

# **INFLUENCE OF STRATEGIC LEADERSHIP ON PERFORMANCE IN NON GOVERNMENTAL ORGANIZATIONS IN NAIROBI COUNTY**

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## **ABSTRACT**

The purpose of this research was to examine effect of strategic leadership on performance in NGOs located in Nairobi County. Moreover, specific study objectives was to evaluate effect of strategic thinking, management of change, strategic direction and competencies development on performance in NGOs located in Nairobi County. Additionally, the research was guided by the strategic leadership theory, contingency theory, goal setting theory as well as human capital theory. An explanatory research design was employed in the current study. Therefore, the study population was 636 heads of finance, fundraising and communications, human resource and programmes departments in the 159 non-governmental organizations based in Nairobi County. Stratified random sampling was employed to choose 244 individuals from study population. Additionally, the study employed primary data, which was gathered by employing semi-structured questionnaire. A semi structured questionnaire was employed to generate quantitative as well as qualitative data, which was then analyzed separately using various techniques. Thematic analysis was employed to analyze qualitative data and results given in prose form. Moreover, analysis of quantitative data was done using descriptive as well as inferential statistics by employing SPSS version 22. Additionally, descriptive statistics composed of mean, frequency distribution, percentages, and standard deviation. Inferential statistics including correlation as well as multivariate regression analysis then followed after that. Tables and figures (bar charts as well as pie

charts), were used to display the findings. The study discovered that strategic thinking has a positive and significant effect on the performance of the non-governmental organizations in Nairobi County. Moreover, the study revealed that management of change has a positive and significant effect on the performance of the Non-governmental Organizations in Nairobi County. Further, the study found that strategic direction has a positive significant effect on the performance of the Non-governmental Organizations in Nairobi County. The research also found that core competencies development has a positive and significant effect on the performance of the Non-governmental Organizations in Nairobi County. This study therefore recommends that NGOs should adopt change management in order to guide the leaders and managers in assigning roles to workgroups, departments and employees while also increasing their knowledge of the ever-changing tasks and positions that they will face in the workplace. In addition, the management should support innovation among the employees to enable improve the organizations' productivity, improve efficiency in service delivery, create new partnerships and relationships, improve customer satisfaction and enable problem. Furthermore, the NGOs should develop a vision statement to guide the organizations in making decisions that are consistent with its philosophy and stated objectives.

**Keywords:** Strategic leadership, strategic thinking, management of change, strategic direction and competencies development, organizational performance.

## **INTRODUCTION**

NGOs play an important role in today's society, normally filling in the gaps left by the government in terms of essential services and social security for people by donor philanthropy (Diaz & Rees, 2020). In addition, since citizens' demands on governments in evolving countries have increased, NGOs have taken active as well as complementary roles in harnessing people's capacity to make sure there is consistent growth. In most developed countries, interest in and funding for NGOs has increased dramatically over the last few decades. This is due to the belief that NGOs, as opposed to governments, are more adaptable, fast, and flexible in responding to people's needs.

In contrast to private organizations, which are mainly focused on commercial goals, NGOs have a cooperative or humanitarian goal. NGOs include organizations, agencies and institutions that have been established at their own accord so as to undertake altruistic goals without having a profit motive or any control from the government structure in the country that they are established. Poor performance of non-governmental organizations means many people will lack the provision of services (Bilginoğlu & Yozgat, 2018). This leads to the need to ensure continued and improved NGOs performance. However, most NGOs face numerous common leadership challenges that have a major impact on their success. Strategic leadership has greatly contributed to the success of good governance in non- governmental organizations (Bilginoğlu & Yozgat, 2018). Strategic leaders may use this vision to empower workers by instilling a sense of solidarity and purpose among them, allowing them to implement change within their organization. In addition, Stringham (2012) highlighted the ability of a leader to lead and manage change as a key characteristic of a strategic leader. Managing change and uncertainty, on the other hand, necessitates strategic leaders who can not only provide a sense of direction, but also foster ownership and alignment within their workgroups in order to implement change (Gusmão, Christiananta & Ellitan, 2018).

Key strategic leadership actions that characterize strategic leadership entail determination of strategic direction, growth of human capital and, exploiting of core competencies. Palladan, Abdulkadir and Wen (2017) indicate that the main components of strategic leadership in an organization include strategic direction, strategic thinking and management of change. In addition, Prasertcharoensuka and Tang (2017) argue that strategic leadership components include organization direction, change management and emphasis on skills development. According to Hadrawi (2018), strategic leadership encompasses vision and mission creation, strategic thinking, management of change, staff skill development.

The application of these strategic leadership actions leads to efficiency in service delivery, reduces cost of service delivery and improves customer satisfaction. According to Bilginoğlu and Yozgat (2018), any company's success is determined by its leaders. Organizations perform poorly if the leadership of an organization suffers from deficiencies such as the inability to

persuade its staff to abide to its vision, the failure to counter or identify risks, failure to manage resistance to change; and misjudging their capability to control the external environment (Stringham, 2012). However, consistent use of strategic leadership leads to an improvement in performance.

Strategic leadership involves a leader's ability to foresee, imagine, retain versatility, think creatively, and collaborate with others to initiate and manage reforms that will ensure the organization's long-term viability. Among large organizations in US, Owusu-Boadi (2019) argued that strategic leadership components such as effective planning, risk management, use of unique resources as well as development of skill and training for strategic leaders had a significant influence on performance. Further, Kabetu and Iravo (2018) observes that Strategic leadership creates a potential vision, communicates it to subordinates, motivates and inspires supporters, and participates in strategy-supportive conversations with colleagues and subordinates.

In Malaysia, Kong, Basit and Zubair (2018) indicate that the main components of strategic leadership include leadership vision, core competencies, strategic direction, people development, and innovation capability. While leadership vision, strategic direction, and core competencies have a positive significant impact on performance, and developing people has a negative significant impact, innovation capability has a positive significant impact on performance. Similarly, Mui (2018) found that strategic direction, strategic thinking, core competencies development have insignificant positive effect on performance of an organization and developing people have negative insignificant impact on performance of an organization.

According to Kabetu and Iravo (2018), the actions that characterize of strategic leadership include determination of strategic vision and establishment of balanced organizational controls, which significantly influence performance in South Africa. In Nigeria, Ahmad, Kadzrina and Yen (2016) revealed that actions related to strategic leadership include identifying the strategic path to take, establishing organizational controls, effectively managing organizational resources, ensuring an efficient organizational culture, and emphasizing ethical practice. In addition, Onu, Akinlabi and Egbuta (2018) observed that strategic leadership has significant association with performance of Nigerian manufacturing firms. Among insurance companies in Ghana, Banmore (2019) observed that there is a strong connection between strategic leadership and competitive advantage, as measured by strategic direction, strategic vision, ethical practices, strategic control, and strategic purpose.

Among Tea Estate companies situated in Nandi County, Ahmed (2018) argued that visionary leadership, inspiring leadership, transformational leadership, and managerial leadership, all influenced performance significantly. Among not for profit organizations, Kitonga, Bichanga and Muema (2016) found that establishing strategic direction, ethical practices, human capital

development, and organizational control had a significant effect on measures of performance such as fundraising efficiency, revenue growth and expenditure efficiency. In addition, Jaleha and Machuki (2018) indicate that strategic leadership decisions have a significant impact on performance, but the mechanisms by which they do so are still limited and largely speculative. Nonetheless, they also argued that However, the existence of strategic leadership does not always imply high performance since other factors may be at play.

In the Petroleum industry in Kenya, Abdikarim (2018) argues that strategic controls, corporate communication, strategic direction, strategic forecasting and human capital development as components of strategic leadership significantly influence organizational change. As such, strategic leaders should provide elaborate strategic planning practice which is geared towards organizational change, the human resources competence should be continuously appraised with the view of ensuring and promoting organizational change due to heterogeneous skills alignment. In addition, Otieno and Lewa (2020) observed that there existed a positive association between strategic direction, strategic ethical practices, strategic control and strategic human capital and performance of organizations in maritime sector within Kenya. Therefore, strategic direction of the organization should be well articulated through ensuring that the development of organization's mission, strategic goals, vision and objectives are well implemented.

Among non-governmental organizations performance refers to an organization's ability to transform the firms' resources in an efficient as well as effective manner in order to attain organizational goals and also contribute to improve other people's lives in the society. Amir and Muathe (2018) measured performance of non-governmental organizations in terms of achievement of objectives, ability to acquire resources and utilization of resources in pursuit of operational goals. In addition, Nyaywera, Kahuthia and Gakenia (2018) indicate that performance measures in NGOs include improvement of residents' standard of living and goal achievement.

### **Statement of the Problem**

In Kenya, non-governmental organizations perform a key role within the social sector, alleviation of poverty and development in both urban and rural areas. NGO's have previously been involved in relief, long-term development or emergency work or a combination of the three. Often times NGOs do not achieve the target goals of their projects or quit before the task is completed (Nyaywera, Kahuthia & Gakenia, 2018). Therefore, to improve performance, non-governmental organizations must re-look at their leadership strategies so as to ensure efficiency in the operations of their programmes, reduce cost of delivery and ensure quality standards of programmes.

According to Jhuthi (2015), more than half of all non-governmental organization projects and programs are not viable and fail in less than a year after the donors leave. Mugambi and Obere

(2021) observed that only 32% of all programmes by non-governmental organizations achieve beneficiaries' satisfaction, 24% partially achieve beneficiaries' satisfaction and 44% do not satisfy beneficiaries' satisfaction. Gachenge, Githui and Gathaiya (2021) indicate that 34.2% of the non-governmental organizations partially met their organization's objectives and 29.7% did not meet their objectives. In addition, Mkutano (2018) observed inefficiency in service delivery in 34.7% of the programmes by non-governmental organizations. Further, the effectiveness of 51.4% of the programmes was low as they were characterized by cost overruns. Poor performance and low profitability of NGOs' projects, according to Nyanje and Wanyoike (2016), can be explained by a lack of emphasis on key organizational factors such as leadership. Therefore, so as to enhance performance in NGOs, it is essential to address leadership issues through adoption of strategic leadership.

Various researches have been done on strategic leadership and performance in Kenya. For instance, in Nandi County, Ahmed (2018) examined the association between strategic leadership and Tea Estate Companies' performance; Otieno and Lewa (2020) assessed the effect of strategic leadership on performance in maritime sector; and Onkoba, Omari and Ngacho (2017) conducted a study on effect of strategic leadership practices on organization performance among Tea Factories in Kisii County. However, studies carried out on strategic leadership have focused on profit making institutions such tea factories and the maritime sector. Due to differences in mission, organizational structure and legal framework in different institutions, these findings cannot be used in non-governmental organizations. In addition, Kitonga, Bichanga and Muema (2016) examined whether strategic leadership influences not-for-profit organizations' performance within Nairobi County. However, strategic leadership was conceptualized in terms of ethical practices, organizational control and human capital, while the current study conceptualized strategic leadership in terms of strategic thinking, management of change, strategic direction and competencies development. The study therefore examined the influence of strategic leadership on performance in NGOs in Kenya.

### **Objectives of the Study**

The study sought to examine the effect of strategic leadership on performance of NGOs situated in Nairobi County, Kenya.

The specific objectives were;

- i. To evaluate the influence of strategic thinking on performance in NGOs within Nairobi County, Kenya.
- ii. To assess the influence of management of change on performance in NGOs within Nairobi County, Kenya.
- iii. To determine the influence of strategic direction on performance in NGOs within Nairobi County, Kenya.
- iv. To assess the influence of competencies development on performance in NGOs within Nairobi County, Kenya.

## **THEORETICAL REVIEW**

### **Strategic Leadership Theory**

Strategic leadership theory is credited to House and Baetz in the year 1979. Strategic leadership, according to the theory, allows strategic leaders to establish and re-create explanations for their organizations' continued existence (Blackburn, 2019). In addition, the theory indicates that strategic leaders shape formation of mission and purpose and influence successful strategic actions for the creation and execution of strategies which generate competitiveness in their organizations. Also, the theory indicates that leaders have the ability to influence their followers to effectively aid towards attainment of pre-established goals as well as objectives (Kriger & Zhovtobryukh, 2013). In current study, strategic leadership theory was used to show how strategic thinking influences performance of NGOs in Nairobi County. As indicated by Kriger & Zhovtobryukh (2013) leaders at strategic level must develop knowledge and awareness, the ability to think creatively and should be capable of creating and connecting ideas. Therefore, leaders in non-governmental organizations play a major role in enhancing strategic thinking in terms of creativity and innovativeness. Bhattacharyya and Jha (2018) support this argument by indicating that strategic leaders must make choices in the context of the future, taking into account the current as well as the likely future. They must ensure that the tactics they employ allow for the anticipated market environment's dynamism.

### **Contingency Theory**

In 1964, psychologist Fred Edward Fiedler proposed the contingency theory of leadership. The contingency theory emphasizes the significance of leader's personality as well as the environment in which he or she works. The personality of the leader and the situational setting are the two most significant factors. As a result, during a crisis, a leader will lead and control his unit by analyzing and assessing the situation and acting accordingly. According to this theory, an organization's needs are met when it is well-designed, and management style is suitable for the tasks well as the essence of workgroup. In this study, the theory was deployed to examine the effect of management of change on performance. As the theory indicates, there is no single approach to organizing and managing a business. As a result, during a crisis, a leader can lead and control his unit by analyzing and assessing the situation and make the necessary changes. However, while there are expected changes related to organizational structure, innovation and adoption of information technology, failure to management these changes can negatively affect performance.

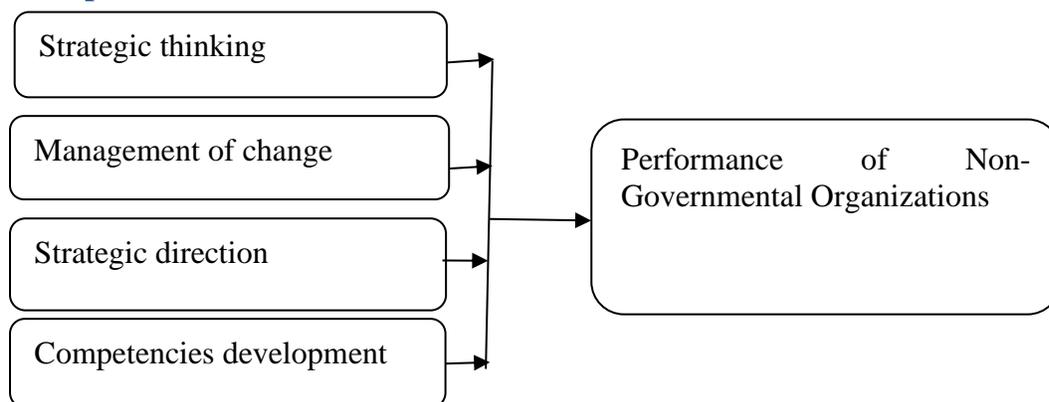
## Goal Setting Theory

Goal Setting Theory was founded by Edwin Locke and Gary Latham in 1960. According to goal-setting theory, precise and demanding goals, as well as appropriate response, lead to higher and better task results (Neubert & Dyck, 2016). According to Locke and Latham, there are five goal-setting concepts that can help a company achieve success: task difficulty, clarification, challenge, determination, and feedback. The primary source of work motivation is the ability to put forward the effort necessary to accomplish a goal. Goal setting theory was employed in current study to evaluate the effect of strategic direction on NGOs performance. The set goals should be measurable, achievable, specific, relevant and time-bounded. For goals to be effective, the individuals in an organization should be involved, committed and feedback provided in relation to the goal progress. Strategic goals and objectives in an organization are developed in line with an organizations mission and vision. Furthermore, an organization's objectives suggest and guide the staffs on what should be carried out and the effort required.

## Human Capital Theory

Becker (1964) initially founded human capital theory, but later combined efforts with Jacob Mincer and Theodore Schultz to improve it. The human capital theory basically indicates that training in any institution improves the skills of employees. Specific training provided to employees provides them with supporting and relevant skills in running the daily activities of their organizations (Na, 2012). The main elements in the human capital theory include advancement opportunities, favorable working conditions, and investment in training. Becker highlighted how both specific and general training influence the intentions of employees to either leave or stay in an organization. In addition, the human capital theory highlights that labor costs are highly related with the profitability of an organization. In the study, the human capital theory explained the effect of core competencies development on performance. Being a very important resource in an organization, human capital represents skills, capabilities, and knowledge of individuals. Together with structural capital, human capital represents total intellectual capital of a firm. Human capital reflects in the experience, identifiable skills, and education of a person.

## Conceptual Framework



## **Empirical Review**

Mitra, Mehrnush and Mojtaba (2018) investigated the association between strategic thinking and performance of middle and senior managers of Iran Health Insurance Organization. This study was a descriptive-correlational study that took place among 160 senior and mid-level managers of Health Insurance Organization of Iran. The study employed a questionnaire to collect data. Collected data were then analyzed by using SPSS software and Pearson and Kendall correlations test. According to the results of the study, strategic thinking and performance have a good score. There was also a significant association between strategic thinking and performance and five dimensions of strategic thinking with performance. Alatailat, Elrehail and Emeagwali (2019) conducted a study with the purpose of investigating the connection between strategic thinking and performance. Cross-sectional research data from Jordanian commercial banks was used. Focused purpose, intelligent opportunism, thinking in time, as well as hypothesis-driven all had positive effects on organizational success, even when viewed from a systems point of view, according to the findings. As a result, it was discovered that high-performance work practices only moderated the relationship between concentrated purpose, thinking in time, intelligent opportunism, and performance.

Olwal, Benjamin and Ndiao (2018) assessed the impact of strategic thinking on the performance of state corporations, with special reference to National Social Security Fund (NSSF) of Kenya. Moreover, the study employed descriptive research design. The study population was drawn from Management staff working in Head office comprising of 425 employees. Questionnaires were used as the research instruments. The study revealed that strategic thinking was positively associated with performance. This has been evidenced by the facts that elements of strategic thinking such as the availability of good corporate policies, the organizational vision and strategic training and development impacts more on the performance.

In Dubai, Alosani, Yusoff and Al-Dhaafri (2019) assessed the effect of innovation and strategic direction on organizational performance of Police. The study targeted 150 employees in Dubai police station. The study employed primary data that was obtained by the use of a questionnaire. The study discovered that strategic direction and innovation have significant effect on organizational performance. These results back up the RBV theory that creativity and strategic direction provide useful insight into managers' role in incorporating these elements into their daily activities, resulting in competitive advantage and thus maintaining business performance. The results suggest that creativity and strategic direction are essential drivers of organizational success because they can prompt the company to take creative and constructive measures.

Aidhaheeri, Ameen and Isaac (2020) examined the impact of strategy direction on learning and growth of public sector in UAE represented by Abu Dhabi judicial departments. In order to produce reliable results, the researchers used a quantitative research design. The study targeted

403 employees in judicial departments in Abu Dhabi. As a result, a questionnaire was created and used to elicit responses from respondents on the impact of strategy formulation on the performance of the UAE public sector. The requisite quantitative data was gathered using a non-probability sampling technique. The study results indicated that strategy direction (vision, mission and objective) has significant positive impact on organizational performance.

Muthaa (2018) conducted research into the impact of strategic direction on enrolment, resources, quality, and production. The cross-sectional descriptive survey research design was used in this report. In addition, questionnaires were used to collect data. A cross-sectional research design was also used. 90 representatives of management, including the principal, two deputy principals, the financial officer, and the registrar, the middle level management, which included the heads of departments and the dean of students, and the lower level management, which included the heads of sections, took part in the study in the three technical training institutions within Meru County (Meru National polytechnic, Kirua and Nkabune Technical Training Institute). The study discovered that the strategic direction of technical training institutions has a major impact on their success. Moreover, the implementation of government policy had a significant improvement in Technical Training Institutions' performance.

In India, Salman, Ganie and Saleem (2020) examined the influence of staff competencies development on organizational performance. Moreover, the researcher employed a study population of 325 managerial as well as non-managerial staffs working in private and public sector banks. Moreover, the data was collected through a structured questionnaire and convenience sampling in a cross-sectional research design. Apart from self-competence, which had insignificant negative effect, results showed a positive significant influence of employee competency growth on organizational success. In Tanzania, Samwel (2018) assessed the impact of competency development on the performance of drilling companies in Geita, Mara and Shinyanga Regions. A total of 219 people were chosen using purposive as well as simple random sampling methods. The respondents were asked to fill out a questionnaire, which was used to obtain data. Additionally, descriptive statistics were employed to analyze data, and the results were presented in tables. According to the findings of the report, competency development has a significant impact on drilling company performance.

## **RESEARCH METHODOLOGY**

### **Research Design**

An explanatory research design was used. In the current study explanatory research design was employed to examine how strategic leadership components relate with performance of NGOs in Nairobi County.

## **Target Population**

The unit of analysis was all the 159 non-governmental organizations in Nairobi County. According to NGOs Co-ordination Board (2020), there are 159 registered non-governmental organizations based in Nairobi County. The target population of the study was therefore 636 heads of finance, fundraising and communications, human resource and programmes departments in the 159 NGOs based in Nairobi County.

## **Sampling Frame**

A sampling frame is required to enhance the identification of every person in a population and ensure that they have equal opportunities of being selected in sample size. Sampling frame of this study was 636 heads of finance, fundraising and communications, human resource and programmes departments in the 159 non-governmental organizations based in Nairobi County. This study made use of Slovin's Formula to approximate the study sample size. As such, 244 respondents were chosen from the target population using stratified random sampling.

## **Data Collection**

Primary data was employed in this report. The semi-structured questionnaires were employed in this study to obtain data from the heads of finance, fundraising and communications, human resource and programmes departments in the 159 NGOs based in Nairobi County. Questionnaires included closed-ended as well as open-ended questions hence allowing respondents to express their opinions without being influenced by the researcher. Drop-off and pick-up (DOPU) technique was included in this report.

## **Pilot Testing**

The pilot test was conducted among non-governmental organizations based in Kiambu County with a pilot group of 24 individuals. The current study content validity was improved by obtaining for experts views in the field (strategic management), especially supervisors. Cronbach's alpha coefficient, which ranges from 0 to 1, was used to assess data reliability, which is a measure of internal accuracy and average correlation. Cronbach's alpha is a measure of internal consistency, or how a set of objects are closely linked to one another.

## **Data Analysis**

A semi-structured questionnaire was employed to generate qualitative as well as quantitative data, which was then analyzed separately using various techniques. Qualitative data was analyzed by use of thematic analysis. With the aid of SPSS version 22, descriptive as well as inferential statistics were employed to analyze quantitative data. Descriptive statistics comprised

of frequency distribution, mean, standard deviation and percentages (Greenfield & Greener, 2016). Inferential statistics including correlation as well as multivariate regression analysis then followed. The findings were given in tables as well as figures (pie charts and bar charts). Moreover, the correlation between dependent and independent variables was established using correlation analysis and regression analysis. Multi regression model in this study was;

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \epsilon \dots \dots \dots \text{Equation 1}$$

Where:

Y represented Organizational performance

$\beta_0$  represents Constant;  $\beta_1$ ,  $\beta_2$ ,  $\beta_3$  &  $\beta_4$  represents Regression coefficients of the independent variables, respectively.

Y = Performance of Non-governmental organizations;  $B_0$  = Constant;  $\beta_1$ -  $\beta_4$  =Coefficients of determination;  $X_1$  = Strategic thinking;  $X_2$  = Management of change;  $X_3$  = Strategic direction;  $X_4$  = Competencies development;  $\epsilon$  represents Error term.

## **RESEARCH FINDINGS AND DISCUSSIONS**

The study found that strategic thinking has a positive and significant effect on the performance of the non-governmental organizations in Nairobi County. Furthermore, the study revealed that leaders in the organization clearly connect the present and the future of the organization. In addition, leaders in the organization consider what the organization has to keep from its past and what it must lose from the past, according to the report. The research indicated that organization is focused on its objectives and goals. In addition, the organization has overarching goal or vision and making that goal a conscious focus. The study also revealed that the organization considers many responses to respond to a problem and then select the best. Furthermore, the study revealed that decisions in the organization are knowledge based.

The study found that management of change has a positive and significant effect on the performance of the Non-governmental Organizations in Nairobi County. In addition, the study revealed that task allocation in the organization is fair. Further, there have been frequent changes in the structure of the organization. The study further established that there are no bureaucracies in the organization. Furthermore, the study discovered that there is easy coordination and supervision in the organization. The survey also revealed that the organization has adopted information technology in human resources, service delivery and in finance department. The study found that there is knowledge sharing in the organization. Moreover, the organization encourages creativity among staff. However, the respondents revealed that at times, the organization has a research and development department.

The study found that strategic direction has a positive significant effect on the performance of the Non-governmental Organizations in Nairobi County. In addition, the study revealed that the mission of the organization clearly states its purpose and serves as a guide in decision-making.

Moreover, the study indicated that the mission of the organization shapes strategy and targets shareholders, employees and leaders. The study also discovered that the organization’s vision inspires action. Additionally, the study revealed that the vision of the organization helps staff to keep focused and work together. In addition, the organizations vision inspires people to commit, to persist and to give their best. Moreover, the study revealed that the vision of the organization pulls in people, ideas, and other resources. The study indicated that the goals enable the organization to evaluate and control performance as well as facilitate planning. In addition, the goals motivate and inspire employees in the organization.

The study found that core competencies development has a positive and significant effect on the performance of the Non-governmental Organizations in Nairobi County. The study further revealed that the organization has staff development policies. Moreover, the organization strictly adheres to staff development policies. Furthermore, the study revealed that staff development policies are frequently revised. Furthermore, the organization offers training programmes and scholarships for all staffs. The study indicated that there are mentorship and coaching programmes in the organization. Moreover, training programmes in the organization improves employee productivity and performance. Nevertheless, the study revealed that at times, scholarships in the organization cover tuition fee. Moreover, the study revealed that scholarships in the organization do not cover individual expenses.

**Inferential Analysis**

Model	R	R Square	Adjusted Square	R Std. Error of the Estimate
1	.854 <sup>a</sup>	0.729	0.718	0.26089

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	24.642	4	6.161	90.517	.000 <sup>b</sup>
	Residual	13.884	204	0.068		
	Total	25.526	208			

Model	Unstandardized Coefficients		Standardized Coefficients		t	Sig.
	B	Std. Error	Beta			
	(Constant)	0.562	0.127		4.425	0.000
1	Strategic Thinking	0.364	0.145	0.326	2.510	0.021
	Strategic Direction	0.222	0.101	0.200	2.198	0.034
	Change Management	0.378	0.137	0.353	2.759	0.001
	Core Competencies Development	0.464	0.121	0.418	3.835	0.000

		<b>Performance of the Non-governmental Organizations</b>	<b>Strategic Thinking</b>	<b>Strategic Direction</b>	<b>Change Management</b>	<b>Core Competencies Development</b>
Performance of the Non-governmental Organizations	Pearson Correlation Sig. (2-tailed)	1				
	N	209				
Strategic Thinking	Pearson Correlation Sig. (2-tailed)	.602**	1			
	N	209	209			
Strategic Direction	Pearson Correlation Sig. (2-tailed)	.581**	.062	1		
	N	209	209	209		
Change Management	Pearson Correlation Sig. (2-tailed)	.704**	.107	.152	1	
	N	209	209	209	209	
Core Competencies Development	Pearson Correlation Sig. (2-tailed)	.715**	.098	.062	.098	1
	N	209	209	209	209	209

From the correlation analysis there is a positive and significant relationship between strategic thinking and performance of the Non-governmental Organizations in Nairobi County (r=0.602, p-value =0.000). The p-value was less than the significant level of 0.05 hence attributing to the positive association. Moreover, the results revealed that there exists a positive and significant relationship between strategic direction and performance of the Non-governmental Organizations in Nairobi County (r=0.581, p-value =0.000). The p-value was less than the significant level of 0.05 hence attributing to the positive association.

The R squared for the relationship between strategic leadership and the performance of NGOs situated in Nairobi County was 0.729. This denotes that 72.9% of variation of dependent variable (performance of NGOs) could be explained by the independent variables (strategic thinking, management of change, strategic direction and competencies development). The ANOVA was used in this study to determine whether the model was a good fit for the data. As shown in Table 4.13, the F calculated was 90.517 and the F-critical from F-distribution table was 2.46. Since the F calculated was greater than the F critical and the p-value (0.000) was less than the significance level (0.05), the model was considered as a good fit for the data.

$$Y = 0.562 + 0.364X_1 + 0.222X_2 + 0.378 X_3 + 0.464X_4 + \epsilon$$

Strategic thinking has a positive and significant effect on the performance of the Non-governmental Organizations in Nairobi County ( $\beta_1=0.364$ , p-value= 0.000). The association was considered significant because the p-value (0.021) was below than the significant level of 0.05.

This means that an improvement in strategic thinking will lead to a 0.364 enhancement in the performance of the Non-governmental Organizations in Nairobi City County.

The results demonstrated that strategic direction has a positive significant effect on the performance of the Non-governmental Organizations in Nairobi County ( $\beta_2=0.222$ ,  $p\text{-value}=0.034$ ). Because the significant level (0.05) was greater than the  $p\text{-value}$ , the association was considered to be significant. This means that an enhancement in strategic direction would lead to a 0.222 improvement in the performance of the Non-governmental Organizations in Nairobi County.

The findings demonstrated that change management has a positive and significant effect on the performance of the Non-governmental Organizations in Nairobi County ( $\beta_3= 0.378$ ,  $p=0.001$ ). Because the significant level (0.05) was greater than the  $p\text{-value}$ , the relationship was considered to be significant. This means that improving change management will lead to 0.378 enhancement in the performance of the Non-governmental Organizations.

The study revealed that core competencies development has a positive and significant effect on the performance of the Non-governmental Organizations in Nairobi County ( $=0.464$ ,  $p\text{-value}=0.000$ ). The correlation was significant since the significance level of 0.05 was greater than the  $p\text{-value}$  (0.000). This suggests that an enhancement in core competencies development will result to 0.464 improvement in the performance of the Non-governmental Organizations.

The study findings showed a positive and significant relationship between change management and the performance of the Non-governmental Organizations in Nairobi City County ( $r=0.704$ ,  $p\text{-value} =0.000$ ). Since the  $p\text{-value}$  was less than the 0.05 significance level the relationship was significant.

Furthermore, the findings demonstrated a positive and significant relationship between core competencies development and the performance of the Non-governmental Organizations in Nairobi County ( $r=0.715$ ,  $p\text{-value} =0.000$ ). Since the  $p\text{-value}$  was less than 0.05 (significant level), the relationship was considered to be significant.

## **CONCLUSIONS**

The study found that strategic thinking has a positive and significant effect on the performance of the Non-governmental Organizations in Nairobi County. The findings revealed that strategic thinking (thinking in time, hypothesis-driven and intent focused) influences the performance of the non-governmental organizations in Nairobi County. This means that improving the strategic thinking (thinking in time, hypothesis-driven and intent focused increases the performance of Non-governmental Organizations in Nairobi County.

The study revealed that change management has a positive and significant effect on the performance of the Non-governmental Organizations in Nairobi County. The study revealed that management of change (change in organizational structure, adoption of information and technology and innovation) influences the performance of the non-governmental organizations in Nairobi County. This suggests that enhancing management of change (change in organizational structure, adoption of information and technology and innovation) improves the performance of the Non-governmental Organizations in Nairobi County.

The study found that strategic direction has a positive significant effect on the performance of the Non-governmental Organizations in Nairobi County. The study discovered that strategic direction (mission, vision and goals) influences the performance of the non-governmental organizations in Nairobi County. This means that improving strategic direction (mission, vision and goals) improves the performance of the Non-governmental Organizations in Nairobi County. The study found that core competencies development has a positive and significant effect on the performance of the Non-governmental Organizations in Nairobi County. The study revealed that competencies development (staff development policies, on-job training programmes and scholarships) influences the performance of the non-governmental organizations in Nairobi County. This means that enhancing competencies development (staff development policies, on-job training programmes and scholarships) enhances the performance of the Non-governmental Organizations in Nairobi County).

## **RECOMMENDATIONS**

The study found that strategic thinking has a positive and significant effect on the performance of the non-governmental organizations in Nairobi County. This study therefore recommends that the management of NGOs should adopt strategic thinking to help them set overall objective and make proper planning on how to achieve the set goals, evade disruption, organize business operations, solve diverse problem facing the organization by concentrating on the best possible solution and also maximize resources.

The study found that change management has a positive and significant effect on the performance of the Non-governmental Organizations in Nairobi County. This study therefore recommends that NGOs should adopt change management in order to guide the leaders and managers in assigning roles to workgroups, departments and employees while also increasing their knowledge of the ever-changing tasks and positions that they will face in the workplace.

The study discovered that at times, the organization has a research and development department. This study therefore recommends that the management of NGOs in Nairobi County should develop a research and development department to conduct an assessment on the current technological advancement such as the adoption of information technology to enable the

organization enhance growth, competitiveness, productivity, and survival of non-governmental organizations.

The study revealed that the organization encourages creativity among staff. This study therefore recommends that the management should support innovation among the employees to enable improve the organizations' productivity, improve efficiency in service delivery, create new partnerships and relationships, improve customer satisfaction, enable problem solving and provides creative insight that allow the management to look at things from a different perspective.

The study found that the vision of the organization helps staff to keep focused and work together. This study therefore recommends that the NGOs should develop a vision statement to guide the organizations in making decisions that are consistent with its philosophy and stated objectives. Moreover, vision statement serves as a strategic plan for success and helps motivate employees to work toward shared goals.

The study found that the organization offers training programmes for all staffs. This study therefore recommends that the management of NGOs should conduct training programmes on regular basis in order to increase job satisfaction and morale among staffs, enhance efficiencies in processes and reduce turnover of the employee and enhance the company's reputation.

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