

“The Impact of Strategic Planning on Mission Achievement in Egyptian Non-profit Organizations: An Assessment Using the Balanced Scorecard Approach”

Author: Nashwa Ghoneim, Msc.

Co-Author: Prof. Laila El-Baradei, PhD.

Affiliation: The American University in Cairo

E-mail: nashwaghonei@aucegypt.edu

E-mail: lbaradei@aucegypt.edu

Cell: 002 0100 30 87 127

Cell: 002 0122 23 85 760

1. Introduction

Strategic planning is important for nonprofit organizations to assess the degree to which their mission has been achieved and take necessary actions to achieve it (Franklin, 2011). Crittenden, Stone, and Robertson (2004) argued that nonprofits could achieve greater benefits by applying strategic planning which outweigh the costs involved in the implementation process. He suggested that nonprofits need to be aware of these potential benefits and how they will improve their performance as ultimately measured by mission achievement.

The relationship between strategic planning and organizational performance has been rarely examined in the public and nonprofit sector (Stone and Brush, 1996; Stone, Bigelow, and Crittenden, 1999). Also, most of the research has been confined to examining the nonprofit sector in the western society and very little has been conducted in nonprofits in developing countries like Egypt. However, there appears to be an ongoing interest in the study of strategic planning in public and nonprofit sector. Kriemadis and Theakou (2007) and Robinson (1992) recommended that future research efforts should investigate the impact of strategic planning on organizations' operational and financial outcomes. They also advocate the necessity of advancing the study and practice of strategic planning in public and nonprofit sector.

The current study attempts to build upon the recommendations by Robinson (1992) to empirically examine the effect of strategic planning on nonprofit organization's performance effectiveness in Egypt. An assessment of performance effectiveness will be made using the multiple perspectives of performance measurement offered by the balanced scorecard. The balanced scorecard, which originally consists of four perspectives list, will be modified to include a fifth perspective which is volunteers' development. The modified tool will be used to assess the impact of strategic planning on nonprofit organization's performance as reflected by mission achievement and also compare the performance of strategic versus non strategic nonprofit planners.

Little research has been directed toward examining how strategic planning can be used to improve nonprofits' effectiveness using a multiple performance measurement tool like the balanced scorecard especially in third world developing countries (Blackmon, 2008; Franklin, 2011; and Kaissi, Begun, and Nelson, 2008). The current research attempts to fill in this gap by

studying how strategic planning can be used as means for improving performance effectiveness in nonprofits operating in Egypt using the balanced scorecard as the assessment approach.

2. Literature Review

2.1. Strategic Planning in nonprofit organizations

Strategic planning is imperative for nonprofit organizations (Ramanathan, 1982). Griggs (2003) admitted that strategic planning leads to improved organizational performance in either for profit or not for profit organizations. This is due to its ability to align the behaviors of any organization with its future desires and also to the fact that the rules guiding strategies, tools, and strategic planning theories apply similarly to both types of organizations.

Strategic planning allows nonprofit organizations to better understand their external environment then formulate strategic plans aimed at effective performance (Moxley, 2004). He argued that nonprofit organizations use mission-based strategic planning to communicate their purpose to various stakeholders groups. This improves their legitimacy and secures stakeholder's support which is important for mission achievement.

Nonprofit organizations have a wide range of strategic planning models and approaches which can be used to accomplish their performance (Franklin, 2011). Trainer (2004) added that these models serve as a chart in guiding the strategic planning processes thus, they offer clarity, save workload, and focus organization's attention on important strategic planning practices.

The current study addresses the utility of using strategic planning in nonprofit organizations operating in Egypt using the model developed by Rhodes and Keogan (2005). This

model links strategy implementation to human resource management and organizational structure since they are all interrelated.

The model is composed of five main components. First: *mission* which covers nonprofits' purpose of existence, core values, behavioral standards, and strategy. Second: *strategy content*, which covers generic strategic decisions developed to fulfill the mission. Third: *environment*, which covers the analysis of internal as well as external environments of the nonprofit organization. Forth: *organization's structure and Human Resources approach* which represent the main elements to implement nonprofit's strategy. Fifth: *process*, which refers to strategy development that addresses deliberate and emergent strategic decisions of the nonprofit organization (Rhodes and Keogan, 2005, 125-127).

2.2. Environment(s)

Nonprofit organizations' internal environment is composed of organization's capacity, management, leadership, and internal networkings. This might create dilemmas in managing the internal environment which becomes somehow complex (Blackmon, 2008).

Nonprofit organizations' external environment is composed of government regulatory bodies, private organizations, other nonprofits, citizens, donors, and beneficiaries (Barman, 2002). As majority of nonprofit organizations are based on donors' funds, Stone, Bigelow, and Crittenden, 1999 argued that external funders have a greater influence on nonprofits' strategic management efforts.

2.3. Mission

The third component of Rhodes and Keogan's (2005) strategic planning model is mission. Developing mission statements in nonprofit organizations is an integral part of their strategic planning efforts and should be considered as the core of the balanced scorecard assessment process (Blackmon, 2008). The mission has to be aligned with the organizations' goals and objectives to facilitate the implementation of strategic plans. It can either impose restrictions or provide opportunities for the organization depending on its chosen strategic direction (Brown and Iverson, 2004). However, in all cases, missions have a long lasting effect on nonprofit strategic planning practices (Rhodes and Keogan, 2005).

2.4. Human resources management and structure

The fourth component in Rhodes and Keogan (2005) strategic planning model is human resources management and structure.

Several authors advocated the strategic view of human resources management and that it has to be incorporated into nonprofit's overall strategic planning efforts so that it can further be utilized as a strategic rather than traditional support function to promote for greater competitive advantage (Cakar, Bititci, and MacBryde, 2003; Macpherson, 2001).

The researcher agrees with authors' contention about the strategic role of human resources management and how it can be an integral part of organization's strategic planning efforts. Accordingly, the payoffs of managing human capital strategically have to be measured in terms of employees' continuous learning and growth potential which is one of the key performance measurement indicators presented by the balanced scorecard. This is what the proposed research attempts to examine.

2.5. Implementation

The fifth component in Rhodes and Keogan (2005) strategic planning model is implementation.

Effective strategic planning is not a guarantee to successful strategic management efforts in either for profit or nonprofit organizations. The implementation stage carries the greater weight in making strategic management efforts successful. Implementation is interrelated with the other components of the strategic planning model developed by Rhodes and Keogan (2005). These components include human resources management, organization's structure, operational plans, and monitoring. Thus, implementation is a critical component of organization's strategic planning model as a tool to promulgate for better strategic management practices in nonprofits.

2.6. Nonprofit organizations

Franklin (2011) noted that nonprofit organizations need to function at the highest level of operational efficiency and performance effectiveness because they are using public and donors' funds. Nicolae advocated that nonprofits need to use strategic planning due to their exclusive reliance on public and donors' funds. Consequently, they can utilize strategic planning to retain public credibility by being accountable to donating bodies who want to make sure that their money is best channeled through nonprofit activities for some good reasons (Franklin, 2011).

Handoussa (2008) declared that the number of nonprofit organizations in Egypt is continuously increasing. However, there is a difficulty in estimating their accurate figure. He reported that the ministry of social solidarity has estimated the total number of nonprofits in Egypt to be **21,500** in 2007. These organizations are mainly concentrated in the north where

urbanization and well developed social capital prevail. He indicated that **7,652** nonprofits operate in Lower Egypt primarily in Cairo and Giza and **7,502** operate in Upper Egypt.

Hassan (2010) mentioned that among the determinants of nonprofits' success is the relevance of services provided to social needs, which is a sole assessment of customers (this resembles the customer perspective of the balanced scorecard). He mentioned also that the effectiveness of these organizations is based on well known performance benchmarks (this represents the financial perspective of the balanced scorecard) and the application of strong governance mechanisms. Thus, effectiveness of nonprofit organizations should be evaluated using a multi-dimensional approach like the balanced scorecard.

Following is a discussion about the balanced scorecard as a multi-dimensional strategic management performance measurement tool.

2.7. The Balanced Scorecard

Since many nonprofit organizations are primarily mission-driven and the balanced scorecard is centered on achieving mission (as the *goal*) while linking together organization's strategy (as the *core*), internal business processes, employees' learning and growth, customer processes, financial processes, and volunteers' development (as proposed), it is becoming a significantly important strategic exercise for these organizations. Niven (2008) declared that achieving nonprofit organizations' missions will not occur in one day. He suggested that the multiple perspectives of the balanced scorecard should be considered in assessing organizational effectiveness. Because, information feedback gained from these perspectives helps organizations to make necessary adjustments leading to mission achievement.

The balanced scorecard measures nonprofit organization's performance by collecting data from the five perspectives which it presents. This measurement process portrays causal relationships between the impacts of strategic planning on organization's performance in a more accountable fashion (Kaplan and Norton, 2000).

The balanced scorecard was adapted for application to nonprofit organizations whereby the mission becomes the focal point as it provides a clear direction to the organization (Niven, 2003). Niven (2008) argued that the balanced scorecard in nonprofit organizations centers on strategy (i.e., strategic plans) as its core with the intention to achieve mission as the ultimate goal. He asserted that the balanced scorecard is important for nonprofit organizations due to its ability to provide feedback regarding organizational progress towards achieving its mission as guided by the concrete strategy(s) on hand.

The customer perspective comes after the mission directly. In public and nonprofit organizations, the customer perspective gains a greater weigh because their satisfaction justifies mission achievement (Niven, 2008). He argued that nonprofit organizations have a diverse customer base including donors who provide organizations with funds, beneficiaries who receive services without normally paying for them and the general public (Kaplan and Norton, 2001). Thus, the customer perspective of the balanced scorecard has to incorporate performance effectiveness as perceived by various customer segments. Based on assessment information gained from the customer perspective, the organization can easily identify critical performance measures in the other four perspectives (internal business processes, employees' learning and growth, financial processes, and volunteers' development).

Kaplan and Norton (1992) also argued that monitoring customer processes through the balanced scorecard helps nonprofits collect information about customers' perceived value, service quality, delivery time and costs, and customers' satisfaction. Thus, they will be able to align their strategic plans to the achievement of higher customer intimacy, superior service quality perception, and operational Excellency.

The financial perspective of the balanced scorecard is imperative for nonprofit organizations because it captures information about how efficiently they are using scarce resources and public/donor funds to offer quality services. Information obtained from this perspective improves organizational accountability towards the public and enhances its fund raising potential. Consequently, makes mission achievement much imminent (Niven, 2008).

The internal business process perspective captures measures regarding organizational operations and processes necessary to meet customers' expectations and increase their satisfaction (Kaplan and Norton, 2000; Niven, 2008). In other words, internal business processes are more about value chain management. Revising and improving internal business processes is dependent upon performance measures identified by the customer processes perspective of the balanced scorecard. Thus, this perspective can pursue diverse objectives which all aim at improving customers' value perception (Niven, 2008).

The success of nonprofit organizations depends on the depository of skills and competencies implicitly held by its staff which represents its human capital. Therefore, there is an obligation on nonprofit organizations to continuously improve employees' learning and growth potential, manage information sharing, and provide an adequate organizational climate

conducive to improving overall organization's performance as represented by mission achievement (Niven, 2008).

Employees' learning and growth captures information about human capital and information technology needed to achieve competitive advantage (Kaplan and Norton, 2000). This dimension is mainly concerned with evaluating the skills, knowledge, and competencies held by organizational human capital and finding out ways to continuously improve them.

Due to increased professionalism pressures in human resources management in nonprofit organizations, they are called upon to apply extensive internal controls and sophisticated volunteers' training and development techniques (Stirling, Kilpatrick, and Orpin, 2011). Therefore, a new dimension is introduced to the balanced scorecard which is *Volunteers' Development*.

3. Methods

3.1. Research Design

A retrospective cross-sectional research design was employed to measure performance effectiveness of nonprofit organizations both those that apply strategic planning processes and the others that do not follow formal strategic planning protocols. The latter were used as the control group in the study. A retrospective survey design was employed because the application of strategic planning was assumed to occur prior to the conduct of the study, mainly 5 years ago and organizations were asked to report about changes in their performance that happened during the last two operating years. This design is associated with the fixed method (Amaratunga, Baldry, Sarshar, and Newton, 2002).

3.2. Research Model

The research model is divided into two parts; the first part represents the dimensions of the strategic planning process which focuses on strategy content, environmental assessment, human resource management and organization’s structure, and mission achievement; the second part represents performance effectiveness as measures by the five perspectives of the balanced scorecard which include customer processes, internal business processes, employee learning and growth, financial processes, and volunteers’ development. The research model is shown in the following figure.

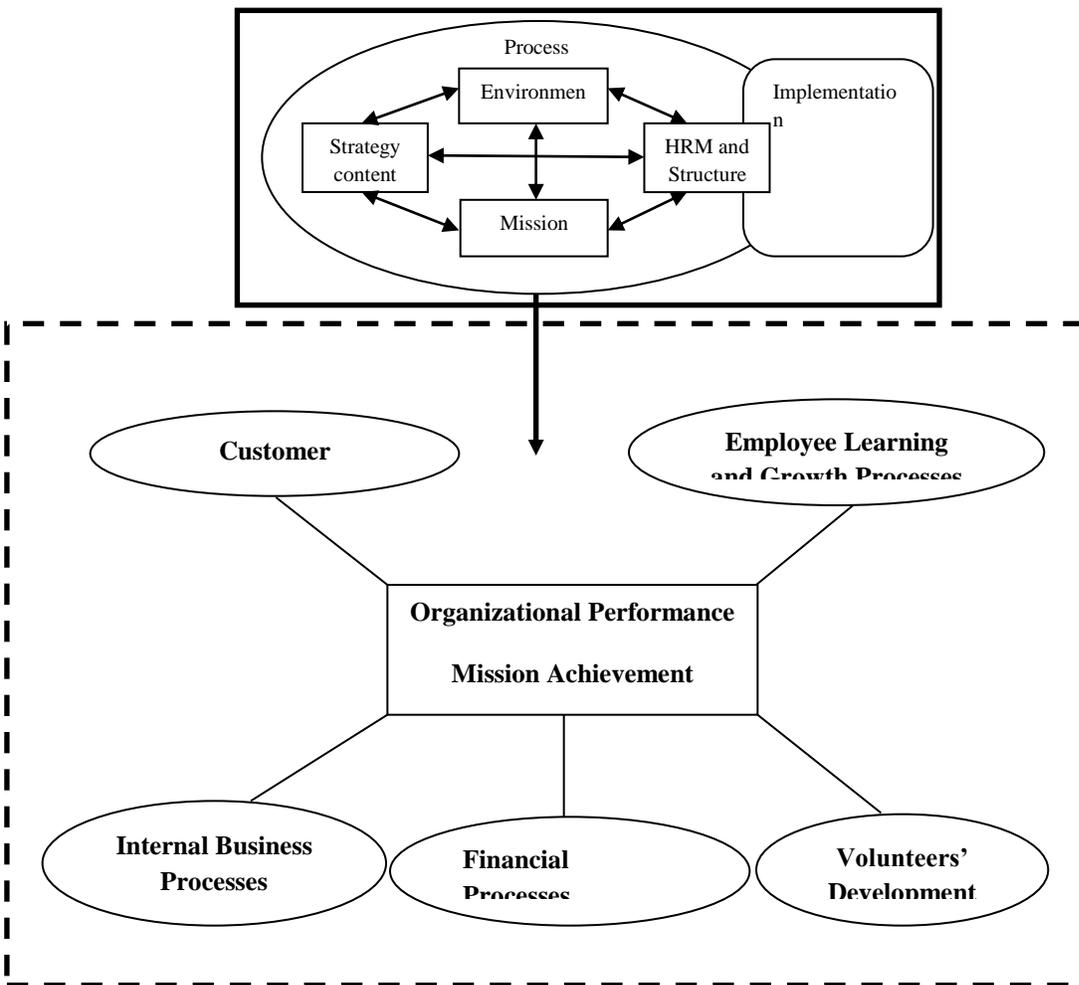


Figure (1): Research Model

3.3. Population and Sample

The target population for the study was comprised of Egyptian nonprofit organizations working in Cairo and Alexandria Governorates. There was no adequate population frame for Egyptian nonprofits available to pick a random sample of nonprofits for inclusion in the study. Therefore, a purposive sample of 40 nonprofit organizations – 20 nonprofits in greater Cairo and 20 in Alexandria - was selected and was contacted for participation in the study. The purposive sampling is a non probability sampling technique that can be used in quantitative research designs. It allows the researcher to draw the sample that would best fit the research intended objectives (Dolores and Tongco, 2007). The researcher has chosen the sampling elements based on their years of operations whereby only nonprofits with more than 5 years in operations were selected. Another consideration was given to the application of strategic planning protocols and this was used in selecting 20 strategic planner nonprofits versus 20 non-strategic planner nonprofits where the latter have served as the control group for the study. Furthermore, 10 nonprofits from each governorate were selected as strategic planners and the other 10 as non strategic planner nonprofits. The 40 completed questionnaires were needed to yield a confidence level of 95% which also reduced the likelihood of the occurrence of type I error.

4. Analysis of Research Findings

4.1. Assessing the Validity of Scale Items

A number of tests were performed before hypotheses testing. These tests included tests of content validity, convergent validity, discriminant validity, and reliability of scale items. Descriptive statistics were also performed.

Content validity was examined prior to data collection. Content validity refers to the extent to which the scale items reflect all facets of the social phenomenon or construct it attempts to measure (Hair et al., 1998). It was examined by presenting the survey instrument to three academic professors in the American University in Cairo. They reviewed the scale items and the wording of questions and no comments were received. Furthermore, the translated questionnaire was sent for supervisor's check prior to obtaining the Institutional Review Board approval.

Confirmatory factor analysis was used to examine the convergent validity of the items listed in the questionnaire. With respect to strategic planning, confirmatory factor analysis resulted in only one component. All six items measuring self efficacy were significant and had a factor loadings above .5 and thus are considered practically significant (Hair, et al., 1998). The fifth item had a negative factor loading because it was worded in a negative order. The procedure resulted into a percentage of variance extracted equals to 75.5%.

Confirmatory factor analysis with one factor extracted was used to examine the convergent validity of mission achievement. Only one component was extracted with all fifteen items having factor loadings above .5 and thus are considered practically significant. The procedure resulted into a percentage of variance extracted equals to 72%.

Confirmatory factor analysis with one factor extracted was used to examine the convergent validity of customer processes. Only one component was extracted with only nine out of eleven items having factor loadings above .5 and thus are considered practically significant. The other two items had no factor loadings with the extracted component and thus were deleted. The deletion of the two items has improved the percentage of variance extracted to 51%.

Confirmatory factor analysis with one factor extracted was used to examine the convergent validity of internal business processes. Only one component was extracted with all nine items having factor loadings greater than .5 and thus are considered practically significant. The procedure resulted into a percentage of variance extracted equals to 59%.

Confirmatory factor analysis with one factor extracted was used to examine the convergent validity of employee learning and growth. Only one component was extracted with only seven out of the nine items, measuring employee learning and growth, having factor loadings greater than .5 and thus are considered practically significant. The other two items were deleted and has improved the percentage of variance extracted to 54%.

Confirmatory factor analysis with one factor extracted was used to examine the convergent validity of financial processes. Only one component was extracted with three out of four items having factor loadings greater than .5 and thus are considered practically significant. One item was deleted and this has improved the percentage of variance extracted to 79%.

Confirmatory factor analysis with one factor extracted was used to examine the convergent validity of volunteers' development. Only one component was extracted with all six items having factor loadings above .5 and thus are considered practically significant. The procedure has resulted into a percentage of variance equals to 90%.

Confirmatory factor analysis with one factor extracted was used to examine the convergent validity of general organizational change. Only one component was extracted with thirty three out of thirty six items having factor loadings above .5 and thus are considered practically significant. Three items did not report any factor loadings however they were not deleted because their deletion has neither improved the percentage of extracted variance nor the

reliability of the scale. This procedure has resulted into a percentage of variance extracted to 59%.

Based on the tests of convergent validity, the independent variables are strategic planning, mission achievement, customer processes, internal business processes, employee learning and growth, financial processes, and volunteers’ development. The dependent variable is general organizational change which captures changes in organizational performance effectiveness over time.

Based on this, the reliability of scale items was examined and presented in the following section.

4.2. Assessing the Reliability of Scale Items

Cronbach alpha was used to examine the reliability of research constructs. The following table (4-1) summarizes the results of the internal reliability of research items.

Table (4-1): Reliability of Research Items

Construct	Cronbach alpha Coefficient	Items deleted	Cronbach alpha Coefficient after item deletion
Strategic Planning	.888		
Mission Achievement	.968		
Customer Processes	.788	1.We consistently meet the expectation of funding agencies.	.819

		2. We consistently meet the expectation of donors.	
Business Processes	.902		
Employee Learning and Growth	.733	1. My job is boring. 2. My job is challenging.	.800
Financial Processes	.544	We seem to work well with other non-profits	.864
Volunteers' Development	.977		
General Organizational Change	.974		

The reliability analysis shows that Cronbach alpha coefficients for the variables strategic planning, mission achievement, internal business processes, volunteers' development, and general organizational change exceeded .8. Gliem and Gliem (2003) considered Cronbach alpha of greater than or equal .8 as a reasonable indicator of the internal consistency of scale items. The reliability of the other scale items was improved by deleting some items as indicated by the result of the confirmatory factor analysis. This was achieved by computing Cronbach alpha when item(s) deleted. Cronbach alpha for customer processes was improved to .819 after deleting two items. Cronbach alpha for employee learning and growth was improved to .800 after deleting two items. Finally, Cronbach alpha for financial processes was improved to .864 after deleting one item. This again confirms with the criterion for reliability assessment set by Gliem and Gliem (2003).

After conducting the tests of reliability, discriminant validity tests were performed for independent research variables.

4.3. Discriminant Validity Tests

In order to test the discriminant validity of research variables, Cronbach alpha coefficient for each variable will be compared with its correlation with other variables (Sharma and Patterson, 1999). Table (4-2) will present the correlation matrix of independent research variables with alpha coefficients for each variable. Independent research variables include strategic planning, mission achievement, customer processes, internal business processes, employee learning and growth, financial processes, and volunteers' development.

Table (4-2): Correlation Matrix of Independent Variables

		STRPLAN	MISSACH	CUSTPRO	BUSPRO	GROLEARN	FINPRO	VOLDEV
		.888	.968	.819	.902	.800	.864	.977
STRPLAN	Pearson Correlation	1	.774**	.554**	.694**	.559**	.322*	.488**
.888	Sig. (2-tailed)		.000	.000	.000	.000	.043	.001
	N	40	40	40	40	40	40	40
MISSACH	Pearson Correlation	.774**	1	.698**	.761**	.748**	.372*	.483**
.968	Sig. (2-tailed)	.000		.000	.000	.000	.018	.002
	N	40	40	40	40	40	40	40
CUSTPRO	Pearson Correlation	.554**	.698**	1	.715**	.674**	.263	.404**
.819	Sig. (2-tailed)	.000	.000		.000	.000	.101	.010
	N	40	40	40	40	40	40	40
BUSPRO	Pearson Correlation	.694**	.761**	.715**	1	.734**	.240	.407**
.902	Sig. (2-tailed)	.000	.000	.000		.000	.135	.009
	N	40	40	40	40	40	40	40
GROLEARN	Pearson Correlation	.559**	.748**	.674**	.734**	1	.500**	.448**
.800	Sig. (2-tailed)	.000	.000	.000	.000		.001	.004
	N	40	40	40	40	40	40	40
FINPRO	Pearson Correlation	.322*	.372*	.263	.240	.500**	1	.235

.864	Sig. (2-tailed)	.043	.018	.101	.135	.001		.145
	N	40	40	40	40	40	40	40
VOLDEV	Pearson Correlation	.488**	.483**	.404**	.407**	.448**	.235	1
.977	Sig. (2-tailed)	.001	.002	.010	.009	.004	.145	
	N	40	40	40	40	40	40	40

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

* . Correlation is significant at the 0.05 level (2-tailed).

Based on table (4-2) one type of comparison will be performed. This comparison will be between alpha coefficients for each variable and its correlation coefficients with all other variables. With respect to this type of comparisons, significant correlations exist between most of the research variables, yet all of these correlations are lower than the alpha coefficients for each variable individually. For example, strategic planning and mission achievement are significantly correlated ($r = .774$) yet the reliability coefficients for both variables are .888 and .968 respectively, this means that respondents can discriminate between the two variables although they are correlated. This also means that for all other research variables respondents can discriminate between different variables. Thus, the independent variables correlate at an appropriate level as shown by their respective correlation coefficients and at the reported significance levels.

4.4. Descriptive Characteristics of Respondent Nonprofit Organizations

The BSC performance effectiveness scale collected a sufficient amount of information about the demographics of respondent organizations. It captured information about the governorate in which the organization operates, respondent's position in the organization, his/her age, gender, number of years in tenure, the type of services provided by the organization, the size

of the organization as indicated by the number of employees, and finally, the approximate size of annual operating budget in Egyptian pounds.

The distribution of respondent organizations by service category indicated that most of the organizations reported multiple service category provision. About 57.5 % of respondent organizations provided healthcare services. 47.5% provided both youth and educational services. 32.5% provided human rights services. 20% provided orphans' care services. 10% provided both political and social services. Only 2.5% reported a variety of other services including charity, economic and social development, elderly care, marketing and promotional services for businessmen, training and employment services, cultural exchange, funding projects, widows' care, zakat, and finally religious services.

Demographical data about the gender of respondents was collected. About 70% of respondents were male and only 30% were female. This highlights the fact the women are misrepresented in the management of nonprofit organizations in Egypt.

Categorical data about the distribution of respondents by age category was collected. Majority of respondents fell in the age bracket from 40 to 60 years old (37.5%). 32.5% of respondents were above 60 years old and finally 30% were less than 40 years. This highlights the fact that majority of managerial holding positions in nonprofit organizations are captured by the elderly in Egypt and therefore youth are highly underrepresented.

The distribution of respondent by years of tenure in investigated. Majority of respondents spent from 5-9 years in tenure in their organizations (16%). 9% of respondents spent less than 4 years in tenure and they were mostly found in non strategic planner organizations and also 9% spent more than 15 years in tenure. Finally, 6% spent from 10 to 15 years in tenure. This is a

good indicator about the adequacy of information reported by respondents based on their accumulated professional experience in examined organizations.

In addition to the data presented above, categorical data about the size of respondent organizations in terms of the number of employees were collected and presented in the following table. These categories are not mutually exclusive. About 27.5% of respondent organizations operate with a number of employees ranging from 21-50 employees. 22.5% operate with less than 20 employees and 22.5% operate with a number of employees ranging from 101-500 employees. 17.5% operate with a number ranging from 51-100 employees. Finally, only 10% operate with more than 500 employees. This indicates the trend in most nonprofits to reduce overhead expense by reducing the size of paid employment.

Category data was also collected about organization's size in terms of annual operating budget. About 6 cases were missing because they did not report about their annual operating budget size. About 27.5% of respondent nonprofits operate with annual budget of a size between one to two millions. About 22.5% of nonprofits operate with an annual budget of more than two millions. 20% of nonprofits operate with an annual budget of less than L.E 500,000. Finally, 15% of them operate with an annual budget of less than one million.

Qualitative analysis of respondent's position within the organization was performed. Majority of respondents (70%) indicated their position as the CEO. Chief financial officers represented 15% of respondents, 7.5% were directors and 2.5% were management team members. Other reported positions included committees' affairs manager and monitoring and evaluation officer with 2.5% each.

The distribution of nonprofit organizations based on the use of strategic planning was measured. The sample was divided equally into 20 strategic planners versus 20 non strategic planner organizations. Ten out of twenty nonprofits selected from each governorate were selected as strategic planners and the other 10 as non strategic planners. This was intended by the researcher in order to allow for comparisons and sub group analysis.

Fifty percent of respondent nonprofit organizations indicated that they conducted strategic planning during the last five years. According to their responses descriptive statistical procedures were performed to examine the distribution of strategic planner nonprofit by service category.

Data indicated that both educational service providers and healthcare service providers performed strategic planning at higher rates compared to other service category providers (70% and 55% respectively). This was followed by human rights service providers and political service providers (40% and 20% respectively). Other service categories such as orphans' care, economic and social development, marketing and promotional services, training and employment services, cultural exchange, funding projects, and widows' care represented the smallest percentage of respondent strategic planner nonprofits (5% only).

Strategic planner nonprofits ranked differently from non strategic planners on the size of annual operating budget thus, descriptive analysis was performed to examine the distribution of strategic planners by annual budget size. Data about annual operating budget of strategic planner nonprofits were missing in 4 cases which did not reveal information about it. About 30% of strategic planner nonprofits operate with an annual budget of more than two millions. 25% of them operate with an annual budget from one to two millions. 15% of them operate with an

annual budget of less than L.E 500,000. Finally, 10% operate with an annual budget of less than one million.

Respondents were asked to report the types of strategic planning activities conducted during the past five years. Their responses were limited to the nine types of strategic planning activities presented in the questionnaire. Majority of strategic planner nonprofits (70% and more) have performed 8 out of 9 strategic planning activities. These activities included environmental assessment, mission statement development, vision statement development, values statement development, strategy development, objectives development, performance measures, and performance indicators. All strategic planner nonprofits (100%) have conducted two strategic planning activities which are objectives development and performance measures. Only 40 of strategic planner nonprofits used the services of an outside consultant and this was mainly for legal or auditing consultations.

Non strategic planner nonprofits were also asked to indicate reasons for not conducting formal strategic planning protocols. They were given a choice of three reasons and a descriptive analysis to their responses was performed. About 15% of respondent non strategic planners indicated the lack of need for conducting formal strategic planning protocols. More than 80% of respondents indicated the lack of time and 85% indicated the lack of resources as factors for not conducting formal strategic planning protocols. However, few respondents denied the need for conducting formal strategic planning as indicated above.

Qualitative analysis was performed to analyze respondents' opinions regarding the impact of the 25th of January revolution on their efforts to use strategic planning more formally. About 47.5% of respondent nonprofit organizations confirmed that the 25th of January

revolution has impacted their efforts to use strategic planning more formally. However, 52.5% indicated no impact of the revolution on their intentions to use strategic planning protocols formally. A further qualitative analysis of the reasons was performed and a summary is presented in the following paragraph.

Most of respondents who claim a positive impact of the Jan. 25th revolution on their strategic planning efforts reported some reasons for this claim. Some of them reported that post the revolution, they had to deviate slightly from their current mission to handle emerging cases and service needs in terms of new expanded service delivery programs. Others indicated their orientation towards each of the following; establishing cooperation programs with the Egyptian government to enhance the general status of the Egyptian economy and rebuild the society, coordinating with other nonprofits in providing emergent services, and some nonprofits targeted other countries with whom connections were prohibited prior to the revolution. Some nonprofits focused their efforts on strengthening and promoting the idea of human rights especially for enhancing the status of severely affected cases during the revolution. Some nonprofits focused on utilizing crisis management strategies to handle the emerging economic and political circumstances like establishing self generating income sources for sustainability of funding sources. Finally, among those who claimed a negative impact of the revolution on their strategic planning efforts, they claimed the lack of effective managerial skills and the need for more training on how to use strategic planning protocols in coordination with a general regulatory body.

4.5. Comparisons of Strategic Planning Nonprofit Organizations to Non-Strategic Planning Nonprofit Organizations

Comparison was made between strategic and non strategic planners nonprofits using data collected from the forty organizations along the five domains presented by the balanced score card performance effectiveness scale. The mean score for each variable was based on a composite score of the responses to the 7-point Likert scale items. Raw data from the responses to the Likert scale items ranged from strongly agree to strongly disagree and for the overall organizational scale, it ranged from unfavorable to favorable change. The composite score for each variable was calculated using the “compute variable” function in SPSS 18.0 and accordingly new variables were created and given symbols. The mean score for strategic planning activities was represented by a composite score for the variable “STRPLAN”. The mean score for mission achievement was represented by the composite score “MISSACH”. The mean score for customer processes was represented by the composite score “CUSTPRO”. The mean score for internal business processes was represented by the composite score “BUSPRO”. The mean score for employee learning and growth was represented by the composite score “GROLEARN”. The mean score for volunteers’ development was represented by the composite score “VOLDEV”. Finally, the mean score for overall change in organizational performance was represented by the composite score “ORGPRFM”. Twenty nonprofits were classified as non-strategic planners and the other twenty were strategic planners. Comparisons were made using “strplan” which takes either yes or no values and it was compared with each of the variables included in the questionnaire. Table (4-3) highlights the mean score for each variable presented by the BSC performance effectiveness scale.

Table (4-3): Comparison of the Mean Score for BSC Domain Constructs

Group Statistics

Domain	strplan	N	Mean	Std. Deviation	Std. Error Mean
STRPLAN	No	20	.2579	.16984	.03798
	Yes	20	.7227	.12683	.02836
MISSACH	No	20	4.1033	1.40367	.31387
	Yes	20	6.2467	.81164	.18149
CUSTPRO	No	20	5.1389	.66263	.14817
	Yes	20	6.2056	.66303	.14826
BUSPRO	No	20	3.3056	.83294	.18625
	Yes	20	5.4389	.93622	.20935
GROLEARN	No	20	5.3286	.74750	.16715
	Yes	20	6.2214	.69751	.15597
FINPRO	No	20	5.9667	.68313	.15275
	Yes	20	6.3000	.70004	.15653
VOLDEV	No	20	3.2250	1.66164	.37155
	Yes	20	4.9903	2.09286	.46798
ORGPRFM	No	20	3.9514	.96254	.21523
	Yes	20	5.4583	.73606	.16459

Based on table (4-3), the mean composite score for each domain presented the BSC performance effectiveness scale was higher for strategic planning nonprofits than non-strategic planning nonprofits. In order to determine the statistical significance of the differences between strategic planner and non-strategic planner nonprofits' mean composite scores, independent sample t-tests were performed.

For the independent t-test, the assumption of equal variances was taken into considerations when interpreting test results. When the Levene's test yielded results greater than .05, the principle of equal variances was assumed in determining the appropriate t-value; conversely, levels of significance below .05 indicated that equal variances assumptions cannot be assumed.

The strategic planning index represented the mean composite score for the ten strategic planning activities which measure the level of strategic planning performed by the nonprofit organization. The independent t-test was used to compare between the mean composite score of strategic planning activities for strategic planner versus non-strategic planner nonprofits.

The Levene's test for equality of variances resulted in ($p > .05$) which indicated that equal variances were assumed. Accordingly, the significance level for the t-test was .000 ($p < .05$) at 95% confidence interval therefore, the null hypothesis can be rejected. The results of the Levene's test indicated a statistically significant difference in the mean composite scores on the strategic planning index between strategic planning nonprofits (Mean = .7227) and non-strategic planning nonprofits (Mean = .2579).

Independent t-test was also conducted to statistically compare strategic planning versus non-strategic planning nonprofits with respect to mission achievement index. Mean composite score for strategic planning nonprofits were compared with those of non-strategic planning nonprofits on the mission achievement domain of the BSC performance effectiveness scale.

The Levene's test for equality of variances resulted in ($p > .05$) which indicated that equal variances prevailed. Therefore, the significance level for the independent t-test was ($p < .05$) at 95% confidence interval thus, the null hypothesis can be rejected. The result of this test statistics

indicated a statistically significant difference between the mean composite scores of strategic planner versus non-strategic planner nonprofits on the mission achievement domain of the BSC. The composite mean scores on mission achievement were (Mean = 6.2467) for strategic planner nonprofits and (Mean = 4.1033) for non-strategic planner nonprofits.

Independent t-test was also conducted to statistically compare strategic planning versus non-strategic planning nonprofits with respect to customer processes index. Mean composite score for strategic planning nonprofits were compared with those of non-strategic planning nonprofits on the customer processes domain of the BSC performance effectiveness scale.

The result of Levene's test for equality of variances was ($p > .05$) which indicated that equality of variances can be assumed. Accordingly, the significance level for equal variances was ($p < .05$) at 95% confidence interval thus, the null hypothesis can be rejected. The result of this test statistics indicated a statistically significant difference between the mean composite scores of strategic planner versus non-strategic planner nonprofits on the customer processes domain of the BSC. The composite mean scores on customer processes were (Mean = 6.2056) for strategic planner nonprofits and (Mean = 5.1389) for non-strategic planner nonprofits.

Independent t-test was also conducted to statistically compare strategic planning versus non-strategic planning nonprofits with respect to internal business processes index. Mean composite score for strategic planning nonprofits were compared with those of non-strategic planning nonprofits on the internal business processes domain of the BSC performance effectiveness scale.

The result of Levene's test for equality of variances was ($p > .05$) which indicated that equality of variances can be assumed. Accordingly, the significance level for equal variances

was ($p < .05$) at 95% confidence interval thus, the null hypothesis can be rejected. The result of this test statistics indicated a statistically significant difference between the mean composite scores of strategic planner versus non-strategic planner nonprofits on the internal business processes domain of the BSC. The composite mean scores on internal business processes were (Mean = 5.4389) for strategic planner nonprofits and (Mean = 3.3056) for non-strategic planner nonprofits.

Independent t-test was also conducted to statistically compare strategic planning versus non-strategic planning nonprofits with respect to employee learning and growth index. Mean composite score for strategic planning nonprofits were compared with those of non-strategic planning nonprofits on the employee learning and growth domain of the BSC performance effectiveness scale.

The result of Levene's test for equality of variances was ($p > .05$) which indicated that equality of variances can be assumed. Accordingly, the significance level for equal variances was ($p < .05$) at 95% confidence interval thus, the null hypothesis can be rejected. The result of this test statistics indicated a statistically significant difference between the mean composite scores of strategic planner versus non-strategic planner nonprofits on the employee learning and growth domain of the BSC. The composite mean scores on employee learning and growth were (Mean = 6.2214) for strategic planner nonprofits and (Mean = 5.3286) for non-strategic planner nonprofits.

Independent t-test was also conducted to statistically compare strategic planning versus non-strategic planning nonprofits with respect to financial processes index. Mean composite

score for strategic planning nonprofits were compared with those of non-strategic planning nonprofits on the financial processes domain of the BSC performance effectiveness scale.

The result of Levene's test for equality of variances was ($p > .05$) which indicated that equality of variances can be assumed. Accordingly, the significance level for equal variances was ($p > .05$) at 95% confidence interval thus, the null hypothesis cannot be rejected. The result of this test statistics indicated no statistically significant difference between the mean composite scores of strategic planner versus non-strategic planner nonprofits on the financial processes domain of the BSC. Although, the composite mean scores on financial processes were (Mean = 6.3000) for strategic planner nonprofits and (Mean = 5.9667) for non-strategic planner nonprofits.

Independent t-test was also conducted to statistically compare strategic planning versus non-strategic planning nonprofits with respect to volunteers' development index. Mean composite score for strategic planning nonprofits were compared with those of non-strategic planning nonprofits on the volunteers' development domain of the BSC performance effectiveness scale.

The result of Levene's test for equality of variances was ($p > .05$) which indicated that equality of variances can be assumed. Accordingly, the significance level for equal variances was ($p < .05$) at 95% confidence interval thus, the null hypothesis can be rejected. The result of this test statistics indicated a statistically significant difference between the mean composite scores of strategic planner versus non-strategic planner nonprofits on the volunteers' development domain of the BSC. The composite mean scores on volunteers' development were

(Mean = 4.9903) for strategic planner nonprofits and (Mean = 3.2250) for non-strategic planner nonprofits.

Independent t-test was also conducted to statistically compare strategic planning versus non-strategic planning nonprofits with respect to overall organizational change index. Mean composite score for strategic planning nonprofits were compared with those of non-strategic planning nonprofits on the overall organizational change domain of the BSC performance effectiveness scale.

The result of Levene's test for equality of variances was ($p > .05$) which indicated that equality of variances can be assumed. Accordingly, the significance level for equal variances was ($p < .05$) at 95% confidence interval thus, the null hypothesis can be rejected. The result of this test statistics indicated a statistically significant difference between the mean composite scores of strategic planner versus non-strategic planner nonprofits on the organizational change domain of the BSC. The composite mean scores on organizational change were (Mean = 5.4583) for strategic planner nonprofits and (Mean = 3.9514) for non-strategic planner nonprofits.

4.6. Hypotheses Testing

Multiple linear regression analysis was used to test research hypotheses. General organizational performance was the dependent variable as measured by the six domains of the BSC performance effectiveness scale. These domains are mission achievement, customer processes, internal business processes, employee learning and growth, financial processes, and volunteers' development. The organizational change scale captured information about these six domains to cross validate data obtained in earlier sections of the questionnaire. Multiple

regression analysis was used to test research hypothesis using data collected from entirely completed questionnaires.

Research Hypothesis 1

Regression analysis was performed to test hypothesis 1. The R^2 indicates how well the data fits the model (Norusis, 2008). The R^2 for this model was .561 and the observed significance level for the F statistic was .000 which is less than the alpha of .05 for a 95% confidence interval. Thus, the null hypothesis can be rejected and research hypothesis 1 is supported. The beta coefficient for strategic planning was positive and high .749 and about 56% of the variations in organizational overall performance are explained as a result of using strategic planning activities.

Research Hypothesis 2

In order to test hypothesis 2, regression analysis was conducted. The R^2 for research hypothesis 2 was .693 and the observed level of significance for the F statistic was .000 which is significant at alpha of .05 with a 95% confidence interval. Thus, the null hypothesis can be rejected and research hypothesis 2 is supported. Therefore, there is a positive relationship between strategic planning, mission achievement, and general organizational performance change. Also, approximately 69% of the variation in general organizational performance change can be explained by strategic planning activities and mission achievement. Mission achievement alone contributes to explaining about 13% of organizational performance change over strategic planning activities.

Research Hypothesis 3

In order to test hypothesis 3, regression analysis was performed. The R^2 for research hypothesis 3 was .734 and the observed level of significance for the F statistic was .025 which is greater than an alpha of .05 with a 95% confidence interval. Thus, the null hypothesis cannot be rejected and research hypothesis 3 is not supported. However, approximately 73% of the variation in general organizational performance change can be explained by strategic planning activities, mission achievement, and customer processes. Customer processes alone contribute to explaining about 4% of organizational performance change over strategic planning activities and mission achievement.

Research Hypothesis 4

In order to test hypothesis 4, regression analysis was conducted. The R^2 for research hypothesis 4 was .744 and the observed level of significance for the F statistic was .253 which is greater than an alpha of .05 with a 95% confidence interval. Thus, the null hypothesis cannot be rejected and research hypothesis 4 is not supported. However, approximately 74% of the variation in general organizational performance change can be explained by strategic planning activities, mission achievement, and customer processes, and internal business processes. Internal business processes alone contribute to explaining about 1% of organizational performance change over strategic planning activities, mission achievement, and customer processes.

Research Hypothesis 5

In order to test hypothesis 5, regression analysis was conducted. The R^2 for research hypothesis 5 was .746 and the observed level of significance for the F statistic was .585 which is greater than an alpha of .05 with a 95% confidence interval. Thus, the null hypothesis cannot be

rejected and research hypothesis 5 is not supported. However, approximately 75% of the variation in general organizational performance change can be explained by strategic planning activities, mission achievement, customer processes, internal business processes and employees learning and growth. Employee learning and growth processes alone contribute to explaining about 0.2% of organizational performance change over strategic planning activities, mission achievement, customer processes, and internal business processes. Also, beta coefficient for employee learning and growth was negative which indicates a negative relationship between employee learning and growth and general organizational performance change in Egyptian nonprofit organizations.

Research Hypothesis 6

In order to test hypothesis 6, regression analysis was conducted. The R^2 for research hypothesis 5 was .762 and the observed level of significance for the F statistic was .151 which is greater than an alpha of .05 with a 95% confidence interval. Thus, the null hypothesis cannot be rejected and research hypothesis 6 is not supported. However, approximately 76% of the variation in general organizational performance change can be explained by strategic planning activities, mission achievement, customer processes, internal business processes, employees learning and growth, and financial processes. Financial processes alone contribute to explaining about 1.6% of organizational performance change over strategic planning activities, mission achievement, customer processes, internal business processes, and employee learning and growth.

Research Hypothesis 7

In order to test hypothesis 7, regression analysis was conducted. The R^2 for research hypothesis 5 was .832 and the observed level of significance for the F statistic was .001 which is less than an alpha of .05 with a 95% confidence interval. Thus, the null hypothesis can be rejected and research hypothesis 7 is supported. Accordingly, 83% of the variation in general organizational performance change can be explained by strategic planning activities, mission achievement, customer processes, internal business processes, employees learning and growth, financial processes, and volunteers' development. Volunteers' development alone contributes to explaining about 7% of organizational performance change over strategic planning activities, mission achievement, customer processes, internal business processes, employee learning and growth, and financial processes.

5. Discussion, Conclusions, and Recommendations

5.1. Main Research Findings

Based on the results of the descriptive analysis of the investigated nonprofits, it was found that the Egyptian nonprofit sector is highly fragmented and many of them provide services in multiple sectors. Majority of them operate mainly in the youth, educational, and health service sectors. Female leadership was relatively misrepresented because 70% of management was represented by men compared to 30% of women. Also, there was a lack of youth leadership in the management of these nonprofits, majority of managers were either between 40 and 60 years or above 60 years old. This represents a great hindrance on the improvement and progress of their respective organizations. Majority of non-strategic planner nonprofits suffered lack of both time and resources to support their inclination to apply formal strategic planning protocols.

The results of the analysis support and reinforce the role of strategic planning on performance effectiveness of nonprofit organizations as theoretically hypothesized in the previous research efforts of (Al-Shammari and Hussein, 2007; Blackmon, 2008; Franklin, 2011; French, Kelly, and Harrison (2004); Giffords and Dina, 2004; Griggs, 2002) in some ways. Results have shown a statistically significant difference between the mean composite scores of strategic planning activities between strategic versus non-strategic planner nonprofits along the domains of the BSC performance effectiveness scale. A statistically significant difference was found in four out of five domains embraced by the BSC performance effectiveness scale. These domains were customer processes, internal business processes, employee learning and growth, and volunteers' development. However, no statistically significant difference was revealed on the financial processes domain. This might be interpreted due to the financial and economic pressures imposed on the survival of Egyptian nonprofits which compel them to adhere to the maximum levels of financial efficiency. Analysis of both strategic and non-strategic planner nonprofits in Egypt indicated an overall orientation towards minimizing operating costs especially with those that lack self generating income sources. Moreover, following the cut of donations and individual contributions post the revolution, most of nonprofits were inevitably forced to manage their financial resource in the most efficient ways possible.

Data analysis for each research hypothesis did not however confirm with the results obtained in prior research efforts of (Al-Shammari and Hussein, 2007; Blackmon, 2008; Franklin, 2011; French, Kelly, and Harrison (2004); Giffords and Dina, 2004; Griggs, 2002). Only three out of seven hypotheses were supported based on the results of hypotheses testing. Analysis has indicated a positive relationship between strategic planning and organizational performance effectiveness in the investigated nonprofit organizations. In other words, nonprofits

that apply formal strategic planning protocols were more effective compared to other nonprofits that did not follow strategic planning. The strategic planning model adopted for the current research builds on five major components; strategy content, environments, mission, human resources management and organizational structure, and finally implementation (Rhodes and Keogan, 2005). This model was used for comparing performance effectiveness of strategic planner nonprofits versus non-strategic planners.

A positive relationship between strategic planning, mission achievement, and general organizational change was found also as a result of hypothesis testing. This means that there is a statistically positive relationship between strategic planning and mission achievement in strategic planning nonprofits. Therefore, this finding conforms to what Rhodes and Keogan (2005) have mentioned about the role of missions in nonprofit organizations which have a long lasting effect on nonprofit strategic planning practices. Also, this confirms the fact that mission achievement is a primary indicator of performance effectiveness of nonprofits which are regarded as mission-driven organizations.

Results however, did not support the use of the BSC performance effectiveness scale as a tool for assessing performance effectiveness of Egyptian nonprofits. This is because four out of five domains of the BSC performance effectiveness scale did not statistically contribute to explaining changes in performance effectiveness of the investigated nonprofits as a result of applying formal strategic planning processes. These domains were mainly customer processes, internal business processes, employee learning and growth, and financial processes. In other words, investigated nonprofits did not pay attention to the other four dimensions of the BSC in assessing their performance effectiveness. The new dimension of the BSC performance effectiveness scale which is volunteers' development did however; contribute to explaining the

changes in nonprofits performance effectiveness as a result of applying strategic planning protocols. This might be attributed to the fact that most Egyptian nonprofits are run by volunteers who represent their real human capital power and thus, this dimension carried a higher weight in assessing their performance effectiveness as a result of applying formal strategic planning tools.

Based on the results of hypotheses testing, the Egyptian nonprofit sector is neither managerially nor technically equipped to apply either formal strategic planning protocols or performance assessment tools like the BSC. Most nonprofits operate only at higher levels of financial efficiency in order to guarantee their continuity and survival. No managerial considerations were given to customer processes, internal business processes, financial processes or employees' learning and growth and therefore, they did not carry any significant weight in measuring overall performance effectiveness based on the application of strategic planning processes.

5.2. Research Implications

This research contributes to the study of strategic management in public and nonprofit organizations in various ways. Following is a brief about research theoretical and practical implications.

5.2.1. Theoretical Implications

1. Contribute to the theoretical argument and previous knowledge concerned with the important role of strategic planning in the management of nonprofits organizations.
2. Enrich the extant body of knowledge with the current status of nonprofit strategic management practices especially in developing countries like Egypt.

3. Contribute to the existing literature on performance measurement by modifying the balanced scorecard model to better reflect performance effectiveness of nonprofits as guided by the nature of their activities which depend extensively on volunteers' activism. Also, the modified model can be adapted and tested for further improvement in future research efforts.

5.2.2. Practical Implications

1. Communicate the important role of strategic management protocols on nonprofits' performance effectiveness as indicated by mission achievement and sustainable competitive advantage. Strategic planning can be used as a guide to strengthening and sustaining mission achievement in nonprofits.
2. Keep non-profits boards in Egypt aware of the intense accountability demands and the importance of incorporating the balanced scorecard into their performance effectiveness evaluation efforts.
3. Introduce the modified balanced scorecard to public and nonprofit sector in Egypt as a strategic performance effective measurement tool. The new tool would allow them to improve their performance as mandated by the demands of the government, clients, and general public.

5.3. Assumptions and limitations of the research

The proposed research will be based on the following assumptions while constrained by some limitations presented hereafter;

Assumptions of the research

1. An objective measurement of the proposed relationships between research constructs that is independent of the values held by the researcher to avoid the impact of researcher's bias on research results.
2. A moderately diverse sample of Egyptian nonprofit organizations will be targeted for two reasons. First: in order to better reflect differences among organizations in these sectors. The differences will be attributed to; the sector in which nonprofits operate, their respective mission and mandates, and the nature of activities performed by each organization. Second: to minimize sample bias, if it is confined to a single sector, and increase potential response rate.
3. The modified balanced scorecard model will be used as an effective means to measuring and comparing performance effectiveness of respondent nonprofit organizations (strategic vs. non strategic planners).

Limitations of the research

1. Scope limitations due to the inability to distinguish the various models of strategic planning used by nonprofit strategic planners and the impact of each model on their performance effectiveness as measured by mission achievement. The study only examined the application of the strategic planning model measured by the survey instrument developed by Blackmon (2008).
2. The difficulties faced by the researcher during the data collection period which has occurred within a very politically intense period and there was a generalized level of fear to submit any information about the civil society organizations working in Egypt. Respondents were very skeptical to supply information about their operating budgets, donors' funding ...etc.

3. Limiting the measurement of performance effectiveness to mission achievement. Other measures of performance effectiveness in the nonprofit sector can include sustainability, market leadership, input-output ratios, and other efficiency indicators.
4. This study was limited to analyzing the data generated through self reports of respondents which might carry a possibility for respondent's bias.
5. Limited Generalizability of research results to the wider nonprofit population in Egypt due of the misrepresentativeness of the purposive sample included in the research.

5.4. Policy Recommendations

The nonprofit sector in Egypt is highly fragmented and lacks the formal means necessary for effective performance reporting. Thus, the Egyptian government has to activate the role of the ministry of social affairs, as a solid regulatory body, in overseeing the role and supporting the needs of nonprofit organizations. The ministry of social affairs has to offer more professional training for the managers of nonprofits on how to use formal strategic planning protocols into their strategic management agenda. The ministry has a responsibility to offer them the technical and financial support needed. Also, managers of these nonprofits can be trained on the use of formal performance evaluation tools like the BSC. This is because the BSC has proven to be effective in promoting for improved accountability, effectiveness, and success in the nonprofit sector (Franklin, 2011).

The Egyptian government can mandate the use of strategic planning and systematic performance assessment tools like the BSC as means to improve accountability measures over the nonprofit sector. For example, the government can develop and pass either the Government

Performance and results Act (GPRA) of 1993¹ (Blackmon, 2008; and Franklin, 2011) or performance based budgeting system to the ministry of social affairs as an effective governance tool. Following this could allow nonprofits to justify how effective are they in offering valuable public services. Consequently, the ministry in charge can allocate more funds to only nonprofits which adhere to this act by using strategic planning and performance assessment in a systematic fashion.

The ministry of social affairs has to find some ways for mutual cooperation and coordination among nonprofits in providing the various public services needed by the society. More inclusion of women and youth leadership should be encouraged and promoted through the managerial development of women and youth potentials.

5.5. Suggestions for Future Research

Future research can be designed to overcome the limitations encountered in the current the research. The following are some guidelines for further research in the area of strategic management in nonprofit organizations.

1. Future research can examine the primary impediments to utilizing both strategic planning protocol in the management of Egyptian nonprofits and the balanced scorecard for performance effectiveness assessment.
2. Further research can examine and analyze the impact of different strategic planning models on improving nonprofits performance effectiveness. Based on this analysis, practical recommendations can be given on what are the strategic planning models that best suit the nature of nonprofit organizations in Egypt.

¹ For complete information about the (GPRA) act you can visit, <http://www.whitehouse.gov/omb/mgmt-gpra/gplaw2m>

3. Further research can apply a mixed methods approach for this scientific inquiry. For example, the inquiry can start by a qualitative phase represented by interviewing each stakeholder group (customers, employees, financial executives, board members, and volunteers) respectively, in order to better reflect their own perceptions about and assessment of performance effectiveness of their organizations. This can add more insights on how to further develop the survey to be used in the second quantitative phase.
4. Further research can investigate the impact of strategic planning on nonprofit organizations' performance effectiveness using multiple indicators of performance effectiveness that are beyond the mere accomplishment of their mission statement.
5. Future research can examine organizational financial performance data to avoid self reporting bias of respondents about their performance effectiveness.
6. A retrospective longitudinal research design can be adopted in future research efforts to measure the proposed relationships among research constructs. This will allow multiple measurements of the phenomenon to be made over wider time intervals.
7. Future research on nonprofit organizations needs to question if there is a direct, one to one, causal relationship between nonprofit organizations' performance and strategic planning or other factors might intervene (Griggs, 2002). The only way to measure this is to conduct experimentation and control for the effect of potential extraneous variables.

References

- Al-Shammari, H. A. and Hussein, R. T. (2007). Strategic planning-firm performance linkage: Empirical investigation from an emergent market perspective. *Advances in Competitiveness Research*, 15(1/2), 15-26.
- Amaratunga, D., Baldry, D. Sarshar, M. and Newton, R. (2002). Quantitative and qualitative research in the built environment; application of mixed research approach. *Work Study*, 51(1), 17-31.
- Anastasi (1988). Content Validity, Face Validity, and Quantitative Face Validity Retrieved from <http://www.burns.com/wcbcontval.htm> on April, 01, 2012.
- Barman, E. A. (2002). Asserting difference: The strategic response of nonprofit organizations to competition. *Social Forces*, 80(4), 1191-1222.
- Blackmon, V. Y. (2008). Strategic planning and organizational performance: an investigation using the balanced scorecard in non-profit organizations. Ph.D. dissertation, Capella University, United States. Retrieved August, 2011, from Dissertations and Theses: Full Text database. (Publication No. AAT 3311386).
- Brown, W. A. and Iverson, J. O. (2004). Exploring strategy and board structure in non-profit organizations, *Non-profit and Voluntary Sector Quarterly*, 33(3), 377-400.
- Cakar, F., Bititci, U., and MacBryde, J. (2003). A business process approach to human resource management. *Business Process Management Journal*, 9, (2), 190-207.
- Crittenden, W. F., Crittenden, V. L., Stone, M. M., Robertson, C. J. (2004). "An Uneasy Alliance: Strategic Planning and Performance in Nonprofit Organizations," *International Journal of Organizational Theory and Behavior*, 7(1), 81-106.

- Dolores, M., and Tongco, C. (2007). Purposive Sampling as a Tool for Informant Selection. *Ethnobotany Research and Applications*, 147-158.
- Franklin, P. W. (2011). Relationship Between Strategic Planning and Nonprofit Organizational Performance. Ph.D. dissertation, Capella University, United States. Retrieved August, 2011, from ProQuest Dissertations and Theses: Full Text database. (Publication No.3440040).
- French, S. J., Kelly, S. J., and Harrison, J. L. (2004). The role of strategic planning in the performance of small, professional service firms: A research note. *Journal of Management Development*. 23(8), 765-776.
- Giffords, E. D., and Dina, R. P. (2004). Strategic planning in nonprofit organizations: Continuous quality performance improvement - a case study. *International Journal of Organization Theory and Behavior*, 7(1), 66-80.
- Gliem, J., and Gliem, R. (2003). Calculating, Interpreting, and Reporting Cronbach's Alpha Reliability Coefficient for Likert-Type Scales. Midwest Research to Practice Conference in Adult, Continuing, and Community Education.
- Griggs, H. E. (2002). Strategic planning system characteristics and organizational effectiveness in Australian small-scale firms. *Irish Journal of Management*, 23(1), 23-51.
- Griggs, H. E. (2003). Corporatization of the not-for-profit sector: strategic planning and organizational performance in disability-based organizations. *International Journal of Disability, Development and Education*, 50(2), 197-220.
- Gummerson, E. (2003). All research is interpretive!, *The Journal of Business & industrial Marketing*, 18(6/7), 482-492.
- Hair et al. (1998). *Multivariate Data Analysis*. Prentice Hall.
- Handoussa, H. (2008). *Egypt Human Development Report 2008, Egypt's Social Contract: The*

Role of Civil Society. Cairo: United Nations Development Program.

Hanges, P., and Shteynberg, G. (2004). Methodological Challenges and Solutions for Leadership Researchers. *German Journal of Human Resource Research*, 18(3), 346-358.

Hassan, M. S. (2010). To What Extent Do The Legal Restrictions on Non-Government Organizations in Egypt Undermine NGOs' Ability to Achieve Their Goals?, MA Thesis, The American University in Cairo.

Kaissi, A., Begun, J., and Nelson, T. (2008). Strategic planning processes and hospital financial performance/practitioner application. *Journal of Healthcare Management*, 53(3), 197-209.

Kaplan, R. S., and Norton, D. P. (2004). *Strategy Maps: Converting Intangible Assets into Tangible Outcomes*. Harvard Business Press.

Kaplan, R., and Norton, D. (1992a). The Balanced scorecard: Measures That Drive Performance. (Cover story). *Harvard Business Review*, 83(7/8), 172-180. Retrieved August, 20, 2011 from the Business Source Premier database.

Kaplan, R., and Norton, D. (2000). Having Trouble with Your Strategy? Then Map It. *Harvard Business Review*, 78(5), 167-176. Retrieved Saturday, August, 20, 2011 from the Business Source Premier database.

Kaplan, R., and Norton, D. (2001). Transforming the Balanced scorecard from Performance Measurement to Strategic Management: Part II. *Accounting Horizons*, 15(2), 147-160. Retrieved Saturday, August, 30, 2011 from the Business Source Premier database.

Kriemadis, T., and Theakou, E. (2007). Strategic Planning Models in Public and Non-Profit Sport Organizations. *Sports Management International Journal*. 3(2), 27-37.

Macpherson, M. (2001). Performance measurement in not-for-profit and public-sector organizations, *Measuring Business Excellence*, 5(2), 13-17.

Moxley, D. P., (2004). Factors influencing the successful use of vision-based strategy planning by nonprofit human service organizations. *International Journal of Organization Theory and Behavior*, 7(1), 107-132.

Niven, P. (2003). Adapting the Scorecard to fit public and non-profit organizations. In N. Paul, *Balanced scorecard Step by Step Governments and Non-profits* (pp. 27-44). Hoboken, New Jersey, USA: John Wiley and Sons, Inc.

Niven, P. R. (2008). *Balanced scorecard step-by-step for government and nonprofit agencies* (2nd ed.). Hoboken, NJ: John Wiley and Sons.

Ramanathan, K. V. (1982). *Management Control in Nonprofit Organizations*. New York: John Wiley and Sons.

Rhodes, M. L. and Keogan, J. E. (2005). Strategic choice in the non-profit sector: modeling the dimensions of strategy, *Irish Journal of Management*, 26(1), 122-135.

Robinson, J. H. (1992). Strategic planning processes used by not-for-profit community social service organizations and a recommended strategic planning approach. Ph.D. dissertation, Webster University, United States. Retrieved August, 2011, from ProQuest Dissertations and Theses: Full Text database. (Publication No.5210600).

Rode, N. (2005). *Translation of Measurement Instruments and their Reliability: An Example of Job-Related Affective Well-Being Scale*. University of Ljubljana, Faculty of Social Work.

Rowley, J. (2002). Using case study research, *Management Research News*, 25(1), 16-27.

Sharma, N., and Patterson, P. (1999). The impact of communication effectiveness and service quality on relationship commitment in consumer, professional services. *Journal of Services Marketing*, 13(2), 151-170.

Stirling, C., Kilpatrick, S., and Orpin, P. (2011). A psychological contract perspective to the link

between non-profit organizations' management practices and volunteer sustainability. *Human Resource Development International*. 14(3), 321–336.

Stone, M. M., and Brush, C. G. (1996). Planning in ambiguous contexts: The dilemma of meeting needs for commitment and demands for legitimacy. *Strategic Management Journal*, 17(8), 633.

Stone, M. M., Bigelow, B., and Crittenden, W. (1999). Research on strategic management in nonprofit organizations: Synthesis, analysis, and future directions. *Administration and Society*, 31(3), 378-423.

Trainer, J. F. (2004). Models and Tools for Strategic Planning. *New Dimensions for Institutional Research*, 123, 129-138.