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**THE ROLE OF STRATEGIC MANAGEMENT
IN ENHANCING NGO PERFORMANCE: A
CASE STUDY OF ETHIOPIAN CIVIL SOCIETY
ORGANIZATIONS**

**ROLA ZARZĄDZANIA STRATEGICZNEGO
W ZWIĘKSZANIU EFEKTYWNOŚCI
ORGANIZACJI POZARZĄDOWYCH: STUDIUM
PRZYPADKU ETIOPSKICH ORGANIZACJI**



STRESZCZENIE

Opracowanie dotyczy roli zarządzania strategicznego w organizacjach społeczeństwa obywatelskiego (CSO) i pozarządowych (NGO) w Etiopii. Organizacje te odgrywają istotną rolę w rozwoju społecznym, gospodarczym i humanitarnym kraju, uzupełniając działania instytucji rządowych w sektorach takich jak zdrowie, edukacja, bezpieczeństwo żywnościowe, rolnictwo, ochrona środowiska czy równość płci. Etiopia posiada bogatą tradycję lokalnych mechanizmów wzajemnej pomocy, na bazie których rozwinął się nowoczesny sektor NGO, borykający się jednak z licznymi wyzwaniami: niestabilnymi priorytetami darczyńców, ograniczoną zdolnością instytucjonalną, zmianami regulacyjnymi i niepewnością polityczną.

Celem badania jest analiza wpływu praktyk zarządzania strategicznego na skuteczność organizacyjną etiopskich NGO. Pytania badawcze dotyczą stosowanych praktyk zarządzania, zależności między planowaniem strategicznym a efektywnością, roli przywództwa w realizacji strategii oraz barier ograniczających wdrażanie zarządzania strategicznego.

Metodologia opiera się na jakościowym przeglądzie literatury i syntezie porównawczej źródeł wtórnych (artykuły naukowe, raporty NGO, dokumenty polityczne), analizowanych metodą analizy tematycznej z wykorzystaniem ram teoretycznych: teorii zasobowej (Resource-Based View), teorii instytucjonalnej oraz Balanced Scorecard.

SŁOWA KLUCZOWE

Etiopia, zarządzanie strategiczne, efektywność organizacji pozarządowych, zrównoważony rozwój organizacyjny

ABSTRACT

This study addresses the role of strategic management in civil society organizations (CSOs) and non-governmental organizations (NGOs) in Ethiopia. These organizations play a significant role in the country's social, economic, and humanitarian development, complementing the activities of government institutions in sectors such as health, education, food security, agriculture, environmental protection, and gender equality. Ethiopia has a rich tradition of local mutual-support mechanisms, on the basis of which a modern NGO sector has developed, one that nevertheless faces numerous challenges: unstable donor priorities, limited

institutional capacity, regulatory changes, and political uncertainty. The purpose of the study is to analyze the impact of strategic management practices on the organizational effectiveness of Ethiopian NGOs. The research questions concern the management practices currently employed, the relationship between strategic planning and effectiveness, the role of leadership in strategy implementation, and the barriers limiting the adoption of strategic management.

The methodology is based on a qualitative literature review and comparative synthesis of secondary sources (academic articles, NGO reports, policy documents), analyzed using thematic analysis and interpreted through theoretical frameworks: the Resource-Based View, Institutional Theory, and the Balanced Scorecard.

KEYWORDS

Ethiopia, strategic management, NGO performance, organizational sustainability

1. THE EVOLUTION OF STRATEGIC MANAGEMENT THOUGHT

Strategic management as a formal discipline emerged in the mid-twentieth century, growing out of earlier traditions in military strategy and economic planning. The foundational works of^[1] who proposed that structure follows strategy^[2], and who articulated the first systematic framework for corporate strategy, established the field's conceptual core^[3]. Subsequently introduced the concept of organizational competence and the strategic fit between an organization and its environment, a concept that would prove enduringly influential.

^[1] Chandler, Alfred D. Jr. (1962). *Strategy and Structure: Chapters in the History of the American Industrial Enterprise*. Cambridge, Massachusetts: Massachusetts Institute of Technology Press

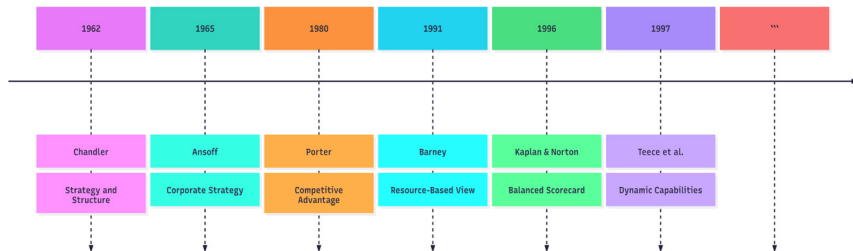
^[2] Ansoff, H. Igor. (1965). *Corporate Strategy: An Analytic Approach to Business Policy for Growth and Expansion*. New York: McGraw-Hill.

^[3] Andrews, Kenneth R. (1971). *The Concept of Corporate Strategy*. Homewood, Illinois: Dow Jones-Irwin.

The 1980s saw the field advance substantially through^[4] contributions, particularly the Five Forces framework and the Value Chain analysis, which oriented strategic thinking around competitive positioning within industry structures. The Resource-Based View (RBV), developed by Wernerfelt^[5] and extended by Barney^[6], shifted attention inward, arguing that sustained competitive advantage derives from firm-specific resources and capabilities that are valuable, rare, inimitable, and non-substitutable (the VRIN criteria).

The 1990s and 2000s brought further diversification. The dynamic capabilities perspective^[7] emphasized the capacity of organizations to reconfigure their resource bases in response to environmental change. Meanwhile^[8], famously identified ten distinct schools of strategic thought, ranging from the prescriptive (design, planning, positioning) to the descriptive (entrepreneurial, cognitive, learning, power, cultural, environmental, and configurational schools), underscoring the field's theoretical pluralism.

Figure 1. Evolution of Strategic Management Theory



Source: (Chandler & Alfred D. Jr., 1962) and (Porter & Michael E., 1985).

^[4] Porter, Michael Eugene. (1985). *Competitive Advantage: Creating and Sustaining Superior Performance*. New York: Free Press.

^[5] Wernerfelt, Birger. (1984). *A Resource-Based View of the Firm*. *Strategic Management Journal*, Vol. 5, No. 2, pp. 171–180.

^[6] Barney, Jay Barney. (1991). *Firm Resources and Sustained Competitive Advantage*. *Journal of Management*, Vol. 17, No. 1, pp. 99–120. DOI: <https://doi.org/10.1177/014920639101700108>

^[7] Teece, David J., Pisano, Gary, & Shuen, Amy. (1997). *Dynamic Capabilities and Strategic Management*. *Strategic Management Journal*, Vol. 18, No. 7, pp. 509–533.

^[8] Mintzberg, Henry, Ahlstrand, Bruce, & Lampel, Joseph. (1998). *Strategy Safari: A Guided Tour Through the Wilds of Strategic Management*. New York: Free Press.

Figure 1. illustrates the historical development of strategic management thought from its early foundations in organizational structure and corporate planning to more contemporary perspectives emphasizing organizational capabilities, performance measurement, and environmental adaptation.

The evolution demonstrates how strategic management theory expanded from externally oriented competitive positioning models toward integrated approaches that combine internal organizational resources, institutional pressures, and continuous organizational learning. The figure also highlights the theoretical foundations underpinning the present study, particularly the Resource-Based View, Institutional Theory, and the Balanced Scorecard framework.

For the purposes of this study, strategic management is understood to encompass five interrelated dimensions, each of which is examined in turn.

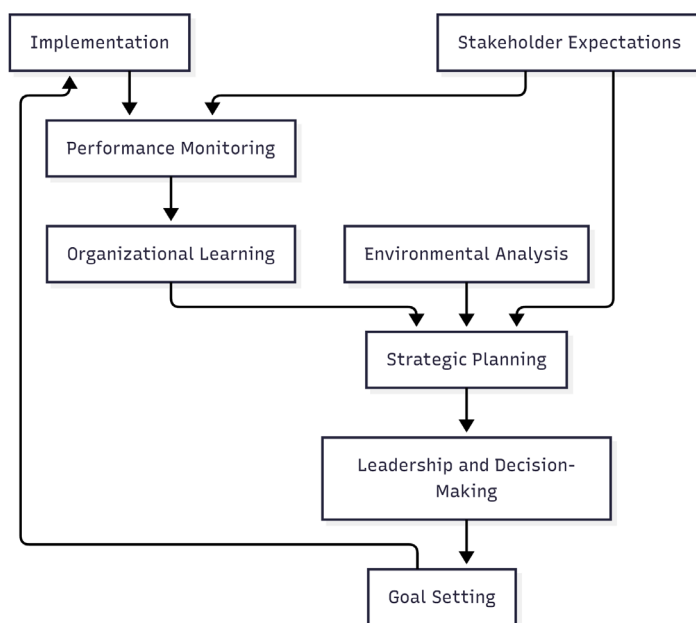
Within this framework, leadership and decision-making processes serve as the operational bridge between strategic planning and organizational execution. Goals established through strategic planning are translated into measurable implementation activities, which are subsequently evaluated through performance monitoring systems. The monitoring process generates organizational learning, allowing institutions to identify weaknesses, improve efficiency, and adjust strategies in response to changing conditions^[9]. This cyclical relationship between planning, implementation, monitoring, and learning reflects the adaptive nature of strategic management and highlights the importance of continuous performance evaluation in organizational effectiveness.

Strategic planning occupies a central role within the framework, integrating insights derived from environmental analysis and stakeholder expectations to guide organizational direction. In the context of civil society organizations, these stakeholder expectations often include donor accountability requirements, beneficiary needs, government regulations, and community development priorities. Environmental analysis further enables organizations to

^[9] Stone, Melissa M., Bigelow, Barbara, & Crittenden, William. (1999). *Research on Strategic Management in Nonprofit Organizations*. Administration & Society, Vol. 31, No. 3, pp. 378–423. DOI: <https://doi.org/10.1177/00953999922019184>

evaluate operational conditions, institutional constraints, and available strategic opportunities before formal plans are developed^[10]. Strategic planning refers to the formal process through which an organization defines its mission, vision, and long-term goals, assesses its internal capabilities and external environment, and charts a course of action to achieve its objectives. Bryson (2011) defines strategic planning as *a disciplined effort to produce fundamental decisions and actions that shape and guide what an organization is, what it does, and why it does it*.

Figure 2. Strategic Management Process Cycle in Nonprofit Organizations



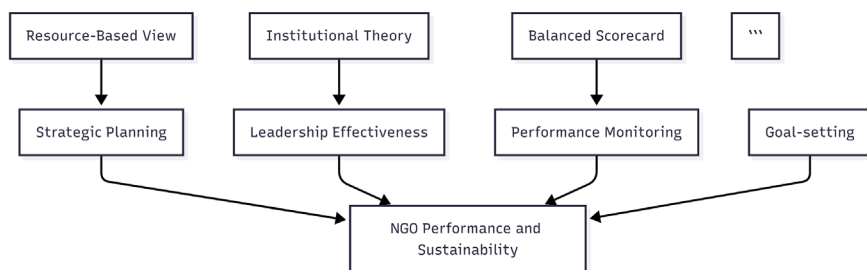
Source: (Melissa M. Stone, Barbara Bigelow, & William Crittenden, 1999).

^[10] Bryson, John Moore. (2011). *Strategic Planning for Public and Nonprofit Organizations: A Guide to Strengthening and Sustaining Organizational Achievement* (4th ed.). San Francisco, California: Jossey-Bass.

In the nonprofit context, strategic planning serves not only as a management tool but also as a mechanism for stakeholder alignment and accountability.

Goal-setting theory, as developed by Locke and Latham^[11], demonstrates that specific, challenging, and measurable goals are associated with higher performance than vague or easy goals. In the organizational context, goal alignment, ensuring that individual, team, and organizational goals are coherent, is a critical function of strategic management^[12]. For NGOs, goal-setting must balance programmatic ambitions with the constraints of donor conditionality and community needs.

Figure 3. Integrated Theoretical Framework of the Study



Source: (Barney & Jay Barney, 1991) and (DiMaggio, Paul Joseph, & Walter Wallace, 1983).

Figure 3 presents the integrated theoretical framework guiding the study. The framework combines the Resource-Based View, Institutional Theory, and the Balanced Scorecard approach to explain how strategic management practices influence organizational effectiveness and sustainability in Ethiopian civil society organizations. The model illustrates the interaction between internal organizational capabilities, external institutional pressures, and performance management systems in shaping strategic outcomes. Strategic planning, leadership effectiveness, goal-setting, and performance monitoring

^[11] Locke, Edwin A., & Latham, Gary Patrick. (1990). *A Theory of Goal Setting and Task Performance*. Englewood Cliffs, New Jersey: Prentice Hall.

^[12] Kaplan, Robert Samuel, & Norton, David Patrick. (1996). *The Balanced Scorecard: Translating Strategy into Action*. Boston, Massachusetts: Harvard Business School Press.

are conceptualized as the principal strategic management dimensions influencing NGO performance.

Performance monitoring encompasses the systems and processes through which organizations track progress toward goals, evaluate outcomes, and generate feedback for strategic learning. The Balanced Scorecard (BSC), developed by Kaplan and Norton^[13], offers a multidimensional framework for performance measurement, incorporating financial, customer, internal process, and learning perspectives.

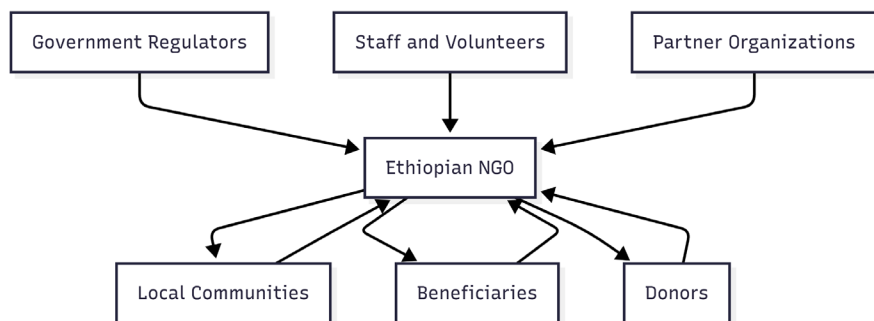
Nonprofit organizations operate within highly complex stakeholder environments that differ significantly from those of private-sector firms. Stakeholder Theory, originally developed by Freeman^[14], argues that organizations must create value not only for owners or shareholders but for all groups affected by organizational activities. In the nonprofit context, stakeholders include donors, government regulators, local communities, beneficiaries, staff members, volunteers, and partner organizations. Each stakeholder group possesses distinct expectations regarding accountability, transparency, service delivery, and organizational effectiveness.

For civil society organizations, strategic management therefore involves balancing competing stakeholder demands while preserving organizational mission and legitimacy. Unlike private firms, which often evaluate success through profitability and market share, NGOs must simultaneously satisfy donor reporting requirements, demonstrate social impact to communities, maintain compliance with government regulations, and preserve internal organizational sustainability. These competing pressures create a uniquely challenging strategic environment for nonprofit management.

^[13] Kaplan, Robert Samuel, & Norton, David Patrick. (1996). *The Balanced Scorecard: Translating Strategy into Action*. Boston, Massachusetts: Harvard Business School Press.

^[14] Freeman, R. Edward, & McVea, John F. (1984). *A Stakeholder Approach to Strategic Management*. Minnesota: Pitman. DOI: <https://doi.org/10.2139/ssrn.263511>

Figure 4. Stakeholder Environment of Ethiopian Civil Society Organizations



Source: (Ebrahim & Alnoor, 2005).

Existing nonprofit management literature emphasizes that stakeholder alignment is critical to long-term organizational sustainability. Bryson^[15] argues that effective strategic planning in nonprofit organizations depends heavily on identifying key stakeholders, understanding their interests, and integrating those interests into strategic decision-making processes. In developing country contexts such as Ethiopia, stakeholder complexity is intensified by dependency on foreign donor funding and changing political environments. Ethiopian NGOs must therefore continuously negotiate relationships between community priorities, donor expectations, and state regulatory requirements.

The relevance of Stakeholder Theory to this study lies in its ability to explain how strategic management practices influence organizational legitimacy and sustainability. NGOs that effectively manage stakeholder relationships are more likely to maintain funding stability, strengthen community trust, and improve programmatic effectiveness. Conversely, weak stakeholder management may contribute to organizational fragmentation, mission drift, and declining institutional credibility.

^[15] Bryson, John Moore. (2011). *Strategic Planning for Public and Nonprofit Organizations: A Guide to Strengthening and Sustaining Organizational Achievement* (4th ed.). San Francisco, California: Jossey-Bass

2. STRATEGIC MANAGEMENT IN NONPROFIT ORGANIZATIONS

The application of strategic management within nonprofit organizations has gained increasing scholarly attention over the past several decades. Although many strategic management concepts were originally developed within the private business sector, nonprofit organizations operate under fundamentally different institutional, operational, and financial conditions. Unlike private firms, which primarily pursue profit maximization and competitive market advantage, nonprofit organizations are mission-driven institutions whose central objective is the creation of social value and public benefit.

As a result, the nature, implementation, and evaluation of strategic management practices within nonprofit organizations differ substantially from those found in commercial enterprises.

Strategic management in nonprofit organizations involves the systematic formulation, implementation, and evaluation of organizational goals and strategies designed to improve mission achievement, organizational sustainability, stakeholder accountability, and service delivery effectiveness. Argues that strategic management enables nonprofit organizations to clarify their mission, align organizational resources with long-term objectives, respond to environmental uncertainty, and improve organizational performance. Within the nonprofit sector, strategic planning additionally serves as a mechanism for enhancing legitimacy, strengthening donor confidence, and improving coordination among multiple stakeholders.

One of the defining characteristics of nonprofit strategic management is the complexity of stakeholder accountability. Unlike private firms, which are primarily accountable to shareholders and customers, nonprofit organizations must respond simultaneously to donors, government agencies, beneficiaries, staff members, community groups, and development partners. These multiple accountability relationships often create competing organizational expectations and strategic tensions. For example, donors may prioritize measurable short-term project outcomes, while local communities may emphasize

long-term social transformation and participatory development. Consequently, nonprofit managers must continuously balance external funding requirements with organizational mission and community needs.

Another distinctive feature of nonprofit strategic management is the challenge of measuring organizational performance. In private businesses, performance is typically assessed using quantifiable financial indicators such as profit, market share, or return on investment. In contrast, nonprofit organizations pursue social outcomes that are often difficult to measure precisely. Ethiopian NGOs working in areas such as poverty reduction, education, health, gender equality, and humanitarian assistance frequently evaluate success using indicators related to community empowerment, social inclusion, behavioral change, and long-term developmental impact.

These outcomes are inherently more complex and less easily quantified than financial measures, making strategic performance evaluation considerably more difficult within nonprofit organizations.

Resource dependency also significantly shapes strategic management practices within nonprofit organizations. Most NGOs rely heavily on grants, donations, and external donor funding rather than internally generated revenue. This financial dependence frequently exposes organizations to funding uncertainty, short planning horizons, and changing donor priorities^[16]. Donor dependency often creates pressures for NGOs to adapt organizational priorities in ways that align more closely with donor interests than with community needs, a phenomenon commonly described as mission drift. In the Ethiopian context, where many civil society organizations depend heavily on international development funding, donor influence frequently shapes organizational strategic priorities, program design, reporting systems, and performance indicators.

^[16] Fowler, Alan. (1997). *Striking a Balance: A Guide to Enhancing the Effectiveness of Non-Governmental Organizations in International Development* (1st ed.). London: Earthscan. DOI: <https://doi.org/10.4324/9781315070735>

Strategic management within nonprofit organizations is also heavily influenced by environmental uncertainty and political conditions. Ethiopian NGOs operate within a rapidly evolving institutional environment characterized by regulatory reforms, political transitions, humanitarian crises, and periodic conflict-related disruptions. Under such conditions, effective strategic management requires not only long-term planning but also organizational flexibility and adaptive capacity. Organizations that possess strong leadership systems, participatory decision-making structures, and effective monitoring mechanisms are generally better positioned to respond to environmental uncertainty and maintain operational sustainability during periods of crisis.

Leadership plays a particularly important role in nonprofit strategic management because organizational effectiveness often depends heavily on the quality of leadership vision, stakeholder coordination, and staff motivation. Transformational leadership approaches, which emphasize shared vision, staff empowerment, organizational learning, and innovation, are widely associated with stronger nonprofit performance outcomes. In many Ethiopian NGOs, effective leaders play critical roles in mobilizing donor support, maintaining community trust, managing limited resources, and navigating complex regulatory environments.

Despite these challenges, strategic management remains critically important for nonprofit organizations. Existing literature consistently demonstrates that organizations with formal strategic planning systems, strong leadership structures, effective monitoring and evaluation mechanisms, and clear organizational goals tend to exhibit higher levels of accountability, sustainability, and program effectiveness. Strategic management enables NGOs to allocate scarce resources more effectively, improve organizational coordination, strengthen stakeholder relationships, and enhance long-term institutional resilience.

Furthermore, strategic management contributes significantly to organizational learning within the nonprofit sector. Through continuous monitoring, evaluation, and reflection, organizations are able to identify operational weaknesses, adapt strategies to changing environmental conditions, and improve future program implementation. This process of organizational learning

is particularly important within the Ethiopian NGO sector, where organizations must frequently adapt to changing donor landscapes, shifting policy environments, and complex humanitarian conditions.

Consequently, although nonprofit organizations differ fundamentally from private firms in terms of objectives, accountability structures, and performance measurement systems, strategic management frameworks continue to provide essential analytical and operational tools for improving organizational effectiveness and sustainability within the civil society sector. The growing complexity of the Ethiopian NGO environment further reinforces the importance of strategic management practices in supporting long-term institutional survival, effective service delivery, and sustainable social impact.

Bryson's^[17] Strategic Change Cycle represents the most widely adopted framework for strategic planning in the nonprofit context.

It comprises a ten-step process beginning with initiating and agreeing on a strategic planning process and culminating in reassessing strategies and the strategic planning process itself. This iterative model acknowledges the political and stakeholder-intensive nature of nonprofit strategic decision-making.

Ansoff (1965) has argued that nonprofit organizations require a distinct strategic management approach, one that is *mission-driven rather than margin-driven* and that prioritizes stakeholder legitimacy alongside operational efficiency. This insight is particularly relevant to the Ethiopian context, where NGOs must simultaneously satisfy the expectations of international donors, domestic regulators, and the communities they serve.

^[17] Bryson, John Moore. (2011). *Strategic Planning for Public and Nonprofit Organizations: A Guide to Strengthening and Sustaining Organizational Achievement* (4th ed.). San Francisco, California: Jossey-Bass.

3. STRUCTURAL CHARACTERISTICS OF THE ETHIOPIAN NGO SECTOR

The Ethiopian NGO sector is characterized by significant heterogeneity along several dimensions. In terms of size, the sector ranges from large international NGOs such as Save the Children, Oxfam, and World Vision, which operate with multi-million dollar budgets and hundreds of staff, to small community-based organizations operating on budgets of a few thousand dollars with entirely volunteer workforces.

Thematically, Ethiopian NGOs are concentrated in the areas of humanitarian assistance, health, education, agriculture and food security, water and sanitation, and gender equality. A smaller but growing segment of the sector engages in governance, democracy promotion, and human rights. Geographically, NGO presence is heavily concentrated in Addis Ababa and in regions with active humanitarian situations, such as the Somali, Afar, and Tigray regions. Rural areas, and particularly pastoralist communities, are often underserved.

Ethiopian civil society organizations face a constellation of interrelated challenges that bear directly on their strategic management capacity. The most significant constraints identified in the literature include donor dependency, limited human resource capacity, governance weaknesses, regulatory uncertainty, and conflict-related operational disruptions. These interrelated challenges directly influence organizational strategic planning capacity, leadership effectiveness, and long-term sustainability.

The literature indicates that donor dependency remains one of the most significant constraints, as many NGOs rely heavily on external funding sources characterized by short funding cycles and shifting donor priorities. Such dependency often contributes to mission drift, where organizations adjust their strategic objectives to align with donor expectations rather than community needs. Human resource limitations also represent a persistent challenge within the sector, particularly in the form of high staff turnover, limited technical expertise, and insufficient leadership development opportunities.

Figure 5. Key Challenges Facing Ethiopian Civil Society Organizations



Source: (Alan Fowler, 1997) and (Ethiopian NGO sector reports., 2019).

Figure further demonstrates that governance weaknesses, regulatory uncertainty, and conflict-related instability significantly influence the strategic management capacity of Ethiopian NGOs. Weak institutional oversight mechanisms and limited board effectiveness frequently reduce organizational accountability and long-term planning effectiveness.

At the same time, changing policy environments and administrative compliance burdens create uncertainty for civil society operations. Ongoing political instability and conflict conditions additionally disrupt project implementation, threaten staff security, and reduce organizational sustainability. Collectively, these interconnected challenges shape the strategic environment within which Ethiopian NGOs operate and directly affect organizational performance and effectiveness.

The overwhelming majority of Ethiopian NGOs depend on external donor funding for the bulk of their operating budgets. This dependency creates significant strategic vulnerabilities, including short planning horizons driven by project funding cycles (typically one to three years), mission drift toward

donor priorities rather than community needs, high transaction costs associated with donor reporting and compliance, and existential vulnerability to shifts in donor funding landscapes.

Many Ethiopian NGOs, particularly smaller domestic organizations, struggle to attract and retain skilled management staff. High staff turnover is driven by competition from international NGOs and the private sector, which can offer significantly higher compensation. The shortage of staff with formal training in strategic management, monitoring and evaluation, and financial management limits the organizational capacity to develop and implement robust strategies.

Despite the liberalization brought by the 2019 Proclamation, Ethiopian NGOs continue to operate in a complex and at times unpredictable regulatory environment. The ongoing conflict in the Tigray, Afar, and Amhara regions has severely disrupted NGO operations, access to communities, and staff safety. Frequent changes in government priorities and the requirements of national development planning create additional strategic planning challenges.

Board governance is a critical element of NGO strategic management, yet many Ethiopian CSOs suffer from weak board structures, including boards that lack the expertise to provide meaningful strategic oversight, conflicts of interest between board and management, and infrequent and poorly managed board meetings. These governance weaknesses translate directly into strategic management deficits.

4. RESEARCH METHODOLOGY

This chapter presents and justifies the methodological choices made in conducting this research, describing the research design, case selection criteria, data collection instruments, analytical approach, and ethical considerations, before addressing the key issues of research quality.

Ethiopia's regulatory environment for civil society organizations shifted markedly between the Charities and Societies Proclamation No. 621/2009

and the Civil Society Organizations Proclamation No. 1113/2019, two frameworks reflecting fundamentally different approaches to state–civil society relations, and this shift forms an important part of the context for the study’s design. The 2009 Proclamation, enacted after the contested 2005 elections, is widely regarded as one of Africa’s most restrictive NGO laws. Its most controversial provision barred organizations receiving over 10% of funding from foreign sources from engaging in human rights, governance, gender equality, conflict resolution, or election-monitoring work. Since most Ethiopian NGOs depended heavily on foreign donors, many were forced to close, scale back, or pivot from rights-based advocacy toward humanitarian service delivery. This created significant strategic uncertainty, undermined long-term planning, increased donor dependency, contributed to mission drift, and imposed heavy compliance burdens – particularly on smaller domestic NGOs – although some scholars note the law did strengthen formal financial reporting and transparency requirements. Following the political liberalization initiated under Prime Minister Abiy Ahmed after 2018, the Civil Society Organizations Proclamation No. 1113/2019 replaced the 2009 law, removing the 10% foreign-funding restriction, simplifying registration, and establishing the Civil Society Organizations Agency – reforms that expanded civic space, restored strategic flexibility, and improved conditions for long-term planning. This comparison illustrates how political and legal context shapes NGO strategic management: restrictive environments push organizations toward survival and compliance, while liberal environments enable flexibility, advocacy capacity, and institutional development, and it is precisely this variability that the study’s methodology is designed to capture.

Given this context, the study adopts a qualitative, desk-based literature review following a comparative synthesis approach^[18], chosen because it enables in-depth, context-sensitive understanding of documented evidence

^[18] Bryson, John Moore. (2011). *Strategic Planning for Public and Nonprofit Organizations: A Guide to Strengthening and Sustaining Organizational Achievement* (4th ed.). San Francisco, California: Jossey-Bass.

and cross-study comparison, prioritizing analytical depth over statistical generalization. Secondary sources are selected through purposive sampling (Patton, 2015), which prioritizes information richness over representativeness, guided by four criteria: source type-peer-reviewed articles, NGO reports, government publications, and academic books, included to enable triangulation; geographic scope – covering both Addis Ababa-based and regionally operating organizations; organizational size – small, medium, and large; and strategic planning status – organizations with and without formal plans, enabling comparative analysis. An illustrative table synthesizes five organizational profiles drawn from published literature, spanning health/nutrition, education, livelihoods/food security, human rights advocacy, and WASH/environment sectors, varying by location, size, and strategic-planning status, and offering a representative cross-section of the strategic management contexts documented in existing studies.

Data collection relies exclusively on systematic review of these secondary sources, selected for relevance to strategic management in the Ethiopian and broader African NGO context, scholarly credibility, and recency^[19], including both English-language and locally produced Ethiopian institutional reports. Document analysis covers published strategic plans, sector-wide annual reports, donor-commissioned evaluations, monitoring and evaluation frameworks, and organizational policy documents produced by civil society networks, providing convergent and divergent evidence synthesized into literature-based observations. Analysis itself follows Braun and Clarke's (2006) six-phase thematic analysis process – familiarization, generating initial categories, identifying themes, reviewing themes, defining and naming themes, and producing the synthesis – supported by a systematic document management framework used to organize and cross-reference sources. Cross-source comparison draws on Miles, Huberman, and Saldaña's (2014) framework for

^[19] Barney, Jay Barney. (1991). *Firm Resources and Sustained Competitive Advantage*. Journal of Management, Vol. 17, No. 1, pp. 99–120. DOI: <https://doi.org/10.1177/014920639101700108>

qualitative analysis, with within-theme patterns identified before cross-study comparisons are drawn.

Findings are interpreted through an integrated theoretical framework combining three perspectives, each contributing a distinct dimension to understanding strategic management within Ethiopian NGOs. The Resource-Based View emphasizes internal organizational capabilities – leadership quality, strategic planning capacity, and human resource development – as determinants of sustained performance. Institutional Theory highlights external pressures such as donor expectations, regulatory frameworks, and governance norms that shape organizational behavior. The Balanced Scorecard framework, meanwhile, offers a multidimensional lens for assessing performance beyond financial indicators, incorporating learning, internal processes, stakeholder engagement, and service delivery effectiveness. Rather than treating organizational performance as a product of internal capability or external influence alone, this integrated framework recognizes the interaction between organizational resources, environmental pressures, and performance measurement systems, strengthening the study's capacity to explain variation in strategic management effectiveness across different categories of Ethiopian NGOs, and ensuring that its conclusions emerge from the convergence of multiple theoretical perspectives rather than any single framework.

Throughout, the study adheres to the ethical principles of academic integrity, source attribution, and responsible use of published materials, with all secondary sources properly cited in accordance with academic convention, and the study protocol reviewed and approved by the relevant university ethics committee. The quality of the literature-based study is assessed against four criteria^[20]: credibility, addressed through systematic source selection and cross-source triangulation of evidence; transferability, addressed through thick description of the Ethiopian NGO context; dependability, ensured through detailed documentation of the analytical process and source selection criteria;

^[20] Lincoln, Yvonna Sessions, & Guba, Egon Guba. (1985). *Naturalistic Inquiry*. Beverly Hills, California: Sage Publications.

and confirmability, supported through reflexive engagement with potential interpretive biases and transparent reporting of analytical decisions. Together, these methodological choices – an interpretivist grounding, a qualitative desk-based design, a comparative literature synthesis strategy, systematic source selection, and rigorous thematic analysis – reflect a commitment to generating contextually rich and analytically robust insights into strategic management practices within the Ethiopian NGO sector.

5. CONCLUSION

The evidence synthesized from published scholarly and institutional literature provides robust support for the central argument: strategic management, encompassing formal strategic planning, transformational leadership, structured goal-setting, and robust performance monitoring, is a significant determinant of NGO organizational effectiveness, resource utilization efficiency, and service delivery quality.

At the same time, the study reveals that the adoption of strategic management in the Ethiopian NGO sector is constrained by a set of structural factors, of which funder dependency is the most pervasive and consequential. Addressing these structural constraints requires action not only from NGO leadership but from donors, development partners, and policymakers who together shape the enabling environment for civil society strategic management.

The Ethiopian civil society sector stands at an important juncture. The 2019 regulatory liberalization has created new space for organizational development and strategic ambition. Realizing the potential of this moment requires a sustained collective commitment to building the strategic management capacity of Ethiopian NGOs, for the benefit of the communities they serve and the broader project of Ethiopia's social and economic development. Beyond its immediate findings, this study also contributes to the broader academic and policy discourse concerning nonprofit management in developing-country contexts. The Ethiopian experience demonstrates that strategic management within civil

society organizations cannot be understood solely as a technical or administrative process; rather, it is deeply shaped by political environments, institutional pressures, donor relationships, and organizational capacity dynamics.

The findings of this study therefore reinforce the importance of contextualizing strategic management theory within the realities of developing-country nonprofit sectors, where resource scarcity, regulatory uncertainty, and external dependency significantly influence organizational behavior and institutional effectiveness. In this regard, the study contributes to a growing body of scholarship emphasizing that successful strategic management within NGOs requires not only internal managerial competence but also supportive external institutional conditions.

As Ethiopia continues to experience complex social, economic, and political transformations, civil society organizations will remain important actors in promoting resilience, participatory development, and social welfare. Consequently, long-term investment in strategic leadership development, institutional learning systems, performance management capacity, and sustainable organizational financing should be regarded as a national development priority rather than merely an organizational concern within the nonprofit sector.

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