



UGANDA MANAGEMENT INSTITUTE

**MANAGEMENT PRACTICES AND ORGANISATIONAL
PERFORMANCE OF NON GOVERNMENTAL ORGANISATIONS IN
UGANDA: A CASE STUDY OF SHARE AN OPPORTUNITY, UGANDA**

By

FLORENCE BUSIBO WOMAUNGO

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**A DISSERTATION SUBMITTED TO SCHOOL OF MANAGEMENT
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DECLARATION

This dissertation is my original work and where the work of others was used, due acknowledgement has been made. To the best of my knowledge, this work has never been presented for any academic awards to any other institutions before.

.....

FLORENCE BUSIBO WOMAUNGO

APPROVAL

This is to certify that this study was conducted under my supervision and the dissertation has been presented for examination with my approval as the Supervisor.

Signed Date:

DR. DAVID SSONKO

Signed Date;

DR. MICHAEL KIWANUKA

DEDICATION

To God I give all the Glory and thanks for the courage, determination, health and facilitation for the accomplishment of this dissertation.

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LIST OF ABBREVIATIONS

BWAA	Baptist World Aid Australia
HRM	Human Resource Management
NGOs	Non-Governmental Organizations
SAO,U	Share An Opportunity Uganda

ABSTRACT

The study investigated the relationship between management practices and performance of Non-Government Organisations in Uganda, taking a case study of Share An Opportunity Uganda. Specifically, the study observed the effect of planning, human resource management, and internal controls on the performance of Share An Opportunity Uganda.

Questionnaires and interview guides were used to observe a sample of 174. Data was analysed using themes, measures of central tendency and inferential statistics. The findings showed that there was positive relationship between organisational performance and planning and Internal controls. Whereas many studies and literature point out that HRM influences performance, the findings in this study indicated non-significant relationship exists between HRM and organisational performance. The study recommended that management and the Board should consider development of the internal management capacity of SAO, U as an important factor in enhancing its organisational performance. Internal needs should be identified, prioritized and budgeted for alongside program priorities.

CHAPTER ONE

INTRODUCTION

1.1. Introduction

Management practices are central for the performance of Non-Government Organisations (NGOs) the world over. The study investigated the relationship between management practices and performance of Non-Government Organisations in Uganda, taking a case study of Share An Opportunity Uganda (SAO,U). The independent variable in this study was management practices while organisational performance was the dependent variable.

This chapter presents the background to the study, problem statement and the objectives of the study. It also presents research questions, hypothesis, conceptual framework and the scope of the study. The chapter also covers the study significance, justification, scope and the operational definitions of key terms and concepts.

1.2. Background to the Study

The background to this study is presented under the historical, theoretical, conceptual and contextual information provided below.

1.2.1 Historical Background

It is widely believed that management is as old as society (Robbins, 2002). Programs and projects from time immemorial, have employed tens of thousands of people, and regardless of the titles and hierarchies in history, someone at the helm of management had to plan, and organize resources as well as directing and controlling resources in any productive and operational system (Zepedia.com 14.11. 2014)

During the industrial revolution, there was the substitution of machine power for human power, which, in turn, made it more economical to manufacture goods in factories rather than at home. The usually large and successful organizations still employed management practices to give them competitive advantages in their selected business arenas (Bartol, 1994).

During the 19th century and beginning of the 20th century, managers and theorists emerged with principles and theories which would become universal principles and practices to be applied by all managers. Whether organisational performance was a phenomenon or not at that time, the management principles and theories aimed at increasing the productivity of workers so as to improve performance of companies (Thenmozshi, 2012). Thus there was an increased interest in helping managers deal more effectively with people side of their organisation. When employee management simulate more and better work, the organisation has a more and better work, the organisation has effective relations (Cole, 2014).

Management phenomenon then spread to assembly lines, accounting systems, and personnel functions as just a few of the processes and activities in organizations at that time that are also common to today's organizations. (Zepedia.com). It has been in the past several hundred years particularly in the last century that management gained recognition as central component in existence of organisations and became a formal discipline for study (Robbins, 2002). Ryhanul, (2009) points out that organisations today use many of the practices, principles, and techniques developed from earlier management concepts and theories to manage organisations and achieve high performance. However the magnitude largely depends on how they apply these proven management approaches in assessing the problems they face and plan the solutions.

1.2.2 Theoretical Background

This study was guided by Henry Foyal's administrative theory (1841 - 1925) of management practices, and the balanced scorecard model for organisational performance (Kaplan & Norton, 1995). The administrative theory was ideally a result of the prevailing environment and Fayol's personal abilities and experiences. While working at the mines, there was enormous number of employees working in mines and factories and every other kind of undertaking but they were less concerned with management. He noted that all employees have some management duties though these increase with hierarchy and believed that doing work and managing others requires retooling. However Wren, (2001) points out that the theory was largely influenced by the occurrences during 1841 – 1925, which was a period of revolutionized France in which republic bourgeoisie was emerging. Bourgeoisie believed in controlling workers over all other management considerations in order to achieve greater performance. The administrative theory, therefore, developed as a more flexible approach to management that could be applied to any circumstances or environment. The main focus of the theory was on how a business should be organized and the practices an effective manager should observe.

The administrative theory states that management is the process of getting things done through people. Fayol classified the five functions of management and the 14 management principles which formed the foundation for modern management applicable in organisations today (Wren, 2001).The theory stresses the importance and the practice of forecasting and planning, organizing, commanding and controlling, the concept of giving appropriate authority with responsibility with importance given to groups and not to individuals. Fayol's argument was that the management functions and principles are fundamental management practices which if well

instituted in an organisation can enhance its intended performance. This argument seem to explain why with same machinery, resources, market, board of directors, under his direction Fayol was able to revive the company (Olum, 2004).

Kaplan and Norton's (1995) balanced scorecard was used in the study to underpin organizational performance. The balanced score card provides full perspective of an organisation's performance that a manager needs to manage effectively. By balancing internal process measures with results and financial measures, managers have a more complete picture and will know where to make improvements. The model provides feedback on internal business processes as well as external outcomes as a tool to continually improve organisational performance (Isorait, 2008).The model guided to observe organisational performance of SAO,U in terms of customer satisfaction, financial success, internal process strength and human resource strength.

1.2.3 Conceptual Background

The key concepts in this study were management practices and organization performance. Different scholars from different disciplines view and interpret management from different angles. Terry (1977), defined management as, distinct process consisting of planning, organising, actuating and controlling to accomplish pre-determined objectives. Drunker (1909), on the other hand, stated that management was a multipurpose organ that manages a business, managers, workers and work. Both Follett (1868) and Harold Koontz (1909) however, defined management as the art of getting things done through others and with formally organised groups (Daft, 2008). From the on-going definitions, it can be broadly deduced that management is the process of designing and maintaining an environment in which individuals working together in groups, efficiently accomplish selected aims (Koontz & Weihrich, 2000). In its expanded form, these

definitions imply that management is universal and it applies to all organisations irrespective of size, type or activity. Additionally, management aims at accomplishing specific objectives using known principles and practices to produce results and it is concerned with the performance of individuals and organisation as a whole and that the fundamental management practices are applicable in all organisations.

Management practices therefore, are those methods or techniques found to be the most effective and practical for managers in managing and boosting organisational performance. Management practices are based on organised knowledge that have been tested in the realities of situations and managers who attempt to manage without this management knowledge put their trust in luck, intuition or what they did in the past (Olum, 2004). Management practices in away are boosted and improved upon by the existing facts to enhance its contribution towards organisational performance. However these facts are scanty and not many studies have been carried out about this field in NGOs in Africa and more so in Uganda. Management practices are numerous and vary with different disciplines however this study focused on planning, HRM and internal controls.

According to Jones (1997) planning is the key component of management and it involves determining in advance what should be accomplished, when, by whom, how and at what cost. Olum, (2004) adds that it involves selecting the missions and objectives and the actions to achieve them. Both highlight that it requires decision making choosing the future courses of action from among alternatives and Jones, (1997) urges that regardless of whether it is planning long term program priorities or planning two hour meeting, the planning aspect of management

is the major contributor to success and productivity. HRM is a management system and practice designed to maximize employee performance (Huselid, 1995). It undertakes a number of activities and in a broader sense, HRM involves deciding staffing needs and how to fill these needs, performance issues, ensuring personnel and management practices conform to various regulations, employee benefits and compensation, employee records and personnel policies (Bartol, 1994). Internal controls are management practices which ensure that everything occurs within the parameters of the plan and accompanying principles (Ryszard, 2014). Since SAO,U's major concern is to increase the probability of meeting organizational goals and standards, this study will focus on financial controls and level of compliance by the users and implementers in the organisation.

Organisational performance refers to the actual results of an organisation, as measured against its intended goals and objectives (Shahrukhalid, 2011). Performance in this study was observed in terms of customer satisfaction, financial success, internal processes strength and human resource strength (Martello, 2008). Organisational performance involves monitoring and measuring progress towards the goals, and makes adjustments to achieve the intended performance (McNamara, 2009).

1.2.4 Contextual Background

SAO,U is a donor based Non-government organization which started community development interventions in 2002 to empower communities towards poverty alleviation through holistic development of children. SAO,U's performance therefore is significant mainly because it has direct impact on their relationship with the donors, beneficiaries and employees. If SAO,U is effective, it will have a positive image, will be able to attract and recruit qualified staff and will

also have good chance to win new donors as well as facilitate its programs, this observation is also substantiated by (Klaus, 2001). SAOU's governing structure includes a board of trustees, board of directors and 38 full time staff. The organisation has a national Secretariat in Kampala and project offices in other districts within Uganda. The national office based at Kanyanya is an overall facilitating unit while project offices are coordination centres in Luwero, Nakaseke, Buikwe, Mbale, Tororo and Bukedea - Kolir .Currently SAO is in partnership with community based organizations in districts who implement its integrated programs for child development.

Management practices are a critical factor in achieving the organization's mission, vision, and strategy and if not well effected would likely result in a significant decrease in customer satisfaction, internal process strength, human resource strength and financial success. Whereas SAOU's performance had steadily improved in the past few years, there are still indicators of low levels of performance. The purpose of this study therefore is to examine how management practices have contributed to SAOU's organisational performance.

1.3 Problem statement

Effective Management practices in the NGO are not only believed to energize and motivate people to give of their best but also expected to build collaborative relationships with internal and external partners thereby facilitating organizational performance. SAOU like many other NGOs in Uganda has always pursued effective management practices with a view of succeeding in working out her mandates. Such management practices in SAOU include planning, HRM and internal controls. Through reviewing current operations of the organization and identifying what needs to be improved; planning is expected to help SAOU chart a course for the achievement of its strategic and operational goals, HRM to improve the efficiency and the

growth of SAO,U's human resources, internal controls to monitor progress and ensure achievement of the organisational financial goals and objectives.

The annual Report of 2012 revealed that although SAO,U had tried to improve its management practices, much was still desired in its customer, financial, internal processes and human resource perspectives. The technical report of 2013 indicated that the quality and the timeliness of delivering services was still poor and targets were not being met hence causing dissatisfaction among partners as well as beneficiaries. Beneficiaries in Bukedea, Tororo, Mbale and Koir received seeds late into the planting season and many did not germinate. Targets were not met, out of 5000 children projected for enrolment by 2013, only 631 had been realised, with skills training and employment opportunities achieving only 24% of the planned. The case was not any different for food security & modern farming where only 51% was realised. The Human Resource Consultancy report of January 24, 2014 revealed low motivation among staff which had greatly affected their integrity and commitment to work. Financially, the Audit report of 2013 revealed poor management of funds where expenses were over the incomes by over ugx 288,145,486 in the past years. High operational costs had contributed to weak financial capacity and sustainability yet the inflow of funding was declining steadily.

The situation is worrying and if it persists, SAO,U will face serious uphill to fulfil its mandate. The purpose of this study therefore was to investigate how the management practices (planning, HRM, Internal controls) were affecting SAO,U's organisational performance.

1.4 General objective of the Study

The general objective of this study was to examine the relationship between management practices and performance of SAOU

1.5 Specific objectives of the Study

This study was guided by the following objectives;

1. To establish the effect of planning on organisational performance at SAO,U
2. To examine the effect of HRM on organisational performance at SAO,U
3. To investigate the effect at internal controls on organisational performance at SAO,U

1.6 Research Questions

The study sought to answer the following questions:

1. How does planning affect organisational performance at SAO,U?
2. What is the effect of HRM on organisational performance at SAO,U?
3. How do Internal controls affect organisational performance at SAO,U?

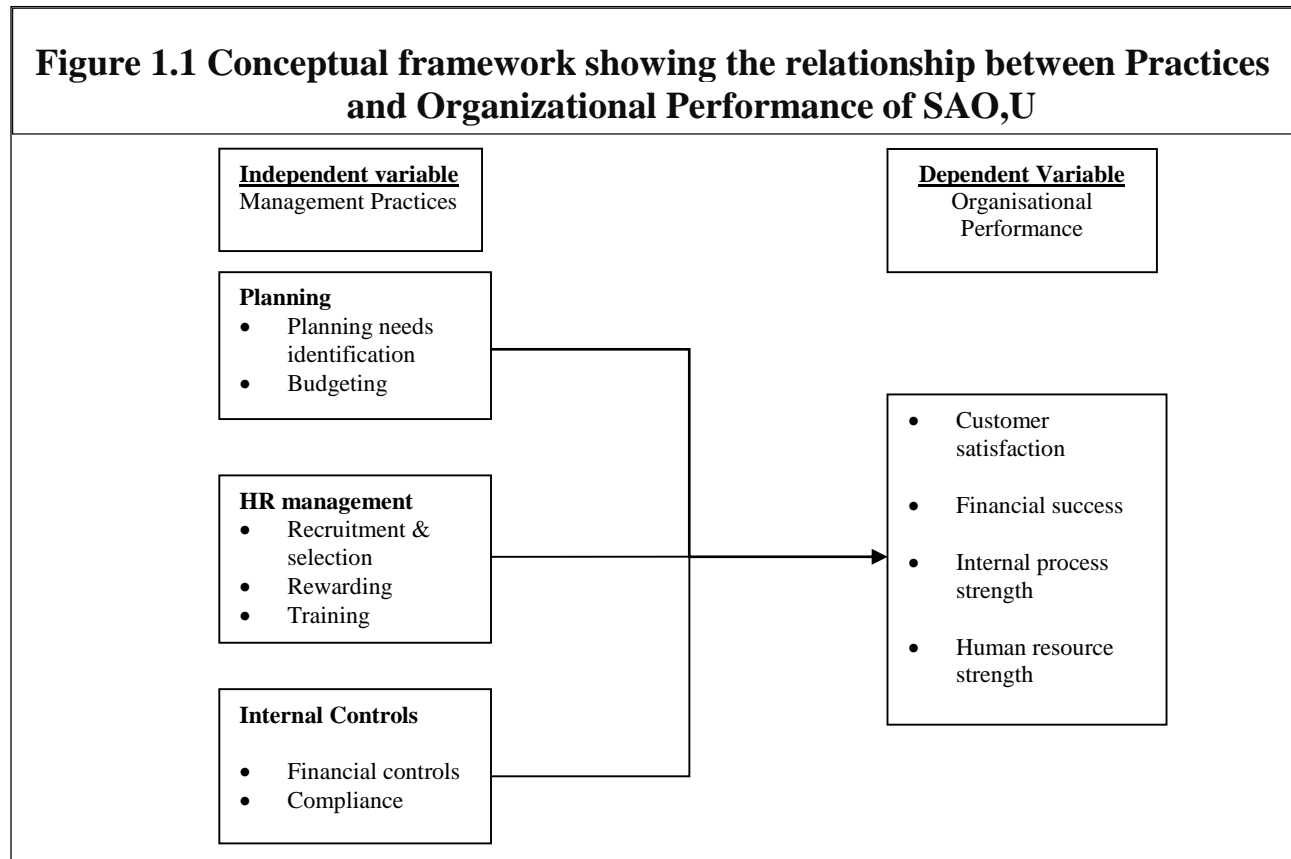
1.7 Hypotheses of the Study

The following research hypotheses were stated as the expectations of the outcomes of the study.

1. Planning has a positive effect on organisational performance
2. HRM at has a significant effect on organisational performance
3. Internal controls have a positive effect on organisational performance

1.8 Conceptual Framework

Below is the Conceptual Framework showing the relationships between the independent variable; management practices and the dependent variable; organisational performance.



Sources: Adapted from World Bank 2011 & WHO 2008

This study conceptualises that organisational performance of SAO,U can be enhanced by improved management practices in order to make SAO,U excel. Management practices were further broken down into planning (the needs identification and budgeting), HRM (recruitment& selection, rewards & training) and internal controls (financial controls and compliance to internal controls). Organisational performance would be measured by the opinions on SAO,U's customer satisfaction, the financial success, internal business strength and learning & growth strength. Whereas there are several management practices in today's organisation which have likely

impact on organisational performance, this study focused on only three which fit within the time scope of the study. However the researcher also observed that other management practices could be an area for future investigation. This study therefore focused on planning, human resource management and internal controls.

1.9 Significance of the study

Performance is vital for the very existence of SAO,U. In addition, there is a greater need today for Non-Government Organisations to exhibit high level of organisational performance that goes over and above the donor considerations which creates a niche for competitive advantage. The findings of this study therefore will be useful to a wide range of beneficiaries.

First, the study findings will enhance awareness about the importance of good management practices in the attainment of good performance in SAO,U which can be generalised to similar Non-government organisations. The findings will also provide useful information on the performance-related issues to guide organisations in such a way that they generate the required performance.

The study results will help policy makers set standards for the management of Non-government organisations to focus their energies in developing and adapting better management practices, and also address any gaps that have been identified in the study.

The information will also be used by the responsible partners, donors and stakeholders as a case to provide lessons. This study also serves to stimulate further research in the NGO performance within Uganda and abroad.

1.10 Justification of the study

Whereas a lot of research has been undertaken on the theory and rhetoric of management practices and their impact on organisational performance especially looking at the Kaplan's balanced scorecard, limited or little research has been done on these variables in NGOs especially in Africa. Similarly, no study has been undertaken on these pertinent issues to indigenous NGOs in Uganda. The researcher therefore observed that this study therefore will contribute to the available limited knowledge about the influence of management practices on organisational performance in developing countries.

1.11 Scope of the study

The scope of this study is presented under: geographical l, content, and time scope.

1.11.1 Geographical scope

This study was confined within SAO,U headquarters in Kampala and the district offices of Buikwe, Luwero, Bukedea and Tororo. These are the coordinating offices where most of the informants with the relevant information for this study were accessed.

1.11.2 Content scope

This study was mainly focus on management practices (planning, HRM, internal controls) and the organisational performance (customer satisfaction, financial success, internal process strength and learning and growth strength)

1.11.3 Time scope

The study was a one-off investigation on SAO,U and it will cover a period from 2002 – 2014. This is the period when the organisation was registered as a fully functioning institution.

1.12 Operational definitions of terms and concepts

HRM refers to the formal systems designed for the management of people within an organisation.

Internal controls are policies, procedures, guidelines, rules and regulations developed by an organisation to direct conduct of its operations. These are grouped under financial and non-financial control systems (Awe, 2005)

Management is the process of planning, organizing, staffing, directing and controlling an organization (a group of one or more people or entities) or effort, for the purpose of accomplishing desired goals and objectives efficiently and effectively (Burns, 2005)

Management practices are those methods or techniques found to be the most effective and practical for managers in managing and boosting organisational performance (Taylor, 2003).

Organisational performance refers to the actual output or results of an organisation, as measured against its intended outputs of its goals and objectives (Shahrukhalid, 2011). It involves the recurring activities to establish organisational goals, monitor progress towards the goals, and make adjustments to achieve the intended goals in terms of customer satisfaction, financial success, internal processes strength and learning and growth strength (McNamara, 2009; Klaus Boas, 2001)

Planning is the ongoing process of developing an organization's mission, objectives and determining how they can be accomplished (Bartol, et al, 1994)

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

The study investigated the effect of management practices on the performance of SAO,U. This chapter presents the review of literature relating to management practices and organisational performance. The chapter covers theoretical review, the related review objective by objective and the literature summary of management practices and organisational performance.

2.2 Theoretical review

Henri Fayol (1814)'s administrative theory stipulated that management had five roles and fourteen management principles (Bartol and Martin, 1994). Fayol observed that managers had few resources and tools to better manage people. He therefore emphasized maximizing performance by focusing not only on the work and worker relationship to succeed, rather employees need to be equipped with rightful tools and equipment to facilitate their work.

The administrative theory informs this study that managerial practices are key to the performance predictability and efficiency of organisations (Olum, 2004).Focusing on managerial practices misunderstandings which undermine organisation's efforts can be minimized. Fayol's theory informs that all managers are expected to control where regulation of actual work to conform with established goals. The theory also views communication as necessary ingredient to a successful organisation and every employee at some point takes on the activities of making managerial decisions (Newman, 1975 as cited in Bartol et al, 2011).Wren (2001) points out that

planning, organising, commanding, coordinating and controlling are the key managerial practice which involves anything to do with setting goals and coordinating actions to attain the goals.

In planning, the administrative theory brought forward a specific system which involved forecasts from various levels and persons within the organisation (Wren (2001). Managers from each level submit their best estimates and priorities within the organisational goal and based on this information, the CEO can make short to long term plans (Thenmozhi, 2011). Budgetary forecasts and control would be based on this information. The theory points out that the manner in which subordinates do their work has incontestably a great effect upon the ultimate result. Following the on-going literature, the researcher investigated whether this was happening at SAO,U.

In organisational performance, Kaplan & Norton's (1990) balanced scorecard highlights four output areas being customer satisfaction, the financial success, internal business strength and learning & growth strength (Bekerman, 2008; Kaplan & Norton, 1992).The system provides a means of getting feedback from the four areas so as give a balanced perspective and to continually improve organisational performance (Isoraite, 2008).

Customer satisfaction involves asking the question: "How do customers see us?" According to reference for Business, to achieve customer satisfaction, the organisation reflects on the issues that are most important to customers for example; time, quality and cost. To achieve financial success, the organisations develop strategies on how they should appear to their shareholders, similarly to achieve internal strength, the key strategies are how to satisfy shareholders and

customers and to achieve human resource strength, organisations find strategies which will enable them achieve the vision and sustain it (Isoraite, 2008). Kaplan & Norton, (1992) recommend that companies establish a goal for each of these areas and then translate each goal into one or more specific measurements. SAOU like many organisations, lack feedback on their organisational performance however or where it exists, it is in a non-formalised manner and the system to plough back into the planning process is still lacking. But Richard et al. (2009) add that using these critical processes as a base, managers should develop goals that will help the company to meet its customers' expectations.

2.3 Management Practices and Organizational Performance

2.3.1 Planning and organisational performance

Different scholars define planning from different angles. According to Wikipedia, planning is the process of thinking about and organizing the activities required to achieve a desired goal. While according to Koontz, (2000), planning is deciding in advance what is to be done, when where, how and by whom it is to be done, but Rouse, (2007) defines planning in project based organisations as the process of stating how to complete a projects within a certain timeframe, usually with defined stages, and with designated resources. This process involves setting objectives, identifying deliverables, planning the schedule and making supporting plans. In an explicit sense planning is a key management function and it involves defining the organization's goals, establishing an overall strategy for achieving those goals, and developing a comprehensive set of plans to integrate and coordinate organizational work (Bartol, et al. 1994).

Rouse, (2007) highlights that planning contributes positively in attaining the objectives of the organisation, because it charts out goals to be achieved and lines of action to be followed.

However Mason, (2010) observes that plans alone cannot make an organisation successful, it also requires that managers be good decision makers and must constantly evaluate the success of their plans and take corrective action when necessary. Nonetheless good plans unify the interdepartmental activity and clearly lay down the area of freedom in the development of various sub-plans. Various departments work in accordance with the overall plans of the organisation. Thus, there is harmony in the organisation, and duplication of efforts and conflict of jurisdiction are avoided (Bloom, 2007). Organizational plans take into consideration short, intermediate and long term projections. Pearson (2011) adds that this is intended to create path leading to the intended goals and basic steps in the organizational planning process involves clearly defining goals, deliverables, milestones, budgets and set reporting guidelines.

Planning needs identification according to Wikipedia, is a systematic process for determining and addressing organisational needs. It is part of planning processes, often used for improvement in individuals, education/training, organizations, or communities. It can be an effective tool to clarify problems and identify appropriate interventions or solutions. Blooms, (2007) and Olum, (2004) agree that the output from the planning needs identification informs the development of effective objectives and finite allocation of resources towards implementing feasible interventions. Needs identification can help improve the quality of program decisions thus leading to improvements in performance and the accomplishment of the desired results. The results of needs identification guide subsequent decisions including the design, implementation, and evaluation of projects and programs that will lead to achieving desired results. The results also inform future decisions; at the same time, they are informed by the results of past decisions.

Forest and Baker, (1994) inform that the identified needs justify budget appropriations and brings understanding

The budget is a financial plan showing how the organization will acquire resources and use them during a specified time period, usually one year. After the organization's objectives, goals and strategy has been identified, the master budget is developed to express the plans in monetary terms. The master budget serves as a tool for communication and coordination recognizing the interrelationships within the organization (Atkinson et al, 2001). In some organizations, the budget is used in coordination, but there is little emphasis on using it to control operations. Budgeting is a cost-benefit proposition; the system has to be designed to be cost-effective. The most important advantage of budgeting is, of course, that it forces managers to plan ahead however having a budgeting system does not guarantee that the organization's planning efforts will be improved. Organizations are composed of many segments covering many functions and programs. During the budgeting process the plans and related financial budgets of the various segments are brought together in one place, review and integrated into a total plan to achieve the organization's goals (Atkinson et al, 2001).

Several potential obstacles threaten the ability of the organizations to plan. One barrier is a changing environment which makes planning more difficult because plans must be altered more frequently. Another obstacle is the view among some managers that planning is unnecessary. This arises when managers have a general idea in their heads about the future directions and the means of reaching organizational goals (Barton & Martin, 1994). The absence of well-defined objectives and goals, vision, mission and even values is another issue facing day to day planning

process by NGOs. Most of them are working emotionally and their objectives and goals are not essentially realistic. For instance, a member of trustee tells: "our aim is to eliminate the poverty nationwide...", rather than setting an achievable/tangible goal of reducing poverty in the territory of activity needs

However the organizations can take several steps to reduce the obstacles to planning. For instance is encouraging strong top- management support for the planning process. Top managers can signal their support by being personally involved in the planning process and by maintaining interest in how the plans are being implemented. Another step is ensuring that planning staff maintain a helping role rather than do the actual planning. Another step practiced by Barton & Martin (1994) suggests top management can actively involve the managers who will be primarily responsible for carrying out the plans. In part, this entails providing such managers with training in the planning process. Managers should review plans frequently especially when the environment changes and develop contingency plans to use in the event that they evolve differently than anticipated.

Studies indicate that planning in organisations is associated with higher results (Cole, 2004). One study suggests that Steve Bostic, head of the American photo Group was able to increase annual sales and attributes this success to having a vision, being able to put specifics down on paper and having a good idea of the organization's overall mission as well as specific written goals and carefully configured plans (Bartol et al. 1994).

Finally, planners must constantly evaluate the success of their plans and take corrective action when necessary (Mason, 2010). Planning requires systematic thinking about ways & means for

accomplishment of pre-determined goals. As such, the quality of the planning process and the appropriate implementation of the plans probably contribute to the high performance (Bartol & Martin, 1994). NGOs are encouraged to improve their planning techniques that brought them success in their core activities. They should also redesign program implementation strategies to include that enable them minimize costs as well gain competitive advantage.

2.3.2 HRM and organizational performance

HRM refers to the process of hiring and developing employees so that they become more valuable to the organization. Esra (2010) and Fang (2000), highlight that HRM is designed to maximize employee performance by ensuring that the organisation obtains and retains the skilled, committed and well-motivated workforce it needs and these, have an influence on organisational performance.

Human Resource Management covers several and areas among others are; job analyses, personnel planning, recruitment and selection, training, rewards & incentives, performance evaluation, disputes resolution, and communication. It has been long and widely asserted that people are the preeminent organizational resource and the key to achieving outstanding performance (Peters & Waterman, 1982; Pfeffer, 1994 cited by Delaney and Huselid, 1996). So how they are managed is therefore becoming more important (Esra, 2010). However organisations and NGOs in particular still face challenges in this area. Organizations can adopt various HRM practices to enhance employee performance (Delaney and Huselid, 1996).

Recruitment & selection refer to the process of attracting and choosing candidates for employment. Recruitment process identifies that the organisation needs to employ someone up to

the point at which application forms for the post have arrived at the organisation. Selection then involves in choosing from applicants a suitable candidate to fill a post (Gary & Ray, 2010). Organisations should be capable of attracting a pool of capable people to apply for employment from which managers and others can use to choose a person or persons more likely to succeed in the job(s) (Gary & Ray, 2010). Lambert et al (2001), points out that, consistent hiring policies are relevant during hiring process. Further, during selection, the basic idea is to solicit maximum information about the candidate to ascertain their suitability (Graham, 1996 as cited by Kepha, 2014) and candidates need to understand the content of the positions they are being hired (Kepha, et al, 2014). Candidates can be selected using different methods in order to assess their suitability for a certain role. These include; individual interview, interviewing panels, selection boards, and assessment centers (Armstrong, 2002). Indeed, research indicates that selectivity in staffing is positively related to firm performance (Becker & Huselid, 1992; Schmidt, Hunter, McKenzie, & Muldrow, 1979). However despite a well-drawn plan on recruitment and selection and involvement of qualified management team, recruitment process adopted by organisations can face significant obstacles in implementation.

Recruitment and selection of employees is a very essential HRM practice and failure in this can increase difficulties and effect on the organisation's productivity (Kepha et al, 2014). It is urged that recruitment if not well handled would cost the organisation in terms of finance and human resources. However what literature does not point out, and what organisations do not know is how crucial and expensive it is to hire wrong people. If organisations consistently find and employ staff who fulfil their roles and are capable of taking on increased responsibilities then they have competitive advantage for organisational performance (Cole, 2014)

Training and development is an essential process of imparting job knowledge skills, positive attitude and competencies required to enable an employee meet demands of the current responsibilities or enable them perform in his current job (BeardWell & Claydon, 2007). Stoner (2002) contends that training programs are directed towards improving current job performance, new employees have to learn new skills and their motivation is likely to be high. Considerable evidence suggests that investments in training produce beneficial organizational outcomes (Bartel, 1994; Knoke & Kalleberg, 1994; Russell, Terborg & Powers, 1985). Mullins, (2002) adds that training should be seen as an investment in people and managers' role is to give vision and ability to perform.

Training of employees helps to close the knowledge and skills gap (BeardWell & Claydon, 2007) required to improve organizational performance. It is also worth mentioning that training is a key element in organisational performance. Tale as quoted by Mullins (2002) states that training is an important level to bring about improvement and change but the question is whether individual competencies would level automatically to corporate competencies. From the above, the fact that SAO,U needs well trained employees at all levels, it was needful for the researcher to find out how this factor is being managed, whether the training and development component at SAO,U translates into improved performance. The findings in this study had negative significance. Training at SAO,U does not seem to influence organisational performance and the researcher observed that it largely depended on SAO,U's internal organisational factors. Mark & Huselid, (1996) urge that organisations can focus on improving the quality of the individuals hired, or on raising the skills and abilities of current employees, or on both by providing comprehensive training and development activities after selection. Researchers for instance Jotham (2013) confirms that significant association exist between employee training and

performance. Esra (2010) as well as Fang (2000) point out that organisations need to achieve certain things in order to gain outstanding performance resulting from training; invest in people by increasing capability and aligning skills and increase employee skills and abilities. If they can make full use of their skills and abilities identify required knowledge and competencies, define the behaviour required for successful organisation, value and reward them.

Rewards are incentives set up by a company to recompense performance and motivate employees on individual and/or group levels (Stansfield, 2014). Armstrong (2002) adds that people are rewarded in accordance with their value in the organisation. There are financial and non-financial rewards (intrinsic or extrinsic) and embraces the policies, plans and strategies used by an organisation to maintain a reward system. Employees are usually rewarded on quality based performance and the research carried out by Beyan, (2012) found that staff tend to stay and perform better when their efforts and performance are recognised.

In order to reap benefits such as increased productivity, Stansfield, (2014) points out that the design of a reward program must identify company or organisational goals to be reached and the behaviours or performance that will contribute to this. While this may seem obvious, organisations frequently make the mistake of rewarding behaviours or achievements that either fail to further organisational goals or actually sabotage them (Kathleen Eisenhardt, 2014). In small businesses, since rewards have a real cost in terms of time or money, business owners need to confirm that performance has actually improved before rewarding it. An in NGOs like SAO,U donor usually do not approve employee rewards as well a training budget funds(Kathleen, 2014).

In this study rewards at SAO, U had no significance with organisational performance. The researcher observes that the results do not contradict previous studies and literature but concurs with Stransfield, (2014) and highlights that employee reward system can be very simple or more formal or structured, low cost or even free – but to have the best impact, they must be meaningful to the employee concerned and the system must be perceived to be fair and unbiased. SAO,U has in place a system of reward linked to salaries, bonuses, thank you and promotions, but obviously this requires much more groundwork, management and monitoring to be effective and also has more of a financial impact.

2.3.3 Internal Control systems and Organisational Performance

Internal control systems vary considerably in their broadest sense, but they refer to the processes of managing risks, provide reasonable assurance that budget and other resources will be used in a regular, ethical, economical, effective and efficient manner towards the achievement of objectives (Noordin, 1997). Parveen (2008) described internal control systems as being fundamental to the success and performance of an organization. Ngwenya (2014) further highlights that an internal control system is the primary accountability and governance tool an NGO can establish and use to provide accountability to its stakeholders (donors) and safeguard its assets. According to (Draft, 2009) controlling is step process of establishing performance standards based on the firm's objectives, measuring and reporting actual performance, comparing the two and taking corrective or preventive action as necessary. The purpose is to ensure that everything occurs according in conformity with the standards. Good internal controls help maximize efficiency. They help minimize risk, waste, unintentional errors, employee theft and fraud, and hence contributes to reduced production costs (Noordin, 1997) and further suggests a checklist of internal control, which include; reliable personnel with clear

responsibilities, Rules & procedures, separation of duties, provision of mechanism to supervise and monitor the activities in an organisation. However implementing control process is impossible unless the desired performance dimensions are first spelled (Pearson, 2011).

Financial control systems regulate financial activities of the organisation aimed at achieving desired return on investment (Parveen, 2008). They cover all business transactions, and especially those relative to revenue, expenditure, assets, and commitments by used on the tools; financial statements including budgets, operating ratios and others to exercise financial control. The role of financial controls is to increase overall profitability as well as to keep costs in line and to determine which costs are reasonable. Managers Financial control system has tools.

Organisations face challenges every day that threaten effectiveness of the internal controls and one of these challenges is fraud (Karen, 2014). Fraud comes in many forms including cheque fraud, credit card fraud, employee theft, stealing inventory, claiming undue overtime, setting up payments to fictitious vendors, skimming cash and embellishing an expense account. Incompetent or dishonest individuals at all levels of management can undermine systems in an organization. In order to combat this, the organisation needs to have strong internal control systems. Parveen (2008) and Karen (2014) highlight that organisations are expected to have policies, procedures, guidelines, and written work rules to inform employees what is expected of them and the consequences of not meeting expectations.

Separation of duties is another internal control measure that ensures accurate compilation of data but also limits the chances for fraud that would require the collusion of two or more persons. This includes separation of operational responsibility, separation of the authorization of financial

transactions, separation of duties within the accounting functions, whereby an employee should not be able to record a transaction from its origin to its ultimate posting in a ledger. Effective supervision and monitoring is a useful tool for identifying problems and suggesting corrective measures to reduce losses and achieve efficiency and effectiveness in performance of the organisation. However, management's enforcement of policies is the major aspect of an organization's commitment to a successful internal control system. (Kendra, 2014)

One of the components of the internal control environment is the Compliance function. The Compliance function is meant to reasonably ensure that the organisation is complying with all applicable laws, rules and regulations, as well as internal codes of conduct, policies and procedures (Gilles, 2013). Compliance has risen in prominence in the past few years, both representing critical control components of an organization's structure (Kendra, 2014). The Compliance function, if integrated into the culture of the business, empowers those responsible for compliance to fulfil their mission.

The study aimed at investigating the effectiveness of internal control systems in influencing organisational performance. The study went further to assess the effectiveness of the financial controls and the level of compliance. The study views such attributes as affecting the performance of an organisation in the long-run. However, the literature reviewed does not have evidence to directly show this relationship, but provides guidance to the study in identifying and defining the relevant attributes of internal control systems which exist at SAO,U.

2.4 Literature summary

The literature review indicates that planning, HRM and internal control systems have influence over the performance of an organisation. However, there seems to be no direct study that provides empirical evidence to substantiate the relationship between the management practices and organisational performance in SAO,U. On the other hand, is it really true that there is a performance problem in SAO,U? This study therefore aimed at examining the effect of each of these practices on organisational performance in SAO,U.

CHAPTER THREE

METHODOLOGY

3.1 Introduction

The study investigated the effect of management practices on the performance of SAO,U. This chapter presents the methods which were used in the study. It covers the research design, population investigated, the sample size, sample selection methods and techniques, data collection techniques, data collection instruments, reliability and validity of the research instruments, procedure of data collection, measurement of variables and data analysis.

3.2 Research design

The study used a cross sectional survey design. A cross sectional survey enables one time study of the problem. This study was a one off ascertaining the relationship between Management Practices and Organisational Performance in SAO, U. The study adopted both quantitative and qualitative approaches. The triangulation of these approaches was used such that one method helped to explain the relationships between variables emerging from the other allowed for a greater diversity of views to inform and be reflected in the study (Saunders, 2012).

3.3 Study population

The study population included all stakeholders of SAO,U in Uganda. A stakeholder is anybody who can affect or is affected by an organisation, strategy or project. They can be internal or external and they can be at senior or junior levels (<http://stakeholdermap.com/stakeholder-definition.html>).Based on SAO,U's SAO,U stakeholder register of 2002, the researcher identified the following stakeholders; the Board of Directors, staff, implementing partners, beneficiaries, NGOs and CBOs promoting children welfare and poverty alleviation, policy

makers especially related ministry, donor agencies, Baptist church community. Categorically these groups have the power to respond to, negotiate with, and change the strategic future of SAO,U (Eden and Ackermann, 1998).

3.3.1 Target population

Although there were many stakeholders of SAO,U, the target population for this study was 340 categorised in four groups consisting of the 6 members of the Board of directors, 29 members of staff, 35 implementing partners and 255 beneficiaries. The total number and the categories were based on the stakeholder analysis (as processed by the researcher) and SAO,U's organisational structures of 2002/ 2014.

The target population included the accessible members of the four groups located within Kampala, Buikwe, Luwero, Bukedea and Tororo project areas. The implementing partners were defined as category of groups who offer support services within SAO,U's specific projects voluntarily while the beneficiaries were defined as those who receive services from SAO,U'S interventions directly. Table 3-1 gives the target and sampled population for each of the sub-group.

3.3.2 Sample and Sample Size Selection

The determination of the sample size was guided by the principle, "if the population size is around 500, 50% of the population should be sampled", (Amin, 2005). Therefore, by applying a 50% sampling factor, a sample of 174 respondents were drawn, as detailed in Table 3-1 below. The sample size was within the margin to that obtained by sampling technique in Saunders (2012; pg. 266). For a population of 300, a sample size with 5% error margin would be 168

giving a difference of 6 which the researcher considered as insignificant to the sampled population of 340.

Table 3- 1: Sampling Table

Population category	Target population	Sample size	Sampling Techniques
Board of directors	6	3	Purposive
Staff	29	29	Purposive
Implementing partners	35	17	Simple random
Beneficiaries	255	125	Simple random
Total	340	174	

Source: Generated by the Researcher with information obtained from SAO,U

3.4 Sampling techniques and procedure

The study applied purposive and simple random sampling to obtain the respondents for questionnaires and interviews. Purposive sampling was used to select the categories of stakeholders including Board of Directors and staff members. According to Sekaran (2003), purposive sampling is confined to specific type of people who can provide the desired information either because they are the only ones who have it, or they conform to the criteria of the researcher. The criterion used was based on a stakeholder analysis in Appendix 4.

Simple random sampling technique was used to select implementing partners and beneficiaries. This subgroup was carefully selected so as to be representative of the whole population with the relevant characteristics and each member having a chance to be selected.

3.5 Data collection methods

Data was obtained from both primary and secondary sources. The study applied two major methods for the data collection: interview and questionnaire methods. Triangulation is applied in

order to combine data to ascertain if the findings from one method mutually collaborate the findings from the other method (Saunders, 2012). Both qualitative and quantitative methods were intended to complement each other in data collection and analysis. The study based the inquiry on the assumption that diverse types of data will best provide an understanding of the research problem as stated (Creswell, 2015).

Interview and questionnaire methods were carried out to collect data from primary sources. Primary data referred to information obtained by the researcher from first-hand data sources on the variables of interest for the specific purpose of the study, and for subsequent analysis to find a solution to the problem researched (Sekaran, 2003). Documentary review was carried out to collect data from secondary sources to substantiate the primary data. Secondary data is described to refer to information gathered from sources already existing, and that such information is gathered by someone other than the researcher conducting the study, (Sekaran, 2003).

3.6 Data collection Instruments

The data collection instruments used in the study included the two sets of questionnaires and interview schedule. The researcher had initially prepared one questionnaire however this was revised to two sets subsequent to comments from the pretesting exercise. The questionnaires were designed with closed questions – (Appendix 1&2) and the interview schedules for the key informant (Appendix 3).

3.6.1 Self-administered Questionnaires

The main data collection instrument that was used in this study was a questionnaire. This was used for the purpose of collecting primary quantitative data. Additionally, the questionnaire was used for the following reasons a) its potentials in reaching out to a large number of respondents

within a short time, b) able to give the respondents adequate time to respond to the items, c) offers a sense of security (confidentiality) to the respondent and d) it is objective method since no bias resulting from the personal characteristics (Owens, 2002). The researcher was aware of the likely biases that may arise from respondents scanning through the questions which can create potential bias in proceeding questions and responses or chose to answer only questions of preference. However the researcher minimized this by giving clear objectives and guidelines of responding to the questionnaire.

Two sets of self-administered questionnaires were used. Questionnaire 1 had sets of questions to measure the two variables management practices and organisational performance while questionnaire 2 had only questions on the organisational performance. Questionnaire 2 was distributed only to beneficiaries to get their perceptions on the performance of the organisation considering that they are external stakeholders who may not have much knowledge on the management practices. Questionnaire 1 was distributed Board of directors, staff and implementing partners. The instrument was distributed to respondents by hand and collected after two weeks.

Items in both questionnaires were drawn from the existing literature, modified and pretested. They had closed ended questions to address specific objective/ research question or hypothesis of the study. The closed ended questions were used because they are economical, easier to understand and analyse (Mugenda & Mugenda, 1999). The questionnaires were divided into the main areas of investigation except the first part which captured the demographic characteristics of the respondents. Other sections were organized according to the major research objectives.

The Likert scale was used to measure perception, attitude, values and behaviours. The rating scale consisted of numbers 5 – 1 with descriptions strongly agree, agree, undecided, disagree, and strongly disagree (Mugenda & Mugenda, 1999). The numbers and descriptions ranked the subjective and intangible components which helped to minimize the subjectivity and made it possible to use quantitative analysis.

3.6.2 Interview Schedule

An interview is the oral face to face administration of interview schedule (Mugenda & Mugenda, 1999). The researcher used interviews to get in-depth data which was not possible to obtain through questionnaires. The interview session was guided by the interview schedule which was divided into the main areas of investigation but the first part captured the demographic characteristics of the informants. Other sections were organized according to the major research objectives (Appendix iii).Interviews however can be more expensive and so need to involve smaller samples, (Mugenda & Mugenda, 1999; pg85). In this study only four key informants were interviewed one board member and three key management staff.

The researcher obtained authorisation from the Executive Director of SAO,U. Maximum cooperation was sought from the key informants by making appointment and presenting introductory letter plus the ethical guidelines prior to commencement of the interview session. The researcher explained the objectives of the study and gave assurance of adherence to the ethical issues in the consent form and created a relaxed and friendly environment during the interview sessions. The researcher carefully took recordings of the responses exactly as expressed by the respondent as the interview went on.

3.6.3 Documentary review checklist

The documentary review sources included SAO,U documents, reports, procedures kept and maintained by SAO,U. In addition, documents from UMI libraries and internet search were reviewed. The documentary review checklist was structured to capture information on management practices and organizational performance at SAO, U by reviewing a list of documents.

3.7 Pretesting of the instrument

The data collection tools were pretested on smaller number of respondents of the population to ensure that the questions were accurate and in line with each objective of the study thus to ensure reliability and validity. The researcher assessed the following; how long the questionnaire took to complete, clarity of instructions, which, if any questions were unclear or ambiguous, which, if any, questions respondents felt uneasy about answering, whether in their opinion there were any major topic omissions , whether the layout was clear and attractive and any other comments. Feedback was obtained and the questionnaires were modified accordingly.

3.7.1 Validity

Validity is the accuracy and meaningful of inferences, which are based on research results. It is the degree to which results obtained from the analysis of the data actually represents the phenomenon understudy. Validity looks at how accurately represented are the variables of the study (Mugenda & Mugenda, 2003). This study adopted the content validity technique which is the degree to which data collected using particular instruments represents a specific domain of indicators or content of particular concept. To ensure content validity of instruments the researcher constructed the instruments with all the items that measure variables of the study.

Hence these instruments were assessed to establish whether they measure what they are supposed to measure and produce accurate results. A peer review of the instruments i.e. questionnaire and interview schedule, was done to ensure validity of both concepts and contents. The research instruments were also pre-tested using a small number of respondents to test the appropriateness of the questions and their comprehension. Use was made of the content Validity Index (CVI) to ascertain relevance of questions in the data collection tools. Weaknesses and contradictions in the instrument were noted and adjustments made to ensure that only data relevant to the study was collected. The following formula was used to test the validity:

CVI = Items declared valid/ Total number of items

CVI = 85/92

CVI = 0.92

3.7.2 Reliability

Reliability of a measuring instrument is its dependability or trustworthiness, and is the degree to which it consistently measures whatever it is meant to measure (Amin, 2005). According to Sekaran (2003), the reliability of measure indicates the extent to which such a measure is without bias (error free) and hence ensures stability and consistence of measurement across time and across the various items in the instrument. The internal consistence of measures is indicative of the homogeneity of the items in the measure that tap the construct. Hence, the items should hang together as a set and be capable of independently measuring the same concept so that the respondents attach the same overall meaning to each of the items.

The key instrument used for this study was a questionnaire, which had sets of questions to measure the various variables. The study used a pre-test pilot study on 10 respondents from a similar NGO and Cronbach's Alpha reliability analysis (Sekaran, 2003) was conducted using SPSS computer-based software programmes to assess the inter-item stability of the measures. The analysis aimed to establish the reliability of the item groupings for variables: 'organisational performance'; 'management practices'. The results of the analysis are presented in table 3-3 below.

Table 3- 2: Cronbanch's Alpha Scores for Variable Reliability

Variable	Alpha
Organisational performance	0.851
Planning	0.839
Human Resource Management	0.727
Internal controls	0.775

Source: Generated by Researcher

The Cronbach's alpha scores were greater than 0.8 for the variables organizational performance and planning for SAO,U. The other variables: HRM and Internal controls were greater than 0.7 score.

According to Sekaran (2003), alpha scores of less than 0.6 indicate poor reliabilities, those in the 0.7 range are acceptable, and those over 0.8 are good. Since the scores of the Cronbach's alpha analysis for this study were greater than 0.7 for all the variables, the internal consistency reliability of the questionnaires used in this study was good and acceptable.

3.8 Procedure for data collection

The researcher prepared a research proposal consisting of three chapters: Introduction, Literature Review and Methodology. During the process of developing the research proposal, the research topic, the research problem, research methods, and the data collection instruments were

determined. The researcher conducted library and internet literature review and made wide consultations with the UMI-based supervisor, Work-based supervisor and peers to clarify on the research problem, research objectives, the conceptual framework, and the data collection instruments.

Upon the approval of the research proposal, the researcher was given a permission letter (Appendix 5) to proceed to the field to collect primary data. The data collection instruments i.e. questionnaire and interview schedule, were discussed under peer review to clarify on both concepts and contents. The research also pre-tested the instruments using a small number of respondents and the necessary adjustments were made.

The researcher made initial contact for entry into the organisation and two staff were assigned to offer assistance in coordination of interviewees and distribution of questionnaires. The final version of the questionnaires, which had research guidelines on how to answer the questions, were personally handed over to the points of contacts with clear distribution instructions. Telephone contacts were maintained for those contacts. The researcher personally conducted the interviews of key informants. Appointments were made for the informants to be interviewed. The research instruments that were filled were collected, edited to ensure that the recording of data was done properly, assigned Serial Numbers and kept under custody and were retrieved for analysis.

3.9 Ethical issues

The researcher took note of ethical issues surrounding research and took a number of precautions. The quality of research depends in part on the integrity and objectivity of the researcher (Saunders, 2012; Mugenda & Mugenda, 1999). Researchers should not take the study

as a personal gain with negative effects on others. This study took into account the following issues; plagiarism, confidentiality and fraud among others. To avoid these, the researcher acknowledged all the work of others used in this study report, the study also protected the identity of respondents in order to avoid being misquoted by not indicating or quoting names on responses. She also kept the confidentiality and privacy of respondents contacted in this study.

During the process, the researcher explained to the respondents about the research and that the study would be for academic purposes only. It was made clear that the participation was voluntary and that the respondents were free to decline or withdraw any time during the research period. Respondents were not coerced into participating in the study. The participants had informed consent to make the choice to participate or not. They were guaranteed that their privacy would be protected by strict standard of anonymity.

3.10 Data management and analysis

The instruments used yielded both qualitative and quantitative data. Raw data was cleaned, sorted and condensed into systematically comparable data. Quantitative data analysis was done using the statistical package for social scientists (SPSS) which helped to summarise the coded data and correlation and regression to produce the required statistics in the study.

3.10.1 Quantitative data analysis

In analysing quantitative data, the study used SPSS where data was edited and cleaned and sorted. Since the variables were to be measured at ordinal level, the Spearman's correlation analysis was used to analyse the relationship between planning, HR management, internal control and organisational performance (Amin, 2005 & Sekaran, 2003). The hypotheses of the

study were also tested using the quantitative data to find the effect in the dependent variable by the independent variable for each dimension. A positive correlation implied a positive relationship while a negative variable implied a negative relationship.

3.10.2 Qualitative data analysis

Data analysis of qualitative data in the three objectives of the study was based on content analysis (Amin, 2005). The process involved conducting face to face sessions between key informants and the researcher. All conversations were recorded in the book. There after all interview content were reviewed and only extracts with relevancy to the study were presented in a narrative form. The technique used to analyse qualitative data was content analysis, where themes were identified and presented based on each individual placed in quotes and was used to supplement on the quantitative data which were obtained from the questionnaires.

3.11 Measurement of variables

The independent variable in the study was the management practices in regards to planning, HRM and internal control systems. The dependent variable was organisational performance of SAO,U. A combination of these variables were measured during the ordinal scale or rank because these were categorically ranked in order of 1 to 5, strongly disagree, disagree, not sure, agree and strongly agree respectively (Amin, 2005).

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

4.1 Introduction

The study examined the how management practices affect organisational performance at SAO,U.

This Chapter presents, analyses, and interprets the data collected. This includes the response rate of the respondents, their social-economic characteristics, followed by a presentation, analysis and interpretations to address the specific research objectives, namely:

- i. The effect of planning on organisational performance at SAO,U.
- ii. The effect of HRM on organisational performance at SAO,U.
- iii. The effect of internal controls on organisational performance at SAO,U.

4.2 Response Rate

The targeted population for this study was 340 and a total of 174 respondents were selected for the study, drawn from the various sub-groups (Board of directors, staff, implementing partners & beneficiaries). The study was able to achieve overall response rate of 89.66% i.e 156 respondents of the targeted sample size. Table 4-1 below shows details.

Table 4- 1: Questionnaires Returned by Respondents

Respondent category	Sample size	Respondents	Response rate (percentage)
Board of Directors	3	2	66.67
Staff	29	22	75.86
Implementing partners	17	11	64.71
Beneficiaries	125	121	96.80
Total	174	156	89.66

Source: Primary data

Table 4-1 shows that out of the 174 respondents that were targeted, 156 actually responded, representing 89.66 response rate. This is a higher response rate than the world standard of slightly above 22% (Ülengin & Uray, 1998). There was 96.80% response from beneficiaries, and 75% from staff. There was also considerably good response from the Board of directors and implementing partners.

The response rate of 89.66% is an indication that the respondents were interested in the study. The approach and close follow up of the questionnaires by the researcher partly explains the high rate of response. The researcher also went ahead and facilitated the couriering of the questionnaires to avoid any chances of misplacing or delayed delivery of the filled questionnaires. There was a great opportunity for the researcher to meet and interact with the key staff and board of director during interviews. Asimwe (2007) & Khaukha (2009) also made a similar observation, and asserted that their interaction with key respondents influenced the response rate. However, to ensure that such interaction did not bias the responses, the objective of the research was explained in the introductory remarks, in which the researcher requested the respondents to answer the questionnaires objectively, and that their responses would be kept confidentially and anonymous.

The researcher however found it challenging to get back the questionnaires from some of the respondents from implementing partners, staff & directors, who particularly had busy work schedules and found no time to answer the questionnaires.

4.3 Social-economic Characteristics of the Respondents

The researcher sought to obtain data on selected socio-economic characteristics of the respondents, which included category of respondent, age, gender, highest education level, department and monthly income. The results in Table 4-2 below show respondents characteristics. Frequency and percentage analysis was used to analyse the respondents according to the attributes above.

Table 4- 2: Socio-Economic Demographic Characteristics of the Respondents

(N=156)

Demographic Characteristics	Frequency	Percentage
Respondent category		
Board of Directors	2	1.3
Staff	22	14.1
Implementing partners	11	7.1
Beneficiaries	121	77.5
Age		
Less than 25 years	24	15.4
Between 25 and 35 years	52	33.3
Between 36 and 45 years	46	29.5
More than 45 years of age	34	21.8
Gender		
Male	55	35.3
Female	101	64.7
Education Level		
High school diploma	34	21.8
Bachelor	28	17.9
Master	8	5.1
Other	86	55.1
Department		
Administration	8	5.1
Programs	19	12.2
Finance	4	2.6
Others staff	4	2.6
Beneficiaries	121	77.6

Source: primary data

4.3.1 Respondent category

The respondents were asked to indicate the category of stakeholders under which they belong. According to Table 4-2, of the 156 respondents (121 beneficiaries, 11 implementing partners, 22 staff, and 2 board directors), 77.5% were beneficiaries, 7.1% were implementing partners, 14.1% were staff, and 1.1% board members. This means that key stakeholders of the organisation were represented in the study and the beneficiaries' representation was significant. Customer satisfaction was a major factor of the organisational performance hence responses from beneficiaries gave significant perception to the study.

4.3.2 Respondents' Age

The respondents were asked the age range in which their age in complete years fell and the results are presented in the table 4-2 above. On age, less than 25 years were 24 respondents representing 15.4%, between 25 – 35 years were 52 representing 33.3%, between 36 – 45 years were 46 representing 29.5%, and 45 years and above were 34 representing 21.8%. Respondent's age was within the productive age group. The highest percentage of respondents was 33.3% of age 25 – 35 years explained by the fact that the population of SAOU's staff are relatively young and enthusiastic about achieving their organisational performance, which gave the study the requisite information.

4.3.3 Gender of Respondents

The respondents were asked to indicate the gender that was applicable to them (male, female). The male were 55, and female were 101, leading to 35.3% male and 64.7% were female. SAOU's projects target vulnerable communities and these statistics are not exclusive (Annual

report 2013/14) and there are often more female people in communities and therefore these gave very useful information for the study.

4.3.4 Education Level of Respondents

The respondents were asked the highest academic qualification applicable to them. The respondents' education levels were: respondents who completed high school diploma 34 representing 21.8%, bachelor level 28 representing 17.9%, master level 8 representing 5.1% and other who did not fall in either were 86 representing 55.1%. All the respondents were literate enough to understand and interpret the questionnaire and more so appreciate the study variables since the aspects investigated affected them as staff, partners, or recipients of the services and products provided by the organisation. The highest level of respondents who fall in either category was highest and these are from beneficiaries where academic qualification is not a requirement.

4.3.5 Respondents' Department

Respondents were further asked to specify the department under which they belonged as indicated on the questionnaire (administration, programs, finance, other & beneficiaries). By departments, administration had 8 respondents, representing 5.1%, programs 19 representing 12.2%, finance 4 representing 2.6%, and other staff 4 representing 2.6%, and beneficiaries 121 representing 77.6%. The figures indicate that majority of respondents were from beneficiaries and programs respectively, and lowest from finance & category of other. This also gave chance to the study to capture from the clients, who would easily gauge the organization's performance basing on their expectations.

4.4 Perception of respondents about management practices and organisational performance in SAO,U

The overall objective of the study was to investigate the management practices at SAO,U and how they affect its organisational performance. The independent variable ‘management practices’ was described in three dimensions of planning, HRM and internal controls. The study examined how each affected organisational performance under the three objective of; the effect of planning on organisational performance at SAO,U; the effect of HRM on organisational performance at SAO,U; the effect at internal controls on organisational performance at SAO,U. The respondents were asked to indicate their opinion on the main concepts which were being investigated on a five scale measuring instrument (Strongly disagree (1), Disagree (2), undecided (3), agree (4), and strongly agree (5)).The following section presents the perceptions of the respondents with the results given in Table 4-3 below;

Table 4- 3: Descriptive statistics of management statistics and organisational performance of SAO,U

Variable	Measure	Category of respondents				Average Mean
		Board of Directors	Staff	Implementing Partners	Beneficiaries	
1. Organisational performance	mean	4.68	3.99	3.97	3.80	4.11
2. Planning	mean	4.30	4.24	4.36		4.30
2a. Needs identification	mean	4.29	4.34	4.47		4.37
2b. Budgeting	mean	4.31	4.14	4.26		4.24
3. HRM	mean	4.23	3.74	3.83		3.93
3a. Recruitment and selection	mean	4.21	4.27	4.38		4.29
3b. Reward management	mean	4.64	3.66	3.66		3.99
3c. Training and development	mean	3.83	3.28	3.44		3.52
4. Internal control	mean	4.21	4.10	4.21		4.17
4a. Financial management	mean	4.11	4.09	4.15		4.12
4b. Compliance	mean	4.31	4.11	4.26		4.23

Source: Primary data

In the Table 4-3 above, any average score of 4 to 5 implies the respondents agreed with the concepts investigated and any average score that is nearest to 4 (agree) also passes for agree.

The respondents agreed that SAO,U attains expected organisational performance with the mean score (4.11). However since the mean is below 5, it indicates that there is need for improvement. The scores indicate that SAO,U has not fully realised the level of organisational performance required to fulfil its objectives and mission. Similarly, the average mean for management practices was 4.11, indicating that the respondents agreed that SAO,U's management practices are effective however since the mean is below 5, it means there is need for improvement.

4.4.1 Perception of respondents on planning

The respondents also agreed that planning was highly contributing to the attainment of organisational performance with needs identification and budgeting scoring 4.37 & 4.24 respectively. The mean scores indicated that respondents agreed that SAO,U's planning needs identification and budgeting practices were effective though since the mean score was below 5, it meant that the organisation has to do more and improve in these aspects. This perception was also noted in the key informant interviewee response who was from the category of management that;

“our planning process in the recent years has improved, it is participatory and bottom up involving key stakeholders and we think this has contributed greatly to successfully implementation of project activities and obtaining results however we shall continue to improve on it for even better performance”.

4.4.2 Perception of respondents on HRM

The mean score of the opinions of respondents on HRM was (mean score 3.93) less than 4. This indicated that the respondents were inclined to disagreement with the fact that HRM was contributing to the organisational performance of SAO,U. It is apparent from the results that the rewards management (mean - 3.99) at SAO, U did not influence performance and the training and development (mean- 3.52) activities and policies being practiced did not influence organisational performance. However, recruitment and selection practices scored (mean 4.29) which was above 4. This meant that respondents agreed that the practice at SAO,U influenced organisational performance. Though since that mean was below 5, it meant there was need for improvement.

4.4.3 Perception of respondents on Internal controls

Internal controls and its factors; financial controls and compliance constantly scored the mean above 4 (4.12 & 4.23). Indicating agreement of the respondents towards its effectiveness in influencing organisational performance at SAO,U. However since the means were below the mean score 5, it indicated that there was need for improvement. This perception was substantiated by response from one key interviewee informant that;

'There was a lot of fraud, wastage and inflation of procurement costs in the previous years, as a result an internal auditor and monitoring and evaluation officers were recruited to help strengthen internal controls. Now policies are written and spelt out to employees, there is segregation of duties, records of all financial transactions are made, authorised and kept. Procurements were also decentralised to enable enforcement of controls'.

4.5 Correlation coefficient between management practices and organisational performance of SAO,U

The Spearman's correlation coefficient was used to analyse whether there was a relationship between planning, HR management, internal control and organisational performance, and if there was any, to measure its magnitude or direction. Spearman's correlation analysis is appropriately applied where two variables are measured at the ordinal level of measurement (Amin, 2005 & Sekaran, 2003). Since the variables in this research were measured at ordinal scale, and based on the ranks of the data rather than on actual numerical values, the researcher considered Spearman's analysis of the relationship between management practices and organisational performance. The results of the correlation analyses are presented in Table 4.4 below.

Table 4- 4: Spearman’s Correlation coefficient for planning, HRM, internal control and organisational performance

VARIABLE	1	2	2a	2b	3	3a	3b	3c	4	4a	4b
1. Organisation Performance	1										
2. Planning	.695**	1									
2a. Need Identification	.420*	.828**	1								
2b. Budgeting	.769**	.887**	.590**	1							
3. HRM	.398*	.461**	.399*	.475**	1						
3a. Recruitment and Selection	.499**	.661**	.489**	.604**	.572**	1					
3b. Reward Management	0.21	0.26	0.14	.384*	.693**	.421*	1				
3c. Training and Development	0.13	0.19	0.29	0.13	.733**	0.05	0.23	1			
4. Internal Control	.662**	.590**	.423*	.558**	.461**	.446**	0.26	0.18	1		
4a. Financial Control	.723**	.692**	.448**	.635**	.370*	.570**	0.16	0.08	.886**	1	
4b. Compliance	.534**	.533**	.425*	.481**	.513**	.387*	0.3	0.27	.947**	.721**	1

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

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

Source: primary data

Table 4-4 above shows the correlation coefficient for management practices (planning, HRM, Internal controls) and organisational performance. The correlation is significant at 0.01 level of significance. The absolute value of the correlation coefficient indicates the strength of the relationship and it ranges between -1 to 1, which depict perfect negative and positive linear relationships respectively. The larger the absolute values, the stronger the relationships. The acceptable limits of significance are given by: $p \leq 0.05$. Where the level of significance is 0.01, indicates that there is less than 1% chance of the relationship not holding true.

4.5.1 Relationship between planning and organisational performance

Correlation analysis was carried out to establish whether there was a relationship between planning and organisational performance, and also with the two sub variables; needs identification and budgeting, thus between needs identification and organisational performance, and between budgeting and organisation performance.

Results in table 4-4, indicated; Planning had positive correlation coefficient of $r=0.695^{**}$ at significance level of 0.01 meaning that there was less than 1% chance of this relationship not holding true. In addition the absolute coefficient value (0.695^{**}) was so close to +1, which implied that the relationship between planning and organisational performance was perfectly linear and it was strong. Therefore as the values of planning increase the values of organisational performance would also increase. Further analysis of the coefficients of the various attributes of planning (planning needs identification and budgeting) are presented below;

- i. There was a significant perfectly linear relationship between Planning needs identification and performance (correlation coefficient of 0.420^* at significance level

of $p < 0.05$). It also precisely meant that planning was statistically significant with organisational performance.

- ii. There was a positive significant linear relationship between budgeting and performance (correlation coefficient of 0.769** at significance value $p < 0.01$). This indicated statistically strong significance existing between budgeting and organisational performance.

4.5.2 Relationship between HRM and organisational performance

The correlation analysis was carried out for HRM and organisational performance, and also with the HRM sub variables and organisational performance. Thus correlation analysis was also conducted between recruitment and selection and organisational performance; between reward management and organisational performance; and between training and development, and organisational performance. According to correlation results in table 4.4, the results indicated correlation coefficient of HRM with organisational performance as 0.398* and was significant at $p < 0.05$. This level of significance indicates that there is a relationship between the two. The absolute value (0.398) was also low indicating that the relationship between HRM and organisational performance in SAO,U was not perfectly linear but it was weak. Further coefficients of the attributes of HRM are presented below;

- i. The results showed that the correlation coefficient for recruitment and selection with organisational performance was $r = 0.499^{**}$ at significance level of $p < 0.01$. The significance value of $p < 0.01$ indicate a statistically strong relationship existing between recruitment and selection and organisational performance and that there was less than 1% of this relationship not holding true.

- ii. There was a positive significant relationship between reward management and organisational performance ($r=0.21$). The absolute value of (0.21) indicated a weak relationship. The lack of significance was an indication that rewards management was having minimal influencing effect on organisational performance.
- iii. There was a positive significant relationship between training and development with organisational performance ($r=0.13$). The absolute value of (0.13) indicated a weak relationship. The lack of significance was an indication that training and development was having minimal influencing effect on organisational performance.

4.5.3 Relationship between Internal controls and organisational performance

Correlation analysis was conducted between internal control and organisational performance and also between sub variables of internal control: financial control and organisational performance, and organisation performance. Table 4.4 on correlation results showed that Internal controls had a positive linear relationship with organisational performance ($r=.662^{**}$, $p<.01$). The significance level of $p= 0.01$, indicating less than 1% chance of this relationship not holding true. The absolute value of (0.662) was close to +1 indicating that the relationship between internal controls and organisational performance was perfectly linear and strong. The coefficient correlation of the attributes of internal controls as below;

- i. There was a significant positive relationship between financial controls and organisational performance ($r=.723^{**}$, $p<0.01$). The significance level 0.01 indicated strong statistically significant relationship, meaning that an increase in the values of financial controls led to an increase in the values of organisational performance.
- ii. Compliance also had a positive significant correlation with organisational performance ($r=.534^{**}$, $p<0.01$). The results indicated a statistically significant

relationship between compliance and organisational performance and meant that there was less than 1% chance of the relationship not holding true.

4.6 Testing the Study Hypotheses

The study aimed at testing the hypotheses; Planning has a positive significant effect on organisational performance; HRM has a positive significant effect on organisational performance at SAO,U; Internal controls at SAO,U have a positive significant effect on organisational performance. The hypotheses of the study were analysed using the regression analysis to test the relationship and explain the variations in the organisational performance cause by management practices (planning, HR management, internal control). The results are presented in the Table 4-5 below

Table 4- 5: Regression for planning, HR management, internal control and organisation performance

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.925	0.606		1.527	0.137
	Planning	0.389	0.184	0.386	2.113	0.043
	Hr Management	-0.048	0.152	-0.049	-0.318	0.753
	Internal Control	0.389	0.152	0.423	2.556	0.016
R		0.707 ^a				
R Square		0.499 (49.9%)				
F Change		10.305				
Sig.		0.000				

a. Dependent Variable: organisational performance

Predictors: (Constant), Internal Control, HR Management, Planning

Source: primary data

Simple linear regression was applied to predict the outcome of organisational performance using management practices as the predictors. The regression model gives R, which is the correlation between the observed and predicted values of the dependent variable (organisational performance). The values of R range from -1 to 1. The sign of R indicates the direction of the relationship (positive or negative). The absolute value of R indicates the strength, with larger absolute values indicating stronger relationships.

The overall model showed that planning, HR management, and internal control predict organisational performance. The overall model had $R^2 = 0.499$, significant at $p < 0.01$, which indicated that it is very unlikely that the difference in the outcome occurred by chance. In the model, management practices account for 49.9% variation in organisational performance; planning (beta = 0.386, $p < 0.05$) and internal control (beta=0.423, $p < 0.05$) were found to be strong significant predictors of organisational performance.

4.6.1 Testing the hypothesis ‘planning has a positive significant effect on organisational performance’

The responses were analysed by simple linear regression to determine the extent to which planning explains the variations in organisational performance. The model indicated beta = 0.386, $p < 0.05$. The researcher rejected the null hypothesis and instead accepted the alternative hypothesis. The results indicated that an increase in organisational performance occurs with an increase in planning at p -value 0.043 meaning that planning is a strong predictor of organisational performance. Therefore the hypothesis *‘Planning has a positive significant effect on organisational performance (Planning needs identification and budgeting)’* was statistically significant and it was substantiated. This finding is in line with what Henry Fayol

asserts in his administrative theory that planning was a fundamental factor in organisational performance (Wren, 2001).

4.6.2 Testing the hypothesis ‘HRM has a positive significant effect on organisational performance

The regression was further used to test and determine the extent to which HRM explains the variations in organisational performance. The model indicated negative coefficient (beta -0.049) and p- value 0.753 which is above $p < 0.05$. Meaning that increase in organisational performance cannot be explained by an increase or decrease in HRM hence it is not a predictor of organisational performance. Therefore the hypothesis ‘*HRM has a positive significant effect on organisational performance (recruitment & selection, rewards management and training and development)*’ was statistically insignificant hence rejected and therefore accepting the null hypothesis that HRM has no effect on organizational performance.

4.6.3 Testing the hypothesis ‘Internal Control systems have an effect on organisational performance

The responses were further tested by regression to determine the extent to which internal control systems explain the variations in organisational performance. The model indicated that there was (beta=0.423, $p < 0.05$) increases in organisational performance with one increase in internal controls at p -value 0.016 meaning that Internal controls were strong predictors of organisational performance. Therefore the hypothesis ‘*Internal controls have a positive significant effect on organisational performance (financial controls and compliance)*’ is statistically significant and therefore it was substantiated.

4.7 Chapter Conclusion

In conclusion, Management practices had a significant effect on organisational performance at SAO,U. From the ongoing statistical analysis, it is evident that planning and internal control systems explain the variations in organisational performance hence SAO,U needs to improve on these practices. Similarly gaps and inadequacies in HRM practices have to be addressed for the organisation to attain its full expected performance.

CHAPTER FIVE

SUMMARY, DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

The study aimed at establishing the relationship between management practices and organisational performance of SAO,U. This chapter presents the summary, discussion, conclusions and recommendations consistent with the findings.

5.2 Summary of findings

Organisational performance is influenced by several management practices working together in consonance. The general objective of this study was to investigate the management practices at SAO,U and how they affect its organisational performance. The specific objectives of this study were to examine the effect of planning on organisational performance at SAO,U, the effect of HRM on organisational performance at SAO,U and the effect of internal controls on organisational performance at SAO,U.

The first objective was to establish the relationship between planning and organization performance. The study findings revealed that Planning has a positive significant relationship with organisational performance. This finding implies that organisational performance improves with effective planning practices.

The second objective of the study was to assess the effect of HRM on organization performance. The findings of the study indicated that HR management has a negative significant relationship with organisational performance. The finding signifies that HR management practices at SAO, U do not influence the organisational performance.

The third study objective of the study was to determine the extent to which internal controls affect organization performance. Findings indicated that internal controls have a positive significant relationship with organisational performance. This finding implies that internal control highly contribute to organisational performance.

5.3 Discussion

The discussions that follow in this section are arranged according to the three research objectives of the study.

5.3.1 Planning and organisational performance

The study finding indicated that organisational performance improves with effective planning practices. The correlation analysis of the relationship between planning and organisational performance was positively significant. In addition, the regression model showed that the organisational performance at SAO,U was significantly explained by planning practices therefore was significant predictor.

Kyalokoba, (2015) had similar finding in her study and obtained $r= 0.651$ very close to what was obtained in this study. Koontz, (2000) urges that planning is a systematic thinking about ways and means for accomplishment of predetermined goals and effective identification of needs leading to quality setting of goals. Bloom, (2007) highlights that planning gives direction, reduces the impact of change, establishes coordinated effort, reduces uncertainty, and minimizes waste and redundancy. Most responses during the interview sessions were positive which supports inferential findings from the questionnaires. One of the key interviewee informant stated;

“During our planning process, we analyse current situation to enable us prioritise interventions and effectively set priority activities and budgets.Planning is mainly bottom up, it begins with beneficiaries at village level and feeds into organizational overall plans”

Effective planning involves forecasts from various levels and persons within the organisation (Wren (2001). Responses from the respondents indicated that all stakeholders of SAO,U participate in planning at different levels. For instance, the board of directors are concerned with strategic plans while operational plans are developed by the staff guided by management, and beneficiaries are also linked through the field staff.

These finding however do not indicate that there were completely no flaws in the planning practices at SAO,U. There were some responses that pointed to discrepancies which need to be dealt with for instance budgets are developed during planning however they do not include eventualities that cause budget overruns. Respondents mentioned some of the weakness as quoted below;

“Deficits usually occur as a result of changes in the environment like interest rate variations and change in costs of goods and services, operational staff sometimes inflate the costs like transport, previously the controls to back up plans implementation were weak”.

Despite of the weaknesses, respondents alluded that where funds are not enough, activities are integrated and implemented to meet the objectives of the organization.

5.3.2 HRM and organisational performance

The findings revealed that HR management practices do not influence organisational performance. The correlation analysis of the relationship between HRM and organisational performance was insignificant. This argument also concurs with the interview responses from the staff and management respondents that HRM policies have gaps and SAO,U being dependant of donor funds, does not have capacity to implement all policies. This is consistent with the argument that HRM practices and policies to be effective, they must appeal to workers (David, 2007) and must be seen as consistent with the organisational strategies (Mcbey & Belcourt, 2007), which importantly determine the organisation's performance and this can only be achieved through attraction and retention of a well-educated, competent and skilled workforce. Retention of workers not only saves the high cost associated with turnover but also ensures carryon of the organisation's mission.

The study found out that recruitment and selection was strong predictor of organisational performance. This finding was also obtained by Ngole, (2014) in his study in Abar hospital. The interviewee response stated that

“Recruitment exercise in this organisation was now being done in transparent manner and it was based on merit according to the human resource hiring policy. All managers participate in the interview and selection process to avoid favouritism”.

Lambert, (2001) points out that consistent hiring policy is a very essential HRM practice because it enables the organisation decide as to who is qualified to meet the organisation's vision and mission. Major positions which were previously vacant in the organisation had also been filled like that of; internal auditor, MIE, full time staff in every district coordinating offices. This was

enabling them realise improved performance in meeting customer needs, reduced turnaround time, enforcing internal controls and timely implementation of project activities.

The study findings found rewards management in SAOU non-significant to influencing organisational performance. Responses from the key interviewee informant stated;

“people always compare benefits received here with those of other organisations and they feel the rewards here a peanuts”.

This can affect commitment of workers towards the organisational performance. Marchinton &Wilkinson, (1996), points out that rewards are motivational force to improve performance and this argument is further substantiated by the scholarly fact that non-monetary rewards bring satisfaction to employees, it can be from the job itself or from the psychological satisfaction (Wayne & Mondy 2010). SAOU needs to balance monetary & non monetary rewards and should have a rewards policy to guide management in effective implementation. The study found that the management has tried to put effort in non-financial rewards like staff retreats, parties, social support which staff appreciate however when asked, they ranked financial rewards as the best and appealing to them. Key staff pointed out that;

“staff salaries are very low compared to other organisations and we have not received salary reviews over long period of time”.

This requires management efforts to find more funding to supplement overheads which donors do not want to fund.

The study also found out that training and development at SAOU did not influence organisational performance. The study revealed that the staff trainings offered were general

trainings not relevant to some departments as far as performance was concerned. They are taken as retreats and quote

'Staff take them as retreats to relax and rest from busy office schedules; people with specific needs should be taken to attend particular training and training should be based on strategy'.

This is central to what Mankind, (2009) states that the purpose of training should be to improve change of behaviour at work leading to improved performance. Ngole (2014) had similar finding in his study at Abar hospital, he observed that Abar conducts staff training and development but it does not adequately benefit staff to perform better. David, (1995) also stress that training can be complex issue in the sense that employees may be interested in a different training that satisfies their future interest and which might be in conflict with the interest of the organisation. Lack of sufficient funding was identified as a hindrance. These factors can adequately undermine the contribution of training and development in influencing the performance of the organisation.

The researcher found these findings contrary to existing literature and several studies carried out which assert that rewards and training and development contribute to staff performance which translates into good organisational performance. However this is what was happening in SAO,U and further studies could be carried out to establish the cause of the situation.

5.3.3 Internal controls and organisational performance

The findings suggested that internal control highly contribute to organisational performance among NGOs. The correlation analysis of the relationship between internal controls and organisational performance was positively significant. In addition, the regression model showed that the organisational performance at SAO,U was significantly explained by internal control

systems. The findings indicated that SAO,U inducts staff in procedures and its financial transactions are authorised and recorded. This finding was consistent with Semanda, (2014) who had the same findings and Khan (2006) agrees that authorisation is a control activity designed to ensure events or transactions are initiated and executed by those approved by management. The key interviewee responses affirm this position

“the level of compliance with the set financial controls has enabled proper utilisation and accountability of resources. The tracking tools like the budget, staff meeting reports, monitoring and evaluation reports have so far been effective at monitoring compliance”.

This discussion is in line with the positive coefficient of internal controls with organisational performance which implies that increase in internal controls will translate into improved organisational performance. Regular monitoring and periodic evaluation of SAO,U's activities and internal processes can be useful in tracking implementation of the policies, regulations, guidelines and standards in place.

5.4 Conclusions

The conclusions which follow below arise from the discussions above, and are arranged according to the objectives of the study.

5.4.1 Planning and organisational performance

The findings show that there was a positive relationship between planning and organisational performance. Therefore, planning including (planning needs identification and budgeting) is an important practice to realise improved organisational performance at SAO,U. Improvement in planning will have corresponding improvement on organisational performance of SAO,U.

5.4.2 HRM and organisational performance

Although HRM practices had mixed effect on organisational performance, the study concluded that HR management has a non-significant relationship with organisational performance. Recruitment and selection had significant effect while rewards and training and development did not have significant effect on organisation performance.

5.4.3 Internal controls and organisational performance

The study established that there was a significant positive relationship between internal controls and organisational performance. The attributes financial controls and compliance therefore, are important for improved organisational performance. Improved internal controls will enhance the ability for SAOU to utilise the resources effectively, minimize waste so as to achieve expected performance.

5.5 Recommendations

Based on the study findings, the following recommendations were made objective by objective;

5.5.1 Planning and organisational performance

- Management of SAOU should maintain the existing bottom up approach by involving the communities in the planning process. Budgets should be developed and resources allocated based on planned activities and accountabilities, transparency should be maintained.
- Management and the Board of Directors should consider development of the internal management capacity as an important factor in enhancing organisational performance. Internal needs should be identified, prioritized and budgeted for alongside program priorities.

5.5.2 HRM and organisational performance

- NGOs to look for more funding to improve on the rewards. Should carry out rewards survey and come up with competitive rewards scheme and policy in order to make workers more responsive to their needs. Salaries should be complemented with attractive non-monetary rewards like gifts, awards of best performers. There should be alignment of rewards practices with organisational goals and employee values. This will create room for personal employee commitment to perform and also attract and retain talent and competency in the organisation.
- Staff training needs should be based on performance gaps and organisational objectives and supervisor's induction to new staff is crucial. NGOs should match general trainings with specific departmental and individual needs. Staff should also be encouraged to stay longer and improve performance.

5.5.3 Internal controls and organisational performance

- SAO,U should maintain the controls however not to the extent of creating bureaucracies that cripple efficient processing of transactions. Have continuous measurement of customer satisfaction and internal process performances.
- To ensure and maintain financial success, the financial control systems must be strengthened as means of minimizing production costs through reduced waste and elimination of employee theft and fraud.
- Regular monitoring and evaluation of the application of both financial control systems and assets control systems should be conducted to ensure compliance. This will

strengthen the effectiveness of these systems in minimise waste, unintentional errors, employee theft and fraud, and hence contribute to reduced production costs.

5.6 Contribution of the Study

This study established that the management practices (planning, HRM, Internal control systems) are important for organisational performance. The information creates awareness about the factors affecting the performance of SAO,U and this could be applicable to other organizations as well.

Recommendations for improvement in the various management practices have been made, and if followed, they will contribute to improved organisational performance of SAO,U. The study will help SAO,U management to focus their energies in developing better practices and approaches for organisational performance, and also address any gaps that have been identified in the study. Similarly, other organizations will share in the challenge on the need for and how to apply management practices and performance of their organizations.

The study has also established information gaps which need to be addressed. These form possible areas for future study, to determine any other practices are important in influencing organizational performance of NGOs in Uganda and the world at large.

The research has been an extremely good experience for the researcher, who has greatly benefited through skills development in research methods, ability to identify management problem and design strategies to address it, use scientific approaches to making analysed, and hence she is able to solve management problems and perform consultancy work better. Lastly,

but not least, the study has contributed to the award of Masters of Management Studies (Management) to the researcher

5.7 Limitations to the study

- The inability of the researcher to sample how management practices (planning, HRM, Internal controls) affect organisational performance in more than one NGO in order to draw a more comparative analysis was considered a limitation to the findings of this study

5.8 Proposed areas of future research

The researcher recommends the following as possible areas for future studies

- Similar study on the effects of management practices on organisational performance in other NGOs in order to get comparative findings which can contribute greatly to the management board of knowledge and practice on how to influence the performance of NGOs not only in Uganda but the world at large.
- Investigate the possible causes of non-significant results for training and development and rewards management on organisational performance which could lead to discovery of new developments in the perceptions of people and add or challenge the existing management theories on the subject.

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APPENDICES

APPENDIX 1: QUESTIONNAIRE TO THE EMPLOYEES OF SAO,U

June 4, 2015

Dear Sir/ Madam,

I **Florence Busibo Womaungo**, a graduate student of UMI on master's program majoring in Project Planning and Management. I am conducting a research as a partial requirement of the Master program. The topic of this project is: Management Practices and Organisational Performance of Non-Government Organisations in Uganda: Case Study of Share An Opportunity Uganda. You have been chosen as a key informant to this study because of your expertise.

You are kindly requested to spare some time and indicate your opinion on each of the questions and statements. The information given will only be used for academic purposes and will therefore be treated as confidential.

Yours sincerely,

SECTION A: BACKGROUND INFORMATION

Please respond to the following questions by ticking the appropriate box

1. Age: Less than 25 years 25-35 36 – 45 more than 45
2. Gender: Male Female
3. Education level: High school Diploma Bachelor Masters None
4. Department: Administration Programs Finance Other
5. Position: Board Staff Implementing partners Beneficiaries
6. Salary scale: Above 1m 1m - 500,000 400,000 – 100,000 None
7. How long have you worked in this organization: 1yr 2yrs 3 & above yrs

SECTION B:

Planning

Instruction: please tick (√) as appropriate.

In this section, the researcher seeks to establish your opinion the effect of planning on the organizational performance in SAO,U.

Planning needs identification

Please tick (√) the appropriate alternative Key; Where; 5-strongly agree, 4- agree, 3- undecided, 2-strongly disagree 1-disagree

		5	4	3	2	1
1.	Managers carry out environmental analysis to develop the organisational strategy					
2.	Managers are aware of environmental conditions facing their organization					

3.	SAO,U sets objectives that are smart(specific, measurable, achievable, realistic and time bound)					
4.	Managers decide in advance the most appropriate course of actions for achievement of pre-determined goals					
5.	Plans in SAO,U are in line with the strategic objectives					
6.	Departments are involved when developing work plans					
7.	SAO,U has a communication strategy that aids staff to understand the key aspects of the plan					
8.	SAO,U establishes timelines for completing associated tasks and assigns individuals to complete them					
9.	Plans are evaluated of their success and corrective action taken					

Budgeting

Please tick (√) the appropriate alternative Key; Where; 5-strongly agree, 4- agree, 3- undecided, 2-strongly disagree 1-disagree

		5	4	3	2	1
1.	The master budget is developed to express the plans in monetary terms					
2.	Budgets show how the organization will acquire resources and use them during a specified time period					
3.	Budget appropriations are not based on set plans					
4.	Plans are supported by budgets to facilitate activities					
5.	The budget is used to control operations and expenditures					
6.	All departments are involved during the budgeting process					
7.	Management in SAO,U regularly monitors progress and exerts control to reduce any variance from the budget					
8.	The targets of the organisation are always achieved using the budgeted resources					
9.	The organisation always achieves the intended targets from the minimum resources possible					
10.	Budgets show how the organization will acquire resources and use them during a specified time period					

HRM

Instruction: please tick (√) as appropriate.

In this section, the researcher seeks to establish your opinion on the effect of HRM on the organizational performance in SAO,U.

Recruitment & Selection

Please tick (√) the appropriate alternative Key; Where; 5-strongly agree, 4- agree, 3- undecided, 2-strongly disagree 1-disagree

		5	4	3	2	1
1.	Recruitment at SAO,U is done in accordance with the set policy					
2.	SAO,U has guidelines for recruitment of staff in its HR strategy					
3.	Recruitment & selection are based on merit. Selection system is based on those having the right knowledge, skills and experience, attitudes					
4.	One does not need a god father to be appointed in SAO,U					
5.	Selection tests are used to select staff					
6.	The recruitment is done in time to replace outgoing staff members					
7.	In our organization, line managers & HR manager participate in selection					

Reward Management

Please tick (√) the appropriate alternative Key; Where; 5-strongly agree, 4- agree, 3- undecided, 2-strongly disagree 1-disagree

		5	4	3	2	1
1.	My salary is commensurate with my responsibilities					
2.	Financial rewards (salary & wages) paid to employees are satisfactory					
3.	SAO,U has defined pay structure					
4.	Salaries are paid on time					
5.	My supervisor recognizes me whenever I do a good job					
6.	Annual salary increments are based on performance					
7.	There is a payment given to employee who works overtime to accomplish their jobs					
8.	Management has made effort to reward employees on the basis of performance					

Training and development

Please tick (√) the appropriate alternative Key; Where; 5-strongly agree, 4- agree, 3- undecided, 2-strongly disagree 1-disagree

		5	4	3	2	1
1.	Training needs are identified before any training takes place					
2.	Training needs identified are realistic, useful and based on the business strategy of SAO,U					
3.	The selection of staff for training is done from the training needs assessments conducted and therefore free and fair					
4.	Employees in each job normally go through training programs every year					
5.	Supervisor participate in the training needs assessment exercise					
6.	Supervisors discuss with staff about training needs they require in order to perform well.					

Internal Control systems

Instruction: please tick (√) as appropriate.

In this section, the researcher seeks to establish your opinion on the effectiveness of internal control on the organizational performance in SAO,U.

Financial controls

Please tick (√) the appropriate alternative Key; Where; 5-strongly agree, 4- agree, 3- undecided, 2-strongly disagree 1-disagree

		5	4	3	2	1
1.	SAO,U has a process that records every financial transaction					
2.	The financial system maintains proper paper files, an electronic database					
3.	The organisation has a computerized accounting software					
4.	Policies and procedures governing financial processes exist in SAO,U.					
5.	The accounting records of the organisation are kept up to date and balanced periodically					
6.	There are no serious cases of fraud					
7.	The organisation accounting records reflect a true picture of the organisation's operations					
8.	SAO,U engages an external auditing firm to conduct regular reviews of financial monitoring and systems to ensure that internal financial systems					
9.	The audit exercise has been important to the organisation					
10.	There are appropriate financial controls put in place in the organisation					
11.	The organisation assets have been misused by employees					
12.	There are internal auditing activities carried out in the organisation					
13.	The internal auditors follow written programs of the organisation					
14.	The Internal auditors always issue reports covering their examination					
15.	There are no exercises carried out by the external auditor in the organisation					

16.	There is designed internal control structure to follow while carrying out organisational activities					
17.	Managers create internal/management reports that help monitor progress by comparing budgets to actual expenses					
18.	Senior management in SAO,U ensures that the control processes surrounding accounting and financial data are effective through proactive involvement in financial and accounting matters.					

Compliance

Please tick (√) the appropriate alternative Key; Where; 5-strongly agree, 4- agree, 3- undecided, 2-strongly disagree 1-disagree

		5	4	3	2	1
1.	SAO,U has standard processes through which every management process passes and maintains proper paper files					
2.	The accounting procedures are compliant with the national accounting standards					
3.	The employees of the organisation follow the internal rules while executing their tasks					
4.	All the activities done within the organisation are compliant with rules and regulations governing the organisation					
5.	The organisation has an accounting manual that shows procedures to follow while carrying out accounting related activities					
6.	Each new employee is told rules and regulations governing the organisation					
7.	All the rules and regulations in the organisation are friendly to employees					
8.	New rules and regulations in the organisation are discussed about before they are accepted to be use					
9.	The accounting procedures are compliant with the national accounting standards					
10.	The processes are not affected by bureaucracies					
11.	The procedures, processes, regulations don't conflict with the organizational strategy					
12.	Policies and procedures governing processes detailing timelines, responsibilities, actions, responsibilities, etc exist in SAO,U.					
13.	Senior management in SAO,U ensures that the control processes are effective through frequent evaluation					

Organizational Performance

Instruction: please tick (√) as appropriate.

In this section, the researcher seeks to establish your opinion on the effectiveness of internal control on the organizational performance in SAO,U.

Please tick (√) the appropriate alternative Key; Where; 5-strongly agree, 4- agree, 3- undecided, 2-strongly disagree 1-disagree

		5	4	3	2	1
1.	SAO,U understands its clients' needs					
2.	The number of complaints have been decreasing					
3.	Staff treat clients and partners with courtesy					
4.	SAO,U provides high quality services clients & partners					
5.	Managers take effort to improve the quality of its services					
6.	There are always no delays in providing services					
7.	The organisation's performance is improving steadily					
8.	There is efficiency in the activities done within the organisation					
9.	Effectiveness characterises all the activities done in the organisation					
10.	All the activities in the organisation are done within scheduled time					

11.	All the targets of the organisation are ever achieved						
12.	There is quality in the service rendered and the work done within the organisation						
13.	The organisation always achieves the intended objectives						
14.	The performance of the organisation is high compared to other NGOs						

Suggest measures deemed necessary to improve the performance of SAO,U							

Thank you for taking time to complete this questionnaire. If you have any queries please do not hesitate to contact Florence Busibo, Telephone 0751588549; 0772588549, email: fbusibo@yahoo.com
Please return the completed questionnaire by June 30, 2015.

Appendix 2: Questionnaire 2 for Beneficiaries

SECTION A: BACKGROUND INFORMATION

Please respond to the following questions by ticking the appropriate box

1. Age: Less than 25 years 25-35 36 – 45 more than 45
2. Gender: Male Female
3. Education level: High school Diploma Bachelor Masters None
4. Department: Administration Programs Finance Other
5. Position: Board Staff Implementing partner Beneficiaries
6. Salary scale: Above 1m 1m - 500,000 400,000 – 100,000 None
7. How long have you worked in this organization: 11yr 2yrs 3 & above yrs

SECTION B:

Organizational Performance

Instruction: please tick (√) as appropriate.

In this section, the researcher seeks to establish your opinion on the effectiveness of internal control on the organizational performance in SAOU.

Please tick (√) the appropriate alternative Key; Where; 5-strongly agree, 4- agree, 3- undecided, 2-disagree 1-strongly disagree

	5	4	3	2	1
SAOU understands our needs					
The number of complaints have been increasing					
Staff treat clients with courtesy/ respect					
SAOU provides high quality services to clients					
Managers take effort to improve the quality of its services					
There are always delays in providing services					
The organisation's performance is improving steadily					
There is success in the activities done by the organisation					
Value characterises all the activities done by the organisation					
All the activities in the organisation are done within scheduled time					
The performance of the organisation is high compared to other NGOs					

Suggest measures deemed necessary to improve the performance of SAOU

Thank you for taking time to complete this questionnaire. If you have any queries please do not hesitate to contact Florence Busibo, Telephone 0751588549; 0772588549, email:

fbusibo@yahoo.com

Please return the completed questionnaire by June 30, 2015.

Appendix 3: Interview guide for Key Informants

This study aims to assess, the effectiveness of planning, HRM and internal control systems on the organizational performance of SAO,U. All information shall be treated with maximum confidentiality. Your name is not required, for the purpose of remaining *anonymous*.

You are requested to answer all the questions. I appreciate all your valuable effort and time sacrificed while answering these questions

SECTION A: BACKGROUND INFORMATION

Please respond to the following questions by ticking the appropriate box

1. Age: Less than 25 years 25-35 36 – 45 more than 45
2. Gender: Male Female
3. Education level: High school Diploma Bachelor Masters None
4. Department: Administration Programs Finance Other
5. Position: Board Staff Implementing partners Beneficiaries
6. Salary scale: Above 1m 1m - 500,000 00,000 – 100,000 None
7. How long have you worked in this organization: 1yr 2yrs 3 & above yrs

SECTION B:

1. How is planning done at SAO,U?
2. How is recruitment of staff carried out?
3. How do staff perceive the reward system of this organisation?
4. How does SAO,U develop the skills of its staff?
5. How effective are the financial controls
6. What other internal controls exist?
7. What is the level of performance?
8. How does SAO,U monitor performance
9. Suggest measures deemed necessary to improve the performance of SAO,U

Questions

Thank you for taking time to complete this interview. If you have any queries please do not hesitate to contact Florence Busibo, Telephone 0751588549; 0772588549, email: fbusibo@yahoo.com

Date:

Time:

Appendix4:Stakeholder’s analysis

Weight			1	3	4	2	Weighted Score	Priority
Stakeholder	Stakeholder interest in SAO,U	Stakeholder category	Assessment of impact	Frequency of interaction with SAO,U	Ability to provide the desired management information	Accessibility to the researcher		
Board of Directors	management	Board	xxxx	xxxx	xxxx	xxxx	32	1
Staff	management	Staff	xxxx	xxxx	xxxx	xxxx	32	1
Community based Implementing groups	Volunteers	Implementing partners	xxxx	xxxx	Xxx	xxxx	30	2
NGOs	Competitors	Competitors	xxx	xxx	Xx	xx	20	4
Beneficiaries	Customers	Customer	xxxx	xxxx	x	xxxx	26	3
Hosting communities	Customers	Customer	xxx	xx	X	x	14	5
CBOs	Competitor	Competitor	xxx	xx	X	x	14	5
Policy makers	Policy guidance	Policy makers	xxx	x	X	x	12	6
Donor agencies	Financial support	Donors	xxx	x	x	xx	14	5
Church community	Vision Guidance	Well wishers	x	x	x	xx	10	7

Appendix 5: UMI recommendation letter for data collection

	UGANDA MANAGEMENT INSTITUTE	
Telephones:	256-41-4259722 /4223748 /4346620 256-31-2265138 /39 /40 256-75-2259722	Plot 44-52, Jinja Road P.O. Box 20131 Kampala, Uganda Website: http://www.umi.ac.ug
Telefax:	256-41-4259581 /314	
E-mail:	admin@umi.ac.ug	
Your Ref:		
Our Ref:	G/35	17 June 2015
Ms. Florence Busibo Womaungo 13/MMSPPM/32/060		
Dear Ms. Busibo		
FIELD RESEARCH		
Following a successful defense of your proposal before a panel of Masters Defense Committee and the inclusion of suggested comments, I wish to recommend you to proceed for fieldwork.		
Please note that the previous chapters 1, 2 and 3 will need to be continuously improved and updated as you progress in your research work.		
Wishing you the best in the field.		
Yours sincerely,		
		
Stella Kyohairwe (PhD) AG. HEAD, POLITICAL AND ADMINISTRATIVE SCIENCE		