Spring 6-1-2020

Challenges to strategic planning in the context of Egyptian non-profit organizations: A critical review

Baher Hany Wassif
The American University in Cairo

Follow this and additional works at: https://fount.aucegypt.edu/etds

The American University in Cairo

School of Global Affairs and Public Policy

**Challenges to Strategic Planning in the Context of Egyptian Non-profit Organizations:
A Critical Review**

A Thesis Submitted to the

Public Policy and Administration Department

in partial fulfillment of the requirements for the degree of

Master of Public Administration

By

Baher Hany Wassif

Supervised By

Dr. Ghada Barsoum

Spring 20

Table of Contents

Abstract

Strategic planning has been closely tied to successful management practices. This research reviews some common definitions and models of strategic planning by multiple scholars as well as the importance of the strategic planning process to NGOs, especially local Egyptian NGOs. The purpose of this research is to uncover some of the contextual challenges in the strategic planning and implementation processes that face local NGOs in Egypt and the various ways the NGOs are facing them, and provide recommendations on ways to overcome those challenges. To achieve this, the research adopts a qualitative approach through case studies that aim to explore the perception and practices of Egyptian NGO employees, managers and board members in regards to strategic planning. Analysis of the findings shows that the challenges can be grouped into two main categories: 1) External challenges: these arise as a result of the interaction between the organization and the political, economic, social, and technological aspects of the external environment; and 2) Internal challenges: these are a direct result of management practices within the organization. Based on the findings, the research concludes with recommendations for NGOs to conduct thorough environmental scans; give due attention to monitoring and evaluation; and to seek financial sustainability.

Chapter One: Introduction

1.1 Study overview

Strategic planning is closely tied to management practices (Mara, 2000. p. 211) and is widely utilized by many organizations nowadays (George et al. 2019, p.810). Strategic planning is defined as "a systems approach to maneuvering an enterprise over time through the uncertain waters of its changing environment to achieve prescribed aims" (Steiner, 1979, p. 16). Organizations operate within the context of the external environment and as the previous definition implies, there is a degree of uncertainty when it comes to anticipating the changes in the external environment. Therefore, organizations utilize strategic planning to enable them to manage their resources within the context of the continuously changing environment to achieve their mission (Allison and Kaye, 2005; Barry, 1994; Elbanna, 2007; Mara, 2000).

Elbanna (2007) argues that strategic planning is "the development of a long-range written plan which covers more than 1 year for the effective management of environmental opportunities and threats, in the light of organizational strengths and weaknesses. Strategic planning should include formulating an organization's mission and/or vision, specifying long-term objectives and developing strategies which the organization plans to use to achieve these objectives." (Elbanna, 2007. p.228). Strategic planning importance stems from its ability to help organization manage and anticipate changes in the external environment as well as manage internal practices and allocate scarce resources to achieve their mission. (Allison and Kaye, 2005; Bryson, 2011; Mara, 2000)

From those definitions we can understand that strategic planning is an overarching management practices that affects all aspects of an organization's operations such as human resources management and financial management. For example, Pynes (2013) defines strategic human resources management (SHRM) as "the implementation of human resources

activities, policies and practices to make the necessary ongoing changes to support or improve the agency's operational and strategic objectives" (Pynes, 2013. p.37). Pynes argues that when organizations apply SHRM practices they are better able to adjust and adapt to meet the requirements of the changing external environment. (Pynes, 2013. p.38). Thus, it becomes clear that strategic management practices within the different departments and organizational operations have to follow the overall strategic plan for the organization in order to reflect the Vision, mission and objectives. However, in order to study how strategic planning touches upon and affects all aspects of nonprofit organizations' operations and activities, a fundamental understanding of the strategic planning process needs to be established.

Strategic planning has been practiced by business organizations for a long time. However, it had only been widely adopted by nonprofit organizations from the 1980s onward (George et al, 2019. p. 810). Strategic planning for nonprofit organizations differs than that of business organization. These differences in the approach to strategic planning reside in the dissimilarity in their mandate. While the aim of for-profit organizations is to maximize shareholder wealth, the aim of nonprofit organizations is creating public value. (Moore, 2000 p.186). Nonprofit organizations are also faced with more complex set of challenges than business organizations especially as an influence of the external environment and its turbulence. (Hughes, 2003; Nutt and Backoff, 1987)

Despite the recent interest in the study of strategic planning in nonprofit NGOs in the western context (Bryson, 2010; Mara;2000), there is a significant gap in the literature when it comes to studies and research on the strategic planning practices in the middle east region as a whole and Egypt in Specific. (Elbanna, 2007. p.228) Therefore, this research attempts to fill that gap by providing an overview of the strategic planning processes in the Egyptian NGO sector.

Drawing upon the general body of literature of strategic planning, the purpose of this research is therefore to provide a contextual understanding of the strategic planning process in Egyptian nonprofit organizations. Additionally, the research aims to explore views of nonprofit organizations' managers on the definitions and importance of strategic planning as well as the practical steps taken by these organizations to engage in strategic planning. Furthermore, to explore the specific challenges faced by Egyptian nonprofit organizations in the strategic planning process and its implementation as a result of the changes in the external environment and internal environment embodied in manage practices. To achieve those purposes, this research adopts a qualitative approach to examine strategic planning understanding and practices in three Egyptian nonprofit organizations. Moreover, this research will seek to expose the specific challenges in the field while providing recommendations for overcoming those challenges.

1.2   Statement of the problem

The external environment in which Egyptian NGOs operate is characterized by its volatility due to extreme changes especially on the political and economic fronts, as this research will show. Egyptian NGOs are faced with many challenges in their external environment that hinder their strategic planning ability and efforts ranging from strict and sudden changing laws and regulations to donor dependencies. Additionally, there are challenges related to the internal environment within the organization that hinder the organizations' ability to plan ranging from leadership buy-in to the lack of a formal strategic planning process.

1.3 Research questions, Significance of the study and scope of the study

a. Research Question

This research is generally concerned with: what are the specific challenges faced by local Egyptian NGOs in the strategic planning process? And specifically, what are the main causes for those challenges?

b. Significance of the Study

The significance of this research could be articulated in three main arguments:

First, the scarcity of contextual academic research on studying the process of strategic planning for non-profit and business organizations in the Egyptian context (Elbanna, 2007). On the other hand, there is a considerable amount of resources discussing and studying the subject at hand for the international and specifically the western context, the most significant of which are used as the main references for this research.

Second, this research could be used by non-profit organizations to assess whether their approach to the strategic planning process, if one exists, fits their organization's and their constituents' needs through examining cases of the strategic planning process in organizations working under the same environment and context.

Third, this research might be beneficial to grant organizations, supporters and donors of non-profit organizations to assess whether the recipient organization is following a specific and contextual strategic planning process whether on the organizational level or on a project-specific level. Worth (2017) emphasizes that "many funders, including foundations, regard this as an essential badge of a well-managed

organization" (p172). Therefore, strategic planning would assure the donor that their

resources are well and responsibly allocated and disseminated.

Chapter Two: Literature Review

Through examination of the topic of strategic planning in literature, especially within the context of non-profit organizations, there are two main observations that can be clearly identified. The first is that while there are experts in the field of strategic planning for non-profit organizations (Allison and Kaye, 2005; Bryson 2022; Barry 2003; La Piana 2008), the most well-known of them provide the basis of the conceptual framework for this research, many of the publications on the topic of strategic planning were primarily created for and aimed towards the business sector (Grünig et al, 2011; Lencioni, 2012; Reading, 2004; Reider 2015). Moore (2000) argues that "The most well-developed strategy models come from the private sector and focus on markets, customers, and competition." (Moore, 2000. p.183). As pointed out by Worth (2017), "there are various models for strategic planning. The Harvard policy model, developed at the Harvard Business School by various scholars over a period of decades, is the most commonly mentioned and is the inspiration for several well-known variations." (Worth 2017. p. 173). The second observation is the focus of the literature on non-profit organizations in the global north, especially western countries and the United States of America (Bryson, 2010; Mara, 2000; Rhine, 2015). There is a noticeable lack of literature on the topic of strategic planning for non-profit organizations in the Global South.

Therefore, this research contributes to the existing literature by providing an understanding of the context in which non-profit organization in Egypt operate. It also examines the challenges faced by such organization in the strategic planning process in the light of a conceptual framework built on the strategic planning models provided by. Bryson (2011) and Allison and Kaye (2005).

2.1 Defining Strategic Planning

Organizations, whether governmental, private businesses, or non-governmental, are constantly faced with a series of challenges. These challenges present themselves in the form of a pressing market demand for services and goods, a public need or a cause that needs voicing and advocacy, or a change in the environmental, financial and political situations.

Consequently, every organization needs to make decisions on how to face and overcome those challenges in order to reach its full potential and achieve the organizational purpose. That process of conscious and intentional decision making is what is known as strategic planning. (Bryson, 2011. p.15).

There have been many attempts by scholars to define strategic planning in addition to organize frameworks and tools to help understand and apply strategic planning. Bryson (2011) for instance, defines strategic planning as "a deliberative, disciplined approach to producing fundamental decisions and actions that shape and guide what an organization is, what it does and why." (Bryson, P.8, 2011). Allison and Kaye define it as "a systematic process through which an organization agrees on and builds commitment among stakeholders to priorities that are essential to its mission and are responsive to the environment. Strategic planning guides the acquisition and allocation of resources to achieve these priorities." (Allison and Kaye, 2005. p.1). McKay defines strategic planning as a process that enables the leaders of an organization to establish a vision for the future of the organization in addition to defining the means of achieving this vision (2011). Furthermore, Michael Worth (2017) argues that "Strategic planning is a process that produces a product" (Worth 2017, p.172). He elaborates by explaining that strategic planning starts with the current state of the organization. Then, it identifies the future state of the organization and sets a plan to reach that future state within the internal and external contexts in which the organization operates.

From those definitions it becomes apparent that strategic planning is both a tool and a process that organizations utilize and practice in response to the different challenges they face. They can achieve this by defining why the different organizations exist, what they should do, and how to mobilize and manage resources and take action in order to overcome those challenges or simply grow into the future.

Additionally, scholars argue that the purpose and ethos of strategic planning is to create and add value to a product or service (Veldman and Szabo, 2015) in a way that promotes the public interest and the common good (Bryson, 2011. p.11). Mara (2000) adds that the primary function of strategic planning "is to assist in allocating scarce resources in an environment of competing demands." (Mara, 2000. P.212). In other words, strategic planning helps organizations focus on as well as mobilize the different internal and external resources in a way that serves the purpose for which the organization exists and ensures its survival.

2.2   The Importance of Strategic Planning

To examine the importance of strategic planning to nonprofit organizations, we need to look at the external environment and contexts within which the NGOs in general, and Egyptian NGOs in particular, operate. According to Pfeffer and Salancik (1978), the non-profit sector, unlike the private sector is largely dependent on the external environment for input whether in the form of charitable donations, volunteers, or other forms of resources. However, the external environment is characterized by a high level of uncertainty and volatility (Lewis, 2007). Therefore, the non-profit sector is more susceptible to face instability when it comes to the external factors with which it deals. Furthermore, over the past two decades there has been a tremendous change in the global and Egyptian context specifically.

Carroll et al (2018) identifies four distinct types of environments that collectively create the macro-environment that organizations interact with and operate under. **The first** is the

social environment which "focuses on demographics, lifestyles, culture, and social values of the society" (Carroll et al, 2018. P.6). Organizations are often faced with changes in the social environment. This includes changes in the demographics of countries due to the increase in the numbers of immigrants and refugees for example. According to the UNHCR, the number of persons of concern has risen by 65% over the past decade (UNHCR, 2019). Consequently, NGOs, especially the ones concerned with human development, realize their need to adapt their activities to meet their mandate and mission according to the social changes introduced.

The second component within the macro-environment is the economic environment which describes the state of the economy surrounding the organization, dealing with critical issues such as inflation rates. As we examine the economic environment in Egypt over the past decade, we come to realize the amount of change that has occurred. For instance, the inflation rate increased from 9% in January of 2011 to reach almost 32% in August of 2017 (The Central Bank of Egypt, 2019). The devaluation of the Egyptian pound combined with the economic instability have also had a direct impact on the market prices of the goods and services whether provided publicly or privately. Moreover, despite the positive impression given by a slow but steady declination in unemployment rates since 2013, there has been an overall 39% increase in unemployment percentage rates between 2011 and 2016.

The third is the political environment. Carroll et al (2018) argues that the political environment "focuses on the processes by which laws get passed and officials get elected and all other aspects of the interaction between [organizations], political practices and government" (Ibid. p.7).

On the local scale, since the 25th of January Revolution in 2011 there has been a massive change in the political, social and economic scene. Politically, Egypt has been under the rule of three different regimes with different ideologies since 2011. The parliament has

changed and passed many laws regarding the work of non-governmental organizations which puts many limitations to the operations of these organizations in Egypt. A prominent example of such is law no. 70 for 2017 which introduces firm restrictions on the work of civil society and non-profit organizations. The most prominent of these restrictions is the establishment of a National Regulatory Agency that "shall undertake the responsibility of looking into all matters related to the establishment, work, and activity of foreign NGOs in Egypt, all the different forms of cooperation between these NGOs and the governmental and non-governmental entities and foundations inside the country, as well as the foreign funding of the Egyptian civil associations and foundations." (The Official Gazette, 2017). The board of the agency should have representatives form ten different ministries and government authorities. Moreover, the agency's responsibilities extend to overseeing the establishment of local and foreign NGOs in addition to acceptance of local funding notices and approval of foreign funding sources. The spread of terrorism in various parts of the world also presents a threat to many organizations as different governments are dealing with the issues in different ways. The Arab spring revolutions and the rise and fall of different leaders in the Middle East within a short span of time contributes greatly to the instability of the political scene, hindering socio-economic growth in many countries.

And lastly, the technological environment, which signifies the technological advancements that occur around the organization. On the global scale, accessibility to the internet and widespread use of social media platforms lead to more openness in the way news and knowledge transfers as well as in how people communicate and voice their opinions. This became available because of the increase in accessibility to the internet and telecommunications. According to the International Telecommunication Union (ITU), the number of internet users has risen from 400 million users in the year 2000 to 3.9 billion users by 2018, with seventy percent of the world youth are accessing the internet (ITU, 2017). This

has provided a wide exposure to many social causes and helped advocate for those causes through online and social media campaigns. Technology also helped in connecting NGOs to stakeholders such as beneficiaries, donors and the community in general.

As examined, the external environment especially in the political and economic aspects in Egypt is highly volatile and turbulent therefore organizations can utilize the process of strategic planning to anticipate the changes in the environment and manage and allocate the necessary resources to overcome the challenges posed by the changing environment (Allison and Kaye, 2005; Mara, 2000; Moore, 2000)

Realizing that organizations are embedded in a larger environment that interacts and affects the organization's operations helps us understand the importance of strategic planning in anticipating the changes in the Macro-environment with its social, economic, political and technological components which in turn helps organizations formulate action plans to not only respond to the changes in the environment but also to leverage those changes and achieve the organizational goals.

This research aims at exploring how the NGOs interact with the macro environment and reveal the challenges faced by NGOs in strategic planning as a result of the changes in the different components of their external environment. Additionally, this research explores the internal challenges in the strategic planning process that do not result from a direct interaction with the external environment but rather from internal processes.

2.3   Non-profit versus for-profit approaches to strategic planning

As previously stated, various organizations need strategic planning to provide both an understanding of the environment and a direction in coping with the changes that occur in it. However, the strategic planning process differs from public to private organizations.

According to Moore (2000), the main difference between for profit organizations and nonprofit organizations lies in the purpose of establishing these organizations. Moore argues that based on the legal and social contract, the purpose of establishing for-profit organizations is to maximize the shareholders wealth (Moore, 2000 p.186). On the other hand the main purpose of nonprofit organizations is creating social value and that the social value is measured in terms of the mission of the organization and not in its financial returns (Moore, 2000. P189). In the light of these differences and based on the definitions discussed earlier of strategic planning We can then deduce that the objective of strategic planning for nonprofit organizations is primarily to help organizations make conscious decisions for allocating resources to achieve their social mission while for businesses and for-profit organizations the aim of strategic planning is to enhance their decision making abilities to maximize the net revenue.

In addition to the previous arguments that the main difference between the nonprofit organizations and business organization lies primarily in value creation, Denhardt (2014) reasons that the primary distinction between the strategic planning processes in public organizations versus private organizations lies in the participatory approach. They argue that although "planning in the private sector may involve many people throughout an organization, it remains centered and directed at the top" (Denhardt, 2014. p.126). They elaborate that the management of a private sector organization is where the "private interests of the firm are most clearly articulate." (Denhardt, 2014. p.126). This means that in private organizations, interests of the shareholders, represented in the upper management of the business, are the primary determinant of the direction that influences the strategic planning process. In the case of nonprofit organizations, the measure of performance is how effective and efficient the organization is achieving its mission. (Moore, 2000. p.189) Many actors are involved in the achievement of nonprofit organizations missions such as board members, employees,

volunteers, donors and beneficiaries (Denhardt, 2014; Moore, 2000; Worth, 2017) Therefore, Denhardt argues that because of the public nature of the interest of those actors it is essential to include representations of all the stakeholders when engaging in a strategic planning effort (Denhardt, 2014. p.127). Additionally, the involvement of the stakeholders in a participatory planning process enhances the process as the decisions become more informed due to the variety of stakeholders' participation as opposed to top-down decision making. (George et at, 2019. p.812)

Hughes (2003) supports this argument by stating that unlike the private sector, the non-profit sector faces more problems and limitations (Hughes, 2003. p.137). these limitations "range from constitutional arrangements to legislative and judicial mandates, to government-wide rules and regulations, to jurisdictional boundaries to scarce resources, to political climate factors, to client and constituents interests" (McCaffery, 1989, p.207) Therefore, the strategic planning effort is more complex as the emphasis of nonprofit organizations is shifted from focusing on merely the marketplace to a more "complex set of political, economic, and legal considerations." (Nutt and Backoff, 1987. p.45)

2.4   Resource Dependency, Isomorphism and Strategic Planning.

As examined earlier, strategic planning helps nonprofit organizations identify why they exist, formulate their mission of creating value for the society and manage resources to achieve their mission in response to the changes in the environment. (Alisson and Kaye, 2005; Bryson, 2011; Hu et al, 2014; Mara, 2000) However, as Lewis (2007) explains, "all organizations depend on the environment for the resources they need, and to do this they must continuously negotiate and exchange. And in this sense are to a large degree externally controlled" (Lewis, 2007. p.87). Pfeffer and Salancik (1978) identified resource dependency as one of the issues that face non-profit organizations and could compromise and limit its autonomy.

Dependency on the environment, whether donors, volunteers or different resources, as discussed by Worth (2009), could have a large impact on the NGO. It could impact the mission and goals of the organization. This happens by "altering the goals and activities to satisfy the contributor of funds" (Worth, 2009. p.62). This is also known as goal displacement. Worth goes on to explain that goal displacement happens "when an organization expands its programs and activities into areas that may be appealing to donors or when it avoids activities that may alienate donors" (Worth, 2007. p.62). This means that organizations can easily lose focus on the core of their strategic plans namely their vision, mission and primary objectives in pursuit of other activities and programs that are directly or indirectly imposed by their donors.

While resource dependency can lead many organizations to conform to their donors and funders, another phenomenon known as isomorphism leads nonprofit organizations to conform to other organizations. Isomorphism occurs when "organizations in the same field tend to become more like each other as a result of facing similar influences from their environments" (Worth, 2009. p.49). Powell and DiMaggio (1991) identify three mechanisms of institutional isomorphism. The first is Coercive Isomorphism. This happens as a direct result of the changes in the political environment. For example, the introduction of new laws and regulations by the government. There is little to be done by organizations to mitigate Coercive Isomorphism when imposed by a governing body. The second is Mimetic Isomorphism. This occurs when organizations "look to the example of similar organizations for models to be adopted … Through this approach, organizations try to identify the best practices of other organizations they consider to be similar to them and thus learn ways to improve their own operations" (Worth, 2017. p.64). This eventually leads to similarity of purpose and or operations. The Last type of isomorphism is Normative Isomorphism. Powell and DiMaggio (1991) argue that this materializes as a direct result of professionalism. An example of this are nonprofit organizations operating in a field that requires certain standards to be met, such as

healthcare. Isomorphism poses a threat to non-profit organizations' authenticity and adherence to their core mission in a similar way to goal displacement.

Michael Worth (2009) identifies two strategies through which NGOs could overcome their resource dependency. The first one is to "diversify the sources of revenue". This means that the organization could add some income-generating activities to their strategic plans in order to be self-sustained and to depend less on the flow of charitable donations. The second strategy is broadening the donor base. By doing so, the organization would make sure the organization is not subject to donor control, hence guaranteeing more autonomy to the organization.

Drawing on the previous sections, strategic planning enables nonprofit organizations to anticipate changes in the environment including changes in the economic aspect which is the primary cause for extreme resource dependency and goal displacement. Strategic planning is also the tool that helps the organization make such decisions as diversifying sources of income and broadening their donor base. Strategic planning also provides a solution for isomorphism phenomenon by helping nonprofit organizations clearly define their mission. However, it is important to note that identifying the mission of the organization in strategic planning does not guarantee the mitigation of isomorphism. As Moore (2000) explains, the extent of discretion of nonprofit organization in terms of activities to pursue is directly related to how inclusive and abstract or narrow and focused the mission statement of the organization is. As an example, he states that "if a nonprofit … organization were to define its goal in terms of "creating public value," almost no activity that such organizations could conceivably engage in would be beyond the boundaries of their chosen mission." (Moore, 2000. p.191)

As examined later in this research, Egyptian Nonprofit organizations are to a great extent subjected to the challenges of resource dependency and hence, subjected to isomorphism and goal displacement. In order to combat that, some NGOs are consciously making strategic decision to overcome those challenges. The goals of organizations that do not do so, however, are diluted thus compromising their strategies.

2.5   Leadership and strategic planning

Another issue that is examined in the literature is the relationship between leadership buy-in and commitment to strategic planning and the success of strategic planning efforts. Existing literature suggests that commitment of the leadership to planning is crucial for the success of the process (Bryson 2011; Drucker, 2010, Elbanna, 2007).

According to Elbanna (2007), many NGO managers believe that the senior leadership's vision and mission is their organization's strategy (Elbanna, 2007. p.240). Nelson (1990) explains that while it is important to have a visionary leader, many of them lack the comprehensive understanding of the steps of the strategic planning process that primarily aim at turning the vision and mission into specifically prioritized actions (Nelson, 1990. p.25). From that we can deduce that the lack of understanding of the process may lead to failure to turn the vision of the leadership into actionable steps.

Elbanna (2007) suggests the presence of a large hierarchal gap between senior management and middle management. Through his review of the works of other scholars (Hofstede, 1991; Hickson and Pugh, 2001; Leila et al., 1985 and Youssef, 1994) He also suggests that "one of the clearest Egyptian characteristics in leadership style is the strong emphasis on individualism." (Elbanna, 2007. p.240) This poses a great threat to the success strategic planning for a nonprofit organization since the process should be participatory in nature as examined previously.

2.6   Criticism and limitations of strategic planning

As previously discussed, strategic planning benefits non-profit organizations in multiple ways such as providing a way to overcome any ambiguity that could surround the organization's purpose and direction, identifying and tackling the most important and pressing issues and goals, and anticipating and adapting to the changes in the surrounding environment in which they operate (Denhardt 2014, p. 125). However, it is important to recognize some of the shortcomings of strategic planning as discussed by multiple scholars and field experts.

Mara (2000) argues that although strategic planning is an important share of management that can help organizations allocate their limited resources in response to the demanding environment, it is both a costly and time consuming process especially for smaller size NGOs since they "do not have unlimited resources to allocate to planning." (Mara, 2000 p.212). Nelson (1990) agrees by stating that the process of strategic planning requires significant allocations of time and labor. (Nelson, 1990 p.24) Hu et al. (2014) counter argue that although Mara's claims might be true in many cases, small size NGOs are able to overcome this problem "by seeking external resources such as funding and free facilitation through education institutions to support their strategic planning." (Hu et al. 2014. p.98)

Many scholars agree that one of the most significant limitations of strategic planning is its tendency to become too rigid of an exercise that it loses its benefit to the organization in a fast-changing environment in addition to hindering creativity and innovation. (Worth, 2017; La Piana, 2008; Olsen and Eadie in Hughes, 2003). Alisson and Kaye counter argue this by emphasizing that strategic planning is "rarely a smooth, predictable, linear process. Strategic planning, although structured in many respects, typically does not flow smoothly from one phase to the next. It is a creative process, requiring flexibility." They elaborate that the process "moves forwards and backward before the group arrives at the final set of decisions." (Allison and Kaye, 2005. p.4). Bryson (2011) adds that strategic planning should be looked at as a tool

that helps leaders of non-profit organizations to identify what the most important issues facing the organization are and what steps they should take to counter them. He elaborates by stating that "the ultimate end of strategic planning should not be rigid adherence to a particular process or the production of plans, [it] should promote wise strategic thought, action and learning on behalf of an organization and its key stakeholders." (Bryson, 2011. p.21)

In the 1980s many organizations have engaged in strategic planning activities. However, some organizations saw their efforts as unsuccessful since their planning efforts did not achieve their intended outcomes (Barry, 1994; Elbanna, 2007). Scholars argue that this is due to setting unrealistic goals whether in terms of attainability or number while undertaking a strategic planning process, these unrealistic expectations could lead the organization to eventually discard some of them or even overlook the strategic planning document as a whole (Taylor, 2005 in Hughes 2013. p.186; la Piana, 2008). La Piana (2008) emphasizes this by stating that many organizations are "generating more goals than can reasonably be pursued" (La Piana, 2008 p.49). These unrealistic goals will eventually lead to disappointment as the organization has to either go through the strategic planning process once again to set more attainable goals or deal with consistently underperforming and never being able to successfully reach their goals.

Furthermore, although the strategic plan is essentially a written document as explored in the steps mentioned previously in the strategic planning process, La Piana (2008) argues that some organizations fall into the mistake of making the creation of the strategic plan document the ultimate goal. He explains that, "The fatal flaw in traditional strategic plans is that, once complete, they are not fluid and organic but static—and as a result they quickly grow stale." (La Piana, 2008. p.21).

Finally, Hughes (2003) argues that although these are significant and valid criticisms, they do not form a hindrance to the overall approach of strategic planning and its importance to organizations. However, "they may serve as a caution against expecting too much and point to the need for careful implementation with stakeholders". (Hughes, 2003. p.147)

Chapter Three: Conceptual Framework

In this section, the researcher examines the most common models and practices of strategic planning for non-profit organizations. The conceptual framework introduced in this research is drawn upon the literature mentioned in the previous chapter. This research focuses on the strategic planning process and its steps as introduced by Bryson (2011) and Allison and Jude Kaye (2005). As previously mentioned, the narrative of the strategic planning steps slightly differs between these resources. However, common themes and practices could be traced and identified between the two models. Finally, this research provides a consolidated framework of the steps of the strategic planning process based on the studied publications with the aim of comparing the practices of Egyptian NGOs in strategic planning to this framework.

3.1 Models of the strategic planning process

Kearns (2000) in Worth (2017) pinpoints three main practices to strategic planning within organizations. The first approaches strategic planning from a vision standpoint. Where the leader of the organization has the vision forward and then determines which plans, tactics and strategies are better fit to reach this vision. Worth argues that "this approach has its advantages and may be the only realistic way to go in a new or a young organization" (Worth, 2017. P. 172). However, Worth (2017) warns that there are some shortcomings to this approach in planning. If the leader is incapable of foreseeing some of the external threats that face the organization, the organization becomes more vulnerable to those threats.

The second practice that Kearns (2000) identifies approaches strategic planning from a learning standpoint. He argues that an organization's strategy develops as the organization matures and gains more experience. Worth argues that although this approach could help create a flexible organization, capable of dealing with the changes in the environment, It could also lead the organization astray which eventually is counter intuitive to what strategic planning is about.

The third practice according to Kearns (2000) approaches strategic planning from an analytical standpoint. Through this approach, organizations use analysis and logic to determine the gap between the organization and the environment in which it operates and figure out ways to narrow those gaps (Kearns, 2000. P.32). this third approach, argues Worth (2017) is the most common and well-known approach to people when talking about the topic of strategic planning.

Through examination of the literature, it becomes clear that there is no universally agreed upon model for strategic planning and that different organizations use different terminology to describe perhaps the same things. Some organizations for example would use the words goals and objectives, interchangeably. Alison and Kaye (2005) argue that That the specific naming of concepts is of a lower priority and that most importantly is the agreement on the same definitions between the different members of a certain organization to ensure clarity. (Alison and Kaye, 2005. P. 20)

There have been many publications and resources by different scholars on how to formulate a strategic plan and lead organizational boards in strategic planning exercises (Alison and Kaye, 2005; Barry, 1994; Bryson, 2011; La Piana, 2008; Mara, 2000. This paper focuses on the steps and procedures provided by Bryson (2011) and Allison and Jude Kaye (2005). They are particularly selected as they are often cited and referred to by other authors who write on the topic of strategic planning (George et al. 2019; Moore, 2000, Mara, 2000; Worth 2017). It is important to note that the narrative of the strategic planning steps slightly differs between these sources. For example, Alison and Kaye (2005) advise that the organizational vision should be defined earlier in the process in order to inspire the board members and staff during the rest of the strategic planning process. Moreover, it serves as an overarching guide "to defining the ideal scope and scale of services and products." (Allison & Kaye, 2005. P. 105). On the other hand, Bryson (2011) argues that while many organizations start with the visioning

exercise early in the process "to help them figure out what the strategic issues are or to help them develop strategies." (Bryson, 2001. P.64), other organizations "will not be able to develop a detailed vision of success until they have gone through several iterations of strategic planning" (Ibid. p.64). Bryson further explains that although the vision statement is important for guidance, it is not a critical element for the success of the organization compared to identifying and tackling strategic issues and priorities.

Another area where the differences in the approaches to the strategic planning process between Bryson and Alison and Kaye is clear is the orientation of the strategic plan. On the one hand, Bryson's model (2011) is centered on clearly identifying the organization's mission as the core driver of the strategic plan. This is clear in his definition of strategic planning as a "deliberative, disciplined approach to producing fundamental decisions and actions that shape and guide what an organization is, what it does and why." (Bryson, 2011. P.8). On the other hand Allison and Kaye (2005) tackle strategic planning from an actionable priorities stand point. Strategic planning according to them is a process that helps bring consensus on what are the organization's priorities in response to the environment. (Allison and Kaye, 2005. p.1).

Nevertheless, despite of those slight variations and differences in the orientation and steps laid out by those scholars, common themes and practices could be traced and identified.

3.2   Steps of the Strategic Planning Process

This section looks closely at the specific steps that form the strategic planning process as laid out by Bryson (2011) and Alison and Kaye (2005). Those steps could be summarized in 7 fundamental steps as follows: (See figure 1):
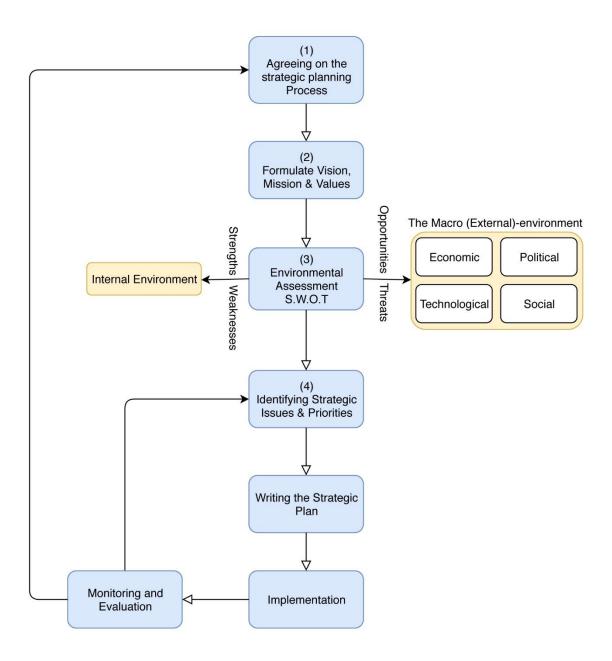
Figure 1: Diagram of the steps of the strategic planning process

Source: Author's compilation adapted from Bryson (2011)

This research will draw on this theoretical framework to examine how Egyptian NGOs perform their strategic planning activities in order to provide a contextual understanding of the challenges in that process.

Step 1. Agreeing on a Strategic Planning Process.

This step is about building consent and commitment among the board members and decision-makers of the organization. These leaders should reach agreement on both the definition and the importance of the strategic planning process as well as the time frame needed to complete for the process. In this step, the readiness of the organization is assessed to determine the longevity range of the planning process, whether short term planning is needed at that point of time over long-term planning and vice versa (McKay, 2011). Also, in this initiation and agreement step, the specific roles are defined. This means defining the specific "role, functions and membership of the strategic planning team" (Bryson,2011. p.48). Moreover, it is important to define and determine the resources needed for the process such as time, funds and premises.

Step 2. Formation of the Vision, Mission and Values Statements of the Organization.

The community vision is the "image of the future we seek to create" (Allison and Kaye, 2005 p.85). It is how the future would be like for the organization's field of work if it fulfilled its purpose and reached its full potential. In other words, it is the dream that the organization has for the future of the community it is serving that would be reached through the commitment to the values and mission fulfillment.

The mission statement of the organization is communicating to the public what the purpose of the organization is, whom it serves and how it is going to do so. Nutt (2002) and Thompson (2008) in Bryson (2011) argue that the statement of the organization's mission and purpose is of extreme importance in the sense that it creates clarity around the organization's activities it also "can eliminate a great deal of unnecessary conflict in an organization and can help channel discussion and activity productively".

The values of the organization is the set of " beliefs or principles that guide the organization; these values are shared by Board and staff, strongly held, and not easily changed." (McKay, 2011). In other words, Values are the ethical framework for the organization. Having set values for the organization helps the organization in multiple ways, the most important of which are: guiding the decision-making process and attracting resources, whether human resources by recruiting interested people that share the same values, or donors who want to support an organization that operates under specific ethical standards and beliefs.

Step 3. Environmental Assessment.

In this step, the strategic planning committee/team gathers information on the organization's internal environment to determine the strengths and weaknesses in addition to external environment to determine the opportunities that the could be seized and threats that are to be avoided or addressed. This exercise is known as the S.W.O.T. analysis. Therefore, having a good understanding of the macro-environment as discussed earlier in this research is of immense value. The end result of this step is "a database of concrete information that will support planners in making decisions about an organization's future priorities" (Allison and Kaye, 2005)

Step 4. Identifying Strategic Issues and Priorities.

As defined by Bryson, a strategic issue is "a fundamental policy question or challenge affecting an organization's mandates, mission and values, product or service level and mix, clients or users, cost, financing, organization or management" (Bryson, 2011. p.185). By the end of the environmental assessment step, organizations are faced with some issues or choices as far as the different approaches they may take in order to face the challenges and create value. In other words, they must prioritize the different issues that emerged from the environmental scan in terms of urgency and significance. The prioritization process is guided by the second

step in the sense of how to address the different issues in a way that contributes to the fulfillment of the mission statement, how it aligns with the vision for the community, and the degree to which it abides by the organization's values. The end product of this step is a strategic planning agenda - "the set of strategic issues to be addressed arranged in priority, logical or temporal order." (Bryson. 2011 p.217).

The prioritization of the strategic issues should follow specific criteria set by the board or the strategic planning team. McKay (2011) suggests the following criteria: value added and contribution to the purpose of the organization, appropriateness and consistency with the mission, values and mandate, feasibility, acceptability by the board, staff and other stakeholders, cost-benefit, and timing.

Step 5. Writing the Strategic Plan.

Unlike the previous steps, writing the strategic plan is not a collective group effort (Allison and Kaye, 2005. p.235). It is the responsibility of the executive director when it comes to the strategic plan for the organization as a whole and the department heads for the specific strategic plan for the departments. According to Allison and Kaye (2005), this step consists of four main processes.

The first phase of the processes is the creation of goals and objectives. Goals are "the outcome statements that guide the organization's programs, administrative, financial, and governance functions" (Allison and Kaye, 2005. p.236). The ultimate goal set for the organization is its mission statement. Consequently, each department, program, and division within the organization should formulate Specific, Measurable, Attainable, Relevant and Time-bound (S.M.A.R.T.) objectives. The set objectives could fall under the process objectives category (focusing on the operational aspects adopted by the organization) or the outcome objectives category (focusing on the "results of the process activity") (Allison and Kaye, 2005.

p.238). The second phase is understanding the financial implications. This phase involves looking at the budget implications of the decisions made in step 5. This includes budget and fundraising planning to identify the estimated budget and the extent of the fundraising efforts with regards to the amount of funds needed in a specific timeframe. The third phase in the strategic plan writing is documenting the strategic plan. This process can follow different formats adopted and developed by different consultants. The final step is adopting and approving the strategic plan by the board as an initiation step to the implementation phase.

Step 6 Implementation of the Strategic Plan.

In this step, the strategic plan is translated into specific action to be assigned and carried out by the different departments and personnel. Alison and Kaye (2005) argue that the product of this step is "a detailed annual operating plan". (Allison and kaye, 2005, p.290) This takes the form of programs, projects, budgets and action plans that are tied to timelines and responsibilities. Furthermore, they argue that there two main challenges with the implementation process after the plan has been written in step five. The first is the challenge of translating the big ideas and detailing them into specific action steps. The second is maintaining focus on the mission and the priorities set through the strategic plan.

Step 7. Monitoring and Evaluation of the Strategic Plan.

This is the final step of the strategic planning process. According to McKay (2001) "The Board plays a critical role in reviewing progress and assuring that strategies are changed as appropriate; staff should carry out the documentation required to generate ongoing data for this review, as well as carrying out periodic monitoring and making reports to the Board.". (McKay, 2001. p.12) According to Alison and Kaye (2005), monitoring and evaluation provides the solution to the second challenge faced by organization in the previous step that is maintaining the focus through the implementation process.

Chapter Four: Methodology

4.1   Research Design

In order for this research to achieve its objectives, a qualitative research design approach was adopted with a focus on case studies of Egyptian non-profit organizations.

4.2   Data Collection and Sampling

a. Data collection

This research involves two main methods for data collection. The first is a systematic literature review; the main sources are textbooks, journal databases and library catalogues for resources that are directly relevant to the topic of the paper. This data collection method will help in articulating a conceptual framework for the research paper. Moreover, it will provide the theoretical foundation needed on the research topic namely, strategic planning. This data represent the secondary data for this research.

The second data collection technique were personal in-depth interviews of representatives that hold managerial and leadership positions at the subject NGOs in addition to field experts such as strategic planning consultants. This date collection technique provides a quick access to data (Marshall and Rossman, 2011 p. 145). Furthermore, it will enrich the research paper and provide validity through the examination of practical approaches taken by Egyptian NGOs to formulate and implement strategic plans and face the challenges of these processes.

b. Sample

This research follows a purposive (selective) and snowballing sampling technique. Selection of the participant NGOs is based on the following criteria:

- Locally established NGOs: all participants are working in NGOs that were established by Egyptians and have permanent headquarters in Egypt. In order to serve the contextual purpose of this research

- All participating NGOs have no affiliations or associations with larger international NGOs as NGOs affiliated with international NGOs may have access to more resources than local NGOs and since research suggests that organizations in the west tend to engage more in strategic planning activities. (Elbanna, 2007. p.240)

- All participating NGOs are working in the development field through service provision and not through advocacy.

The sizes of the participating NGOs ranged from small to large scale NGOs in order to uncover the challenges across the spectrum of organization operating in Egypt in addition to identifying whether there are common challenges in strategic planning faced by Egyptian NGOs regardless of the size of organization and operations.

Interviews participants were selected through a snowballing technique with contacts established by the researcher. Some participants were identified and recruited through professional social media platforms such as LinkedIn. Additionally, reaching out to personal and professional connections inside organizations that the researcher has previously worked with through his professional career. Finally, the researcher reached out to colleagues at the American University in Cairo who work at potential subject organizations and ask for contact information to chiefs of strategies, programs directors, board members and CEOs.

The research included three nonprofit organizations. The researcher also conducted an interview with an owner and manager of a social enterprise to uncover the reasons and motives behind starting the organization on a business model of operations as opposed to a regular nonprofit organization setup that is registered with the Ministry of Social Solidarity (MOSS)

from a strategic planning standpoint. Finally, an interview was conducted with a strategic planning consultant to shed some light on the challenges from a detached perspective outside of the NGOs. Participants were given pseudonyms as follows:

- Ahmed: Health and Development Sector Manager. His organization works in the healthcare sector and was founded in 2013 and is considered the first and the largest non-profit organization of its kind in the Middle-East dedicated to its specific cause. For the purposes of this research and in compliance with the anonymity agreement with the participant the particular nature of operations are undisclosed in this research.

- Ayman: General Manager of a social enterprise established in 2011 that provides consulting services to its clients

- Hoda: A board member of an NGO that was established in 2008, the organization is considered a relatively small sized NGO however, the organization is rapidly growing with the opening of 10 branches by the time of writing. The organization has established partnerships with significant counterparts such as the The Sawiris Foundation for Social Development and the GIZ.

- Maged: Funding and Investment Director of what is considered one of the oldest and largest non-profit organizations in Egypt. The organization was registered and recognized by the government around 60 years ago at the time of writing. The estimated number of beneficiaries is more than 2 million Egyptians annually in more than 100 rural and urban communities. The organization works in 11 fields of development including agriculture, healthcare, education and vocational training and institutional capacity building. The most prominent program carried out by the organization is their microloans program providing over 300 million Egyptian Pounds in loans in 2017

- Youssef: Strategic planning consultant with over 30 years of experience in the field.

The primary contact methods for all participants was through email and/or phone calls. All interviews with informants were conducted at their private offices in their workplaces. The interviews were semi-structured with previously prepared questions by the researcher. All interviews were recorded in an audio format using a voice recorder device and then transcribed and translated verbatim

4.3   Data Analysis

The primary data collected from the interviews were transcribed and coded thematically. The codes were driven from the concepts and definitions acquired through the literature review and are based on the pre-defined steps of the strategic planning process as were organized in the conceptual framework (Marshall & Rossman, 2011).

4.4   Research Limitations

The data shown in this research is extracted from a relatively small number of NGOs that operate in Egypt. This poses two major limitations to the study. The first one is the sample size. There are currently 32,472 registered nonprofit organizations with the Ministry of Social Solidarity (MOSS) (MOSS, 2019). And with the wide range of activities and mandates for NGOs, the findings of this research could not be generalized to all NGOs in Egypt. The second limitation is that the results of this research cannot be generalized globally or on a Middle Eastern scale, as some of the challenges faced by NGOs are related to their political and regulatory contexts.

Furthermore, this research aimed at exploring the challenges faced by Egyptian NGOs in the strategic planning process as a whole and in the context of the external environment. However, it did not get into the specific challenges within each of the strategic planning steps as the steps may take different forms for each organization according to their field of work which could require a different research design.

4.5   Ethical Considerations

The ethical issues related to desk research and systematic literature review such as plagiarism were mitigated through proper citations using APA style system. As for the in-depth interviews, the researcher obtained a research approval by the Institutional Review Board (IRB) of the American University in Cairo in addition to obtaining signed informed consent forms from all participants stating the research title, research purpose and the name of the researcher in addition to all requirements of the IRB at the American University in Cairo. For a draft of the consent form, please refer to Appendix A.

Chapter Five: Strategic Planning Among NGOs in Egypt: Understanding and Process

This research highlights the perception of NGOs' managers, CEOs, employees and board members of what an organizational strategic planning process is and what are the challenges that face these organizations in formulating and implementing their strategic plans.

This chapter focuses on NGO representatives' perception and understanding of the strategic planning process, its importance and actual steps taken, in order to examine the extent of alignment with the different strategic planning models presented earlier, comparing their understanding and the practices to the conceptual framework.

5.1   Understanding Strategic Planning

In this section, the participants were asked about their definitions of a strategic plan and the importance of having a formal strategic planning process for their organizations.

In terms of the strategic planning process itself, a general manager of a social enterprise defined the strategic planning as:

"good strategic planning process is when the leaders of the organization start with what their vision is and what they are trying to achieve and then they look at how do you take specific steps of how you get there and all that includes input from those who are managing the organization, those working in the organization and the stake holders, the users that benefit from whatever the organization is producing or serving. So it is incorporating all that information ... and coming up with specific steps of how to achieve that" (Ayman, interview, November, 2019)

In the light of Bryson's definition of strategic planning that it is "a deliberative, disciplined approach to producing fundamental decisions and actions that shape and guide what an organization is, what it does and why." (Bryson,2011. p.8), we can see that the

participant perception and definition of the process matches to a good extent the guiding principles in Bryson's definition in that it is a purposeful process for making decisions to achieve specific outcomes in addition to identifying clearly what the organization does and why in the form of the vision and mission statements.

Another participant provided insight to their understanding of to the process by saying that:

> *"Strategic planning is when you define your vision and mission then you write your objectives, which are usually no more than 3 or 4 objectives of the organization. Strategic plan is over the course of the next two to three years and then you update it. Under the strategies you have the tactical points. With a time table and cost." (Hoda, interview December, 2019)*

This definition approaches strategic planning from a practical perspective focusing on the timeframe of the strategic plan. Additionally, it goes deeper into the practical steps of strategic planning such as writing specific objectives that are aligned with the organizational vision and mission. However, when comparing this definition to Bryson's we realize that the participant's perception about the purpose of strategic planning is that it is merely a process for defining the vision and mission of the organization. Unlike Bryson's definition that describes strategic planning as a tool for decision making, there is a noticeable disconnect between the objectives and the action plan and the overarching mission and vision.

Although the definitions provided by the participants show a basic understanding of the strategic planning process and some of its components, it highlights the lack of some of the most critical and important steps in the strategic planning process such as environmental assessments as they sometimes only focus the management's goals and the stakeholders' needs, other times they focus on the vision of the organization without taking into consideration

other factors that may compromise the vision and the organization's priorities or enhance them at other times.

A formal strategic planning process:

In response to questions about whether the subject organizations had a formal strategic planning, one participant stated that:

"We don't have] a specific one. About two years ago we had an intentional few months where we went through an informal process of coming up with what are our goals, what is our vision and what's the highest priority and trying to come up with specific steps for this season and maybe future seasons. So it was a good process but it wasn't any sort of formal structured one." (Ayman, interview, November, 2019)

Through this statement the participant explained that strategic planning is not an ongoing process for his organization. He clarified that his organization engaged in a strategic planning activity at a time of transition. In the interview, the participant explained that the informal process was driven from some steps provided in a business book (Lencioni, 2015) that discusses the importance of bringing clarity within the organization by defining what the organization does and why it does it. However, the book does not go further into the practical steps of strategic planning.

The previous statement shows that despite the organization's leadership engagement in an informal strategic planning process, the results were beneficial to bring attention to specific priorities and actionable steps to follow.

Another participant whose organization has a thriving program for microloans highlighted that their organization lacks a strategic planning process for the whole organization except for the microloans program.

"When you are talking strategic, you are talking five year of five to ten. We don't [have that]. We only have [that] in one or two sectors and we only developed it this year. It was mostly for microloans to have projected cash flows and projected income and these the most tangible things that you can measure." *(Maged, interview, November, 2019)*

In the same interview the participant added that:

"The microloans program is the spinal cord of the organization. That's where our financial security comes from." (Maged, interview, November, 2019)

The participant explains that their organization lacks a general strategic plan for the whole organization. However, they have developed a strategic plan for the microloans department that is in a way isolated from the other organization's activities and programs. The main reason given for the intentional focus on that program is because it sustains the organization financially and is easily quantifiable. The participant explained that the microloans is based on a revolving fund system that generates revenue to the organization by providing minimal interest microloans for the beneficiaries. This results in the multiplication of that fund overtime, allowing the organization to serve more people and generate revenue to sustain the organization and fund other programs and activities that are not revenue generating by nature.

Although strategic planning is not adopted for all the organization, as the organization engages in systematic strategic planning activities for their microloans program, it is able to generate revenue from an activity that is not the primary mandate of the organization however, it helps the organization become more financially sustainable which in turn helps mitigate the negative results of donor dependency and isomorphism phenomena. This emphasizes the importance of strategic planning to the organization's sustainability.

The same participant was also asked about whether the organization had formally gone through a strategic planning process and when it was revisited for evaluation

"It was last visited in 2013 and that's the only time and effort put into making it and it wasn't even made in a systematic way, It was made by 5 people sitting in a closed room and were stating their point of views on how to write it ... it was for the purpose of demonstration to partners but was not actually for the purpose of driving the organization ... and we presented it in a meeting that we wanted to present it in and was not followed through after that." (Maged, interview, November, 2019)

These statements provided by the participant clearly highlight a lack of understanding of the purpose of strategic planning and its steps as laid out in the conceptual framework section of this research. In this case, the process is not participatory and lacks any form of environmental scanning, issues identifications and priority setting. It is clear in this case that strategic planning is only used a marketing tool. The result is a document that doesn't help the organization in decision making or bringing clarity about what the organization does and why it does it.

Having a strategic plan helps the organization engage with partners and potential donors. However, as examined earlier, it should not be the mere purpose of it. Without exerting the effort to engage in a formal process, and based on the definitions of strategic planning the document produced can be hardly called a strategic plan.

5.2   Importance of Strategic Planning

Interviewees were asked about how much they believe strategic planning is important for their organizations. Generally, all interviewees believe that although their organizations do

not adopt a formal process for strategic planning, that does not diminish the importance of it and how it helps the organization greatly.

One particular interviewee sheds some light on why they believe strategic planning is important at specific times, while it could be a hindrance at other times for the organization. They mentioned that When the board members include the founding member of the organization and the vision bearer, they don't need detailed processes because they have trust in the founder However, the formalization of strategic plan is particularly important when the organization transitions to the next generation of leadership.

> *"If the organization gets a new managing director from outside of the organization ... without giving them the processes, I could be destroying what was built and that person might derail the organization towards a totally different direction.*

> *If you are working in an NGO that has the founding member there is that kind of security that I don't [need a strategic plan]. Sometimes the processes and procedures can be more hindrance than help as things are already working. However, for passing on the organization to the next generation, there has to be some kind of a formalization of mission and vision to avoid a mission drift over time." (Hoda, interview December, 2019)*

In another situation, the interviewee sees strategic planning as sometimes a hindrance for the growth process when the organization is already growing and managing their operations well as they are depending on the vision and drive of their founding members. However, the Interviewee acknowledged the fact that some issues could be over looked as a result of the lack of a formal strategic planning process.

"At this point the growth is happening because of the vision and processes,

procedures, ways of implantation and funds availability. So all the ingredients

for success are there without a formal plan. However, that doesn't negate the

value of a plan but it is not essential at this stage to keep us inline. However,

this means that some areas are not addressed and should be addressed and a

strategic plan would help." (Hoda, interview December, 2019)

The participant attributed the current success of their organization's activities and programs and the overall organization's growth to many factors such as the clear vision of the founder, responsible practices, procedures and policies and the availability of funding. Nevertheless, the participant realizes that the lack of a strategic planning process results in overlooking important issues that would further advance the organization's efforts.

Another interviewee highlighted the issue of failing to tackle important issues organizationally as a result of lacking a formal strategic planning process by saying that:

"Because we have no monitoring or strategic direction correctly in place or a

plan nor collaborative thinking, some things would have grown ten times more

and it didn't." (Maged, interview, November, 2019)

This shows the negative effects of not having a strategic planning process. As a result, resources are not optimally utilized to advance the operations and the organization as a whole. The participant realizes the potential achievements that the organization could reach if the proper attention was given to critical issues and priorities through having a formal strategic planning process in place.

5.3   Identifying Strategic Priorities

The researcher asked the participants about the way the organizations settle on the most pressing issues and priorities to tackle in their action plans, since the represented organizations did not have a formal strategic planning process.

In the development sector let's say we have nine or ten different programs that we want to develop projects under. Some (activities) are in fashion that funding organizations put out calls for proposals for. Agriculture programs for example, is abundantly covered by calls for proposals. Other things (activities) like children at risk, environment or people with disabilities. They are not thoroughly covered by calls for proposals" (Maged, interview, November, 2019)

Here the participant highlights one way of how organizations set priorities for projects or programs to tackle. Which is the availability of funds dedicated for that specific program or activity and whether there are donors that are willing to invest in such programs given that these programs fall under the overarching mission of the NGO. In that case, the overarching mission is extremely wide and open to include many programs, projects and activities, and with that broad kind of mission the organization is able to shift its focus towards different programs following the donor's priorities. The same participants adds on to the ways they prioritize activities by stating that

"Sometimes, the relations with the government are pushing into a certain direction so part of our relationship building with the government, we self-finance some programs that are in line with the government's priorities ... So it is enhancing our position." (Maged, interview, November, 2019)

Here, the participant highlights that participating for the government agenda for development plays an important role in setting the strategic priorities. In this particular case the NGO participates in the government agenda in order to find favor in the government's eyes hence, gaining government's approval and recognition.

The presence of a wide mission statement has certain advantages such as the ability to tackle issues and address needs on a multitude of fronts and engage in different programs and activities in different sectors. However, following the donors' agendas blindly and seeking every available funding opportunity renders the organization vulnerable to mission drifts and isomorphism as previously examined in the literature.

Following the funding sources can also lead to loss of specialization as human resources are relocated to work on many different projects in different sector over short periods of time, hindering experience gathering and accumulation. This would prove inefficient on the long term as the advancement in a certain sector becomes slow.

5.4 Evaluation of the strategic plan

When it comes to evaluation of the strategic plan, there is a common trend that can be identified amongst NGOs. That is replacing strategic plan evaluations with the annual budget reviews that usually take place towards the end of the year

One participants responded to the question about whether the organization evaluates the strategic plan regularly as follows:

"No, the only time we [evaluate] is the annual budget plan ... So we have an annual budget submitted every year that we complete in January. Every 6 months we look at where we stand. And there is a report that is done every 3 months for monitoring on the annual budget in terms of expenditure, qualitative and quantitative." (Maged, interview, November, 2019)

In that case the organization's focus in the evaluation process is merely the organization's financial stance and health. The main subject of the annual reviews in this case are the specific activities carried out by the different departments, examining whether these activities are achieving their intended revenue targets as planned in the case that they are revenue generating activities in other cases looking at whether there are programs and activities that are underfunded or considered a burden on the organization's resources and budget. However, original strategic plan is not mentioned or revisited as part of the evaluation process. Another participant shared the same notion of the unintentionality in strategic plans evaluation and the shifted focus towards annual budgeting when asked about the frequency of the evaluation process.

> *"Not as often as we probably should. Every now and then when we get new staff ... we often use that document to talk about who we are ... So that's usually whenever we refer back to the document we've created. We don't do a good job with our current staff of revisiting that and reminding ourselves of who we are and why we are doing what we are doing. Another time when we are looking at budgeting for the next year and projections of work flow, I think we still use those principles as a filter for making some decisions but it's often in a more passive way." (Ayman, interview, November, 2019)*

Both of the above quotes by the interviewees show a misunderstanding among NGOs of the importance of the monitoring and evaluation of the strategic plan as an important part of the strategic planning process. As examined in the literature, monitoring and evaluation processes realigns the organization with its mission in case of a drift. Additionally, ensuring the achieving of intended outcomes or programs, projects and activities, enabling the organization to adapt and develop their action plans on the short term and strategic plans on the long term to accommodate for unforeseen changes or challenges.

However, that is not the case for all NGOs. As highlighted by one interviewee when asked about whether the organization has a formal evaluation process:

"There is the regular process of the annual plans and the review of the main mission is a function of the annual plans. As we work on the annual plans there is an item if you feel there is an internal factor or external factor analysis. If there is a certain factor that requires us to look differently at our strategy then we go back and change it." (Ahmed, interview, December, 2019)

The previous quote provides a good example of the evaluation process for the strategic plan as the organization reviews its mission and conducts internal and external analysis to figure out what needs to change in their original plan. However, as examined earlier, for some NGOs the original strategic plan often goes unmentioned in their annual reviews and evaluations.

Chapter Six: Challenges

In the previous chapter the research examined the perception of Egyptian NGOs about certain aspects of strategic planning such as definition and importance in addition to identifying whether these organizations adopt a formal strategic planning process. Furthermore, it identified the challenges that occur as a result of the lack of a formal process in most cases.

In this chapter the research examines the challenges in the strategic planning process that are a direct result of operating in the macro environment with its social, political, economic and technological components. Moreover, the research examines the internal challenges that are associated with management practices and internal dynamics of organizations.

6.1   External Challenges: The Macro-environment

In this section, the interviewees answer questions regarding the challenges faced by their organizations in the strategic planning process as a result of the changes in the environments they operate in.

To highlight the importance of understanding the external environment, the researcher asked the general manager of a social enterprise about the reason the founders of the organization decided to establish a social business, rather than a non-profit organization.

> *"As the founders looked at different models that we can have we realized that we do provide a marketable service, something that is a professional service that you can charge fees for but we want to do that with the heart to make a social impact as well and so as we evaluated the different pros and cons, advantages, disadvantages of an NGO model or a social business model we realized that in many ways there were more advantages and in some ways more freedom as being registered as a business than if we had an NGO." (Ayman, interview, November, 2019)*

This highlights the importance of understanding context and the different environments in which the organizations operate. In this case, the founders, performed an environmental assessment of the different components of the macro-environment and internal environment through the SWOT analysis before they established their organization. Through the analysis, they realized that internally, although their vision and mission are developmental in nature, their activities are revenue generating. Regarding the external environment their assessment showed that there are many political and economic challenges such as the volatile NGOs laws and regulations that could potentially hinder both the operations and the growth. Therefore, they made a conscious strategic decision from the very beginning of starting a business rather than an NGO according to an informed understanding and assessment of the environment.

In the following sections, the participants answer specific questions about the different challenges they face in the specific aspects of the macro environment that hinder the strategic planning process and the measures they take to overcome them.

Challenges in the Social Environment

The social environment is what could be the most important aspect of the macro environment, especially for NGOs working in the development sector, since their mandate and the majority of their activities and program primarily revolves around the human capital.

The following quotes from one participant highlights some of the of the reasons why operating within the social environment can be challenging to development NGOs

> *"There is a problem concerning the awareness of roles as a citizen, media actor, NGO, government. Those roles are ambiguous and confused…. We need a different level of awareness and we need to get out of the frame that the problem appears to be a healthcare one and realize that it has social and*

political, legal and legislative and sometime environmental aspects" (Ahmed,

interview, December, 2019)

Here, the participant explains that there is a degree of vagueness about the different roles within the society makes it harder for NGOs to operate as the expectations from all of the actors are not based on a mutual understanding of the nature and mandate of the roles of the different actors within the society (e.g. Businesses, government and nonprofit organizations). According to the participant for example, citizens expect that the NGO is able to totally replace the government in certain areas of operations, while the government is the fittest actor to intervene as the legislative authority. He also adds that:

"We have a hard time teaching the community that as an NGO we are

accountable to the community and not the individual. I receive calls from

individuals complaining that I didn't help them. I am not obliged towards an

individual. I am accountable to the whole community." (Ahmed, interview,

December, 2019)

This further explains the complexity in the relationship between the NGOs and the community as there are no clear roles identified and commonly understood by the society.

In terms of challenges in the operations, the participant explained that there are many difficulties in navigating the social fabric in certain areas due to cultural and demographic reasons.

"There are challenges in the safety and security aspects in areas like upper

Egypt where there are problems of revenge killings "Taar" and tribal conflicts.

Sometimes regardless of the needs assessments we need to work on for example,

the same number of houses for each tribe." (Ahmed, interview, December,

2019)

This shows that an environmental scan conducted by the NGO, clearly helped identify areas of conflict within the society and consequently take the best course of action which is altering the action and operations plan in order to be able to provide their developmental services in those areas. In this particular case, they had to invest in building houses for a tribe that did not need them as much as another tribe in order to curb the conflict and to be able to deliver their services to the people who need it the most. However, as the participant explained in the same interview that on other occasions the NGO operations are compromised completely due to tribal conflicts that are beyond the organization's capability to handle.

Challenges in the Political Environment

The political context in Egypt is considered one of the most challenging context for NGOs recently. This is primarily due to the many and extreme changes that happened during a short period of time. The following quote describes the political setting:

"... the socio-political context is highly dynamic during this time in Egypt ... I

mean to say that overnight, things change regardless of where it is a radical

change or a piecemeal change" (Ahmed, interview, December, 2019)

The previous quote suggests how the fluidity of the environment poses major challenges to NGOs in the strategic planning process as things could change "overnight" according to the interviewee. He further explained that those sudden changes that happen, especially in the political environment forces their organization to pivot and change plans accordingly in a frequent way.

The most well-known example of such rapid changes is the issuance of law no. 70 for 2017 that exerted more pressure on NGOs especially when it comes to funding. The participant further explains the ramifications of the law on their organization

"The NGO law put some restrictions as restrictions on funds from abroad. We lost some donations from abroad and some of the donations that were accepted were delayed for four or five months and we are time conscious because we are building a hospital so you can't depend on funds that get delayed four or five months" (Ahmed, interview, December, 2019)

In this case, the changes in the political environment, also brought turbulence and unexpected changes in the economic environment, this shows the importance of thorough environmental scans in order to anticipate the ripple effects of the changes and help mitigate them. Another participant expanded on the ramifications of issuing the law:

"When it came out it stopped everything and people didn't know how to deal with it. Either the banks nor the ministry and no one knew how to deal with it so there was a new law but they treated us according to the old law for the year 84 so they worked according to the law of 1984 but there is another law in place which should have cancelled the law of 84. It didn't have any bylaws so no none knew how to enforce it there was a higher authority that approves all the funding …… it was ambiguous" (Maged, interview, November, 2019)

The ambiguity of the laws and regulations coupled with the rapidity of changes as shown by the participants, reduces the organizations' ability to execute their plans. Unlike the other components of the macro environment, NGOs find the mitigation of the negative effects of the changes in the political environment the most challenging.

Challenges in the Economic Environment

The economic environment poses major challenges to nonprofit organizations especially within the Egyptian context due to the recent changes in laws and regulations, followed by fluctuating changes in the local currency value. Egyptian NGOs are operating in a rapidly changing economic environment that poses specific challenges to their strategic planning efforts as highlighted by one of the participants:

"[we face] Financial challenges related to … the general financial situation and decrease in dollar rate. We don't have the (cash) flows we were dependent on earlier so that limits your decision-making ability and it forces you to not to go for the best option instead we go for the best available option" (Ahmed, interview, December, 2019)

The interviewee stated that the change in the currency exchange rate had affected the organization negatively as some of the donations and grants they received have decreased in value between the time they were secured and when they were transferred to the organization for expenditure. This in return, has compromised the original plans for certain projects and programs and forced the organization to settle for activities and programs that cost less since they could no longer afford the originally planned activities.

In addition to the changes in the economic state of the country, NGOs that operate in the development field in particular are highly dependent on grants and donations. Which makes the organization vulnerable to vision and mission drifts following the donors' agendas

"Some programs are dependent on external funding and whether they are approved or disapproved depends on the calls for proposals ... It depends on the different fashions of the different donors abroad so even if you have a certain direction you are still driving and inclined by the priorities of the donor agencies that provide the funds." (Maged, interview, November, 2019)

The key word used by the participant is "fashions". The participant highlighted that in many occasions the organization's programs follow the available funding opportunities provided that they fall under the organization's scope of work. Namely development programs and activities. This particularly emphasizes the importance of achieving financial sustainability in order to operate freely from donor agendas whenever achievable.

The same participant added that:

"So some things (activities) are slowed down and raised up again according to

the opportunities that we find" (Maged, interview, November, 2019)

The problem with such approach is that it broadens the work of the organization and doesn't allow for experience accumulation in a specific program or initiative. Hence, leading to the emergence of the two phenomena mentioned in the literature. Namely, donor dependency and isomorphism.

In order to fight against these phenomena, NGOs are seeking revenue generating channels apart from traditional donor organizations.

"So now we focus more developing social businesses and not only

depend on external funding." (Maged, interview, November, 2019)

The participant provides the approach their organization is taking in order to overcome donor dependency. The organization established programs and activities that are revenue generating in nature in order to achieve sustainability and dependence from donor agendas.

Another participant highlighted the benefit of operating as a social enterprise as a way for fighting donor dependency and achieving financial sustainability as follows:

"It opened up more doors if we could be a business that charged money for our

services abroad and generated income internationally from services provided

instead of trying to receive donated funds from abroad." (Ayman, interview, November, 2019)

While founders of NGOs are sometimes forced to operate their organizations as businesses by implementing some revenue generating activities and programs to compensate for deficiencies in grants and donations in order to achieve financial stability and sustainability, others, like the previous quote has revealed, carry out their operations under a business setup completely. However, that cannot be generalized or adopted by all NGOs as some activities carried out by NGOs are not marketable activities by mandate and need to be subsidized like healthcare and other development activities.

Changes in the Technological Environment

In regards to the technological environment, and as a result to the advancement in telecommunication and media channels, NGOs can now rely on modern means of communication such as social media to connect with their stakeholders. One participant explains how they use social media as a tool of environmental assessment:

"We conduct focus group discussions all the time. We make sure there are

media and communication platforms between us and them through WhatsApp

or our Facebook page." (Ahmed, interview, December, 2019)

This statement explains the available opportunities that technology had provided NGOs with in order to communicate with their beneficiaries and ensure that their actions are benefiting them. However, he adds that sometimes the lack of understanding of the NGO role can have a negative effect if wrongly communicated through media channels.

"Sometimes, there is a misunderstanding of the role of NGOs. I believe this is

the greatest challenge that faces us and the media uses this in very crooked

way" (Ahmed, interview, December, 2019)

The participant further explained that before a specific interview that was hosted on one of the most watched talk shows, they had to prepare for weeks in order to make sure they communicate their message clearly.

With the technological advancement in means of communication, NGOs now have a higher visibility by the community. Although this has enabled them to achieve stronger connections with their beneficiaries and stakeholders, it also made the NGO vulnerable to criticism that is easily spread through social media and other media channels.

6.2   Internal Challenges

In this section, the interviewees answer questions regarding the challenges faced by their organizations in the strategic planning process as a result of internal issues within the organization. Such issues are not imposed on the organization by external factors.

Leadership Buy-in

The first challenge that was identified is the senior management's lack of understanding of the importance of a formal strategic planning process to the organization. This is highlighted by one of the interviewees as he answers to why his organization lacks a formal and effective strategic planning process

> *"Because there is no acknowledgement of its importance from the president. This is one thing. The other thing is that [the board and management] were probably never educated on that part ... this was never their profession [before managing the NGO], [they] never worked in businesses, they don't have exposure one what people outside do, they are not MBA holders, they didn't go to business schools. One of them is finance, one is a pastor, and one is an engineer ..." (Maged, interview, November, 2019)*

In addition to highlighting the importance of a proper understanding of a formal strategic planning process, this quote sheds light on the importance of executive education to the development of the non-profit organizations. Drawing on the literature and the conceptual framework, this shows that without agreeing on the strategic planning process from the start, which is the first step of the strategic planning process and a buy in from the executive management of the organization, the initiation and maintenance of a strategic planning effort becomes both challenging and inefficient.

Another issue is raised beside the lack of education on the topic of strategic planning. One interviewee emphasized a specific problem in the relationship between the nonprofit boards of directors and the CEOs that hinders the effectiveness and sometimes the presence of a strategic planning process

> *"… Sitting on the board of a prominent NGO is kind of a prestigious thing. So some … are not bought into the vision of the organization but they only want to hold the title that they sit on the board of that specific NGO.*
>
> *There is a prestigious element to it. And that means they join boards with mixed motives because they might not necessarily be dedicated to this particular vision and that they only like the community or social factor of it. If you want to sit on a board you have to love the vision and be willing to sacrifice for it and not just to support your friend who is the founding member. It is about whether you believe in the vision or not and that is very rare." (Hoda, interview December, 2019)*

Here the interviewee explains that some NGOs face problems in strategic planning as a result of direct neglect from the board as the board members have other agendas behind

joining the non-profit board such as having associations with the NGO name or achieving a certain social status.

Another participant sheds some light on another potential reason on why some NGOs don't have a formalized plan in place despite the efforts made by some staff members and department heads to initiate the process.

> *"Unfortunately, some CEOs and people in leadership don't want to initiate a formal strategic planning process because by the end of the process, they will have a clear plan, goals and objectives that they would be accountable to; especially if that plan was publically communicated and they don't want to be held accountable" (Youssef, interview, November, 2019)*

This clearly shows that without a full buy in from the NGO leadership manifested in the CEO and the board members, any efforts for strategic planning have a high risk of failure. It also emphasizes the importance of choosing the right people to sit on the boards of the organization and take on executive leadership roles.

Fear of Change

Fear of change is seen as another factor of why some organization are reluctant to go through a strategic planning process.

> *"The idea of resistance to change which in my opinion has to do with a personal profile more than a position some people are naturally unopen to change, others are naturally resistant to change. Most of us are resistant to change especially if the change threatens their own benefits. Also the internal power dynamics." (Ahmed, interview, December, 2019)*

Unlike what was highlighted earlier that some NGOs are on a curve of rapid growth as a result of the momentum built by the founding members therefore they don't think they need a strategic plan, other organizations are at a stage of complacency. Therefore, undergoing a strategic planning exercise means disruptions to the status quo and perhaps changes not only to processes and operations but also in personnel and positions.

Fear of Authority

Another type of fear that is evident, is the fear of authority. One interviewee mentions fear of authority as one of the major hindrances to strategic planning efforts in their organization.

> *"Here there is a lot of fear of authority and too much respect of authority to the extent that whatever they say goes. As if you won't find a job anywhere else so it makes all people unable to function. When you suggest things and don't get approval you give up as if you haven't said anything so this is not an environment that enables other ideas to be followed unless you lobby. And this is done mainly for personal accomplishment because you feel you want to make something useful but not for any other desire."* (Maged, interview, November, 2019)

This means that the organizational culture also plays a critical role in the success of strategic planning. If the leadership allows space for other staff members to express their opinions and adopt a culture of innovation. Hence, if that culture is lacking, then efforts taken by staff members that are not in executive leadership positions would be compromised out of fear of authority. Drawing back on the studied literature, the leadership is responsible for creating a participatory process that involves all the actors, including employees to ensure that

the strategic plan reflects the interests of the different actors. It also confirms the presence of a

hierarchical gap in some Egyptian NGOs between the senior management and the staff.

Chapter Seven: Conclusion and Recommendations

7.1   Conclusion and Key Findings

In conclusion, this research bridged the gap in the literature by providing an insight to the dynamics of strategic planning within the Egyptian nonprofit organizations. While limited previous research suggested that Egyptian NGOs undergo some forms of strategic planning (Elbanna, 2007. p.228), the interviews with the NGO representatives shed light on a variety of challenges in the strategic planning process and their most prominent causes. While some of those challenges are universal and are faced by many NGOs worldwide, there are specific challenges that are unique to the Egyptian context.

Process Understanding and Internal Challenges

When it comes to the concept of strategic planning, most organizations have shown a general understanding of what that means. The participants generally explained that strategic planning is concerned with the planning of resources to meet specific needs. However, the conception of it differs from one organization to another. Most organizations realize that certain components need to be present in a strategic plan such as the vision, mission and values. Those elements of the strategic plan are the most identified by NGOs because of their marketing aspect. NGOs focus on their Vision, Mission and Values statements as these can clearly communicate what the NGO stands for and why it exists to the community, the government and the donors.

They also realize that identifying strategic issues and prioritizing them is an important component of the strategic planning process. However, the research showed that the process of prioritization happens either as a reactive process to the changes in the different components of the macro environment or in some cases as a result of urgency or need and not through a

systematic environmental scan as an integral part of the strategic planning process for the organization.

Strategic planning takes a different form for each organization as it should however, there is an evident lack of a formal process for reasons such as:

First, The mistrust in the importance of the process in reliance on the vision of the leader: Some NGOs might be rapidly growing and successful in their operations as a direct result of the passion and drive that the founders possess and are transmitting through their teams. As the research have reviled, NGOs that rely on the passion and drive of the founder are faced with extreme difficulty in passing on the operations to the next generation of leadership as the founder is the carrier of the vision and the processes and practices including the strategic direction for the organization are not formally documented. Therefore, are harder to communicate and carry over. This falls in line with the literature examined in this research and confirms that the lack of a formally written strategic plan would hinder the growth of the organization as the ability to translate strategic issues and priorities to actionable steps lies within the senior leadership and is not communicated to the rest of the organization in a systematic way that can be transferred in the case of leadership succession. Hindrances to the process mentioned in the literature such as cost and time consumption were not raised through the interviews. However, other issues such as the momentum gained through the leadership vision and drive and rapid growth in operations render some organizations hesitant to take the necessary time to draft strategic plans.

Second, the weak knowledge of some organization leaders on a formal process: This research has shown that many NGOs lack the understanding of a formal strategic planning process and its components and what it could help the organization achieve if done correctly. Although within the organizations there are different forms of planning such as what takes

place within certain departments and in some cases the planning happening at a higher levels. Organizations depend mostly on the experience of their leadership in planning strategically. While some CEOs, board members and decision makers in the organization may be equipped with vast experience in their fields and therefore able to plan well, others are lacking the academic or practical experience in running and NGO and that can be clearly identified in faith based organization, rendering the NGO solely dependent on the level of experience, exposure and education of their leaders.

The interviews conducted through this research also reviled that many organizations rely on their annual reviews as the main planning opportunity and as an alternative to strategic planning. As the management and the board gather to review the organization's annual progress, changes or iterations are introduced to the operations with the aim for improvement in the following year. However, for some organizations, the annual reviews are merely an evaluation to the financial situation and health and evaluating all the activities that promote them without considering other important factors.

Although annual reviews are important for keeping the organization in check and making sure the operations follow the mandate, vision and mission of the organization, They cannot replace the strategic planning process as strategic planning tackles the organization holistically, touching all aspects of management and operations and provides a road map for the near future of the organization while helping the organization clearly communicate and maintain direction and mitigates mission drifts.

In addition to the mentioned reasons for the lack of a formal process at some NGOs, for other NGOs, the formulation process of the strategic plan and its implementation are faced by some challenges within the Egyptian context. Those challenges could be summarized under two main categories; external challenges, these are the set of challenges that are imposed by

the external environment of the organization such as the political and economic contexts and, internal challenges, these are the result of the internal management processes within the organization.

External Challenges – the importance of environmental scans

The social environment imposes a unique set of challenges to the NGOs planning process depending on the areas of operations of NGOs. Some NGOs are faced with the difficulty in communicating their role to the community as a result of the lack of a common understanding of the role of the different actor of the society especially the roles of the NGO. Other challenges that hinder the planning process are the tribal and social conflicts are evident in some governorates of Egypt. Those conflicts greatly obstruct the ability of the NGO to operate. Therefore, the NGO has to plan well in order to navigate those challenges and achieve their desired outcome.

The political environment is perhaps the most challenging aspect of the macro environment to navigate. This is due to the accountability of the NGO to the laws and regulations which have been described as ambiguous and constantly changing. Such changes in the political environment render strategic planning as an extremely challenging activity for the NGOs. Perhaps understanding such challenges provide an explanation to the lack of a full and systematic process for strategic planning in NGOs as they are unable to anticipate the consequences of changes in the policy. While the organizations' boards must ensure the legal compliance of the NGO to the law, some NGOs are able to interact with the political environment in way that benefits them such as participating in government initiatives that reside within the mission of the organization in order to enhance the ties with the government. Other NGOs in attempt to influence the policy and the laws issued by the Egyptian parliament, advocates through different media platforms such as radio and television interviews where the

CEO or some of the board members talk about how specific laws hinder the work of NGOs in general and their NGO in particular.

Economically, the greatest challenge that was shown through the research is donor dependency and the lack of funds in specific areas of development which has led Donor dependency. Some organizations follow the available funds given they are within the mandate of the organization. Following donor's priorities without having a strategic plan can derail the organization and the organization doesn't gain more experience in a specific field.

In their efforts to overcome donor dependency, some organizations are becoming more dependent on social business and revenue generating programs and activities such as implementing microloans programs in order to compensate for the shortage of funds for some programs. In some cases where the service provided is of a marketable value, the founders have chosen to setup their organizations as social enterprises and not as NGOs in order to achieve financial stability and sustainability. However, some organizations cannot follow those steps as their mandate necessitates providing services that are nor revenue generating in nature.

In summary, examining the external challenges that face Egyptian NGOs further enhances the importance of conducting rigorous environmental scans as part of the strategic planning process in order to anticipate potential changes in the environment and possibly leverage some of the changes for the benefit of the organization and its stakeholders.

7.2   Recommendations

Based on the research findings, the following recommendations are provided to help mitigate some of the challenges faced by Egyptian NGOs in the strategic planning process.

First, developing a structured process: The development of a comprehensive process for strategic planning within the organization would benefit the organization on multiple fronts. First, a systematic process brings attention and clarity to pressing issues and allows the organization to organize its priorities in alignment with its mandate, mission, vision and values, accordingly enabling it to develop a suitable action plan to tackle those priorities. Second, it allows for smooth handovers and transitions of leadership since a comprehensive process requires through documentation. NOGs can achieve that by adopting a framework similar to what has been examined in this research or hiring specialized consultants on a regular basis to develop strategic plans.

Second, conducting thorough environmental scans. Environmental scans are the fundamental pillar for developing a successful strategic plan. Accurately understanding the internal environment through a form of a mapping exercise such as the SWOT analysis, allows the organization to fully understand where their points of strength lay in addition to the areas where they are particularly week and in need for development. Additionally, understanding the social, political, economic components of the macro-environment enables the organization to anticipate the changes in those aspects that might compromise its activities. Furthermore, accurately studying the macro environment allows the organization to successfully prioritize strategic issues in order to tackle them in order of importance in the action plan.

Environmental scans enable organization to attentively and responsibly allocate and save the available resources in a step towards achieving sustainability in addition to seeking

and developing the required resources that are lacking in order to face anticipated issues and changes.

Third, giving due attention to monitoring and evaluation processes. As examined in this research, the lack of monitoring and evaluation processes can easily compromise the success of a strategic planning effort. During the monitoring and evaluation cycles, NGOs can identify where they have been successful and develop an accurate understanding of their limitations. This will help prevent the strategic plan from turning into a merely marketing or fundraising document.

Monitoring and evaluation processes do not only ensure the adherence to the strategic plan, but also provide the organization with valuable insight on whether the organizations' programs, projects and activities meet the true needs of the stakeholders and achieving their intended outcomes.

Finally, striving towards financial sustainability. As discussed in this research, donor dependency and isomorphism are some of the main financial issues faced by NGOs both on the global and local scales, therefore, identifying those issues when present and tackling them while developing a strategic plan allows the organization to overcome such challenges, hence successfully adhering to its mission and averting vision drifts.

The previous could be achieved by diversifying sources of income through tapping into new channels of donor funding when available or developing income generating activities as many of the local organizations are leaning towards in attempts to achieving financial stability and generating revenue streams enabling them to fund other non-revenue generating programs.

7.3   Future Research

Future research on the topic is necessary to examine and navigate many complexities that come to the surface when discussing strategic planning in the Egyptian context due to the scarcity of contextual research on the topic.

Some of these areas of research include but not limited to:

1- How strategic planning affects the operations and management practices in the different departments within the organization such human resources management, finances management and marketing.

2- The decision-making dynamics between boards of trustees and CEOs of NGOs when it comes to strategic planning, examining their distinct roles and responsibilities and inspecting whether they from poses challenges to the strategic planning process.

3- What are the different environmental scanning means and tools that are utilized by Egyptian NGOs and whether they could be enhanced or changed to enable the NGOs to accurately anticipate and navigate the different changes in the environment

4- Donor dependency remains one of the most challenging topics for Egyptian non-profit. Future research can focus on specific ways that Egyptian NGOs fight to overcome donor dependency and isomorphism.

References

Allison, M., & Kaye, J. (2005). Strategic planning for nonprofit organizations: A practical guide and workbook (2nd ed.). Hoboken, N.J: Wiley.

Barry, B. W. (1994). Strategic planning workbook: for nonprofit organizations. New York: Amherst H. Wilder Foundation.

Bryson, J. M. (2010). The future of public and nonprofit strategic planning in the United States. Public Administration Review, 70, S255-S267. doi:10.1111/j.1540-6210.2010.02285.x

Bryson, J. M. (2011). Strategic planning for public and nonprofit organizations: A guide to strengthening and sustaining organizational achievement (4th;4. Aufl.;4; ed.). New York: John Wiley & Sons, Incorporated.

Carroll, A. B., Brown, J. A., & Buchholtz, A. K. (2018). Business & society: ethics, sustainability, and stakeholder management. Boston, MA: Cengage Learning.

Denhardt, R. B., Denhardt, J. V., & Blanc, T. A. (2014). Public administration: An action orientation (7th ed.). Australia: Wadsworth, Cengage Learning.

Elbanna, S. (2007). The nature and practice of strategic planning in Egypt. Strategic Change, 16(5), 227-243.

George, B., Walker, R. M., & Monster, J. (2019). Does strategic planning improve organizational performance? A meta-analysis. Public Administration Review, 79(6), 810-819. doi:10.1111/puar.13104

Hickson DJ, Pugh DS. 2001. Management Worldwide: Distinctive Styles Amid Globalisation. Penguin: London.

Hofstede G. 1991. Cultures and Organizations: Software of the Mind. McGraw-Hill: London.

Hu, Q., Kapucu, N., & O'Byrne, L. (2014). Strategic Planning for Community-Based Small Nonprofit Organizations: Implementation, Benefits, and Challenges.

Hughes, O. E., & ProQuest (Firm). (2003). Public management and administration: An introduction (3rd ed.). New York: Palgrave.

International Telecommunication Union. (2017). Ict Facts and Figures.

Kearns, K. P. (2000). Private sector strategies for social sector success: the guide to strategy and planning for public and nonprofit organizations. San Francisco, Ca: Jossey-Bass.

La Piana, D., & Campos, M. M. (2018). The nonprofit strategy revolution: real-time strategic planning in a rapid-response world. Nashville, TN: Turner Publishing Company.

Law number 70 for 2017 regulating the work of associations and other institutions working in the field of civil work. (2017, May 25). National Gazette.

Leila A, Yassin ES, Palmer M. 1985. Apathy, values, incentives and development: the case of the Egyptian bureaucracy. The Middle East Journal 39(3): 341–361.

Lencioni, P. (2012). The advantage: why organizational health trumps everything else in business. San Francisco, C A: Jossey-Bass.

Lewis, D. (2007, The Management of Non-Governmental Development Organizations: An Introduction (2nd edition - 2007)

Mara, C. M. (2000). A strategic planning process for a small nonprofit organization: A hospice example. Nonprofit Management and Leadership, 11(2), 211-223. doi:10.1002/nml.11206

Marshall, C., & Rossman, G. B. (2011). Designing qualitative research (5th ed.). Los Angeles: Sage.

McCaffery, Jerry L. (1989) Making the most of strategic planning and management in Hughes, O. E., & ProQuest (Firm). (2003). Public management and administration: An introduction (3rd ed.). New York: Palgrave.

McKay, E. G. (2011). Strategic Planning: A Ten-Step Guide. Retrieved March 15, 2018, from

http://www.worldbank.org/en/search?q=strategic+planning&currentTab=1

Ministry of Social Solidarity (MOSS). Social Affairs Sector, NGOs. Retrieved December 2, 2019, from

https://www.moss.gov.eg/sites/mosa/ar-eg/Pages/NGOs.aspx.

Moore, M. H. (2000). Managing for value: Organizational strategy in for-profit, nonprofit, and governmental organizations. Nonprofit and Voluntary Sector Quarterly, 29(1_suppl), 183-204. doi:10.1177/0899764000291S009

Nelson, R. S. (1990). Planning by a nonprofit should be very businesslike. Nonprofit World, 8(6), 24.

Nutt, P. C., & Backoff, R. W. (1987). A strategic management process for public and third-sector organizations. Journal of the American Planning Association, 53(1), 44-57. doi:10.1080/01944368708976634

Olsen, J. B., Eadie, D. C., & Myrtle, R. C. (1984). The game plan: Governance with foresight American Society for Public Administration. doi:10.2307/976082

Pfeffer, J., & Salancik, G. R. (1978). The external control of organizations: A resource dependence perspective. New York: Harper & Row.

Powell, W. W., & DiMaggio, P. J. (1991). The New Institutionalism in organizational analysis. Chicago, IL: University of Chicago Press.

Pynes, J. E. (2013). Human resources management for public and nonprofit organizations: A strategic approach (4th ed.).

Reading, C. (2004). Strategic business planning: A dynamic system for improving performance & competitive advantage (2nd, pbk. ed.). London;Sterling, VA;: Kogan Page

Reider, R. (2015;2014;). Developing successful business strategies: Gaining the competitive advantage (First ed.). New York, New York (222 East 46th Street, New York, NY 10017): Business Expert Press.

Rhine, A. S. (2015). An examination of the perceptions of stakeholders on authentic leadership in strategic planning in nonprofit arts organizations. The Journal of Arts Management, Law, and Society, 45(1), 3-21. doi:10.1080/10632921.2015.1013169

Steiner, G. A. Strategic Planning. New York: Free Press, 1979.

The Central Bank of Egypt. Historical Inflation Rates. Retrieved October 26, 2018 from https://www.cbe.org.eg/en/EconomicResearch/Statistics/Pages/Inflationhistorical.aspx

UNHCR in Statistics, The World in Numbers. Retrieved November 15, 2019, from

   http://popstats.unhcr.org/en/overview#_ga=2.149018678.1277964963.150079

   1716-678548308.1495107160

Veldman, H., & Szabo, A. (2015). Strategy for the public and private sectors: How to

   write a strategic plan. Assen: Koninklijke Van Gorcum.

Worth, M. J. (2017). Nonprofit management: Principles and practice 4th edition. Los

   Angeles: SAGE Publications.

Youssef S. 1994. Egyptian state owned enterprises: a sector in transition. International

   Journal of Commerce and Management 4(4): 5–25.

THE AMERICAN UNIVERSITY IN CAIRO
INSTITUTIONAL REVIEW BOARD

Documentation of Informed Consent for Participation in Research Study

Project Title: Challenges of the strategic planning process and its implementation in Egyptian non-profit organizations

Principal Investigator: Baher Hany Wassif

Email: baher.wassif@aucegypt.edu
mobile number: +201003382189

*You are being asked to participate in a research study. The purpose of the research is to provide a contextual understanding of the strategic planning process and implementation in Egypt within the nonprofit sector. Moreover, this paper will seek to expose the most common challenges in the field while providing policy recommendations for overcoming those challenges, and the findings may be published, presented, or both. The expected duration of your participation is one hour.

The procedures of the research will be as follows: the principal investigator will ask questions related to the study title and the interview will be recorded in audio format using an audio recorder device. You have the right to not to answer any of the questions. After the interview the recording will be transcribed and reviewed by the research supervisor (Dr. Ghada Barsoum – gbarsoum@aucegypt.edu)

*There will not be certain risks or discomforts associated with this research.

*There will not be any benefits to you from this research.

*The information you provide for purposes of this research is confidential.

*Questions about the research, my rights, or research-related injuries should be directed to (Baher Wassif) at (+20 100 338 2189).

*Participation in this study is voluntary. Refusal to participate will involve no penalty or loss of benefits to which you are otherwise entitled. You may discontinue participation at any time without penalty or the loss of benefits to which you are otherwise entitled.

Signature   _____

Printed Name   _____

Date   _____