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**STRATEGIC RESPONSE TO TURBULENT BUSINESS  
ENVIROMENTS IN UNDP SUPPORTED PROJECTS  
CASE STUDY OF THE MARKET ACCESS PROJECT**

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## STRATEGIC RESPONSE TO TURBULENT BUSINESS ENVIRONMENT IN UNDP SUPPORTED PROJECTS CASE STUDY OF THE MARKET ACCESS PROJECT

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### Abstract

**Purpose:** The purpose of this study was to determine the strategies that UN supported agencies can adopt in today's turbulent business environment.

**Methodology:** The research design was descriptive in nature focusing on The Market Access Programme (MAP). Stratified sampling technique was used to select the sample in which twenty five (25) respondents from a population of eighty six (86) staff working at in conjunction with (MAP) was chosen. The staff includes both management and non-management staff categorized into four levels; senior level management, middle level management, supervisory staff and general staff. Information was collected using a questionnaire developed by the researcher and administered with the help of a trained research assistant. Data was analyzed using Statistical Package for Social Sciences (SPSS) and result presented in frequency tables to show how the responses for the various questions posed to the respondents. Descriptive statistics was used to illustrate the responses.

**Results:** The findings indicated that the causes of turbulence in NGOs environment include advancement in information technology, High dynamism, competitive rivalry, threat of new entrants, bargaining power of supplier and bargaining power of clientele contributes to NGOs environmental turbulence. Results also indicated that strategic planning plays a positive role to the performance of NGOs, specifically UN supported projects such as MAP. Further, results indicate that NGOs use the following strategic responses in response to turbulent environment. These strategies include acquiescence, compromise, avoidance, defiance and manipulation.

**Unique contribution to theory, practice and policy:** The study recommends that it is vital to understand the forces behind the increasing sophistication and efficiency of risk management systems, before adopting them more widely for regulatory purposes

**Keywords:** *measures, commercial bank, capital adequacy requirement, Basel III framework*

## **1.0 INTRODUCTION**

### **1.1 Background of the Study**

Never in history has the pace of change in the business environment been as rapid as it is now. Recent developments such as the global marketplace, the opening up of Eastern Europe, the Gulf Crisis, the slowdown in the world economy and in Singapore, the new political leadership, formation of the "Growth Triangle", increasing costs of doing business compounded by labor shortage, have posed real challenges for managers and made it increasingly difficult for companies to succeed in the turbulent environment (Ansoff, 1990).

Almost no consensus exists about what corporate strategy is, much less about how a company should formulate it (Porter, 1990). This is due to a combination of factors that relate to strategy terms, concepts and principles and their practical application. The practical purpose of strategy is to provide a plan that employs multiple inputs, options, and outputs to achieve a company's policy goals and objectives. Understanding what strategy is has been complicated by the proliferation in the number of schools of strategic thought and by the undisciplined, even reckless, use of the term.

Understanding strategy has also been made more difficult by the popularity of the resource methods that Donaldson and Hilmar call the techniques du jour. In practice, it is extremely difficult, if not impossible, for executives to make strategic decisions without knowing what is the end goal or objective. For example, choosing between Porter's "low cost" or "differentiation" generic strategies, or deciding to develop a non-generic third option, is almost impossible without applying policy as the dependent variable in the decision-making process.

There is a unity of strategic experience. In all subjects and contexts, and regardless of the exploding diversity of tactical options, strategy is strategy (Gray, 1999). It has a complex nature and function that has not changed through time or application. It has many vertical and horizontal dimensions, which explains why good strategy is hard to create. It is often surprising just how common it is for managers to engage in strategic planning that either ignores competitors entirely or forgets that competitors learn and adapt. Strategy is so difficult to do well that accounting for the dynamics of an intelligent and competent competitor who thinks and reacts is often avoided altogether (Singer, 2008). Strategy is so difficult to do well that accounting for the dynamics of an intelligent and competent competitor who thinks and reacts is often avoided altogether (Gray, 1999).

Strategy is driven by its purpose, and its purpose is to achieve policy. Strategy must include a plurality of inputs, a multiplicity of options, and ability to accommodate more than one possible outcome. But where policy is ignored or where there is no end-means linkage between policy and strategy, strategy has no means-end object. In these situations, strategy suffers from being a means without an end, an end in itself, or a means of achieving an operational end, rather than being a design or plan for achieving the company's policy goals and objectives.

### **1.2 Problem Statement**

In an environment that's very competitive, organisations in the profit making and not for profit have to strategically position themselves strategically over other players in the industry that they compete with. Over the past years, most projects initiated by major UN agencies

especially by UNDP have resulted in a number of them falling by the wayside or having dismal performance due to the change in the business environment that they operate in from one that is stable to one that is turbulent. This has led NGOs to adopt strategic responses to the environmental turbulence.

Several studies on strategic responses of NGOs have been conducted. These studies include, Pfeffer, J., & Salancik (2003), “The External Control of Organizations: A Resource Dependence Perspective”, which attempted to assess an organization level of dependence on outside groups for resources and concluded that most of the variance in organizational performance is influenced by the organization context and as low as 10% of variance in performance is influenced by the actions of the leaders. Oliver (1991) on “Strategic responses to institutional processes”, offered a typology of strategic responses that vary in active organization resistance from passive conformity to proactive manipulation. Miller and Friesen (1983) on “Strategy making and the environment: the third link”, argued that whereas much is known about the relationships between strategy and structure, and between environment and structure, too little is known about a third link—the relationship between strategy-making and environment. An empirical study was conducted upon two distinct samples of firms. The author hypothesized that increases in environmental dynamism, hostility and heterogeneity should be related to specific changes in the amount of analysis and innovation which characterizes strategy-making activity. Most of these relationships tended to be much stronger in successful than in unsuccessful samples of firms. DiMaggio & Anheier (1990) on “The Sociology of nonprofit organizations and sectors” argued that despite a rising interest in research on the non profit making organizations, the vast literature is inconclusive on non profit making organizations performance criteria. While all these studies addressed strategic responses of NGOs, the studies fail to underscore the value of strategic planning to NGOs. This forms an evident research gap.

The purpose of the study is therefore to fill the gap left when analysing the turbulent business environment and providing viable solutions on how they can sustain themselves in the long-term with a particular focus on the Market Access Programme.

### **1.3 Research Objectives**

The purpose of this study is to determine the strategies necessary that NGO’s can adopt in order to ensure long-term sustainability with a focus on MAP.

## **2.0 LITERATURE REVIEW**

### **2.1 Theoretical Framework**

#### **2.1.2 Institutional Theory**

In particular, the basic concepts and premises of the institutional theory approach provide useful guidelines for analyzing organization-environment relationships with an emphasis on the social rules, expectations, norms, and values as the sources of pressure on organizations. This theory is built on the concept of legitimacy rather than efficiency or effectiveness as the primary organizational goal. The environment is conceptualized as the —organizational field, represented by institutions that may include regulatory structures, governmental agencies, courts, professionals, professional norms, interest groups, public opinion, laws, rules, and social values. Institutional theory assumes that an organization conforms to its environment.

There are, however, some fundamental aspects of organizational environments and activities not fully addressed by institutional theory that make the approach problematic for fully understanding NGOs and their environment: the organization being dependent on external resources and the organization's ability to adapt to or even change its environment.

### **2.1.2 Resource Dependency Theory**

Resource dependence theory has dealt more aggressively with these two issues. It proceeds from the indisputable open-systems proposition that organizations are not able to internally generate all the resources and/or functions required to maintain themselves and therefore must enter into exchange transactions and relations with elements in the environment to ensure a stable flow of resources and services. Further, resource dependence theory provides a wide range of possible adaptation strategies. However, resource dependence theory does not consider the issue of social and cultural mood in the organizational environment, which is an issue that is addressed by institutional theory. Additionally, the environment in resource dependence theory is exclusive to the technical (task) environment represented by resources, suppliers, and customers. Meyer and Rowan (1992) and Scott (1998) pointed out that the distinction between the technical and institutional can be misleading because, in reality, all organizations operate in both technical and institutional environments. Further, the NGO sector, unlike other organizational fields (i.e., the market), is not about perfect competition or profit margins. The NGOs are —culturally loaded, often evoke ideological reactions, and are seen as the locus of values (DiMaggio & Anheier, 1990). The main challenge for NGOs is to meet certain social and cultural expectations. As such, NGOs have to ensure both a continued supply of resources and the satisfaction of many groups and structures that can provide political influence and societal legitimation in their environment.

### **2.1.3 Integrated Approach**

The complementary relationship of the two perspectives has been acknowledged by several researchers. Oliver's (1991) framework provides a high degree of sensitivity for examining how NGOs interact with their external environments in light of the premises of institutional theory and resource dependence theory. Oliver integrated the two perspectives into a single framework that, on the one hand, considers the institutional predictors of the individual organizational environment and, on the other hand, suggests a range of organizational strategic responses that vary from passivity to positivity. The environmental dimensions (also referred to as institutional factors and institutional antecedents) that Oliver (1991) suggested are of special importance when conceptualizing the features of the environment, especially in identifying the status of institutionalization. The indicators of institutionalization are more indirect than the measures of resources dependency. The institutional antecedents suggested by Oliver and used in this research are cause, constituents, content, control, and context. The organizational predicted strategic responses are acquiesce, compromise, avoid, defy, and manipulate.

Oliver (1991, p. 159) argued that the organizational environment can be identified by five research questions: (a) why these pressures are being exerted, (b) who is exerting them, (c) what these pressures are, (d) how or by what means they are exerted, and (e) where they occur. Each question represents an institutional factor that explains the rational underlying an organization's conformity or resistance to institutionalization. Oliver used two dimensions, also called antecedent conditions, to explain each institutional factor. The institutional factors

and their dimensions are: cause (legitimacy, efficiency), constituents (multiplicity, dependence), content (consistency, constraint), control (coercion, diffusion), and context (uncertainty, interconnectedness).

## **2.2 Empirical Review**

### **2.2.1 Causes of Environmental Turbulence**

#### **Information Technology**

The availability of the internet as a communication device and a global distribution channel allows new industries to be created and destroyed at unprecedented speed. During 2003, two Scandinavian entrepreneurs, Niklas Zennstrom and Janus Friis, inflicted massive damage upon the world music industry through their KaZaa file sharing system and threatened the world telecom industry with a similar fate with their Skype voice-over-internet system (Fortune Magazine, 2004).

#### **High Level of Dynamism**

Turbulent environments are characterized by their high level of dynamism (showing nonlinear positive feedback), complexity and uncertainty (Crossan, Nanjad and Vera, 2001). Reasons behind this increasing turbulence are associated to many factors. First, technological convergence and the consequential fall in the barriers to entry of industries related with communications and information (Chackravathy, 1997). Secondly, the increasing access and availability of information and the need to manage that information in a more effective way (D'Aveni, 1994).

#### **Global Profile of Competitors**

Thirdly, the increasingly global profile of competitors (D'Aveni, 1994) and finally the existence of new global public sector trends, characterized by the downsizing of government in many countries, after its massive retreat in its roles of shareholder in different sectors of the economy and by the significant increase in social and environmental activism, resulting in major new legislation aimed at improving life quality of citizens, but often at a significant cost to industry (Bailey, 2007). Another source of turbulence is the perceived complexity of the subsidiary's business environment. This complexity might result from the perceived diversity of the needs of the different customer groups that the subsidiary serves (Miller, 1983; Miller and Friesen, 1982) as cited in Zahra et. al. (2000).

If the local environment is viewed as complex, then the subsidiary is expected to become more proactive in its operations and supportive of entrepreneurial risk-taking (Morris, 1998) as cited in Zahra et. al. (2000). Some prior research has also concluded that increased environmental complexity is associated with higher levels of entrepreneurship (Miller, 1983; Zahra, 1991) as cited in Zahra et. al (2000). We propose that turbulence is a consequence of the difficulty many industries are facing to achieve a congruent vision of the external conflict they are dealing with as its building blocks, actors, landscapes and rules of behavior are suffering strong transformations. This situation makes very hard for actors to build stable expectations about each other's behavior or, in Porter's (1980) words, to identify their "response profiles".

In turbulent environments, unpredictability reigns, as environmental dynamics are characterized by the existence of positive, non linear feedback (Stacey, 1993). For this

reason, approaches of the strategic problem based in a model of the firm understood as a Complex Adaptive System, of an evolutionary spirit, gave increasing importance to the “emergent” (Mintzberg and Waters, 1985) or “self-organized” aspects of strategy in “chaotic” environments (Stacey, 1993; Eisenhardt and Brown, 1998). Researchers have also noted that increased environmental hostility stems from globalisation and resultant intensity of competition in an industry (Bartlett & Ghoshal, 1989; Pearce, 1992; Porter, 1986) as cited in Zahra et. al. (2000). The globalisation of an industry destroys its previous structural and competitive equilibrium.

Managers face environmental turbulence in terms of the emergence of new proprietary technologies, rapidly changing economic and political trends, changes in societal values, and shifts in consumer demands. Our approach for a discussion on turbulence puts the stress on behavioral issues, as it focuses on the characteristics of interactions among a set of particular coevolving actors, more than in identifying general events happening “out there” as most descriptions of environmental turbulence do. The model introduced here helps to analyze inter organizational interactions in detail, therefore, facilitating the prediction of the probable evolution of a particular conflict’s level of turbulence by “mapping” it using the model’s concepts and variables.

### **Porter Five Forces of Environmental Turbulence**

Barriers to entry are one of the principal forces of competition that shape the performance of firms and industries in any economy (Porter, 1980). The study of entry barriers was pioneered by Bain (1956) who identified four major types of barriers: capital requirements, scale economies, product differentiation, and absolute costs. The economic theory behind barriers to entry postulates that in every market various structural constraints can impose disadvantages on entrants relative to incumbents. That is, the presence of barriers to entry result in fewer entries and therefore allows incumbent firms to enjoy above-average profitability (Porter, 1980).

If one industry’s return on capital is in excess of the cost of capital, this industry will attract the outside firms to go inside of the industry (Porter, 2004). If the entry of new firms is unrestricted, the threat of entry rather than actual entry will decrease the profitability of the industry, and make the established firms constraining their price to the competitive level (Harris, 2006). The reason why the new entrants may constitute a threat is that they bring new capacity and substantial resources to an industry with the desire of gaining market share (Porter, 2004). However, in most industries the new entrants cannot enter on the industry equally with the established firms. According to Porter’s (1980) theory, there are mainly six barriers for new entrants, and the height of these barriers determine the profitability of the established firm above the competitive level in the long-term. The barriers include capital requirements, economies of scale, absolute cost advantages, product differentiation, access to channels of distribution, and governmental and legal barriers.

The rivalry between established competitors defines how the competition between the players is in the industry. For most industries, the intensity of the rivalry and on which basis the industry participants compete determines the overall state of competition and the general level of profitability (Porter, 2004). In some industries, firms compete aggressively, even to the extent that prices are pushed below the level of costs. In such circumstances, the industry-wide losses happen (Porter, 2004). However, in other industries, the competition is in the

form of focusing in advertising, innovation, and other non-price dimensions. In such circumstances, the price competition is muted (Porter, 2004).

### **2.2.2. Strategic Planning**

Grant (2003) notes that empirical research in strategic planning systems has focused on two areas: the impact of strategic planning on firm performance (the focus of this paper) and the role of strategic planning in strategic decision making. There are contrasting perspectives on the process of strategy formulation, for instance, Mintzberg and Lampel (1999) have classified ten. Broadly, they distinguish between prescriptive schools: design, planning and positioning and descriptive schools: cognitive, learning, power, cultural and environmental, and two which have elements of both: entrepreneurial and configuration. According to Mintzberg and Lampel (1999) some of the more recent approaches to strategy formation cut across these ten schools. The “dynamic capabilities” approach (Prahalad and Hamel, 1990) embodying notions of core competence, strategic intent and stretch, Mintzberg and Lampel see as prescriptive and practitioner-focused and classify it as a hybrid of the learning and design schools.

The resource-based view (Wernerfelt, 1984; Barney, 1991; Grant, 1991), to Mintzberg and Lampel appears to be descriptive and research-focused and they classify it as a hybrid of the learning and cultural school. The tendency has been to view the ten different schools as representing fundamentally different processes to strategy formation, although Mintzberg and Lampel (1999) are ambiguous on this issue. Essentially, the question regarding the nature of strategy formulation in organizations has centered on the so-called “design versus process” debate, which emphasizes the difference between deliberate and emergent strategies (Mintzberg and McHugh, 1985; Mintzberg and Waters, 1985).

Deliberate strategies are defined as “intentions rebased” from strategies that are formulated in advance, whereas an emergent approach produces evolving strategic patterns despite or in the absence of intentions’ (Mintzberg and McHugh, 1985). One side advocates a formal, systematic, rational, strategic planning process (Ansoff, 1991; Goold, 1992). Others support an emergent process (Mintzberg, 1991, 1994; Mintzberg and Waters, 1982; Mintzberg and McHugh, 1985; Pascale, 1984). Grant (2003) argues that this debate has occurred in the context of a lack of empirical investigation of the phenomenon itself as it has concentrated on a few case examples of “dubious validity”. Further, Grant maintains that much of the debate between the “strategy-as-rational-design” and “strategy-as-emergent-process” schools has been based upon a misconception of how strategic planning works in the real world. From his investigation of the strategic planning practices of the major oil companies, Grant (2003) found that the strategic planning systems of the international oil majors “could be described as processes of “planned emergence.”

The primary direction of planning was bottom-up from the business units to the corporate headquarters and with business managers exhibiting substantial autonomy and flexibility in strategy making. At the same time, the structure of the planning systems allowed corporate management established constraints and guidelines in the form of vision and mission statements, corporate initiatives, and performance expectations.” Harrington et al. (2004) reach a similar conclusion. They note that the debate between Mintzberg (1990, 1991) and Ansoff (1991) typifies the view that firms’ strategy formulation processes are either



deliberate or emergent. Consequently, the norm has been to separate strategy formulation into deliberate and emergent categories.

### 3.0 RESEARCH METHODOLOGY

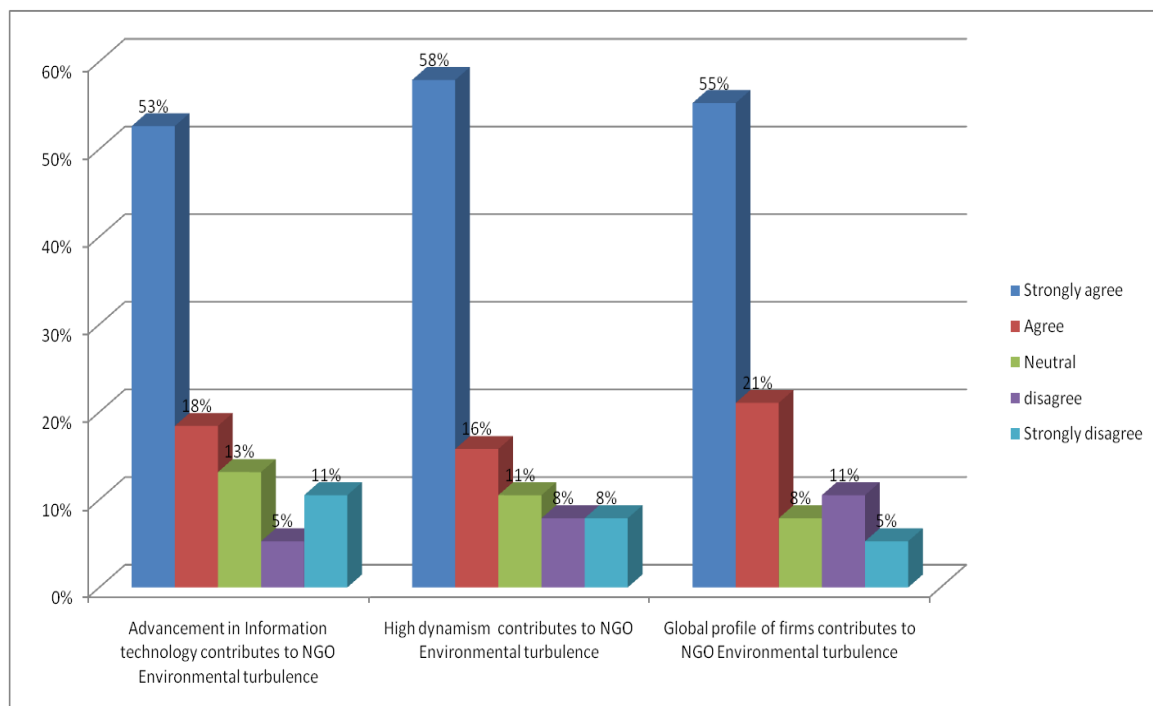
The research design employed in this study is a descriptive case study. The target population of eighty six people in the study is both management and support staff of The Market Access Programme. The sampling frame for this study was a list of all staff who works for the Market Access Programme obtained from the project Manager; the list constitutes a total of 86 employees. The employees were categories into senior level management, middle level management, supervisory staff and general staff. The sample was determined using statistics. Stratified sampling technique was used to select the sample. A sample size of 69 has been selected from a total population of eight six employees. The current study used both secondary and primary data. The current study preferred data collection instrument was a questionnaire. This study used the quantitative method of data analysis.

### 4.0 RESULTS AND DISCUSSIONS

#### 4.1 Descriptive Statistics

##### 4.1.1 Causes of Environmental Turbulence

One of the objectives of the study was to establish the causes of environmental turbulence. The results were given in the following graphs.

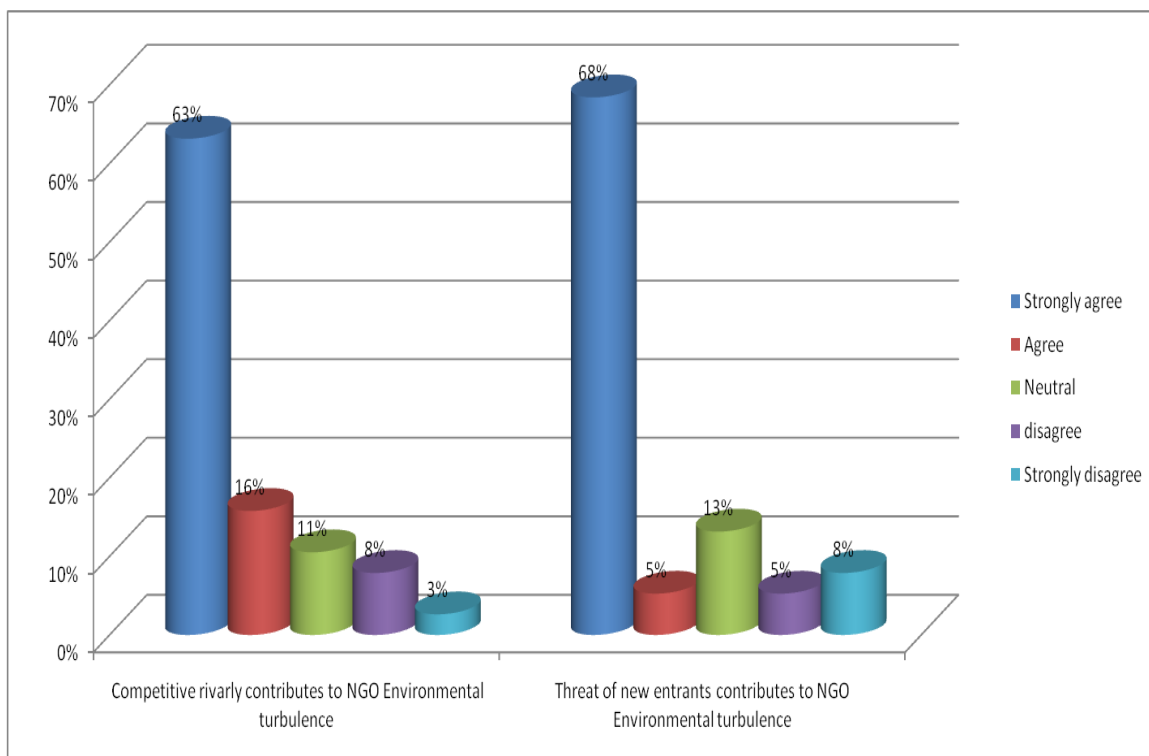


**Figure 1: Causes of Environmental Turbulence**

Results from figure 1 reveal that a majority of slightly more than half (53%) strongly agreed with the statement that advancement in information technology contributes to NGOs

environmental turbulence. The findings are consistent with those of Fortune Magazine (2004) which asserted that the availability of the internet as a communication device and a global distribution channel allows new industries to be created and destroyed at unprecedented speed.

A majority of 58% strongly agreed with the statement that high dynamism contributes to NGO environmental turbulence. The findings compare well with those of Crossan, Nanjad and Vera (2001) who asserts that turbulent environments are characterized by their high level of dynamism (showing nonlinear positive feedback), complexity and uncertainty. Results also reveal that majority of respondents (55%) indicated that they strongly agreed with the statement that the global profile of firms contributes to NGO environmental turbulence. The findings are in agreement with those of D’Aveni (1994) who observed that the increasingly global profile of competitors and finally the existence of new global public sector trends, characterized by the downsizing of government in many countries, after its massive retreat in its roles of shareholder in different sectors of the economy is a cause for environmental turbulence.

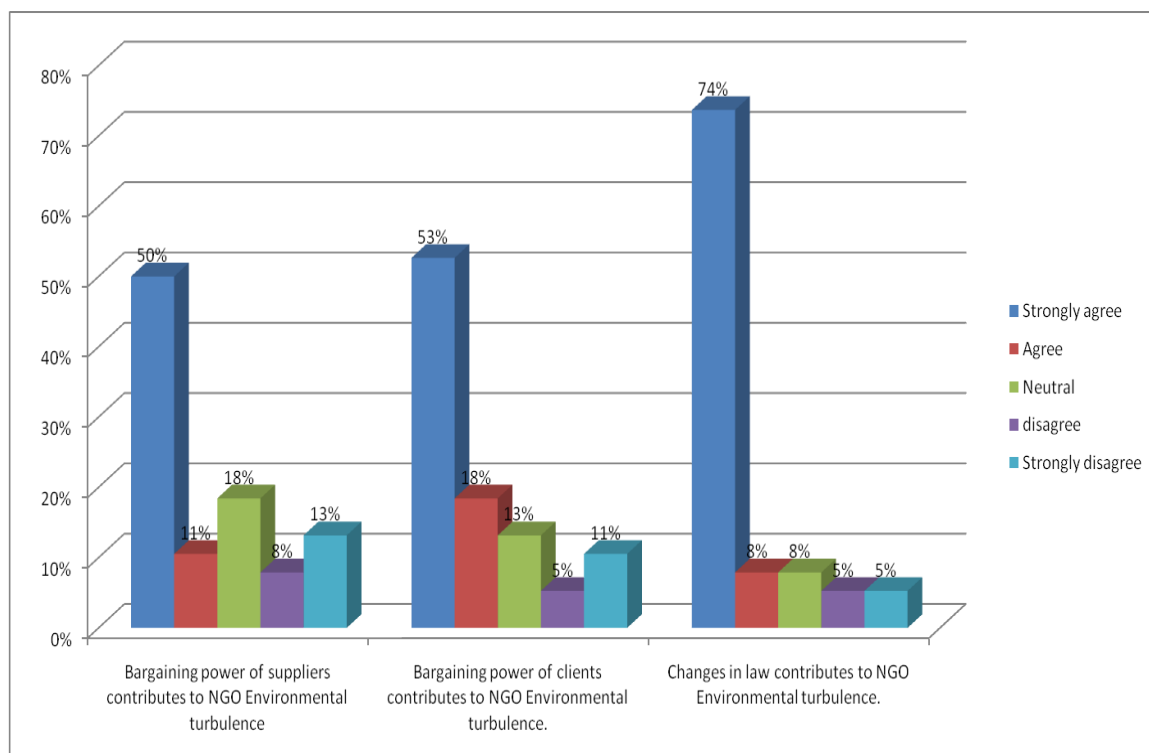


**Figure 2: Causes of Environmental Turbulence**

Results in figure 2 indicated that a strong majority of respondents (63%) strongly agreed with the statement that competitive rivalry contributes to NGO environmental turbulence. The findings are consistent with those of Porter (2004) who asserts that the rivalry between established competitors defines how the competition between the players is in the industry. For most industries, the intensity of the rivalry and on which basis the industry participants

competes determines the overall state of competition and the general level of profitability and sustainability (Porter, 2004).

Results in figure 4.2 also reveal that a majority of more than half (68%) strongly agreed with the statement that threat of new entrants contribute to NGO environmental turbulence. The results compare well with those of Harris (2006) who asserts that if the entry of new firms is unrestricted, the threat of entry rather than actual entry will decrease the profitability and or sustainability of the industry, and make the established firms constraining their price to the competitive level. The results also agree with Porter (2004) who observes that the reason why the new entrants may constitute a threat is that they bring new capacity and substantial resources to an industry with the desire of gaining market share.



**Figure 3: Causes of Environmental Turbulence**

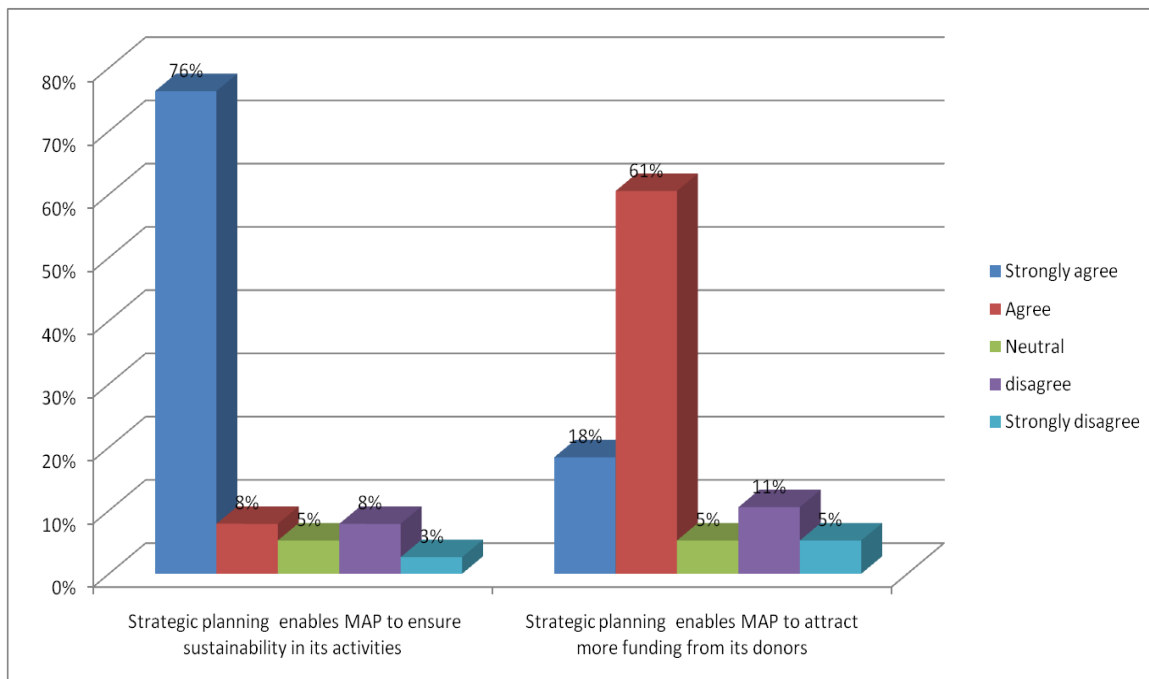
Study findings show that a majority of exactly half (50%) strongly agreed with the statement that bargaining power of supplier contributes to NGO environmental turbulence. The results are in agreement with those of porter(2004) which asserts the bargaining power of suppliers is higher in case of lesser competition given that lesser competition will not develop the supplier network (and their mutual competition) and hence they will tend to have more bargaining power.

Results in figure 3 also show that the majority of respondents (53%) agreed with the statement that bargaining power of clientele contributes to NGOs environmental turbulence. The results are consistent with those of Porter (2004) who asserts that bargaining power of buyers shall be lesser if competition is less given that customers will not have many choices for purchasing products.

Results also reveal that a strong majority of respondents (74%) strongly agreed with the statement that changes in law contribute to NGO environmental turbulence. The findings agree with those of Zahra et al (2000) who asserts that the change in legal environment is a source of environmental turbulence.

#### 4.1.2 Role of Strategic Planning

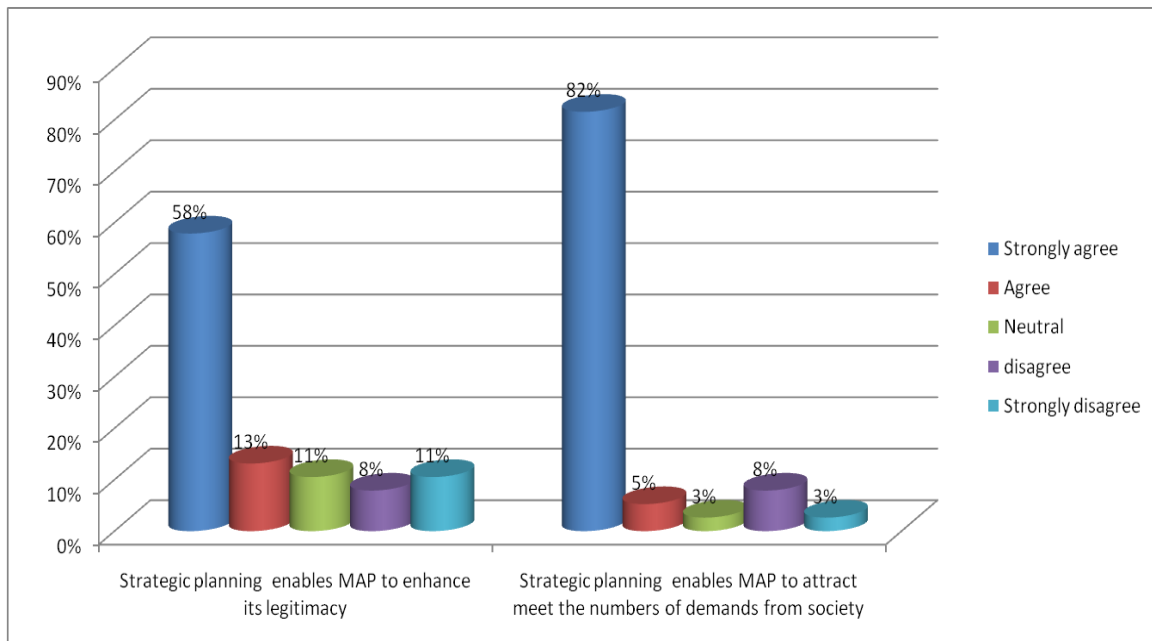
The second objective of the study was to determine role of strategic planning in MAP. The results were given in the following figures.



**Figure 4: Role of strategic planning**

A strong majority (76%) indicated that they strongly agreed with the statement that strategic planning enables MAP to ensure sustainability in its activities. The findings agree with those of Greenley (1994) which observed that the purpose of strategic planning is to improve the effectiveness of management throughout an organization. This in turn could lead to indirect improvements in performance, although its efficacy may, of course, be lost in the complexity of variables with the potential to influence performance.

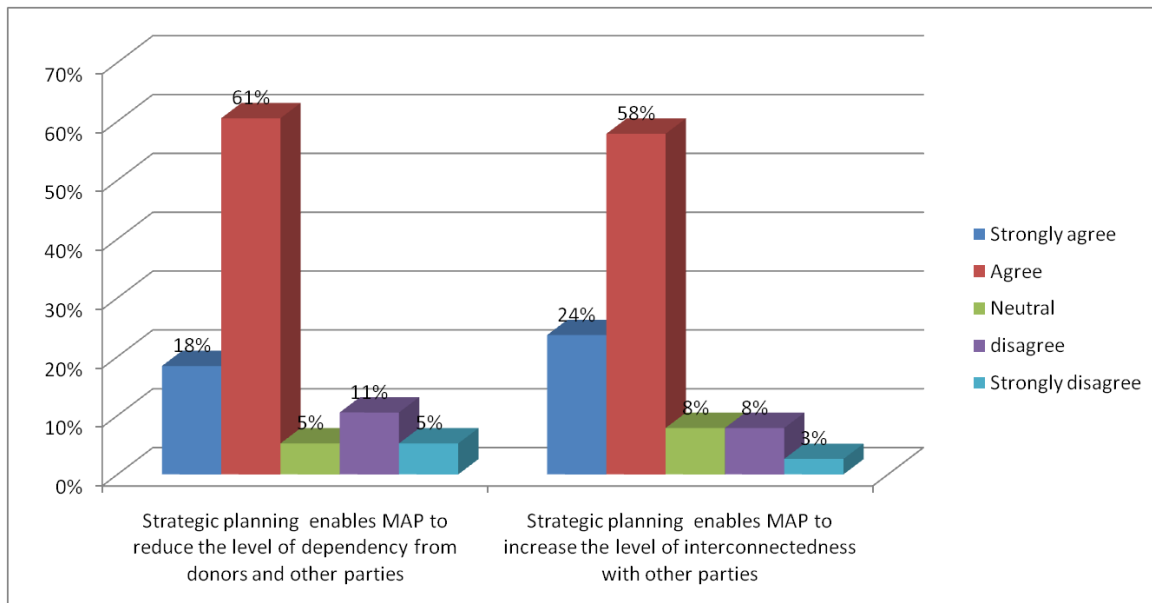
Results also indicate that the majority (61%) agreed with the statement that strategic planning enables MAP to attract more funding from its donors. The findings also agree with those of Sinha(1990), Ramanujam and Venkatraman (1987) who claimed that it is the act of planning which is of real value and Greenley (1986) has identified a range of advantages to be gained from using strategic planning.



**Figure 5: Role of strategic planning**

Results in figure 5 indicate that a majority of respondents (58%) strongly agreed with the statement that strategic planning enables MAP to enhance its legitimacy. The findings are consistent with Oliver (1991) who asserts that strategic planning is useful to NGOs as it facilitates the legitimization of the NGOs activities.

Results further indicate that the majority of respondents (82%) strongly agreed with the statement that strategic planning enables MAP to meet the demands of the society. The findings agree with those of DiMaggio & Anheier (1990) who asserted that the NGO sector, unlike other organizational fields (i.e., the market), is not about perfect competition or profit margins. According to DiMaggio & Anheier (1990) NGOs are —culturally loaded, often evoke ideological reactions, and are seen as the locus of values. Furthermore, DiMaggio & Anheier (1990) argue that the main challenge for NGOs is to meet certain social and cultural expectations.



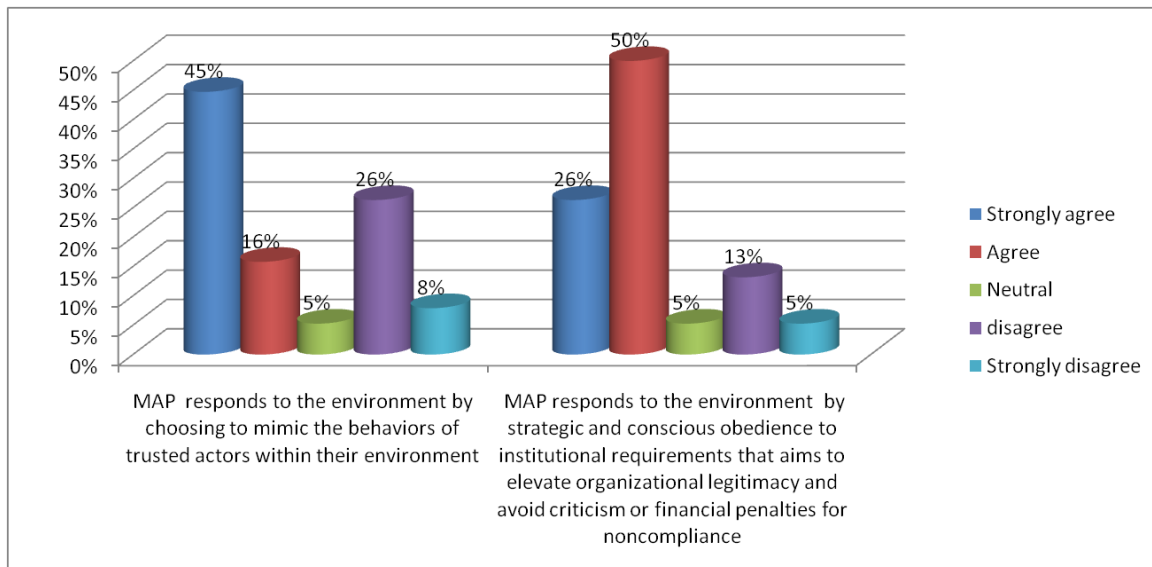
**Figure 6: Role of strategic planning**

Results in figure 6 indicate that a majority of respondents (61%) agreed with the statement that strategic planning enables MAP to reduce the level of dependency on donors and other parties. The findings compare well with those of DiMaggio & Anheier (1990) who asserts that NGOs have to ensure both a continued supply of resources and the satisfaction of many groups and structures that can provide political influence and societal legitimation in their environment.

Results also indicate that a majority of respondents (58%) agreed with the statement that strategic planning enables MAP to increase the level of interconnectedness with other parties. The findings are consistent with those of Pfeffer & Salancik (2003) who argue that NGOs need to remain connected with other players in the form of strategic alliances and cooperation in order to get a steady flow of resources so as to achieve their mandate. This observation is also in line with the resource dependency theory.

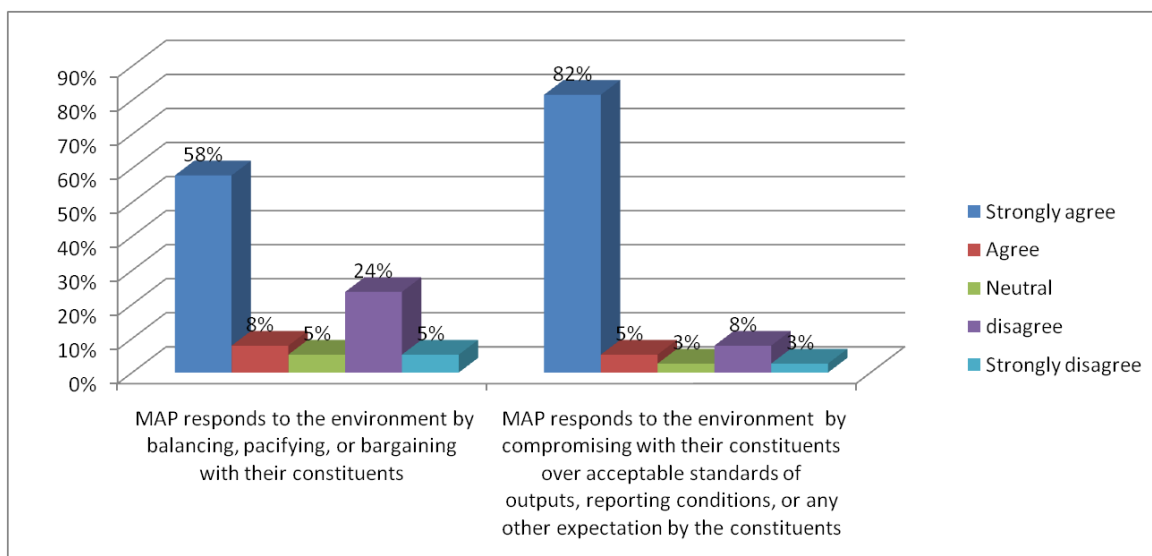
#### 4.1.3 NGOs Strategic Responses to Turbulent Environment

Another objective of the study was to establish the strategic responses adapted by NGOs in response to a turbulent environment. The findings were presented below.



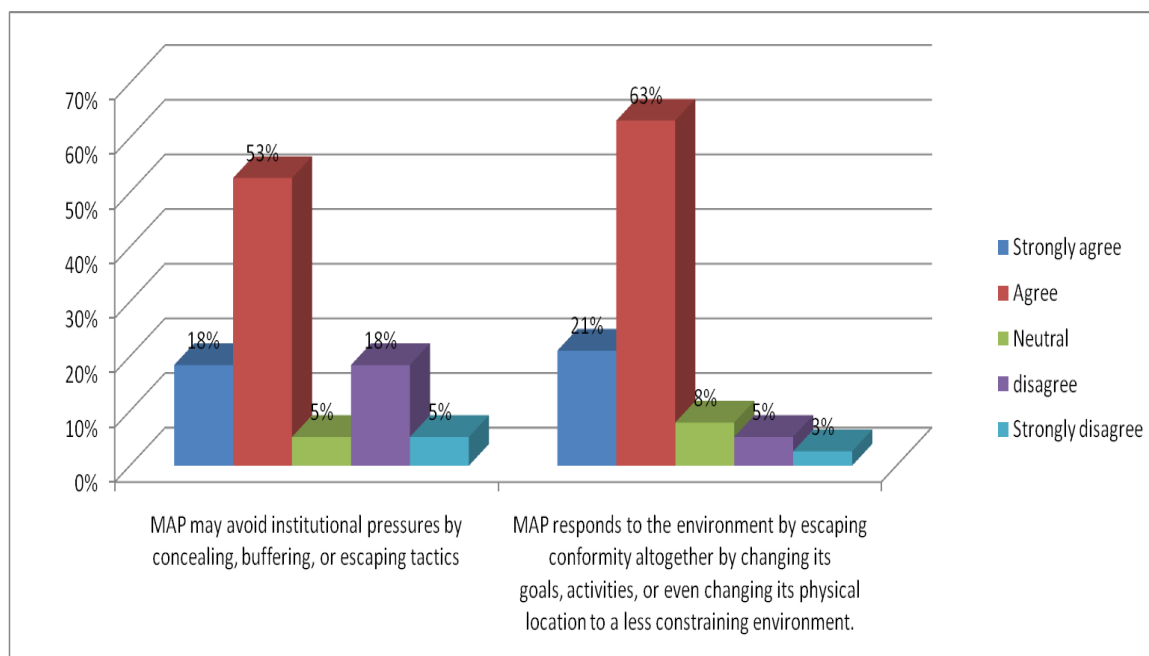
**Figure 7: Strategic responses of NGOs**

According to figure 7, a majority of slightly less than half (45%) strongly agreed with the statement that MAP respondents to the environment by choosing to mimic the behaviours of trusted actors within their environment. Results also indicate that a majority of exactly half (50%) agreed with the statement that MAP responds to the environment by strategic and conscious obedience to institutional requirements that aims to elevate organizational legitimacy and avoid criticism or financial penalties for noncompliance. The findings imply that MAP adopts acquiescence as a strategic response to pressures from external environment. The finding compares well with those of Oliver (1991) who observed that NGOs reaction may take the form of acquiescence (habit, imitation and compliance) taking into account the various institutional factors and dimensions such as cause, content, context, control and constituents.



**Figure 8: Strategic responses of NGOs**

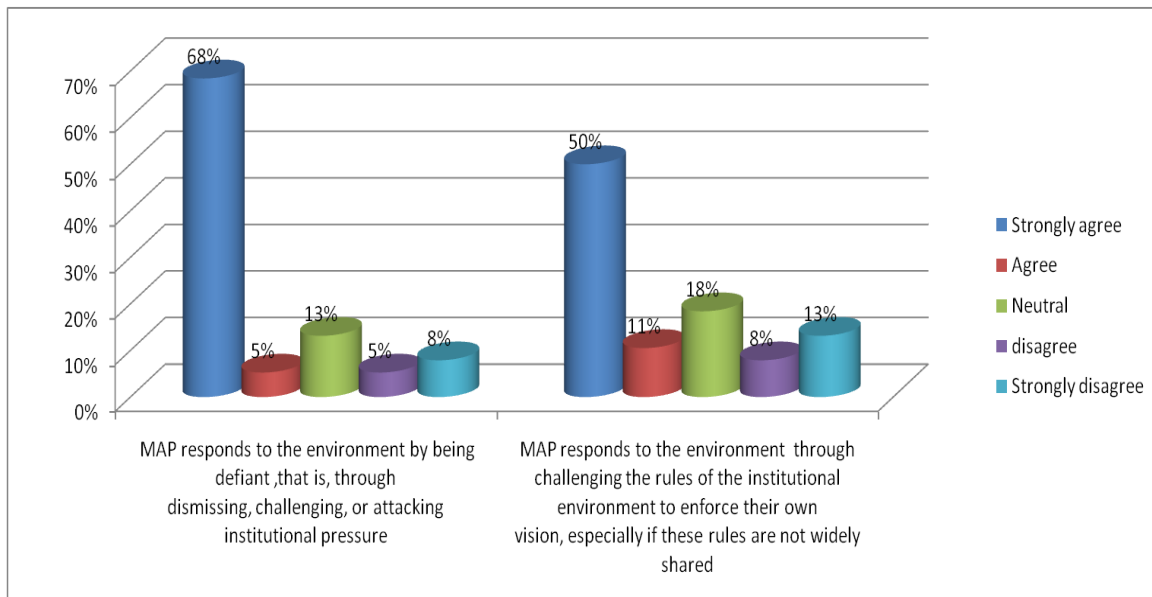
Findings in figure 8 indicate that a majority of respondents (58%) strongly agreed with the statement that MAP responds to the environment by balancing, pacifying, or bargaining with their constituents. Further the results also indicate that a majority(82%) strongly agreed that MAP responds to the environment by compromising with their constituents over acceptable standards of outputs, reporting conditions, or any other expectation by the constituents. The findings imply that MAP adopts compromise as a strategic response to pressures from external environment. The finding compares well with those of Pfeffer and Salancik (2003) who observed that NGOs reaction may take the form of compromise (partial compliance) taking into account the various institutional factors and dimensions such as cause, content, context, control and constituents. In addition, Pfeffer and Salancik (2003) assert that in pacifying tactics, organizations may choose conformity only to the minimum standards accepted by powerful constituents and that bargaining tactics are an expression of exchanging concession between an organization and its constituents.



**Figure 9: Strategic responses of NGOs**

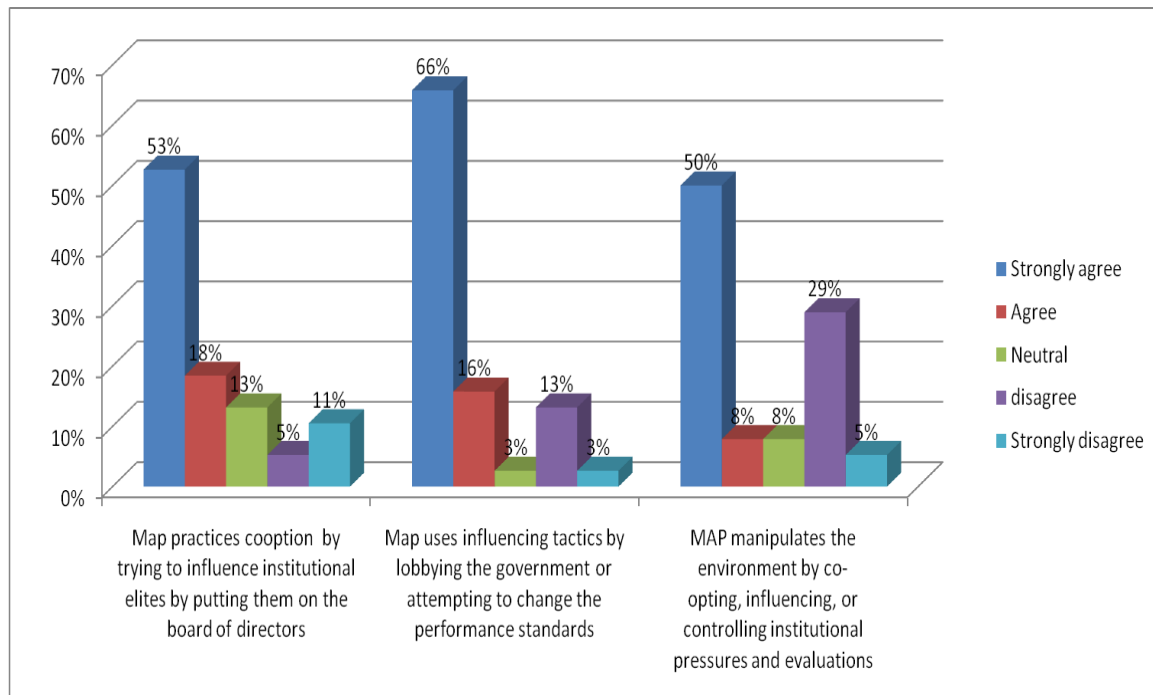
Findings in figure 9 indicate that a majority of respondents (53%) agreed with the statement that MAP responds to the environment by MAP may avoid institutional pressures by concealing, buffering, or escaping tactics. Further the results also indicate that a majority (63%) agreed that MAP responds to the environment by escaping conformity altogether by changing its goals, activities, or even changing its physical location to a less constraining environment. The findings imply that MAP adopts avoidance as a strategic response to pressures from external environment. The finding compares well with those of Pfeffer and Salancik (2003) who observed that NGOs reaction may take the form of avoidance (concealing, buffering , or escaping tactics) taking into account the various institutional factors and dimensions such as cause, content, context, control and constituents. In addition, Pfeffer and Salancik (2003) assert that NGOs may use buffering tactics to reduce institutional inspections or hide reality from outsiders.





**Figure 10: Strategic responses of NGOs**

Findings in figure 10 indicate that a majority of respondents (68%) agreed with the statement that MAP responds to the environment by being defiant, that is, through dismissing, challenging, or attacking institutional pressure. Further the results also indicate that a majority (50%) strongly agreed that MAP responds to the environment through challenging the rules of the institutional environment to enforce their own vision, especially if these rules are not widely shared. The findings imply that MAP adopts defiance as a strategic response to pressures from external environment. The finding compares well with those of Oliver (1991) who observed that NGOs reaction may take the form of defiance taking into account the various institutional factors and dimensions such as cause, content, context, control and constituents. In addition, the findings are in line with Pfeffer and Salancik (2003) who assert that NGOs may even attack institutional values and those who represent them if those values are explicitly negative or the organization feels its position will be more privileged to the public.



**Figure 11: Strategic responses of NGOs**

Findings in figure 11 indicate that a majority of respondents (53%) strongly agreed with the statement that Map practices cooption by trying to influence institutional elites by putting them on the board of directors. Further the results also indicate that a majority (66%) strongly agreed that Map uses influencing tactics by lobbying the government or attempting to change the performance standards. Results also indicate that a majority (50%) strongly agreed that MAP manipulates the environment by co-opting, influencing, or controlling institutional pressures and evaluations. The findings imply that MAP adopts manipulation as a strategic response to pressures from external environment. The finding compares well with those of Oliver (1991) who observed that manipulation is the most active response to institutional pressures that organizations may adopt in an attempt to actively change or exert power over the source of pressure.

## 5.0 DISCUSSION CONCLUSIONS AND RECOMMENDATIONS

### 5.1 Discussion

One of the objectives of the study was to establish the causes of environmental turbulence. Results reveal that a majority of slightly more than half (53%) strongly agreed with the statement that advancement in information technology contributes to NGOs environmental turbulence. The findings are consistent with those of Fortune Magazine (2004) which asserted that the availability of the internet as a communication device and a global distribution channel allows new industries to be created and destroyed at unprecedented speed.

The second objective of the study was to determine role of strategic planning in MAP. A strong majority (76%) indicated that they strongly agreed with the statement that strategic planning enables MAP to ensure sustainability in its activities. The findings agree with those

of Greenley (1994) which observed that the purpose of strategic planning is to improve the effectiveness of management throughout an organization. This in turn could lead to indirect improvements in performance, although its efficacy may, of course, be lost in the complexity of variables with the potential to influence performance.

Another objective of the study was to establish the strategic responses adapted by NGOs in response to a turbulent environment. A majority of slightly less than half (45%) strongly agreed with the statement that MAP responds to the environment by choosing to mimic the behaviours of trusted actors within their environment. Results also indicate that a majority of exactly half (50%) agreed with the statement that MAP responds to the environment by strategic and conscious obedience to institutional requirements that aims to elevate organizational legitimacy and avoid criticism or financial penalties for noncompliance. The findings imply that MAP adopts acquiescence as a strategic response to pressures from external environment. The finding compares well with those of Oliver (1991) who observed that NGOs reaction may take the form of acquiescence (habit, imitation and compliance) taking into account the various institutional factors and dimensions such as cause, content, context, control and constituents.

## 5.2 Conclusions

NGOs in general and Map in particular should position itself well since it operates in a turbulent environment which can be characterized into the porter fives environmental forces, forces of technology and internet adoption, forces of changes in laws and regulation , forces of high dynamism as well as globalization forces. Strategies at all given times must be well fit to the environment. Scanning of the external environment is mandatory to ensure that strategies remain relevant.

Strategic planning may be long and may not be 100% full proof but offer a good insurance in enabling MAP align itself to the external environment. Short range plans are encouraged since they complement strategic flexibility and are also more realistic than long range plans since they can be revised easily. Strategic unity is vital to ensure success of the strategies.

A holistic approach may be adopted in strategy formulation for MAP to ensure that strategies are well fit to the external environment. Efficiency and adoption for tomorrow is paramount. The NGOs may continue considering the institutional factors such as content, causes, control, context and constituents when choosing which strategy to adopt.

Frequent changes in strategy may make the organization loose strategic focus. MAP's internal strength gives the company stability in turbulent environments. Chief strategic officers give MAP focus while strategy safeguards the organization weakness to environment as their ability to select transmit and interpret information will affect MAPs organization environmental fit in the future.

## 5.3 Recommendations

NGOs in general and Map in particular should position itself well since it operates in a turbulent environment which can be characterized into the porter fives environmental forces, forces of technology and internet adoption, forces of changes in laws and regulation , forces

of high dynamism as well as globalization forces. Strategies at all given times must be well fit to the environment.. Scanning of the external environment is mandatory to ensure that strategies remain relevant.

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#### **5.4 Suggestion for Further Research**

The study recommends that further investigation be done on the challenges facing strategy implementation at MAP. Such a study would reduce the heat to light ratio experienced in inconclusive studies that attempt to explain the causes of strategy implementation failure.

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