The Impact of Strategy Implementation Drivers on Projects Effectiveness in Non-Governmental Organizations

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Abstract
This paper aims to examine the impact of strategy implementation drivers on projects effectiveness in NGOs. Though, the ultimate purpose of this paper is to open directions for future studies, using a relatively small sample, rather than to provide generalizable results and conclusive evidence. The study adopts quantitative approach to investigate the strategy implementation drivers-projects effectiveness relationship. A questionnaire was designed, validated and then distributed to a sample consisting of 25 NGOs working in the city of Warsaw. The collected data was analyzed by statistical methods and manipulated using SPSS software. To test the study propositions, regression and correlation statistical tests were used. The findings demonstrate that strategy implementation drivers (including leadership, culture, structure and resources allocation) have strong positive impact on projects effectiveness. Nevertheless, the small sample of the study limits the generalizability of the findings. Hence, it is strongly recommended to conduct future studies in this direction using larger sample.

Key Words
NGOs, Strategy Implementation Drivers, Projects Effectiveness.

I. Introduction
Non-Governmental Organizations (NGOs) also called as nonprofit organizations and charitable organizations, provide projects and services to vulnerable individuals and societies. Depending on financial support coming from governments, international institutions and other sources, the main role of NGOs is to implement development projects among communities. Recently, there has been a dramatic growth of the importance of this sector because of its economic value added in developing communities and due to its execution of programs and projects representing the interests of development sponsors (Salamon, 1997).
Nowadays, NGOs realize the importance of implementing strategies and plans to meet the changes in their operating environment. Strategy implementation as a dynamic process is of extreme necessity to NGOs since these organizations work in an environment featured by complexity, instability, change and unpredictability. Thus, NGOs can gain more advantages in terms of effectiveness, efficiency and overall performance if they implement their strategies in a proper manner.

Strategy formulation only is not sufficient for NGOs to succeed in their turbulent working environment. It is necessary to transform the formulated strategies into actions. Several management researchers and scholars claimed that in order to achieve a successful stage of strategy implementation and a desirable level of performance, many impeders or drivers need to be taken into account. A poor strategy implementation can be referred to weak leadership, lack of resources, lack of good communication channels and bad organizational structure (Beer and Eisenstat, 2000; Aaltonen and Ikävalko, 2002). Since strategy implementation drivers affect strategy implementation itself, this implies that they also might have an impact on the general performance.

Although literature on strategy is considerable, very little amount of empirical studies have been conducted on strategy implementation in NGOs (Stone et al., 1999). The research that has been done in this area focused mainly on environmental factors that affect organizational determinants, which in turns, affect strategy implementation. Also, few studies on strategy addressed the impact of strategy implementation drivers on NGOs performance. For instance, Bailey (1992), Kushner and Poole (1996) mentioned that the centralization of NGOs structure and the administration systems impact the degree to which strategy is implemented and the level of effectiveness. Also, Murray et al. (1992) and Golensky (1993) found that the forms of relationships inside NGOs affect their effectiveness. Therefore, this study is an attempt to enrich the literature of NGOs strategy and performance.

II. STRATEGY IMPLEMENTATION

Strategy implementation is thought to be the most troublesome stage of the strategic management process. For Carpenter and Sanders (2009), strategy implementation is a process of executing all the necessary activities to achieve what has been planned. According to Thompson and Strickland (2003), strategy implementation is a major stage of the strategic management process. They viewed it as a process that transforms the formulated strategy into a set of activities and then make sure that the organization’s objectives are effectively accomplished as planned. Similarly, strategy implementation has been defined by Ehlers and Lazenby (2007) as a process that turns the strategic plans into a gathering of actions and activities and confirms that they are executed in a proper way so as to achieve objectives. Strategy implementation as a process deals with building yearly objectives, programs and budgets in order to facilitate strategies (David, 2011). Bower et al. (1991) said that the implementation includes components need to be established such as short term objectives, programs, procedures and budgets. Wheelen and Hunger (2006) stressed out that when an organization has its strategies and goals settled, it has to place them into actions through developing operational objectives, programs, budgets and
procedures.

Based on the review of the literature, we can say that there are a huge number of definitions of strategy implementation. These definitions can be classified into two perspectives: process and behavioral. Table 1 summarizes some of the definitions based on these two perspectives.

<table>
<thead>
<tr>
<th>Perspective</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Process Perspective</td>
<td>Strategy implementation is a process that 1) turns activities into assignments (Kotler, 1984). 2) is profoundly complex and interactive with numerous variables (Wernham, 1985). 3) is lively through which organizations recognize future opportunities (Reid, 1989). 4) takes longer than formulation (Hrebiniak, 2006). 5) implements strategies, polices, programs which enable an organization to best utilize its resources (Harrington, 2006). 6) is viewed as an action-oriented process that needs control (Govindarajan, 1988).</td>
</tr>
<tr>
<td>Behavioral Perspective</td>
<td>Strategy implementation is: 1) a set of interventions concerning organizational structure, key staff activities and control framework intended to examine performance with respect to desired outputs (Hrebiniak and Joyce, 1984). 2) managerial interventions that adjust organizational activity with strategic purpose (Wooldridge and Floyd, 1992). 3) high-level leadership behaviors and practices that transform a working plan into a cement reality (Schaap, 2006).</td>
</tr>
</tbody>
</table>

III. Strategy Implementation Drivers

Since strategy implementation is the most difficult stage in the strategic management process, the implementation process can be effective only with the consideration of some drivers. The literature reveals some organizational factors associated with the effective implementation of strategies, such as: organizational structure (Drazin and Howard, 1984); leadership (Gupta and Govindarajan, 1984; Nutt, 1983); and communication (Workman, 1993). Wheelen and Hunger (2006) mentioned that the process of strategy implementation includes changes in the culture, the structure and the organization's system. The literature also uncovers that there are many schemes to execute strategies in organizations. One of the most cited implementation frameworks was presented by Waterman et al. (1980). The writers stressed out that successful strategy implementation is fundamentally linked to the following elements: strategy, staff, structure, skills, systems, subordinate goals and style. Hambrick and Cannella (1989) proposed another implementation framework in which they highlighted the important role of communication when implementing strategies. Also, Skivington and Daft (1991) identified important components to be considered in strategy implementation. The components are assets, interactions, structure and systems. Yip (1992) suggested another framework composed of four elements: culture, structure, individuals and managerial procedures.
Finally, it can be concluded that several strategy implementation frameworks developed by Stonich (1982), Hrebiniak and Joyce (1984), Reed and Buckley (1988), Alexander (1991), Judson (1995), Miller and Dess (1996) and Thompson and Strickland (2003) addressed the fact that strategy implementation success is connected mainly to leadership, organizational culture, hierarchical structure and resources allocation.

A. Leadership

Leadership is the capability to influence individuals to achieve defined objectives. According to Hitt et al. (2011), strategic leadership significantly contributes to strategy implementation and the overall performance of organizations. Strategists have a vital role to play by exercising leadership to mobilize the resources of the organization and guiding others toward a definitive objective. Alexander (1985) found that leadership is one of the vital drivers of the strategy implementation activities. This has been confirmed by Beer and Eisenstat (2000) who clarified that ineffective management and leadership can misdirect middle management by giving orders to line managers, causing ineffective communication. As a consequence, this causes a situation in which clashes increase and communication on decision-making are lost which would at the end negatively affect organizational performance.

In the nonprofit sector, success or failure depends on how good NGOs are guided and directed. Leadership is legitimized by the board and the management of NGOs. It plays a vital role together with board and managers to demonstrate commitment toward implementing strategy, deal with the relevant stakeholders in an appropriate manner, analyze the environment, effectively negotiate and attract donors and finally motivate others to achieve a desirable level of effectiveness (Fowler, 2001).

B. Culture

The principle idea of culture relies on sharing in learning processes the beliefs and values of the organization (Titiev, 1959). According to Jaques (1952), the meaning of organizational culture is thought of as a way of thinking and doing things and what is shared among employees. Hence, organizational culture concerns about behaviors, values of work, norms and beliefs. Schein (1995) mentioned that the solidness of an organization’s structure and the unification of values and beliefs lead to better organizational culture which will ultimately affect the organization. Robbins and Sanghi (2007) stressed out that norms, values and beliefs inside organizations have strong impact on performance and sustainability. Simons (1995) said that an organizational culture system dominates the heart of values and plays a control role. According to Daft (2001), strong organizational culture improves coordination and communication. Moreover, it provides employees and leaders the ability to build a collective identity and directs daily relationships.

Ehlers and Lazenby (2007) clarified that organizational culture can be either fruitful or hindrance to strategy implementation and overall performance. When the organization's beliefs, mission, vision and objectives are merged into the chosen strategy, organizational culture serves as an important driver in the strategy implementation phase. According to Robbins et al. (2009),
culture has four important duties. First, it creates destination between one organization and other organizations. Moreover, it provides a feeling of character to the organization’s employees. Then, it reinforces employee’s dedication to the organization. Finally, it enhances the stability of the organizational system.

Consequently, NGOs have to express clearly which mechanism have to be utilized to make sure that values and beliefs are integrated with the strategy implementation phase, so as to lead to better performance. Welch (2005) explained that NGOs have to merge a set of beliefs, values and norms into their performance measurement systems, in order to create a culture that supports strategy implementation.

C. Structure

As indicated by Thompson (1967), organizational structure is a form of connections, power and communication inside the organization. Organizational structure is treated as one of the most critical implementation drivers as viewed by Drazin and Howard (1984) and Olson et al. (2005). Ehlers and Lazenby (2007) regarded the lack of a tight fit between strategy implementation and structure as a main reason of declining performance. For David (2011), an organization structure has to be framed to facilitate the strategic direction of an organization. An organization that has proper structure and effective communications channels is going to outperform those who have not clear structure and restrictive communication climate.

Some NGOs don’t restructure their organizational hierarchy to adapt with new changes brought by their new strategies (Thaw and Petersen, 1998). Moreover, NGOs might not consider much the importance to modify and change their structures as consequence of the new strategy because of time and resources needed. One of the implications of changing structures in NGOs is the possibility of moving employees from main offices to branches or field offices. It might imply also hiring or firing employees. According to Hammer and Champy (2001), some NGOs leaders may not be able to go for decisions that imply reshaping the organization.

D. Resources Allocation

Resources allocation is another important driver of strategy implementation. Since strategic decisions have large scope, sufficient funding is needed for the implementation phase. People are the second important resource. The human resources with the right competencies and skills have to be included and involved in the implementation to meet the needed degree of performance (Alexander, 1985; Beer and Eisenstat, 2000; Higgins, 2005). David (2011) regarded resources allocation as a major management mechanism for strategy execution that should include financial, physical, human and technological resources.

If NGOs neglect to devote a sufficient amount of financial resources and other resources needed for new strategies and plans, NGOs will not be able to implement them in an effective way and that would risk the ability to deliver their projects and services. As indicated by Robson (1997), a good strategy has to rely on the available resources and strategically utilized for getting the
needed resources that are not available. Another critical issue in strategy implementation is time allocation.

IV. PROJECT EFFECTIVENESS

The term effectiveness has been addressed in the performance measurement literature of NGOs. According to Sowa et al. (2004), effectiveness in NGOs can be divided into organizational effectiveness and project/program effectiveness. Organizational effectiveness is associated with structure, process, management systems and other organizational functions. This term is closely linked to strategy implementation drivers. On the other hand, project effectiveness, which is the main highlighted variable in this study, can be defined as a measure aimed at determining how a project is meeting the stated objectives successfully. It is about how an NGO fulfill its mission, short and long term objectives. Morley et al. (2001) defined it as outcomes or “a specific desirable result or quality of an organization's services.”. It is a qualitative based-measure of whether a project produces the required outputs or results (UWI, 2006). Moreover, the term outcome or project effectiveness has been used by several researchers in their proposed performance measurement frameworks of NGOs such as Buckmaster (1999), Poole et al. (2000), Poister (2003), Tom and Frentzel (2005), Epstein and Buhovac (2009).

V. RESEARCH PROPOSITIONS

Since the aim of the paper is to investigate the impact of strategy implementation drivers on projects effectiveness in NGOs, the study proposes a conceptual framework represented in Figure 1, which predicts that the drivers, composed of leadership, culture, structure and resources allocation, has an impact on projects effectiveness. The propositions of the study are illustrated as the following:

H1: Leadership has a positive impact on projects effectiveness in NGOs.
H2: Culture has a positive impact on projects effectiveness in NGOs.
H3: Structure has a positive impact on projects effectiveness in NGOs.
H4: Resources Allocation has a positive impact on projects effectiveness in NGOs.

![Figure 1: A Conceptual Model of Strategy Implementation Drivers and Projects Effectiveness.](image-url)
VI. SAMPLING AND METHODS

The sample is composed of 25 NGOs working in the city of Warsaw in Poland. A convenience sampling strategy has been utilized in which the sample has been selected based on availability. Questionnaires were delivered to the key personnel of each selected NGO in which 51 employees responded to the questionnaire. Of the respondents, 66.67% (N = 34) were male and 33.33% (N = 17) were female. 15.69% (N = 8) of the respondents had a secondary level of education, 58.82% (N = 30) had a bachelor degree, 19.61% (N = 10) had a master degree and 5.88% (N = 3) had a PhD degree. 23.53% (N = 12) of the respondents had an age of 25-30 years old, 49.02% (N = 25) had an age of 30-35 years old and 27.45% (N = 14) had an age over 35 years old. 39.22% (N = 20) of the respondents held a position of administration manager, 31.37% (N = 16) were project coordinators and 29.41% (N = 15) were project managers.

The questionnaire used consists of three parts. The first part concerns background information of the respondents; the second part covers the strategy implementation drivers (leadership, culture, structure and resources allocation) and finally the last part covers projects effectiveness. The statements in the instrument were formulated based on the review of the literature and used to measure the main variables of the study. All the statements in the developed instrument are based on 5-point Likert scale ranging from (1 = strongly disagree), (2 = disagree), (3 = neutral), (4 = agree) to (5 = strongly agree).

The questionnaire was validated by a number of experts in the field. The experts were asked to evaluate the questionnaire concerning the following assessment criteria: understandability (the question is understandable and has the same meaning to different respondents); importance (the issue the question is addressing is important); relevance (the question is related to the subject and fully represents the domain of the research) and length (the length of the question asked is suitable). Based on the experts judgment, some of the statements were removed, others were modified and new statements were added to some of the research variables. Furthermore, the Cronbach's alpha was calculated for each variable included in the questionnaire to test the reliability. The Cronbach's alpha values, as presented in Table 2, are (0.818) for leadership, (0.840) for culture, (0.864) for structure, (0.954) for resources allocation, and (0.936) for projects effectiveness. The result of the reliability test is very satisfying as the value of the alpha for each variable is above .70.

<table>
<thead>
<tr>
<th>Study Variables</th>
<th>Number of Items</th>
<th>Cronbach's Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leadership</td>
<td>7</td>
<td>.818</td>
</tr>
<tr>
<td>Culture</td>
<td>7</td>
<td>.840</td>
</tr>
<tr>
<td>Structure</td>
<td>7</td>
<td>.864</td>
</tr>
<tr>
<td>Resources Allocation</td>
<td>7</td>
<td>.954</td>
</tr>
<tr>
<td>Projects Effectiveness</td>
<td>12</td>
<td>.936</td>
</tr>
</tbody>
</table>

TABLE II: CRONBACH'S ALPHAS FOR RESEARCH VARIABLES
VII. FINDINGS

The Pearson correlation matrix in Table 3 shows that there is a strong positive correlation between the strategy implementation drivers and projects effectiveness. Among the drivers, resources allocation had the strongest correlation with projects effectiveness (R = 0.897). Leadership scored at (R = 0.881), while structure and culture scored at (R = 0.850 and 0.859 respectively). All the correlations were significant at 0.01 level. Furthermore, all the strategy implementation drivers were also significantly correlated with each other.

**TABLE III: CORRELATION MATRIX FOR RESEARCH VARIABLES**

<table>
<thead>
<tr>
<th>Variables</th>
<th>(1)</th>
<th>(2)</th>
<th>(3)</th>
<th>(4)</th>
<th>(5)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Leadership</td>
<td>1</td>
<td>.744**</td>
<td>.792**</td>
<td>.861**</td>
<td>.881**</td>
</tr>
<tr>
<td>(2) Culture</td>
<td>.744**</td>
<td>1</td>
<td>.743**</td>
<td>.857**</td>
<td>.859**</td>
</tr>
<tr>
<td>(3) Structure</td>
<td>.792**</td>
<td>.743**</td>
<td>1</td>
<td>.841**</td>
<td>.850**</td>
</tr>
<tr>
<td>(4) Resources Allocation</td>
<td>.861**</td>
<td>.857**</td>
<td>.841**</td>
<td>1</td>
<td>.897**</td>
</tr>
<tr>
<td>(5) Projects Effectiveness</td>
<td>.881**</td>
<td>.859**</td>
<td>.850**</td>
<td>.897**</td>
<td>1</td>
</tr>
<tr>
<td>N</td>
<td>51</td>
<td>51</td>
<td>51</td>
<td>51</td>
<td>51</td>
</tr>
</tbody>
</table>

**Correlation is significant at the 0.01 level**

Table 4 presents the findings of the multiple regression analysis that tested the propositions of the study. The findings show that the strategy implementation drivers increase projects effectiveness in NGOs (F = 96.467, P = 0.000). The results also demonstrate that the strategy implementation drivers explain (R²) 89.3% of variance in projects effectiveness which implies a strong impact of these drivers on projects effectiveness. Proposition 1 predicted that leadership positively affects projects effectiveness. As predicted, findings in Table 4 support this proposition, showing a positive and significant impact of leadership on project effectiveness (T = 3.650, P = 0.001). Proposition 2 clarified that culture would impact projects effectiveness in a positive way. The regression output supports this proposition revealing that culture has a significant positive effect on projects effectiveness (T = 3.355, P = 0.002). Proposition 3 stated that structure would positively affect projects effectiveness. The findings in Table 4 support that structure has a significant positive impact on projects effectiveness (T = 2.395, P = 0.021). Table 4 also reveals the significant impact of resources allocation on projects effectiveness (T = 2.055, P = 0.042), which confirms proposition 4. Finally, it can be concluded that all the strategy implementation drivers are significant in the regression model and all of these drivers affect positively projects effectiveness in NGOs.

**TABLE IV: RESULTS OF MULTIPLE REGRESSION ANALYSIS FOR THE IMPACT OF STRATEGY IMPLEMENTATION DRIVERS ON PROJECTS EFFECTIVENESS.**

<table>
<thead>
<tr>
<th>Independent Variables</th>
<th>B</th>
<th>St. Error</th>
<th>T-value</th>
<th>P-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leadership</td>
<td>.719</td>
<td>.197</td>
<td>3.650</td>
<td>0.001</td>
</tr>
<tr>
<td>Culture</td>
<td>.531</td>
<td>.158</td>
<td>3.355</td>
<td>0.002</td>
</tr>
<tr>
<td>Structure</td>
<td>.231</td>
<td>.097</td>
<td>2.395</td>
<td>0.021</td>
</tr>
<tr>
<td>Resources Allocation</td>
<td>.118</td>
<td>.058</td>
<td>2.055</td>
<td>0.042</td>
</tr>
<tr>
<td>R</td>
<td>.945</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>R²</td>
<td>.893</td>
<td>Adjusted R² .884</td>
<td>F-value</td>
<td>96.467</td>
</tr>
</tbody>
</table>
VIII. Discussion

The purpose of the study was to examine the impact of strategy implementation drivers on projects effectiveness in NGOs using a small sample. It mainly predicted that the strategy implementation drivers of leadership, culture, structure and resources allocation would impact positively projects effectiveness. Concerning leadership, the findings supported the proposed hypothesis and this may be explained by the fact that the roles and tasks of leaders in NGOs are mainly about guiding others to achieve objectives, which in turns, affect the level of effectiveness of projects as employees are well directed to achieve the required performance. Culture was found to affect positively projects effectiveness. A possible explanation of this result is that the existence of strong beliefs and values in NGOs particularly in the mindset of the employees would create a productive working atmosphere that can affect the extent to which projects are implemented. So, a strong culture is the backbone of NGOs to achieve high performance in terms of projects and services delivery. Furthermore, structure was also found to be positively related to projects effectiveness. NGOs that have good communication channels and proper structure would increase their level of coordination and sustain a good flow of information among employees which would ultimately contribute to the level of effectiveness of projects. Finally, the results showed that resources allocation has a positive impact on projects effectiveness. This is expected since NGOs that don’t allocate enough resources would risk their capability of implementing their plans and strategies, which in turns, lead to poor effectiveness of their projects.

IX. Conclusion

The findings of this paper have practical, empirical and theoretical significance. Practically, the findings give a clear proof that strategy implementation drivers exert strong impact on projects effectiveness in NGOs. They suggest NGOs which intend to enhance their projects effectiveness, to take strategy implementation drivers into their account. Empirically, this study represents a research carried out in order to enrich the literature of NGOs mainly related to strategy implementation and projects effectiveness; a topic that has been neglected by researchers. Moreover, it contributes to the theoretical knowledge of strategy implementation and its impact on projects outcomes in NGOs.

Future studies can be conducted using larger sample to achieve possible generalization of the results. Also, future studies may consider variables that may mediate the relationship between strategy implementation drivers and projects effectiveness, such as NGOs size and donors' policies. Finally, future studies may examine the impact of strategy implementation drivers on other indicators of NGOs projects performance such as projects impact and efficiency.

References


The Impact of Strategy Implementation Drivers on Projects Effectiveness in Non-Governmental Organizations
Mohammed Abo Ramadan


Author’s Biography

Mohammed Abo Ramadan was born in the Palestinian Territories in 1989. He is currently a PhD candidate of Economics and Management of Technology at the University of Pavia (Italy). He is doing his PhD in the area of Non-Governmental Organizations Management. Before joining the PhD, he got a master degree of International Development and Cooperation from the Institute of Higher Education in Pavia (Italy). He also did a bachelor of Business Administration in English. Moreover, he had an experience of working at the United Nations Offices in his homeland. Mohammed has published some papers in English mainly in strategy and performance management in non-governmental organizations.