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**STRATEGIC PLANNING, ORGANIZATIONAL STRUCTURE  
AND PERFORMANCE OF NON-GOVERNMENTAL  
ORGANIZATIONS IN NIGERIA; A MEDIATING  
PERSPECTIVE**

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## STRATEGIC PLANNING, ORGANIZATIONAL STRUCTURE AND PERFORMANCE OF NON-GOVERNMENTAL ORGANIZATIONS IN NIGERIA; A MEDIATING PERSPECTIVE

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### ABSTRACT

This study examines the influence of organizational structure on the relationship between strategic planning and performance of non-governmental organizations in Nigeria. Nigeria is featured amongst the 10 countries with the highest number of INGOs (Murdie & Kakietek, 2012). The primary motivation for this study therefore is predicated by the face validity and the notable absence of similar research in Nigeria, regarding the relationships between strategic planning, organizational structure and performance of the numerous NGOs in an otherwise dynamic or volatile environment. This study is premised upon the resource-based view (RBV) theory, the dynamic capabilities theory, the design school and Hofstede's Dimensions of Culture. The specific research objectives were to determine the relationship between strategic planning and performance of the NGOs in Nigeria and the effect of the organizational structure on this relationship. The research philosophy in this study was based upon the fundamental positivism approach. A proportionate stratified random sampling technique based on the Zikmund formula was used and yielded a final sample size of 70 (to cater for the anticipated non-response level) from a population frame of 667 NGOs (Dillman, 2000). A web-based survey questionnaire approach (qualtrics) was administered and duly completed by the respondents with a 68.57% response rate. Descriptive statistics, correlation and parametric statistical (simple linear and multiple regression) techniques were used to systematically analyze the data. The influence of strategic planning on organization performance was statistically significant ( $R^2=0.264$ ,  $F=16.504$ ,  $\beta= 0.504$ ,  $t= 4.126$ ,  $p<0.05$ ). The findings of this study have a number of implications for theory, practice and policy. Further data analysis statistically identifies organizational structure as a mediating variable. This study addresses a previously existing gap by examining the NGO sector in Nigeria and contributes immensely to the NGO realm regarding strategic planning and performance. Research has in the area of strategic planning largely concentrated in developed countries, and this is an epic examination with no previous study traced, that makes a distinct focus on the NGOs in Nigeria. Despite the study limitations encountered, the quality of the study was not compromised. This study considered only NGOs and it is recommended that future researchers should consider carrying out similar studies using different performance measures under different economic sectors to assess any response variations or engage an expanded sample size or study a specific core-sector of the NGOs in Nigeria.

**Key Words:** Strategic Planning, Organizational Structure, Performance, NGOs, Nigeria

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## Introduction

Strategic planning denotes the deliberate attempts by an organization to map out the application of its resource configuration, in response to its environment. It is a systematic process where an organization builds a consensus amongst its key stakeholders which is predicated by the organization's mission, and its purposed response to its external and internal environment (Allison & Kaye, 2005) so as to optimize its organizational performance. Wendy (1997) as cited by K'Obonyo and Arasa (2012), asserts that strategic planning incorporates strategic analysis, strategic choice and strategic implementation.

Through its adaptation via strategic planning, organizations caustiously navigate their way so as to adequately align themselves primarily to their external environment. This research was accordingly hinged upon the Resource Based View (RBV) theory, the dynamic capabilities theory and the design school as postulated by Mintzberg (1990). The fundamental assumption in this study was the existence of a relationship between strategic planning and performance of the NGOs in Nigeria. The study sought to examine the influence of the macro-environment factors on the relationship between strategic planning and performance of NGOs in Nigeria.

The primary motivation for this study therefore was predicated by the notable absence of pertinent researches in Nigeria, on the influence of the organizational structure factors on the relationship between strategic planning and performance of the numerous NGOs. Nigeria is featured amongst the top 10

countries with the highest number of INGOs (Murdie and Kakietek, 2012). Nigeria was identified for the resultant effect on face validity. Chandler (1962, 2003) defined strategic planning as a creative process for identifying and accomplishing the most important actions in view of organizational strengths, weaknesses, opportunities and threats. Chafee (1985) as cited by Harfield (1998) asserts that strategy is multi-dimensional and situational. Planning is perceived as an integral part of strategic management. Strategic planning therefore refers to a process that defines an organization's strategy, directions and decisions in an attempt to effectively and efficiently allocate its available resources so as to enhance the organization's performance.

It is the art and science of formulating and implementing cross functional decisions and business strategies so as to enable an organization to achieve its objectives (Kinicki & Williams, 2005). It's perceived as a systematic way to navigate change, optimize the best possible outcomes and inform the acquisition and allocation of resources in pursuit of the organizational vision. Further categorizations of strategy include societal strategy, enterprise strategy and sub-strategies. Some of the commonly pronounced values of strategy include providing direction to a company, managing change particularly in a dynamic macro-environment, development of competitive advantage in one's industry, attainment of focus and the reduction of conflict.

The structure of an organization prescribes the authority relationship and it informs and operationalizes the strategic plan. The organizational structure as advocated by

Chandler (1962) posited that "Structure follows Strategy". It provides the platform upon which the strategy is operationalized and is deliberately designed or created to deliver a specific organizational strategy, which often leads to the anticipated performance or desired outcomes. Mintzberg (1990) offers a contemporary and more balanced view, in arguing that there is a reciprocal relationship between strategy and structure and that "Structure follows strategy...as the left foot follows the right"(p 183). Mintzberg 2009 (as cited by Lunenburg, 2012), further states that the extent to which that strategy is practised results into five structural configurations: simple structure, machine bureaucracy, professional bureaucracy, divisionalized form and adhocracy. Tschirhart and Bielefeld (2012), present seven basic dimensions of structure, namely: formalization, complexity, centralization, specialization, standardization, professionalism, and hierarchy of authority.

The structure of an organization often resonates with the level of growth or stage, of that organization. Dependent on the stage, an organization's structural requirements may be different. An organization's structure predetermines the manner in which an organization responds to the macro-environment through the strategic planning process (Csaszar, 2012 cited by Pieterse, 2017). Pursuant to the classification provided by Kinicki and Williams (2005), NGOs are generally deemed to have a team structure. While organizational theorists somewhat differ on specific dimensions of structure, this study adopts the complexity, formality and centralization dimensions. These dimensions of structure have alternatively

been viewed as, the division of labour in that specific organization (complexity), the extent to which rules, regulations, and employee behaviour govern the operations of an organization (formalization), and as centralization, being the degree in which decision-making is concentrated at a single point within an organization (Robbins, 1990). There are a number of approaches proposed as appropriate measures of organizational performance.

These include, but are not limited to logic model, balanced scorecard, and other financial measures such as annual awards received, value for money or financial efficiency and expenditure analysis. NGO performance has until recently been devoid of the financial performance measures. Drucker (1989) argued that many not-for-profit firms had rejected commercial or for-profit organization's pre-occupations with the bottom-line. Organizational performance is distinct from organizational effectiveness which is a much broader term. According to Richard et al, (2009), organizational performance constitutes three specific areas of firm outcomes that is Financial Performance (such as profits, return on assets and return on investments).

Secondly Product Market performance (such as sales and market share), and thirdly Shareholder Return (such as total shareholder return and economic value added). There is an increasing demand for all organizations to become more transparent and to institutionalize performance measurement and management. This focus particularly on NGOs exists among the public in general, government and through the demand in the

public domain for commitment, accountability and transparency.

The NGOs that are perceived as vehicles of development, continue to sprout, pursuant to the myriad existing and emerging population needs, including but not limited to, basic health, poverty alleviation and political agitations given that Nigeria currently has the highest number of internally displaced persons in Africa estimated at over 3 million in 2015 (Emmanuel, 2015). Ultimately, the effectiveness of NGOs gravitates towards attaining the goals and priorities of their principal customers or donor countries. With the collaboration of the Federal Ministry of Health (FMOH), USAID, WHO, UNICEF, and World Bank amongst other NGOs, the Nigeria Network of NGOs (NNNGO) was established on the 1<sup>st</sup> July 1994, and recognized by the National Planning Commission (NPC) as the coordinating body for NGOs in the Federation of Nigeria and thus integrated into the planning process of the NPC.

Under the Laws of Nigeria, more especially the Company and Allied Matters Act 1990 (CAMA), NGOs are known as Incorporated Trustees. This means that the NGO formed is under the custody and direction of persons referred to as Trustees. In its broadest sense, an NGO is one that is simply not part of a government structure. The focus of this research study therefore, is on the relationship between strategic planning, organizational structure and performance within the macro-environment that this emerging economy, Nigeria, portends to the non-governmental organizations in Nigeria. NGOs have been active in Nigeria since the 1930s (NNNGO, 2014).

## 2. Literature Review

The protracted debate on corporate strategy is not yet over (Frick, 2018). It was identified in the literature review, that many studies are differentiated and limited essentially by the context, subject of analysis, the predictor variables and the extent of analysis regarding the joint interrelationships amongst the variables. Despite these limitations, the literature review undertaken shows pertinent studies where similar deductions or findings were arrived at, or where this study has attained similar or differentiated empirical evidence or where the current study has adequately pursued the recommendations of prior pertinent studies.

The RBV, initiated by Wernerfelt (1984) amongst others, presupposes that a firm's resources are the drivers of competitive advantage and performance. It is one of the most widely accepted theoretical frameworks under strategic management and performance (Priem & Butler, 2001; Rouse & Daellenbach, 2002). It perceives an organization's resources as key to superior firm performance and a sustained competitive advantage. The critical assumptions are, that the capabilities and other resources are heterogeneous and differ from one organization to another and secondly, that these resources like brand equity are immobile, at least in the short-run. The results of a study by Pertusa-Ortega et al (2010), clearly supports the RBV theory. The two critical assumptions of RBV are that resources must also be heterogeneous and immobile.

The two critical assumptions of RBV are that resources must also be heterogeneous and immobile. One of the criticisms of the RBV is that it may be tautological, or self-

verifying. Secondly, and according to Priem and Butler (2001a) and Kraaijenbrink et al (2010), Barney's VRIN perspective does not constitute a theory of the firm. The second concept of dynamic capabilities arose from a key shortcoming of the RBV of the firm. The main proposition of the dynamic capabilities concept is an organization's capability to innovate, develop and reconcile internal and external competences.

The dynamic capabilities concept is complimentary to the RBV, with an emphasis on the resource development and renewal (Barney et al, 2001). The main emphasis here is that of an organization's capability to innovate, develop and reconcile internal and external competences. By assisting the firm to adjust its resources mix, it maintains the sustainability of the firm's competitive advantage (Fainshmidt et al, 2016). There is significant support in extant literature for the the direct relationship between dynamic capabilities and firm performance (Lin & Wu, 2014). Finally, the design school, which is perhaps the most entrenched strategic model, with its basic framework underlying almost all prescriptions in the field of strategic planning and management. It presents a simple model that perceives the strategy process as one of design to achieve an essential fit between external threat and opportunity and internal distinctive competence (Mintzberg, 1990). The issue of firm performance has been central in strategy research for decades and encompasses most of the questions that have been raised in the field, for instance, why firms differ, how they behave, how they choose strategies and how they are managed (Porter, 1991).

Although strategy is among the most studied concept, it is ironically among the least understood (Chaharbaghi, 2007). Strategy is often perceived as an enabler to an organization's vision, mission and direction. It is a prerequisite demanded for policy creation, planning and the development of objectives (Ahmed & Mukhongo, 2017). Strategic management is an authentic tool for improving an organization's competitiveness and performance (Makanga & Paul, 2017). Organizational performance encompasses both financial performance and market performance (Richard et al., 2009). A study by Kitonga et al (2016) established a significant positive relationship between determining strategic direction and organizational performance. In their studies, Kargar and Parnell (1987); Ramanujam and Venkatraman (1987), established that multidimensional strategic planning is an effective way of planning as it results into increased firm or organizational performance. Aidehayyat and Twaissi (2011); Schwenk and Shrader (1993) both found a positive relationship between strategic planning and performance.

An organization's structure is the way the organization is laid out internally and its links with external organizations, partners and other entities (Lim & Sambrook, 2010). It defines the platform upon which the strategy resides. An organization's strategy defines the entire business plan and its outlay with regard to its major resources. In order to deliver, the organization's strategy and the structure must be woven together. Strategy is a linkage between the organization and its environment (Grant, 2008). The strategic planning phase refers to a process that

defines an organization's strategy, directions and decisions that effectively allocate its available limited resources.

An organization's structure predetermines the manner in which an organization responds to the macro-environment through the strategic planning process (Kinicki & Williams, 2005). Decisions are top down in a centralized structure, whilst in a decentralised one, they are made at various levels (NGO Fundamentals Project, 2018). One of the dominant aspects of structure is the patterned regularity and the processes of interaction. An organizational structure can often predict the organization's success or failure (Kinicki and Williams, 2005). In business, structure follows strategy (Abbot, 2009). Galan and Sanchez-Bueno (2009) after an empirical analysis of Spanish organizations covering 10 years (between 1993 to 2003) concluded that strategy leads structure and structure leads strategy. However, the former is deemed stronger than the latter. The design school promotes the dictum, articulated by Chandler (1962, 2003) and by Mintzberg (1990) that structure should follow strategy and be determined by it. Claiming that strategy must take precedence over structure amounts to claiming that strategy must take precedence over the established capabilities of the organization, clearly an untenable proposition. The organizational structure often dictates the flexibility and the ability to iterate the strategic implementation arising from the strategic plan and intent.

Ultimately, all organizations need coordination within its component or constituent parts in order to remain viable. This applies even among the NGOs.

Ansoff (1991) cites three profound inter-relationships between the environment, strategic planning or formulation and organizational performance. Olsen (1993) uses the term "co-alignment" to describe the "best fit" relationship between strategy, structure and the environmental structure. He posits that without the concept of co-alignment between structure, strategy and the environment, organizations may experience difficulty in the achievement of long-term success. A study conducted by Awino et al (2012), identifies a positive and significant relationship between strategic planning and firm performance. Awino et al (2012) suggest that effective and focussed strategic planning lead to positive change in organizational performance. The relationship between strategic planning and company performance is yet to be established and at the least not clearly evident (Karger & Parnell, 1996). Through structural equation modelling, Rudd et al (2008) present new empirical evidence and insights on the relationship between strategic planning and performance by identifying two types of mediating factors influencing financial and non-financial performance.

Despite the notion that developmental NGOs have a positive impact on economic growth in developing countries, empirical evidence regarding their impact is mixed (Shah, 2005; Zaei, 2016). Many scholars, practitioners and journalists have alluded that some development NGOs, both international and local, are often formed with the ill intentions (Saeed, 2004, Deliso, 2003 as cited in Murdie & Kakietek, 2012).

### 3. Methods

The research philosophy in this research is based upon the fundamental positivism approach.

The sample size and sample population, tools for data collection and sampling design process whether as a specific case study, cross-sectional survey, longitudinal or other suitable survey design, are a significant component of the entire research process. The positivistic paradigm was adopted in this study because of its emphasis on scientific and empirical rigor and is perceived as the most logical, quantitative, dominant and objective framework (Easterby-Smith, Thorpe & Jackson, 2011). A proportionate stratified random sampling technique based on the Zikmund formula was used which yielded a final sample size of 70. This anticipated or catered for an estimated non-response level in a population frame of 667 NGOs (Dillman, 2000).

The population frame was established using the official list of all NGOs in Nigeria registered with the NPC. A computer web-based survey questionnaire approach (Qualtrics) was administered and duly completed by the respondents with a resultant 68.57% response rate. Descriptive statistics, correlation and parametric statistical (simple linear and multiple regression) techniques were used to systematically analyze the data.

This research targeted the CEO or the deputy/proxy as these potential respondents were deemed to be the most knowledgeable about the issues under investigation to which they were directly responsible (O'Sullivan & Abela, 2007; Ramani & Kumar, 2008). The study adopted a proportionate stratified random

sampling procedure to arrive at the selected sample size and took the geopolitical zoning and the different core activity/sectors such as education, health, poverty eradication (Ngwiri, Mukulu & Mputhia, 2016) and so on under which a specific NGO or INGO is predominantly identified with, in Nigeria.

### 4. Results and Discussions

The main purpose of this study was to empirically determine the effect of the organizational structure on the relationship between strategic planning and performance of NGOs in the emerging economy of Nigeria. The results showed that strategic planning has a positive and statistically significant effect on organizational performance. It can be conclusively stated that for effective strategic planning, there must be a vision and mission statement that is understood by all employees. The influence of strategic planning on organization performance was statistically significant ( $R^2=0.264$ ,  $F=16.504$ ,  $\beta= 0.504$ ,  $t= 4.126$ ,  $p<0.05$ ). This suggests that a single-unit change in strategic planning is associated with 0.504 unit change in performance.

Based on the operational sub-constructs that were used to measure strategic planning; Vision, Mission and Strategic Objectives, Strategic formulation of Organizational Objectives and Business Strategy, Consensus on Strategic Choices and intent and Implementation and Control Configurations, the overall result for Strategic planning was 4.38. These results provide evidence that strategic planning influences firm performance. It also implies that there are other factors that affect organizational performance. The results of this study are in agreement with



a study by Aidehayyat and Twaissi (2011) which also identified a positive relationship between strategic planning and performance.

Reliability of this instrument (questionnaire) was evaluated using Cronbach Alpha which measures the internal consistency and is widely used to

verify the reliability of the construct. A Cronbach Alpha of 0.7 and above indicates the presence of internal consistency and that the instrument is reliable for use in the study (Babbie & Mouton, 2009). Table 4.1 shows that all the variables had a Cronbach alpha above 0.7 and were thus accepted.

#### 4.1 Reliability Tests

**Table 4.1: Reliability Results**

Variable	Items	Cronbach's Alpha ( $\alpha$ )
Strategic Planning	16	0.84
Organizational structure	12	0.77
Organizational performance	20	0.87

Organizational structure ( $\alpha=0.77$ ) with 12 items was placed 3<sup>rd</sup> after Organizational performance ( $\alpha=0.87$ ) with 20 items, then Strategic Planning, ( $\alpha=0.84$ ). The study found that the instrument used was reliable and could be used for further analysis.

#### 4.2 Test of Validity

##### 4.2.1 Strategic planning

The validity of the statements under strategic planning was also tested through Kmo Bartlett test. Strategic planning statements were depicted as being valid.

The rule of thumb is that the p-value should be less than 0.05 (kmo=0.731,  $p=0.000$ ). The results are shown in the table below. The subsets statements met the threshold of 0.4 as shown in the Appendix 3.

**Table 4.2: KMO and Bartlett's Test: Strategic planning**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.731
	Approx. Chi-Square	353.503
Bartlett's Test of Sphericity	Df	120
	Sig.	.000

#### 4.2.2 Organizational structure

The validity of the statements under organizational structure was also tested through KMO Bartlett test. Organizational structure statements were depicted as

being valid. The rule of thumb is that the p-value should be less than 0.05 (kmo=0.668, p=0.000). The results are shown in the table 4.5 below. The subsets statements met the threshold of 0.4 as shown in Appendix 2.

**Table 4.5: KMO and Bartlett's Test: Organizational structure**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.668
	Approx. Chi-Square	159.790
Bartlett's Test of Sphericity	Df	66
	Sig.	.000

#### 4.2.3 Organizational Performance

The validity of the statements under Organizational performance was also tested through KMO Bartlett test. Organizational performance statements

were depicted as being valid. The rule of thumb is that the p-value should be less than 0.05 (kmo=0.669, p=0.000). The subsets statements met the threshold of 0.4 as shown in the appendix 1.

**Table 4.4: KMO and Bartlett's Test: Organizational performance**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.669
	Approx. Chi-Square	435.414
Bartlett's Test of Sphericity	Df	190
	Sig.	.000

### 4.3 Diagnostic Tests

#### 4.3.1 Test for Normality

**Table 4.5: Results of Shapiro-Wilk Test for Normality**

Scale	Shapiro-Wilk		
	Statistic	Df	Sig.
Strategic planning	.963	48	.134
Organization structure	.975	48	.393
Organizational performance	.981	48	.641

The results attained above in Table 4.2 indicate that the data in relation to each variable is normally distributed as the significance value in all cases is greater than 0.05. It fits a normal distribution (Tabachnik and Fidell, 2007) and thus implies that the data is suitable for analysis using correlation and regression analysis.

### 4.3.2 Heteroscedasticity

As the data for this research is obtained from a cross-section of firms, it could raise concerns about the existence of heteroscedasticity. The Breusch-Pagan/Cook-Weisberg test was carried out to confirm if the error variance was not constant implying heteroscedasticity in the data. Running a regression model without

accounting for heteroscedasticity may lead to biased parameter estimates. In order to test for heteroscedasticity it was necessary to make a hypothesis in respect to the error variance and test the error variances to confirm or reject the hypothesis.

For the purposes of applying the Breusch-Pagan/Cook-Weisberg test, a null hypothesis ( $H_0$ ) was formulated that the error variance is not heteroscedastic while the alternative hypothesis ( $H_a$ ) was that the error variance is heteroscedastic. The Breusch-Pagan/Cook-Weisberg test models the error variance as  $\sigma^2_i = \sigma^2 h(z'_i \alpha)$  where  $z_i$  is a vector of the independent variables. It tests  $H_0: \alpha = 0$  versus  $H_a: \alpha \neq 0$  and presented results in Table 4.28

**Table 4.6: Test for Heteroscedasticity Results**

$H_0$ : Constant variance

$$\text{chi}^2(1) = 83.66$$

$$\text{Prob} > \text{chi}^2 = 0.0710$$

The results in Table 4.28 indicate that the p value is greater than 0.05 (0.0710) and so the null hypothesis set up for this test is supported. It was found that the variables under this study did not suffer from heteroscedasticity and so the required regression analysis for this study could be carried out the results being distorted.

### 4.3.3 Test for Multicollinearity

Multicollinearity inflates the standard errors and confidence intervals leading to unstable estimates of the coefficients for individual predictors. Multicollinearity was assessed in this study using the Variance Inflation Factor and tolerance.

**Table 4.7: Multicollinearity Test Results**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	.828	.664		1.248	.219		

Strategic planning	.388	.125	.396	3.102	.003	.856	1.169
Organizational structure	.099	.104	.119	.957	.344	.899	1.112

Collinearity statistics (Table 4.15) indicated a Variance Inflation Factor (VIF) <5 and Tolerance >0.2, an indication that the variables were not highly correlated, hence no existence of Multicollinearity.

This is an indication of the suitability of the variables for multiple regression. The results of this regression analysis are presented in table 4.4.

#### 4.3.4 ANOVA

**Table 4.8: ANOVA Results**

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	1.436	1	1.436	16.504	.000 <sup>b</sup>
	Residual	4.002	46	.087		
	Total	5.438	47			

**Table 4.9: Table of coefficients**

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.136	.518		4.126	.000
	average_strategic planning	.504	.124	.514	4.063	.000

. Dependent Variable: organizational performance predictor (constant): strategic planning

### 4.3.5 Correlation Coefficients of Strategic Planning, Organizational Structure and Organizational performance

**Table 4.10: Correlation Coefficients Matrix**

Variable	Measurement	Strategic planning	Organizational Structure	Organizational performance
Strategic planning	Pearson Correlation	1		
	Sig. (2-tailed)			
Organizational structure	Pearson Correlation	.317*	1	
	Sig. (2-tailed)	.028		
Organizational performance	Pearson Correlation	.514**	.445**	1
	Sig. (2-tailed)	.000	.002	

\*\* . Correlation is significant at the 0.01 level (2-tailed).

Correlation results in table 4.24 show that relationship between organizational performance and strategic planning was positive and statistically significant ( $r=.514^{**}$ ,  $p<0.05$ ). Organizational structure and Strategic planning factors was positive and significant ( $r=.317$ ,  $p>0.05$ ).

All the correlation coefficients presented in the table above fall below 0.7. Since the correlations between the predictor variables strategic planning and organizational structure as well as between the predictor variables and organizational performance were not very high ( $r<0.07$ ), the variables are suitable for further analysis using multiple regression.

### 4.3.6 The Effects of Strategic Planning

**Table 4.11: Regression Results for the Effect of Strategic Planning**

**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.514 <sup>a</sup>	.264	.248	.29496

b. Predictors: (Constant), strategic planning

The regression results in Table 4.4 indicate that 26.4 percent of the variance in organizational performance was explained by strategic planning ( $R^2=0.264$ ,  $F=16.504$ ,  $P<0.05$ ). 73.6 percent of the variation organizational performance was not explained by strategic planning. This variation is due to other factors not included in the study and also implies that strategic planning considered alone, is a weak predictor of organizational performance. The overall model was statistically significant ( $F=16.504$ ,  $P<0.05$ ). The influence of strategic planning on organizational performance was statistically significant ( $\beta= 0. 504$ ,  $t= 4.126$ ,  $p<0.05$ ). This suggests that a single-unit change in strategic planning is associated with 0.504 unit change in performance.

The results thus provide evidence that strategic planning influences an organization's performance. It also implies that there are other factors that affect organizational performance. This study was in agreement with a study by Awino et al (2012) that exhibited a positive and significant relationship between strategic planning and firm performance. Aidehayyat and Twaissi (2011) also identified a positive relationship between strategic planning and performance. Nevertheless, the study differed with other studies for instance, the extant literature on the relationship of strategic planning and company performance that concludes that the nature of this relationship is yet to be established and at the least not evident (Karger and Parnell, 1996).

#### 4.3.7 Mediating Effect of Organizational Structure

One of the objectives aimed at establishing whether the relationship between strategic planning and NGOs Performance is mediated by organizational structure. Based on this objective, the hypothesis was *formulated which predicted that the organizational structure has no significant effect on the relationship between strategic planning and performance of the NGOs in Nigeria.*

The Baron and Kenny's path analysis for testing mediation was employed in this analysis. The results showed, in step one, that the influence of strategic planning on organizational performance is significant ( $R^2=0.264$ ,  $F=5.157$ ,  $p<0.05$ ;  $\beta=0.504$ ,  $t=4.063$ ,  $p<0.05$ ), implying that 0.504 of a unit change in organizational performance is attributable to one unit change in strategic planning. The first mediation condition which states that the independent variable should be significantly related to the dependent variable in the absence of the mediating variable is thus satisfied. The second step indicates that the influence of strategic planning on organizational structure is significant ( $R^2=.101$ ,  $F=14.951$ ,  $p<0.05$ ;  $\beta=.373$ ,  $t=2.271$ ,  $p<0.05$ ), which satisfies the second condition that the independent variable should be significantly related to the mediator variable. The results indicate that strategic planning accounts for 10.1% variation in organizational performance.

The third step as presented showed that the influence of organizational structure on organizational performance was significant ( $R^2=.076$ ,  $F=3.764$ ,  $p<0.05$ ;  $\beta=.118$ ,  $t=1.940$ ,  $p<0.49$ ), therefore satisfying the third condition that the mediator variable

should be significantly related to the dependent variable. The results imply that organizational structure explains 7.6% of the variance in organizational performance.

The fourth step finally revealed that the influence of the independent variable (strategic planning) on the dependent variable (organizational performance) was insignificant in the presence of the mediating variable, organizational structure ( $R^2=0.278$ ,  $F=8.662$ ,  $p<0.05$ ;  $\beta=0.465$ ,  $t=.931$ ,  $p>0.05$ ), and thus satisfying the fourth condition which states that the effect of the independent variable on the dependent variable should be insignificant in the presence of the mediating variable. The regression results clearly satisfied all the four conditions that should be met for a mediation to be confirmed. Therefore, it can be concluded that the influence of strategic planning, as a measure of organizational performance is indirect (through organizational structure). This was full mediation. The above hypothesis could not therefore apply. The results undoubtedly show that the organizational structure has a significant effect on the relationship between strategic planning and performance of the NGOs in Nigeria.

## 5. Conclusions

This study contributes to understanding the relationship between strategic planning and organizational performance and establishes the role of organizational structure in the relationship between strategic planning and organizational performance. The findings of the study confirm the findings of the previous studies that identify significant

relationships between strategic planning and organizational performance.

The study clearly, through statistical data analysis, depicts organizational structure as having a mediating effect on the relationship between strategic planning and organizational performance of NGOs in Nigeria. Strategic planning results in a viable match between the changing internal organizational conditions of the firm and its external environmental variables.

In addition, this study bridges the knowledge gap by looking at the sector of NGO. Research in the area of strategic planning, has largely concentrated in developed countries, This study presents an epic examination of organizational structure, its dimensions and the resultant effect the same on strategic planning and performance amongst NGOs in a developing nation, Nigeria.

These observed knowledge gaps therefore, presented a relevant springboard for this study. This study opted to examine the gaps through an examination of NGOs within a developing or emerging macro-environment, in this context, Nigeria. This variable by itself does not exhaust the plethora of variables that may present a mediating or moderating effect, but perhaps entices further research into other plausible relationships amongst potential variables.

## 6.0 Implications of the Study

The findings of this study have a number of implications for theory, practice and policy. The findings are particularly enriched by the context where the research was undertaken, in that not only are NGOs, the subject of analysis compared to

the for-profit entities usually founded on manufacturing concerns, but the study was in addition located in a developing country, Nigeria.

This is a nation with one of the highest number of NGOs globally (Murdie and Kakietek, 2012), and it is these revelations of the study that portend very pertinent information and that potentially increases awareness amongst national policy, advocacy and guide stakeholders within the not-for-profit organizations.

These findings agree with Barney et al. (2001) who specified that synergistic effect rather than a set of independent practices leads to competitive advantage. The resource-based view postulates the need for organizations to engage in identifying internal resources that when well managed will lead to superior performance (Barney et al, 2001). The study is also anchored on dynamic capabilities theory. Proponents of the dynamic capabilities posit that resources assist a firm to adjust its resource mix and thereby maintain the sustainability of the firm's competitive advantage (Ambrosini, Bowman & Collier, 2009). This study indicated that to great extent that organizations in the NGO sector, need to be cognisant of strategic planning, organizational structure and organizational performance.

Pertuza-ortega et al (2010) argue that the organizational structure is a valuable resource and in effect a source of competitive advantage. The study presents the pertinent empirical literature of the strategy-structure-performance paradigm by contrasting the resource-based view (RBV) with contingency theory. This study empirically demonstrates the positive

effect of the organizational structure to the relationship between strategic planning and organizational performance. The study revealed that managers in the NGO sector also need to be continuously acquainted and embrace strategic planning and the role it plays regarding superior NGO performance. This study acts as a guide to variables that the NGOs should start giving appropriate attention so as to ensure they are well managed. The continuously changing environment in the NGO sector as well as the dynamic environment in which NGOs have to survive while seeking to maintain superior performance is undoubtedly real.

This study established that strategic planning has a positive relationship with organizational performance and that organizational structure does have a positive relationship with organizational performance. The NGOs therefore need to focus on policies that will facilitate their better understanding of these organizational platform upon which the strategy is operationalised and thus stand in a better position to be able to appropriately implement the strategic intent. It was identified that strategic planning has a significant positive effect on organizational performance amongst NGOs in Nigeria. The dynamic capabilities theory posits that the resources should be reconfigured so as to align an organization to its changing environment. The theory emphasizes an organization's need to reconfigure, integrate, innovate and recreate its resources and capabilities in response to the rapidly changing or dynamic environment to attain competitive advantage.



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