can choose among three strategic options which are cost leadership, product differentiation or growth focus in order to attain competitive advantages: (Schuler & Jackson, 1987). According to Li et al (2009), it matters whether the organisation adopts differentiation or cost-reduction strategic tactics. The Cornerstone Blue Ocean strategy (Kim and Mauborgne, 2005) encourages a simultaneous combination of value creation and cost-reduction. Although these strategies are prescribed to private sector, in many ways it applies to NGOs as they seek to attain and sustain their competitive advantage in the face of increasing competition for dwindling donor finances. This is because the main sources of NGO financing are through competitive bidding, and key donors now place emphasis on innovation and value for money.

2.5.1 Growth focus

An organisational growth strategy can be defined as ‘…..the means by which the organization plans to achieve its objective to grow in volume and turnover’ (Leminen and Westerlund, 2012). The growth strategy itself can be viewed in various forms which include expansion of current business, development of new business, downsizing, turnover or radical innovation. Some of the key factors necessary for growth to take place include the growth ambition, leadership, strategic intent and capability (Gandossy, 2005).

Growth focused NGOs can gain competitive advantage by expanding their operations over larger geographical areas in a bid to achieve impact at scale, or by increasing the portfolio of their services and products. This appears to be the strategy used by the big INGOS such as the International Red Cross, CARE International and World Vision. Geographic enlargement can be achieved by organic growth or through strategic partnership with other NGOs, with government and with private sector. NGOs can achieve economies of scale by partnering with like-minded groups or acquiring them.
For example Christian Aid has partnered with Norwegian Church Aid and Dan Church Aid to form the ACT Alliance to implement development projects in Zambia. The Danish Association for International Cooperation has combined operations with Action Aid across Africa. NGOs are under increasing pressure to demonstrate and promote commercially viable projects among communities; this presents possibilities for greater collaboration with private companies.

### 2.5.2 Product or service differentiation

Differentiation is defined as the superiority of a firm’s brand or service over its rivals due to a unique feature or set of features that will make the brand more preferred by customers (Sharp & Dawes, 2001). Schwenger, Straub and Borzillo (2014) recommended that NGOs should narrow-down their scope of focus and invest in specialised skills that are difficult to imitate if they are to become more competitive. In Zimbabwe and internationally, some NGOs have become well-known for focusing their services on very specific specialised areas such as organic farming, technology brokering, human rights, rural micro-financing or health. These are NGOs such as Foundations for Farming, Zimbabwe Organic Producers Association, Participatory Ecological Land-use Management Association and Médecins Sans Frontières (MSF). These tend to be relatively smaller and enjoy less competition for funding. Large NGOs may gain by pooling their resources and working together with other NGOs and private organizations.

The product or service represents the unique selling proposition for the organisation. Nilssona, Johnson and Gustafsson (2001) conducted a nationwide assessment of 482 companies in Sweden and found that quality of internal practices was key for product enterprises, and had a strong influence on customer orientation, and business performance. For organisations delivering services, their degree of orientation to process and customers directly impacted on business results. Al-alak and Tarabieh (2011) attributed the effect of customer orientation on enhancing organizational performance to innovation and market differentiation. In addition the study found that innovation had a stronger effect than market differentiation, while a combination of both was better than that of either factor. These findings underscore the superiority of
the Blue Ocean Strategy to service provision by NGOs. Ambroz and Praprotnik (2008) highlight the importance of adaptability in meeting customer satisfaction. Adaptability enhances the effectiveness of service delivery, and thus it strengthens the competitive edge of the service organisation. Thus NGOs such as Practical Action are encouraged to adopt a culture of continuously scanning the environment, gathering intelligence from customers, suppliers, competitors and regulators and effectively analysing it to formulate new or improved innovations that are relevant, value adding and appealing to donors, communities and governments.

2.5.3 Cost reduction

Cost-reduction is a business strategy that seeks to maximise competitive advantage through innovative ways that increase creativity and efficiencies in production, distribution and customer services thereby offering the best value for money to customers. Organisations that successfully implement the cost-reduction strategy are usually associated with the Blue Ocean strategy. Kim and Mauborgne (2005) developed and advanced the ‘Blue Ocean Strategy’ as an approach that capacitates organisations to offer superior products and service to customers through enhanced innovation and cost-reduction, making competition irrelevant. Thus the Blue Ocean Strategy is the opposite of the traditional ‘Red Ocean Strategy’, which represents the current conventional business model. The Blue oceans strategy’s goal is to modify a product/service and establish a new market space by targeting new potential customers. In this market space, the competition will be irrelevant which will give a competitive advantage.

2.6 The change models commonly used by organisations

The most commonly applied models for managing change in organisations are Lewin’s change management model, Kotter’s 8-step change model and the McKinsey’s 7S model.
2.6.1 Lewin’s change management model

In the 1950s Kurt Lewin developed this change management model after observing that most people preferred to work within some identifiable stable conditions. According the Lewin, people tend to establish and get used to a specific culture of working. So the first step in initiating change in an organisation is for managers to ruffle this comfort zone. Thus management needs to motivate employees by creating the urgency for change. This is referred to as the ‘unfreezing’ phase. Once employees are ready for the change, the next stage is to implement the desired changes. During this ‘transition’ phase, managers must ensure that all employees are effectively supported and are part of the process. Success of the transition depends on the extent to which workers share the same values and work towards a common purpose.

When all the planned changes are effected and accepted by employees, mangers need to put in place mechanisms and systems to ensure that the change is sustained. This third and final step is the re-freezing phase. Thus Lewin’s model of change management is described as the ‘unfreeze-change-refreeze’ model. Quite a lot of organisations find this model very easy to implement, hence it is a widely preferred model. It is however criticised for being too simplistic as change does not always happen in a linear fashion.

2.6.2 Kotter’s 8-step change model

The 8-step change model by Kotter is more of an expansion of Lewin’s model into eight steps as listed in table 2.2 below. It places emphasis on the importance of employees to understand and accept the need for change.

<table>
<thead>
<tr>
<th>Table 2.2 Kotter’s 8 step model</th>
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<tbody>
<tr>
<td>1. Increase the urgency for change.</td>
</tr>
<tr>
<td>2. Build a team dedicated to change.</td>
</tr>
<tr>
<td>3. Create the vision for change.</td>
</tr>
<tr>
<td>4. Communicate the need for change.</td>
</tr>
<tr>
<td>5. Empower staff with the ability to change.</td>
</tr>
<tr>
<td>6. Create short term goals.</td>
</tr>
<tr>
<td>7. Stay persistent.</td>
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<tr>
<td>8. Make the change permanent.</td>
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</tbody>
</table>

Source: Adapted from Appelbaum, Malo and Shafiq (2012)
According to Appelbaum, Malo and Shafiq (2012), the appreciated advantages of Kotter’s model are that it provides an easy-to-follow procedure, and it places emphasis on preparing people for the change and helps them to cope with the change. Thus it makes the change process easier. However the weaknesses highlighted about Kotter’s model are that the steps must be followed religiously and that it will require a lot of time to complete the process.

### 2.6.3 McKinsey’s 7S model

Waterman, Peters and Phillips (1978) developed the McKinsey’s 7S model that is believed to be more holistic in guiding organisational change management, as presented by figure 2.6 below. This model suggests that the organisation should be viewed through seven components which are further classified as the hard Ss (namely the strategy, structure and systems) and the soft Ss (the staff, shared values, skills and style). The key perceived advantages of the McKinsey’s 7S model are:

- It is a good basis for managing organizational change.
- It provides a systematic framework that enables managers to analyse and better understand their organizations.
- It is a good balance of people components (the soft Ss) and structural parts (the hard Ss).
- There is clear articulation of the linkages and syllogism among all the components (see figure 2.6), which must be manipulated in a coordinated manner in order to maximise the benefits of change.

The McKinsey’s 7S model has been criticised for being rather complex and cumbersome in that all its parts are interrelated. Therefore many managers may not be conceptually comfortable to adopt it.
Despite the highlighted shortcomings, McKinsey’s 7S model offers an opportunity for managers to think and act beyond the general systems theory towards the complex systems approach (if used with other tools), which seems more appropriate in the current dynamic operational environment.

McKinsey’s 7S model was successfully used in the review and turnaround strategy for Kenyan Airways, and the application of the concept saved the national airline from the brink of collapse (Fleisher and Bensoussan, 2007; Mokaya, Wakhungu and Gikunda, 2012).

2.7 McKinsey’s hard Ss

Previous research asserts that success in realising an intended strategy depends on the match between the strategy, the organisational structure and its business processes (Schaap, 2006). The strategy, structure and systems are referred to as the ‘hard Ss’, as they collectively form the limits within which the organisational strategy is delivered. The hard Ss are described and discussed in detail below.
2.7.1 Strategy

Miles and Snow (1978) view an organisation’s strategy as the how the organisation has decided to tackle its problems focusing on innovativeness as well as its administrative and operational effectiveness and efficiency. Innovativeness addresses the capabilities of the organisation to gain and sustain the targeted share of the market. Armstrong (2009) emphasises the importance of innovation as a key driver of service differentiation, cost reduction and quality. Operational effectiveness refers to how the organisation develops and supports innovation. Miles and Snow (1978) observed that different companies tended to come up with very similar strategies; which they used to classify the companies into four basic categories, namely the reactor, the prospector, the analyser and the defender.

For directors of strategic business units in international organisations the challenge is to be able to customise the international strategy and oversee its effective and efficient delivery through appropriate organisational structure and processes. According to Peterson (2010) the key to success is how to make prudent strategic choices that ensure effective attainment of the strategic intent. At the regional or country level the INGO must be able to develop and implement a customised strategy that effectively meets the strategic expectations of the board as well as the regulations of the national government. Thus strategic customisation requires alignment to the local socio-economic environment while maintaining the international strategic focus. At the same time the local director is expected to deliver impact at scale through the development and implementation of a financially viable business model, with an annual balance sheet of zero or slight surplus.

2.7.2 Structure

Greenberg (2011) defines organizational structure as the ‘formal configuration between individuals and groups regarding the allocation of tasks, responsibilities, and authority within the organization’. Thus structure in NGOs refers to how individuals and teams are organised with clear roles, responsibilities and authority relationships in an attempt to maximise overall organisational performance and output. International
NGOs are structured as federations, covering many countries or several regions, with each country or regional office operating as a strategic business unit, managed by a Country or Regional Director. The Country Director reports to the International Director or the CEO. Senior managers may exert their personal interests in determining the structure and systems of the organisation (Li, Guohui, and Eppler, 2009), thus impacting on the extent to which organisations goals are achieved. The ultimate structure and business processes become a compromise between the strategic intent and agency influence.

According to Corkindale (2011) a poor organizational structure often leads to contradictions or role conflicts, ineffective co-ordination between functions, no sharing of ideas, and slow decision-making, and overall poor organisational performance. Sometime top management are unaware of these problems or, are stuck with them as they do not know how to resolve them. Gandolfi, (2009) highlights the general misunderstanding on the justification and processes of downsizing.

Mintzberg (2009) and Lunenburg (2012) highlight that organisational structures can be classified as simple structure, professional bureaucracy, machine bureaucracy, divisionalised form or adhocracy, depending on the core structure, extent of decentralisation, key coordinating mechanism. A review by Achcaoucaou, Bernardo, and Castan (2009) and analysis by Tran and Tian (2013) revealed that organisations that internationalised a prescribed set of values tended to have more complicated structures than those that did not.

2.7.3 Systems

The generic definition of business systems or processes is ‘a collection of various tasks which produce an output’, (Bititci and Muir, 1997). This definition is derived from the general systems theory which is discussed in sub-section 2.7.3.1 below. The organisational system can also be viewed as the sum total of interactions between the various parts (or sub-systems) and processes which collectively define the organisation (Capps and Hazen, 2002). They refer to all the formal and informal policies and procedures that guide and allow the organization to function including government or international regulation, consumer demands, the political environment,
information systems, capital budgeting, procurement, training, accounting systems, financial reporting, payment systems, human resources systems and resource allocation. Complexity theory has also emerged as an alternative to the general systems theory as discussed in sub-section 2.7.3.3 below.

2.7.3.1 The General Systems Theory

The first proponent of what is now referred to as the general systems theory, Bertalanffy in the 1940s, identified different categories of systems based on some common and distinct patterns and processes (Capps and Hazen, 2002). Boulding (1956) used the distinctive features of organisational systems to propose a hierarchical framework with nine systems classifications which managers could use to understand organisational systems and predict outcomes due to possible changes in any of their parts or the environment. According to the general systems theory organisational systems can either be closed or open. The closed systems view suggests that the overall organisational behaviour and performance is largely determined by its internal factors and the external environment has no influence. On the other hand, the open systems approach recognises the importance of the external factors and that the success and survival of organisations is a function of its resultant response to the environment. According to Shafritz and Russel (2005) any changes that take place in an open system or its sub-system or in its environment will influence the effectiveness of all other parts of the organisation. Thus the general systems theory is based on the concept of ‘input-throughput-output’ developed by the natural sciences (Capps and Hazen, 2002; Yoon and Kuchinke, 2005).

2.7.3.2 Criticism of the general systems theory

Beeson and Davis (2000) argue that the general systems theory is premised on the notion that organisational management is centrally controlled and that managers can easily manipulate any part of the system in order to achieve strategic objectives. However managers are not always able to control change as they are unpredictable external factors. According to Yoon and Kuchinke (2005), the systems approach does not enable managers to know how and when the different types of sub-system interactions within the organisation, or between the organisation and its environment...
should happen. It does not guide managers on how to handle emergent conflicts. Fioretti and Visser (2004) also state that the theory presumes that there is a clear boundary between the organisation and its environment; yet it is usually difficult to delineate and define the system itself. In reality the environment, team compositions and their roles or tasks are not static. It is not easy for managers to identify which parts of the system to manipulate for the desired benefit of the organisation (Stewart and Ayres, 2001). Kast and Rosenzweig (1973) conclude that organisations and their business environments are not akin to natural systems. The organisational systems are social constructs that are created by man and are mostly partially open or closed.

2.7.3.3 The Complexity Theory

Given the reservations expressed on the efficacy of the general systems theory, researchers and practitioner seem to be shifting towards exploring more transformative approaches that enable organisations to be more agile and succeed in more complex and dynamic operational environments. This has led to the advancement of the complexity theory which views both the organisation and its environment as a complex adaptive system (Morel and Ramanujam, 1999; Price, 2004). According to Mason (2007), complexity can be defined as the relative variety of the internal organisational sub-systems or components of the organisation’s environment. This diversity is dynamic in space and time.

Complexity theory states that there is a non-linear relationship between changes that occur at subsystem level and the resultant outcomes at macro-level (McKenzie and James, 2004). Each part or sub-system responds to change in its own interest. However the aggregate reactions of the parts determine the overall direction in which the whole organisation will move (McKenzie and James, 2004). Complex systems tend to be partially stable as their inertia toward disorder is dissipated among its parts. As the system becomes more complex, it becomes more difficult for managers to understand and predict (Mason, 2007). According to Price (2004), systems that are operating at the verge of chaos tend to demonstrate more creativity and innovation than the more stable ones. This is also evidenced by the new ways of doing business which emerged during the economic crisis in Zimbabwe. This theory has led to the development of the concept of ‘complex adaptive systems’ to denote organisations
that demonstrate intelligence capabilities to identify and mobilise relevant information from their environment, and use the information to survive and thrive in changing environments (Mason, 2004).

A case study conducted by Elragal and Al-Serafi (2011) revealed positive contributions in firms of using enterprise resource planning on their business performance. Systems need to be well defined and continuously improved in order to maximise efficiency and effectiveness. Morrison, Menzis, Koliadis and Ghose (2009) emphasise the importance of business process management by senior management, through procedures of process integration to maximise efficiency.

It is also critical to note that employee productivity is affected by the workplace environment (Chandrasekar, 2011). Most workplace environments are reported to be sub-optimal with, inadequate lighting, unsuitable furniture, poor ventilation, noise, and lack of protective equipment.

2.8 McKinsey’s soft Ss

As already highlighted above, the soft Ss essentially refer to the human capital issues, namely the shared values, staff, skills and style. Research by Vlachos (2008) confirms the validity of shared values, style and skills as enhancers of organisational performance. McKinsey’s soft Ss are reviewed in detail below.

2.8.1 Shared values

Shared values are commonly agreed commitments towards the mission of the organisation. According to Weiner (2009), the preparedness of an organisation to change takes place through a multiplicity of dimensions. The need for change should be shared among the different stakeholders such as the shareholders, employees, management, customers and government. The success of a change process is partially a function of the extent to which individuals and teams contribute to the concerted commitment and capabilities.
Senior managers need to have a good understanding of the importance of the relationship between leadership style, organizational culture, and job satisfaction. The author concurs with the view of Bourne & Jenkins (2013) that there are different forms of organizational values, namely espoused, attributed, shared and aspirational. Paarlberg and Perry (2007) state that while the management of shared values is a social process it is important for management to create an amenable environment that fosters the necessary social interaction in order to motivate employees. Middle managers play key roles in using formal management systems to integrate the organization's strategic practices with values that derive from employees' societal, cultural, and religious experiences. There is no silver bullet on how managers can maximise the establishment of shared values among employees.

2.8.2 Skills

Skills are competencies or specialised abilities of individuals and teams of the employees working for the company. Barney and Wright (1997) assert that forms that invest in a good balance of both general and specific skills have greater potential for sustainable competitive advantage. Aragon-Sanchez, Barba-Aragon and Sanz-Valle (2003) assessed a wide range of enterprises in Europe and reported positive correlation between training activities, including training on-the-job and in-service training and organisational effectiveness and profitability. Thus organisations that do not prioritise employee professional and industrial skills development stand to lose their competitive edge (Mukasa, 2006).

One avenue to sustained competitive advantage is to focus on developing a firm specific skill base within an organization because these skills cannot be easily duplicated by competitors. Training and development for employees is necessary to upgrade them for the needed modern skills to perform to the expected standard in order to gain sustainable competitive advantage in the face of global competition. It is important that the organisation should have the requisite core skill sets that are relevant to the production of its quality products and services. Both the individual and team skills need to be continuously developed. Organisations that invest in planned skills development tend to perform better than those that do not.
According to Mullins (2002), managers should strive to ensure that employees are continuously trained and developed so that they are skilled or multi-skilled enough to contribute towards the strategic objectives of the organisation to the fullest. Rust and Florence (2012) note that most organisations fail to institute effective skills development programmes as evidenced by very weak post-training support and monitoring. Continuous training and development of employees is necessary to enable the organisation to maintain its capability to adapt to the changing business environment. Fox (2003) highlights that employee skill development should not be seen as a stand-alone cost centre, but rather as part of the value creation process which is integral to the strategy of the organisation.

### 2.8.3 Staff

Staff are the people in an organisation. Individual attitudes influence how people relate to each other, which ultimately will contribute to the level of aggregate production. The human resource aspect of the internal control was found to be applied inconsistently from organisation to organisation. Research conducted by Ngwenya (2013) in Zimbabwe revealed inconsistencies in the human resource internal control management of NGOs. However, Wright and Snell (2005) highlight that this observation should be normal, as the way HRM principles are applied is bound to differ according to the contextual realities of each organization, given its strategy and business culture. Nuno and Nelson (2012) assert that if the value, rarity and inimitability of human resources are harnessed appropriately, the organisation will maximise its competitive edge. Human capital is increasingly being recognised as the most important resource in an organisation.

Markos and Sridevi (2010) raise the importance of employee engagement and state that it has a positive correlation with organizational performance. This emphasises the critical importance of the quality of relationship between the employer and the employee. If employees are appropriately engaged, they tend to develop emotional attachment to the organization and are likely to contribute beyond the normal call of duty.
2.8.4 Style

Style can be defined as the culture of doing business. Leadership style in an organization plays a significant role in enabling or retarding the interest and commitment of employees in the organization. Burke, Stagl, Klein, Goodwin, Salas and Halpin (2006) found out that the performance of teams of employees were significantly associated with the conduct of their leadership.

Traditionally, the common paradigm on leadership has been associated with an individual heading the organisation and whether that individual is democratic or autocratic in behaviour. More recently this view has been questioned by researchers (Pearce, Manz and Sims JR., 2009) who suggest that leadership should be devolved or shared across the organisation. This is because leadership attributes and abilities are not fixed in a few individuals (Harris, 2008). Thus the new thinking is that leadership needs to promote employee participation and be more democratic in order to promote shared ownership and responsibility.

Management often has to review and adjust their leadership styles in order to promote productive employee relations that enhance the job satisfaction of employees, (Tsai, 2011). Employees are affected by what their leadership spend their time on and how they make decisions. It also refers to the personality and the pattern of actions undertaken by executives. Employees may be engaged in a lot of non-productive meetings, or leadership may take too long to make necessary strategic decisions. Bureaucratic leadership tends to retard the pace of organisational change and may stifle collaborative behaviour among individuals and teams. Different managers may have different leadership styles depending on their training background as reported by Bertrand and Schoar (2002) that senior management with MBA degrees tended to employ effective strategies than those with lesser qualifications.

2.9 Methods for evaluating INGO performance

Kanter (1979) and Drucker (1990) applied different analytical methods to identify the basic principles of assessing the performance of NGOs. They both concluded that:
• Measurement and interpretation of performance is context specific. Hence the findings may not be directly applicable in different geographical locations or sub-sectors.

• Performance standards should be derived in relation to various stakeholders affected or affecting the organisation. Shareholders and all relevant stakeholders should articulate their expectations.

• Key questions are critical to assessment process. These are guided by the strategic objectives of the organisation, and stakeholder expectations.

• The impact of the organisation’s services must be validated, recognised and accepted by all relevant stakeholders.

Fowler (1996) concurs that evaluators must consider standards and factors that stakeholders would use when making their own judgements. This is now a commonly used approach. Lecy, Schmitz, and Swedlund (2012) suggested that the evaluation of NGO effectiveness should focus on specific thematic areas such as management, external environment, projects, partnerships and networks. Meijaard, Brand and Mosselman (2005) also highlight the importance of structure and innovation. This was also confirmed by Yang and Hsu (2010) whose analysis of 175 Taiwanese firms found that adaptability culture was positively influenced by strategic and structural factors, but was not significantly sensitive to information technology alignment.

As emphasised by Peterson (2010), the agency theory offers a good opportunity for senior management to strengthen the relationship with communities and other key stakeholders through activities such as environmental protection, employee morale improvements, and completion of all planned work.

Most major donors, foundations and development agencies demand annual audits as mandatory conditionality. NGO financial statements are also used by donors to assess financial management capacities and suitability for funding. Donors also use the cost-per-beneficiary ratio in assessing the cost-effectiveness of NGO interventions. National governments evaluate NGO activities in terms of numbers of developmental projects and beneficiaries reached as well as complementarity to their initiatives.
Hojabri, Manafi, Eftekhar, Ghasemzadeh, Sharifi and Kaliannan (2013) suggest that organisational performance evaluation needs to focus on the growth and development, customised standards, own organisational standards, quantum and quality of performance and relationship with the external environment. Leadership, technical skills development as well as interpersonal skills are also critical (Asumeng, 2014). A study by Som, Saludin, Shuib, Keling, Ajis, and Nam (2010) involving 70 NGOs reported that organisational performance was strongly influenced by organisational learning process, teamwork and individual learning. Team problem-solving ability is measured by the timeliness and effectiveness of identification and agreement on contingency options as well as implementation of agreed tasks during a crisis (Groh, 2014).

Markos and Sridevi (2010) emphasised that the quality of relationship between management and employees is a strong determinant of overall organisational performance.

2.9.1 How NGOs can gain competitive advantage

The competitive advantage concept states that organisations can choose among three strategic options which are cost leadership, product differentiation or growth focus in order to attain competitive advantages: (Schuler & Jackson, 1987). According to Li et al (2009), it matters whether the organisation adopts differentiation or cost-reduction strategic tactics. The Cornerstone Blue Ocean strategy (Kim and Mauborgne, 2005) encourages a simultaneous combination of value creation and cost-reduction. Although these strategies are prescribed to private sector, in many ways it applies to NGOs as they seek to attain and sustain their competitive advantage in the face of increasing competition for dwindling donor finances. This is because the main sources of NGO financing are through competitive bidding, and key donors now place emphasis on innovation and value for money.

Growth focused NGOs can gain competitive advantage by expanding their operations over larger geographical areas in a bid to achieve impact at scale, or by increasing the portfolio of their services and products. This appears to be the strategy used by the big INGOs such as the International Red Cross, CARE International and World Vision.
Geographic enlargement can be achieved by organic growth or through strategic partnership with other NGOs, with government and with private sector. NGOs can achieve economies of scale by partnering with like-minded groups or acquiring them. For example Christian Aid has partnered with Norwegian Church Aid and Dan Church Aid to form the ACT Alliance to implement development projects in Zambia. The Danish Association for International Cooperation has combined operations with Action Aid across Africa. NGOs are under increasing pressure to demonstrate and promote commercially viable projects among communities; this presents possibilities for greater collaboration with private companies.

Differentiation is defined as the superiority of a firm’s brand or service over its rivals due to a unique feature or set of features that will make the brand more preferred by customers (Sharp & Dawes, 2001). Schwenger, Straub and Borzillo (2014) recommended that NGOs should narrow-down their scope of focus and invest in specialised skills that are difficult to imitate if they are to become more competitive. In Zimbabwe and internationally, some NGOs have become well-known for focusing their services on very specific specialised areas such as organic farming, technology brokering, human rights, rural micro-financing or health. These are NGOs such as Foundations for Farming, Zimbabwe Organic Producers Association, Participatory Ecological Land-use Management Association and Médecins Sans Frontières (MSF). These tend to be relatively smaller and enjoy less competition for funding. Large NGOs may gain by pooling their resources and working together with other NGOs and private organizations.

Being non-profit NGOs perceive cost-leadership from the view point of cost-effectiveness in delivering their services (doing more for less).

2.10 Indicators of INGO performance

This section describes the use of outcomes as indicators that are commonly used by NGOs and evaluators in measuring the organisational performance of NGOs, as cited in literature. The key determinants of NGO performance such as the extent of
stakeholder engagement and the quality of performance management are also reviewed.

2.10.1 Outcome indicators

According to Fowler (1996) most NGO approaches tend to assume a linear relationship between their planned activities and their impacts on communities. Yet in reality community development cannot be attributed to a single project. Moreover there are always external factors that affect how projects are implemented. This observation raises the need for NGOs to be able to measure in more certain terms how their interventions impact on communities as well as on the local support systems that they claim to capacitate. In most situations the overall impact of a project is the collective as well as the multiplier effect of a number of intermediate outcomes.

2.10.1.1 Stakeholder engagement

The success of NGO work depends on continuous stakeholder engagement in order to ensure social and political acceptance in target countries and communities. Research confirms that stakeholder participation is associated with longer-term shareholder value. It is critical that NGO employees should fully understand the expectations of their clients (Ambroz and Praprotnik, 2008). According to Lloyd (2005) stakeholder engagement enhances NGO accountability and relevance.

Freemen (1984), defines stakeholders as ‘those who have a vested interest and who can affect or are affected by the organisational project’. Thus a stakeholder is any person or group of people affected or with an interested in an organisation. For NGOs some of the key stakeholders can be private firms, government, other NGOs, communities or research institutions. They may or may not own part of the financial stake in an organisation. Shareholders are also stakeholders as they have an interest in the financial viability of the organisation. Stakeholders in the NGO sector have interest in strengthening and safeguarding community capacities. Stakeholder interests may be covert or overt, (Avglin, 2000).
2.10.2 Performance management systems

The commonly used systems for managing employee and organisational performance by NGOs include the ‘Results based management (RBM)’ described by DAC (2000), and the ‘Balanced Score Card (BSC)’ developed by Kaplan and Norton (1992). Total Quality Management seems to be common among health or medical institutions.

Although the term RBM started being used in the 1990s (DAC, 2000), its background dates back to work by Drucker (1954; 1964) who noted that those managers who linked performance to objectives and results seemed to be more successful than those who did not. This concept was later developed into the Logical Framework Approach (LFA) by Rosenberg (1969) in the USA in a bid to improve the performance and accountability of development organisations. RBM was later improved into Goal Oriented Project Planning (GOPP) or Objective Oriented Project Planning (OOPP).

The RBM approach has produced mixed results. It has been criticised for imposing a rigid framework without flexibility to allow interim adjustments to project implementation in response to the changing environment. It is also reported to have created mistrust among the different levels of the project delivery chain (Gasper, 2000).

The BSC is a planning and performance management tool composed of four key pillars that drive the performance of an organisational or the individual employees. The four components are namely the financial perspective, the customer perspective, the internal process, and learning and growth (Kaplan and Norton, 1992). These perspectives are considered critical for the development and sustenance of shareholder value in the long term. Some big corporates such as Mobil and Wells Fargo Online Services are reported to have performed very well with the adoption of the BSC. Their success was attributed to very effective leadership. Kaplan and Norton also noted that those companies that unsuccessfully adopted the BSC were associated with poor leadership.

According to Gharakhani, Rahmati, Farrokhi and Farahmandian (2013), TQM is a well-coordinated strategy that develops and sustains the capabilities of the organisation to achieve continuous improvement. Thus TQM places emphasis on the
systems, processes and culture. It aims to maximise delivery of value for money and quality to customers. Various researchers have evaluated the effectiveness of TQM in terms of operational efficiency, financial performance, quality of products and services, and degree of innovation. More recently researchers have also focused on the impact of TQM on overall organisational performance. Generally the TQM concept has been adopted and applied in the health sector and in engineering, but much less in the NGO sector.

2.11 Chapter Summary

Although NGOs may not operate exactly like private businesses do, they can derive considerable competitive advantage through implementation of applicable principles at all levels. There is considerable work done to identify the factors affecting the performance of NGOs. Some of the key factors are the external environment in the form availability and terms of funding, political, economic, social, legal and environmental issues. The internal factors include strategy alignment, leadership, organisational structure, employee engagement, efficiency and effectiveness of business systems, skills, culture, the nature of products or services and the quality of stakeholder relationships.
3.0 Introduction

This chapter describes and justifies the research methodology which was used in this study. The research philosophy behind the study is defined and the relevant concepts which make up the philosophy such as the ontology, epistemology, paradigm, strategy and methods are also defined and justified. The population being studied, the sample size and sampling method are described. The chapter also identifies the key limitations experienced by the researcher, and presents the key ethical considerations and practices. An assessment of the credibility of the data collected and reliability of the findings is also presented.

3.1 Research Design

The research design is the general framework within which data and evidence is collected, analysed, interpreted and presented (Saunders et al., 2012). Thus it embraces the research philosophy, the approach and strategy. These three concepts should critically be considered in the process of determining the method(s) of data collection to be used. The research design is determined by the research philosophy as described below. It also gives the reader an indication of the research limitations due to the approaches used in the design.

3.2 Research Philosophy

According to Carson, Gilmore, Perry and Gronhaug (2001), the research philosophy can be defined as the assumptions and beliefs pertaining to the way in which the researcher views the world. Saunders, Lewis and Thornhill (2012) state that the research philosophy ‘is the researcher’s understandings and associated decisions...that provide the context and boundaries within which data collection techniques and analysis procedures will be selected’. The research philosophy is influenced by how one views knowledge or reality (ontology) and how the knowledge is generated
(epistemology). Thus the research philosophy influences the choice of the research strategy, approach and methods used.

### 3.2.1 Ontology

Carson et al (2001) define ontology as how someone views reality. Reality can be believed to be factual (objective) or subjective. This research is premised on the belief that reality is subjective and hence it is subject to different interpretations as determined by people’s beliefs and feelings. The qualitative data analysed depicts the experiences and interpretations of the respondents. The researcher also applied the objective approach by using the Likert scale questionnaire to measure employee opinions. It also entailed the collection and analysis of the real life experiences and observations from key informants within Practical Action Southern Africa and comparator INGOs, guided by the conceptual framework (Figure 1.5 on page 24).

### 3.2.2 Epistemology

Kura (2012) defines an epistemological position as an opinion on how knowledge or social reality can be created. Epistemology takes into consideration whether the phenomenon is studied at the right level. In this case, the researcher sought to study the strategic and managerial phenomena at Practical Action Southern Africa in their natural environment as hinted by Saunders et al (2012). The study involved the direct observation of the interaction among McKinsey’s 7Ss in reality (figures 1.5 on page 24 and 2.6 on page 37). Thus the study focused on the extent of strategic alignment and interaction between the hard and soft Ss of Practical Action Southern Africa, in comparison with other INGOs, as perceived by the researcher and respondents.

### 3.3 The Research Paradigm

According to Carter and Little (2007), a research paradigm is a commonly accepted set of assumptions, bases and beliefs among a defined group of experts such as researchers or consultants. There are three research paradigms that are commonly used by researchers, namely positivism, interpretivism and realism.
3.3.1 Positivism

Positivism is characterised by a quantitative (deductionist) approach which starts by postulating an hypothesis, followed by data collection and analysis in order to confirm or reject the hypothesis (Saunders et al, 2012). Thus emphasis is on objectivity through numerical analysis. Although a quantitative evaluation of the views of employees was conducted, this research could not rely purely on the positivist paradigm as the researcher also required real life evidence in the form of stories or cases of success or failure in the five INGOs that were studied.

3.3.2 Interpretivism

Saunders et al (2012) define interpretivism as ‘the study of social phenomena in their natural environment’. Interpretivism is the opposite, also called anti-positivism, which is more suitable to social sciences as it is a qualitative approach which focuses on the analysis of text and not figures. It is a research paradigm which is derived from social sciences, which conducts studies people rather than objects, in order to get a real life feel of the social setting being studied. Goldkuhl (2012) states that interpretivism is associated with qualitative research which seeks to understand organisational phenomena that are of interest to researchers and practitioners. Interpretivism is characterised by inductive reasoning in which data is collected and analysed in order to generate explanations (Carson et al, 2001). The researcher can change the direction of research in the process. This study sought to understand the contextual realities based on the experiences and interpretations of people in selected INGOs. This research is subjective as the researcher had to interpret and define some meanings out of the views of the respondents.

Some of the key weaknesses of interpretivism include researcher subjectivity, low reliability and difficulty of data analysis. However, Ratner (2002) highlights that the researcher to recognise the existence of subjectivity, and the extent to which it may distort the degree of understanding of social phenomena. The researcher needs to ensure that the data and evidence collected enhances the understanding being sought.
3.3.3 Realism

Realism is a blend of the positivist and interpretivist paradigms which postulates that interactions of social parameters or phenomena cannot be measured in a reliable manner. Realism regards the positivist to be too deterministic, and views the interpretivist view as being too contextual. This is why the realist applies a balance of the two paradigms through a process of triangulation. This study deliberately applies both the realism paradigm since it intended to corroborate qualitative data gathered from senior management with opinions from employees in order to understand the strategic alignment within the targeted INGOs.

3.4 Research Approach

This research adopted both the deductive and inductive approaches. According to Curry, Nembhard, and Bradley (2010), inductive research helps to clarify issues of organizational context and service delivery, which, in turn, contribute the performance of the organisation. The inductive approach begins with making observations then develops a hypothesis, informed by the observations. Thus it is essentially descriptive and exploratory in nature. On the other hand, the deductive approach enabled quantitative measurement of the opinions of employees. The researcher preferred both approaches because it was necessary to triangulate the qualitative responses from senior management with views from employees in the assessment of strategic and managerial processes in the target INGOs. This organisational inquiry approach has been used effectively by others in gaining insights into relationships between strategic decisions and organisational performance (Leedy and Ormrod, 2001).

3.5 Research Strategy

Saunders (2003) defines a research strategy as a plan which guides the researcher through a systematic process towards answering the research questions. In qualitative research some of the research strategies used include the case study, ethnography and
phenomenology. According to Creswell (1998) ethnography studies cultural changes of a group over a period of time. A phenomenological study seeks to understand the participant’s real experience of a phenomenon (Leedy & Ormrod, 2001). Quantitative research commonly uses surveys directly or indirectly to collect data from respondents.

In this case the researcher deliberately chose the use of the semi-structured survey as well as the structured survey as the research strategy as described in section 4.1 (on page 66). Both the case study and the structured questionnaire survey strategies were amenable to this research as well as the limited time available.

### 3.5.1 Case study

A case study can be defined as a research approach which is applied in order to come up with ‘in-depth, multi-faceted understanding of a complex issue in its real-life context’, (Crowe, Cresswell, Robertson, Huby, Avery and Sheikh, 2011). It is an established research design that is used extensively in a wide variety of disciplines, particularly in the social sciences. Leedy and Ormrod (2001) highlight that case studies are concerned with the understanding “more about a little known or poorly understood situation”. It is important to note that the key principle is the in-depth exploration of the organisational process or phenomenon in its natural situation. These definitions are in agreement with the researcher’s objective of gaining insights into the factors influencing the organisational performance of other INGOs so as to guide the strategic interventions at Practical Action Southern Africa.

Stake (1995) identifies three types of case studies, namely intrinsic (unique), collective (using multiple cases to understand a particular issue) and instrumental (use of a particular case to gain a broader understanding). According to Creswell (1998) the case study must be organised to clearly articulate the context, the problem, the issues, and the emerging lessons.

### 3.5.2 Practitioner research

Practitioner research is a form of applied research which enables the researcher to fulfil both the academic and the practice aspects (Furlong and Oancea, 2005). Thus it
allows practitioners to apply the lessons that emerge from their research. This research fits into this classification as the researcher sought to incorporate lessons learnt from other INGOs into interventions to improve the short to medium term performance of Practical Action Southern Africa.

### 3.5.3 Time Horizons

Saunders *et al.* (2009) identified two time-frames within which research is undertaken, namely cross-sectional (‘snapshot’ or at a particular time or over a relatively short period) and longitudinal (‘diary perspective’, or over a long period). Longitudinal research is suitable for studying changes that happen over a period of time such as human behaviours and development (Adam and Schvaneveldt, 1991). Thus when time is a limitation, as was the case with this study, longitudinal research is not possible. Cross-sectional research enables a specific phenomenon to be studied at a given point in time. This research was aimed at exploring the relationship between organisational internal and external environments and their combined impact on the organisational performance over a five-year period. Since the study sought to understand the strategy implementation process as well as the insights at the present time, the cross-sectional research was found suitable. The researcher preferred the use of the questionnaire surveys as suggested by Easterby-Smith *et al.* (2002) to be appropriate for cross-sectional studies. The semi-structured interviews were also adopted as recommended by Robson (2002) for gathering case studies given the limited time available.

### 3.6 Classification of Research Purpose

This study is an exploratory descriptive research which sought insights into the strategic alignment and performance of Practical Action Southern Africa. An exploratory research seeks clarity on an issue, compared to an explanatory study which would predict causal relationships. In this research, the researcher sought to understand more by bringing together experiences and lessons from other similar organisations in order to enhance the decision-making of senior management at
Practical Action Southern Africa. Although the study treats Practical Action Southern Africa as a unique organisation with a unique organisational culture and management style, it builds on information collected from other organisations and literature, thereby improving the ways in which management can improve the performance of Practical Action Southern Africa.

The case study and pure survey strategies were adopted over other strategies such as phenomenology because it allowed an in-depth study of the specific research problem of INGO performance at a given time. It enabled the researcher to narrow-down a whole national NGO sector into 5 researchable cases. It also aided in understanding the applicability of McKinsey's 7S model in enhancing decision-making by senior management in INGOs such as Practical Action Southern Africa.

3.7 Population and Sampling Techniques

This section describes how the study population was identified as well as how the sampling was considered and conducted. The choice of sampling techniques are also described and justified.

3.7.1 Population and Sampling and Sample Size

This study targeted developmental INGOs operating in Zimbabwe. Given the limited time and resources available this research was limited to INGOs that had offices in Harare. The selected five INGOs also had similar strategic objectives to Practical Action Southern Africa and had their Directors willing to share their strategic information.

The study was conducted on Practical Action Southern Africa and four INGOs, namely A, B, C and D (Actual names withheld due to confidentiality considerations). The small number of organisations studied was consistent with the case study strategy, while a quantitative survey was still possible by reaching middle managers and employees.
3.7.2 Sample Selection and Sampling Method

This researcher selected four INGOs which shared similar strategic focus as Practical Action Southern Africa and with established offices in Zimbabwe. The selection was purposive to ensure that the organisations studied had similar objectives and organisational phenomena to effectively inform senior management at Practical Action Southern Africa, and had or were undergoing a restructuring process similar to Practical Action Southern Africa. Thus the researcher conducted non-probabilistic sampling which is consistent with the qualitative research approach as compared to the statistical or probabilistic approach. The researcher purposively identified INGOs that had similar goals as PASA which were regarded as typical cases for comparison as well as for drawing relevant lessons.

The actual number of employees and middle managers interviewed in each target INGO was determined as a proportion to its staff complement relative to the sum total of all the four INGOs as shown in Table 3 below.

<table>
<thead>
<tr>
<th>INGO</th>
<th>Population</th>
<th>Sample</th>
<th>Selection methods</th>
</tr>
</thead>
<tbody>
<tr>
<td>A (PASA)</td>
<td>48</td>
<td>21</td>
<td>All managers and proportionate number of staff at all levels</td>
</tr>
<tr>
<td>B</td>
<td>27</td>
<td>12</td>
<td>All managers and proportionate number of staff at all levels</td>
</tr>
<tr>
<td>C</td>
<td>45</td>
<td>19</td>
<td>All managers and proportionate number of staff at all levels</td>
</tr>
<tr>
<td>D</td>
<td>72</td>
<td>29</td>
<td>All levels of employees present at the Harare office</td>
</tr>
<tr>
<td>Totals</td>
<td>192</td>
<td>81</td>
<td></td>
</tr>
</tbody>
</table>

3.8 Sources of Data

Creswell (1998) suggested that data for a case study is usually derived from sources such as organisational records, interviews, audio-visual recording and direct observations. The primary sources of data in this study were the International Director of Practical Action Southern Africa and the country directors of INGOs A, B, C and
D. Senior, middle managers and junior employees also provided their opinions through a structured 5-point Likert scale questionnaire survey.

Secondary data was derived by reviewing some key organisational documents such as the management accounts, the risk register and the quarterly Key Performance Indicators reports within Practical Action Southern Africa. This review enabled the researcher to identify the key issues of concern regarding the current performance of the organisation.

3.9 Data Collection Procedure and Research Instrument(s)

This research mainly used semi-structured questionnaire (Appendix 2) which was complemented by a 5-point Likert scale questionnaire (Appendix 4) as well as reviewed organisational records of PASA. The instruments and procedures are described below.

3.9.1 Collection of quantitative data using the Likert scale questionnaire.

The Likert scale questionnaire was developed to assess the views or attitudes of respondent through ordinal scales or levels of agreement with stated statements (Bowling, 1997; Burns, & Grove, 1997). First developed in 1932, the Likert scale is a psychometric measure which enables the researcher to gauge the preferred opinions of respondents about a provided set of statements. The Likert scale questionnaire requests the respondents to show their degree of agreement with every statement given. In this study the Likert scale questionnaire had statements which had to be rated by respondents using a 5-point scale (see Appendix 4). The Likert scale was suitable for quick data collection, given the limited time available, and it was easy to analyse using SPSS.

3.9.2 Collection of qualitative data using a semi-structured questionnaire

The semi-structured questionnaires were sent by e-mail to the respective Directors of the INGOs studied. Prior to sending the questionnaire the researcher had face-to-face or telephone discussions with the respondents to explain the purpose of the study and to seek agreement to participate. The questionnaire had open-ended questions that
were developed by the researcher and jointly reviewed with the supervisor for relevance, understandability and validity. The semi-structured questionnaire was pilot tested to gauge the time required to administer it as well as to ensure that all the questions were relevant and easy to interpret and respond to by respondents. This process enabled the researcher to fine-tune questions under objectives 3 and 5. The semi-structured questionnaire was administered on the directors of the three INGOs studied. Qualitative data pertaining to PASA was through review of reports and communication from the PASA International Director and two internal audits reports for the period under study. An introductory letter (Appendix 5) was attached and sent together with questionnaire. Three of the targeted directors were sent the questionnaire to which they responded through email. Before the interview the respondents were requested for consent, through the telephone. According to Gill1, Stewart, Treasure and Chadwick (2008), semi-structured interviews administer the key questions that are deemed relevant in defining the issue to be explored. At the same time, the semi-structured interview is flexible enough to allow the interviewee and the researcher to pursue greater detail where relevant.

3.10 Data Analysis

In this section presents how both qualitative and quantitative data was analysed. This includes the choice of analytical tools used as well as the reasons for their choice.

3.10.1 Analysis of qualitative data

The qualitative data collected in this study was subjected to content analysis which covered the all the soft and hard Ss of the sample organisations. The General Accounting Office (1996) and Weber (1990) define content analysis as ‘a systematic, replicable technique for compressing many words of text into fewer content categories based on explicit rules of coding’. Holsti (1969) also emphasised that content analysis should apply an objective system of recognising the key messages from narrative data. The researcher followed this process which involved several steps that include the sense-making (transcription), identifying emerging themes (coding), displaying, matching similar themes (categorisation) as well as identifying
relationships among categories (interpretation). Thus this technique is much more than just counting word frequencies as it focuses on the frequency of the key messages (Stemler, 2001). According to Weber (1990) the procedure ensures that the identification of the thematic categories is exhaustive while ensuring that they are mutually exclusive. The content analysis report reflects a summary of the patterns observed and lessons learnt in relation to the theory of McKinsey’s 7S model.

The researcher was unable to use appropriate analytical packages such as NVIVO due to their unavailability at the time of study, and also due to the relatively small sample size. However the researcher followed the recommended systematic procedure in order to attain the most possible objective analysis (Leedy & Ormrod, 2001).

**3.10.2 Analysis of quantitative data.**

According to Babbie (2010) one of the most important objectives of using quantitative methods in research is the need to achieve objectivity in the determination of relationships between independent and dependent variables being studied in a specified population. Quantitative data analysis involves the application of relevant proven analytical tool or packages that enable the researcher to establish associations between variables (in descriptive research designs), or causal relationships between variables in the case of experimental research designs. The analysis of quantitative data is a process of making sense out of the numbers in order to enable interpretation which is meaningful.

The process started with an examination of all questionnaires for identification or coding and completeness. Questionnaires which were not complete were discarded; in this research there was only one incomplete questionnaire; which did not significantly affect the outputs of data analysis as they were spread across the organisations studied. The data collected through the 5-point Likert scale questionnaire was analysed using SPSS. The first step was to enter the data onto a formatted SPSS data base. SPSS was preferred to other statistical packages such as STATA, and SAS because it was readily available. The researcher used SPSS to compute and identify any similarities or divergence of opinions among employees of different ranks as well.
as different organisations through cross-tabulations. Relationships or associations among McKinsey’s 7 Ss were also computed.

3.11 Research Limitations

The major challenge encountered during this research was that of funding limitation which led to only the researcher singularly undertaking all the data collection and analysis, which could render the findings prone to researcher bias especially where interviews were conducted. This bias was minimised by having the senior managers to responding to the open-ended questionnaire independently and returning it through email. The open ended questionnaire was reviewed and pilot-tested to minimise misinterpretation by respondents and to control time.

Reliability of this study was also compromised by the small sample size which gave a few cases, which limit the applicability of findings in the wider NGO sector. However comparable INGOs were purposively selected in order to maximise the relevance of the data for use in decision-making by the senior management team at Practical Action Southern Africa.

3.12 Research Ethics and Data Credibility and Reliability

Some key ethical considerations which were applied by the researcher are described below. This section also makes a theoretical assessment of the validity and reliability of this research.

3.12.1 Research Ethics

The main ethical debates in research revolve around the tensions between covert and overt research, and between the public's right to know and the subject's right to privacy. The researcher used an introductory letter from the Graduate School of Management to confirm authenticity and ownership of the research, in order to gain acceptance by respondents.

All interviews started with the researcher articulating identity and purpose of the interview. The participants were informed from the outset that the information
collected would be treated in strict confidence and that the findings from this study could be shared with them if they so wished. Respondents were also offered to choose their preferred venue for the semi-structured interviews such that they became very free to share their organisational information.

The researcher sought prior permission from the International Director to carry out this study on Practical Action Southern Africa as well as permission to use the secondary data of the organisation.

For the structured questionnaires the researcher did not ask for or capture the names or respondents in order to respect their right of anonymity and confidentiality. The INGOs studied were identified by codes and not actual names. All respondents were informed that the purpose of the exercise was purely academic and would not be disseminated.

3.12.2 Reliability and Validity.

The extent of the validity and reliability of any study will be influenced by philosophy and approach adopted by the researcher. The two concepts seek to gauge whether similar observations would be arrived at by other researchers at a different time. The qualitative component of this study was based on subjective data which is normally considered to be of low reliability. According to Webber (1990) challenges of reliability in qualitative data arise due to different meanings attached to words. Given the dynamics within the organisations studied and their operating environment, observations taken at a different time are likely to yield inconsistent results.

However validity or factual accuracy was high as a lot of rich information was gathered from natural situations compared to a structured survey. Erlandson, Harris, Skipper, & Allen (1993) emphasise that validity is enhanced through use of triangulation. In this study the researcher had to administer a 5-point Likert scale questionnaire among junior employees in order to triangulate with the observations from the cases presented by senior management.
3.13 Chapter Summary

This study is premised on realism in which McKinsey’s 7S model is applied in both an inductive as well as deductive research approach to gain insights into the strategic alignment of Practical Action Southern Africa with a view to improve its future performance. The study built five case studies of four INGOs comparable to Practical Action Southern Africa and operating in Zimbabwe. Semi-structured interviews were conducted in which the respective Country Directors or their deputies were the respondents. A process of content analysis was used to identify patterns and lessons which were related to theory. At the same time the research also used a quantitative approach in order to triangulate observations from case studies captured from senior managers with views form employees.
CHAPTER FOUR: RESEARCH FINDINGS, ANALYSIS AND DISCUSSION

4.0 Introduction

This Chapter 4 is a presentation and description of the main results of the qualitative and quantitative data analysis. The research findings are organised in a manner that addresses all the five research objectives. The research findings are also analysed and discussed in respect of the research objectives.

4.1 Response rate

Qualitative data was collected from a total of four out of the five targeted directors of INGOs. For PASA (organisation A) data was collected from discussions and reports by the International Director who is based in the UK. Nevertheless data from the four directors gives good comparative insights to inform intended improvements at Practical Action Southern Africa. Table 4 below shows the number of respondents who provided quantitative data.

<table>
<thead>
<tr>
<th>Organization</th>
<th>Female</th>
<th>Male</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>6</td>
<td>14</td>
<td>20</td>
</tr>
<tr>
<td>B</td>
<td>4</td>
<td>8</td>
<td>12</td>
</tr>
<tr>
<td>C</td>
<td>10</td>
<td>9</td>
<td>19</td>
</tr>
<tr>
<td>D</td>
<td>12</td>
<td>17</td>
<td>29</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>32</td>
<td>48</td>
<td>80</td>
</tr>
</tbody>
</table>

Generally the response rate was very high, with only one questionnaire out of the targeted 81 discarded because it was considered to have too many statements that had not been responded to. Figure 4.7 below shows the proportions of respondents by gender.
Although Practical Action appeared to have fewer female respondents, the differences across organisations were not statistically significant ($p = .505$). Similarly there were no significant differences between the organisation and the respondents’ rank ($p = .880$), years of service ($p = .105$) or age ($p = .692$).

### 4.2 Analysis, Results and Discussion

This section presents the outputs from the statistical analysis. The results of the analysis are briefly described and discussed under each research objective.

#### 4.2.1 Objective 1: To gain insight into external and internal factors inhibiting Practical Action Southern Africa from effectively achieving its strategic targets.

Under this research objective, the researcher highlights the external and internal factors that were mentioned by the majority of respondents in PASA in comparison with the other three INGOs. Relationships between identified factors and those highlighted in literature, in chapter two, are also discussed.
4.2.1.1 Analysis

Figure 4.8 below the views of employees in four INGOs on whether they think their organisation is likely to achieve its strategic targets or not. PASA is represented by the capital letter A, while the letters B, C and D denote the other three INGOs which were also covered by this research survey.

![Figure 4.8: Perceptions on possible achievement of strategic objectives](image)

**Figure 4.8: Perceptions on possible achievement of strategic objectives**

The column chart also shows the overall sector picture represented by percentages of all respondents from the four INGOs.

4.2.1.2 Results

As shown by figure 4.8, employees from the three INGOs reported more or less similar trends in their views on progress towards attainment of their strategic objectives with 40% of respondents in PASA, 16.7% in INGO B, 52% in C, and 44.8% in D thinking that their respective organisations would achieve their strategic objectives (p = .290). It is interesting to note that INGOs A, B and C each had over 30% of their staff who seemed unsure whether their organisation’s strategic objectives would be achieved. However, according to Pearson’s Chi-square test conducted, the relationship between employee statements and the statement posed by the researcher about their organisation was not statistically significant (p = .290).
Feedback from PASA employees seems to confirm their International Director’s fears, although the relationship between the views of staff and the director’s perception was not statistically significant (p = .290). Overall 56.2% of respondents were doubtful about the likelihood of their organisations attaining their strategic targets, contrary to the assertions by the directors of organisations B, C and D. However this divergence of views between employees and the directors was not statistically significant (p = .290).

4.2.1.3 Discussion

Analysis of secondary data at PASA noted that the strategic targets were said to be ‘lagging behind and may not be achievable in the remaining two years’. On the other hand, the directors for organisations B, C and D were quite hopeful to achieve their strategic objectives, so PASA may learn from its competitors. According to the PASA International Director, the key barriers to attainment of organisational objectives were cited as limited funding from donors, weak internal systems and structure. Part of the global (or external) operating environment which is changing very fast, as stated by Saif, Razzaq, Rehman, Javed and Ahmad (2013) includes the funding mechanisms by donors, which leads to increasing competition while PASA may not be proactive or innovative enough to keep pace or stay ahead of the environmental dynamic. As highlighted by Allard and Martinez in chapter 2, the low level of foreign direct investments in Zimbabwe, which contribute to the limited funding available for NGOs such as PASA, is influenced by the current poor quality of the relationship between government, the business sector and society which discourages donor confidence.

The failure to achieve the organisational objectives by PASA may also be due to internal factors such as leadership style, weak employee engagement, weak performance management and accountability as noted by Girdon (2010). These internal factors are further discussed in detail below.
4.2.2 Objective 2: To evaluate the extent of alignment between organisational strategy, structure and systems of Practical Action Southern Africa.

Part of the process of identifying areas for improving the organisational performance of PASA included diagnosis of the alignment among the strategy, structure and systems. The analysis and results of this process are presented and discussed below.

4.2.2.1 Analysis

Figure 4.9 below shows trends in perception by employees regarding the quality of alignment among the MacKinsey’s hard Ss in their respective organisations.

The percentages in figure 4.9 above show the proportion of the total respondents according to their preferred rating on the Likert scale. The bars labelled ‘Overall’ represent the proportion as a percentage of the total sample, representing the INGO sector.

The opinions of employees on the alignment of the hard Ss were also assessed by asking staff to rate the alignment of structure (see figure 4.10 below), and whether the structure helps to enhance the performance of the organisation.
The bars labelled ‘OVERALL’ denote the general perceptions of respondents across all the four INGOs (A, B, C and D) that were surveyed. A similar trend (p = .090) was also observed when employees assessed the alignment of their systems as presented in figure 4.11 below.

Figure 4.11 shows what proportion of respondents who agreed or disagreed or were neutral to the statement that their organisations had effective systems. Although figure 4.12 below appears to show a general agreement among staff that there is need to improve organisational systems, its statistical significance was found to be weak (p = .649).
Figure 4.12 Staff response on the need to improve organisational systems

Figure 4.12 shows the extent to which employees agreed or disagreed whether their organisations should improve their organisational systems. The chart also shows the proportions of respondents out of the total sample overall and their respective responses as determined by the 5-point Likert scale.

Figure 4.13 below presents an overall picture of the responses by PASA employees to the four statements that were posed by the researcher and whose analysis and results have been presented above.

Figure 4.13 Overall impressions by employees on the hard Ss at PASA

**Key to figure 4.13**

A2.1 - Response by INGO A (PASA employees) to statement 1 of objective 2.
A2.2 - Response by PASA employees to statement 2 of objective 2
It is interesting to note that almost 40% of respondents in PASA were neutral while those who were strongly positive were below 10% except for responses to question 4.

4.2.2.2 Results

PASA and organisations C and D had relatively high percentages of respondents who were neutral. For PASA about 20% of respondents were unhappy with the strategic alignment among the hard Ss. Qualitative data from the PASA director concurs with the 20% as it expressed strong dissatisfaction in the alignment of the hard Ss. The PASA International Director’s opinion was that ‘The organisation is trying to implement a new strategy using an old structure and old systems’. Statistical analysis shows a weak relationship between the organisation and employee perception on the alignment of the strategy, the structure and systems (p = .590).

There was a weak relationship between staff perception about the alignment of the current structure in their organisation (p = .189). The researcher was not sure whether issues of strategic alignment are discussed with employees. The PASA International Director highlighted that their misaligned organisational structure was contributing to the relatively low level of performance.

PASA had a relatively high percentage of staff who were neutral, similar to INGO B, and low on those who were strongly positive about the effectiveness of the organisations strategy, structure and systems. Although the directors of INGOs B, C and D did not highlight any alignment problems, only 47.6% of employees were satisfied with the degree of alignment of the hard Ss in their respective organisations. About one third of surveyed staff were happy with the effectiveness of their systems across all the four INGOs.

4.2.2.3 Discussion

As highlighted in the background, the PASA internal audit reports produced in 2011/2012 and in 2015 highlight very little progress made towards improving the systems. The literature review also asserted that the weak alignment among the hard Ss will definitely have a negative impact on the overall performance of the organisation (Schaap, 2006). It is encouraging to note that both senior management
and staff of PASA agree that their current systems and structure are dragging progress on achievement of strategic targets. However if urgent action is not taken to redress this trend, PASA will fast become uncompetitive in the NGO sector and close shop. The other INGOs, C and D which seemed to be managing their hard Ss better than PASA could offer some useful lessons to PASA how to realign the hard Ss.

4.2.3 Objective 3: To assess the alignment and effectiveness of shared values, staff, skills and style Practical Action Southern Africa’s.

The survey sought to capture the views of employees on whether the soft Ss effectively contributed to the strategic objectives of the organisation. The analysis and results are presented and discussed below.

4.2.3.1 Analysis

The views of employees on whether their respective organisations had well defined and shared values are presented according their Likert scale rating in figure 4.14 below.

![Figure 4.14: Definition and sharing of organisational values](image)

About 90% of respondents in PASA and about 70% in INGO D were viewed their organisations to have defined and shared values (see figure 4.14 above), compared to INGOs B and C which had a relatively higher percentage of respondents being neutral or staining that organisational values were less defined and less shared.
Although most of PASA staff thought that shared values did contribute to their organisational objectives, the other organisations did not show a distinct trend as shown by figure 4.15 below.

**Figure 4.15 Significance of shared values to organisational objectives**

The four INGOs are also compared to the sector trend as represented by the ‘Overall’ columns in figure 4.15 above.

Figure 4.16 presents the opinions of employees on the state of staff relations within their organisations.

**Figure 4.16 Assessment of staff relations**

The INGO staff were asked whether they agreed or disagreed or were neutral whether staff relations in their organisations were good.
Employees felt that staff relations impacted positively on the performance of their organisation as shown in figure 4.17 below.

![Figure 4.17: Effect of staff relations on organisational objectives](image)

The percentages in Figure 4.17 show the proportions of the respondents who associated with the five ratings from the Likert scale questionnaire.

PASA and organisation B had relatively more proportions of employees who were not happy with the way skills were deployed compared to organisations C and D (see figure 4.18 below).

![Figure 4.18: Feedback on skills deployment](image)

The bar graphs in figure 4.18 were derived from the percentages of respondents in each organisation who agreed or disagreed with the statement that the way skills were deployed in their organisations was good.
Figure 4.19 below shows staff views on whether skills were being managed to positively contribute towards organisational performance or not.

Figure 4.19 Perceived relationship between skills performance

The bars represent the four different organisations A, B, C and D, while the ‘Overall’ bars show the proportions of the total sample.

Employee views on the relationship between leadership style and teamwork are presented in figure 4.20 below.

Figure 4.20 Relationship between leadership style and teamwork

Figure 4.20 shows the percentages of respondents who strongly agreed, agreed, were neutral, disagreed or strongly disagreed that the leadership styles in their respective INGOs promoted teamwork.
Figure 4.21 below presents staff opinions PASA staff (80% of PASA respondents) believed that management style was an important factor influencing the performance of individuals and the organisation as a whole.

The general sector assessment whether staff felt leadership style impacted on their organisational performance is depicted by the ‘Overall’ bars.

### 4.2.3.2 Results

There was a statistically significant relationship between the organisation and whether or not staff felt that organisational values were well defined and shared \((p = 0.003)\). The differences between the organisations on their staff opinions about whether the shared values contributed to their organisational objectives were not statistically significant \((p = 0.053)\).

The relationship between the organisation and the perceptions on staff relations was of weak significance \((p = 0.024)\). Employee views on the effect of staff relations on the performance of their organisation was statistically significant \((p = 0.000)\).

The researcher found a statistically significant relationship between the organisation and the opinions of employees on whether they thought their organisation had the right skills in the right places \((p = 0.004)\). The researcher found a weak statistical significance between the organisation and employee perception on the effectiveness of skill deployment to enhance organisational performance \((p = 0.036)\).
Although the PASA director felt that staff relations were bad, survey data show that employees (60% of respondents) were somewhat (p=0.034) happy with the quality of staff relations. PASA recorded better staff relations compared to organisations B (16.7% of respondents), C (15.8%) and D (58.6%). However 40% were either neutral or unhappy with the current staff relations. The staff relations were believed to positively contribute to organisational performance in PASA and INGO D (p=0.000). However B and C were rated very lowly at 0% and 15.8% respectively.

All the four organisations seem to be promoting their shared values among their staff as indicated by the overall 60% positive response rate; while PASA alone registered 90%. About 45% of respondents affirmed the positive contribution made by shared values towards achievement of organisational objectives, while PASA alone had a 70% positive response rate (p = 0.000).

Staff rated PASA and organisation D equally high (p = 0.04) at about 60% response rate on their skills management, compared to organisation C (52%) and B (33.3%). 70% of respondents in PASA and 75.8% in organisation D believed that skills management significantly (p = 0.036) contributed towards organisational objectives.

The management style in organisation D was regarded highly by 65.5% of its responding staff, PASA had 55% positive rating from its staff while organisations B and C had 8.3% and 21.25 respectively (p = 0.010). 70% or more of the respondents agreed that management styles in organisation D and PASA contributed substantially (p = 0.000) to the performance of staff and the organisations.

There was slight significance on the relationship between leadership style and teamwork according to staff opinion (p = .010). PASA had 45% of its respondents being either neutral or stating weak promotion of teamwork. Organisation D had a more positive statistic than other INGOs; there could be some positive practices for PASA to learn from. As shown by Figure 4.21, presents staff opinions PASA staff (80% of PASA respondents) believed that management style was an important factor influencing the performance of individuals and the organisation as a whole. This research found a significant relationship between the organisation and staff.
perceptions on the influence of leadership style on the performance of staff and of the organisation (p = .000).

4.2.3.3 Discussion

There seems to be considerable effort in promoting shared values among staff at PASA, better than other INGOs. Despite the relatively small percentage (15%) of respondents registering poor staff relations in PASA, this situation can easily worsen and lead to low staff morale and productivity. The ‘victimisation and preferential treatment’ as mentioned by the PASA director need to be dealt with without delay.

The relatively lower rating by staff on how the shared values translate into achievement of organisational objectives might mean there is more rhetoric than action. Thus there is need to entrench shared values in a manner that all staff begin to demonstrate the values in all activities. Every employee should be seen to walk the talk. Thus although PASA was rated higher than its three comparators, there is need to continue to improve so as to shift the substantial number of neutral voices and those who disagreed in line with the assertion by Paarlberg and Perry (2007) who emphasised the need for management to deliberated ensure a conducive environment for productive interaction among employees.

Although PASA was rated highly on its skills management, there are similar organisations such as D that are doing better. PASA should learn from such competitors and aim to out-perform them to stay competitive. The ever-changing environment requires continuous monitoring and management of the skills base as highlighted by Barney and Wright (1997) and Mullins (2002).

There is room to improve the management style at PASA. The Regional Director mentioned frequent ‘unproductive arguments’ and some teams ‘operating as silos’, and that ‘there is no sense of urgency’ in the general conduct of business. All these terms will lead to overall poor organisational performance as stated by Burke et al (2006).
4.2.4 Objective 4: To assess the adequacy of business performance indicators used by Practical Action Southern Africa in guiding its decision-making and performance.

This study sought insights into the use of and suitability of performance indicators used by organisations. The results are discussed below.

4.2.4.1 Analysis

Staff in the four INGOs was asked if they agreed that their respective organisations were using community-based indicators to measure their performance.

As shown in figure 4.22 below, PASA and organisation D were reported to be using indicators that measure the extent to which the organisations made change in the lives of communities. Figure 4.23 below summarises the views of INGO employees on the statement that their management was using organisational performance indicators to make their strategic decisions.
Figure 4.23 above shows that about 35% of PASA respondents were not sure or asserted that the senior management was not using indicators to inform their decision-making.

4.2.4.2 Results

There was a very strong relationship between the organisation and staff opinion on whether their organisation used community-based indicators or not (p = .001). Overall, PASA was significantly (p = 0.001) rated higher (75%) than organisation D (44.8%) or B (16.7%) or C (21.1%) by its own staff on the use of impact performance indicators currently being used. However, there was no significant assertion that the indicators were being used to inform decision-making by senior management across all organisations. Directors for PASA and organisation C indicated the need to consider the introduction and use of intermediate or lag indicators rather than overreliance of impact indicators alone.

Organisations B and C had similar trends to PASA, while D had over 60% of its respondents reporting use of indicators by management in their decision making. However the level of statistical significance of the relationship between staff opinion and the organisation was weak (p = .213).

4.2.4.3 Discussion

It is encouraging to note that PASA is using impact indicators to monitor its organisational performance when compared to INGOs B and C which seemed weak on the use of community-based indicators. However, the weak relationship between the organisation and staff opinion regarding the use of indicators in decision making should be a cause for concern. The use of intermediate indicators as recommended by Lecy, Schmitz and Swendlund (2012), would enable timely recognition of process problems and timely intervention by management, thereby improving the effectiveness of delivering projects. Such identified and agreed outcome and process indicators could easily be packaged into a suitable performance management system such as the Balanced Scorecard (Kaplan and Norton, 1992) or TQM as described by Gharakhani et al (2013).
4.2.5 Objective 5: To identify short to medium term interventions for improving overall performance of Practical Action Southern Africa.

The researcher sought to sound out the opinions of employees on whether there was need or not for the organisation to prioritise some (ten) of the key strategic and functional areas as had been identified by the researcher through the semi-structured survey as well as senior management meetings and consultative discussions within PASA. The findings are analysed and the results are presented and discussed below.

4.2.5.1 Analysis

The responses in figure 4.24 below show inconclusive views among respondents in PASA and organisation B on the need to improve financial management systems.

Respondents in B and C strongly recommended the need for improvements in their financial management systems.

Respondents were also asked whether they agreed that their organisational performance was influenced by the efficiency of their systems. Figure 4.24 below shows that employees in organisations C and D had a more positive opinion on the relationship between systems efficiency and organisational performance compared to PASA and INGO B.
Figure 4.25 Relationship between systems efficiency and performance

Figure 4.26 below presents employee ratings of the statement that their organisations should improve the effectiveness of delivering their projects.

All organisations had their employees agreeing on the need to improve project delivery (see figure 4.26 above).

Respondents from all organisations were asked if there was need to improve their HRM systems. Their responses are summarised in Figure 4.27 below.
Employees in all INGOs except B thought that there was need to improve HR systems as shown in figure 4.27 below.

The researchers also wanted to know whether the responding employees thought there was need to improve the working relationships among staff (see figure 4.28 below).

The column chart above (figure 4.28) presents the opinions of employees on whether there was need to improve staff relations in their respective organisations or not.
The respondents were requested to whether they recommended the need to improve procurement systems in their respective organisations (see Figure 4.29 below).

![Figure 4.29: Feedback on the need to improve the procurement system](image)

PASA and organisations C and D each had about 60% of their respondents expressing the need to improve their procurement systems (see figure 4.29 below).

Figure 4.30 below shows the relative proportions (in percentages) or INGO staff who agreed or disagreed with the statement that transports systems in their respective organisations required urgent improvement.

![Figure 4.30: Feedback on the need to urgently review the transport system](image)

About 64% of PASA, 71% of INGO D and 57% of INGO C respondents expressed the need to urgently review the transport system (see figure 4.30).
Respondents were asked to indicate through the Likert scale rating whether they thought their organisations needed to develop and implement partnership management plans. Their responses are summarised in Figure 4.31 below.

50% of respondents from PASA, 62% from INGO C and 76% from D felt the need for their organisations to have in place partnership management strategies and plans (see figure 4.31).

The INGO employees were asked to rate the need to improve innovative capabilities in their respective organisations (see Figure 4.32 below).
Figure 4.32 above shows that 66% of respondents in PASA, 51% in INGO C and 85% in INGO D agreed or strongly agreed on the need for their respective organisations to be more innovative.

The researcher also asked respondents to confirm if their organisations should urgently improve skills development.

Feedback on the need to prioritise skills development

There was agreement across all organisations on the need to prioritise skills development (see figure 4.33 below).

4.2.5.2 Results

About 60% of PASA staff who responded wanted to see an improvement in the financial management system. The analysis showed that the opinions of staff on the need to improve financial systems were statistically significant (p = .002).

The views of staff on the need to improve project delivery or not were statistically significant (p = .001). On the other hand, staff in almost all organisations felt the need to improve their working relations as portrayed in figure 4.28 (p = .005).

The researcher also noted a statistically significant relationship between the organisation and the views of employees on whether the organisation needed to be more innovative or not (p = .002).
There was statistical significance in the relationship between the organisation and the employee opinions on whether organisations should prioritise skills development or not (p = .000).

The relationship between employee responses and the organisation was weak (p = .012). PASA and organisation B had about 40% of their respondents either neutral or thinking that there was no need to improve project delivery systems. The relationship between the organisation and staff opinions on whether HRM systems should be improved or not was not statistically significant (p =0.55). There was a statistically weak significance of relationship between employee views on the need to improve the procurement system or not and the organisation (p = .027). Similarly, there was a weak statistical significance between the organisation and staff opinion on the need to review the transport system (p = .015). The relationship between the organisation and staff opinion on the need for partnership strategies and plans was weak (p = .013).

4.2.5.3 Discussion

Given the results presented above, the short-term and medium-term measures suggested for PASA are presented in order of priority in table 4.5 below.

<table>
<thead>
<tr>
<th>Short-term measures</th>
<th>Medium-term measures</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Review financial management system</td>
<td>Improve project delivery system</td>
</tr>
<tr>
<td>2 Review and improve skills development and management</td>
<td>Review overall systems efficiency</td>
</tr>
<tr>
<td>3 Improve working relations</td>
<td>Strengthen innovative capacity</td>
</tr>
<tr>
<td>4</td>
<td>Review and improve staff working relationships</td>
</tr>
</tbody>
</table>

There is general consensus between staff and the regional Director for PASA on the need to improve on a number of systems. The senior management is advised to prioritise and plan carefully in order not to confuse employees. At the same time the researcher take note of the need to address the 7Ss holistically. Most donors and potential partners determine eligibility for funding or for strategic partnership by performing due diligence assessments which evaluate a target organisation’s hard and soft Ss. Since some if not all the identified areas for improvement are interlinked, care should be taken to start with the points that leverage the most improvements.
4.3 Testing of the Research Proposition

This section tests whether there is agreement or not between the findings of this research and the research proposition which stated that ‘… Practical Action Southern Africa’s failure to attain its desired strategic alignment and improve overall organisational performance is due to non-conformance with the principles of McKinsey’s 7S model’. The test is conducted for each of the research objectives.

4.3.1 Objective 1: To gain insight into factors inhibiting Practical Action Southern Africa from effectively achieving its strategic targets.

The results of this research have identified the limited donor funding as a key external factor influencing the extent to which PASA can achieve its strategic objectives. The internal factors identified are the weak financial management systems, ineffective project delivery, weak innovative capacities, and poor staff relations. These results corroborate the research proposition as it was confirmed that PASA is unlikely to achieve its strategic targets due to weak project delivery and fundraising systems.

4.3.2 Objective 2: To evaluate the extent of alignment between organisational strategy, structure, and systems of Practical Action Southern Africa.

The research findings confirm the research proposition since both the PASA Director and staff asserted the need to review and improve the financial management system, the HRM system, and the procurement system which are currently negatively affecting the achievement of the organisations’ strategic objectives.

4.3.3 Objective 3: To assess the alignment and effectiveness of shared values, staff, skills, and style of Practical Action Southern Africa’s.

The research results are in agreement with the research proposition as it has been observed that organisational performance is not being maximised due to inappropriate deployment of skill, poor staff relations, and weak translation of organisational values into action. This also reflects badly on the quality of leadership.
4.3.4 **Objective 4: To assess the adequacy of business performance indicators used by Practical Action Southern Africa in guiding its decision-making and performance.**

This research has identified the need for PASA to develop and integrated process indicators that will enable management to monitor progress and make decisions that enhance the attainment of the organisation’s strategic targets. The researcher therefore agrees with the research proposition as decision making by management is not always linked to indicators that help improve organisational performance.

4.3.5 **Objective 5: To identify short to medium term interventions for improving overall performance of Practical Action Southern Africa.**

Table 4.5 above summarises the suggested short-term measures (Reviewing the financial management system; reviewing and improving skills development and management; improving staff working relations), and medium-term measures (Improving project delivery; reviewing the overall systems efficiency; strengthening innovative capacity; reviewing and improving staff working relationships) for improving the overall organisational performance of PASA. Thus this research corroborates the research proposition as the identified and recommended short-to-medium term measures are all meant to improve the overall organisational performance of PASA.

4.4 **Chapter Summary**

This chapter presented and discussed the results from the qualitative and quantitative data analysis. The analysis covered issues under all the five research objectives. It is evident the PASA management was experiencing some internal and external challenges such as failure to meet fundraising targets and weak systems and processes. The research also confirmed that other similar organisations had similar problems. However others were performing better in some areas than PASA. A number of areas for improvement have emerged, which are subject to
recommendations in chapter five. In some areas such as staff relations the perceptions of senior management were divergent from the opinions of junior staff. This chapter also presented opportunities for PASA to learn from other similar organisations. The researcher also presented the potential short-term and medium-term areas of interventions for consideration by the PASA senior management team.
CHAPTER FIVE: CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

This chapter presents conclusions which are organised according the research questions from Chapter 1. The conclusions take into consideration key observations from all preceding chapters of this dissertation. Recommendations for improving organisational performance are also suggested for consideration by the senior management of PASA. Chapter 5 ends by posing some areas suggested for future research.

5.1 Conclusions

The conclusions are presented in respect to the research questions posed in Chapter 1 of this dissertation. Conclusions are statements in response to all the research questions.

5.1.1 Question 1: What external and internal factors have contributed to failure by Practical Action Southern Africa to meet its strategic targets?

The researcher concludes that limited donor funding as a key external threat to the attainment of strategic objectives by PASA. One of the contributing factors to this threat is the cutting down on foreign aid by the key institutional donors such as the EU, USAID and DFID.

The limited donor funding is also worsened by changes by the changing donor funding mechanisms which now prefer fewer but larger contracts through consortia, a development which tends to increase competition among INGOs.

In Zimbabwe the prevailing political uncertainty also led to reduced inflow of aid due to loss of donor confidence.
It is also concluded that the internal problems being experienced by PASA were largely associated with its structure which is believed to be misaligned as well as the business systems which were not as efficient as desired. For example the current strategy focuses on three core strategic goals on energy access, sustainable agriculture and urban WASHE, yet the PASA organogram shows a lot more functional teams than may be necessary. The perceived overlap of roles within and across functional teams will lead to unclear accountabilities among staff, which may lead to omission of certain roles as staff will simply assume that someone else will do it. The lack of streamlined roles may also cause some internal friction or failures in collaboration due to unproductive competition between teams and individuals, which ultimately leads to failure to deliver projects in time, which became a reputational risk to PASA.

5.1.2 Question 2: Are the strategy, structure and systems effectively aligned and operationalised?

The research results stated the need to improve the effectiveness and efficiency of the systems at PASA. The researcher therefore concludes that both the structure and systems are not quite aligned to the strategy. This was also confirmed by two consecutive internal audits which highlighted the need to improve systems. This disconnection causes some substantial drudgery in the business operations, thereby negatively affecting the achievement of PASA’s strategic objectives.

5.1.3 Question 3: To what extent are the shared values, staff, skills and style effectively aligned and operationalised?

It is the researcher’s view that there is generally weak commitment to the organisation at all levels as evidenced by the failure to walk the talk on organisational values. This research has shown that PASA organisational values are talked about a lot in staff meetings. However the research results also indicate a weak application of the values in the organisation’s work.

This research also concludes that staff working relationships could be much better as the results showed that some staff thought relations were good while others viewed
otherwise. This situation where PASA has mixed opinions among its staff regarding their working relations is not a good position to be.

Given the concerns by staff regarding skills management, the researcher concluded that there could be some cases where some employees were re-deployed internally while they did not meet the skills requirement for the new roles.

The leadership or management style at PASA is currently not amenable to ensuring high organisational performance due to inconsistencies in the implementation of decisions made by the senior management team. The research findings showed a mixed picture, thus implying cases of conflicting language and behaviour by senior managers. This situation tends to confuse junior employees and is counter-productive.

5.1.4 Question 4: Are the performance indicators being used at Practical Action sufficient to guide management decision-making and business effectiveness?

The background to this study and the research findings emphasise fundamental weaknesses in the monitoring and decision-making at PASA. Given that the employee survey suggested that management did not have a strong culture of using appropriate indicators for decision making, the researcher’s make the conclusion that management at PASA is struggling to hold employees accountable.

The research also observed that PASA was failing to deliver its projects on time. Therefore it is concluded that project delivery processes within PASA, including how project delivery is monitored and supported are not effective. Responses from the survey indicated the need for appropriate indicators that would foster effective communication and collaboration between project staff and management.

The research also concludes that there is need for suitable indicators to enable effective and timely monitoring of business process efficiency, organisational culture, partners satisfaction, client satisfaction and innovative capabilities. These are areas that were suggested as requiring improvement by employees.
5.1.5 Question 5: What short-term and medium-term measures are recommended to senior management to enable them to ensure realisation of strategic targets?

This study managed to identify some short-term and medium-term measures that are recommended to the PASA management as presented below.

5.1.5.1 Short-term:

Drawing from the issues highlighted above, the PASA senior management is advised to immediately review its organisational structure and business systems in light of the current strategy. Business systems review should assess all support services functions and programmes. All organisational policies, employee contracts and systems need to be reviewed by an independent legal expert. Senior management should conduct wider discussions with all staff to create a common understanding of the situation and create the necessary urgency for organisational change. The current internal audit report can be used as a basis for creating the sense of urgency.

5.1.5.2 Medium-term:

In the medium term, the PASA management should be implement agreed changes which include realigning the structure, systems and the soft Ss. This includes mobilisation of the necessary funding for imminent retrenchments, recruitments, staff training and procurement of the necessary IT equipment. However management will need to monitor and manage potential legal and reputational risks that could be potentially harmful to the organisation. Senior management itself will require some focused professional coaching and mentoring to strengthen the team and also to guide the change process. It will also be important for senior management to understand that change management should be a continuous process and not just a once-off event.
5.2 Validation of the Research Proposition

The testing of the research proposition conducted in Chapter 4 indicates that all the five research results to the research objectives support the research proposition which states that failure by Practical Action Southern Africa to achieve the desired strategic alignment and to improve its organisational performance can be explained by the weak conformance to the McKinsey’s 7S model’. Therefore this research has been proved to be correct and relevant.

5.3 Recommendations

5.3.1 All the perceived internal barriers such as systems and structure are within the control of the PASA senior management and can be transformed into strengths through a thorough review of its strategic alignment, in view of the ever-changing external environment. PASA is advised to review the alignment of its hard Ss as a matter of urgency. No matter how well the soft Ss may be organised, if the hard Ss are outdated or irrelevant, employees will continue to get frustrated. Hence a calculated holistic approach to reviewing and improving the 7 Ss is critical.

5.3.2 PASA needs to accept that the external environment will always be changing and it is beyond the control of the organisation. The external problem of limited funding will require PASA to review its current business development strategy so as to effectively adapt and respond to the changing donor environment. There is an opportunity to learn from other similar INGOs who are doing it better. The changes in the donor funding mechanisms and the general reduction in funding levels in Zimbabwe are a reality. This research has identified the need for PASA to rethink its fundraising strategy in light of its regional geographical coverage. PASA is recommended to look at opportunities prevailing in other countries, but being cautious of its internal capacities and resources.

5.3.3 PASA could use its corporate values in combination with some lag indicators as to guide, monitor and manage performance at the individual, team and
organisational levels. Thus all programme or project designs would be reviewed and approved using the ‘organisational values’ lens. This will require a review of the performance management system. In one way this could also contribute towards improved staff relations. The Balanced Scorecard is also recommended for serious consideration as an effective tool for packaging performance targets for individuals, teams and the organisation.

5.3.4 Internal promotions and reassignment of staff is good if there is demonstrated potential to adapt and deliver. PASA needs to put in place a clear skills development plan alongside its annual business planning. Continuous skills development will help inculcate and drive the desired culture of innovation. The 70/20/10 concept of learning and development is recommended for consideration, which gives emphasis on developing staff skills on-the-job which should contribute 70% of the employee’s development, while 20% is contributed by strategic meetings and workshops, and 10% coming from formal professional courses.

5.3.5 As the key driver of the organisational strategy the senior management team at PASA really needs to ‘put their act together’ to assume a much more professional outlook and consistent behaviour in line with the organisational values and objectives. The success of dealing with all the issues identified through this research depends upon ownership, commitment and collaboration among senior managers. The PASA leadership has to lead by example.

5.3.6 Although McKinsey’s model lists 7Ss as variables that are regarded as equally important to ensure effective organisational performance, this research has enabled the assessment of the relative strength or impact of each as viewed by management and employees, given the current situation. It is therefore recommended that the PASA senior management maintain a holistic perspective as they prioritise and plan their institutional improvements.
5.4 Areas of Future Study

The researcher felt that there is potential for a lot of research to be done to understand the operations and contributions of the different types of NGOs in specific geographical and socio-economic settings. There is need to understand the NGO business models and how they strive to gain competitive advantage in an ever-changing business environment. Another area that requires research is the nature, types and cost-effectiveness of the different partnership models adopted by NGOs. Lastly the continuing debate on attribution of NGO impact on communities and nations requires further research.
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## APPENDICES

1. The research design.
2. The semi-structured interview questionnaire.
3. Summary of content analysis.
4. The structured survey questionnaire.
5. The introductory letter.
6. Sample response from directors
7. Sample Chi-square analysis in SPSS

Appendix 1. The research design.

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<td>2.2.2.3 Global economic situation</td>
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<td>2.3.2.3 Systems</td>
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<td>performance of Practical Action Southern Africa.</td>
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<td>organisational performance</td>
<td>organisational performance</td>
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<td>2.6.2 Medium-term measures for improving organisational performance</td>
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**Appendix 2. The semi-structured Interview questionnaire**

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<tr>
<th>INGO</th>
<th>A, B, C, D, E</th>
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<tbody>
<tr>
<td><strong>Objective 1. Factors inhibiting achieving of organisational strategic targets.</strong></td>
<td></td>
</tr>
<tr>
<td>Q1</td>
<td>Could you summarise your strategic objectives and whether you are on target?</td>
</tr>
<tr>
<td>Q2</td>
<td>In your opinion, what key factors are hindering achievement of your strategic targets?</td>
</tr>
</tbody>
</table>

**Objective 2. Alignment and operationalization of organisational strategy, structure and systems**

| Q3 | How do you describe the relationship between your organisational strategy and the structure and systems? |
| Q4 | Explain how your organisational structure enables you to achieve your organisational performance targets? |
| Q5 | Which of your systems are effectively supporting the achievement of your strategic objectives and why? |
| Q6 | Which of your systems need to be improved to better support the achievement of your strategic objectives, how and why? |

**C Objective 3. Alignment and effectiveness shared values, staff, skills and style**

| Q7 | Please state your organisational values? |
| Q8 | To what extent are shared values contributing to the organisation’s objectives? |
| Q9 | How do you describe and rate staff relations within the organisation? |
| Q10 | To what extent do staff relations impact on your organisational performance? |
| Q11 | Can you summarise how you manage skills in your organisation? |
| Q12 | Do you think you are managing skills effectively enough to be able to meet or exceed your organisational objectives? |
| Q13 | Explain the management/leadership style(s) in your organisation. |
| Q14 | How does your management style impact on the performance of staff and the organisation? |

**D Objective 4. Adequacy of performance indicators in measuring performance and guiding decision-making**

| Q15 | What are the three most important indicators that you are using to measure the performance of your organisation and why? |
| Q16 | How do you describe the relevance of these indicators in supporting decision-making by management in your organisation? |

**Appendix 3. Content analysis summary table**

<table>
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<tr>
<th>Respondents</th>
<th>Category</th>
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<table>
<thead>
<tr>
<th>Q</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Technology-led poverty reduction in energy, agriculture and WASHE. Targets lagging behind</td>
<td>Poverty reduction &amp; economic growth in agriculture, energy &amp; WASHE. Targets satisfactory</td>
<td>Poverty reduction through food security and livelihoods support</td>
<td>Poverty reduction through livelihoods, nutrition and WASH (water, sanitation and hygiene) projects.</td>
</tr>
<tr>
<td>2</td>
<td>Limited funding, internal systems and structure</td>
<td>Liquidity crunch, partner performance</td>
<td>Poor partner accountability</td>
<td>Limited donor funding.</td>
</tr>
<tr>
<td>3</td>
<td>Mis-aligned structure and systems, funding. Structure too hierarchical in some areas with roles not well-defined</td>
<td>Good alignment of strategy, structure and systems; output satisfactory</td>
<td>Well aligned strategy, structure and systems</td>
<td>Recently realigned structure and systems to strategy. So far the hard Ss are working well.</td>
</tr>
<tr>
<td>4</td>
<td>Structure contributes to current relatively low overall performance.</td>
<td>Streamlined structure; relatively high organisational performance.</td>
<td>Streamlined structure and well-defined roles enable high organisational performance</td>
<td>The streamlined structure has enhanced performance.</td>
</tr>
<tr>
<td>5</td>
<td>IT support system effectively supports attainment of objectives</td>
<td>Partnerships help attainment of objectives</td>
<td>Financial management and partnership systems effectively support attainment of objectives.</td>
<td>Administration system and financial management system.</td>
</tr>
<tr>
<td>6</td>
<td>Procurement, financial, HR, transport systems need improvement</td>
<td>Need to improve partnership management system.</td>
<td>Need to improve programme delivery system.</td>
<td>Need to improve project delivery system</td>
</tr>
<tr>
<td>7</td>
<td>Justice, democracy, empowerment, diversity, sustainability</td>
<td>Inclusive development; systemic change; local ownership</td>
<td>Solidarity, perseverance, accountability, participation and courage.</td>
<td>Equality; resilience; access to opportunities</td>
</tr>
<tr>
<td>8</td>
<td>Weakly shared values</td>
<td>Strongly shared values</td>
<td>Strongly shared values in all activities</td>
<td>Emphasis on mission statement</td>
</tr>
<tr>
<td>9</td>
<td>Poor staff relations in some areas evidenced by silos, victimisation, unproductive competition</td>
<td>Good staff relations</td>
<td>Very positive staff relations</td>
<td>Much better teamwork after restructuring.</td>
</tr>
<tr>
<td>10</td>
<td>Poor delivery of projects due to lack of effective staff relations &amp; collaboration</td>
<td>Staff relations contribute to satisfactory attainment of organisational objectives</td>
<td>Staff relations positively leading to attainment of organisational objectives</td>
<td>Team output is positively contributing to the performance of the organisation.</td>
</tr>
<tr>
<td>11</td>
<td>Lack of requisite skills and depth in some areas. No skills development planning.</td>
<td>Recruiting for skills; internal deployment compromising capabilities in some areas.</td>
<td>All department manned by professionally skilled staff</td>
<td>It is believed the organisation has adequate skill sets</td>
</tr>
<tr>
<td>12</td>
<td>Skills management is not effectively managed to</td>
<td>Skills management positively contributes to</td>
<td>Skills management enabling attainment of</td>
<td>Individual and team skills more effectively</td>
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<th>Question</th>
<th>Organisational Objectives</th>
<th>Management Style</th>
<th>Performance Indicators</th>
<th>Relevance of Current Indicators</th>
<th>Suggested Short-term and Medium-term Measures</th>
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<tr>
<td>Q13</td>
<td>Maximise attainment of organisational objectives.</td>
<td>Accountability and teamwork</td>
<td>Openness and collaboration</td>
<td>Driven by policies and procedures</td>
<td>Management style</td>
</tr>
<tr>
<td>Q14</td>
<td>Confusing style causes low staff motivation and ineffective project delivery</td>
<td>Management style positively contributes to organisational objectives</td>
<td>Management style provides positive leadership to staff</td>
<td>Improved compliance effectively contributing to objectives</td>
<td></td>
</tr>
<tr>
<td>Q15</td>
<td>Zero annual budget deficit; material and relational beneficiaries; fundraising targets</td>
<td>Inclusive development; systemic change; local ownership.</td>
<td>Results-based management with good benchmarking.</td>
<td>Results-based management</td>
<td>Performance indicators</td>
</tr>
<tr>
<td>Q16</td>
<td>KPIs are now relevant after revisions twice. Culture of using indicators in management decision-making is weak.</td>
<td>Indicators help with lessons used by senior management to improve programmes</td>
<td>Indicators positively help support management decisions.</td>
<td>Progress on indicators informs annual reviewing and planning</td>
<td>Relevance of current indicators</td>
</tr>
<tr>
<td>Q17</td>
<td>Immediate review of structures and systems to align with strategic intent</td>
<td>Ensure clarity of strategy</td>
<td>Review and streamline structure and systems</td>
<td>Further improve partnership management.</td>
<td></td>
</tr>
<tr>
<td>Q18</td>
<td>Immediate review of all skills, recruitment, development and deployment system</td>
<td>Alignment of structure and systems to strategy</td>
<td>Review staff contracts and performance management system</td>
<td>Review and improve monitoring and learning process.</td>
<td></td>
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<tr>
<td>Q19</td>
<td>Urgent improvement of procurement system.</td>
<td>Ensure skills fit</td>
<td>Partnership development and management</td>
<td>To improve designing of programmes</td>
<td>Suggested short-term and medium-term measures</td>
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<td>Q20</td>
<td>Urgent review of financial management system.</td>
<td>Skills training and development</td>
<td>Team building</td>
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<td>Q21</td>
<td>Review staff and team performance management system.</td>
<td>Partnership development</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Q22</td>
<td>Implement a team building process</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Q23</td>
<td>Implement and monitor improved structure and systems.</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
</tbody>
</table>

**Key**

**Q1 **Question 1

A. Respondent A, also the same as director for organisation A.

Appendix 4. The structured survey questionnaire.
SECTION A. Demographics

<table>
<thead>
<tr>
<th>Tick your current level in your organisation</th>
<th>Senior</th>
<th>Middle</th>
<th>Junior</th>
</tr>
</thead>
<tbody>
<tr>
<td>Years of service in the organisation</td>
<td>Below 2</td>
<td>2 - 5</td>
<td>5 or more</td>
</tr>
<tr>
<td>Age</td>
<td>20 - 30</td>
<td>31 - 40</td>
<td>41 or more</td>
</tr>
<tr>
<td>Sex</td>
<td>F</td>
<td>M</td>
<td></td>
</tr>
</tbody>
</table>

SECTION B. Data collection

**How to complete this Likert scale questionnaire**

Based on the item, the respondent will choose a number from 1 to 5 Likert’s scale which measure the extent of your agreement with each question using the criteria below:

1 – strongly disagree; 2 – disagree; 3 – neutral; 4 – agree; 5 – strongly agree

Please start by indicating your position in your organisation.

<table>
<thead>
<tr>
<th>Rating</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Question</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Objective 1. Factors inhibiting achieving of organisational strategic targets.</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>My organisation is on target and likely to achieve its strategic objectives</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>There is a good alignment between the organisational strategy, structure and systems.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Objective 2. Alignment and operationalization of organisational strategy, structure and systems</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Our current organisational structure enables high performance of our organisation.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Most organisational systems (e.g. transport, HR, financial management, procurement, project management) are contributing effectively to the achievement of our strategic objectives.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>There is need to improve our systems to better support the achievement of our strategic objectives.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Objective 3. Alignment and effectiveness shared values, staff, skills and style</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>My organisation’s values are defined and shared among most staff.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Our shared values contribute significantly to the attainment of my organisation’s objectives.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Staff relations within the organisation are good</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>The staff relations in my organisation positively impact on the organisational performance.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>My organisation has the right skills at the right places.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
The way skills are managed contributes significantly towards achievement of the organisational objectives.

Generally the management/leadership style in my organisation promotes teamwork.

The management style enhances the performance of staff and the organisation.

### Objective 4. Adequacy of performance indicators in measuring performance and guiding decision-making

14 The degree of change in community wellbeing is one of the key indicators used to measure the performance of my organisation.

15 The indicators used to measure our organisational performance are effectively supporting decision-making by management.

### Objective 5. Possible short to medium term interventions for improving overall performance of PASA

16 My organisation should improve its financial management system to enhance real-time decision-making

17 Systems efficiency is critical for enhanced organisational performance

18 Our project delivery system needs urgent improvement

19 HR planning, recruitment and deployment requires urgent review

20 There is an urgent need to improve staff working relations

21 The procurement system needs to be improved immediately

22 There is need to review the transport system

23 The organisation should have a clearer partnership development and management strategy and plan.

24 The organisation needs to be much more innovative to gain and sustain its competitive advantage through products and services.

25 Staff skills development must be prioritised

Thank you for your contributions.

Kudzai Marovanidze.

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Appendix 5. The introductory letter.
02 February 2015
Dear Sir/Madam

Master of Business Administration Research Questionnaire
The researcher is a final year student currently studying for a Master of Business Administration (MBA) Degree with the Graduate School of Management of the University of Zimbabwe. The researcher is conducting research to identify ‘Short-medium term measures for improving the strategic alignment and business performance of Practical Action Southern Africa, 2009 to 2014’.
This research addresses an issue of importance in Zimbabwe, yet little research has been done on it.

You are one of a small number of people being consulted to contribute your views on this issue.

The researcher will greatly appreciate if you could assist by completing and returning the attached questionnaire by the 13th of February 2015.

Should you have any questions you wish to ask or anything you may wish to discuss, please feel free to phone the writer on cell phone number 0772 868188 or telephone number 776631-3.

All information you will provide will be treated in total confidence, and will not be disclosed to anyone else without your approval. Please note that your name and address will not be included on the questionnaire and that no identification number is used. This research is purely academic and all information received will be handled with very strict confidentiality.

Thanks you very much, in advance, for your cooperation in this research.

Yours faithfully,

Kudzai Marovanidze
MBA Research Candidate.

Appendix 6. Sample response from directors.
Hi Kudzai,

Apologies for the delay- please find the completed semi-structured questionnaire. I’d be interested to read your research. Good luck with the completion of your MBA.

Kelly
My organisations values are defined and shared among most staff.

<table>
<thead>
<tr>
<th>Organization</th>
<th>Strongly disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly agree</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>13</td>
<td>5</td>
<td>20</td>
</tr>
<tr>
<td>% within Organization</td>
<td>5.0%</td>
<td>5.0%</td>
<td>.0%</td>
<td>65.0%</td>
<td>25.0%</td>
<td>100.0%</td>
</tr>
<tr>
<td>B</td>
<td>1</td>
<td>4</td>
<td>5</td>
<td>2</td>
<td>0</td>
<td>12</td>
</tr>
<tr>
<td>% within Organization</td>
<td>8.3%</td>
<td>33.3%</td>
<td>41.7%</td>
<td>16.7%</td>
<td>.0%</td>
<td>100.0%</td>
</tr>
<tr>
<td>C</td>
<td>0</td>
<td>5</td>
<td>7</td>
<td>7</td>
<td>0</td>
<td>19</td>
</tr>
<tr>
<td>% within Organization</td>
<td>.0%</td>
<td>26.3%</td>
<td>36.8%</td>
<td>36.8%</td>
<td>.0%</td>
<td>100.0%</td>
</tr>
<tr>
<td>D</td>
<td>0</td>
<td>4</td>
<td>4</td>
<td>16</td>
<td>5</td>
<td>29</td>
</tr>
<tr>
<td>% within Organization</td>
<td>.0%</td>
<td>13.8%</td>
<td>13.8%</td>
<td>55.2%</td>
<td>17.2%</td>
<td>100.0%</td>
</tr>
<tr>
<td>Total</td>
<td>2</td>
<td>14</td>
<td>16</td>
<td>38</td>
<td>10</td>
<td>80</td>
</tr>
<tr>
<td>% within Organization</td>
<td>2.5%</td>
<td>17.5%</td>
<td>20.0%</td>
<td>47.5%</td>
<td>12.5%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

### Chi-Square Tests

<table>
<thead>
<tr>
<th></th>
<th>Value</th>
<th>df</th>
<th>Asymp. Sig. (2-sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>29.381</td>
<td>12</td>
<td>.003</td>
</tr>
<tr>
<td>Likelihood Ratio</td>
<td>36.886</td>
<td>12</td>
<td>.000</td>
</tr>
<tr>
<td>Linear-by-Linear Association</td>
<td>.054</td>
<td>1</td>
<td>.816</td>
</tr>
<tr>
<td>N of Valid Cases</td>
<td>80</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. 14 cells (70.0%) have expected count less than 5. The minimum expected count is .30.

**Conclusion:** There is a significant relationship between the organisation and whether staff felt values were well defined and shared or not (p value = .003).