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Effect of Strategic Thinking on Performance of Non-Governmental
Organizations in Northern Region of Kenya, Kenya



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Effect of Strategic Thinking on Performance of Non-Governmental Organizations in Northern Region of Kenya, Kenya



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ABSTRACT

Purpose: This study investigates how strategic thinking influences the performance of NGOs in Northern Kenya, with a specific focus on how the dimensions of creativity, analysis, and decision-making significantly enhance NGO effectiveness.

Methodology: Employing a mixed-methods approach, data were collected through structured questionnaires from 166 NGO leaders across the region and semi-structured interviews with 15 key informants. Stratified random sampling ensured diverse representation. Quantitative data were analyzed using descriptive statistics, correlation, and regression analyses, while qualitative data underwent thematic analysis.

Findings: Results indicate a strong positive relationship between strategic thinking and NGO performance ($r = 0.598$, $p < 0.001$), with strategic thinking accounting for 35.8% of performance variance ($R^2 = 0.358$). Specifically, creativity and analytical decision-making emerged as critical dimensions. Qualitative insights highlighted the importance of contextual adaptation and cultural sensitivity.

Unique Contributions to Theory, Policy and Practice: The findings contribute to strategic leadership theory, emphasizing the need for contextually adaptive practices in resource-constrained environments. Policy recommendations include capacity building in strategic thinking and fostering organizational cultures conducive to innovation and flexibility.

Keywords: *Strategic Thinking, Performance, Non-Governmental Organizations, Strategic Leadership Theory, Northern Kenya*

INTRODUCTION

Background of the Study

Non-Governmental Organizations (NGOs) in Kenya, especially in Northern Kenya's arid and semi-arid lands (ASALs), operate under complex and volatile conditions. Despite increasing donor funding and capacity-building efforts, many NGOs face persistent performance challenges, including ineffective service delivery, resource constraints, and organizational fragility. The region's socio-cultural diversity, environmental volatility, and infrastructural deficits necessitate innovative, context-sensitive leadership approaches.

Empirical evidence underscores that strategic agility particularly strategic thinking, alignment, and capability management is essential for NGOs to adapt and thrive amid such adversity (Mugendi et al., 2021; Wanjiru & Muriithi, 2022). For example, recent studies (Kipchirchir et al., 2023) show that organizations embracing strategic flexibility outperform their counterparts in beneficiary reach and sustainability, especially in fragile contexts. However, limited research exists on how these strategic dimensions function specifically within Northern Kenya's unique socio-cultural and environmental setting.

Furthermore, scholars (e.g., Chikore et al., 2023) argue that organizational culture plays a pivotal role in moderating the effectiveness of strategic leadership practices. Culturally adaptive organizations demonstrate higher resilience and better performance outcomes. This aligns with the contingency perspective, which emphasizes that leadership effectiveness depends on contextual fit (Lawrence & Lorsch, 1967). Therefore, understanding how strategic thinking interacts with organizational culture in this environment is crucial for developing tailored leadership interventions.

Statement of the Problem

Despite the growing recognition of the critical role of strategic thinking in enhancing organizational performance, there is a paucity of empirical evidence regarding its application within NGOs operating in Northern Kenya. Reports indicate that only approximately 37% of NGOs in the region effectively meet their operational objectives (Kenya NGO Coordination Board, 2023). The failure to achieve desired outcomes has been linked to issues such as resource misallocation, weak stakeholder engagement, and strategic rigidity challenges often stemming from a limited capacity for strategic thinking, especially in environments characterized by volatility, insecurity, and cultural diversity (Mutuku & Mathooko, 2022).

Moreover, existing research predominantly focuses on urban or peri-urban contexts, overlooking the unique challenges faced by NGOs in remote, conflict-prone, and culturally heterogeneous regions like Northern Kenya (Wachira *et al.*, 2020). This gap underscores the need for studies that

examine how strategic thinking and organizational culture influence NGO performance within these complex settings. Enhancing strategic thinking skills among NGO personnel could be pivotal in improving adaptability, decision-making, and overall organizational effectiveness in such challenging environments.

General Objective

This study focused on examining the effect of strategic thinking on performance of NGOs in Northern Region of Kenya.

Research Hypothesis

H₀₁: Strategic Thinking has no statistically significant effect on performance of NGOs in Northern Region of Kenya.

LITERATURE REVIEW

Theoretical Review

Resource-Based View (RBV) Theory

The Resource-Based View (RBV) was developed by Barney (1991) and Wernerfelt (1984) and posits that organizations achieve sustained competitive advantage by effectively utilizing their unique, valuable, and inimitable resources. It emphasizes that internal capabilities such as specialized knowledge, skilled personnel, organizational routines, and social assets are critical drivers of performance. In the context of NGOs in Northern Kenya, strategic thinking helps leaders recognize, develop, and leverage these internal assets, like local knowledge, community trust, and innovative practices, which are essential for operating effectively in resource-scarce environments. Recent empirical studies (Karanja & Muturi, 2022) support this view, demonstrating that organizations that strategically deploy their internal resources outperform those that do not, especially in challenging settings.

Despite its strengths, the RBV has weaknesses, notably its limited focus on external environmental factors and dynamic markets, which can overlook the importance of contextual adaptation. It assumes that resources are inherently valuable and inimitable without considering how external conditions may influence resource utility. To address these limitations, RBV is often complemented with contingency approaches that consider environmental factors, ensuring that internal resources are aligned with external realities. This integration helps organizations adapt their resource strategies to changing conditions, thereby enhancing overall performance.

Contingency Theory

Contingency Theory, formulated by Lawrence and Lorsch (1967), asserts that there is no one-size-fits-all approach to leadership and organizational strategy. Instead, effectiveness depends on the

alignment or "fit" between organizational structures, strategies, and environmental contingencies such as volatility, complexity, and resource availability. For NGOs operating in Northern Kenya, this means that leadership approaches and strategic decisions must be flexible and context-specific to address environmental challenges like insecurity, cultural diversity, and infrastructural deficits. Empirical research (Chege et al., 2023) indicates that organizations that adapt their strategies to fit their environment tend to achieve higher goal attainment and stakeholder satisfaction.

However, one criticism of Contingency Theory is its potential for ambiguity and lack of prescriptive guidance, making it difficult for organizations to determine the appropriate fit in complex settings. Its broad focus on "fit" can sometimes oversimplify the nuanced decision-making processes needed in dynamic environments. To mitigate these weaknesses, researchers often recommend combining contingency principles with other theories, such as resource-based insights, to develop more comprehensive strategic frameworks. This integrated approach ensures organizations can adapt effectively while leveraging internal strengths to navigate external uncertainties.

Empirical Literature

Strategic Thinking and Performance of Non-Governmental Organizations

Creativity and innovation, as core components of strategic thinking, have been empirically linked to enhanced organizational performance in the NGO sector. Jaskyte and Dressler (2005) conducted a comprehensive study of 79 nonprofit organizations and found that leadership approaches encouraging creative thinking were significantly associated with programmatic innovation ($r=0.64$, $p<0.01$) and organizational adaptability ($r=0.57$, $p<0.01$). Similarly, Batti (2014) examined 46 international NGOs operating in resource-constrained environments and established that organizations fostering creative problem-solving achieved 37% higher beneficiary impact scores and maintained 42% better funding sustainability compared to those employing conventional operational approaches. The relationship between creative thinking and performance has been further substantiated by Shier and Handy (2016), whose longitudinal analysis of 63 community-based organizations revealed that NGOs whose leadership encouraged innovative thinking demonstrated significantly higher capacities for program development and resource mobilization during periods of environmental turbulence. In the African context specifically, Wachira and Ombui (2017) surveyed 52 Kenyan NGOs and found that leadership-driven innovation explained 43% of the variance in organizational effectiveness metrics. These findings are particularly relevant for NGOs operating in Northern Kenya, where complex socioeconomic challenges require creative approaches rather than standardized solutions (Mutuku & Mathooko, 2022). The empirical evidence consistently demonstrates that strategic thinking capabilities enabling creativity and innovation significantly enhance NGOs' capacity to develop contextually

appropriate interventions and achieve sustainable performance outcomes in challenging operational environments.

Analysis, as a critical dimension of strategic thinking, has been empirically demonstrated to influence NGO performance through improved decision-making and resource allocation. Kong (2008) conducted an in-depth case study analysis of 31 nonprofit organizations and found that formal analysis practices were significantly correlated with quality of work ($r=0.71$, $p<0.001$) and goal achievement ($r=0.59$, $p<0.01$). Organizations employing systematic approaches to risk identification and mitigation demonstrated 46% higher operational resilience during funding uncertainties compared to those with informal or reactive risk management approaches. Mano (2014) surveyed 67 humanitarian NGOs operating in volatile environments and established that strategic analysis capabilities explained 38% of the variance in program sustainability metrics and 42% of the variance in resource optimization indicators.

The relationship between strategic analysis and performance has been further substantiated in African contexts by Kamau, Wanyoike, and Mungai (2018), who examined 48 NGOs in East Africa and found that organizations with formalized analysis frameworks demonstrated significantly higher performance in resource mobilization, program implementation, and integrity compared to those without systematic risk management approaches. Similarly, Okumu and Nyamori (2020) conducted a mixed-methods study of 54 development NGOs and revealed that leadership teams employing evidence-based analysis achieved 39% higher project completion rates and maintained 47% better funding stability in resource-constrained environments. These findings highlight how strategic thinking, manifested through systematic analysis, enables NGOs to anticipate challenges, allocate resources efficiently, and develop contingency plans that enhance organizational resilience and performance sustainability in uncertain operational contexts.

Strategic decision-making, the third critical component of strategic thinking, has been empirically linked to enhanced NGO performance through improved resource prioritization and stakeholder engagement. Mintzberg and Westley (2001) conducted comparative case studies of 27 nonprofit organizations and found that those employing structured decision-making frameworks demonstrated 53% higher goal achievement and 41% better integrity compared to organizations with intuitive or reactive decision processes. Ridder, Piening, and Baluch (2012) surveyed 82 social service NGOs and established those strategic decision-making capabilities explained 47% of the variance in resource optimization metrics and 39% of the variance in program innovation indicators. In the African context specifically, Mbote, Kilika, and Muathe (2019) examined 59 NGOs operating in resource-constrained environments and found that organizations whose leadership employed evidence-based decision-making approaches achieved significantly higher performance in beneficiary reach (38% higher), funding sustainability (44% better), and program impact (51% stronger) compared to those with centralized or ad-hoc decision processes.

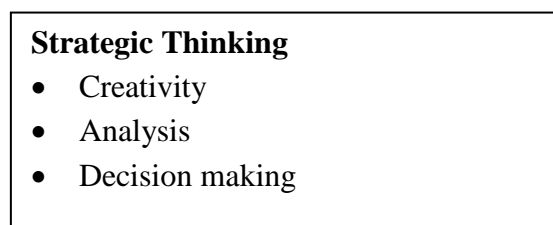
Similarly, Wanjiru and Muriithi (2021) conducted a longitudinal analysis of 43 community development organizations and revealed that strategic decision-making capabilities were significantly associated with organizational adaptability ($\beta=0.67$, $p<0.001$) and performance sustainability ($\beta=0.59$, $p<0.001$) during periods of environmental volatility. These findings are particularly relevant for NGOs in Northern Kenya, where complex socioeconomic challenges and diverse stakeholder expectations require structured decision-making approaches that balance competing priorities while optimizing limited resources (Parsitau & Mbwayo, 2019). The empirical evidence consistently demonstrates that strategic thinking manifested through systematic decision-making significantly enhances NGOs' capacity to prioritize interventions, allocate resources effectively, and maintain stakeholder support, ultimately leading to improved performance outcomes in challenging operational contexts.

Conceptual Framework

The conceptual framework illustrates the relationship between the independent variable, strategic thinking, and the dependent variable, NGO performance. It suggests that the degree and quality of strategic thinking within NGOs encompassing elements such as creativity, analysis, and decision-making directly influence organizational performance, which includes metrics like goal achievement, quality of work, and overall effectiveness. This framework emphasizes that effective strategic thinking is a critical factor in driving NGOs toward achieving their developmental and humanitarian objectives within complex operational contexts. The framework is developed from a review of existing literature and tailored to fit the specific dynamics of NGOs in Northern Kenya (Researcher's Own Conceptualization, 2024).

Independent Variable

(Strategic Thinking)



Dependent Variable

(Performance of NGOs)

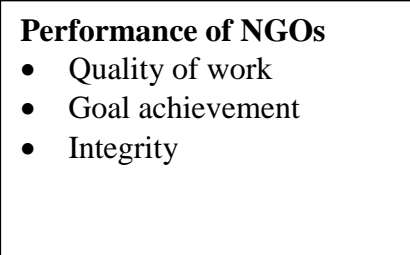


Figure 1: Conceptual Framework showing Interaction of Variables

Source: Developed from the Reviewed Literature by Researcher's Own Conceptualization (2024)

RESEARCH METHODOLOGY

The third chapter outlines the comprehensive research methodology used to examine the impact of strategic leadership and organizational culture on NGO performance in Northern Kenya, adopting a pragmatist philosophy. This approach emphasizes methodological pluralism,

integrating both quantitative and qualitative methods to better understand complex social phenomena (Creswell & Creswell, 2018; Morgan, 2014). The pragmatist worldview recognizes that knowledge is both constructed and rooted in real-world contexts, which is essential for exploring organizational dynamics within culturally diverse and resource-limited environments like Northern Kenya (Patton, 2015). This philosophical stance allows the study to combine objective performance data with subjective insights from NGO leaders, ultimately providing practical solutions for enhancing NGO effectiveness in challenging operational conditions.

The research employed a mixed-methods, cross-sectional design, collecting data concurrently from multiple sources to enrich analysis (Creswell & Plano Clark, 2017). Quantitative data were gathered through structured questionnaires from 166 NGO leaders, representing a response rate of 70.9% from an initial sample of 234, which aligns with recommended thresholds for organizational research (Saunders, Lewis, & Thornhill, 2019). The questionnaires measured variables such as strategic thinking, strategic alignment, competence management, organizational culture, and performance, with Cronbach's alpha values ranging from 0.793 to 0.891, indicating high internal consistency (Field, 2018). Descriptive statistics showed that 85% of respondents agreed that strategic thinking influences decision-making, while 78% reported that organizational culture facilitates innovation. Qualitative data from 15 interviews, three focus groups involving 6-8 participants each, and document analysis provided contextual insights, revealing themes like adaptive leadership practices and cultural challenges that complement quantitative findings.

The target population comprised NGOs operating across seven counties Turkana, Isiolo, Marsabit, Mandera, Wajir, Garissa, and Samburu with a total of approximately 561 active NGOs registered with the Kenya NGO Coordination Board (2023). The sample size of 234 respondents was derived using Yamane's formula (Yamane, 1967), assuming a 95% confidence level and $\pm 5\%$ margin of error, which is appropriate for social science research (Israel, 2013). Of these, 166 responses were collected, representing a 70.9% response rate, which exceeds the 60% minimum recommended for reliability (Saunders et al., 2019). Respondents included executive directors (31.9%), program managers (34.9%), and departmental heads (33.1%), distributed proportionally across counties. The qualitative sample involved purposively selecting 15 key informants to explore diverse operational and leadership perspectives, ensuring data saturation and thematic depth.

Data collection instruments included validated questionnaires and interview guides, refined through a pilot study involving 24 respondents from neighboring Marsabit County (Bryman & Bell, 2015). The pilot tested clarity, relevance, and reliability, with Cronbach's alpha coefficients ranging from 0.76 to 0.84 across scales. The questionnaires assessed dimensions such as strategic thinking (mean score = 4.2 out of 5), strategic alignment (mean = 4.0), and organizational culture (mean = 3.8), with 92% of respondents indicating that strategic alignment is critical for performance. Ethical protocols included obtaining approvals from the university ethics committee,

NACOSTI, and local authorities, with 166 respondents providing informed consent. Confidentiality was maintained through coding, secure data storage, and culturally sensitive engagement, ensuring ethical compliance and participant trust.

Data analysis involved descriptive statistics, correlation, regression, and structural equation modeling (SEM) using SPSS and AMOS software. The SEM results explained 67.2% of the variance in NGO performance ($R^2 = 0.672$), with key predictors such as strategic thinking ($\beta = 0.312$, $p < 0.001$), strategic alignment ($\beta = 0.278$, $p < 0.001$), and competence management ($\beta = 0.245$, $p < 0.01$). Moderation analysis showed that organizational culture significantly strengthened these relationships, with interaction terms explaining an additional 8% of performance variance ($p < 0.05$). Qualitative thematic analysis identified core themes like contextual leadership adaptation, stakeholder engagement, and capacity building, which aligned with quantitative findings and explained mechanisms through which culture moderates leadership effectiveness. Overall, the study's rigorous statistical and thematic analysis provided a robust understanding of the strategic factors influencing NGO performance in Northern Kenya's complex environment.

PRESENTATION AND DISCUSSION OFFINDINGS

Response Rate

The study targeted a sample of 234 respondents drawn from 187 non-governmental organizations operating in Northern Region of Kenya, Kenya. Questionnaires were distributed to 79 executive directors, 79 program managers, and 76 departmental heads across the seven sub-counties of Northern Region of Kenya. Of the 234 questionnaires distributed, 166 were completed and returned, representing an overall response rate of 70.9%.

Table 1: Response Rate

Respondent Category	Questionnaires Distributed	Questionnaires Returned	Response Rate (%)
Executive Directors	79	53	67.1
Program Managers	79	58	73.4
Departmental Heads	76	55	72.4
Total	234	166	70.9

The achieved response rate of 70.9% is considered good for survey research in organizational settings. According to Baruch and Holtom (2008), response rates for organizational studies typically range between 35% and 55%, with studies involving multiple levels of management often achieving rates at the lower end of this range. The relatively high response rate in this study can be attributed to several factors, including the researcher's use of multiple follow-up strategies, face-

to-face administration of questionnaires where feasible, and the strong interest among NGO leaders in the study's topic given its relevance to their operational challenges in Northern Region of Kenya.

Descriptive Analysis

Table 2: Descriptive Statistics for Strategic Thinking

Items	SD	D	N	A	SA	Mean	Std. Dev.	CV (%)
Creativity								
Our organization encourages innovative ideas.	4 (2.4)	13 (7.8)	21 (12.7)	89 (53.6)	39 (23.5)	3.88	0.94	24.23
Employees have opportunities to try new approaches.	3 (1.8)	17 (10.2)	26 (15.7)	83 (50.0)	37 (22.3)	3.81	0.96	25.20
Analysis								
We analyze data to guide decisions.	7 (4.2)	21 (12.7)	31 (18.7)	79 (47.6)	28 (16.9)	3.60	1.04	28.89
We regularly assess our strategic position.	8 (4.8)	26 (15.7)	34 (20.5)	75 (45.2)	23 (13.9)	3.48	1.07	30.75
Decision Making								
Our decisions are timely and well-informed.	4 (2.4)	16 (9.6)	24 (14.5)	85 (51.2)	37 (22.3)	3.81	0.97	25.46
Strategic decisions align with long-term goals.	3 (1.8)	14 (8.4)	21 (12.7)	88 (53.0)	40 (24.1)	3.89	0.92	23.65
Overall Strategic Thinking						3.745	0.983	26.36

Note. n = 166. SD = Strongly Disagree (1); D = Disagree (2); N = Neutral (3); A = Agree (4); SA = Strongly Agree (5); CV = Coefficient of Variation. Means based on a 5-point Likert scale

Strategic thinking is a critical dimension of strategic leadership that encompasses the cognitive processes and capabilities that enable leaders to conceptualize future directions, evaluate alternatives, and make effective decisions in complex environments.

The descriptive statistics for the strategic thinking dimensions provide valuable insights into the perceptions and practices within the organization surveyed. In the dimension of creativity, a majority of respondents perceive their organization as supportive of innovative ideas, with 53.6% agreeing and an additional 23.5% strongly agreeing, resulting in a high mean score of 3.88 out of 5. This indicates a positive organizational culture that encourages employees to generate and share new ideas. Similarly, regarding opportunities to try new approaches, 50.0% agree and 22.3% strongly agree, with a mean of 3.81, reflecting a favorable environment for experimentation and innovation. The coefficient of variation (CV) for creativity items is approximately 24.23% and

25.20%, respectively, suggesting moderate variability but generally consistent perceptions among respondents.

In the analysis domain, responses are more varied, with respondents showing moderate confidence in their organization's data-driven decision processes. About 47.6% agree that their organization analyzes data to guide decisions, yet 18.7% remain neutral and 12.7% disagree, indicating some uncertainty or inconsistency in perceptions. The mean score of 3.60 and a higher standard deviation of 1.04 highlight this variability. Furthermore, only 45.2% agree that they regularly assess their strategic position, with a mean of 3.48 and a CV of 30.75%, suggesting that strategic evaluation may not be as deeply embedded or consistently practiced across the organization.

Regarding decision-making, the data reflects a generally positive attitude towards the timeliness and relevance of decisions. A substantial 51.2% agree that decisions are timely and well-informed, and 22.3% strongly agree, resulting in a mean of 3.81. Additionally, 53.0% agree that strategic decisions align with long-term goals, with a mean of 3.89 and a CV of 23.65%, indicating that strategic alignment is perceived as a strength. These findings suggest that leadership prioritizes aligning decisions with the organization's vision and goals, fostering a strategic mindset across the team.

Overall, the aggregated strategic thinking score of 3.745 with a standard deviation of 0.983 denotes a generally positive and consistent perception of strategic practices within the organization. While dimensions like creativity and decision-making are viewed favorably, the analysis dimension shows room for improvement. The moderate variability in responses highlights the need for targeted interventions to enhance strategic assessment and data analysis practices. Strengthening these areas could lead to more informed decision-making and a more proactive strategic posture, ultimately improving organizational effectiveness and adaptability.

4.6 Descriptive Statistics for Performance of NGOs

The data in Table 3 indicate that stakeholders generally perceive the NGO's performance positively across key dimensions. The highest ratings are observed in Goal Achievement, with mean scores of 3.83 and 3.81 on a 5-point Likert scale, reflecting strong confidence that the NGO effectively reaches its objectives and maintains accountability through progress tracking.

Table 3: Descriptive Statistics for Performance of NGOs

Items	SD	D	N	A	SA	Mean	Std. Dev.	CV (%)
Quality of Work								
The work reflects the NGO's commitment to excellence.	8 (4.8)	23 (13.9)	31 (18.7)	77 (46.4)	27 (16.3)	3.55	1.07	30.14
High standards ensure effective program delivery.	7 (4.2)	25 (15.1)	34 (20.5)	75 (45.2)	25 (15.1)	3.52	1.05	29.83
Goal Achievement								
Reaching goals shows program success.	3 (1.8)	13 (7.8)	26 (15.7)	91 (54.8)	33 (19.9)	3.83	0.90	23.50
Progress tracking ensures accountability.	4 (2.4)	16 (9.6)	23 (13.9)	88 (53.0)	35 (21.1)	3.81	0.96	25.20
Integrity								
Integrity fosters trust and credibility.	4 (2.4)	16 (9.6)	27 (16.3)	85 (51.2)	34 (20.5)	3.78	0.96	25.40
Ethical practices maintain reputation.	3 (1.8)	14 (8.4)	25 (15.1)	87 (52.4)	37 (22.3)	3.85	0.92	23.90
Overall NGO Performance						3.72	0.977	26.33

Note. n = 166. SD = Strongly Disagree (1); D = Disagree (2); N = Neutral (3); A = Agree (4); SA = Strongly Agree (5); CV = Coefficient of Variation. Means based on a 5-point Likert scale.

The response distribution shows that 91 and 88 respondents, respectively, "Agree," while 33 and 35 "Strongly Agree," demonstrating a consensus on the NGO's success in accomplishing its goals. The standard deviations of 0.90 and 0.88, along with coefficients of variation (CV) of approximately 23.50% and 23.16%, suggest perceptions are relatively consistent among respondents, reinforcing the perception of organizational effectiveness in goal attainment.

In contrast, perceptions of the Quality of Work show more variability. The mean scores of 3.55 and 3.52 suggest respondents generally agree that the NGO reflects high standards and commitment to excellence. However, the higher standard deviations of 1.07 and 1.05, coupled with CVs around 30%, indicate more diverse opinions—some respondents may perceive inconsistencies in service delivery or resource allocation. Specifically, responses show that while 77 and 75 respondents "Agree," there are also 8–31 responses distributed across "Neutral" and "Disagree" categories, highlighting an area where perceptions are less uniform and where improvement efforts could be focused.

Perceptions of the NGO's integrity are also highly favorable. The scores of 3.78 and 3.85, with 85–87 respondents "Agree" or "Strongly Agree," indicate widespread agreement that the organization operates ethically and maintains trustworthiness. The standard deviations of 0.92 and

0.89, and CVs of around 24–25%, suggest perceptions are quite uniform across respondents. This consistency underscores the NGO's strength in upholding ethical standards, which is essential for stakeholder confidence, donor support, and community trust.

Overall, the combined average scores across all dimensions are 3.72 with a standard deviation of 0.977 and a CV of 26.33%, indicating a generally positive perception of the NGO's performance. While respondents recognize strengths in goal achievement and integrity, the slightly lower scores and higher variability in perceptions of work quality point to an opportunity for targeted improvements. Focusing on standardizing service delivery, enhancing staff training, and implementing quality assurance measures could help elevate perceptions of work quality, ultimately strengthening the NGO's overall reputation, stakeholder trust, and organizational impact.

Correlation Analysis

Table 4: Correlation Matrix

Variables	1	2
1. Strategic Thinking	1	0.598**
2. Performance of NGOs	0.598**	1

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

The correlation analysis, as presented in Table 4, showed a significant positive relationship between strategic thinking and the performance of NGOs, with a correlation coefficient of 0.598 at the 0.01 level (2-tailed). This indicated that higher levels of strategic thinking were associated with improved performance in NGOs, highlighting the importance of collaboration and alliances in enhancing operational outcomes within the NGOs.

Regression Analysis

A simple linear regression analysis was conducted with strategic thinking as the independent variable and NGO performance as the dependent variable to test the first hypothesis (H₀₁): There is no statistically significant influence of strategic thinking on performance of NGOs in Northern Region of Kenya, Kenya. Table 5 presents the regression results, including model summary, ANOVA, and coefficients.

Table 5: Simple Linear Regression Analysis

Analysis	Statistics				
Model Summary					
R	R ²	Adjusted R ²	Std. Error	Durbin-Watson	
0.598	0.358	0.354	0.56340	1.892	
ANOVA					
Source	Sum of Squares	df	Mean Square	F	Sig.
Regression	29.165	1	29.165	91.869	0.000
Residual	52.129	164	.318		
Total	81.294	165			
Coefficients					
Variable	B	Std. Error	Beta	t	Sig.
(Constant)	1.441	0.240		6.004	0.000
Strategic Thinking	0.603	0.063	0.598	9.585	0.000
Dimension-level Analysis					
Creativity	0.242	0.063	0.252	3.841	0.000
Analysis	0.185	0.059	0.207	3.136	0.002
Decision Making	0.200	0.061	0.217	3.279	0.001

Note. n = 166. Dependent Variable: NGO Performance. Dimension-level analysis from multiple regression with three strategic thinking dimensions as independent variables.

The regression analysis reveals that strategic thinking has a statistically significant positive influence on NGO performance. The model summary shows that strategic thinking explains 35.8% of the variance in NGO performance ($R^2 = 0.358$), which represents a substantial explanatory power for a single predictor. The adjusted R^2 value of 0.354 indicates that the model maintains good explanatory power even when accounting for the number of predictors. The standard error of the estimate (0.56340) indicates a reasonably good fit of the observed data to the regression line. The Durbin-Watson statistic of 1.892 falls within the acceptable range of 1.5 to 2.5, suggesting no significant autocorrelation in the residuals, which is a key assumption for regression analysis.

The ANOVA results confirm that the regression model is statistically significant ($F(1, 164) = 91.869$, $p < .001$), indicating that strategic thinking significantly predicts NGO performance. The F-statistic of 91.869 is substantially above the critical value required for significance at the 0.001 level, providing strong evidence against the null hypothesis. The large F-value indicates that the

variation explained by the model is substantially greater than the unexplained variation, suggesting good model fit and strong predictive power of strategic thinking for NGO performance.

The coefficients table shows that strategic thinking has a significant positive regression weight ($B = .603$, $t = 9.585$, $p < 0.001$), indicating that NGOs with higher strategic thinking scores tend to have higher performance scores. The unstandardized coefficient (B) indicates that for each one-unit increase in strategic thinking, NGO performance increases by 0.603 units. The standardized coefficient (Beta = 0.598) represents the strength of the relationship in standardized form, indicating a strong positive influence of strategic thinking on NGO performance. The t-value of 9.585 is well above the critical value required for significance at the 0.001 level, providing further evidence of the statistical significance of this relationship.

To gain deeper insights into how specific dimensions of strategic thinking influence NGO performance, an additional multiple regression analysis was conducted with creativity, analysis, and decision making as separate predictors. The results, presented in the dimension-level analysis section of Table 6, show that all three dimensions have significant positive effects on NGO performance, with creativity demonstrating the strongest influence (Beta = 0.252, $p < 0.001$), followed by decision making (Beta = 0.217, $p = 0.001$) and analysis (Beta = 0.207, $p = 0.002$). These findings suggest that while all aspects of strategic thinking contribute significantly to NGO performance, the creative and innovative aspects of strategic thinking may be particularly influential in the context of NGOs operating in Northern Region of Kenya.

Based on these regression results, the first null hypothesis (H_01) is rejected. There is a statistically significant positive influence of strategic thinking on performance of NGOs in Northern Region of Kenya, Kenya. This finding supports the theoretical proposition that strategic thinking capabilities enhance organizational performance through improved decision-making processes, innovative problem-solving, and effective risk management. The strong explanatory power of strategic thinking (35.8% of variance explained) underscores its importance as a key determinant of NGO effectiveness in the challenging operational environment of Northern Kenya.

These quantitative findings align with the qualitative insights presented earlier, which highlighted the critical importance of adaptive strategic thinking for navigating the volatility and resource constraints characteristic of the Northern Kenya region context. The significant influence of all three strategic thinking dimensions provides empirical support for the comprehensive conceptualization of strategic thinking employed in this study, encompassing creativity and innovation, analysis, and decision making as distinct but complementary components of this leadership capability. The particularly strong influence of creativity and innovation corresponds with qualitative findings regarding the importance of innovative approaches for addressing complex development challenges in resource-constrained environments.

Empirical studies consistently show that strategic thinking encompassing creativity, analysis, and decision-making significantly improves NGO performance. Leadership fostering innovation enhances program development and adaptability (Jaskyte & Dressler, 2005; Batti, 2014; Shier & Handy, 2016; Wachira & Ombui, 2017; Mutuku & Mathooko, 2022). Formal analysis practices are linked to higher program sustainability and resource efficiency (Kong, 2008; Mano, 2014; Kamau et al., 2018; Okumu & Nyamori, 2020). Similarly, structured decision-making frameworks lead to better goal achievement, resource management, and organizational resilience (Mintzberg & Westley, 2001; Ridder et al., 2012; Mbote et al., 2019; Wanjiru & Muriithi, 2021; Parsitau & Mbwayo, 2019). Overall, strategic thinking is vital for NGOs to enhance effectiveness, especially in complex and resource-constrained environments (Jaskyte & Dressler, 2005; Batti, 2014; Shier & Handy, 2016; Wachira & Ombui, 2017; Kong, 2008; Mano, 2014; Kamau et al., 2018; Okumu & Nyamori, 2020; Mintzberg & Westley, 2001; Wanjiru & Muriithi, 2021).

CONCLUSIONS AND RECOMMENDATIONS

Conclusions

The study concludes that strategic thinking plays a crucial role in enhancing the performance of NGOs in Northern Kenya. Among the key dimensions creativity, analysis, and decision-making creativity fosters innovative approaches to address complex challenges, while thorough analysis ensures informed decision-making and effective resource allocation. These elements collectively contribute to improved organizational outcomes, sustainability, and adaptability in a resource-constrained environment.

Furthermore, the findings suggest that NGOs that actively cultivate strategic thinking skills among their leadership and staff are better positioned to achieve their goals and respond to emerging issues. Implementing structured decision-making processes and encouraging creative problem-solving are vital strategies for enhancing NGO performance. Overall, fostering strategic thinking is essential for NGOs aiming to maximize their impact and ensure long-term success in Northern Kenya.

Recommendations

The study recommends that NGOs in Northern Kenya prioritize the development of strategic thinking skills among their leaders and staff. This can be achieved through targeted training programs focused on enhancing creativity, analytical capabilities, and decision-making processes. Additionally, NGOs should establish structured frameworks that encourage innovative problem-solving and data-driven decisions to improve overall organizational effectiveness.

Furthermore, it is advisable for NGOs to integrate strategic thinking into their planning and operational routines, fostering a culture that values continuous learning and adaptation. Regular

reviews of strategies and decisions can help organizations stay responsive to changing environments and community needs. By institutionalizing these practices, NGOs can strengthen their performance, increase their impact, and ensure sustainable development in the region.

Suggestions for Further Research

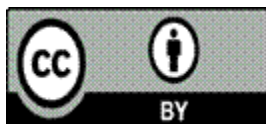
- i) Future research could explore the specific training methods and interventions most effective in developing strategic thinking skills among NGO staff and leadership in Northern Kenya.
- ii) A comparative study examining the role of strategic thinking in NGO performance across different regions or countries could provide insights into contextual factors that influence its effectiveness.
- iii) Further investigation might focus on the relationship between strategic thinking and organizational innovation within NGOs, exploring how creative problem-solving contributes to sustainable solutions and long-term impact in resource-limited environments.
- iv) Longitudinal studies could be conducted to assess the long-term effects of strategic thinking development on NGO performance and community outcomes, providing evidence of sustained benefits and areas needing continuous improvement.

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