UNIVERSITY OF CAPE COAST

THE INTERNAL AND EXTRNAL ORGANIZATIONAL FACTORS THAT AFFECT NON GOVERNMENTAL ORGANIZATION'S SUSTAINABLE FUNDRAISING IN THE GREATER ACCRA REGION OF GHANA.

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BY

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DECLARATION

Candidate's Declaration

I hereby declare that this thesis is the result of my own original research and that no part of it has been presented for another degree in this university or elsewhere.

Signature……………………….……… Date …………………………...

Candidate's Name: Emmanuel Deyo Azadi-Dor

Supervisor's Declaration

We hereby declare that the preparation and presentation of the thesis were supervised in accordance with the guidelines on supervision of thesis laid down by the University of Cape Coast.

Signature ………………………………….…Date ………..………………

Principal Supervisor's Name: Prof. Edward Ntifo-Siaw

Signature……………………………….….Date……………..…………….

Co-Supervisor's Name: Mr. Samuel Akuamoah-Boateng

ABSTRACT

NGOs achieve their vision through projects but over the years the problem has been inadequate funding. This study used the SWOT Analysis to investigate the internal and external organizational factors that affect Non-Governmental Organization's sustainable fundraising. A pre-validated questionnaire was used to collect data, which was analyzed using one- sample t-test, correlation and regression. The results reveal that, there are 29.5% local advocacy NGOs, 43.8% local operational NGOs, 24.8% international advocacy NGOs and 1.9% international operational NGOs. The result indicates that 26.7% were established predating 2006and 73.3% established after 2007.A one sample t- test on income and SWOT in respect of NGOs funded by founders and those funded by corporate, government and foundations together shows organizational threat to be insignificant at 5% alpha level. The regression analysis shows that 70.6% of the income raised by the NGOs was accounted for by organizational strength, organizational weakness, organizational opportunity and organizational threat. Though the NGOs performed well on the SWOT components special attention should be paid to stakeholders' participation, strong donor support and qualified and experience staff, obsolete facilities, difficulty financing projects, weak networking, vulnerability to recession, demand for more accountability. The NGOs should plan ahead of time and involve everybody in their fundraising efforts in order to rake in the needed resources. The NGOs should also devote more time and resources to improving internal factors especially organizational strength since it was significant and has high and positive correlation with income.

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DEDICATION

To My Family

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CHAPTER ONE

INTRODUCTION

Background to the Study

NGOs are defined as organizations which pursue activities to relieve the suffering, and interests of the poor, protect the environment, provide basic social services, and undertake community development (Cleary, 1997). According to Nuscheler (2001), some of the advantages of NGOs are:

1. They reach target groups than government programmes negotiated on bilateral basis or by international finance organizations administered by bureaucrats. They are better at organizing for self-help, participation and empowerment of the poor people.
2. They work with lower administrative and staff costs than government implementing organizations.
3. They are value based and are more focused on poverty reduction.

The World Bank differentiates two main categories of NGOs with which it interacts. These are operational NGOs whose primary purpose is the design and implementation of development projects in areas such as education, health, sanitation, water, environment, peace and conflict, youth, women and children's issues. The other category is advocacy NGOs whose main purpose is to defend or promote a specific cause, influence policies and practices. Advocacy NGOs typically try to raise awareness, acceptance and knowledge by lobbying, advocacy and activist events (World Bank, 1995).

NGOs aim at achieving the above goals in four ways:

1. Empowering people to have more influence on factors that affect them.
2. Service delivery including emergency humanitarian aid.
3. Lobbying powerful decision makers to take account of the poor.
4. Capacity building (Cleary, 1997).

In an effort to achieve these objectives, NGOs are faced with numerous challenges such as inadequate fundraising, poor governance, inadequate strategic planning, poor networking, poor communication, limited capacity, poor development approaches and relationship and political interference (Lotsmart, 2007). In order to ensure that the above objectives are achieved by turning vision to action, NGOs go through a three-stage process described by Fowler (2002, p. 296) as“(a) re-examining and confirming what the NGO stands for, (b) linking these values to long-term choices through appropriate strategic plans, and (c) translating choices to tangible actions and tasks to be carried out by staff and stakeholders”. However, translating strategic choices into tangible action and task cannot be done without adequate funding or fundraising.

Fundraising according to Rosso (1996) is the gentle art of teaching the joy of giving. It is the art of getting people to give others what they wanted, when it is most needed for an identified charitable/development purpose. Fundraising is not begging but giving people the opportunity to give, which provides everyone the chance to do something that matches his/her interest. No matter what communication methods are used to convey the message of need, if this does not include “asking”, effective response will not take place. While most people are willing to give to obvious and needy causes, only on rare occasions will people give without first being asked (Rosso, 1996).The ability of an organization to raise resources is a tangible manifestation of the strength of the relationship with its natural community of support. It is a management process of identifying those people who share the same values as the organization and building strong, long-term relationships with them.

Fundraising is important for ensuring the financial sustainability of the organization and should be based on a sound fundraising strategy. The purpose of fundraising is to secure funds to meet the organizational goals and objectives. Fundraising, or obtaining funds from external sources, is required when a new program is initiated or when a current grant or contract ends. It should be undertaken only for programs or activities that are part of the organization's approved strategic plan. In other words, the fundraising strategy should support the organization's strategic plan

Fundraising requires time and staff dedication and the process can be lengthy, taking up to a year (and even longer in some instances) from the initial discussion with a potential donor to the actual receipt of funds. Successful fundraising depends on an innovative, thorough, and carefully prepared proposal that addresses a demonstrated need and responds to community priorities (Rosso, 1996).

The fundraising planning should result in a case for support, which is a written document that clearly explains why the organization exists (vision), what it does (mission), how goals will be accomplish (objectives), its governance structure and how it would function to meet the stated goals (structure). The case for support or the fundraising plan must fit into the overall strategic plan of the NGO to have the desired impact (Rosso, 1996)

Strategic planning can be viewed as a broad managerial process of developing a vision, mission, goals and objectives which are to serve as influential guide to employees using the top- bottom management approach. A vision is a short, succinct, and inspiring statement of what the organization intends to become and to achieve at some point in the future, often stated in competitive terms(Warner, 2002). According to Strange and Mumford (2005) a vision involves a set of beliefs about how people should act, and interact, to make manifest some idealized future state. Strange and Mumford (2005) further indicated that a vision may contain commitment to: creating an outstanding value for customers and other stakeholders; developing a great new product or service; and/or developing a great company.

A mission statement as an organization's vision translated into written form and makes concrete the leader's view of the direction and purpose of the organization. The major outcome of internal and external organizational factors analyses and strategic road-mapping, after gathering all necessary information, is the setting of goals for the organization based on its vision and mission statement (Warner, 2002).

However, having well-defined visions, mission statements and goals changes nothing except if executives are seen to live with them, and constantly communicate them to employees. Strategic approach or mentality comprises four main elements; future orientation, an external emphasis, pursuing and ensuring strategic fit between the organization and its environment and finally a continuous learning process approach (Warner, 2002).

Strategic planning is an off-shoot of strategic management and is nowadays referred to as corporate planning. According to Owolabi (2001), strategic management is the management process by which policies are formulated and strategies are selected to achieve the goals and objectives of an organization. He argued that both concepts (strategic management and strategic planning) are often used interchangeably. To Kotler (2004), strategic planning is the managerial process of developing and maintaining a viable relationship between the organization and its environment, through the development of corporate purpose, objectives and goals, growth strategies and business portfolio plans for company-wide operations. It must convey a significant stretch for the company, a sense of direction, discovery and opportunity that can be communicated as worthwhile to all employees. It should not focus so much on today's problems but rather on tomorrow's opportunities (Kotelnikov, 2007).

Corporate planning is fundamental to all organizations. It involves the visualization and determination of a future course of actions that will lead an organization to achieving its desired objectives; that is the setting of objectives and the determination of how to achieve those objectives. In practice, only large organizations use their planning departments to transform corporate objectives into realizable operational guidelines, while most use them for gathering statistics and other mundane activities. This shortcoming is as a result of the poor status given corporate planning function in many organizations and the overriding influence of top management. Consequently, planning is invariably confined to setting general and departmental goals and rarely includes carefully developed strategic plans for translating these goals into realizable targets (Fashoyin, 2005).

Statement of the Problem

The problem to be investigated is inadequate fundraising of NGOs in the Greater Accra Region of Ghana. The Greater Accra Region was selected for this study because of its cosmopolitan nature which makes it the most representative region in Ghana. Adequate funding is required if NGOs are to achieve these four goals for which they are set up:

1. Empowering people to have more influence on factors that affect them
2. Service delivery including emergency humanitarian aid
3. Lobbying powerful decision makers to take account of the poor
4. Capacity building

According to Rosso (1996), for greater success in raising funds, NGOs should spend 80% of their time planning and 20% asking for funds. Indeed, appraising the internal and external organizational factors affecting funding, is often ineffective and was identified as a constraint affecting sustained organizational fundraising (James, 2002).

Objectives of the Study

The general objective is to explore the relationship between fundraising and internal and external organizational factors of NGOs in the Greater Accra Region of Ghana. The specific objectives are to:

1. Explore the characteristics of the NGOs operating in the Greater Accra Region.
2. Compare two sources of fundraising with respect to SWOT and annual income.
3. Explore the relationship between the SWOT components.
4. Find out the correlation between annual fundraising income and SWOT.
5. Investigate the effect of SWOT on annual fundraising income of NGOs.
6. Explore the interrelationship among the SWOT in predicting income.

Research Questions

1. Is there a difference between NGOs operating in the Greater Accra Region and those in other regions of Ghana?
2. Is there a difference between the two main sources of fundraising?
3. Is there a relationship between the SWOT components?
4. Is there a relationship between fundraising(income) and SWOT?
5. Is there any effect of SWOT on fundraising of the NGOs?
6. Is there any significant difference between the SWOT components in predicting income?

Research Hypotheses

1. H_0: there is no difference between founder funded NGOs and those funded by corporate, government, foundations with respect to income and SWOT.

   H_1: there is a difference between founder funded NGOs and those funded by corporate, government, foundations with respect to income and SWOT.

2. H_0: there is no relationship between income and strategic planning of NGOs.

   H_1: there is a relationship between income and strategic planning of NGOs.

3. H_0: there is no significant difference between the SWOT components in predicting income.

H_1: there is a significant difference between the SWOT components in predicting income.

Variables of the Study

The dependent variable is fundraising which is operationally defined as the annual budget income and the independent variable is SWOT Analysis namely

1. Perceived Organizational Strengths (POS)
2. Perceived Organizational Weaknesses (POW)
3. Perceived Organizational Opportunities (POO)
4. Perceived Organizational Threats (POT)

Significance of the Study

Previous works done so far in this area of study includes "Financing NGOs in Ghana" by Gyamfi (2010), "Improving the effectiveness of strategic planning in local NGOs in Malawi" by Malunga (2007), "Corporate strategy" by Ansoff(1965), "Strategic planning- performance relationship in banks" by Hopkins &Hopkins (1997) and "The impact of comprehensive planning on financial performance" by Wood & LaForge (1979).

The two studies relating to the NGO sector were qualitative and exploratory in nature and did not address internal and external factors affecting fundraising, considered to be the most important success variables if the NGOs are to achieve their vision. The other works were done in the business sector whose motive for existence and performance measurements are different from that of NGOs.

The current study is to investigate the effect of internal and external organizational factors on annual fundraising income of the NGOs. For effective achievement of the vision and mission, organizations need adequate funding which helps in the implementation of their strategic plans through projects. Fundraising is not an ad hoc event but can only be achieved through strategic planning. Fundraising is said to be made of 80% planning and 20% asking for funds (Rosso, 1996).

The findings of this study would particularly be useful to:

1. Academics and researchers working on developing the field of strategic planning and fundraising in the NGO sector.
2. NGOs in general especially the local ones as they will employ the fundraising principles and strategies to rake in more resources to implement projects.
3. Board members as the strategic plan document is a governance tool
4. Donors, as they will get insight into how to help recipients of their funds to have more effective strategic planning processes.

Therefore apart from adding to knowledge, it would clearly show that any NGO that pays attention to internal and external organizational factors is likely to attract sufficient funds to execute its projects.

Delimitations of the Study

According to Sprangenberg (1990), strategic planning is entirely context specific and there can be no universally applicable strategic planning method. The context in which these NGOs operate differs significantly from one another.

The study was not able to show that one variable caused another because it is only experimental designs which allows for manipulation of variables, which is able to establish cause-effect relationship. The study was also not able to establish time precedence of the presumed relationship and therefore cannot rule out alternative explanation for the relationship found.

Limitations of the Study

The sample size of 150 registered and active NGOs is relatively small considering the number of NGOs in Ghana. It cannot be said with certainty that the sample is an exact representation of the study population in this study. This could also bias the result of the findings and limit its generalizability despite the cosmopolitan nature of the region; the reason for conducting the research there. The availability of time and adequate budget were some of the variables affecting the sample size and therefore the reliability of the results.

Definition of Terms

Annual budget income- is the total funds raised by the organization in a year.

Dependent variable- this is the explained variable.

Donors- those individuals, organizations, businesses, foundations, governments, that gives out their resources to support a cause.

Fundraising- is the act of giving people the opportunity to give.

Independent variables- these are the explanatory variables or predictor variables.

Outliers- cases with values well above or well below the majority of other cases.

Project- this is a temporal endeavour which produces a unique product or service.

Sample- is a representative subgroup of the study population who are randomly selected for the study.

Stakeholders- those who have an interest or who can affect or be affected by the project directly or indirectly

Strategic Planning- is the managerial process of developing and maintaining a viable relationship between the organization and its environment, through the development of corporate purpose, objectives and goals, growth strategies and business portfolio plans for company-wide operations.

Study population- consists of those members of the target population who fit the operational definition.

SWOT- Strength, weakness, opportunity and threat.

Organization of the Study

Chapter Two explores the concept of fundraising and strategic planning using SWOT analysis especially as it applies to for- profit and not-for profit organizations and the how fundraising should be approach in the long term perspective and prospect of the organization not neglecting the current needs of the organization. The different players involved in fundraising and strategic planning and their responsibilities were outlined.

Chapter Three describes the research design and strategies to be adopted in carrying out the research. It identifies the population, the study population, the sample size and how the sample was drawn from the sampling frame. It explains how data was collected ensuring validity and reliability.

Chapter Four presents the results obtained in the study. It also discusses the results in the light of results of other studies outlining similarities and differences.

Chapter Five concludes the study by summarizing, drawing conclusions and making recommendations in the light of results obtained for improving fundraising of NGOs with regards to fulfiling their vision as change agents.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

Introduction

This section reviews relevant literature with regard to NGOs, development of NGOs, the NGO sector in Ghana, fundraising, principles of fundraising, fundraising activities, strategic planning, strategic planning for NGOs, vision, mission, objective, organizational culture, organizational structure, the adaptability of strategic planning to the NGO sector and SWOT analysis.

Definition of NGO

NGOs are defined as organizations which pursue activities to relieve the suffering, promote interests of the poor, protect the environment, provide basic social services, and undertake community development (Cleary, 1997).

Similarly, Edwards (2000) defines an NGO as a subset of civic organization, defined by the fact that they are formally registered with government, receive a significant proportion of their income from voluntary contributions (usually alongside grants from government), and are governed by a board of trustees rather than the elected representatives of a constituency.

Clearly from definitions of an NGO, the nature, the roles and the importance has been clearly pointed out. They are not part of the government, independent, voluntary, non-profit and charitable and promote development oriented activities for the disadvantage or vulnerable groups in society.

Development of NGOs

The origin of NGOs dates back to the 16th century. According to Suzuki (1998), the oldest NGO is a Canadian Society in Montreal founded in 1653.These NGOs had missionary and education as their focus targeted at people in Asia and Africa. The first circular voluntary organizations were the American Medical Aid organizations such as the America Medical Society founded in 1847, and Save the Children UK, founded in 1919. The focus was on education, disaster relief and playing roles that promoted their governments' foreign policy and so received support from their governments for their programmes in the foreign lands.

In 1910, some 130 international groups organized a coordinating body called the Union of International Associations. The term non- governmental organization was coined at about the time of the founding of the United Nations (UN) in 1945 with a provision in Article 71 of Chapter 10 of the United Nations Charter to distinguish private organizations from intergovernmental organizations (IGOs), such as the UN itself. The term International Non-Governmental Organization (INGO) was first given in resolution 288 (X) of United Nations Economic and Social Council (ECOSOC) on February 27, 1950.It is defined as any international organization that is not founded by an international treaty. In other words International NGOs are those NGOs whose policies and systems are from their headquarters based outside the country. They are also referred to as Northern NGOs (Malunga, 2007).

Many large international NGOs, such as Amnesty International, the International Federation of Red Cross and Red Crescent Societies, Oxfam International, CARE, Save the Children, and the World Wildlife Fund, are transnational federations of national groups. Other international NGOs, such as Greenpeace and the Sierra Club, are mass-membership organizations. Most NGOs are small, grassroots organizations not formally affiliated with any international body, though they may receive some international funding.

Since World War II and particularly since the 1970s, NGOs have proliferated, especially at the national and local levels. At the international level, large numbers of NGOs have been created to address issues such as human rights, women's rights, and environmental protection. At the same time, international NGOs have become important actors in world affairs within the UN and its specialized agencies and within other forums. A variety of factors have contributed to the growth of NGOs, including globalization; the increasing prominence of transnational issues such as those just mentioned; the growth in UN-sponsored global conferences, which often include parallel NGO forums; the communications revolution, which has linked individuals and groups through facsimile (fax), the Internet, and e-mail; and the spread of democracy, which has bolstered civil society and enabled individuals to form and operate organizations more freely. By the early 21st century, there were some 6,000 recognized international NGOs.

NGO Sector in Ghana

The growth of the NGO sector in Ghana is not different from other countries in Sub-Saharan Africa due to the fact that they share characteristics that are common to all. The upsurge of political instability after the overthrow of Dr. Kwame Nkrumah in 1966 and the famine in early 1980s triggered an economic depression that aggravated the already poor condition of social infrastructure in Ghana in all sectors of the economy. The political and the socio-economic environment were responsible factors for the growth of the NGO sector in Ghana. There is now a wide diversity of NGOs operating in Ghana (Porter, 2003). With the improvement in communications, more local NGOs and locally-based groups, referred to as grass-roots organizations or community based organizations, have become active at the national or even the global level.

From a humble beginning of only three NGOs registered around 1930 in Ghana, the number increased to 80 in 1980. The Department of Social Welfare in 1999 registered 900 Local NGOs and about 45 foreign NGOs. As of January 2008, five thousand NGOs (both local and foreign) had registered with the Ministry of Manpower and Social Welfare (GNA, 2008 as cited in Gyamfi, 2009).

To begin operation in Ghana as an NGO, then it must properly be registered under the companies code of 1963 (Act 179), limited by guarantee and this regulated the formation of NGOs in Ghana (Ansah, 2008).

Since the coming into being in Ghana 2004, the National Policy on NGOs provides among others the following:

1. Registration and Accreditation

Any civil society organization seeking to be recognized as NGOs and operate as such shall first register with the Registrar General Department. The NGO may then apply for accreditation at the time from the Ministry of Manpower Development and Employment through the National Commission on NGOs. This is expected to place the ministry in a better position to recommend an NGO for the employment of any of the benefits that the government may confer on NGOs.

To qualify for accreditation with the Ministry of Manpower Development and Employment the NGO is expected to meet certain requirement including certificate of registration from the Registrar General Department, a written constitution and contact person(s). In the district, the assemblies may be authorized to give accreditation to NGOs on behalf of the National Commission of NGOs.

2. Taxation and Exemption

Registered and accredited NGOs may qualify for privileges such as tax relief and customs duties exemption. Such privileges may be granted by the state as indirect funding aimed at lowering the transaction costs of NGOs. However, taxes shall be paid on incomes of NGOs employees and substantial profit generated from commercial activities undertaken by NGOs.

3. Funding and Accountability

According to the National Consultative Group (2004) as cited in Ansah, (2008) these privileges would be granted under conditions of strict accountability. NGOs shall be transparent and accountable in their utilization of public funds deriving under the privileges granted them as non-profit sharing organization.

NGOs having this legal backing now play very important roles in the socio-economic and political development of many nations particularly the developing countries.

The Role of Non-Governmental Organizations

NGOs provide an umbrella of services including the promotion of equality and human rights, legal services, education and training programmes. They fill development gaps where government fell short. They therefore complement and supplement the state's efforts in providing sustainable development. According to Lekorwe & Mpabanga (2007), it is through the complementary efforts of NGOs and interest groups that good governance can be promoted. These same efforts also help to ensure that government goods and services reach the grassroots, the poor, the marginalized, the disadvantaged in society, both fairly and equitably.

NGOs continue to play an important role in many developed and developing societies because they help citizens participate and influence the decision making process as well as the management of public affairs. Through NGOs, citizens can make an impact on the decision making processes at both central and local government levels. The contribution of both local and international NGOs includes transforming whole communities and lifting the misery of poverty-stricken rural and urban dwellers. These include environmental protection, services for women, the elderly and children, vocational skills, technology transfer, sanitation, water development and supplies of relief items (Lekorwe & Mpabanga, 2007).

In an effort to provide the above services (advocacy or projects) in fulfilling their vision and mission, NGOs are faced with a number of challenges.

Challenges Facing NGOs

The Challenges faced by NGOs are numerous and militate against their work being effective. Some of these challenges are lack of funds, poor governance, inadequate strategic planning, poor networking, poor communication, limited capacity, poor development approaches and relationship and political interference (Lotsmart, 2007).

The above can effectively be labeled as funding (fundraising) and strategic planning challenges. These two issues stand out as the most important and the most critical to the survival and effectiveness of any organization in the ever changing and competitive global environment.

Fundraising

Fundraising in the nonprofit sector is critical to the existence of most nonprofit agencies and charities, and until recently, most people did not question spending decisions of charitable institutions. In today's difficult economic times, with for-profit business scandal making daily headlines, the nonprofit sector finds itself increasingly under scrutiny.

According to (Rosso, 1996), fundraising is the gentle art of teaching the joy of giving. In other words it is the art of getting people to give others what they wanted, when it is most needed for an identified charitable/development purpose. Fundraising is not begging but giving people the opportunity to give which provides everyone the chance to do something that matches their interest. No matter what communication methods are used to convey the message of need, if this does not include an "ask", effective response will not take place. While most people are willing to give to obvious and needy causes, only on rare occasions will people give without first being asked. It is a management process of identifying those people who share the same values as the organization and building strong, long-term relationships with donors.

In the present situation where the pie for international funds is getting smaller and the number of players wanting a piece of the pie increasing, competition for the resources increases, making the existing fundraising stream more vulnerable, necessitate diverse sources of fundraising.

Sources of Fundraising

Lee (1997) revealed that, there are three sectors from which NGOs can derive their resources. These are the private sector, the general public and government/public sector. Resources from each of these sectors can originate from both external sources (i.e. international) and local (i.e. domestic or municipal public and private donors). Moor (2005) in a similar vein indicates that NGO revenue falls within three broad categories. They include government funding, private giving and self-generated income.

Salamon and Anheier (1996) as cited in Barr et al (2005) found that NGO funding comes from three main sources. These are the private sector, public sector and self-generating income. According to Brown, (2005), over 83.6% funding for charity come from individual donors. This includes individual donations, bequests, direct marketing campaigns, telemarketing, and internet giving and one time/recurring fundraising event. These types of fundraising programmes are fortunately starting to gain support even though they are many times overlooked in developing countries due to the supposed lack of historical individual philanthropy (Ceasar, 2006). The remainder 11.6% and 4.8% comes from foundations and corporations respectively.

Lotsmart (2007) argues that external funding through state or local NGO not only strengthen north – south relationship but also provides the opportunity for apprenticeship development. What this implies is that NGOs can sit back and learn the art of financial management and project management from old and experienced external NGOs. However, maintains that international donors operate according to their own goals and project management styles, and NGOs have to conform to these requirements in order to receive financial support. The creative development of the NGOs could be constrained by the standardized assessment methods of foreign governments and international foundations. Therefore, external financing tends to impose some degree of constraint on NGOs. The biggest challenge for the NGOs therefore is take into consideration the demands of its donors, because losing the financial aid would have severe consequences not only for the activities but for survival as well.

Internal revenues can have several sources which include: members' contributions, donations from friends and sympathizers sharing the same values, enrolment fees for organized events, income from publications sales, income from investments of reserves and capital; and income from productive activities. The potential of internal funding is unfortunately not always used by the NGOs because; according to Vivian (1994), rarely will NGOs get more than 20 per cent of their income from this source.

The most effective method of raising funds is face-to-face. In the UK for example, NGOs largely depend on an army of volunteers and on paid professionals who make house-to-house turns and organize jumble sales and social events that make profit (Lotsmart, 2007). It is a very effective resource mobilization method and one that is increasingly being used by NGOs. Face-to-face solicitation is when representatives are employed to attract potential donors on the street, at train stations or other public venues. Canvassing, actually help NGOs reach a wider audience and attract potentially long term donors. More often than not, NGOs hire employees from companies that specialize in this method of fundraising. This increases the organization's administrative costs, diverting funds away from its development activities (Gyamfi, 2008).

Securing grants from institutional donors is very challenging, especially for small organizations, but the task is not impossible (Kavitan.d.). Most of these organizations require a formal grant proposal in order to consider a request from potential applicant (Kavita, n.d,). The first step before an organization contacts these institutions is to learn about their specific criteria and grant proposal procedures. Understanding their unique funding processes will help the organization target its fundraising efforts.

Public/Private Partnership (PPP) Development according to (Ceasar, 2006) focuses on building the capacity of NGOs to enter into joint contractual fee-based partnerships with public or private sector (i.e. with business and/or governments) to carry out a mutually beneficial service to the community. Contracting business partnerships with government and corporate entities are a natural choice for NGOs as they entail leveraging tangible and intangible assets that can be useful to those sectors. With the rise of the Corporate Social Responsibility (CSR) and Social Partnership Programmes, PPP development is a huge, virtually untapped market of future NGO financing. As a result of this method, there is intense competition among local NGOs to acquire a partner, because having a partner is crucial to accessing funding (Porter, 2003).

Historically, collaborations in the nonprofit sector took root in the 1980s, when social service agencies and health care providers, facing increased competition from for-profit entities, formed alliances to address community needs while ensuring their own organizational viability (Renz, 2010).

In recent years, the economic recession has dramatically affected the nonprofit sector, resulting in an increased number of nonprofit organizations competing for decreasing funding sources. Due to the dramatic reduction in available resources for nonprofits organizations and the increased demand for services by community residents struggling with tough economic times, there has been even greater attention on the need for collaborative solutions among nonprofit agencies (Renz, 2010).

Extant sources suggest that motivation for establishing formal collaborations typically comes from outside the organization. Mandates from higher authorities (e.g., government agencies, legislation, industry, or professional regulatory bodies) may provide the impetus for collaborative relationships that otherwise might not have occurred voluntarily (Oliver, 1990). In such cases, applicants for government or foundational funds must demonstrate their commitment to sharing organizational resources or formal coordination of services with other service providers and are often required to file joint grant applications (Snavely & Tracy, 2000). However, the potential reduction in cost and compromised social missions poses a challenge for nonprofits trying to balance their own social mission and financial needs (Guo & Muhittin, 2005).

Focusing efforts on establishing high-impact collaborations (i.e., those collaborations that allow an organization to best achieve its mission) may help offset potential for competition among collaborating partners. Research on collaborative relationships in the nonprofit sector suggests that an organization is more likely to increase the degree of formality of its collaborative activities when it is older, has a larger budget size, receives government funding but relies on fewer government funding streams, has more board linkages with other nonprofits, and is not operating in the education and research or social services industry (Guo & Muhittin, 2005).

Strategic alliances or collaborations provide capacity building to organizations that may not otherwise achieve it independently. Within this context, partners can align themselves in any number of ways and with varying degrees of integration (Renz, 2010). Collaborations help acquire critical resources and reduce financial uncertainty, which offsets costs associated with reduced autonomy of operations and may improve nonprofits' abilities to serve their communities. Adequate funding can be mobilized through all these sources employing appropriate fundraising activity.

Types of Fundraising activity

There are several types of fundraising activity which non-governmental organizations traditionally can employ. The broadest and most overarching is the annual campaign. When it is successful, an annual campaign provides a predictable base of support and also a pool from which to select donors for other campaigns.

The annual campaign is one that takes place every year, and its purpose is to offset general operating expenses. This campaign generates money in order to obtain unrestricted funding, to raise awareness of the organization in the community, to develop a base of current donors to insure their continuing and increasing support, and to cultivate future donors. The direct mail campaign may fall under the umbrella of the annual campaign. Fundraising letters are by far the single biggest means used by nonprofits to recruit new donors. Time and again, surveys reveal that letters provide the means for the majority of donors to make the first gift to a nonprofit organization (Heath & Heath, 2007).

Although direct mail can be time-consuming, it is generally cost-effective, as it allows organizations to spend less time and money on typically lower-end donors, saving a substantial portion of time and money to be used on individual donors who tend to donate more per ask. Direct mail also offers a good way to keep in contact with donors and to serve as a reminder of the organization. It is easily targeted to specific people or demographics by placing a message in the home and in the hand of the potential donor. It can be personalized with little effort, and its effectiveness is simple to analyze.

Product fundraising involves the sale of products of donors and supporters, where the NGO keeps a percentage of the selling price. Some products typically sold for Non Profit fundraising includes coupon books, candy, popcorn, cookie dough, flowers, cookbooks and T- shirts amongst others. Selling products works well for a Non Profit fundraising especially if it is a high- value product (Heath & Heath, 2007).

Special events fundraising campaigns such as spaghetti dinners, golf outings and pancake breakfasts are one more way organizations raise funds. Often it serves as an opportunity for the elite of a region to socialize and be seen. The special event fundraising is an excellent opportunity to “friend-raise” as well. The needed time, effort, people to plan and run the event and the potential upfront cost are important considerations, but can strengthen ties with the philanthropic community and attract new blood with the capacity to give to the organization. They are typically the threshold, newcomers experience with the NGO because their friends are going, but may be so impressed by the event, the organization, or its mission, that they become funders. Also, event fundraisers are useful for varieties of reasons that are indirectly related to immediate fund accumulation, such as marketing, public relations, and volunteer recruitment.

In addition to the aforementioned fundraising campaigns are the capital campaigns which are launched to raise money for specific and often costly projects. They often include the cultivation of large pledges paid off over time, frequently requiring the donor to access monies from stocks or property. A capital campaign is usually designed around purchasing a building, renovating an organization’s space, or beginning an endowment. These campaigns present very attractive naming opportunities such as offering permanent signage on the walls, bricks emblazoned with donors’ names on sidewalks, and even whole wings of buildings named after families which are a solid and continuous reminder of a donor’s philanthropic spirit, as opposed to the more ephemeral quality of printing names in programs. Another attractive quality of capital campaigns is that they have a definite end to them. For example the building purchased, the space renovated, or the endowment fattened. Unlike annual campaigns, which cycle every year, capital campaigns are over once the goal has been attained. Finally, there is the estate planning side of fundraising of which nonprofit organizations can reap great rewards from involving themselves in this type of planning.

In fact, it is estimated that $972 billion will be transferred through U.S. citizens' estates over the next fifty years (Brown, (2005). This opportunity for fundraising presents itself when donors begin planning for a transition, or end stage, of a life. As such, it is best handled in both a sensitive and timely manner by the individual in the organization with the longest or strongest relationship with the donor. These fundraising activities can be carried out efficiently and effectively using appropriate principles of fundraising.

Principles of fundraising

Fund Raising is a science. But its rules are more like a rainbow than a formula. You need to paint with the most delicate shades of colours and moods. You will surely become a success if you paint with love and friendship (Norton, 2009). He pointed out the following principles of fundraising:

1. Fundraising is not only about money but about friend raising and building relations.

2. Communicate the need- make you case larger than the institution. Show how your organization contributes towards building an achievable and worthwhile future of the future.

3. People give to people – People do not give to organizations or to abstract concepts. They give to people or to help create a better world. By illustrating

through case studies the impact of our work we can show the donor how his money is helping us make a difference.

4. Your best prospects are your existing donors. This is the power of peer group pressure- using an existing donor to introduce you to others and talking about his own contribution towards your cause is the best measure of credibility for your organization.

5. Look for relationships, friends and people who will give regularly and substantially. All the effort to find a donor and persuade them to give will only bear fruit if they give over a period of time and increase their level over time. To achieve this means getting them involved with the work of the organization and committed to its success

6. You don't get what you don't ask for! Some fundraisers do not exploit the opportunities that exist to raise money. Others ask but not effectively. The good fundraiser must clearly ask for exactly what they want having arrived at the decision after considering the donors ability and willingness to give.

7. Personalize the approach. The general rule is that the more personal your approach the more effective you will be. Asking face to face, making a presentation, writing a letter and sending a circular will have a larger impact on donors.

8. Make giving easy- facilitating the giving process for the donor by making it least cumbersome should be route the organization should adopt.

9. Creativity and innovation: Fundraising is about 'selling' an idea, that the donor can make a difference rather than selling the just asking for money. Successful

fundraising depends upon your ability to get people to do something to help provide a solution to an existing problem and the more creative and innovative your approach is, the more you are likely to attract donors.

10. Say thank you! Saying thank you recognizes and values the donor’s generosity. Organizations that thank the donor on every appropriate pretext will see this investment repay itself by the level of repeat giving that will be facilitated.

11. Accountability and reporting back. When we as not for profits take money from anyone it is our responsibility to see that the funds are spent on the purpose for which they were raised. Failure to do this is a breach of trust and therefore necessitates full involvement of the board in fundraising.

The Board and Fundraising

The broad purpose of a board of directors is to run the organization effectively by ensuring that the organization is operating within laws, earning its money honestly and spending it responsibly, and adopting programs and procedures most conducive to carrying out its mission.

David (2003) observed that NGOs with an effective board is more likely to be successful in strategic planning and fundraising than those who do not. The board of an NGO plays a governance role, which means oversight responsibility. In carrying out this role they need to continuously scan the environment and anticipate the future before it arrives by seizing opportunities and recognizing and addressing threats posed by the political, economic, technological and socio-cultural factors in the task environment of the organization (Thaw, 1997). Kemp (1990) however observed that, most NGO boards are pre-occupied with the present and usually reactive than pro-active to change. They often respond to change after the change has taken place (Senge, 1990). Among the responsibilities that board members must assume in carrying out the board's purpose is a responsibility for funding the organization. Specifically, the board is responsible for the funding and financial health of the organization. In this respect, board members have two tasks: give money and raise money. More often than not, however, board members are hesitant to embrace these two activities (Klein, 1996). These two tasks of giving and raising money would ensure financial sustainability.

Financial Sustainability

Broadly, sustainability refers to the ability of administrators to maintain an organization over the long term. However, the definition of financial sustainability may vary widely between for-profit organizations and nonprofits depending on the business structure, revenue structure, and overarching goal of the organization. For both for-profit and nonprofit organizations, financial capacity consists of resources that give an organization the ability to seize opportunities and react to unexpected threats while maintaining general operations of the organization (Bowman, 2011). It reflects the degree of managerial flexibility to reallocate assets in response to opportunities and threats. Financial sustainability refers to the ability to maintain financial capacity over time. Regardless of an organization's status (for-profit or nonprofit), the challenges of establishing financial capacity and financial sustainability are central to organizational function (Bowman, 2011). However, maintaining the ability to be financially agile over the long term may be especially important for nonprofits, given that many of them serve high-need communities that require consistent and continually available services.

According to Bowman (2011), to understand differences in factors relating to financial sustainability between for-profit and nonprofit organizations, it is important to identify and understand the long-term goals of the organization. For instance, the ultimate strategic goal of for-profit organizations is to acquire profit and market share, whereas nonprofits' financial outcomes are merely a means to accomplishing an organization's social mission (Hackler &Saxton, 2007). Thus, a nonprofit organization's ability to pursue its mission (i.e., providing consistent and quality programming and services) and its financial sustainability are inextricability linked. Nonprofits may gain the majority of their revenue from charitable contributions or tax appropriations and measure efficiency and effectiveness of their operations in their success at achieving their social mission, which is their ultimate strategic goal. This in turn, creates public value (Hackler & Saxton, 2007).

However, in contrast to for-profit organizations, nonprofits face the challenge of balancing the need for profitability over the long term as a means to support their programs and services with the need to promote and prioritize their social mission.

A Marketing Plan

The financial sustainability of a nonprofit organization hinges on the success of communicating its organizational mission and services to the community in need of their services, the foundations and government agencies available for support, and donors interested in the cause. Marketing for nonprofit organizations offers the opportunity to define what makes the organization distinctive, what the organization is known for, and why its work is relevant. Nonprofits that approach marketing by appealing to both the heart and head of its audience would be successful at communicating and creating a distinct brand and identity (Williamson, 2009).

In recent years, nonprofit organizations have been capitalizing on the technological and social media boom by increasing marketing efforts in these mediums. Social marketing may not be appropriate for all social missions and may not be appropriate for all nonprofits, as it can be expensive and require the capacity to develop social marketing tools. However, social marketing has been a successful communication tool for nonprofits targeting change in the behavior of people (Williamson, 2009). Utilizing tools such as organizational websites, social media sites, and live feeds of information such as tweets has the potential to keep an organization connected to a community, as well as communicating information about its mission and operations to funders.

However, an outdated website is a poor signal to potential funders who may review the website to gain information on the organization. A potential donor who sees all this stale material is likely to think that the organization is stagnating as well (Bray, 2010). To build information access across the community, agencies should enhance capacity to utilize information technology by providing training, staff, and technology sharing in programs as well as in administration. Despite these potential gains through social media marketing, research suggests that technology is no substitute for face-to-face communication through meetings and conversations, and organizations must partner information technology use with these old-fashioned communication techniques and building a community reputation through good service (Schneider, 2003).

Coherent Fundraising Plan

Nonprofits are negatively influenced by tough economic times, perhaps more so than for-profit organizations, because of their dependence on fundraising and philanthropic giving (Besel, Williams, &Klak, 2011).

Besel, et al (2011), found that four of the nine agencies that required their board members to participate in annual fundraising drives secured over 50 percent of their operating budget from individuals within their service area. This suggests the importance of the emotional connection in fundraising. In turn, challenges around obtaining fundraising dollars may include making an argument for "why this organization" and not another, establishing a social or emotional connection with donors to convince donors why this should be "their problem," and establishing a consistent flow of fundraising dollars.

Bray (2010), stated the following tasks in developing a fundraising plan:

1. Determine a reasonable dollar goal to work toward.

2. Evaluate your organization's greatest fundraising assets.
3. Create a strategy that uses these assets to most effectively reach potential funding sources.
4. Write down your strategy in a short, easy-to-understand document to keep everyone on plan.

In some cases, nonprofit organizations have found success in starting small, particularly in communities where residents may be less familiar with the mission of the organization or where residents may have less to give on a consistent basis. In these cases, the notion of "all donations count" is important. These types of campaigns focus on participation rather than the dollar amount raised, at least in the first year or two. They educate donors about the importance of giving and build a habit for giving, thus laying the groundwork for continued and larger gifts in the future (Bray, 2010).

Fostering Relationships with Donors

Once the initial relationship with donors or investors has been established, there remain challenges associated with continuing the relationship. Community foundations and investors can play key roles in community development and promoting the mission of the nonprofit organization by identifying the niche opportunities in their communities and acting as conveners (Carman, 2010).

However, investors expect to see returns on their investments (Rasler, 2007). In the nonprofit sector, this return on investment does not come in the form of shares of stock or legal claims on assets, but rather through a demonstration that the money invested has made an impact on the social mission of the organization. Therefore, nonprofits are charged with identifying what investors expect to see from nonprofits and communicating this information in a clear and consistent manner. When fostering a relationship with investors, it is important to recognize that the way nonprofits communicate value to investors is just as important as what is communicated (Rasler, 2007).

Providing a clear connection between the financial supports given by investors and the impact on program and service delivery will allow investors to see the impact of their investment. Credibility is also key part of developing a relationship with investors and can be established and maintained by presenting results of investments (e.g., outcomes of services, number of community members served, etc.) that are independently verifiable and replicable. Finally, establishing open lines of communication with investors that help align investors' priorities with a nonprofit's social mission may help foster a relationship built on trust and transparency. As a result, investors may be motivated to continue financial support for nonprofits in the long term.

The Nonprofit Brand

Much like for-profit organizations, nonprofit organizations depend on marketing and branding efforts to help promote and sustain their programs and services. However, competing expectations from multiple external funding sources, as well as the motivation to address diverse social challenges within a community, often leads many nonprofits to a disparate social mission. It is important to establish a nonprofit “brand” that clearly and consistently communicates the mission of the organization and the services provided in a way that differentiates it from alternative nonprofit or for-profit organizations (Kirk & Nolan, 2010).

One component of establishing an organizational brand involves defining and developing the organizational mission, and in the case of nonprofits, the social mission. A brand embodies a set of characteristics that individuals external to the organization believe will be delivered consistently, and it can convey a nonprofits position in the community as well as the general market (Renz, 2010). McDonald (2007) notes, a clear, motivating organizational mission help an organization to focus its attention on those innovations that will most likely support the accomplishment of that mission. Such a mission also creates a climate in which innovations are given a fair chance to succeed. As a result, firms with clear, motivating missions tend to be more innovative.

The development of a sufficiently clear and compelling mission statement can guide the strategic plan of the entire organization. In an exploratory study examining attributes of mission statements in women’s rights nonprofit organizations, Kirk and Nolan (2010) found that mission statements with a more focused geographic scope were associated with lower overhead ratios, whereas mission statements that identified more target client groups were associated with larger increases in contribution.

Oftentimes, nonprofit organizations strive to be as broad and far-reaching as possible as a means of having a larger impact. However, this approach often results in a lack of focus, challenging the operations of an organization that may not have the capacity to operate so many moving pieces. Instead, McDonald (2007) suggests that the nonprofit organization's mission should be made as clear and fundamental as possible and stated in such a way as to motivate employees who read it.

Once a nonprofit organization establishes its organizational mission, it is essential to periodically revisit the mission and ensure that programs and services remain in line with the identity of the organization. When a nonprofit organization's priorities and activities deviate from the organizational mission, they are said to be experiencing mission drift. Mission drift is caused in part by external funders (i.e. chasing the funding) (Bennett &Savani, 2011).

On the positive side, flexibility around funding and contract work allows a nonprofit organization to expand its services and programs to the community. However, these advantages rarely outweigh the costs of deviating from the social mission, particularly if the capacity to deliver quality programs and services is diminished. As a result, mission drift may result in the distortion of nonprofits' activities, cause difficulties with donor/funder relations if the original relationship was established prior to mission drift, and result in possible financial destabilization (Bennett & Savani, 2011).

Foundations and other donors increasingly want access to up-to-date information about an organization's operations and finances and how the organization is collecting the information. Put bluntly, they're tired of seeing the ad hoc, often questionable data that many nonprofits throw together at reporting time (Bray, 2010). Accountability for nonprofit organizations is both a legal and ethical obligation for organizations that use resources received to further their charitable mission (Gordon, Khumawala, Kraut, & Neely, 2010)

Accountability may encompass a full report of activities as well as justification for the way resources are managed (Gordon et al., 2010). Research has established a clear connection between the clarity of an organization's mission and strategies and how well a performance measurement program works (Zimmerman &Stevens, 2006). Establishing a system to track information about operations and communicating this information using simple and accurate reports will improve an organization's ability to determine the profitability of programs, to evaluate outcomes and impact of programs and services, and to streamline budgeting efforts (Bray, 2010). Within the past decade, funders have begun to require more detailed documentation of outcomes from agencies seeking their support (Zimmerman & Stevens, 2006)

Building the capacity to track operations in this way and communicating it directly to funders is imperative if nonprofit organizations expect to establish financial support. However, accountability efforts place heavy demands on some nonprofits that need the funding but lack the staff time to develop and maintain comprehensive outcome measurement programs (Zimmerman &Stevens, 2006). The following are highlights of high-impact accountability practices that speak most clearly to program improvement and may help nonprofits strategically focus efforts on demonstrating value.

Programme Evaluation

Bell, Masoka and Zimmerman (2010), provide a framework for evaluating sustainability in nonprofits using a dual bottom line that determines sustainability based on the financial profitability and mission impact of the programs and services currently offered. Profitability is based on the direct costs of the program, a percentage of common or shared costs, and a percentage of administrative costs.

In contrast to profitability, the “calculation” of mission impact is less clear-cut, and determining which programs have high mission impact may prove difficult for many nonprofits that do not have capacity in place to support structured program evaluation. In most cases, the programs implemented by nonprofit organizations align with the mission in some form and often align with funding priorities of foundations and government agencies.

In an effort to remove some of the subjectivity in evaluating the impact of programs and services, these seven criteria for evaluating relative impact that have been tested in nonprofits: (a) alignment with core mission, (b) excellence in execution, (c) scale or volume, (d) depth, (e) filling an important gap, (f) community building, and (g) leverage. The authors recommend using up to four of these criteria to evaluate the specific programs and services offered by the nonprofit organization. Organizations then rate each program or service according to the seven criteria using a 1–4 rating, where 1 = not much impact; 2 = some impact; 3 = very strong impact; and 4 = exceptional impact. These criteria are designed to be a “structured reflection” and may be done as a group exercise.

There is also an opportunity to assign weightings to the criteria selected if some criteria are more important to the organization (Bell et al, 2010).

Once the profitability and impact of each program or service have been calculated, plotting each program as a circle on a matrix map, with the mission impact and profitability along different axes, will help nonprofits visualize the role that each of their programs plays in the dual-bottom line and aid in determining which programs that may be hindering long-term sustainability (Bell et al, 2010). In addition to mapping the programs, sizing the circles based on the expenses associated with them may provide insight into the resources coming from and going to these programs and activities.

Prior to closing a program or activity, it is important that management closely examine whether the allocated revenue covers the direct expenses; and if it does, next examine the program's impact on the direct costs as well as the potential impact, if any, the program has a common or administrative costs (Bell et al,2010). Programs that have high impact but low profitability have been characterized as "soul of the agency" programs. These are programs that have a large mission impact but that are losing money. The strategic imperative is to keep the "soul of the agency" program but to control its costs. Controlling costs may take the form of reducing the number of services offered or setting limits on the degree to which the organization can subsidize the program. Additionally, decisions about the scale of these programs will depend on the number of programs or services that fall into this category (Bell et al,2010). A program or service with low mission impact but high profitability should be kept and maintained, with an eye toward increasing its impact. The resources generated from these activities and services help to subsidize the programs and services with high mission impact and low profitability. High-impact, high profitability programs are critical to an organization's growth. Bell et al (2010) caution against the tendency to focus efforts on strengthening weaker programs while taking for granted high-performing programs. Instead, investing additional time, attention, or money in programs that are both profitability and demonstrate high mission impact allows nonprofits to gain a better understanding of their constituents' needs and may identify factors of success that may inform less-profitable or lower-impact programs.

Annual Reports

Annual reports are one important communication device through which nonprofit entities can satisfy their duty to be accountable to donors and the public at large (Gordon et al., 2010).Evidence from academic studies suggests that donors respond to accounting information in making their giving decisions (Parsons, 2007). However, nonfinancial performance information is often the most interesting part of the annual report for the lay public and very relevant to any decision to support a nonprofit organization through donations or volunteering. Gordon et al,(2010) outlined five best practice recommendations for annual reports in the nonprofit sector:

1. Completeness: Include the complete audited or reviewed financial statements in the annual report.

2. Accessibility: Make annual reports readily available to investors and other parties of interest. Ostensibly, annual reports, no matter how complete, will not be used if not easily obtained.
3. Transparency in Financial Reporting: Provide reports of voluntary and required financial information that allow the user to “see through” the numbers and understand the underlying activities and events portrayed.
4. Full Disclosure: Present enough information in annual reports to ensure that a reasonably informed and prudent financial statement user will not be misled.
5. Relevance: Provide information outlining the achievements related to organizational mission. This is the most relevant information a nonprofit can provide to its stakeholders. For donors and funders, what an organization does (its mission) is the most important motivating factor when it comes to giving.

A strategic fundraising plan provides an opportunity to examine what is working well and where there are opportunities for improvement, encourages nonprofits to set specific goals, and motivates nonprofits to make a commitment to focus on the big picture. Developing the fundraising plan should be integrated into other planning efforts, such as strategic planning, programme planning, and budgeting (Bray, 2010).

Strategic Planning

The word strategic planning has its root in the military (Blackerby, 1994). By the mid 18th century, strategy was a word used by military officers to make a distinction between the conduct of war and all the preparations that took place before the battle. The strategy referred to the preparations (Smillie & Hailey, 2001). It was thought proper preparation is a pre-requisite for success on the battlefield.

The first attempt to formalize how organizations can make preparations to deal with the future was attempted by Henri Fayol in 1916 (Robson, 1997). In the 1920's, Harvard Business School develop the Harvard Policy Model, one of the first strategic planning methodologies for the corporate world. It was not until the mid 1950's and 1960's when the expansion of both organizations and business opportunities demanded a systematic way of looking at the future. It was around this time that the concept of strategy first appeared in organizational theory as a military metaphor (Hatch, 1997). This time strategic planning focus shifted from organizational policy and structure towards management of risk, industry growth and market share (Blackerby, 1994). This led to the birth of long range planning; the purpose was to define the organization's objectives and allocate resources to achieve them. A key activity was to identify a gap between envisioned organization and the current organization (Robson, 1997).

In the 1970's, strategic planning as a term replaced long range planning with the recognition that trends have the potential to change. Strategic planning did not incorporate the assumption that adequate growth could be assured but rather concerned with market competition.

Robson (1997), however noted that despite the difference between long range planning and strategic planning, they were both based on three key assumptions.

1. Environmental forecasting is sufficiently accurate to predict the future.
2. Strategy formulation is a rational process.
3. The behavior dimension can be ignored.

Until the 1980's strategic planning remained mostly in the private sector principally concerned with customers, marketing, industry growth, market share and risk management (Blackerby, 1994). The adoption of strategic planning in NGOs is even recent (Kemp &Kemp, 1992; Wallace, 1997). This accounts for the low level of understanding and practice of strategic planning among NGOs.

Drucker (1974) defines strategic planning as the planning for an organization's future that includes setting major overall objectives, the determination of basic approaches to be used in pursuing these objectives and the means to be used in obtaining the necessary resources to be employed. Adair (2002), emphasizes that strategic planning is about determining what is important in the long term for the organization. Thinking in an NGO leads to identification of the organization's ideal picture of the organization's destination. Strategic planning leads to the development of plans that will enable the organization to realize its ideal picture. It may range between 3-20 years. The end product of strategic planning is the production of strategies which the organization will implement (Adair, 2002).

Definition of Strategy

Drucker (1974) defines strategy as the basic approach to achieving the organization's overall objectives. A strategy is an integrated and coordinated set of commitments and actions designed to exploit core competencies and gain a competitive advantage. When choosing a strategy, firms make choices among competing alternatives as the pathway for deciding how they will pursue strategic competitiveness. In this sense, the chosen strategy indicates what the firm will do as well as what the firm will not do.

Ansoff (1998) posits that there are two types of plans which emanate from goals and objectives and the strategies designed to achieve their operational plans and strategic plans. The operating plans are implemented by the different units in an organization while strategic plans are implemented through projects.

Operational planning focuses on scheduling, internet co-ordination, production and marketing, budgets and administration, schedules and project campaigns, recruitment and redundancy, formulating advertising campaigns, etc.

Strategic plans on the other hand derive from the company's overall corporate strategy, from observed gaps between necessary outcomes and resources. The strategic plan is wider in scope and will have longer term frames than tactical/operating plans. Hence, the overall purpose is to assess the future implications of current decisions, to develop a framework for adjusting operations to changes in the wider environment, and to link and control the various dements of complex organizations.

Kotelnikov (2007) came up with the three hierarchical levels of enterprise strategy. An enterprise strategy is concerned with the match between the company's internal capabilities and its external environment. He posits that the three levels of strategy comprise: corporate strategy, business strategy and functional strategy

The corporate strategy is divided into two models namely:

1. The strategy pyramid – This is an old-strategy based model involving a top-down approach to planning. This usually begins from vision, mission, goals, strategies, and tactics down to action plans.

2. The strategy stretch – This is a modern-strategy based model involving both top-down and bottom-up approaches. This involves the interrelationship between the strategic intent, challenges and opportunities. It involves an opportunity-driven approach, which is characterized by: unknown environment, unstable environment, need for rapid growth, need for change and acceptance of uncertainty, building on new competencies, capabilities, products, markets and established capacity for flexibility, corporate venturing and speed.

The functional strategy basically deals with strategy innovation involving all employees, radical, fast and adaptive approach. Companies pursuing a workable strategic plan usually assign small teams of top executives to set their goals using a rigorous planning process. Typically these teams start with a thorough analysis of their industry, markets, customers, products, and services, competitors and internal strengths and weaknesses. Most use a top down process, but some combine this with a bottom-up approach that enables middle management to bring their local knowledge into the process. Such a flexible approach helps build middle-manager ownership and motivation (Aguilar, 2003).

Aguilar (2003) further pointed out that once the planning team has developed actionable goals, they 'cascade' these goals down through the company. At each level, the planning team works with operational management to determine specific actions and priorities. By bringing operational management into the planning process, the company's leadership gains buy-in and ensures that staff at all levels knows what must be done. By so doing, management gains a clear understanding of what success looks like and how it will be measured. Ultimately, everyone knows his or her goals and is accountable for achieving them.

In the NGO sector, Smillie and Hailey (2001) identify three corresponding levels of strategy as: overall strategy for the NGO, divisional strategy e.g. an agricultural programme and service level strategy e.g. the credit part of the agricultural programme. In practice these levels may not be distinct especially in a small organization like in many NGOs.

Strategic planning for NGOs

Strategic planning is the process an organization goes through to consciously position itself in its task environment by proactively responding to the opportunities and threats offered by the task environment while taking a long term perspective (Drucker, 1974). The challenges facing NGOs in their efforts to strategically position themselves in their task environment can be summarized as having to do with sustainability, legitimacy and relevance (Hatch, 1997). Strategic planning therefore aims at helping the organization to respond proactively to the challenges and opportunities in the task environment especially with regards to fundraising (Atack, 1999).

According to (Kotler 2004), an idea that is not dangerous is hardly worth calling an idea. The same can be said of a strategic plan. A great plan provokes. It takes chances. This eventually attracts customers and the market to one's brand. Therefore, there is a need for effective strategic planning in an organization.

Kotler, (2004), defined strategic planning is the managerial process of developing and maintaining a viable relationship between the organization and its environment, through the development of corporate purpose, objectives and goals, growth strategies and business portfolio plans for company-wide operations. Strategic planning he said is also seen as a company's planning process towards what it wants to achieve in the long-term. It must convey a significant stretch for the company, a sense of direction, discovery and opportunity that can be communicated as worthwhile to all employees. It should not focus so much on today's problems but rather on tomorrow's opportunities (Kotelnikov, 2007).

According to Fashoyin (2005), corporate planning is fundamental to all organizations. It involves the visualization and determination of a future course of actions that will lead on organization to achieving its desired objectives; that is the setting of objectives and the determination of how to achieve those objectives.

"Strategic planning can be viewed as a broad managerial process of developing a vision, mission statement, goals and objectives with which to serve as influential guides to employees using the top bottom management approach" (Warner, 2002,p. 169).

Vision

The vision is the image of itself in the future (Kazmi 2006). In other words vision is a picture of what the firm wants to be and, in broad terms, what it wants to ultimately achieve. Thus, a vision statement articulates the ideal description of an organization and gives shape to its intended future. In other words, a vision statement points the firm in the direction of where it would eventually like to be in the years to come. Vision is "big picture" thinking with passion that helps people feel what they are supposed to be doing in the organization. People feel what they are to do when their firm's vision is simple, positive, and emotional. However, an effective vision stretches and challenges people as well. It is also important to note that vision statements reflect a firm's values and aspirations and are intended to capture the heart and mind of each employee and, hopefully many of its other stakeholders (Becker & Gerhart, 1996).

According to Warner (2002), a vision as a short, succinct, and inspiring statement of what the organization intends to become and to achieve at some point in the future, often stated in competitive terms. Strange and Mumford (2002) makes the point that a vision involves a set of beliefs about how people should act, and interact, to make manifest some idealized future state. They further argued that a vision may contain commitment to creating an outstanding value for customers and other stakeholders; developing a great new product or service; and/or developing a great company. However according to Rungtusanatham and Salvador (2008), most vision statements are either too vague, too broad in scope, or riddled with superlatives.

Mission

Kazmi (2006) looks at a mission statement as an organization's vision translated into written form. It makes concrete the leader's view of the direction and purpose of the organization. The major outcome of strategic planning and strategic road-mapping, after gathering all necessary information, is the setting of goals / objectives for the organization, based on its vision and mission statement.

Organizational Objective

According to Boachie- Mensah and Marfo-Yiadom (2008), organizational objective is a target that the organization is attempting to reach. Organizational objectives are the end points of the organization's mission and what it seeks through the ongoing long term operations of the organization. By this, the organization's mission is turned into a finer set of specific and achievable targets.

Thompson and Strickland (1998) emphasized that unless an organization's long term direction and business mission are translated into specific performance targets and managers are pressured to show progress in reaching these targets, vision and mission statements are likely to end up as nice words, window dressing and unrealized dreams of accomplishments. According to Becker, Huselid, Pickus& Spratt (1997), objectives provide the foundation for planning, organizing, motivation and controlling human resource of the organization.

Human Resource Management

The strategic human resource management (SHRM) agenda lies in recognizing people as the strategic resource, giving people issues their relevant place in strategy formulation and implementation. The focus of attention in HRM research in recent years has been more on linking HRM practices with business strategy and organizational performance (Khatri, 2000).

Direct linkage between HRM practices and organizational financial performance has always been a matter of concern in HRM research. Delery (1998) states that higher level outcomes, operational performance and financial performance, are influenced by the increasing complexity of factors.

The operational performance of an organization is a function of people, process and technology. For effective interaction of people with technology and process, the people in the organization have to be competent enough, with the required knowledge, skill and abilities (Curtis, Hefley & Miller, 1995). Competence of the individual is an important factor that decides operational effectiveness in terms of providing quality products and services within a short time (Wynekoop & Walz, 2000). HRM practices such as selection, training, work environment and performance appraisal may enhance the competence of employees for higher performance (Pfeffer, 1998).

Apart from interaction with technology and process, interaction with people working within groups and the synergy of such effective teamwork decides the operational success (Curtis et al., 1995). People no longer work in isolation as solitary individuals without interpersonal interaction. For better results, effective synergic interaction in the work group is a necessary requirement. In order to bring lasting and better results, people within should extend beyond the individual and workgroup levels and identify with the organizational aspirations in order to make an effective contribution (Romzek, 1989). The individual identifying with the organization with a set of values determines the organizational culture.

Organizational Culture

Organizational culture refers to the complex set of ideologies, symbols, and core values that are shared throughout the firm and that influence how the firm conducts business. It is the social energy that drives or fails to drive the organization. The relationship between organizational culture and strategic leaders' work is reciprocal in that the culture shapes how they work while their work helps shape an ever-evolving organizational culture (Boudreau, & Ramstad, 1997)

Kootz and Weihaich (1998) emphasized that various steps taken by organizations in the formulation of their strategies may differ, but the process of strategic formulation can be built, at least conceptually, around some key thematic areas. Medium to long range plans and their implementation should be considered while also testing the plans for consistency as well as providing contingency plans. Generally speaking, a strategic planning process should include some or all of the following:

1. Formulation of corporate/strategic mission of the organization;
2. Establishing of strategic objectives in quantitative terms;
3. Establish corporate performance target;
4. Internal appraisal that is company's available resources and performance;
5. External appraisal via environmental analysis and survey;
6. Future performance forecasting;
7. Analysis of gap between corporate performances forecasting future performance;
8. Strategies identification and evaluation to bridge performance gap in order to meet strategic objectives;
9. Selection of the best alternative strategies;
10. Preparation of the final corporate/strategic plan and
11. Evaluation of actual performance against corporate plan.

The type of organizational structure prevalent in a particular organization determines the context, the level and the complexity of the organization.

Organizational Structure

An organizational structure refers to the internal differentiation and the fashioning out of relationships that will co-exist in an organization. An organizational structure must be designed to work, to permit contribution by members of a group and to help gain objectives efficiently in a changing future environment. One method of looking at an organizational structure is to dissect it into a number of characteristics such as centralization/ decentralization, span of control or degree of formalization and examine interrelationship with the environmental variables. Another method is to describe it as s set of characteristics that fit together to form effective organization. Mintzberg's (1993) simple, machine, divisionalized, professional, adhocracy, mechanistic and organic structures are examples of this latter method. According to Molomo and Somolekae (1999), the key weakness of NGOs in Africa is the inappropriate organizational structures which impact the manner in which NGOs carry out their core business.

Planning and Performance Measurement

The strategic planning and performance relationship has been the focus of several studies over the last three decades (Klein, 1981). Jenster and Overstreet (1990) found a positive relationship between planning and performance. Performance is the yield or result of activities carried out in relation to the purposes being pursued. Its objective is to strengthen the degree to which organizations achieve their purposes. To effectively implement the strategic plan, management must know if the plan's goals are being achieved on time and with the allocated resources. Getting the right answers means having the right performance measurement framework. One cannot begin to manage performance until one can accurately measure it (Klein 1981)

Aguilar (2003) posits that, at most companies, the problem is not a lack of measures, most have too many but a lack of focused and effective measures. The challenges in selecting the right measures which includes choosing the right leading and lagging indicators, benchmarking entails feedback, control, identifying gaps and putting strategies in place to fill the gaps against competitors, balancing financial and non-financial measures, and using an appropriate number of measures. Performance measures at best practice companies tend to be few and focused and have clearly defined targets. For an effective and successful adoption and implementation of strategic planning in the NGO sector requires some amount of adaptability.

Adaptability of Strategic Planning to the NGO Sector

Formally strategic planning was designed for the private sector. Lindenberg (2001) studied the use of several strategic planning models and techniques in CARE international from 1992 to 1997. He concluded that in order to enhance their usefulness most models and techniques, which were originally developed for the private sector, need some modification for the NGO sector.

Below are some of the differences between for profit and not for profit organizations which may inform the needed modifications in the practice of strategic planning in the NGO sector;

1. The bottom line in business organizations is profit. The bottom line in the NGOs is identified as performance. NGOs see social change as the ultimate goal of their activities, defined broadly to mean a world without

poverty, violence, injustice and discrimination (Edwards, 2002). Profits are easy to measure while performance in NGOs is not easy to measure (Drucker, 1990).

2. In the business organization, vision means how the organization wants to see itself in the future or what the organization would look like if it becomes one with its ideal. In NGO vision is defined as the change the people in the organization would like to see in the lives of the people the organization serves.

1. Unlike in business, performance measurement criteria are not often clear; therefore difficult to implement performance based reward and punishment systems in NGOs (Wheelan & Hunger, 1992).

2. Fowler (1997) observed the multiplicity of stakeholders in the NGO sector. Businesses have one primary stakeholder who is the customer while the NGOs have to manage multiple stakeholders who had their own interest and expectations from the organization. It can be concluded that while businesses have only one bottom line, the customer, NGOs have multiple bottom lines and is not easy to judge which bottom lines are more important than the others (Vivian, 1994).

Strategic Planning Process

The strategic planning process starts with an enterprise profile determining where the company is and where it should go. This profile is designed by top management while the goals and objectives are the end point towards which enterprise activities are directed. The environment, that is, the present and the future must be assessed in terms of opportunities and threats as well as looking inwards at its strengths and weaknesses. Also, an audit of the internal/external environment and evaluation with respect to the company must be taken. Strategic alternatives are then developed on the basis of internal/external environment.

Scanning entails the study of all segments in the general environment. Through scanning, firms identify early signals of potential changes in the general environment and detect changes that are already under way (Steward, May & Kalla, 2008). Scanning often reveals ambiguous, incomplete, or unconnected data and information. Thus, environmental scanning is challenging but critically important for firms, especially those competing in highly volatile environments (Schwarz, 2008). In addition, scanning activities must be aligned with the organizational context; a scanning system designed for a volatile environment is inappropriate for a firm in a stable environment (Leiponen, 2008.)

The general environment is composed of dimensions in the broader society that influence an industry and the firms within it (Fahey, 1999). These dimensions are group into seven environmental segments: demographic, economic, political/legal, socio-cultural, technological, global, and physical. Because firms cannot directly control the segments of their external environment, successful ones learn how to gather the information needed to understand all segments and their implications for selecting and implementing the firm’s strategies. Analyzing the external environment is a difficult, yet significant, activity (Lamberg, Tikkanen, Nokelainen & Suur-Inkeroinen, 2009). Identifying opportunities and threats is an important objective of studying the general environment.

Strength, Weakness, Opportunity, Threat (SWOT Analysis)

SWOT analysis is based on the assumption that managers can better formulate a successful strategy after they have carefully reviewed the organization's internal resources (strengths and weaknesses) and its external situation (opportunities and threats). SWOT analysis emphases that organizational strategies must result in a good 'fit' between the organization's internal and external environments. Thus, a good fit maximizes strengths and opportunities and minimizes its weaknesses and threats (Pearce & Robinson, 2000).

Strength is something an organization is good at doing or a characteristic that gives it enhanced competitiveness. As Thompson and Strickland (2005) suggest, strength can take any of these forms:

1. A skill or expertise- technological knowhow, proven track record, good customer service.
2. Valuable physical assets- state of the art plants and equipments, attractive location.
3. Valuable human assets- an experience and capable work force, talented employees, motivated staff, collective learning and build up overtime.
4. Valuable intangible assets-brand name image, organizational reputation, employee loyalty, goodwill, positive work climate and organizational culture.

Organizational strength thus arises from the resources and competencies available to it. Taken together, an organization's strength is determined by the complement of resources with which it competes.

Weakness is a limitation or deficiency in one or more resources or competencies in comparison to competitors that impedes an organization's effective performance. Thompson and Stickland (2005) posits, an organization's weakness can relate to:

1. Deficiencies in competitively important skill or expertise/
2. Lack of competitively important physical assets, human or intangible assets.
3. Missing or weak competitive capabilities in key areas.

A weakness may or may not make an organization competitively vulnerable; depending on how important the weakness is to the success of the organization and whether it can be overcome by the resources and strengths of the organization.

Resources, capabilities, and core competencies are the foundation of competitive advantage. Resources are bundled to create organizational capabilities. In turn, capabilities are the source of a firm's core competencies, which are the basis of competitive advantages (Spencer, 2008). Broad in scope, resources cover a spectrum of individual, social, and organizational phenomena (Engardio, 2009). Typically, resources alone do not yield a competitive advantage. In fact, a competitive advantage is generally based on the unique bundling of several resources (Srivastava, 2009).

Capabilities exist when resources have been purposely integrated to achieve a specific task or set of tasks. These tasks range from human resource selection to product marketing and research and development activities. Critical to the building of competitive advantages, capabilities are often based on developing, carrying, and exchanging information and knowledge through the firm's human capital. As a result, capabilities often evolve and develop over time. The foundation of many capabilities lies in the unique skills and knowledge of a firm's employees and, often, their functional expertise. Hence, the value of human capital in developing and using capabilities and, ultimately, core competencies cannot be overstated (Welch, 2009).

When monitoring, analysts observe environmental changes to see if an important trend is emerging from among those spotted through scanning. Critical to successful monitoring is the firm's ability to detect meaning in different environmental events and trends (Fahey, 1999). Effective monitoring requires the firm to identify important stakeholders as the foundation for serving their unique needs (Jones, Felps & Bigley, 2007). Scanning and monitoring are particularly important when a firm competes in an industry with high technological uncertainty (Leiblein & Madsen, 2009).

An opportunity is a condition in the general environment that if exploited effectively, helps a company achieve strategic competitiveness. Thompson and Strickland (1998) emphasized that market opportunity is a big factor in shaping an organization's strategy. Indeed, managers cannot properly tailor their strategy to the organization's situation without first identifying each organizational opportunity, appraising the potential and benefits and then crafting strategic initiatives to capture it. Pearce and Robinson (2000) observed that, key trends are one source of opportunity identification which could previously be overlooked.

Athreatis a condition in the general environment that may hinder a company's efforts to achieve strategic competitiveness. Threats therefore are impediments to the organization's current or desired position. The factors in the external environment that may pose as threats includes unfavorable demographics, revised regulation that is more worrisome to the organization, political upheavals, donor or stakeholder fatigue among others (Gartner, Shaver, & Liao, 2008).

Stakeholders are the individuals and groups who can affect the firm's vision and mission, are affected by the strategic outcomes achieved, and have enforceable claims on the firm's performance (Bosse, Phillips, & Harrison, 2009). Claims on a firm's performance are enforced through the stakeholders' ability to withhold participation essential to the organization's survival, competitiveness, and profitability (Donaldson & Lorsch, 1983). Stakeholders continue to support an organization when its performance meets or exceeds their expectations (Sharma & Henriques, 2005). Also, research suggests that firms that effectively manage stakeholder relationships outperform those that do not. Stakeholder relationships can therefore be managed to be a source of competitive advantage (Mackey, Mackey, & Barney, 2007).

Although organizations have dependency relationships with their stakeholders, they are not equally dependent on all stakeholders at all times and as a consequence, not every stakeholder has the same level of influence (Barnett & Salomon, 2006,). The more critical and valued a stakeholder's participation, the greater a firm's dependency on it. Greater dependence, in turn, gives the stakeholder more potential influence over a firm's commitments, decisions, and actions. Managers must find ways to either accommodate or insulate the organization from the demands of stakeholders controlling critical resources (Kuhn, 2008). First, a firm must carefully identify all important stakeholders. Second, it must prioritize them, in case it cannot satisfy all of them. Power is the most critical criterion in prioritizing stakeholders. Other criteria might include the urgency of satisfying each particular stakeholder group and the degree of importance of each to the firm (Bakker & Hond, 2008).

For a business to succeed in the long run, the expectations of three stakeholders – shareholders, customers and employees – need to be satisfied. The Eastman Kodak business model links employee attitudes and behaviours with customer satisfaction and customer satisfaction with shareholder satisfaction. If even one of the components breaks down, the system cannot work (Yeung & Berman, 1997).

Scanning and monitoring are concerned with events and trends in the general environment at a point in time. When forecasting, analysts develop feasible projections of what might happen, and how quickly, as a result of the changes and trends detected through scanning and monitoring (Fahey, 1999).

The objective of assessing is to determine the timing and significance of the effects of environmental changes and trends that have been identified.

Through scanning, monitoring, and forecasting, analysts are able to understand the general environment. Going a step further, the intent of assessment is to specify the implications of that understanding. Without assessment, the firm is left with data that may be interesting but are of unknown competitive relevance (Bierly, Damanpour, & Santoro, 2009). Thus, although gathering and organizing information is important, appropriately interpreting that intelligence to determine if an identified trend in the external environment is an opportunity or threat is equally important (Sutcliffe & Weber, 2003). The quality of the planning and implementation process is dependent on the human resource of the organization.

Theoretical Framework

Every NGO has a vision which must be in consonance with the vision of the society in which it operates. To achieve the vision, the NGO undertakes strategic planning taking into consideration its resource. The NGO's resources can be its strength if high and of good quality or be its weakness if low and of poor quality relative to that of other organizations.. The external environment is made up of technology, stakeholders, change, networking which can be an opportunity or a threat to the organization. The strength, weakness, opportunity and the threat are taken into account during the planning process which would result in choosing a strategy to be adopted during the fundraising. The strategy is implemented using the organizational structures through management, resulting in fundraising-income.

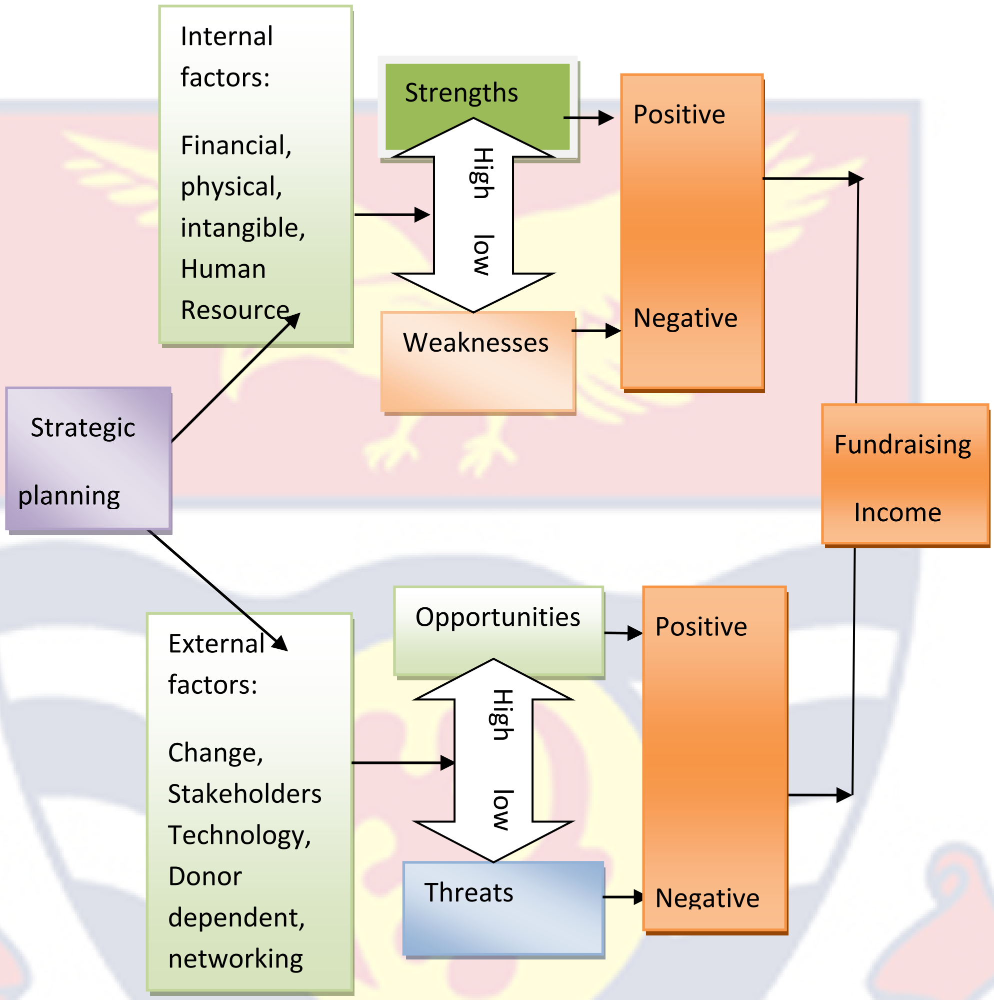

Figure 1: Strategic Planning and fundraising relationship

Source: The Researcher's Construct.

CHAPTER THREE

METHODOLOGY

Introduction

This chapter describes and justifies the methods and processes that were used to collect data in order to answer the research questions. The chapter also focuses on the research design adopted, sampling techniques, the key study variables and units of analysis.

Profile of the Study Area

The Greater Accra Region is the study area which was chosen because of its cosmopolitan nature likely to be representative of any region in Ghana.

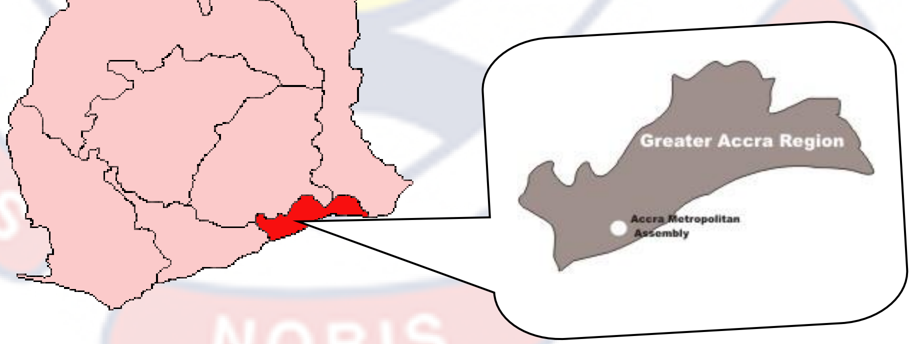

Figure 2: Map of Greater Accra Region

Source: LaVerle, (1995)

In 1960, Greater Accra then referred to as Accra capital district, was geographically and legally part of eastern region. It was however administered separately by the minister responsible for Local Government with effect from 23 July 1982 as created by the Greater Accra Region Law (PNDCL 26) as a legally separate region. The Greater Accra Region is bordered on the north by the Eastern Region, on the East by the Lake Volta, on the south by the Gulf of Guinea and on the west by the Central Region and is the smallest of Ghana's 10 administrative regions in terms of land area occupying a total land surface of 3,245 square kilometers or 1.4% of the total land area of Ghana.

In terms of population however, the region has the highest population density of 1,200/km, the second most populated region after Ashanti Region with a population of 4,010,054 accounting for 16.3% of Ghana's total population according to 2010 Census figures (Ghana Statistical Service, 2010). The Greater Accra currently harbours the seat of government in Accra.

The political administration of the region is steered through the local government system which is made up of two metropolitan, seven municipal and seven districts namely Accra Metropolitan, Tema Metropolitan, Adenta Municipal, La Dade Kotopon Municipal, Ga East Municipal, Ga West Municipal, Ga South Municipal, Ashiaman Municipal, Ledzokuku- Krowor Municipal, Dangme East District, Ningo Prampam District, Ga Central District, Ada West District, Kpone Katamanso District, Shai Osudoku District, La Nkwantanang Madina District Assemblies. Each district, municipal or metropolitan area is administered by a Chief Executive, who represents the central government.

Research Design

A research design is a systematic plan to study a scientific problem. The design of a study defines the study type, data collection, and statistical analysis plan. It is the framework that is created to seek answers to the research questions.

The study employed correlational and regression study approaches because I sought to explore relationship between the dependent and the independent variables as well as the interdependency of the independent variables. According to Whitley (1996), the close ended questions require the respondents to select one from a list of choices provided by the researcher. The response options can be chosen to represent or measure the presence or the absence of characteristics of interest to the researcher which are designed to be easily quantified.

Study Population

The study population was made up of registered and active NGOs having identifiable physical location and/or telephone numbers provided with their details. I obtained a list of these NGOs from the Social Welfare Department which provided the sampling frame. The simple random sampling assumes that the method used to draw the research sample provides a reasonable cross section of the study population in terms of personal characteristics such as sex, race, age and so forth, which are important to the research (Whitley, 1996)

Sample Size

An important concern that usually arises when designing a statistical study is how large should the sample be. If the sample is too large, money, effort and time would be wasted collecting data. Similarly, if the sample is too small, the resulting conclusions would be uncertain. An optimum size is required which fulfills the essentials of efficiency, representativeness, reliability, and flexibility. According to Akhilesh & Balasubrahmanyam (2009), the following factors should be considered while deciding on the sample size:

1. The size of the population.
2. The resource available.
3. The degree of accuracy desired.
4. Homogeneity or heterogeneity of the population.
5. Nature of the study.
6. Method of sampling adopted.
7. The nature of respondents.

Frankfort-Nachmias and Nachmias (1996) maintained that the researcher can draw precise inferences on all units based on relatively small units when the units accurately represent the relevant attributes of the whole unit. Tabachnick and Fidell (2007) gave a formula for calculating the sample size required for multiple regression analysis taking into account the number of independent variables. It is $n > 50 + 8m$, where m is the number of independent variables. Stevens (1996) also recommends that, for social science research, about 15 participants per predictor are needed for a reliable equation. We took all these factors into consideration and decided on a sample size of 150 drawn using tables of random numbers for the study.

Sampling Procedure

According to Akhilesh & Balasubrahmanyam (2009) sampling is based on two important laws:

1. The law of statistical regularity
2. The law of inertia of large numbers

The law of statistical regularity which says that, a moderately large number of items chosen at random from a large group are almost sure on the average to possess the characteristics of the large group to which they belong. It is therefore worth noting that apples of the same tree may vary in size, colour, taste, weight etc but can always be identify as apples. Thus, although diversity is a universal quality of mass data, every population has characteristic properties with limited variation.

The law of inertia of large numbers which says that, all things being equal, the larger the size of the sample, more accurate the result are likely to be. The difference in the aggregate result is likely to be insignificant, when the number in the sample is large. This is because the variations in the component parts tend to balance each other. Therefore if sample results were to have any worthwhile meaning, it must possess the following essential qualities:

1. Representativeness- the sample should be so selected that it truly represents the universe, otherwise the result obtained may be misleading.

2. Adequacy- the size should be adequate; otherwise it may not represent the characteristics of the universe.

3. Independence- the selection of a particular item in one draw has no influence on the probabilities of selection in any other draw.

4. Homogeneity- that there is no basic difference in the nature of units of the universe and that of the sample.

According to Mason, Lind & Marchal (1999), some of the reasons why sampling is necessary are:

1. The physical impossibility of checking all items in the population.
2. The cost of studying all the items in a population.
3. The sample results are usually adequate.
4. Contacting the whole population would often be time-consuming.
5. The destructive nature of certain tests.

Kumar (1999) explains that a sample is a sub-group of the population which is an ideal representative of the entire population. Researchers usually cannot make direct observations of every individual in the population they are studying. Instead, they collect data from a subset of individuals (a sample) and use those observations to make inferences about the entire population (Zickmund 1991 as cited in Muzinda 2007).

The main advantages of simple random sampling are:

1. Since the selection of items in the sample depends entirely on chance, there is no possibility of personal bias affecting the results. Random samples represent the population in a better way. As the sample size increases, it becomes increasingly representative of the population.
2. The analyst can easily assess the accuracy of the estimates because the sampling errors follow the principle of chance.

The challenges of simple random sampling are as follows:

1. The use of simple random sampling necessitates a completely catalogued population from which to draw the sample. Sometimes it is difficult to have up to date list of all the items of the population to be sampled.
2. The size of the sample required for statistical reliability is usually larger.
3. From the point of view of field survey, it has been claim that cases selected by random sampling tend to be too widely dispersed geographically and that the time and cost of collecting data becomes high.

The simple random sampling as applied to the study begun by assigning each NGO in the sampling frame a unique identification or code number starting from 001 until all are covered. Then starting randomly in the table of random numbers, the researcher looked at the last three digits of the first random number and select for the sample the NGO whose identification number matched those digits. Those random number digits outside the range of identification numbers were skipped. The process continued until the desired number of a 150 NGOs out of 980 NGOs was sampled. Each NGO in the sampling frame has equal and known probability (1/N) of being in the sample.

Data Collection Instrument

The questionnaire for the research project was designed prior to the pilot study. In addition to literature which informed the design of these questions, the researcher sought the assistance of some of the lecturers at School of Business, University of Ghana on the appropriateness (validity) of the questions. Four Likert type scales were developed to measure the perceived organizational strength (1 = very poor; 2 = poor; 3 = average; 4 = good; 5 = very good), the perceived organizational weakness (1 = very low; 2 = low; 3 = average;4 = high; 5 = very high), the perceived organizational opportunity (1 = very poor; 2 = poor; 3 = average; 4 = good; 5 = very good) and the perceived organizational threat (1 = very low; 2 = low; 3 = average; 4 = high; 5 = very high). The response ratings for organizational strength and organizational opportunity were positively worded whilst that of organizational weakness and threat negatively worded. This implies that a high rating on the organizational strength and organizational opportunity means the NGO has performed well whilst a high rating on organizational weakness and organizational threat implies the NGO has performed poorly on these sub scales.

Pilot Study

A pilot study was conducted using a sample of 50 NGOs from the study population on the assumption that they have similar characteristics of those to be interviewed in the main work. Out of the fifty NGOs sampled, 32 responded making up 64%.

The pilot study was necessary because it helped the researcher to:

1. Determine if it was worth the time and resources to undertake the proposed research.
2. Check the validity of procedures used and whether the respondents understood the questions as intended by the researcher.
3. Detect any demand- characteristics present in the research setting or procedure that ‘push’ respondents to avoid answering or responding in a certain way.
4. Check the reliability of the research instrument by computing the alpha coefficient for the items of the subscales to be used.
5. Roughly estimate how much time would be required for the research tasks and the data collection as a whole.

The pilot study revealed that, the problem of inadequate funding was more serious and pervasive than first thought and threatens the survival of most of these NGOs and therefore needed further and detailed investigation. The pilot study revealed that because of the different levels of the educational background of those managing the NGOs the understanding of the research instrument was not uniform. We decided to personally explain the questions which the respondents may have difficulties with. The only item some respondents wanted to avoid was the annual income but got the answers after I explained that the income information was so vital to the extent that without it all the other information provided cannot be analyzed.

I used 10 working days to collect data from Chief Executives Officers and Directors of 32 NGOs who responded out of the 50 sampled. I therefore estimated using two to three months for collecting data during the main work. It also came out that some of the respondents suggested been informed at least 3-5 working days ahead of administering the questionnaires.

These complete run-throughs allowed for a final smoothing of the rough edges of the procedures used in the research work. Data collection and analysis for the pilot study was done in December of 2013 and was followed immediately with the main data collection between January and February with the finally developed questionnaire.

Data Collection

I visited the NGOs during working hours of the working days of the week between 9am to 4.30pm to administer the questionnaires. The respondents were to read and rate their responses on a $5 - point$ Likert scale to questions measuring these four constructs, Perceived Organizational Strength, Perceived Organizational Weakness, Perceived Organizational Opportunity and Perceived

Organizational Threats. Out of the 150 NGOs sampled, 105 responded representing 70% response rate.

Data Analysis

The data collected was coded and checked for errors, outliers and inconsistencies. The data analysis was done using SPSS. Descriptive statistics such as mean, median, minimum, maximum, standard deviations were computed and visual presentations such as bar, line, pie charts, scatter plot and histogram were produced. Outliers were checked by inspecting the Mahalanobis distances that are produced by the regression programme.

The descriptive statistics and the visual presentations helped to:

1. Describe the characteristics of the sample in the report;

2. Check variables for any violations of the assumptions underlying the statistical; techniques that were used to address the research questions; and

3. Address specific research questions.

Correlation and Linear Regression

The data collected was also analyzed using correlation to establish the relationship between fundraising income and the SWOT. One sample t-test was done to compare founder funded NGOs and those funded from corporate, foundations and governments. The study further used regression analysis to examine the influence of Perceived Organizational Strength, Perceived Organizational Opportunity, Perceived Organizational Threat and Perceived Organizational weakness on fundraising.

Assumptions of Correlation and Linear Regression

Level of measurement- The scale of measurement for the variables is interval or ratio scale.

Additivity- The relationship between the dependent and the independent variables is additive. That is scores on the dependent variable can be predicted by an equation that sums the weighted scores on the independent variables.

Related pairs- Each subject must provide scores on both variable X and variable Y (related pairs). Both pieces of information must be from the same subject.

Normality- For each values of X there is a group of Y values which are normally distributed. The standard deviations of these normal distributions are equal. The residual, computed by $Y - Y'$, are normally distributed with a mean of zero. With large enough sample sizes for instance 30 and more, the violation of this assumption may not cause any major problems.

Linearity- The means of these normally distributed Y values all lie on a straight line of regression. This means that a scatterplot of these scores produces a straight line (roughly), not a curve.

Independence of observations- The Y values are statistically independent. That is, each observation or measurement is not influenced by any other observation or measurement.

Homoscedasticity/Homogeneity of variance- The variability in scores for variable X should be similar at all values of variable Y. The scatterplot shows a fairly even cigar shape along its length. In other words the probability distribution of the random variable e_i remains the same over all observations of X, and for all values of the explanatory variable.

Correlation Coefficient

The relationship between the annual budget income (fundraising) and strategic planning was summarized numerically by measuring the correlation coefficient between the variables. The correlation coefficient is actually a measure of the degree of co-variability of the variables X and Y. The correlation coefficient describes the strength of the relationship between two sets of interval-scaled or ratio scaled variables. Designated r, it is often referred to as Person's r or Pearson product- moment correlation coefficient.

$$r = \frac{n\sum XY - \sum X \sum Y}{\sqrt{[n(\sum X^2) - (\sum X)^2][n(\sum(Y^2) - (\sum Y)^2]}}$$

The Pearson product- moment correlation coefficient assumes values from -1.00 to +1.00 inclusive. A correlation coefficient of -1.00 and+1.00 would indicate a perfect correlation between the two variables. A positive value means positive correlation whilst a negative value means negative correlation. The interpretation of the magnitude of the correlation coefficient was done in accordance with the Davis Convention (Davis, 1971) which interprets the correlation coefficient as follows: 1= perfect; .70 to .99= Very High; .50 to .69= Substantial; .30 to .49= Moderate; .10 to .29 Low; and .01 to .09= Negligible.

Test of Significance for the Correlation Coefficient

According to Edwards (2005), Fisher developed a method for testing the significant of the correlation coefficient in which the r (correlation coefficient of the sample) and the hypothesized r (hypothesized correlation coefficient of the population) are transformed into Altman's $Z - scores$. The transformation to the standard normal distribution, which has a mean of zero and one standard deviation, is required because the properties of any raw score scale are dependent on the characteristics of the particular scale (Akhilesh & Balasubrahmanyam, 2007).

Obtaining Altman's Z-scores is a common method for achieving equality of units. Therefore, before investigating the relationships between the various independent and dependent variables, the researcher has transformed and standardized all scales by computing Altman's Z-scores. This was done by subtracting the populations' mean from the individual raw score and dividing the difference by the populations' standard deviation.

$$Z = \frac{X - \mu}{S/\sqrt{n}}$$

Transforming scores from raw scores into standardized scores gives meaning to the scores, allows some kind of interpretation of the scores and also facilitates direct comparison of two or more scores.

Scatter Diagram

There were four independent variables designated $X_{1,}X_{2,}X_{3,and}X_{4}$. In order to visualize the relationship between the criterion variable and the predictor variables, each was correlated with the criterion variable in a scatter diagram.

Correlation Matrix

The correlation matrix is useful in analyzing the factors that explains the criterion variable. The matrix showed the coefficient of correlation between the pairs of variables. The correlation matrix revealed the independent variables which has the strongest correlation with the dependent variable.

Coefficient of Determination

The Coefficient of Determination R^2 is calculated by squaring the correlation coefficient. The Coefficient of Determination, R^2 explains the proportion of the variation in the dependent variable Y, which is accounted for or explained by the variation in the independent variables. Logically, the total variation in Y can be divided into explained and unexplained variations. This is done by subtracting the unexplained variation from the total variation and dividing this by the total variation gives the coefficient of determination.

$$R^2 = \frac{Total\,Variation - Unexplained\,Variation}{Total\,Variation}$$

$$R^2 = \frac{\sum(Y-\bar{Y})^2 - \sum(Y-Y')^2}{\sum(Y-\bar{Y})^2}$$

Test of Significance

In ascertaining the extent to which the results are reliable and therefore useful for drawing conclusions, tests of significance were conducted.

To determine whether the correlation of determination coefficient computed was significant, the test statistic was set up as follows.

$H_0: \rho = 0$

$H_1: \rho \neq 0$

$$F = \frac{RSS/1}{ESS/(n-2)}$$

The F statistics is therefore the ratio of the sum of squares to the error sum of squares, each divided by their degree of freedom. A high value of F statistics rejects the null in favour of the alternative hypothesis.

Multiple Regression Analysis

Multiple Regression was to express the relationship between the criterion and predictor and the contribution of each. The annual budget income was used as the operational definition of fundraising and was estimated based on of SWOT components, the independent (exogenous) variable. The multiple regression is more sophisticated in examining the interrelationship between variables and therefore used in this work to reinforced and complement the correlation .The following accounts for this assertion (Koutsoyiannis, 1977).

1. Regression can investigate the relationship between two or more variables.

2. A direction of causality is asserted from the exogenous variables to the endogenous variable.

3. In the case of multiple explanatory variables, the influence of each upon the dependent variable can be measured.

4. The significant of each explanatory variable can be ascertained.

Least Squares principle

This method gives what is known as the best fitting straight line. The regression equation was determined by minimizing the sum of squares of the vertical distance between the actual Y values and the predicted Y. That is, the line of best fit was found by finding the values of a and b which minimize the sum of squares errors ($\sum e_i^2$) from the regression line. This helped in measuring the goodness of fit for the data.

The general form of the MRA is $Y' = \alpha + b_1X_1 + b_2X_2 + b_3X_3 + \ldots\ldots + b_4X_4 + e_i$

The slope of the regression line, $b = \frac{n(\sum XY) - (\sum X)(\sum Y)}{n(\sum X^2) - (\sum X)^2}$

The intercept $\alpha = \frac{\sum Y}{n} - b\frac{\sum X}{n}$

X is the independent variable

Y is the dependent variable

n is the number of items in the sample

The annual budget income was estimated using the multiple regression equation as follows:

$Y = \beta_0 + \beta_1 POS + \beta_2 POO - \beta_3 POT - \beta_4 POW + \varepsilon_i$

where β_0 is the intercept. Geometrically, it represents the value of E(Y) where the regression surface (or plane) crosses the Y axis. Substantively, it is the expected value of Y when all the independent variables are equal to zero.

The β_1, β_2 , β_3 , β_4 were partial regression coefficient or metric coefficients. Each of them represented the change in E(Y) associated with a one-unit increase in its own X when all other independent variables were held constant. These beta coefficients (βs) were expressed in standard $z-scores\ form$.This facilitates direct comparison of the coefficients because they are measured in the same units.

The e_i was the deviation of the value Y from the mean value of the distribution given X. This error term may be conceived as representing the effects on Y of variables not explicitly included in the equation, and a residual random element in the dependent variable. It has the following properties

1. $E(\varepsilon_i) = 0$, the mean of the error term is always equal to 0,
2. $Var(\varepsilon_i) = \sigma^2$, the variance of the error is the same at any level of x, (Homoscedasticity)
3. $Cov(\varepsilon_i, \varepsilon_j) = 0$, the error terms for any two observations are uncorrelated (independence),
4. ε_i is normally distributed (Pedhazur, 1982)

Estimating the Dependent Variable

The dependent variable was estimated using the Statistical Package for Social Sciences (SPSS) adopting the standard regression method where all the independent (or predictor) variables were entered into the equation simultaneously. Each independent variable is evaluated in terms of its predictive power, over and above that offered by all the other independent variables. This approach revealed how much unique variance in the dependent variable that each of the independent variables explained and the variance in the dependent variable they explained as a group.

These predictor variables were based on what is known as the SWOT analysis, used in evaluating an organization's preparation and the actual fundraising. The various signs of the components were determined by theory with respect to their effect on the criterion variable. The strengths and opportunities had positive correlation with the criterion variable whilst threats and weakness had negative correlation with it.

The Standard Error Estimate

This measures the deviation or the dispersion about the regression line. It was a measure that indicated how precise the prediction of Y was based on the predictor variables or conversely how inaccurate the estimates were. The error in the estimate was measured by the multiple regression error of the estimates.

$$S.E_{y.1,2\ldots\ldots k} = \sqrt{\frac{\sum(Y-Y\prime)^2}{n-(\mathrm{k}+1)}}$$

Where Y is the observation

Y' is the value estimated from the regression equation

n is the number of observations in the sample

k is the number of independent variable

The standard error was a typical error that was made by using the regression equation to make prediction of the dependent variable.

Prediction of the Regression Equation

The regression equation, Y= β_0 + $\beta_1 POS$+ $\beta_2 POO$ - $\beta_3 POT$ - $\beta_4 POW$ was used for the prediction of the dependent variable and in the case of the current study, income.

Hypothesis Testing

Hypothesis testing is a procedure, based on sample evidence and probability theory, used to determine whether the hypothesis is a reasonable statement and should not be rejected, or is unreasonable and should be rejected.

Null Hypothesis H_0: A statement about the value of a population parameter.

Alternative Hypothesis H_1: A statement that is accepted if the sample data provide evidence that the null hypothesis is false.

Significance alpha level which is the probability of rejecting the null hypothesis when it is actually true was set at 5% for this test.

A good regression model must satisfy the following conditions

1. Consistent with theory
2. Statistically satisfactory
3. Simple

Test of overall Significance of the Regression Model

The ability of the explanatory variables $X_{1,}X_{2,}X_{3\ and}X_4$ in the model to explain the behavior of the dependent variable Y, was tested using an F test. The overall explanatory power of the regression was measured by R^2. This was to test whether the net regression coefficients were equal to zero. The null and alternate hypotheses were set up as follows

H$_0$: $\beta_1 = \beta_2 = \beta_3 = \beta_4 = 0$

H$_1$: Not all the βs were 0 or at least one of the $\beta s \neq 0$

The F also known as the variance ratio has an $F - distribution$ with degrees of freedom $K - 1$ and $N - K$, is

$$F = \frac{RSS/K}{ESS/(N-K-1)} = \text{MSR/MSE}$$

Where K was the number of βs including the intercept β_0 and N was the number of observations in the sample.

If the regression were meaningless, that is if the Xs did not explain any of the variations in Y, then the numerator of F would be small resulting in F approaching zero. The more significant the relationship denoted by the regression, the higher the F value. Therefore, in general, the high values of F was an indication of significant relationship between regressand and the regressors. This resulted in the rejection of the null hypothesis, which assumes no significant difference (Barrow, 2009).

Test of Individual Regression Coefficients

Since the regression coefficients taken together were not equal to zero and therefore useful in predicting the criterion variable, a test of the individual variables was done. The omnibus F statistic did not tell which variables were significant, only that at least one of them was. These individual tests were to determine which of the regression coefficients was zero and which was not. The four separate tests were set up as follows

For Perceived Organizational Strength (POS)

H_0: $\beta_1 = 0$

H_1: $\beta_1 \neq 0$

For Perceived Organizational Weakness (POW)

H_0: $\beta_4 = 0$

H_1: $\beta_4 \neq 0$

For Perceived Organizational Opportunity (POO)

H_0: $\beta_2 = 0$

H_1: $\beta_2 \neq 0$

For Perceived Organizational Threats (POT)

H_0: $\beta_3 = 0$

H_1: $\beta_3 \neq 0$

These were 2-tailed tests of significance at an alpha level of 5%. The test statistics had a t distribution with $n-(k+1)$ degrees of freedom.

CHAPTER FOUR

RESULTS AND DISCUSSION

Introduction

This chapter provides the results and discussion which covers the characteristics of the NGOs operating in the Greater Accra Region, comparison between two sources of fundraising with respect to SWOT and annual income, the relationship between the SWOT components, the correlation between annual fundraising income and SWOT, the effect of SWOT on annual fundraising income of NGOs and interrelationship among the SWOT in predicting annual fundraising income.

Characteristics of NGOs in the Greater Accra Region

The frequency distribution revealed similar percentages for Local and International NGOs involved in advocacy related activities as shown in Table 1.It was revealed that 77 NGOs representing 73.3% and 28 NGOs also representing 26.7% of the respondents are local and international NGOs respectively. Out of the 77 local NGOs, 31 representing 29.5% and 46 also representing 43.8% are advocacy and operational NGOs respectively. Table 1 also shows that out of the 28 international NGOs, 26 making 24.8% and 2 also making 1.9% are advocacy and operational NGOs respectively.

Table 1: Types of NGOs Interviewed

Type of NGO	Frequency	Percent
Local advocacy	31	29.5
Local operational	46	43.8
International advocacy	26	24.8
International operational	2	1.9
Total	105	100.0

Source: Field Survey Data, 2014.

It is evident that whilst a lot of local NGOs carry-out physical projects, the international NGOs are more interested in advocacy related activities. A plausible reason for this is that, the international NGOs regard the whole country as one unit and therefore design programmes to suit the country on issues such as corruption, good governance, gay rights, democracy, rule of law, decentralization, education for the girl child among others. Most of these international NGOs are funded by their respective governments and for Ghana to receive Development Aid; the country must be performing well on those issues regarded as important to their governments. The local NGOs, on the other hand, regard the country as being made of heterogeneous units with different needs and therefore design programmes to meet these needs.

Table 1 also shows that, respondent NGOs involved in advocacy are more than operational NGOs. According to the respondent Chief Executive Officers, the requirements in terms of personnel, logistics, funding, commitment, project planning, design, implementation, monitoring, evaluation, project review, time and other resources needed to set up an advocacy NGOs are less than what is required in the case of a operational NGO. Unlike an operational NGO, an advocacy NGO does not implement physical projects but rather create awareness and support for issues of concern, lobby the political system or serve as a voice for vulnerable groups.

The majority of the NGOs which participated in the study were established after 2007 and therefore relatively young as evident in Table 2. It is only 26.7% of the respondents were established before 2006 and 73.3% established after 2007.

Table 2: Period of Establishment

Year of establishment	Frequency	Percent
Before 2006	28	26.7
After 2007	77	73.3
Total	105	100.0

Source: Field Survey Data, 2014.

The data revealed that all but one NGO were established after the year 2000, this is not consistent with the results of a study by Gyamfi (2010), where 22 of the 43 NGOs, representing 51% were established before the year 2000. The internal factors that affect annual fundraising income are the organizational strength and the organizational weakness whilst the external factors are the organizational opportunity and the organizational threat. This is referred to as the SWOT analysis and was employed by developing a scale used to evaluate the respondent NGOs.

The Perceived Organizational Strength subscale concerns the employment and efficient interaction between both human, capital material to build a competitive advantage in areas of strategic planning, qualified and experience staff, strong donor support, adequate financial resources, cost advantage, innovative skills, project design capability, project implementation capability, project monitoring and evaluation capability, budget implementation, cash flow forecasting, technological skill and stakeholders participation among others.

Table 3 shows the mean score, standard deviation and the reliability of the Perceived Organizational Strength subscale.

Table 3: Mean and Standard Deviation of the Perceived Organizational Strength

SWOT Component	n	Grand Mean	Standard Deviation	Reliability n	alpha
Perceived Organizational Strength scale	105	3.75	.564	16	.857

Scale ratings: 1 = very poor; 2 = poor; 3 = average; 4 = good; 5 = very good

Source: Field Survey Data, 2014.

The respondents scored a mean of 3.75 on the 5- point Likert type scale with a standard deviation of 0.564.The mean score of the respondent NGOs suggests that, majority of the NGOs were doing well on this subscale because it is “good” on the 5- point Likert scale. This means the NGOs scored between average and very good on most of the items composing the subscale. This result was consistent with the result of Okorley and Nkrumah (2012), where a mean and standard deviation of 3.60 and .74 respectively were obtained on Human resource capability.

The Perceived Organizational Strength is important in the sense that any organization which has high ratings on this subscale is strong and well positioned to take advantage of opportunities and also withstand the threats in the external environment.

It is worth to note however that despite the high composite mean value for this subscale, about 52.4%, 71.4%, 42.9% and 30% of the NGOs had low ratings on adequate financial resources, stakeholders’ participation, strong donor support and qualified and experience staff respectively.

One of the main issues concerns the scale’s internal consistency which refers to the degree to which the items that make up the scale ‘hang together’. One of the most commonly used indicators of internal consistency is Cronbach’s alpha coefficient. Ideally, the Cronbach’s alpha coefficient of a scale should be above .7 (DeVellis 2003). In the current study, the Cronbach’s alpha coefficient is .857 for the Perceived Organizational Strength.

The Perceived Organizational Weakness subscale concerns factors, processes, resources, assets, skills, capabilities among others on which the organization is not strong in and therefore take measures to lessened their effect on the performance of the organization. The perceived organizational weakness concerns areas such as lack of focus or direction, obsolete equipment/ facilities, missing some key skills/ competence, weak networking, weak fundraising ability, unable to finance change in strategy, delayed financial records to donors, weak financial control, no performance review system, inadequate staff incentives.

The mean score, the standard deviation and the reliability of the Perceived Organizational Weakness are shown in the Table 4.The participant NGOs had a mean of 2.53 on a 5- point Likert type scale and a standard deviation of 0.729. A Cronbach's alpha value of .860 was obtained in a reliability analysis of the 14 items making up the Perceived organizational weakness subscale of the SWOT analysis.

Table 4: Mean and Standard Deviation of the Perceived Organizational Weakness

SWOT Component	n	Grand Mean	Standard Deviation	Reliability n	alpha
Perceived Organizational Weakness subscale	105	2.53	.729	14	.860

Scale ratings: 1 = very low; 2 = low; 3 = average; 4 = high; 5 = very high

Source: Field Survey Data, 2014.

The mean result indicates that the respondent NGOs as a whole were doing well on this subscale by scoring low on the 5- point Likert type scale. Since the Perceived Organizational Weakness and Perceived Organizational Strength are factors within the internal environment of the organization, the organization has pretty much control over them. The organization which has less weakness (low rating) as shown in the study would not be affected to a large extent by external environmental threat. However, despite the low composite value on this subscale, 70.4%, 60%, 56.2% and 62.8% of the respondent NGOs scored average and above ratings on obsolete facilities, difficulty financing projects, weak networking and unable to finance change respectively.

The Perceived Organizational Opportunity exists in the external environment and relates to areas such as ability to expand operations, ability to transfer skill/ technology, forward or backward integration, falling socio-cultural barriers to work, service & name recognition, acceptance by community, ability to grow because of demand, exploiting emerging technology, respond to new areas of NGO work, and other NGOs are willing to work in partnership.

The Perceived organizational Opportunity subscale as shown in the Table 5 has a mean score of 3.66 and a standard deviation of 0.711 rated on a 5- point Likert type scale. An alpha coefficient value of .833 was obtained in a reliability analysis of the Perceived Organizational Opportunity subscale.The Perceived Organizational Opportunities are easily exploited when the organization is high on its Perceived Organizational Strengths as evident in the results of this study. The result indicates that, the NGOs were quite strong in exploiting the opportunities in the external environment. However, 56.2% of the NGOs had average and below ratings on response to new areas of NGO work and on other NGOs are willing to work in partnership.

Table 5: Mean and Standard Deviation of the Perceived Organizational Opportunity

SWOT Component	n	Grand Mean	Standard Deviation	Reliability n	alpha
Perceived Organizational Opportunity subscale	105	3.66	.71	12	.83

Scale ratings: 1 = very poor; 2 = poor; 3 = average; 4 = good; 5 = very good

Source: Field Survey Data, 2014.

Table 6 shows the mean score and standard deviation of 2.57 and .758 respectively for the Perceived Organizational Threat subscale.

Table 6: Mean and Standard Deviation of the Perceived Organizational Threat

SWOT Component	n	Grand Mean	Standard Deviation	Reliability n	alpha
Perceived Organizational Threat subscale	105	2.57	.75	10	.81

Scale ratings: 1 = very low; 2 = low; 3 = average; 4 = high; 5 = very high

Source: Field Survey Data, 2014.

The Perceived Organizational threat are factors and conditions in the external environment which hinders the organization in achieving its objectives and concerns areas such as vulnerability to recession, growing pressure from donors, decrease programme area funding, transparency, accountability, core cost funding, dependency on donors.

The NGOs taken together performed well by scoring low marks on items in this subscale but 57.1%, 55.2% and 58.1% had high ratings on vulnerability to recession, demand for more accountability and core cost funding respectively. Since the organization has little control over these factors, the effective way out is through long term planning. An internal consistency analysis for the 10 items yielded an alpha value of .812 for the Perceived Organizational Threat subscale.

The recent economic recession has dramatically influenced trends in donations as donors have less disposable income to continue giving to NGOs at the levels they have in previous years. Therefore majority of the NGOs were operating on very low incomes which can barely cover administrative expenses.

Table 7 shows the minimum and maximum annual incomes were obtained as GH¢900 and GH¢41,075 respectively. The data revealed that 48.5% and 65.7% of the NGOs had annual incomes below the grand average and GH¢ 20,000 respectively.

Table 7: Mean and Standard Deviation of the Dependent Variable (Y)

Dependent Variable	n	Min (GH¢)	Max (GH¢)	Grand-Mean (GH¢)	Std-Deviation (GH¢)
Annual Income	105	900	41075	15708	11058

Source: Field Survey Data, 2014.

This result is consistent with work done by Renz(2010), where they surveyed 800 nonprofits at the end of 2008, 75% of nonprofits reported feeling the effects of the downturn, with 52% already experiencing cuts in funding as well as 48% of nonprofits reporting cuts in foundation funding (Renz, 2010).

This result is a confirmation of the situation the Chief Executives described as inactive Boards of most NGOs interviewed. According to Hodge and Piccolo (2005), NGOs Board's involved in planning and fundraising appear to be less vulnerable to quick downturns. Besel, Williams, and Klak, (2011) also found that, four of the nine agencies that required their board members to participate in annual fundraising drives secured over 50 percent of their operating budget from individuals within their service area.

Table 8 shows the frequency distribution of participant NGOs principally based on whether it was financed by the founder or financed from other sources such as external donors, foundations, corporate and governments.

Table 8: Sources of Funding

Source of Funding	Frequency	Percent
Founder	26	24.8
Corporate, Government&Foundation	79	75.2
Total	105	100.0

Source: Field Survey Data, 2014.

Salamon and Anheier (1996) as cited in Barr et al (2005) found that NGO funding comes from the private sector, public sector and self-generating income. These findings are not totally consistent with the situation in Ghana as revealed by the results of the study. Another major source of funding for a sizeable number

(24.8%) of NGOs in the study sample was the founder of the organization. According to some of the respondents, their motivation for setting up the NGO is to enable them give part of what they have to society.

Comparison of Two Sources of Fundraising with Respect to SWOT and Annual Income

Table 9 shows the results of one sample t-test performed on the Perceived Organizational Strength with a grand mean test value of 3.76.

Table 9: One Sample T-test for Two Sources of Fundraising on Perceived Organizational Strength

Funding source	n	Mean strength	Standard deviation	Mean Diff	T-ratio	Sig(2-tailed)
Founder	26	3.12	.48	-.63	-6.58	.000
Corporate, Government & Foundation.	79	3.96	.41	.20	4.39	.000

Source: Field Survey Data, 2014. $p<.001$

The mean and standard deviations of funding by founder and that of Corporate, Government and Foundation are 3.12, .489 and 3.96 .413 respectively. These results implied that, the mean Perceived Organizational Strength values of the two funding sources are significantly different from their grand mean value. It can therefore be concluded that, the source of funding adopted by an NGO determines to a large extent the perceived organizational strength. The NGOs funded from corporate, government and foundation had higher perceived organizational strength than those funded by the founders.

Table 10 shows the results of the one sample t-test analysis of the perceived organizational weakness with respect to whether the NGO was solely funded by the founder or funded by corporate, governments, foundations put together.

Table10: One Sample T-test for Two Sources of Fundraising on Perceived Organizational Weakness

Funding source	n	Mean weakness	Standard deviation	Mean Diff	T-ratio	Sig(2-tailed)
Founder	26	3.37	.59	.80	6.87	.000
Corporate, Government &Foundation	79	2.26	.55	-.26	-4.2	.000

Source: Field Survey Data, 2014. p<.001

The result was significant at 5% with grand mean of 2.53, suggesting that the Perceived Organizational Weakness mean values of the two funding sources are significantly different from the combined perceived organizational weakness mean value. The result was significant because the source of funding determines to a large extent the weakness of the Organization. The NGOs funded by the founders were weaker than those funded from corporate, governments, foundations together.

Table 11 shows results of two sources of fundraising by respondent NGOs as either financed solely by the founder of the organization or financed by corporate, government, foundations together.

Table11: One Sample T-test for Two Main Sources of Fundraising on Perceived Organizational Opportunity

Funding source	n	Mean opportunity	Std deviation	Mean Diff	T-ratio	Sig(2 tailed
Founder	26	3.02	.59	-.64	-5.49	.000
Corporate, Government &Foundation	79	3.87	.61	.20	3.04	.002

Source: Field Survey Data, 2014. p<.005

One sample T-test was performed on the Perceived Organizational Opportunity with a grand mean test value of 3.67 in respect of the two funding sources. This result indicates that the mean perceived organizational opportunity values of the two funding sources are significantly different from the grand mean value. The NGOs funded from corporate, government and foundation are better in taking advantage of the opportunities than those funded solely by the founder.

Table 12 shows the results of the one sample t-test analysis of the perceived organizational threat of respondent NGOs, whether they are funded solely by the founder of the organization or funded from corporate, government, and foundations with a grand mean test value of 2.57.

Table12: One Sample T-test for Two Main Sources of Fundraising on Perceived Organizational Threat

Funding source	n	Mean threat	Standard deviation	Mean Diff	T-ratio	Sig(2-tailed)
Founder	26	2.54	.612	-.238	-.99	.084
Corporate, Government & Foundation	79	2.57	.803	.003	.038	.970

Source: Field Survey Data, 2014. p>.05

This result indicates that the mean perceived organizational threat values of the two funding sources are significantly the same as the grand mean value. The perceived organizational threats are in the external environment and therefore affect all NGOs almost equally. For instance, the harsh economic conditions worldwide affect both the external donor and founder's level of giving and commitment. As resources are scarce for example, strict demands are regarding transparency, accountability, demands for the effective and efficient use of resources.

Table 13 showed the result of one sample t-test analysis carried out on the annual income levels of respondent NGOs as either funded solely by the founder or funded by corporate, government, and foundations together with a grand mean test value of GH¢ 15708.78.

Table13: One Sample T-test for Two Main of Fundraising on Income (GH¢)

Funding source	n	Mean income	Standard Deviation	Mean Diff	T-ratio	Sig(2 tailed
Founder	26	3960	4051	-11748	-14.7	.000
Corporate, Government & Foundation	79	19575	9830	3866	3.49	.001

Source: Field Survey Data, 2014. p<.005

The mean income and standard deviation for founder and funding from corporate, government, foundations were GH¢ 3960, GH¢ 4051 and GH¢19575, GH¢9830 respectively. Majority of the NGOs 65.7% and 48.5% had incomes lower than GH¢20,000 and the grand mean income respectively. The mean values of the two sources were significantly different from the grand mean. The results revealed that NGOs solely funded by the founders had relatively smaller incomes as oppose to those funded from corporate, government, and foundations.

Relationship between the SWOT Components

The highest and the lowest correlations among the independent variables are -.847 and .008 as revealed in Table 14.

Table 14: Correlation Matrix of SWOT

Components	Perceived Strength	Perceived Weakness	Perceived Opportunity	Perceived Threat
Perceived Strength	-			
Perceived Weakness	-.847	-		
Perceived Opportunity	.542	-.578	-	
Perceived Threat	-.418	.451	.008	-

Source: Field Survey Data, 2014.

There was a negative association between organizational strength and organizational weakness. This was understandable because the two subscales were measuring the same attribute of the organization but only in the opposite direction. The organizational threat also has a negative relationship with the organizational strength because the stronger an organization was on the strength, the less it was affected by threats in the external environment. The organizational strength has a positive relationship with the organizational opportunity because the higher the organization on the strength attribute; the better it is in exploiting the opportunities in the external environment.

The organizational weakness has a negative association with the organizational opportunity because the weaker the organization is; the less likely it is taking advantage of the opportunities present in the external environment. The organizational weakness also has a positive relationship with the organizational threat because the weaker the organization is, the more it is affected by threats in the external environment. Apart from the positive relationship between organizational threat and organizational opportunity which has not been explicitly indicated by literature the other relationships are consistent with literature.

The results of Table 15, illustrated the analysis of the Tolerance and Variation Inflation Factor with regards to collinearity. The tolerance is an indicator of how much of the variability of specific independent variable not explained by other independent variables in the model and is calculated by the formula, 1-R squared for each variable. If this value is less than .10, it indicates the possibility of multicollinearity (Schwab, 2013).

Table 15: Tolerance and Variation Inflation Factor Analysis

Independent Variable	Perceived Strength	Perceived Weakness	Perceived Opportunity	Perceived Threat
Tolerance	.273	.237	.561	.677
Variance Inflation Factor	3.661	4.213	1.784	1.477

Source: Field Survey Data, 2014

Variance Inflation Factor on the other hand is an inverse of the tolerance value. For an original equation $Y = \beta_0 + \alpha_1 X_1 + \alpha_2 X_2 + \ldots\ldots + \beta_K X_K + v$ with K independent variables, the Variance Inflation Factor is calculated for each by first running an Ordinary Least Squares regression that has as a function of all the explanatory variables in the equation $X_1 = \alpha_{2+} \alpha_2 X_2 + \alpha_3 X_3 + \ldots\ldots + \alpha_k X_k + v$, where $1 = i$ and ν is a classical stochastic error term. Therefore, excluding X_1 from the right hand side, results in K auxiliary regression equations.

The VIF for β_i is as follows: VIF (β_i) $= \frac{1}{(1 - {R_i}^2)}$ where the ${R_i}^2$ is the coefficient of determination of the auxiliary regression equation. VIF values above 10 would be an indication of multicollinearity. The two measures would therefore indicate whether the multicollinearity assumption has been violated or not (Schwab, 2013).

The results of Tolerance and Variation Inflation Factor, demonstrated a non-violation of multicollinearity assumption.

Correlation between Annual Fundraising Income and SWOT

The correlation coefficients as per Table 16 indicated according to Davis Convention, that there was a very strong, significant and positive (r =.842) association between Perceived Organizational Strength and income.There was however, a substantial, significant but negative (r = -.693) relationship between Perceived Organizational Weakness and income.

Table 16: Pearson Correlation between SWOT Components and Income

SWOT Components	Income
Perceived Organizational Strength	.842**
Perceived Organizational Weakness	-.693**
Perceived Organizational Opportunity	.448**
Perceived Organizational Threat	-.416**

Source: Field Survey Data, 2014. **p<.005

The Table 16 showed a moderate, significant and negative (r = -.416) relationship between Perceived Organizational Threat and income and also a moderate, significant and positive (r = .448) association between Perceived Organizational Opportunity and income.

The directions (the signs) of the correlation coefficients in the matrix were consistent with theory and other researches done in the area of strategic planning. This result was consistent with what Jenster and Overstreet (1990) found in their study of 283 US credit unions where they discovered a positive relationship between planning and performance. Again other studies have reported a positive relationship between strategic planning and firm performance (Wood & LaForge, 1979).

Effect of SWOT on Annual Fundraising Income

The primary focus of a study, the dependent variable is conceptualized as being related to and influenced by multiple interrelated factors, the independent variables. The search for explanations of variability and attempts to model reality imply that there is a theoretical basis for not only the anticipated relationships among variables, but for the selection of variables studied. The definitions within the theory lead to the operationalization of the constructs and the measurement of the variables subsequently used in testing the theoretical hypotheses. Pedhazur (1982) argues that without theory as the basis for variable selection, no statement can be made about effects or meaningfulness of variables.

A standard multiple regression was performed to investigate the relationship between annual income and the SWOT subscales. The analysis was done using SPSS frequencies for evaluation of assumptions by aid of scatter and residual plots showed no significant violations in terms of normality, linearity and homoscedasticity. Skewness and outliers assumptions were also not violated. No cases had missing data and no suppressor variables were found.

Table 17 displays the correlation coefficient ($R = .847$), the $R^2 = .718$ and the adjusted $R^2 = .706$.TheR^2 for the regression was significantly different from zero. F(4, 100) = 63.513. P<.001.

Table 17: The Regression Analysis

	R	R^2	Adjusted R^2	Std.E of Estimate	F Ratio	Sig. F
1	.847	.718	.706	5993.40	63.51	.000

Source: Field Survey Data, 2014.p< .001

This result implied that over 70% of the variability in annual income is explained by Perceived Organizational Strength, Perceived Organizational Weakness, Perceived Organizational Opportunity and Perceived Organizational Threat. Indeed, 71.8% of the annual income to the NGOs was attributed to the effect of the internal and external factors of the NGOs interviewed. The result was significant at 5% and therefore the rejection of the null hypothesis that the independent variables were zero.

Interrelationship among the SWOT in the Model

A further test of significance was done on the individual explanatory variables as shown in Table 18 to investigate the interrelationship between the independent variables and their effect on the dependent variable. The result shows the unstandardized coefficients and the beta values and found perceived organizational strength to be the only independent variable which is statistically significant at 5% alpha level. The null hypothesis was therefore rejected.

Table 18: Regression Analysis of the Main Components of SWOT

Predictor Variables	B	Beta	Std Error	Sig.
Constant	-52584		11538.6	.000
Perceived strength	1079.9	.881	124.66	.000
Perceived weakness	135.8	.125	118.3	.253
Perceived opportunity	56.3	.043	92	.542
Perceived threat	-152.4	-.105	94	.109

Source: Field Survey Data, 2014.

According to Aluko et al (2004), SWOT analysis constitutes a systematic approach to understanding the organizations environment and is crucial for the existence, growth, and profitability of an organization. The other three independent variables; the perceived organizational weakness, the perceived organizational opportunity and the perceived organizational threat despite having significant and substantial correlations with annual income, the dependent variable, are insignificant and therefore the null hypothesis was accepted.

Annual income, $Y = -52584 + 1079.9X_2 + 135.8 + 56.3X_4 - 152.4X_5$

X_2=Perceived Organizational Strength (POS)

X_3=Perceived Organizational Weakness (POW)

X_4=Perceived Organizational Opportunity (POO)

X_5=Perceived Organizational Threat (POT)

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

Introduction

This chapter presents the summary, conclusions and recommendations of the study. It also presents suggested areas for further studies.

Summary

The non- governmental organizations whether operational or advocacy, design programmes to alleviate the suffering of the vulnerable. In order for the NGOs to fulfill this vision, they needed to raise reasonable funding from various sources. However, over the years NGOs are persistently faced with the problem of inadequate funding resulting in low output and impact of projects undertaken. The study was set up to investigate the effect of the internal and external factors on annual fundraising income of NGOs in the Greater Accra Region. Descriptive statistics, Pearson Product-moment, coefficient of determination, one-sample t-test and standard regression were used to analyze the data collected in a field survey.

The result shows that almost equal percentages of international advocacy and local advocacy NGOs but international operational and local operational NGOs varied significantly as represented by 1.9% and 43.8% respectively. Quite a sizeable number (26 representing 24.8%) of NGOs were financed by the founders whilst those receiving funding from other sources such as corporate, government and foundations were 79 representing 75.2%.

The result also reveals that respondent NGOs established before 2006 are 28, representing 26.7%. It was noticed from the data that, only one NGO was established before the year 2000. Those that were established after 2007 are 77 making up 73.3%.

With respect to the SWOT analysis, the respondent NGOs performed well with a mean and standard deviation of 3.75 and .564 on a 5- point Likert type scale (Scale ratings: 1 = very poor; 2 = poor; 3 = average; 4 = good; 5 = very good) on the Perceived Organizational Strength subscale respectively.

The respondent NGOs did quite well with a mean of 2.53 on a 5- point Likert type scale and a standard deviation of .729 (Scale ratings: 1 = very low; 2 = low; 3 = average; 4 = high; 5 = very high) on the Perceived Organizational Weakness subscale.

The respondent NGOs were quite good in exploiting the opportunities in the external environment by scoring a mean of 3.66 and a standard deviation of .711 on the Perceived Organizational Opportunity, rated on a 5- point Likert type scale (Scale ratings: 1 = very poor; 2 = poor; 3 = average; 4 = good; 5 = very good).

The result reveals that, the NGOs are not really being affected to a large extent by threats in the external environment by scoring a mean and standard deviation of 2.57 and .758 respectively on Perceived Organizational Threat subscale (Scale ratings:1 = very low; 2 = low; 3 = average; 4 = high; 5 = very high).

A mean income of GH¢15,708 and a standard deviation of GH¢11,058 were obtained for the 105 respondents. Majority of the NGOs 65.7% and 48.5% had incomes lower than GH¢20,000 and the grand mean income respectively. The minimum and maximum incomes were GH¢900 and GH¢41075 respectively.

The respondent NGOs were classified according to their sources of funding; those financed solely by the founder of the organization and those financed by corporate, government and foundations together.

One sample T-test was performed on the Perceived Organizational Strength, Perceived Organizational Weakness, Perceived Organizational Opportunity, Perceived Organizational Threat and income using the grand means as test values in respect of the two funding sources. The result for Perceived Organizational Strength, Perceived Organizational Weakness, Perceived Organizational Opportunity and income were significant at 5% alpha level. This implied that, the NGOs differ significantly on the above SWOT components and income with respect to the two funding sources. The NGOs acquiring funding from corporate, government, foundations are higher on Perceived Organizational Strength, Perceived Organizational Opportunity, income and lower on Perceived Organizational Weakness.

The result for the Perceived Organizational Threat is however not significant. This indicates that the NGOs are the same on this SWOT component with respect to the two funding sources. This means that, the NGOs face the same threat in the external environment irrespective of funding source.

There are negative correlations between Perceived Organizational Strength and Perceived Organizational Weakness (-.847), Perceived Organizational Strength and Perceived Organizational Threat (-.418), Perceived Organizational Weakness and Perceived Organizational Opportunity (-.578). There are however, positive relationship between Perceived Organizational Strength and Perceived Organizational Opportunity (.542), Perceived Organizational Weakness and Perceived Organizational Threat (.451) and Perceived Organizational Opportunity and Organizational Threat (.008). The directions (signs) of the relationships are consistent with theory and a priori expectation except between organizational opportunity and organizational threat which was not determined by literature.

According to Davis Convention (Davis, 1971), there is a very strong, significant and positive (r =.842) association between Perceived Organizational Strength and income. There is however, a substantial, significant but negative (r = -.693) relationship between Perceived Organizational Weakness and income. There is also moderate, significant and positive (r = .448) and moderate, significant and negative (r = -.416) relationships between Perceived Organizational Opportunity and income and between Perceived Organizational Threat and income respectively.

The implication is that, an increase in one component, results in an increase in another component for those correlating positively with each other. However, an increase in one component results in a decrease in another component for those correlating negatively.

A standard multiple regression was performed between income and SWOT using SPSS. The result shows the correlation coefficient ($R = .847$), the $R^2 = .718$ and the adjusted $R^2 = .706$. The R^2 for the regression was significantly different from zero. F (4, 100) = 63.513. P < .001. This means that the SWOT together accounted for over 70% of the annual income to the NGOs.

Regression analysis was performed to evaluate the interrelationship among the independent variables: Perceived Organizational Strength, Perceived Organizational Weakness, Perceived Organizational Opportunity and Perceived Organizational Threat. Despite the significant correlation coefficients of -.693, .448, -.416 between income and Perceived Organizational Weakness, Perceived Organizational Opportunity and Perceived Organizational Threat respectively, they were not significant in the regression analysis of the model. The Perceived Organizational Strength was the only significant independent variable in the regression model.

Conclusions

The following conclusions were drawn from the result of the study:

About equal percentage of local NGOs are operational and advocacy NGOs but operational international NGOs and advocacy NGOs varied significantly.

The majority of the NGOs which participated in the study were established after 2006 and therefore relatively young.

The annual incomes of majority of the NGOs were so small that no meaningful project can successfully be carried out. About 48.5% of the NGOs had incomes lower than the grand mean income. The income of the NGOs ranged between GH¢ 900.00 and GH¢ 41075.00

One Sample T-test was conducted for two main sources of fundraising with respect to income and SWOT. The Perceived Organizational Threat was not significant unlike the other SWOT components and income. The NGOs therefore differ significantly except on Perceived Organizational Threat with respect to the source of funding employed.

In accordance with Davis Convention (Davis, 1971), there are very strong, substantial and significant association between perceived SWOT components and income. Over 70% of the variation in fundraising was explained by the variation in the SWOT components of strategic planning. The Perceived Organizational Strength was the only significant independent variable in the regression analysis of the model.

Recommendations for Policy and Practice

The following recommendations are made in the light of the results of the study to improve fundraising through effective strategic planning with regard to policy and practice.

1. Donors expect to see returns on their investments through a demonstration that the money invested has made an impact on the social mission of the organization. Therefore NGOs should establish open, quick, accurate and timely communication with investors that help align their priorities with the nonprofit's social mission may help foster a relationship built on trust

and transparency resulting in continued financial support for nonprofits in the long term.

2. The NGOs should involve their Boards in planning and executing fundraising action plans. This has the possibility of enhancing and increasing the amount of funds mobilized.
3. NGOs should also start looking into the communities they served for raising the needed funding towards projects because in every community, there are always some few individuals who have the resources and are willing to give if approached with tactfulness.
4. NGOs working on similar projects should pull their synergies together on all aspect of the project such as project planning, project design, project implementation, monitoring and evaluation, project reviews and lessons learned, common funding proposals, sharing of resources and expertise. This is because the benefits to be gained far out ways the potential loss of autonomy.
5. The management of NGOs should get the involvement of stakeholders in the work from start to finish. When this is done properly, donors get to know and also see what the funds are being used for, reducing to bare minimum the issue of transparency, accountability, misapplication of funds. This would also enhance ownership of projects by both donors and beneficiary communities.

6. The condition of service within the sector especially in the smaller and in the local NGOs should be improved so as to attract and maintain qualified and experience staff.
7. Fundraising should be properly planned and not on ad hoc bases by clearly showing how it is to be done with achievable targets and specific timelines. There is need for the adoption of what is known as relationship fundraising – dealing with donors individually, recognizing each donor as unique in terms of giving history, motivation for giving, and the care expected from the charities being supported in order to obtain maximum results.
8. Most importantly, strategic planning should be carried out for the entire organization with keen interest on the Perceived Organizational Strength because it was the only significant independent variable.
9. Gone are the days where strategic planning has been relatively neglected by the voluntary sector, where resources were expanding with few questions asked about effectiveness. The strategic planning would enable the NGOs to make long term choices in terms of concrete goals and resource allocations in the face of dwindling support.

Suggestions for Further Research

The following are some areas needing further research

1. Conduct the same research (the perceived effectiveness of strategic planning on fundraising of NGOs) in other regions.

2. Use other management tools such as BCG Growth Share Matrix, CDPESTLEG (Competition, Demographic, Political, Economic, Social, Technological, Legal Environment, global), Porters Five Forces of Competition or Critical Success Factors Analysis and examine its effect on annual fundraising income of NGOs.
3. The same study can be replicated after some years to determine if the basic characteristics of the NGO sector has changed or not and therefore the result to be obtained.
4. The same study can be conducted with unstructured questionnaire to be analyzed according to key thematic areas.
5. Conduct a study on the spending pattern of NGOs with respect to overhead cost and project cost for a unit of income mobilized using the Cobb- Douglas Production Function.

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APPENDICES

STRUCTURED QUESTIONNAIRE

This study is part of the requirements for the award of an Mphil degree in NGO and Community Development Studies at the Department of Agric Economics and Extension at the University of Cape Coast.

The research is examining the perceived effect of strategic planning on fundraising of NGOs in the greater Accra region of Ghana. The result of the study would help make appropriate recommendations to management of Non Profit Organizations as to areas of fundraising and strategic planning that may need maximum attention if the NGO is to achieve its vision.

I would like to assure you that confidentiality of your responses is guaranteed.

1. Type of NGO

(a) Local [Advocacy] OR [Project] (b) International [Advocacy] OR [Project]

2. Year of establishment ………………………………..

4. Sources of Funding

a. Individuals b. Corporate bodies f. Others (Specify)……

c. Governments e. Foundations

5. State total income for 2012 and 2013 in Ghana Cedis OR US Dollars

a. 2012 GH¢ …………………… US$…………………….……….

b. 2013 GH¢ ……………………… US$…………………….…….

6. For each of the aspects shown below Please rate the STRENGTH of the organization using the following scales: 1 = very poor; 2 = poor; 3 = average; 4 = good; 5 = very good

Existing strategic plan	*very poor*	*1*	*2*	*3*	*4*	*5*	*very good*
Qualified & Experience staff	*very poor*	*1*	*2*	*3*	*4*	*5*	*very good*
Strong donor support	*very poor*	*1*	*2*	*3*	*4*	*5*	*very good*
Core competence in key areas	*very poor*	*1*	*2*	*3*	*4*	*5*	*very good*
Adequate financial resources	*very poor*	*1*	*2*	*3*	*4*	*5*	*very good*
Cost advantage	*very poor*	*1*	*2*	*3*	*4*	*5*	*very good*
Innovative skills	*very poor*	*1*	*2*	*3*	*4*	*5*	*very good*
Proven management	*very poor*	*1*	*2*	*3*	*4*	*5*	*very good*
Project design capability	*very poor*	*1*	*2*	*3*	*4*	*5*	*very good*
Project implementation capability	*very poor*	*1*	*2*	*3*	*4*	*5*	*very good*
Project M & E capability	*very poor*	*1*	*2*	*3*	*4*	*5*	*very good*
Budget is implement at project level	*very poor*	*1*	*2*	*3*	*4*	*5*	*very good*
Prepare cash flow forecast every month	*very poor*	*1*	*2*	*3*	*4*	*5*	*very good*
Superior ICT/ technological skill	*very poor*	*1*	*2*	*3*	*4*	*5*	*very good*
Ahead of the experience curve	*very poor*	*1*	*2*	*3*	*4*	*5*	*very good*
Stakeholders participation	*very poor*	*1*	*2*	*3*	*4*	*5*	*very good*

7. For each of the aspects shown below Please rate the WEAKNESS of the organization using the following scales: 1 = very low; 2 = low; 3 = average; 4 = high; 5 = very high

No clear strategic direction	*very low*	*1*	*2*	*3*	*4*	*5*	*very high*
Obsolete equipment/ facilities	*very low*	*1*	*2*	*3*	*4*	*5*	*very high*
Difficulty financing projects	*very low*	*1*	*2*	*3*	*4*	*5*	*very high*
Lack of management talent	*very low*	*1*	*2*	*3*	*4*	*5*	*very high*
Missing some key skills/ competence	*very low*	*1*	*2*	*3*	*4*	*5*	*very high*
Weak networking	*very low*	*1*	*2*	*3*	*4*	*5*	*very high*
Weak fundraising ability	*very low*	*1*	*2*	*3*	*4*	*5*	*very high*
Unable to finance change in strategy	*very low*	*1*	*2*	*3*	*4*	*5*	*very high*
Delayed financial records to donors	*very low*	*1*	*2*	*3*	*4*	*5*	*very high*
Weak financial control	*very low*	*1*	*2*	*3*	*4*	*5*	*very high*
No performance review system	*very low*	*1*	*2*	*3*	*4*	*5*	*very high*
Inadequate staff Incentives	*very low*	*1*	*2*	*3*	*4*	*5*	*very high*
Weak relations with local gov’t	*very low*	*1*	*2*	*3*	*4*	*5*	*very high*
Vulnerable to vital staff being sick	*very low*	*1*	*2*	*3*	*4*	*5*	*very high*

8. For each of the aspects shown below Please rate the OPPORTUNITIES of the organization using the following scales: 1 = very poor; 2 = poor; 3 = average; 4 = good; 5 = very good

Ability to expand operations *very poor 1 2 3 4 5 very good*

Ability to transfer skill/ technology *very poor 1 2 3 4 5 very good*

Forward or backward integration *very poor 1 2 3 4 5 very good*

Falling socio-cultural barriers to work *very poor 1 2 3 4 5 very good*

Service & name recognition *very poor 1 2 3 4 5 very good*

Acceptance by community *very poor 1 2 3 4 5 very good*

Ability to grow because of demand *very poor 1 2 3 4 5 very good*

Exploiting emerging technology *very poor 1 2 3 4 5 very good*

Respond to new areas of NGO work *very poor 1 2 3 4 5 very good*

We are working on a topical issue *very poor 1 2 3 4 5 very good*

Gov't wants to listen to our NGO *very poor 1 2 3 4 5 very good*

Other NGOs will support us *very poor 1 2 3 4 5 very good*

9. For each of the aspects shown below Please rate the THREATS of the organization using the following scales: 1 = very low; 2 = low; 3 = average; 4 = high; 5 = very high

Vulnerability to recession *very low1 2 3 4 5 very high*

Adverse change in government policies *very low1 2 3 4 5 very high*

Growing pressure from donors *very low1 2 3 4 5 very high*

Socio-cultural barriers inhibiting work *very low1 2 3 4 5 very high*

Decrease programme area funding *very low 1 2 3 4 5 very high*

Increase competition *very low 1 2 3 4 5 very high*

Demand for more transparency *very low 1 2 3 4 5 very high*

Demand for more accountability *very low 1 2 3 4 5 very high*

Core cost funding *very low1 2 3 4 5 very high*

Dependency on donors *very low 1 2 3 4 5 very high*

THANKS

Interpretation of Correlation Coefficient

r	adjective
1.0	perfect
.70 - .99	Very strong
.50 - .69	strong
.30 - .49	moderate
.10 -.29	Weak/ low
.01 to .09	negligible