

WROCLAW UNIVERSITY OF ECONOMICS
FACULTY OF MANAGEMENT, COMPUTER SCIENCE AND FINANCE

Piotr Nowacki

Strategic Analysis in Adding Value in Non-Profit Organisations.

PhD Thesis Summary

Thesis Supervisor:
prof. dr hab. Jerzy Niemczyk

Auxiliary Supervisor
dr Sylwia Stańczyk

Department of Strategy and
Management Methods

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Piotr Nowacki

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1. Introduction

It is believed that strategic analysis improves the effectiveness of strategic planning, and thus the quality of the developed strategy (J. Fudaliński, P. Markiewicz as cited in A. Szplit, 2005, p. 43). A number of studies show the positive impact of the use of strategic analysis techniques on organizational efficiency (A. Afonina, 2015; R. H. Chenhall, K. Langfield-Smith, 1998; A. Iseri-Say, A. Toker, D. Kantur, 2008, C; M. Indiatsu, M.S. Mwangi, E.N. Mandere, 2014). However, there are also research results which show no such positive correlation (P. Friedl, R. Biloslavo, 2009; D. K. Rigby, 1994). The answer may lie in the selection of strategic analysis techniques used and their timing (D. K. Rigby, 1994). Taking into consideration that the methods of strategic analysis are more and more commonly and successfully used in non-governmental organizations, the question arises whether in Polish conditions the use of strategic analysis increases the value of non-governmental organizations, and if so, which methods are or should be utilised. Considering the significant difference in defining the value of a commercial and non-governmental organization, as well as in the very nature of their functioning, the answer does not have to be obvious. At this point it should be emphasized that the answers to these questions in developed countries do not have to be the same as the answers obtained in developing countries, among which Poland is placed, where, for example, the level of competition between organizations is definitely smaller or non-existent (J. Domański, 2010). It is worth mentioning that foreign literature indicates the high dependence of non-governmental organizations on the suppliers of capital (funders and donors) and the lack of resources. Additionally, if we take into account the weakness of the Polish sector of non-governmental organizations (J. Domański, 2010), finding answers to this question may give Polish NGOs the chance to improve this situation for the benefit of the whole society in Poland.

2. Justification for the choice of the research area

A. Afonina in her research (A. Afonina, 2015) showed a positive correlation between the number of strategic analysis methods and techniques used by the company's managers and the company's results. The research suggests that the use of strategic analysis methods and techniques is mostly correlated to the increase in sales, but the positive effect is visible for all the analysed financial results (Ibid). The results of the above research also indicate that the use of strategic analysis methods and techniques helps companies to understand their client better (Ibid). The above studies were carried out in commercial enterprises whose purpose is to make a profit and we are not sure whether we will achieve similar results in the case of non-governmental organizations, also called Third Sector organizations, which function differently in comparison to the other two sectors, i.e. the Public Sector and the Private Sector which is also known as the Business Sector or Commercial Sector (J. Fudaliński, 2013, p. 19). It is worth noting here that in the area of strategic management of non-governmental organizations, a dilemma was identified concerning the issue of effectiveness and efficiency of these organizations (including effectiveness and efficiency of strategic planning), and the rationalization and impact of individual strategies on these values (J. Domański, 2010 p. 105). Research shows a positive impact of strategic planning on the organization's results, including non-governmental organizations (H.E. Griggs, 2003, pp. 97-220; A. Zielińska, 2016, p. 230). It is believed that having a strategy in place contributes to the improvement in efficiency of non-governmental organizations (J. Fudaliński, 2013, p. 132). Considering the above, as well as the fact that methods and techniques of strategic analysis (an indispensable element of strategic planning) are increasingly used with success in non-governmental organizations (P. Kafel, 2008 as cited in Lynas GM, Ritchie K, 1995) there arises a question whether in Polish conditions the use of strategic analysis increases the value of non-governmental organizations, and if so, what methods or techniques are or should be used most often? Considering the significant difference in defining the value of a commercial and non-governmental organization as well as in the specificity of their operation, the answer does not have to be obvious. The above research gap was identified by the author on the basis of literature analysis as well as his own work experience in non-governmental organizations. Premises for

the need to conduct research in this area can be found in the study of M. Aboramadan and E. Borgonovi, who confirm the positive effect of using strategic analysis tools, for example environmental scanning, on the results of a non-governmental organization (M. Aboramadan, E Borgonovi, 2016, pp. 71-92).

3. Research objectives and hypothesis

The main objective of the dissertation is to determine the usefulness of strategic analysis in building the value of Polish NGOs.

The specific objectives are as follows:

- A) To examine the extent to which strategic analysis and methods and techniques of strategic analysis are used in non-governmental organizations in Poland.
- B) To determine the use, scope and type of strategic analysis methods and techniques which affect the creation of strategies and build the value of Polish non-governmental organisations.
- C) To determine the optimal arrangement of methods and techniques of strategic analysis in Polish non-governmental organizations.

Some researchers claim that companies with a greater level of flexibility and less detailed strategic and operational plans will have greater opportunities to recognize and respond to changes in customer needs. This planning flexibility helps managers to quickly and effectively adapt strategic plans to the opportunities and threats that exist in a competitive company environment. However, most NGOs do not have experience in formulating strategies because they mainly focus their attention on survival due to limited financial resources. For this reason, the study covered only non-governmental organizations with enough financial resources and the ability to increase their revenues. The sample was obtained by narrowing the study of non-governmental organizations to those having the status of a Public Benefit Organization, collecting the largest amounts of 1% of tax and at the same time having an increase in income greater than 50% over a 4-year period (2015-2011).

Taking into account the weakness of the NGO sector in Poland, the following hypotheses are put forward:

H1: Polish non-governmental organizations that are leading in building revenues mostly operate on the basis of informal strategies based on the intuition or experience of their management,

H2: The more strategic analysis methods and techniques are used by non-governmental organizations, the higher their rate of revenue growth.

The H1 hypothesis is based on the researchers' claims that in the best case in NGOs there exists a strategic approach consisting in formulating general objectives of the organization and some desirable long-term goals, as well as the result of research by A. Zielińska,

suggesting that the strategy formed in a non-governmental organization is a combination of synoptic and incremental strategies. The justification for the hypothesis can also be found in the researchers' theorem about the difficulties which managers face while creating formalized strategies.

The justification for H2 hypothesis can be found in aforementioned results of A. Afonina's research.

4. Methodology

The research procedure in this doctoral thesis consists of two parts:

- a) quantitative research using a research questionnaire,
- b) qualitative research using case study.

The quantitative research made it possible to attain the first two detailed work objectives, including the verification of both hypotheses, whereas in order to achieve the last objective a case study was used in addition to quantitative research.

Quantitative research was conducted in the form of a research questionnaire administered to the company's decision-makers or people participating in making strategic decisions. Due to the fact that the above group of people usually has a very limited time available, it was decided that the research would be conducted using telephone interviews. Having data from the research questionnaire, verification of the H1 hypothesis was carried out through the chi-square test by separately testing both parts of the hypothesis:

- a) checking whether Polish non-governmental organizations that are leaders in building revenues operate mostly on the basis of informal strategies,
- b) checking whether the strategies of Polish non-governmental organizations that are leaders in building revenues are based on the intuition or experience of their management.

The H2 hypothesis was verified by calculating the simple linear correlation (correlation coefficient) and, in order to check non-linear relations, by calculating the Spearman correlation coefficient. In the analysis of the research material, the scatter-plot analysis was also used. For the purposes of the above calculations and analyses, the author used the Statistica computer program from StatSoft Polska.

For the purposes of testing hypotheses in this work, a typical level of $p < 0.05$ was assumed.

The research questionnaire used in the study consisted of 7 questions to which further questions were attached (maximum 5) depending on the type of response provided.

The research sample for quantitative research was created by selecting from among non-governmental organizations having the status of Public Benefit Organization those who in 2015 received 1% of tax in an amount not less than 100,000 PLN and simultaneously in the

period 2015-2011 increased the value of financial income by minimum 50%. This value was calculated as the difference in the sum of revenues from 2015 and 2011 divided by the sum of revenues from 2011. Limiting the study to only a small portion of NGOs, i.e. only to organizations with the status of a Public Benefit Organization, which entitles them to receive 1% tax from taxpayers who are natural persons, results from the fact that such organizations, collecting 1% of the tax, have greater opportunities to conduct strategic analyses and formulate their strategies based on them.

The general aim of the case study was to provide a deeper explanation and understanding of what constitutes an optimal system of methods and techniques of strategic analysis in Polish non-governmental organizations. The detailed case study objective was to check to what extent the application of stakeholder analysis changes the results of strategic analysis obtained with the use of other methods and techniques. The qualitative research was carried out in two non-governmental organizations which have the status of a Public Benefit Organization, carried out a strategic analysis without performing a stakeholder analysis and, at the same time, have at least a draft of strategic plan, plus have adequate operational capacity to implement the strategic plan.

The following techniques and tools for collecting and analysing data were used to perform this study:

- participant observation,
- analysis of documentation of the surveyed organizations,
- internet sources and available databases.

As part of the participant observation, the author of the work participated as a consultant in the analysis of stakeholders in both selected organizations.

5. Structure of the dissertation

In order to achieve the goals described above, the thesis was divided into six chapters plus introduction and conclusion. This creates a coherent structure leading to the realization of the research objectives. The introduction presents the justification of the work, its objectives, hypotheses and a description of the research procedure. The first chapter focuses on discussing the specificity of a non-governmental organization and understanding value, with a particular focus on the notion of value in a non-governmental organization. In the summary of this chapter, a definition of a non-governmental organization and its value was proposed for the purposes of the work. It was agreed that a non-governmental organization is a formalized self-governing organization, independent of the public sector, allocating a surplus of revenues over costs for the common good in a much more effective way than the other two sectors. The value of a non-governmental organization was defined as the ability to produce a common good and its impact on creating a positive change in society.

The second chapter discusses the concept, structure, objectives and evolution of strategic analysis, and describes the methods and techniques of strategic analysis. Based on the literature review, a system of methods and techniques of strategic analysis for non-governmental organizations was proposed consisting of one macro-analysis technique, i.e. DEEPLIST analysis, one micro-environment analysis method, i.e. stakeholder analysis, two organizational analysis techniques, i.e. key competence analysis and VRIO analysis, and two integrated methods, i.e. SWOT analysis and SWOT / TOWS analysis. It was suggested that the above methods be used in the order as they were mentioned. Optionally, it was also recommended to use the MOWST analysis when comparing strategic options and the Compass Point's Dual Bottom-line and / or ASON matrix for organizations with diversified activities.

The third chapter presents the research concept of strategic analysis in building the value of an NGO with the presentation of assumptions, research proceedings and a description of the selection and characteristics of the research sample.

The fourth chapter presents the results of the quantitative research discussing the use of strategic analysis and its methods and techniques. Both the hypotheses set to investigate in the study were also tested. As a result of the first hypothesis test, it was stated that the H1 hypothesis that Polish non-governmental organisations that lead in building revenues mostly operate on the basis of informal strategies based on the intuition or experience of their management, was not rejected. One verification of the first part of the hypothesis allows to

conclude that there exist the same chance of encountering a formalized strategy as it is informal one in Polish non-governmental organizations that are leaders in building revenues. The result of the test of the second hypothesis shows the lack of correlation between the number of methods and techniques of strategic analysis used by non-governmental organizations and their medium-term rate of changes in revenues, which means that the H2 hypothesis needs to be rejected.

The fifth chapter presents the results of a qualitative study based on the example of two non-governmental organizations - Christian Charity Service and ADRA Poland Foundation, which confirmed the usefulness of strategic analysis in building the value of these organizations.

In the sixth chapter, a discussion was held and the recommendations based on literature review and quantitative and qualitative research were made on the optimal strategic analysis system in Polish non-governmental organizations. The following order of methods and techniques of strategic analysis was proposed: firstly, environmental scanning, then DEEPLIST analysis, next stakeholder analysis, subsequently analysis of key competences, followed by VRIO analysis, scenario analysis and finally SWOT and SWOT / TOWS analysis. According to the results of the quantitative research, the author suggests supplementing the above methods and techniques (including SWOT) with the brainstorming method as well as with consulting experts (expert panels). The proposal presented in the second chapter regarding the optional use of the MOWST analysis in the situation of comparing strategic options and the Compas Point's Dual Bottom-line matrix and / or ASON in the case of organizations with diversified activities was maintained.

The final summary of the work found its place in the ending.

5.1 Extract from table of contents of the PhD thesis

INTRODUCTION

Justification

Identified research gap

Main and detailed objectives

Hypotheses

Description of the test procedure

CHAPTER I – VALUE OF NON-GOVERNMENTAL ORGANIZATION

1.1 NGO - concept, goals, evolution in the understanding of a non-governmental organization

1.1.1 The concept of NGO

1.1.2 The definition of a non-governmental organization and their development in Poland

1.1.3 Classification of non-governmental organizations

1.1.4 The purpose and characteristics of a non-governmental organization

1.1.5 The definition of a non-governmental organization adopted in the dissertation

1.2 Understanding the value of an NGO and the possibilities of building it

1.2.1 The evolution of the perception of the concept of value

1.2.2 The value as viewed by schools of strategic thinking

1.2.3 Value of non-governmental organizations

1.2.4 Definition of the value of a non-governmental organization adopted in the dissertation

CHAPTER II – STRATEGIC ANALYSIS IN NON-GOVERNMENTAL ORGANISATONS

2.1 Strategic analysis - concept, structure, goals and evolution

2.2 Methods and techniques of strategic analysis

2.3 Strategic analysis and its methods and techniques in non-governmental organizations - conceptualization

CHAPTER III - The research concept of strategic analysis in building the value of non-governmental organizations

3.1. General assumptions of the research concept of strategic analysis in building the value of non-governmental organizations

3.2 Presentation of the research proceedings of strategic analysis in building the value of non-

governmental organizations

3.3. Selection and description of a research sample in the dissertation

CHAPTER IV - Results of the quantitative research

4.1. The results of the study of the use of strategic analysis

4.2 Results of the research on the use of strategic analysis methods and techniques

CHAPTER V - Results of the qualitative research - case studies

5.1 History of ChSCh and ADRA Poland Foundation

5.2. Profile of ChSCh and ADRA Poland Foundation

5.3 Basic economic and financial characteristics of ChSCh and ADRA Poland Foundation

5.4. Clients and suppliers of ChSCh and ADRA Poland Foundation

5.5. Competitors of ChSCh and ADRA Poland Foundation

5.6 Strategic analyses of ChSCh and ADRA Poland Foundation

5.7 Verification of strategic analysis of ChSCh and ADRA Poland Foundation

5.8 The effects of using the strategic analysis in ChSCh and ADRA Poland Foundation

CHAPTER VI - Discussion and recommendations on the optimal system of strategic analysis

in Polish non-governmental organizations

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6. Results and conclusions

Quantitative research results, especially the fact that the majority of non-profit organisations use the methods and techniques of strategic planning intuitively and the strategy is formed mostly on the basis of the management experience and expertise rather than utilising formal strategic analysis confirm the results obtained by A. Zielińska, who found out that in most non-profit organisations their strategy is a combination of synoptic and incremental strategies (A. Zielińska, 2016, p. 235)

It should be emphasised that the above tenet was also confirmed in the case of non-profit organisation which are leaders in revenue accumulation by not rejecting the truth of H1 hypothesis stating that Polish non-profit organisations operate mostly on the basis of informal strategies which are a result either of the management intuition or their expertise.

It must be emphasised, however, that the author did not manage to confirm the hypothesis that such organisations operate mostly on the basis of informal strategic planning. It is equally likely to see formal as informal strategies used by non-governmental organisations which are leaders in revenue building.

Verification of H2 hypothesis did not confirm research results of A. Afonina (A. Afonina, 2015) who claims that there is a positive correlation between the number of strategic analysis methods and techniques used and the company's results. In case of non-profit organisations it can be stated that there is no correlation between the number of strategic analysis methods and techniques used and their medium-term rate of revenue change. Summarising the above, H2 hypothesis was rejected.

Case study proved that it is clearly useful to perform strategic analysis and formulate a strategic plan on its basis. The results which were obtained with the use of such a method were decidedly better even given the same resources. *Case study* also confirmed the usefulness of performing stakeholders analysis before actually carrying out the SWOT analysis while undergoing the strategic analysis process.

Quantitative research has shown that the order of implementing methods and techniques of strategic analysis is important in terms of the impact on the result of this analysis, which confirms the author's suggestion that strategic analysis forms a certain set of methods and techniques to be implemented in a certain order. This order assumes that the SWOT analysis should be performed almost at the end of the whole analytical process, which is not confirmed by the suggestion of A. Raszkowski, who proposes placing it after the diagnosis of the socio-

economic situation and organizational potential, and before the PEST analysis, problem tree analysis and analysis of key trends in the environment (A. Roszkowski, 2015). The researcher proposed the above order of strategic analysis based on the completed research process [Ibidem pp. 124-125]. The conclusions and recommendations presented in the study concerning the functioning of non-profit organizations [Ibid p. 135], which seem to be elements of the strategy of these non-governmental organizations, are general recommendations.

Thus, in summary, A. Raszkowski's study can not prove that placing SWOT analysis at the beginning of analytical process is more effective. The author also disagrees with A. Raszkowski's statement that a comprehensive diagnosis of the socio-economic situation of the local government unit in whose area the non-profit organization operates is a "basic and indispensable component" of strategic analysis (Ibid p. 127).

The system of strategic analysis methods and techniques proposed by the author does not contain the above component, and the potential (resources) of the organization are analysed during the proposed VRIO analysis. Not taking into account the above component results from the fact that the local government unit is only one of the stakeholders, but not the only one, even for a locally operating organization. The author, on the basis of over fifteen years of experience in working in non-profit organizations, sees the stability of the NGO's functioning primarily in diversified sources of income, where individual donors rather than grant providers should play a key role. It is worth mentioning that I. Penc, similar to the author, suggests placing the SWOT analysis as one of the last methods and techniques in strategic analysis (I. Penc-Pietrzak, 2003, p. 3).

Summing up, the use of strategic analysis brings tangible benefits to a non-governmental organization, which is particularly evident in the study case. The strategic analysis of both organizations was carried out in the first half of 2015 and the strategic plans formulated on the basis of the strategic analysis were presented to the company's boards. The plans for both organizations were widely consulted from mid-2015 to mid-2016. Finally, after modifications, they got approved in the Christian Charity Service in the middle of the year, and at the end of 2016 in the ADRA Poland Foundation. According to the tables illustrating the annual value of the assistance provided and the number of its beneficiaries, it is clearly visible that the value of aid granted by the Christian Charity Service increased significantly in 2016 and was maintained in 2017.

On the other hand, in the case of the ADRA Poland Foundation, the value of aid granted increased more than threefold already in the first year after approval of the strategic plan. Quantitative research does not confirm the impact of the number of methods and techniques of strategic analysis on the medium-term rate of changes in the revenue of the organization, but this does not contradict the above observation that strategic analysis process has a positive impact on the development of the organization. It is worth emphasizing here that quantitative research shows that nearly half of respondents (48%) attributes their organisation's success to the strategic analysis to a big or a large extent, and in the case of respondents who are graduates of economic schools, this percentage increases up to 60 %.

It seems, therefore, that a hypothesis can be formulated that the key to the organization's success is not the number of techniques and methods of strategic analysis used, but the accuracy of their selection and the order in which they are utilised. Quantitative research shows, however, that the majority of non-governmental organizations believe that the order of the methods and techniques of strategic analysis used determines the result of strategic analysis (between 36.2% to 20.9% of organizations).

Lack of confirmation of H2 hypothesis does not mean that the level of revenues achieved by a non-governmental organization can not be used as a measure of its value. The results of the case study suggest, on the contrary, that revenues can be a measure of the company's value. Considering that in the research sample there were only organizations leading in raising revenues (with increasing revenue values), it seems that both quantitative and qualitative research suggests that the proposed definition of an NGO and its value are correct. Although the study covered non-governmental organizations operating in Poland, it seems that interpretations of the results of this study can be extended to non-governmental organizations in general, and certainly to post-Soviet countries, where the non-governmental sector is as weak as in Poland or weaker [N. Bibu, M. Lisetchi, 2011, pp. 23-27].

On the grounds of literature studies as well as the results of the case study, it can be stated that the stakeholder analysis itself should lead to greater congruence between the volunteers' and employees' values and the organization's mission, and it can be hypothesized that implementation of the stakeholder analysis should reduce staff turnover in the organization or increase the quality of services or products offered.

It must be also kept in mind that there exist limitations to the research carried out:

1) in case of quantitative research, these may include the following factors:

- a large spread of annual revenues in organizations taking part in it (from 88,000 PLN to 42 million PLN),
- big differences in revenue dynamics for individual pairs of years (from -74% to 1541%),
- various approach to the organisation (some respondents stated that despite being the president of the company they performed this function as a volunteer, so it was not the main source of their family livelihood),
- different length of work for the organization (from 1 year to 37 years) as well as various length of time in their current position (from 1 to 24 years),
- conducting the study only on organizations that raise 1% of tax (and only for the group of organizations collecting the largest 1% of tax).

2) in relation to qualitative research, the limitation may be:

- conducting the case study only in two organizations,
- the organizations involved in the case study have the same founder.

Such a large spread of revenues affects the company's ability to employ appropriate staff who would be able to perform strategic analysis. The large differences in revenue dynamics for individual pairs of years brings the risk of randomness of placing an organization in the research sample.

Treating a non-governmental organization as a place of voluntary work, and therefore something additional to professional work, significantly limits the time devoted to the work for a non-governmental organization, which additionally constitutes a barrier to the implementation of strategic analysis. A different length of work in the organization affects the person's level of experience in running the organization, as well as the degree of openness to change.

Limiting the research to organizations that have obtained the largest 1% of tax in 2015 also entails a risk of randomness in the selection of organizations. Due to a problem with obtaining the right number of NGOs, the sample was extended to include organizations that received at least 100,000 PLN of 1% tax in 2015 (489 organizations met this criterion), of which only 212 met the condition of revenue growth above 50% during the period of 2011-2015. As a consequence, the results were obtained from organizations with very different levels of income as well as very large fluctuations.

Focusing the study on public benefit organizations also carries a risk that some of these organizations generate revenues mainly thanks to 1% of the tax revenues, the amount of

which depends on the organisation's connections or reputation in society. Therefore, it seems reasonable that the above quantitative research should be repeated on the group of organizations for which 1% of the tax is not a significant source of income, given a similar level of revenues and stability over several years.

Limiting the case study to only two organizations makes it impossible to give binding interpretations of the research results. However, the case study may be treated as a form of confirmation or a supplement to the conclusions derived from the quantitative research, as well as conclusions resulting from the literature review. In our case, the conclusions from the case study regarding the usefulness of strategic analysis in building the value of non-governmental organizations and the usefulness of placing stakeholder analysis prior to SWOT analysis in strategic analysis are confirmed by the literature review as well as the conducted quantitative research.

In addition, the fact that the hypothesis about the functioning of organizations on the basis of informal strategies remains unconfirmed seems to be a big surprise. It may be due to a misunderstanding what actually means a formalized, that is written strategy. Some representatives of the organizations stated during the interviews that their strategy is in the statute and therefore has a formalized form. Thus, repeating the research with the respondents being allowed to determine the type of document in which they have a written strategy (e.g. statute, strategic plan, etc.) and giving them the opportunity to explain why they consider something a strategy could produce more objective results. This part of the quantitative research raises a research question about what constitutes a strategy. In the era of an increasingly volatile environment, is it possible to consider to be a strategy a general direction defined for the organization by its founders in the statute, one which has not changed for many years?

Obtaining various results from the quantitative study depending on the respondent's type of education (economic or non-economic) may suggest that the fact that some of them do not see any merit in utilising strategic analysis in non-governmental organizations results from the lack of knowledge or misunderstanding of the concept, which does not mean that a given respondent does not intuitively use strategic analysis in practice. This confirms the general conclusion from the conducted research as well as from the literature review regarding the usability of strategic analysis. Quantitative research has shown that many respondents intuitively use simple methods of analysis such as brainstorming, environmental scanning, and expert panels (seeking opinion of experts) to make strategic decisions.

The fact that non-profit organisations consider brainstorming to be definitely more useful method of strategic analysis than the SWOT analysis came as a big surprise. It may additionally confirm the objections raised earlier in the paper regarding this method. It seems, therefore, that further quantitative research diagnosing the degree of intuitive use of strategic analysis in Polish non-governmental organizations should be carried out. The results of the study show that representatives of non-governmental organizations who use less commonly chosen methods of strategic analysis (non-intuitive ones) point to a bigger impact of strategic analysis on strategy development and a bigger influence of strategic analysis on the organisation's success than others. This seems to be the evidence that classic methods and techniques of strategic analysis can produce better results than intuitive ones. It can be treated as a confirmation of the reasonableness of the strategic analysis system proposed in the work. This system is a combination of methods and techniques, which include intuitive ones such as brainstorming, expert opinion or scanning of the environment, as well as non-intuitive methods and techniques, such as DEEPLIST analysis, stakeholder analysis, key competence analysis, VRIO analysis, scenario analysis, SWOT and SWOT / TOWS analysis. The results of the research also demonstrate that organizations deeming at least one of the methods or techniques of strategic analysis useful, to a large extent have a strategy and are characterized by a higher degree of impact of strategic analysis on strategy development and a bigger influence of strategic analysis on the organisation's success. This demonstrates the importance of education in the area of strategic analysis and strategy formulation in the development of the non-governmental sector in Poland.

The additional value of the research is finding enough evidence that allows to formulate a hypothesis that making or participating in the making of strategic decisions is one of the factors that increase employee retention in the organization.

Taking the above into consideration, it seems that especially in the increasingly turbulent environment, non-governmental organizations should place greater focus on strategic analysis and its completeness in order to prevent errors related to utilising those techniques in isolation. In order to ensure not only the development, but the stability of functioning of any NGO, it seems necessary to perform a comprehensive strategic analysis as a permanent or at least cyclically practised habit.

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