

Journal of Entrepreneurship & Project Management

ISSN Online: 2616-8464



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Peer Reviewed Journals & books

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ISSN: 2616-8464

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How to cite this article: Kipsang R. & Wasike S. (2021). Innovation as an Enabler of Humanitarian NGO's Performance: A Review of Literature. *Journal of Entrepreneurship & Project Management*. Vol 5(1) pp. 64-80.

Abstract

Innovation is already and irreversibly part of the humanitarian organisations, driven by a demand for new models, growing private sector engagement, rapid technological change, need for better, faster, efficient and effective ways of assisting vulnerable communities. Donors and governments are demanding for 'value for money' for their contributions made through NGOs, The biggest risk is for NGOs not to innovate. Humanitarian NGO performance on the other hand remains an area that has received low interest to researchers and scholars, the situation has not been made better by the different opinions as to how to define and measure performance therefore the need to have clear empirical corroboration of NGO performance. The impact of innovations on performance of profit making organizations has received much attention to researchers, however from empirical studies on innovation as an enabler of Humanitarian NGO performance remains scarce. This paper attempts to review related literature on the subject with a view of highlighting it as an emergent agenda for more scholarly engagement. The review highlights theories underpinning innovation and performance, mentions some types of innovations and definition of performance from the humanitarian non-governmental organizations perspective and finally highlighting gaps in theoretical and empirical literature for further research on the topic.

Keywords: *Product Innovation, Process Innovation, NGO's & Performance.*

1.1 Introduction

Humanitarian NGO performance remains an area that has received low interest to researchers and scholars, the situation has not been made better by the different opinions as to how to define and measure performance therefore the need to have clear empirical corroboration of NGO performance. The impact of innovations on performance of profit making organizations has received much attention to researchers, however from empirical studies on innovation as an enabler of Humanitarian NGO performance remains scarce.

Korten (2010) classifies NGOs into four types, namely: humanitarian organizations; public service contractors (PSC); hybrid governmental/non-governmental organizations, and people's organization. The first three NGOs are referred to as Third Party Organizations since they exist to serve the needs of the third party or those persons who are not members of the organization. The fourth sector is referred to as the First Party Organization, since they are basically governed and managed by the people themselves. Humanitarian is a person who is involved in or connected with improving people's lives and reducing suffering (Willets, 2012). Humanitarianism is an active belief in the value of human life, whereby humans practice benevolent treatment and provide assistance to other humans, in order to better humanity for moral, altruistic and logical reasons (Betts & Bloom, 2014).

From a global perspective, Willet (2012) writes that the concept of Non-Governmental Organization (NGO) came into usage in 1945 following the establishment of the United Nations Organizations that recognized the need to give a consultative role to organizations, which were neither government nor member states. The World Bank (2012) on the other hand sees NGO's as private organizations that pursue activities to relief suffering, promote the interest of the poor, protect the environment, provide basic social services, or undertake community development. NGOs have taken different forms and play different roles in different continents, with the NGO sector being most developed in Latin America and parts of Asia. The roots of NGOs are different according to their formation, geographical and historical context. They have recently been regarded as part of the "third sector" or not for profit organizations, Salamon (2013) confirms that the ascendancy of neo-liberalism in the late twentieth century also created a global environment to this third sector. The generally poor performance of the public sector and governments in developing countries has led to a search for more effective and efficient organizational forms for the delivery of public services. NGOs have been known for two types of activity that are interrelated, one is the delivery of services to people in need, these NGOs are commonly referred to as humanitarian NGOs and those that support the organization of policy advocacy and public campaigns in pursuit of social justice and social transformation (Lewis, 2010).

Regionally, Salamon *et al* (2010), noted that the NGO sector was worth \$2.2 trillion in operating expenditure based on data available for 40 countries and growing drastically. In sub-Saharan Africa the NGO expenditure was expected to increase on an annual growth rate of 12% per annum. Their growth in Sub-Saharan Africa and especially in Kenya has been due to unsatisfactory performance in service delivery by successive governments hence donors have increasingly channelled funding through the NGOs. In Kenya, according to the Kenya National Bureau of Statistics, 2010, the sector accounted for 5% of country's GDP and employed over 250,000 people. The focus of this paper is on Humanitarian NGOs in Kenya. With changing organization environment many NGOs in Africa just like other organizations are faced with many challenges when implementing strategies to improve competitiveness and overall performance (Raju, 2012). Implementing a strategy requires changes in an organization and this may take the form of developing new processes of doing things, improving on the existing

process and capacity building among staff and customers to enable them work comfortably with new systems implemented in an organization (Patton, 2014).

In Kenya, through a pilot project in 2013, WFP worked with Equity Bank to implement what they called a Cash for Assets (CFA) program where beneficiaries were provided with debit cards that are linked to bank accounts where beneficiaries received their cash transfers. From WFP experiences in the pilot, beneficiaries preferred the “digital food” because it gave them choices on what food to buy and was more dignifying than in-kind food distributions. WFP also found electronic payments to be 15 percent cheaper than in-kind food assistance, and reported to spur economic activity in local markets, reduce leakage, and improve transparency (WFP 2011). A digital innovation through the use of biometric verification improved WFP’s capacity to target people in need and manage resources. After the introduction of fingerprint verification in a Kenyan refugee camp, WFP saved US\$1.5 million each month and the number of refugees fell by 20 percent within 6 months (WFP, 2016).

One of the most important mode of telecommunications in Africa is mobile telephony, A World Bank Information and Communication for Development (IC4D) report (2012) shows that the number of mobile phones in use around the world between the year 2010 and 2012 grew from 1 billion to 6 billion and continues to grow, mobile handsets can now function as a means to send and receive money for example in Kenya, the *MPESA* platform where money is sent and received even in very remote areas where there are no banks. Farmers in Africa are accessing market price information of their produce and livestock through text messages, mothers can receive medical advice by phone. Africa is unique with people of diverse cultures; humanitarian service must therefore consider culture when developing appropriate innovations.

Through innovations, humanitarian organizations have reported a better way of doing business and an improvement in performance based on the both the objective and the recipients. For instance; The 2010 Haiti earthquake where Kaufmann *et al* (2014) observes it being game changer in the records of humanitarian technology. The disaster provided an opportunity for aid organizations to leverage technology by improving a two-way communication with disaster affected communities, an issue as emphasised by Quintanilla (2012) always remains a challenge to emergency response. The technology employed empowered communities to shape the programmes and operations by increasing their decision-making and the critical issue of embedding innovations into wider operational strategies and always providing space for new thinking, flexibility in response approaches as well as managing risks as noted by Bengtsson *et al* (2011).

Non-Governmental Organizations differ with Government organization in that Government organization are established by government and support both the government and the public (Lewis, Kanji & Themudo, 2020). Government organisation help people in various departments and for their welfare. On the other hand, Non-Governmental Organization (NGO) or Civil Society Organization is any organization not established by government agreement. They comprise the third sector of modern society, in addition to the public and private sectors, which also support and do fare to the people (World Bank, 2012).

This paper reviewed literature related to innovation as an enabler of Humanitarian Non-Governmental organization’s Performance in Kenya. There exists literature on innovation and organization performance in business, banking and manufacturing sector globally and in Kenya (Crossan & Apaydin, 2019, Terziovski, 2010, Kyrgidou and Spyropoulou, 2013, Njogu 2014 and Becheikh, Landry and Amara, 2016). Several studies on NGOs have been on tools and skills that increase performance for example the logical framework (Bakewell & Garbutt 2015) and emphasis on performance management systems research (Abdel-Kader & Wadongo, 2011), NGO coordination and effects of board on performance has also been looked (Herman

and Renz 2017, 2019 and Gill et al., (2015) but published studies conducted on innovation as an enabler of NGO performance in Kenya remain scarce, in addition, the few have also provided little guidance on the importance of innovation in the performance of humanitarian organizations. This paper therefore highlights this subject as an emergent agenda for more scholarly engagement. This is because with climate change and rising geopolitical tensions in the world today, the need for humanitarian assistance is only going to grow more and more despite the ever growing funding challenges and donor fatigue that puts mounting pressure on the humanitarian community. Innovation lies at the heart of every successful organization (WFP, 2016).

1.2 Objective of the Study

The objective of this study was to review related literature on innovation as an enabler of Humanitarian NGO performance so as to identify research gaps in both theoretical and empirical literature. The specific objectives are;

- i. To determine the effect of product innovation as an enabler of humanitarian NGO's performance in Kenya
- ii. To determine the effect of process innovation as an enabler of humanitarian NGO's performance in Kenya

2.1 Literature Review

2.2 Theoretical Review

On review of theories that underpin the previous reviewed studies on the topic of study. Four theories were highlighted Diffusion Innovation Theory, Resource Based View (RBV), Institutional Theory and Technology Adoption Theory.

2.2.1 Diffusion Innovation Theory

Diffusion theory by Rogers (1962) explains on the spread of an innovation through a population. Researchers in diffusion theory have developed analytical models for explaining and forecasting the dynamics of diffusion of an innovation (an idea, practice, or object perceived as new by an individual) in a socio-technical system. Rogers (1962) suggests that adopters of innovations can be categorized as innovators, early adopters, early majority, late majority and laggards, whose process of adoption over time is based on the classical normal distribution curve. According to Rogers, innovators are the first 2.5% to adopt an innovation, early adopters, early majority, late majority and laggards are the next 13.5%, 34%, 34%, and 16%, respectively. Bass (1969) formulated a model for the diffusion of consumer durables and other products. Since its original formulation, the Bass model has been used for forecasting innovation diffusion in retail service, industrial technology, agricultural, educational, pharmaceutical, and consumer durable goods markets (Wright & Charlett, 2015). The end result of this diffusion is that people, as part of a social system, adopt a new idea, behaviour, or product. Adoption means that a person does something differently than what they had previously. The key to adoption is that the person must perceive the idea, behaviour, or product as new or innovative. It is through this that diffusion is possible.

In application, humanitarian technology has been applied by NGOs such as World Vision, Oxfam, Christian Aid among other NGOs, often this technology comes from Private sector companies that are generally seen as leaders in innovation, including humanitarian innovation. However, majority of NGOs in disaster relief programmes are laggards in adopting innovations

from the private sector regardless of the value they are likely to bring to the humanitarian sector. According to Ramalingam *et.al* (2019) innovation focuses on implementation of improved or new products and processes to contribute to effectiveness and efficiency in service delivery. The concept of diffusion was first studied by sociologist Gabriel Tarde, Friedrich Ratzel and Leo Froberius in late 19th century. Diffusion of innovation theory seeks to describe the rate at which new ideas are adopted in different sectors. Diffusion is seen to be in three distinct phases; presentation of new ideas, acceptance and integration of accepted elements of ideas. Sahin (2016) asserts that statistical and behavioural research on innovation diffusion suggests that preferences to adopt new ideas or products can vary even within a single organization.

2.2.2 Resource Based View

Resource Based View (RBV) as developed by Barney (1991) and later advanced by Penrose (1995) draws attention to the organizations internal environment as a driver for competitive advantage. The theory proposes that if an organization is to achieve a strategic competitive advantage and improve its performance it must acquire and control valuable, rare, inimitable and non-substitutable resources and capabilities and not readily accessible in factor markets to create competitive advantage second, and resources determine organization performance (Thompson, 2011). Researchers subscribing to the RBV argue that only strategically important and useful resources lead to organization performance (William, 2012). Kraaijenbrink, Spender and Groen (2010) argue that the real deal in RBV is having a sustainable competitive advantage that requires that the resources the organization possesses must be rare, valuable and impossible to be imitated by their competition.

RBV underscores the very strong part played by peculiar heterogeneous bundles of resources, competencies and capabilities in gaining strategic competitive advantage and performance. The resources may either be tangible or intangible. The tangible resources can be acquired through external transactions, whereas intangible ones tend to accumulate over a time and, therefore, are a more durable source of competitive advantage (Peteraf, 2013). Even though assets are important, by themselves alone, they do not produce a firm's competitive advantage and can only be a source of advantage if they are used to do something, such as exploit knowledge or innovate (Hogan, Soutar, McColl-Kennedy & Sweeney, 2011).

RBV is an ideal theory in Innovation and Performance of NGOs as the variables considered could include new processes, process innovation and technology innovation developed to fit within a community unique culture and context become strategically important and distinctive resources and competencies, which provide an organization with performance. These become strategic assets that are difficult to trade and imitate scarce, appropriable and specialized resources and capabilities that bestow the firm's competitive advantage (Turan, Tunç & Zehir, 2015). Thompson (2011) suggested that innovation strategy can be viewed as a tool to manipulate such resources to create good performance by NGOs in Kenya.

2.2.3 Institutional Theory

The second theory was the Institutional theory whose roots are well captured in the formative years of the social sciences during the time of the great insights of Marx and Weber, Cooley and Mead to Veblen and Commons (Bill & Hardgrave 1981; Hodgson 1994; Scott 2011). It is in one of the key theories that deals with deeper and more flexible aspects of organization performance (Campbell, 2017). The theory deals with processes that include norms and procedures that designate themselves as competent guidelines for social behaviour. Although the obvious problem is stability in organizations, institutional theory not only ensures

performance and harmony, but also influences and changes in the social structures of an organization (Peters, 2011). Basic concepts and proposals for institutional theoretical access to analyse and consider useful guidelines for regulatory issues as social norms, practices and prosecution of organizations. This theory is based on the concept of legitimacy rather than activity as the main regulatory objective (McAdam & Scott, 2014). It is considered an organized space with institutions that may include organizational structures, government agencies, courts, professionals, professional standards, interest groups, public opinion, laws, social norms and values. The institutional theory requires an institution to adapt to its environment (Eisenhardt, 1988).

This theory implores organizations to adapt to the community culture in delivery of services. It expounds on the need to adopt to the community environment even when introducing innovations in the delivery of essential services. Institutional theory not only guarantees performance and harmony but also effects changes in the social arrangements of an organization.

2.2.4 Technology Adoption Theory

The third theory is the Technology adoption theory as postulated by Venkatesh, Morris, Davis and Davis, (2013) explains why, how and the degree to which new concepts of technology extend to, effective values individually and as an organization. Technology adoption theory sees acceptance of technology (innovation) as being conversed through networks intensely and within a given societal structure. Individuals are realized to possess diverse degrees of readiness to embrace innovation hence largely detected that the sample of the population implementing invention is distributed normally, sequentially periodically (Venkatesh, Morris, Davis, & Davis, 2013).

Adoption of new technology in an organization leads to innovation on methods of production, development of new products, services provided in an organization marketing systems and accessing information on new markets for products, new products and better methods of production. Organizations adopt turnaround strategy to accommodate new technology. In case of utility firms, turnaround strategy makes firms to adopt new IT skills, increases the level of ICT application, leads to training on new technology, new transaction processing methods and encourages firms to embrace outsourcing.

2.3 Concepts on Humanitarian Innovation

Innovations are dynamic processes which focus on the creation and implementation of new or improved products and services, processes, positions and paradigms (Terjesen & Patel, 2017). Successful innovations are those that result in improvements in efficiency, effectiveness, quality or social outcomes and impacts. Although many of the factors determining the success of humanitarian work are beyond the control of humanitarians, and there are many context-specific transactional innovations in the delivery of aid, the sector is not capitalising on its innovative potential, and in some ways may be becoming more conservative and insular (Wright & Charlett, 2015).

Innovations may take the form of products, processes, positions, or paradigms. The section looks at examples of the most common forms, product and process innovations. Product innovations begin outside the humanitarian environment, typically led by commercial enterprises (Lewis, Kanji & Themudo, 2020). The consumer market is made up of humanitarian organizations purchasing items for a variety of contexts, often on behalf of crisis-affected people. Individuals, small companies or larger product suppliers define the problem and opportunity for new products and invest in their R&D before pitching them to humanitarian

agencies. There is often only a limited commercial market for such products, largely for camping, hiking or for military use. Even sales to humanitarian agencies are often limited due to the lack of consultation with humanitarian actors during the design process, which therefore limits the fit or robustness of the final products.

In contrast, process innovations, which adapt modes of delivery and models of operation, typically originate with humanitarian agency staff themselves, especially in emergency settings (Aliasghar, Rose & Chetty, 2019). During the first phase of a rapid onset emergency, process innovation may even happen at the hands of grant writers designing programs and budgets rapidly to respond to changing needs and to secure funding (Terjesen & Patel, 2017).

In 2018, The United Nations Office for the Coordination of Humanitarian Assistance (UN OCHA) estimated that there were more than 135 million people in need of humanitarian assistance and protection around the world. This figure is 6.4 million more people than in 2017. Humanitarian stakeholders are increasingly interested in partnering with the private sector to test and implement innovative solutions as the number of people affected by humanitarian crises continues to rise and as crises become more prolonged (GSMA Report, 2019)

John Alois Schumpeter was the first to introduce the innovation concept in 1934 by proposing five types of innovation; introduction of new products, new methods of production, opening of new markets, and development of new sources of supply for raw materials or other inputs and creation of new market structures in an industry. Schumpeter (1942), regarded innovation as one of the most important sources to gain sustainable competitive advantage in an increasingly changing environment. Innovations has been defined in very many other ways by different scholars as shown on Table 1.

Table 1: Conceptualization of Innovation by different authors.

S/N	Author	Definition
1	Hull and Hage (1982)	Organizations ability to respond and adapt to external and/or internal changes
2	Kanter (1988)	Stressed more on the proactive innovation, proactive meant that organizations had to create and control the situation rather than just responding to it
3	Markard & Truffer, (2018) and M.A. Schilling, (2015) Davenport, (1992)	‘Doing things differently’ and technological innovation Introduced the term Product innovation.
4	Chesbrough, H (2010), Crossan & Apaydin, (2019); and Johnson, Christensen, & Kagermann, (2018)	Organizational innovation and its successful implementation
5	Drucker (2016)	Specific tool of entrepreneurs, the means by which they exploit change as an opportunity for a different business or a different service
6	Trott (2015)	Defined innovation in three steps namely; theoretical conception, technical invention and commercial exploitation
7	Baregheh et al (2019)	Course of action used by organizations to convert ideas into products that are new or improved or processes that provide opportunities for improvement to compete and also differentiate themselves effectively from the business environment

Crossan and Apaydin (2019) postulates that the different definitions undeniably support the fact that innovation has received a myriad of interests for many years and decades now but has also been studied from several different views and perspectives. Based on their broad scope of research objective they composed a comprehensive definition of innovation, as: production or adoption, assimilation, and exploitation of a value-added novelty in economic and social spheres; renewal and enlargement of products, services, and markets; development of new methods of production; and establishment of new management systems. This defines innovation as both a process and an outcome.

Humanitarians like other researchers and scholars, have defined the term innovation in many different ways and according to their own understanding, some have referred to it as the role of technology, products and processes from other sectors, new forms of partnership, and the use of the ideas and coping capacities of crisis-affected people (Betts & Bloom, 2014). With many emerging ideas this term innovation has lacked conceptual clarity, leading to misuse, overuse, and the risk that it may become hollow rhetoric (Betts & Bloom, 2014).

The definition by Betts and Bloom (2014) which defines innovation as a means of adaptation and improvement through finding and calling solutions to problems, in the form of products, processes or wider business models provides the basis for this paper on the review of empirical and theoretical literature on innovation and performance of humanitarian non-governmental organization. This is because the definition brings out the aspect of adapting something to a different context as is the case with humanitarian non-governmental organizations, underscoring the fact that innovation is not the same as invention and that it doesn't have to involve creation of something new. Secondly, a solution to problems do not require a specific level of change to meet the criteria as innovation. It may only be having a high degree of technological progress and high impact or it may be gradual. Thirdly, this definition of innovation is applicable to any specialized area, from logistics, to medicine, to media, and may include technology but is not reducible to it.

Performance on the other hand is a primary and key concern for any organization since it determines its survival, Rehman et al (2011), underscores that an organization that generates outputs measured in terms of financial and non-financial terms achieves superior performance. Performance has been defined differently by various authors depending on their field. For instance, in the manufacturing sector, performance is defined in terms of quality, delivery speed, delivery reliability, price (cost), and flexibility (Leong et al. 2011). Choy, Ye and Lin (2009) defined performance from a humanitarian view as being a cumulative discharge of multiple systems of local, national and international organizations focussing on alleviating suffering, saving lives, and maintaining human dignity. Castanias and Helfat (2014) highlighted the challenge of defining performance due to the diversity of organizations' mission and objectives and the fact that organizations have multiple stakeholders with different priorities.

Ramadan and Borgonovi (2015) summarised the most used performance indicators in NGOs as fundraising efficiency, financial, programs/ projects financial efficiency, programs/ projects non- financial efficiency, outcome performance, impact performance, partnership and finally quality. In summary an effective framework on NGO performance should look at three main areas a) Financial sustainability which includes; fundraising efficiency, funds growth, funds utilization, budgeting control, financial transparency, financial positioning, costs and expenses management and accounting/auditing, b) Organization processes/function i.e. strategic decisions, human resource, organizational culture, leadership, communication, information systems, monitoring systems, rules and procedures and lastly c) Program/project performance

these are resource allocation, efficiency-inputs/outputs link, effectiveness-outcomes, impact, quality and partnership.

In conclusion, from the different opinions from literature and donor perspectives as to how to define and measure performance in the humanitarian sector, one thing is clear, the issue of 'value for money' is strongly advocated, performance has to have internal and external indicators, that looks at aspects of efficiency, effectiveness and beneficiary satisfaction. Therefore this paper agrees with Ramadan and Borgonovi (2015) proposition however I should add Beneficiary Satisfaction as advocated by Kareithi (2012).

2.4 Empirical Review

Kyrgidou and Spyropoulou (2013) conducted an empirical study on drivers and performance outcomes of innovativeness on Greek manufacturing firms to establish the influence of innovativeness on performance. Using qualitative and quantitative data from 218 sampled firms, the study confirmed that firm innovativeness positively affects business performance. They showed that managerial, entrepreneurial, and technical capabilities are aspects that are positively related to innovativeness which have a positive effect on business performance. These findings are also confirmed by Garcia-Morales et al (2011) study on 408 CEOs of Spanish organizations that postulated that innovativeness positively impact business performance. The two studies however only collected data from CEOs/top management ignoring input from other employees including technical line staff, middle level and lower level employees where actual innovation strategies are implemented. More importantly, the studies did not consider beneficiaries, customers or consumers of the products or services of the institutions who are impacted directly by the innovations of the firm.

Terziovski (2010), studied innovation practice and its performance implications in small to medium enterprises (SMEs) in the manufacturing sector, from a systematic random sampling procedure, the study gathered survey data from a sample of 600 Australian SMEs. Using independent constructs of innovation strategy, formal structure, customer and supplier relationships, innovation culture, and technological capabilities and SME performance (Number of product configurations, success of new products launched, Faster speed to market, Reduction in waste, increased market opportunities, increased delivery-in-full-on-time, improved product innovations, improved work methods and processes, increased quality) as the dependent constructs, the study concluded that SMEs' performance improves depending on the degree to which they mirror large manufacturing firms with respect to formal strategy and structure, and the recognition of innovation culture and strategy as being closely aligned throughout the innovation process. Like the previous two studies of Kyrgidou and Spyropoulou (2013) and Garcia-Morales et al (2011), this study also collected data only from managing directors and CEOs and middle management levels.

Atalay et al (2013) in their empirical study on the relationship between innovation and firm performance from Turkish automotive supplier industry, surveyed top level managers of 113 firms operating in the automotive supplier industry which as of the year 2011 was reported as the most innovative industries in Turkey. The obtained data from the questionnaires were analysed through SPSS statistical package program, the study concluded that technological innovation (product and process innovation) has significant and positive impact on firm performance, but found no evidence on significant and positive relationship between non-technological innovation (organizational and marketing innovation) and firm performance.

Becheikh, Landry and Amara, (2016) conducted a study on effects of innovation on performance of manufacturing SMEs in Nigeria. The correlation result showed that all dimensions of innovation (product, process, market, and organizational) had significant

positive relationship with firm performance including the control variable 'firm size'. However, the regression result confirmed that process innovation and organizational innovation influences SMEs performance significantly. Additionally, product innovation had significant impact on innovation with the exclusion of other innovation dimensions from the model and marketing innovation had significant impact on the performance of SMEs with the exclusion of organizational innovation from the model. Overall, innovation accounts for about 55.7% of variation in the performance of the manufacturing SMEs. The study concludes that all dimensions of innovation, and specifically process and organizational innovation are critical elements for the enhancing the performance of SMEs in Nigeria. Therefore, owners and managers of SMEs should pay critical attention to implementation of innovation activities in their firms as it positively impacts performance.

Njogu (2014) conducted a study on the effect of innovation on the financial performance of small and medium enterprises in Nairobi County, Kenya. The study found out that manufacturing small medium enterprises have introduced more innovative products and services, have developed and implemented new business methods and services which have improved productions and delivery of services and that innovative marketing and promotion campaigns to find new markets have had significant implication on financial performance of SMEs.

Wairagu (2012) conducted a study on the relationship between financial innovation and profitability of commercial banks in Kenya. The study applied a descriptive research design. The study found out that there is no doubt that many commercial banks have embraced financial innovation as a way to increase efficiency and improve the banks performance. These innovations have included massive branch network expansion, development of unique product that serve specific groups and automation of banking services that have enabled customers to carry out banking transaction outside the confines of the banking premises, either on their phone or over the internet.

Gakure and Ngumi (2013) carried out a study to determine influence of bank innovations on profitability of commercial banks in Kenya. The study adopted a descriptive survey research design. The study found out that the influence of bank innovations on bank profitability was statistically significant. This indicated that the combined effect of the bank innovations was statistically significant in explaining the profits of commercial banks in Kenya. The study identified that due to the growing adoption of innovations by many leading commercial banks in Kenya, the study recommended that the management of banks which are laggards of innovation adoption, to move in and adopt various innovations in their operations in order to shore up their profitability. This recommendation was well supported by the fact that in Kenya, the leading banks in terms of profitability are mostly the fast movers in adoption of new technologies.

On digital resources mobilization technology, the private sector provides avenues for disaster funds mobilization through the telephone as well as social media. For example, during the 2011 famine in Kenya there was a Kenyans for Kenya initiative, by the Kenya Red Cross Society. Drummond and Crawford (2014) pointed out that private sector enabled rapid fund raising for the initiative by the Kenya Red Cross where US\$ 8.5M was raised via mobile phones. This technology was offered by Safaricom to raise money using social platforms (Hoxtell et.al, 2015). Another technology is crowd sourcing; this is the process of obtaining online information from a large group of people who are located at the scene of the disaster. It advances humanitarian efforts to gather, validate and process information by tapping into the real knowledge and information of people in need. For example, via short messaging services, Twitter, Facebook, WhatsApp or other social media means. In Kenya, Ushahidi open source

mapping company pioneered the combination of crowd-sourcing and crisis mapping for humanitarian purpose and it helped focus effort to gain access to persons in distress (Belliveau, 2016).

3.1 Discussion

This section discusses the reviewed theoretical and empirical findings in the existing literature on innovation as an enabler of NGO performance. The section also discusses the theoretical and practical gaps in the existing literature on innovation and performance.

Innovation is already and irreversibly part of the humanitarian system, driven by a demand for new models, growing private sector engagement, rapid technological change, need for better, faster, efficient and effective ways of assisting vulnerable communities. Donors and governments are demanding for ‘value for money’ for their contributions made through NGOs, the biggest risk is for NGOs not to innovate. NGO performance on the other hand remains an area that has received low interest to researchers and scholars, the situation has not been made better by the different opinions as to how to define and measure performance therefore the need to have clear empirical corroboration of NGO performance.

The various studies highlighted in this paper; Kyrgidou and Spyropoulou (2013), Garcia-Morales et al (2011), Terziovski (2010), Gakure and Ngumi (2013) presents contextual gaps as they researched on the impact of innovations on firm performance from manufacturing and banking sectors while the study focuses on NGOs. In addition, studies on NGOs have been on tools and skills that increase performance for example the logical framework (Bakewell & Garbutt 2015) and emphasis on performance management systems research (Abdel-Kader & Wadongo, 2011), NGO coordination and effects of board on performance has also been looked (Herman & Renz, 2019 and Gill et al., (2015) thus presenting conceptual gaps. Published studies on innovation and performance of humanitarian non-governmental organizations in Kenya remain scarce, none of these studies looked at innovations as an enabler of NGO performance especially in Africa and particularly Kenya. Africa has unique humanitarian needs, hence unique innovations that will affect NGO performance in diverse ways due to culture of the different individual communities, there is therefore need to have unique studies on innovations and performance of NGOs in Kenya.

On methodological gaps, the studies collected data from CEOs and senior level managers of the organizations but failed to consider beneficiaries or customers or consumers of the products or services of the institutions who are impacted directly by the innovations of the firm. This is consistent with the argument from Kareithi (2012) that target beneficiaries and communities should primarily be involved and their opinion is sought in the evaluation of performance of NGOs.

The paper also notes that in the study on the impact of innovations on performance, three theories; Institutional theory, Resource-Based view (RBV), and Technology Adaptation theories were the most cited in that order. One criticism though is that although the theories were cited by various authors, there was a general lack of a coherent and explicit theoretical base, as much as I agree with the criticism, it also highlights opportunities to broaden the theories and apply them to various scenarios for example the humanitarian context in Kenya. On the empirical literature review, most studies employed a descriptive research design, collected their data using questionnaires which were then analysed using SPSS to bring out correlation and regression relationships, all the studies used quantitative research. Descriptive statistics however have some limitations of allowing one to only make conclusions on the

subject of study but not generalize to other subjects not studied, Correlation analysis on the other hand only provides information on relationship but does not answer why there is a relations, it will be interesting as a scholar to explore the use of other methods of research for example mixed methods research, qualitative research and other analysis techniques for example NVivo software or even using structural equation modelling technique for more rigour especially when collecting information directly from beneficiaries on the performance of NGO and the impact of innovation on NGO performance in Kenya.

Irrespective of the recent growth of NGOs in developing countries, research on innovation and NGO performance remains scarce, and thus an area that should interest strategic management researchers and scholars. On data collection, scholars should consider input from beneficiaries or customers of the products or services of the institutions impacted by the innovations of the firm. There are also theoretical opportunities to broaden the theories authors have used and apply them to various scenarios for example the NGO context in Kenya. It will also add value to explore the use of other methods of research, for example mixed methods research, qualitative research and using more rigorous analysis techniques for example NVivo software and structural equation modelling techniques.

4.1 Conclusion

This independent paper aimed at reviewing and identifying research gaps in both theoretical and empirical literature related to innovation as an enabler of NGO performance. The study has revealed that there are generally few published studies on product innovation and process innovation on NGO performance in Kenya, none of the studies on NGOs looked at innovations as an enabler of NGO performance. The studies reviewed were on tools and skills that increase performance for example the logical framework, others emphasised on performance management systems, whereas others looked at NGO coordination and effects of board on performance. This therefore highlights Innovation as an enabler of NGO performance as an area that needs scholarly attention and engagement.

NGO performance also remains an area that has received low interest to researchers and scholars, the situation has not been made better by the different opinions as to how to define and measure performance therefore the need to have clear empirical corroboration of NGO performance. In measuring NGO performance one area that needs attention is that target beneficiaries and communities should primarily be involved and their opinion is sought in the evaluation of performance of NGOs. Studies reviewed have made conclusions on NGO performance based on responses obtained from top management ignoring input from beneficiaries who are directly affected by NGO activities. The paper revealed Beneficiary satisfaction plays an important role in NGO performance.

The three theories; Institutional theory, Resource-Based view (RBV), and Technology Adaptation theories were the most cited in that order. However, some criticism on the theories is that there was a general lack of a coherent and explicit theoretical base, this highlights opportunities to broaden the theories and apply them to various scenarios for example the humanitarian context in Kenya, there are also various theories from the field of sociology which can explain innovation as an enabler of NGO performance especially those related to technology adoption and personality theories.

In conclusion, innovation is already and irreversibly part of the humanitarian system, driven by a demand for new models, growing private sector engagement, and product and process innovation changes. By creating shared definitions and principles, identifying good practices, and lifting barriers to ethical, user-led innovation, humanitarian actors can help transform the sector performance and meet the challenges of an ever-changing world.

5.1 Recommendations

- a) NGO performance is an area that has received low interest to researchers and scholars. In the study of NGO performance, researchers, scholars and managers should consider beneficiary satisfaction as an indicator of NGO performance. Data should be collected directly from beneficiaries when evaluating NGO performance and the impact of innovation on NGO performance
- b) Studies on the impact of innovations on firm performance on various industries (manufacturing, banking etc.) globally and in Kenya have shown a positive result, this paper recommends a similar study on NGOs to determine the extent to which innovations influence NGO performance and what innovations has a higher impact especially on beneficiaries of NGO assistance, this is more so considering the uniqueness cultures of the different individual communities in Africa and especially Kenya,
- c) This study also recommends the use of mixed methods research, qualitative research and other analysis techniques for example NVivo software or use of structural equation modelling in data analysis for more rigour.

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