

# **The Impact of Strategic Planning for Non Government Organizations in Sri Lanka – An Evaluation using the Balanced Scorecard**

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The relationship between strategic planning and organizational performance has been examined in the nongovernment sectors. Moreover, most of the existing research has been confined to examining the nongovernment sector in the developing countries and very little has been conducted in developing countries. This study empirically examines the effect of strategic planning on Sri Lankan non government organization's performance effectiveness. An assessment of performance effectiveness was made using the multiple perspectives of the balanced scorecard (Robert S. Kaplan & David P. Norton, 1990). A fifth dimension was added to the balanced scorecard, developed originally by Niven (2008), which is volunteers' development. The research design was used to compare the performance of strategic planning non government versus that of non strategic planning non government. Random samples of 303 non government organizations were selected for study and 606 executive manager's participated in the study. Results have indicated a statistically significant difference between the mean composite scores of strategic planning activities in strategic versus non-strategic planning non governments along four out of five domains of the BSC performance effectiveness scale. These domains were namely; customer processes, internal business processes, employees learning and growth, volunteers' development except for financial processes. Results however, did not show that most of the Sri Lankan non governments are fully aware of the BSC as a tool for assessing their performance effectiveness.

**Key words:** *Balanced Scorecard (BSC); Non Government Organization's (NGO's); Strategic Planning (SP).*