

**EFFECT OF FINANCIAL RESOURCE MOBILIZATION STRATEGIES ON
FINANCIAL SUSTAINABILITY OF NON-GOVERNMENTAL
ORGANIZATIONS IN NAIROBI COUNTY, KENYA**

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DECLARATION AND APPROVAL

Declaration by the Student

This research project is solely my original work and has not been submitted for a degree at any other institution or for any other form of recognition.

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I certify that the candidate conducted the work described in this project under my guidance.

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DEDICATION

I dedicate this project to my Husband Mutethia Maingi and to my Sister Maureen Miriti.



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ABSTRACT

As donor funding declines or is redirected to other urgent initiatives, humanitarian organizations are increasingly turning to commercial ventures to lessen their dependence on dwindling financial resources. This research centers on financial sustainability, defined as the capacity of NGOs to cultivate a diversified resource base, enabling them to maintain their institutional structure and deliver benefits to intended beneficiaries even after the conclusion of donor financial assistance. The primary focus of this study was to analyze the effect of financial resource mobilization strategies on financial sustainability of non-governmental organizations in Nairobi County, Kenya. Specifically, the investigation delved into the associations between financial planning, donor fund management, income generating and income diversification approaches adopted by NGOs, all in relation to financial sustainability. The study employed a descriptive research design, drawing on theories such as Resource-Based theory, Resource Dependency theory and Resource Mobilization theory. To conduct this research, a descriptive research design was employed. The study focused on a population of 201 NGOs that are fully registered with the NGO coordination board and located in Nairobi County. The selection of the sample was carried out using a stratified random sampling technique, with a sample size of 134 determined through Yamane's formula, representing 66.7% of the total population. The respondents were chosen through a combination of simple random sampling. The primary data for this study was collected using a self-administered questionnaire, utilizing a 5-point Likert scale ranging from 1 to 5. The questionnaire was pre-tested for reliability and validity. Both qualitative and quantitative data were generated through the research process. Descriptive statistics, including absolute and relative percentages, frequencies, measures of central tendency, and dispersion (mean and standard deviation), were employed. The findings were presented in tables and figures, with explanations provided in a narrative format. Furthermore, the study utilized Karl Pearson's coefficient of correlation and multiple regression analyses to explore the relationships between the independent variables and the dependent variables, enhancing the depth of the research and contributing to a comprehensive understanding of the factors influencing the performance of local NGOs in Kenya. Findings revealed moderate agreement on the effectiveness of financial practices but significant variability, indicating inconsistent implementation. Strong financial planning ($r=0.254$, $p=0.004$) was positively correlated with improved performance, while donor fund management ($r=0.031$, $p=0.734$) showed no significant relationship with organizational outcomes. Income generation ($r=0.25$, $p=0.005$) and diversification activities ($r=0.254$, $p=0.004$) positively impacted performance, emphasizing their importance. Recommendations included standardizing financial planning through training, enhancing donor communication, strengthening social responsibility initiatives, and promoting social entrepreneurship. Additionally, diversifying income streams and adopting advanced monitoring tools were deemed crucial. Further studies were suggested to explore external factors affecting financial sustainability, best practices in donor management, the impact of financial management technologies, and the long-term effectiveness of income diversification strategies. These insights provided a comprehensive approach to enhancing financial sustainability and organizational effectiveness within the NGO sector.

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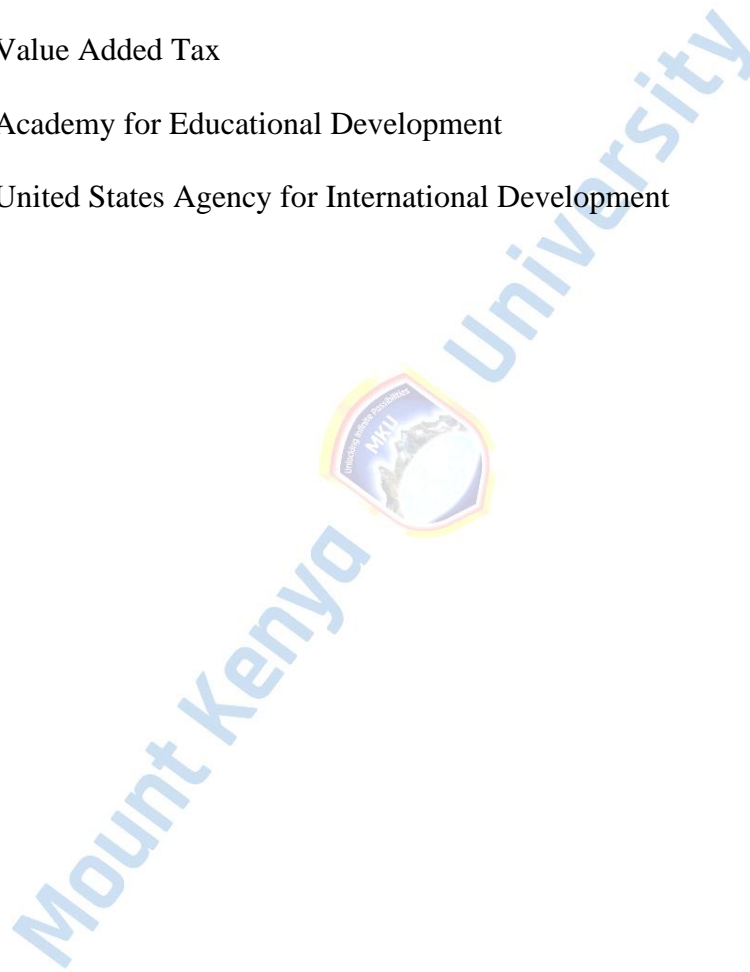
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LIST OF ABBREVIATIONS AND ACRONYMS

SPSS:	Statistical Package for Social Sciences
NGO:	Non-governmental Organizations
RBV:	Resource based View
NACOSTI:	National Commission for Science and Technology innovation
VAT:	Value Added Tax
AED:	Academy for Educational Development
USAID:	United States Agency for International Development



CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

The financial sustainability of an institution reflected the effectiveness of its management team in utilizing available resources to create value for stakeholders according to their mandate, ensuring the institution's ongoing viability (Alshubiri, 2021). In the contemporary global context, non-governmental organizations increasingly encountered a decline in financial support from donors. Consequently, they faced the imperative of seeking alternative strategies to maintain their financial sustainability. The reduction of support was attributed to global harsh economic situations. Financial hardships emerged for non-governmental organizations (NGOs) as a result of cuts in funding from both state and federal sources. In Canada, local NGOs faced challenges in securing funds, resulting in the halt of their organizational operations (Akingbola, 2004). An investigation spanning 19 countries in Sub-Saharan Africa indicated that funding supported merely 6.2% of African NGOs (USAID, 2010). The study's findings suggested that despite local NGOs delivering valuable services, the evident lack of financial sustainability was attributed to an overdependence on external donors as the primary and exclusive sources of funding.

Weak economies also played a role in the lack of funding sustainability for non-governmental organizations (NGOs) as they hindered the generation of donations (Arhin, Kumi & Adam, 2018). According to Kosonen, Alisa and Teemu (2019), a survey of 800 NGOs in 2008 found that 52% had already experienced funding cuts, and 75% were feeling the negative impact. Nonprofit organizations, particularly those reliant on government funding, faced financial difficulties, with 61% reporting a cessation of

government funding. Similarly, nonprofits depending on financial assistance from foundations were also affected, with 48% reporting reductions in foundation support. Efforts to attain financial sustainability typically involve the adoption of strategies for mobilizing financial resources. The concept of resource mobilization, as outlined by Thornton et al. (2019), centers on the level of effort invested in activating network connections to realize the advantages of resource mobilization within an organizational framework. Nabulime (2021) defines resource mobilization as the process of gathering resources and participating in activities to obtain new and supplementary resources within an organization. This characterization aligns with the perspective of Michael, Kinyua, and Mwamba (2021), who conceptualize resource mobilization as a series of actions directed towards acquiring new resources for an organization. Additionally, resource mobilization involves taking steps to gather extra funds for financing developmental activities (Mohsin, 2022). Looking at these definitions, it can be deduced that financial resource mobilization involves organizations actively working to strengthen their financial position by implementing strategies to achieve financial sustainability.

Diverse viewpoints have surfaced regarding the attainment of financial resource mobilization within organizations. Gebru (2020) underscores the significance of applying financial management principles to ensure the optimal mobilization of financial resources. Rubarema (2021) argues that effective financial resource mobilization necessitates a high level of professionalism. Some scholars posit that successful financial resource mobilization can improve organizational performance (Asawo, Aseey, & Chandi, 2021). Furthermore, there is a focus on adopting enhanced revenue collection and utilization practices to implement effective financial resource mobilization strategies (Kiambi *et al.*, 2022). Additionally, certain academics acknowledge the importance of

leveraging available resources within institutions to achieve optimal and effective mobilization of financial resources (Lutempo, 2022). These studies, among others, provide valuable insights into the factors that organizations should consider achieving successful mobilization of financial resources. For instance, tapping into existing human and material resources is identified as a crucial approach to realizing prudent use of financial resources within organizations.

The correlation between financial resource mobilization and organizational outcomes has been a focal point in numerous empirical studies. These investigations highlight that implementing various financial resource mobilization strategies, as observed by Wakoli and Kitainge (2019), can lead to improved internal efficiency. Furthermore, research indicates that such strategies contribute to enhanced service delivery and revenue collection within organizations (Kiambi *et al.*, 2022). Over time, the association between financial resource mobilization and financial sustainability has been consistently demonstrated in prior studies, as evidenced in the research conducted by Gebru (2020). Recent studies also affirm this relationship, outlining how financial sustainability can be attained through the adoption of diverse financial resource mobilization practices (Kobugabe & Rwakihembo, 2022).

Empirical studies emphasize the importance of financial sustainability in evaluating organizational performance from a financial perspective. Various conceptualizations have been proposed regarding financial sustainability, with some researchers suggesting that it entails a well-functioning financial system (Aghaie, Sokhanvar & Yousef, 2021). Rasooli *et al.* (2021) posit that financial sustainability entails a scenario in which financial crises or external shocks do not disrupt the fundamental operations of an organization's financial system. Furthermore, financial stability can be perceived as the

seamless operation of markets that comprise the financial systems within a specific organizational context (Nugroho, Adam, Widiyanti & Sulastri, 2021).

Evidence from earlier empirical research shows that several techniques have been used throughout time to determine financial sustainability objectively. Using metrics like return on equity (ROE), return on assets (ROA), and return on capital (ROC) is one method of evaluating financial stability. Furthermore, as noted by Lyman-Torres (2018), Imhanzenobe (2019), and Quartey & Kotey (2019), the use of several financial scoring matrices has been used to assess financial stability. Current research supports these approaches by highlighting the fact that financial stress indicators (FSI) and return on assets (ROA) may be used to estimate financial stability (Nugroho *et al.*, 2021). A similar viewpoint is expressed by Arifin *et al.* (2021), who suggest that return on assets, in addition to other metrics like bankruptcy risk (Z-score) and return on equity (ROE), may be used to measure financial stability. According to Kobugabe and Rwakihembo (2022), financial stability within an organization may be assessed using metrics such as net income and liquidity. Thus, this research used these conceptualizations as a source of inspiration to create financial sustainability indicators that came about as a consequence of different financial resource mobilization strategies that the NGOs in Nairobi County, Kenya, used.

The capacity of an organization to produce enough resources from customers to support its operations for the foreseeable future is directly related to its financial sustainability. Organizational financial sustainability is essential to the long-term fulfillment of business goals including maximizing shareholder value and stakeholder welfare. Financial sustainability is essentially the ability to sustain or improve financial viability over time, guaranteeing the continuous and long-term accomplishment of the purpose, aims, and objectives of an organization (Shipway, 2009; Barrow & Rouse, 2016). Organizations

that help a country's socioeconomic growth are essential. They must so focus and attain financial sustainability if they are to be relevant in the long term.

In developed countries such as the United States and Europe, NGOs played a crucial role as watchdogs, holding the state accountable by ensuring transparency and responsibility. Their sustained operations were often attributed to high levels of accountability and sound financial mobilization strategies (Peeters, 2018). Conversely, in Nepal, numerous NGOs were shutting down due to inadequate financing, with researchers primarily attributing this to the lack of accountability within these organizations. The diminishing accountability was linked to limited involvement from beneficiaries, opaque decision-making processes, mismanagement of donor funds, and a lack of proper documentation. In Nepal, NGOs were accused of prioritizing running services over actual improvements, especially when funded by donor agencies (Acharya, 2019).

In Africa, many NGOs faced accusations of ineffective resource management leading to poor service delivery and financial sustainability. Despite having funds, they struggled to utilize them appropriately. Many local non-governmental organizations in Zimbabwe were in danger of closing due to financial instability, which might result in the termination of services for those not covered by government or private sector programs in the event that outside donors stopped providing funding (Maxwell, 2018). A 2017 report from the Independent Development Trust highlighted serious financial difficulties among many NGOs in South Africa, with some having already collapsed. Abdelkarim (2018) emphasized that only NGOs with robust financial systems and the ability to attract or generate steady income flows would likely endure in the future.

Kenyan non-governmental organizations faced various obstacles, such as incompetent boards, inadequate strategic planning efforts, poor financial responsibility, inadequate record-keeping techniques, an absence of appropriate policies and procedures, high

employee and volunteer turnover, and reliance on scarce financial resources (Mboya, 2021). The viability of NGOs in Kenya heavily relied on donor funding (Odhiambo, 2013), underscoring the imperative for resource mobilization. For NGOs, achieving financial sustainability was unattainable without the capability to generate resources. As detailed in this section, a prevalent issue faced by NGOs globally was the absence of effective resource mobilization strategies (USAID, 2010). This challenge was attributed to weak institutional frameworks and insufficient leadership practices and mindsets. Empirical data highlighted the heightened frequency of this problem, particularly in developing or emerging countries. NGOs equipped with robust financial mobilization mechanisms could achieve stable income flows, enabling them to fulfill organizational objectives and ensure sustained financial viability (Ebenezer, Musah & Ahmed, 2020; Msomi & Olarewaju, 2021; Shani, 2022).

1.1.1 Financial Resource Mobilization Strategies

Resource mobilization encompassed several elements, including obtaining financial resources, assessing human resources, acquiring physical resources, engaging the community, ensuring accountability and transparency, managing financial accounting, and overseeing project management (Densford et al., 2018). In the context of this mobilization, financial resources denoted the funds needed by project implementers to procure essential equipment and machinery for project operations, as well as to cover various project-related expenses like worker salaries and wages (Fowler & Malunga, 2020).

Schipper and Silvius (2017) underscored that local NGOs face challenges in operational effectiveness due to organizational deficiencies and limited access to resources and funds. Historically, these NGOs have heavily leaned on financial assistance from donor agencies, multilateral organizations, charitable institutions, and government ministries to

sustain their operations and execute programs (Ogutu & Mang'unyi, 2017). The historical association between donors and NGOs has generally been positive, as not-for-profit organizations have heavily relied on the benevolence, empathy, and generosity of others to cover operational expenses through grants, aid donations, and contributions (Hassan & Forhad, 2018).

Donors encountered financial constraints themselves and were often constrained by the decisions of boards, larger organizations, government ministries, or national legislatures. These factors could restrict their ability to provide funding solely based on the merit of a project or the positive track record of a grantee (Getachew, 2015). Certain NGOs might have faced significant budget constraints that posed a substantial threat to their viability. To navigate such challenges, NGOs needed to be cognizant of these potential limitations and diversify their funding sources accordingly. It was imperative for these organizations to anticipate and adapt to the ongoing trend of resource scarcity. In response to the limited resources available, NGOs had to engage in resource mobilization; a process that involved gathering both financial and non-financial resources either externally or internally to support organizational activities (Mmaitisi, 2020).

Globally, Ogutu and Mang'unyi (2017) asserted that effective resource mobilization strategies were underpinned by several crucial factors. These included a clear commitment to the organization's vision and mission, proficient management and leadership fostering accountability and transparency, a strong reputation, credibility, and a positive image, as well as the ability to attract, generate, and sustain new resources while delivering services to clients or the community. Juma (2017) emphasized the need for organizations to adequately prepare for resource mobilization strategies, ensuring their effectiveness and maximizing available opportunities.

To boost performance, Khieng and Dahles (2014) proposed a close integration of the strategic plans of NGOs in Cambodia with the management team, emphasizing their active involvement in resource mobilization planning. This implied that an organization's ability to fulfill its mission was contingent upon its capacity to raise sufficient resources, placing the responsibility on leadership to ensure resource availability. Consequently, significant attention should have been devoted to establishing a secure and sustainable resource mobilization base, considering it as critical as the design and delivery of effective services (Khieng & Dahles, 2015). Fundraising was identified as a key resource mobilization strategy crucial for enhancing the performance of NGOs. Klein and Yogi (2022) highlighted the growing significance of fundraising in the United States, evident in the rising number of professional roles within resource mobilization and development teams in both NGOs and government agencies, specifically dedicated to fundraising efforts. The fund, serving as a pivotal fundraising mechanism for the organization, enabled donors to sponsor specific activities. Engaging in fundraising events stood out as one of the various authentic expressions of concern for diverse social issues. Organizations frequently participated in and orchestrated nonprofit events for similar purposes, contributing to the reinforcement of the firm's corporate image and fostering social connections within the local community.

In Ghana, there was a prevalent challenge where NGOs heavily depended on external donor funds, leading to difficulties in sustaining both themselves and their projects (Okorley, Deh & Owusu, 2017). This reliance shifted the focus of NGOs towards external donors rather than local stakeholders, with local donors being overlooked as potential supporters (Dantanarayana, 2018). The NGO sector in Ghana faced a dilemma in mobilizing local resources, as society perceived it as well-funded by external donors,

impacting its credibility and image (Okorley et al., 2017). This situation significantly hampered NGO performance, which heavily relied on donations.

In South Africa, many NGOs embraced partnerships as a fundraising strategy (Manyeruke, 2014). Partnering helped mitigate organizational risks associated with high setup costs and perceived risks that often hindered promising fundraising initiatives. In fundraising partnerships, multiple groups or agencies agreed to share costs, work, and proceeds equally, reducing exposure to losses for different NGO projects. These partnerships were guided by written agreements (Tortajada, 2016), clearly outlining responsibilities to ensure each organization's investment and role were well-defined and understood.

A variety of financial and non-financial resources contributed to the NGO's capabilities, with non-financial resources encompassing skills, talents, and capacities. Fowler and Malunga (2020) emphasized the necessity for increased training in resource mobilization and financial management to enhance the performance of NGOs. Mathenge (2017) underscored the importance of resource mobilization for organizational health, stating that resource availability ensured continuity and stability, fostering diversity in programs and reducing financial risks.

In Tanzania, Goddard and Assad (2016) noted that many NGOs had embraced diversification as a resource mobilization strategy. This approach involved maintaining a mixed portfolio of investments rather than relying on a single source for current and future income needs (Lewis, 2018). This principle of investing wisely was crucial for NGOs seeking a secure income flow to support ongoing and future programs. Income diversification went beyond internal income generation; it involved having multiple sources that constituted the primary funding for the organization (Luvenga, 2015). Even if an organization had numerous donors, it remained vulnerable if a significant portion

of the budget relied on just one donor. To mitigate this risk, Goddard and Assad (2016) suggested that at least 60% of the overall budget should come from five different sources to ensure resilience against potential crises triggered by changes in the decisions of individual donors.

In their research conducted in Kenya, Karanja and Karuti (2017) discovered that a significant number of NGOs in the country grappled with funding challenges, facing issues such as an unreliable funding source and difficulties in meeting stringent access conditions. To address these challenges, some NGOs devised strategies to generate resources for their operations. Among these approaches was the solicitation of funds through online fundraising platforms, where donations were sought for worthy causes. Another fundraising method adopted by non-profit organizations was crowdfunding, which represented a contemporary resource mobilization technique involving the collection of donations from a large number of individuals. Predicted to become a \$90-96 billion industry by 2025, crowdfunding was being hailed as a valuable tool for fundraising by charitable non-profits (Non-Governmental Organizations Co-ordination Board, 2019).

Resource mobilization in Kenya also took the form of partnerships, where two or more organizations in the same sector with a shared objective collaborated to implement specific projects (Musundi, 2018). These collaborative efforts, also known as consortia, involved the exchange of assets and the sharing of governance, decision-making, and program development and delivery. Effective resource mobilization, it was argued, required considerations of factors such as good governance (Narayan, 2015). For instance, organizations should have a well-defined constitution outlining the rules governing their actions and activities (Akumu, 2018), along with policies guiding their operational procedures.

1.1.2 Financial Sustainability

Zabolotnyy and Wasilewski (2019) defined sustainability as the capacity of an organization to effectively grow, develop, and operate over a prolonged period of time in order to meet the needs of stakeholders and accomplish its goals. Organizations had to use comprehensive approaches that included advocacy, fundraising, and foundations in order to achieve financial sustainability (Dorothy, 2017). Financial sustainability, organizational sustainability, and sustainability in service delivery were the three primary areas into which organizational sustainability was divided (Zabolotnyy & Wasilewski, 2019).

According to Maaldu (2019), financial sustainability in the context of non-governmental organizations referred to their ability to satisfy their own requirements and those of their stakeholders while being self-sufficient and making optimal use of their resources. To guarantee that the organization stayed relevant and that present expenditure did not impede the spending of future generations, this was tackled from a wide and multidisciplinary viewpoint (Ebenezer, Musah & Ahmed, 2020). Strong financial management, dependable funding sources, and financial responsibility were necessary for NGOs to be sustainable. These factors also encouraged higher cash inflows, predictions, and market developments (Abdulkaddir, 2021).

An organization that accomplished its objectives while attending to the requirements of key stakeholders, beneficiaries and supporters in particular; was considered long-lasting. According to Williams (2015), sustainability was a continual process that involved a variety of strategic, organizational, programmatic, social, and financial factors rather than a single aim. The long-term viability and efficacy of non-governmental organizations and civil society groups were contingent upon their financial sustainability. Finding a way to achieve these kinds of financial stability was the difficult part

(Kgotlaetsile, 2022). Aiping (2015) highlighted that increasing an NGO's financial self-sufficiency and long-term survival required diversifying its funding sources. To put it simply, an NGO's long-term financial stability mostly depended on its capacity to expand its income sources and diversify existing ones.

Globally, some of the largest non-governmental organizations (NGOs) had folded due to financial troubles. Childhood Development and Aid (CDA), a well-known British NGO, shut down in 2002 as a result of poor financial management, with negative general reserves during the five years before its collapse, hence it was dependent on grants (Williams, 2015). Another example was the American non-governmental organization Academy for Educational Development (AED), which was forced to close its doors in 2010 after USAID withdrew funding due to financial mismanagement, corporate fraud, and lax internal controls (Hedgpeth & Boak, 2011). Alymkulova and Seipulnik (2015) drew attention to the financial bankruptcy that NGOs in Central Asia faced, attributing it to factors such as declining donor income, decreased support for social programming, donor concentration on new markets, and decreased regional allocations.

According to Muriithi (2014), since foreign donors provided for a large portion of the revenue of 72% of African non-governmental organizations, these organizations were not viable. According to a 2020 research by Ebenezer, Musah, and Ahmed on the financial sustainability of NGOs in Ghana, 26% of NGOs were not financially viable, with a lack of funding being the biggest obstacle to NGOs' capacity to remain viable. NGOs needed to put strong financial management, dependable financial sources, and financial responsibility first in order to improve fund inflows, projections, and market trends (Forkuor & Korah, 2023). An organization's financial sustainability was closely related to its strength and well-being on the financial front. A lack of sustainability made it more difficult to bring in new funders or make more money (Salman & Hosny, 2021).

Important metrics for assessing financial sustainability included liquidity, net income, profitability, financing diversification, and the solvency of the business (Yitayaw, 2021).

1.1.3 Non-Government Organizations in Kenya

NGOs played a vital role in Kenya's development across various sectors, including health, politics, the economy, agriculture, and cultural advancement. They contributed significantly to both public and commercial development, enjoying benefits like corporate tax exemptions and VAT exemptions on a wide range of goods and services (Wanjohi, 2021). Their involvement in reforms positioned NGOs as crucial advocates, shaping broad policy debates and enhancing public health.

However, Kenya's NGOs faced challenges, with strained relationships with local residents attributed to political, historical, and cultural issues (Ebrahim & Kasturi, 2010). The decline in foreign engagement and donor funding was notable, leading to a shift towards more humanitarian relief efforts and a greater emphasis on financial mobilization. The reduction in donor funding directly impacted the operations of NGOs in Kenya, resulting in decreased activities due to financial unsustainability, a critical factor for sustaining NGO operations (Karanja & Karuti, 2014).

1.2 Statement of the Problem

Sustainable funding is crucial for enabling various NGOs to implement multiple programmatic interventions that not only benefit societies but also enhance living standards. Karanja & Karuti (2014) emphasized that funding sustainability was vital for the survival of NGOs, ensuring they could maintain their day-to-day operations and finance their projects once donor support ended (Alomba, 2020). In the Kenyan context, the number of NGOs had been increasing significantly each year, with currently 1270 registered NGOs, many of which relied on foreign donor funding. This dependency on donors often led to a situation where interventions were adjusted to align with donor

priorities (Nyanje, 2016). However, a concerning trend was that 70% of registered NGOs ceased operations within less than six years (Otieno, 2022). The decline in foreign donations was exacerbated by the 2013 Miscellaneous Amendment Bill, which attempted to limit foreign funding for NGOs to 15% of their budget. This legislation exacerbated the challenges posed by the current difficult circumstances, resulting in a situation where the demand for foreign funding exceeded its supply, thereby affecting the sustainability of NGOs.

Mohamed (2022) highlighted that the majority of NGOs relied on international donors for funding, leading to financial crises when these donors reduced or ceased their funding, causing some NGOs to halt operations and leave projects unfinished. Local studies conducted in Kenya, such as Kimani (2022), had examined factors influencing the sustainability of Kenyan NGOs and found that finance sources, management, and government policies affected their sustainability. Ibrahim (2021) investigated factors influencing sustainable funding for Sisters Maternity Home in Garissa and found that government support, income generation, and relationship management were crucial. However, tough economic conditions had affected global funding, resulting in many NGOs ceasing operations due to inadequate sustainable funding. For instance, Beam (2011) mentioned that the Academy for Educational Development (AED), an international NGO, ceased operations after USAID stopped funding in 2010. Jhuti (2015) conducted a study on the determinants of implementing non-governmental projects with a focus on World Vision, while Nyanje (2016) studied factors affecting the implementation of NGO projects in Nakuru County.

Instead of examining organizational factors and processes that influence organizational impact, the majority of research on NGOs in Kenya tended to focus on government involvement, capacity building, and program outcomes. To the best of the scholar's

knowledge, there was a lack of international or local research that covered the financial mobilization strategies adopted by NGOs in Nairobi County, Kenya, to enhance their financial sustainability. This gap in knowledge was significant, considering that NGOs played a crucial role in health, education, and other social developments in Kenya. Recognizing this gap, the investigator aimed to address it by conducting a study on the analysis of financial resource mobilization strategies and their impact on the financial sustainability of NGOs in Nairobi County, Kenya.

1.3 Purpose of the Study

The purpose of this study was to analyze the effect of financial resource mobilization strategies on financial sustainability of non-governmental organizations in Nairobi County, Kenya.

1.4 Specific Objectives

The study was guided by the following specific objectives;

- i. To establish the effect of financial planning strategies on financial Sustainability of NGOs in Nairobi County Kenya.
- ii. To examine the effect of donor fund management strategies on financial sustainability of NGOs in Nairobi County Kenya.
- iii. To determine the effect of own income generation strategies on financial sustainability of NGOs in Nairobi County Kenya.
- iv. To determine the effect of income diversification strategies on financial sustainability of NGOs in Nairobi County Kenya.

1.4 Research Questions

The study sought answers to the following research questions;

- i. To what extent does financial planning strategies affect financial Sustainability of NGOs in Nairobi County Kenya?

- ii. What is the effect of donor fund management strategies on financial sustainability of NGOs in Nairobi County Kenya?
- iii. How does own income generation strategies affect financial sustainability of NGOs in Nairobi County Kenya?
- iv. What is the effect of income diversification strategies on financial sustainability of NGOs in Nairobi County Kenya?

1.5 Significance of the Study

The research holds significance for the NGO sector as it would provide insights into financial resource mobilization strategies that can support various NGOs in maintaining funding over the long term. This knowledge would be valuable for stakeholders, including communities and management committees, as it sheds light on income-generating activities that can enhance the financial sustainability of NGOs, making their operations more efficient and effective in achieving objectives.

Additionally, the findings of the study will serve as a valuable resource for researchers and scholars, providing a basis for further investigation. Students and academics can use this research as a reference point for discussing sustainable funding and the strategic processes involved in financial resource mobilization for NGOs. Furthermore, the study will serve as a reference material for future researchers exploring related topics and will assist academicians focusing on similar subjects in their studies.

1.7 Scope of the Study

Nairobi is home to a diverse array of NGOs, comprising international, regional, and national organizations that collaborate with numerous CBOs and other entities. These NGOs are actively involved in various sectors, including agriculture, water, education, environment, health, human rights, gender and development, children's rights, poverty alleviation, peace, population, training, counseling, small-scale enterprises, disability,

among others. The NGO sector in Kenya is overseen by the NGO Council, which assumes a leadership role in regulating these organizations.

The study was grounded in resource dependence theory, resource mobilization theory, and resource-based theory to elucidate the relationship between independent and dependent variables. Specifically, this research aims to examine the financial resource mobilization strategies and the financial sustainability of registered non-governmental organizations in Nairobi County over a five-year period from 2019 to 2022.

1.8 Limitations of the Study

This research analyzed the strategies employed by Non-Governmental Organizations in Nairobi City County to mobilize financial resources and maintain financial sustainability. Despite putting in considerable effort and care, the researcher faced resistance from respondents who were reluctant to answer questions related to finances. However, the researcher addressed these concerns by explaining the study's nature and assuring respondents of the confidentiality of their information.

Another obstacle anticipated by the researcher was the inability to obtain permission from NGOs managers to collect data on the initial visit. To mitigate this challenge, the researcher proactively scheduled appointments with managers before the planned visit, presenting a university letter of introduction and emphasizing the study's academic nature. The researcher guaranteed managers that no information about their organizations would be disclosed to potential competitors.

Additionally, recognizing that subjects might face time constraints during on-site visits due to work-related issues, the researcher addressed this by leaving the questionnaires with the subjects and collecting them after a period of two to three days. This approach ensured that participants had adequate time to complete the questionnaires without interrupting their work responsibilities.

1.9 Delimitations of the Study

The study's delimitations pertained to the limitations imposed by the researcher regarding both the purpose and scope of the study, as elucidated by Tlali (2018). According to Ferguson (2019), delimiting a study involved considerations related to the nature and size of the sample used, as well as the unique characteristics of the settings and the timing within which the research was conducted. The theoretical framework of the study was delimited to three theories: resource-based theory, resource dependence theory, and resource mobilization theory. This delimitation to the three theories was informed by the understanding that these theoretical frameworks would adequately explain the rationale behind the implementation of financial resource mobilization strategies and their eventual impact on financial sustainability within the context of NGOs.

Conceptually, the study focused on exploring the impact of financial resource mobilization strategies on the financial sustainability of NGOs in Nairobi County, Kenya. Specifically, the study examined four specific independent variables: financial planning strategy, donor funding strategy, income-generating strategy, and income diversification strategy. The selection and use of these variables were guided by the reviewed literature. Moreover, financial sustainability, which served as the outcome variable of the study, was operationalized in terms of the adequacy of resources, self-sufficiency, reliance on revenue, and stakeholder engagement.

Methodologically, the study was delimited to 134 employees of NGOs within Nairobi County. The study adopted a descriptive study design and utilized both primary and secondary data. Questionnaires were used to gather primary data, while data collection sheets were employed for secondary data collection.

1.10 Assumptions of the Study

This study assumed that the concept of financial resource mobilization strategies and their effects on financial sustainability was familiar and well understood by the respondents. Therefore, the information provided would be true. A second assumption was also held that there were available resources that could be developed to financially sustain NGOs in Nairobi County. Finally, it was assumed that the NGOs in Nairobi County had various resource mobilization strategies that they undertook.



1.11 Operational Definition of Key Terms

- Financial Sustainability:** The capacity to sustain or enhance financial stability over time, ensuring the ongoing and enduring accomplishment of an organization's mission, goals, and objectives.
- Income diversification strategies:** It is a diversified strategy across multiple sectors, allocating investments across a wide range of credit market segments, including both investment-grade and high-yield, as well as emerging market debt within non-governmental organizations (NGOs).
- Financial planning strategies:** involves examining and understanding the current financial situation and future prospects of an investor or organization. It utilizes existing parameters to forecast and plan for future cash inflows and outflows, as well as the values of both fixed and non-fixed assets, along with withdrawal strategies. This analysis employs budget control, financial analysis, and stock selection as key measurement tools in the study.
- Income Generating Strategies:** These are endeavors focused on seeking higher revenue in tangible terms for any organization. Generating income is a crucial undertaking for the organization's future financial viability.

Resource Mobilization: It encompasses all efforts to acquire fresh and additional resources for your organization, along with optimizing the utilization of existing resources. Resource mobilization is commonly known as 'New Business Development,' serving as the catalyst for activities that not only meet the requirements but also assure the provider that the resources have been judiciously and efficiently utilized.

Donor Fund Management: The act of improving the judicious utilization of resources to boost donor retention, engagement, and investment prospects. This research assesses this process through donor segmentation, ensuring accountability, and fostering meaningful communication.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter delves into the examination of literature related to financial mobilization strategies and financial sustainability concerning non-governmental organizations located and functioning within Nairobi County. In particular, the chapter encompasses a theoretical overview, an empirical examination, a conceptual framework, and recap of literature review.

2.1 Empirical Review

This section examined existing literature regarding income generation strategies and financial sustainability of non-governmental organizations. It explored topics such as financial planning, donor funding, income generating and income diversification based on the insights provided by previous researchers.

2.1.1 Financial planning and Financial Sustainability

Financial planning is key for the performance of the local NGOs. However, there are several cases of poor financial planning and control imputed to the management of NGOs which affects performance (Hassan & Forhad, 2018). They include alleged management complicity in financial wrongdoings at the board level. Organizations may define all the essential tasks needed to accomplish the goals of the NGOs by using financial planning. Financial plans make it possible to pinpoint the precise individual in charge of making sure the goals are accomplished effectively and within the projected time frame. According to Hassan and Forhad (2018), financial planning includes budget management, setting overhead caps, financial reporting, analysis of financial ideas, and stakeholder interaction. Considering financial planning and budgeting as a strategic process is the best course of action. First and foremost, it's critical to recognize that the

NGO's ability to finance project development is what will ultimately determine its destiny and its potential to impact community life.

Milelu (2018) examined the influence of financial planning on the financial sustainability of NGOs located in Nairobi. The study found that the financial management practices of organizations were affected by the implementation of effective financial planning policies. Operations within these organizations were conducted based on allocated budgets, with periodic reviews to ensure alignment with the institutional mission. Insufficient engagement in sound financial planning was identified as a risk, potentially diverting the organization's focus towards daily financial challenges and undermining its long-term financial goals. This finding was consistent with Rono's (2012) observation that reliance on international funding compromises the independence of local NGOs, limiting their ability to set their own agenda a concern shared internationally among NGOs.

The research emphasized the critical importance of proper financial planning practices for NGOs, not only for ethical reasons but also for the fulfillment of long and short-term objectives. The study argued that sound financial planning, coupled with effective organizational frameworks, plays a pivotal role in convincing donors that local NGOs possess robust financial controls, ensuring that funds are utilized for their intended purposes. The study conducted by Milelu (2018) encompassed a research population of 80,200 employees from Kenyan NGOs, with a sample size of 100 participants. It employed quantitative techniques and focused on three variables. In contrast, the current study will involve a sample of 134 NGO employees in Nairobi, Kenya, utilizing both quantitative and qualitative techniques and exploring four variables.

Shigoli (2018) explored the factors influencing the strategic implementation of donor-funded projects by Kenyan NGOs, specifically focusing on the International Rescue

Committee, Kenya. The research revealed that, despite significant opportunities for improving decision-making on investment, structuring, and financing, large projects often face financial challenges. A substantial proportion of these projects fail to meet their objectives, with only 40% aligning with the organization's strategy. Donors closely monitor their funds, restricting their use to specific expenses, and often disallow beneficiaries from using the money for overhead costs such as fundraising, human resources, and capital costs. Moreover, funders typically operate within fixed time frames, providing financial support for durations ranging from 1 to 3 years (Shigoli, 2018).

The operational environment of projects can be characterized by unpredictability and uncertainty, directly or indirectly impacting the financial resources available throughout the project's duration, posing a form of risk that requires effective management. Shigoli's study employed a descriptive study design, targeting 146 individuals with a sample size of 44 respondents and utilizing three variables. In contrast, the present research aims to survey 201 staff members of the organization, with a sample size of 134 participants, and will incorporate four variables in its investigation.

Mutinda and Ngahu (2016) explored the determinants of financial sustainability among NGOs in Nakuru County. The findings suggested that the effectiveness of financial controls as a tool for financial management hinges on their capacity to monitor expenses and pinpoint weaknesses in the financial planning management system, which could potentially result in fund losses. Managers are advised to ensure the inclusion of robust financial controls in their organizations' financial planning to mitigate the risk of organizational challenges, especially since funders are sensitive to potential misappropriations that could result in the suspension of funding. According to the study's findings, financial management systems are essential to NGOs' capacity to maintain their

financial viability. The research included 96 participants and targeted 168 program managers from 56 registered NGOs in Nakuru, Kenya. On the other hand, the present study, which has a chosen sample size of 134 individuals, focuses on NGOs in Nairobi. Mohamoud and Muturi (2017) conducted a study to explore the factors influencing the financial sustainability of local NGOs in Somalia. The research highlighted the significant role played by financial strategies in ensuring the sustainability of NGOs. The findings suggested that effective management, encompassing capabilities and factors such as financial planning and governance structures, positively impact the sustainability of these organizations. The study identified challenges in the sector, such as the absence of financial planning. Further, the research emphasized that sustainability is bolstered by the development and implementation of financial strategies, as well as the allocation of funds for the activities of local non-governmental organizations. The study involved a sample size of 94 staff members, specifically targeting the management teams of NGOs in the Puntland state of Somalia. However, the current research will focus on the top management employees of organizations in Nairobi, Kenya, with a planned sample size of 134 respondents.

In a related study, Kristin (2016) investigated the financial sustainability of Canadian NGOs and revealed that these organizations employed various financial instruments to address unforeseen future risks, such as donor withdrawals or financial shortages. The study emphasized the importance of prudent financial planning for ensuring financial sustainability. Unlike prioritizing profitability, NGOs focus on assessing and reporting their financial standing. Financial reporting, including information beyond accounting practices like disbursement and deposit records, plays a crucial role in decision-making. Kristin's study analyzed five different NGOs operating in three sectors in Canada,

utilizing qualitative data analysis. However, the current research will be conducted in Kenya, specifically focusing on NGOs in Nairobi County.

2.1.2 Donor Fund management and Financial Sustainability

The importance of donor resources for the effectiveness of NGOs is well-established and frequently discussed in the literature on non-profit organizations. However, Turary (2017) argues that when a substantial portion of an organization's funding originates from external sources, it can have a lasting impact on the NGO's performance if there is a withdrawal of external funding. This implies that organizations relying solely on external funding may face challenges in financing some of their initiated and commendable proposals. The dependence on external funding creates obstacles for local NGOs in achieving their stated objectives. To maintain the support of donors and their funding, Lewis (2018) suggests that NGOs must effectively manage their relationships with donors. Managing donor relationships involves the establishment and cultivation of positive connections with donors. Fernand (2006) adds that external financing tends to impose certain constraints on local NGOs. The primary challenge for local NGOs appears to be balancing the demands of donors, as a loss of financial aid could have severe consequences not only for performance but also for the compensation of personnel.

NGO self-control is a recurring theme, and it requires careful scrutiny. Contractual agreements often include restrictive conditions that can impact the successful development of proposals and, at times, the organizational structures of local NGOs. These constraints may lead to delays in wage payments, insufficient funding for proposals, and the subordination of local NGOs' priorities to those of the donors.

Lewis (2018) contends that achieving effective donor management necessitates a clear segmentation and prioritization of donors, leading to the formulation of explicit goals

and action plans outlining how NGOs will engage with specific donor segments to attain desired outcomes. Although all donors hold importance, their significance to the NGO's work can vary significantly, along with their motivations and requirements (Davis, 2018). These variables are taken into account by successful relationship management, which helps the NGO decide on the best course of action, personnel commitment, and degree of action for each donor group in order to effectively implement its financing model. Non-profit organizations may increase grant effectiveness, provide more consistent and sustainable income, and ultimately achieve better results by developing and putting into place efficient procedures and processes that foster strong connections with donors (Davis, 2018).

Maintaining donor relationships also entails keeping careful track of how donor money are used in accordance with the conditions set out in agreements (such as budgets, timetables, grants, and project scope). Local NGOs should be aware of the needs of donors, the assigned contact person, and the guidelines established by that person when it comes to relationship management (Lewis, 2018). This is evident through indicators such as the number of returning donors, changes in donor funding amounts, and the completion of projects funded by donors. A decline in returning donors, reduced funding amounts, or stalled donor-funded projects signify a weakened donor relationship within the NGO. Addressing this requires ongoing communication, proper fund utilization, the preparation and presentation of financial reports to donors, and meeting the conditions set by the donors (Moore, 2015).

Donors often have their own objectives and priorities, which may or may not align with those of NGOs, as noted by Mitchell and Calabrese (2019). These organizations may not necessarily share a common mission or ultimate goal. At times, NGOs may choose to collaborate with an organization that has a stated mission different from their own,

especially when heavily dependent on a single donor's funds and having limited influence over their organizational activities. In such scenarios, NGOs may compromise their autonomy, credibility, and, in some cases, their core mission and values, as highlighted by Khieng and Dahles (2014). This dynamic creates a situation where donors can easily influence the organization according to their desires and agenda. Faced with a change in donor objectives, NGOs typically opt for adjustment over exit or voice, leading to what is commonly known as mission creep (Getachew, 2015).

To counteract funding manipulation, NGOs should seek donors with whom they share a similar or nearly similar mission and vision. When the donor and NGO mission and vision are aligned, NGOs usually retain control of their institution and the progress made, representing the most ideal scenario for accomplishing their mission and vision (Hanken et al., 2018). Further, NGOs can mitigate the risk of funding manipulation by diversifying their sources of resources, as suggested by Khieng and Dahles (2014). Avoiding dependence on a single donor or government provides NGOs with the option to walk away rather than succumb to demands from either entity. This approach also reduces financial risk and burden, as donors often change their core focus. Diversification allows organizations to have more flexibility in their funding sources. NGOs can also take individual measures to prevent funding manipulation by building relationships with donors that allow for the expression of their opinions, maintaining commitment to their financial mission, and investing in the organization. These proactive measures strengthen the institution's commitment to its original purpose and decrease the likelihood of goal displacement.

2.1.3 Income Generating and Financial Sustainability

Kaukumangera (2021) asserted that income-generating activities encompass all endeavors aimed at providing opportunities for NGOs to effectively utilize locally

available resources, thereby enhancing their overall performance. These activities also strive to leverage local resources for the collective benefit of the community. Accessing donors poses a significant challenge for NGOs, as noted by Green and Haines (2015). The difficulty lies in securing adequate, suitable, and consistent funding for their initiatives. There is a perception among NGOs that a select group of individuals and other organizations controls access to donor funds. Additionally, NGOs often lack skills in resource mobilization and tend to overlook locally available funds, instead preferring approaches from international donors (Green & Haines, 2015).

Previous studies indicated that, in response to shifts in the funding climate and the financial difficulties faced by many NGOs during economic uncertainties, formalized collaborations are being considered as a strategy to adapt to the changing resource landscape and reduce competition for funding sources (Renz, 2018). This shift is evident as non-profit leaders actively seek potential partnerships, and funders themselves aim to maximize impact with limited resources (Renz, 2018).

Firstly, engaging in income-generating activities doesn't always lead to immediate monetary gains. Ultimately, the value of goods and services produced is quantified in monetary terms. Secondly, NGOs have the potential to generate income through strategic investment of existing resources. According to Desa (2017), local resource mobilization enables NGOs to gather money from citizens, local companies, the government, and sources of revenue created locally. Accountability systems, robust governance, well-defined plans, and local credibility are necessary to achieve this. Because of the past dependence on donors, there has often been a propensity to match donor goals with initiatives. Organizational viability, resource continuity, and long-term effect must be given top priority by NGOs. Effective performance in each category demands strategic

agility, and overall performance relies on creating a positive and reinforcing connection among these three aspects (Viravaidya & Hayssen, 2017).

Income-generating activities played a crucial role in providing NGOs with a means to enhance their performance. Participation in such activities within communities can contribute to broader local economic development. Business activities, through the rent on factors of production and skillful combinations of these factors in income generation programs, generate income for non-profit organizations. The notion of engaging in business speculation and risk-taking for profit appears contrary to the ethos of NGOs, many of which lack the necessary business skills as they operate within the non-profit sector (Green & Haines, 2015). It is now imperative for the NGO community to consider involving the public in income-generating activities to raise funds for their work. Organizations that specialize in social work might consider marketing and fundraising essential tasks related to boundary management. While they are very important jobs, NGO leaders shouldn't be overburdened with them since they may not always have the right abilities and mindset for them (Green & Haines, 2015).

Viravaidya and Hayssen (2017) suggested that non-profit organizations possessing assets have the opportunity to generate income, which they can utilize as they see fit. This may involve offering consultancy services, renting out buildings, providing training, engaging in trade using their name, or promoting locally made products. However, Hermes and According to Lensink (2019), the inclusion of a participatory element in non-governmental organizations' development plans may not always result in greater financial gains for women who get assistance from these programs.

Organizational accountability to their members is crucial for maximizing economic benefits. Shuqair and Abdel-Aziz (2017) highlight that while NGOs are often exempt from taxes in many countries, engaging in income-generating activities might lead to a

change in their tax status in some places. This restriction limits the range of resource mobilization activities such organizations can undertake. Additionally, certain major international donor agencies, despite advocating for NGOs' self-reliance, may be unwilling to fund projects that incorporate commercial components (Viravaidya & Hayssen, 2017). Even when an NGO can embark on income-generating ventures, there remains the ethical dilemma of whether it can pursue such ventures without exploiting the very people it aims to benefit.

2.1.4 Income Diversification and Funding Sustainability

In Kiambu County, Wachira (2016) looked at "factors that affect local NGOs' financial sustainability." According to the research, NGOs get financing from donors as well as other sources, such as income-generating ventures. This indicates that donor funding is not the only source of funding needed to achieve financial sustainability. It is implied that, although having a variety of funding and finance sources, the bulk of Kiambu County received funds from donors. According to the results, organizations relied heavily on donors for funding; yet, they also engaged in income-generating activities and conducted external fundraising to demonstrate that they were not financially dependent just on donors. The study focused only on non-governmental organizations (NGOs) in Kiambu County, with 38 NGOs and 180 county workers as respondents. STATA was used for data analysis, and a basic random approach was applied. However, this research will include an NGO in Nairobi County, Kenya; 134 workers of the organization will serve as respondents, and SPSS will be utilized for evaluation.

A research on "the impact of income diversification on the financial sustainability of NGOs in Ghana" was carried out in 2020 by Ebenezer, Musah, and Ahmed. The study discovered that the financial viability of NGOs was highly impacted by both revenue diversification and the existence of a financial strategic plan. The high dependence on

donor financing led to interventions aligning with the priorities of donors, emphasizing the need for NGOs to develop a diverse resource base that aligns with their own objectives rather than being dictated by donors. Recognizing the promise of domestic funding sources, the study suggested that NGOs should formulate strategies to encourage local communities to contribute, filling the financial support gap left by foreign funders who may be less reliable. The report suggested that in order to lessen their growing reliance on foreign aid—which has become less dependable—NGOs in Ghana look into local financing sources. Using chi-square for descriptive statistics and three study parameters/variables, the research included 154 participants in the sample size, chosen from 249 registered and active non-governmental organizations. However, the present study will involve 134 respondents from a population of 201 NGOs in Nairobi County Kenya, using descriptive statistics such as frequencies and percentages.

Despard et al., (2017) explored the impact of diversifying revenue on the financial stability of non-governmental organizations (NGOs) in Sub-Saharan Africa. Their research indicated that the necessity to cover increasing operational expenses is a significant motivator for NGOs to pursue a variety of income sources. Similar to conventional businesses, NGOs face various operational costs in their day-to-day operations. Since donor funding is often limited to specific programs, NGOs are compelled to seek alternative income streams to meet their daily financial requirements. The study specifically focused on NGOs in Sub-Saharan Africa, collecting data through an online survey of 170 NGOs and employing probit regression for analysis. In contrast, the present study will utilize a multiple regression model and concentrates on a specific NGO in Kenya, employing questionnaires as the primary method of data collection.

Islam's (2016) investigation delved into the vulnerabilities of NGOs concerning donor reliance and resource dependence. The study highlighted that, in response to diminishing

financial support from external donors, NGOs have expanded their efforts to secure funds at the community level, engaging local corporate donors, and seeking support from local and national governments. The research argued for the importance of NGOs diversifying their funding sources to fortify their organizational structure. Overreliance on a single donor was discouraged, advocating for a broad spectrum of private and public funding sources. This dispersion of donor power among various agencies, rather than a few, would minimize the risk of NGOs aligning closely with governmental or foreign motives when they are not solely dependent on them for resources. The study analyzed three NGOs situated in Lebanon, utilizing three variables. However, the current study places will emphasis on NGOs in Nairobi County Kenya, employing four variables in its analysis.

2.2 Theoretical Review

In this section, an exploration was presented of the diverse theories serving as the foundation for the study. The discussion focused on theories such as resource-based theory, resource mobilization theory, and Resource Dependence Theory. These theories were elaborated upon in the subsequent sections.

2.2.1 Resource-Based Theory

Proponents of the resource-based view (Penrose 1959; Wernerfelt in 1984) contended that an organization's distinctive qualities and enduring competitive edge stemmed from how it managed and leveraged its resources, including its human capital. They asserted that the manner in which a firm utilized and combined its array of resources was what made it truly unique and allowed it to outperform rivals over the long term. The prevailing perspective on business strategy, known as the Resource-Based Theory or

Resource-Based View (RBV) of firms, centered around the idea of economic rent and perceived a company as an amalgamation of capabilities.

According to this theory, an organization's strategy was intricately linked to its available resources. It asserted that the resources an organization possessed guided the boundaries of its industrial activities. Further, it contended that the internally held resources and capabilities dictated the formulation of a long-term strategy. The argument posited that organizations were likely to outperform their industry rivals if they possessed ample resources and superior capabilities, providing a competitive advantage (Grant, 1991).

Building on the RBV, Hoopes, Madsen, and Walker (2003) provided a more thorough investigation of persistent variations across businesses, creating a more expansive theory of competitive heterogeneity. One criticism of the RBV, however, was that it could presume what it was trying to explain, which would lessen its explanatory ability. One could argue, for example, that the RBV characterized persistent performance disparities across organizations rather than speculating that they were caused by differences in resources and talents. This fine difference made it more difficult to appreciate the Resource-Based View's potential benefits (Hoopes et al., 2003). It was difficult to have productive discussions on the RBV since it was unclear about its central claim and lacked a clear demarcation. Because the theory was not very detailed, definition-based or hypothesis-based reasoning could be used at any point. Additionally, it was argued that variables other than enduring resources or talents might give birth to competitive heterogeneity, which was defined as long-lasting and systematic performance gaps among close rivals (Hunt & Madhavaram, 2020).

The Resource-Based View (RBV) makes use of a company's internal attributes to explain why different methods and levels of performance are used. In essence, a business is a unique and well-organized combination of elements known as resources and capabilities. RBV theory states that advantages come from two interrelated sources: capabilities and resources. All of the assets that a company has amassed are considered its resources; they include everything that the company may use to develop, manufacture, and sell its goods. Due to their legal protection, these resources provide businesses the ability to exercise their property rights over them (Amit and Shoemakers, 1993). Moreover, resources are not reliant on other members of the company to operate and contribute to the production process by converting inputs into outputs that satisfy consumer demands (Nyberg, Moliterno, Hale, & Lepak, 2014). Resource-based theory is the foundation of the income diversification approach.

The dependence approach, on the other hand, blames both donors and receivers while admitting that assistance cannot change recipients' behavior. Donors are criticized for giving out too little help (the big push strategy) and for giving money to nations with weak institutions and policies (the aid dependence approach). This implies a belief that contributors are not always at fault and that they may have been ignorant of the situation for many years.

2.2.2 Resource Mobilization Theory

Resource Mobilization Theory began with socio-economic movement analysis and was endorsed by Oberschall (1973). According to the notion, social movements cannot be successful unless they have the resources—money, time, and skills—and the know-how to make the most of them. This idea, which was initially revolutionary, moved the field of sociology from psychology to examine socio-economic processes. It stated clearly that, under the assumption that resources would remain unchanged, the success or failure

of these movements could be ascribed to the backing and assistance that they received from different organizations, including governments, as opposed to depending exclusively on the intrinsic, (ir)rational, (dis)organized, and emotion-driven characteristics of social movements (Crossman, 2019).

According to the resource mobilization hypothesis, social movements develop as a result of long-term adjustments made to a group's structure, resources, and chances for collective action (Edwards & Gillham, 2013). This theory holds that rather than stemming from a psychological propensity toward marginality and dissatisfaction, involvement in socio-economic movements is a rational decision based on an individual's appraisal of the costs and rewards (Klandermans, 1984). The idea of resource mobilization describes how social movements get resources from inside and outside in order to accomplish their goals (Jenkins, 1983).

The resource mobilization theory essentially states that the key to the success of socio-economic movements is the effective mobilization of resources and the establishment of political and economic possibilities for participants. Both material and immaterial resources may be mobilized by socioeconomic movements. Financial resources, organizations, labor, technology, communication tools, and mass media are all considered tangible resources. Conversely, intangible resources include things like authority, moral commitment, solidarity, social connections, networks, loyalty, legitimacy, and personal relationships (McCarthy & Zald, 1977).

Furthermore, Turner (2012) contended that, in the context of socio-economic movements, the central tenet of the resource mobilization theory is that groups whose beneficiaries are resource-poor need outside financing and assistance. A more sophisticated view of the idea is offered by the binary designation of members of socio-economic movement groups as either conscience or beneficiary constituents. In terms of

manpower, expertise, time, and intellectual resources, conscience constituents—external groups or persons that share the movement's aim, cause, or goal—become the main focus of socioeconomic movements. Thus, the onus shifts on the social movement, either alone or in tandem with the media, to articulate the movement's message and present its essence in a manner that speaks to its conscience supporters. Eltantawy and Wiest (2011) found that constituents who are consciences give more than beneficiary constituents when the message highlights their shared experiences.

According to Edwards and Gillham (2013), resource mobilization theorists argue that social movements are influenced by the alliances and regimes in power, the backing of powerful organizations, the acts of the elite, and strategic choices. These may include failure, gains without gains, acceptance without gains, and finally complete success. Therefore, mass media is quite important when it comes to social movements' political engagement. Social movements' political dynamics are shaped by its dual informational role of educating the public about elite acts and the elite about popular actions. It also interprets the actions of the movement in light of its cause, purpose, and objectives (Jenkins, 1983).

It clarifies the relationship between resource mobilization and the financial sustainability of socio-economic organizations within the scope of this theory. Since NGOs are included in this group of organizations, the theory is applicable to this research. It will help to understand the viewpoints of contributors and other backers who fund NGOs and related social projects or initiatives. In particular, the theory will help achieve the study goal about the donor funding mobilization technique, which is one of the methods used by some non-governmental organizations to get financing.

This idea has been employed in a number of empirical investigations to show how

businesses might use financial resources to preserve their financial viability. Davcik and Sharma (2016), for instance, used the resource mobilization theory to predict how marketing resources and a company's financial sustainability would interact. The resource mobilization theory's findings were also used by Casanueva, Gallego, and Revilla (2015) to explain the relationship between resource mobilization and a firm's capacity to maintain its competitiveness.

Although the theory is applicable, others contend that it is insufficient to describe the communal element of socio-economic movements, namely the networks of people and other organizations that support and provide services for these movements. Furthermore, the resource mobilization hypothesis ignores the ways in which socioeconomic movements unable to get sufficient resources or with inadequate means may nonetheless effect social change. The theory is challenged for failing to adequately account for macro-sociological elements like identity, culture, grievances, and new trends in which movements depend on sources of microfinance or the backing of purely economic movements that pay no regard to social problems.

However, the theory provides insightful information about methods for mobilizing financial resources. As previously mentioned, this theory holds that the creation of political possibilities for members and the efficient mobilization of resources are critical to the success of socio-economic movements. Financial resource mobilization tactics heavily rely on the mobilization of both physical and intangible resources, which these movements may mobilize. The idea also highlights the need for outside financing and assistance for socioeconomic movement groups that serve people who are weak or without resources.

2.2.3 Resource Dependence Theory

This idea, which was first presented by Pfeffer and Salancik in 1970, emphasizes how important the external environment is in deciding how sustainable an organization is (Baporikar, 2021). Supporters of this paradigm argue that since organizations depend on different actors in their surroundings, an unstable environment might be dangerous for the long-term viability of the organization. According to the notion, networks of interdependencies that are often reciprocal in character have a profoundly ingrained relationship with organizations. In order to achieve strategic goals for sustainability, this idea suggests that businesses manage their resource base well and maximize autonomy. This theoretical paradigm is supported by David and Cobb (2010), who highlight that resources are dependent on the internal and external operations of organizations, which are only understandable by those in positions of authority.

Resources in the framework of NGOs are always changing, and institutions are operating in a more restricted setting due to declining government financing. Institutions are forced to negotiate conflicting and incompatible expectations as a result of increased competitiveness and a desire for partnerships with rival businesses (Pilbeam, 2012). Given that non-governmental organizations (NGOs) depend on the outside world for their viability, this idea is consistent with the donor financing approach. Organizations' entire viability particularly that of non-governmental organizations, depends on the resources available to them. Working toward short-, medium-, and long-term financial and academic objectives with the help of diverse organizational, financial, and human resources is an essential part of managing non-governmental organizations effectively. Organizations are less likely to attain financial sustainability without this kind of help. Additionally, if a company relies too much on one revenue source, financial difficulties might develop. For example, in Kenya, NGOs that depend on government financing can

face delays, which might cause projects to stop and staff payments to be delayed (Mitchelle, 2018).

2.4 Conceptual Framework

Conceptual framework outlined the interconnections among the studied variables. As depicted in Figure 1, the independent variables encompass financial planning, donor funding, income generating and income diversification. The dependent variable in this context is the sustainability of funding.



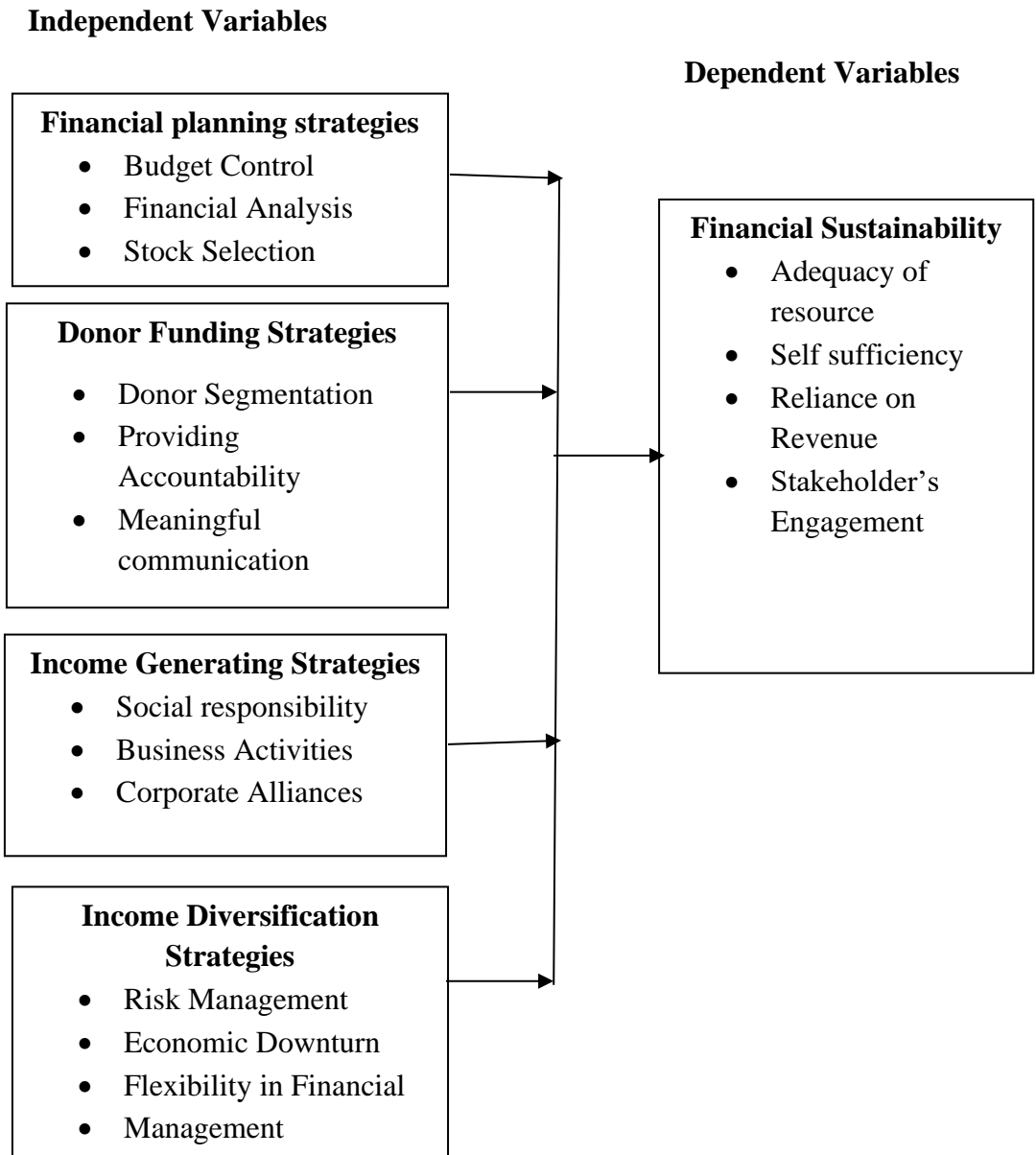


Figure 1: Conceptual Framework

Source: Researcher (2024)

2.5 Recap of Literature Review

Research on the sustainability of non-governmental organizations (NGOs) predominantly centered on financial aspects and performance indicators that gauged the overall sustainability of NGOs within a country. However, there was a noticeable scarcity of research examining other crucial variables. Most studies delved into specific areas

under these variables, such as Monitoring and Evaluation systems or fund utilization, but comprehensive investigations considering all the variables together were limited. This study sought to fill this gap by illustrating how financial planning, donor funding management, and the strategies employed by NGOs for income generation and diversification collectively influenced their financial sustainability.

Literature review revealed that since the mid-1980s, there had been a substantial proliferation of initiatives worldwide focused on "sustainable development" by various organizations. Despite the heightened activities of these organizations, progress toward sustainability had been gradual. The studies pointed to the reasons why only a few organizations had successfully implemented effective sustainability measures, identifying seven key "Sustainability blunders." It was strongly argued that organizations taking note of these blunders were likely to take the initial steps toward establishing a sustainable enterprise. The absence of a clear vision for sustainability left organizations struggling to adopt a sustainable path without a precise understanding of their goals and objectives.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

In this chapter, the study introduced the approach and framework employed for conducting the research. It delved into detailing the nature and origin of the data, as well as the target population and sampling techniques. Additionally, it elaborated on the methods used for determining the sample size. The chapter outlined the procedures for data collection and analysis, shedding light on reporting mechanisms and ethical considerations.

3.1 Research Design

Kothari and Garg (2014) defined research design as the plan, outline, or strategy utilized to develop solutions to research problems. Similarly, Kombo and Tromp (2011) suggest that research design can be understood as the overarching structure of research. For this study, a descriptive research design will be utilized. Cooper and Schindler (2010) define a descriptive study as focused on understanding the what, where, and how of a phenomenon. The advantage of this design lies in its ability to amalgamate both quantitative and qualitative data produced by the study. This design will be applied to evaluate the impact of resource mobilization strategies (independent variable) on the financial sustainability of both local and international NGOs (dependent variable) in Nairobi County, Kenya.

3.2 Target Population

The study's target population comprised the individuals, objects, and events that the researcher aimed to investigate (Malhotra et al., 2014). Pandey and Pandey (2021)

defined the target population as the comprehensive set of individuals, events, or objects within a real or hypothetical group to which the investigator intended to generalize the findings. In this specific study, the population under consideration consisted of all employees working within the chosen NGOs located in Nairobi City County. NGOs in Kenya were categorized as either international (originating from foreign countries) or national (originating within Kenya), totaling around 1,270. It's worth noting that there may have been more than 5,000 NGOs operating in the country. However, the study focused on the subset of 201 NGOs that were fully registered with the NGO coordination board and had their headquarters in Nairobi County by 2023. The target population for the study was senior managers selected from these active NGOs, as indicated in Table 1.

Table 1: Target Population

Category	Population	% of the Pop'
Environment	11	5%
Women	36	18%
Relief	39	19%
Health	29	15%
Education	29	15%
Economic	57	28%
Total	201	100%

Source: NGO Coordination Board website (2023)

3.3 Sampling Procedures and Techniques

As per Cooper and Schindler (2010), a sampling technique is described as the method employed by a researcher to select a sample size from the entire population. In that study, a sample was chosen from the population of 201 using a stratified random sampling technique. Stratified random sampling was an unbiased method that involved categorizing diverse populations into homogeneous subsets, followed by selecting individuals within each subset to ensure representation. The objective of stratified random sampling was to attain a representative sample from various sub-groups within

the population. Additionally, simple random sampling was employed to select respondents. According to Cooper and Schindler (2014), random sampling often minimized sampling errors in the population, as each item or element in the population had an equal chance of being chosen at each draw.

3.4 Sample Size

The size of the sample referred to the elements within a study that stood for the entire population or the specific elements being investigated within the study, from which inferences were drawn for the overall population (Babbie, 2011). The determination of the sample size was accomplished using Yamane's (1967) formula.

$$n = \frac{N}{1 + N(e)^2}$$

Where:

n = sample size

N = Population size

e = Margin error of the study

$$n = \frac{201}{1+201(0.05)^2}$$

$$= 134$$

The chosen sample size consisted of 134 participants, representing 66.7% of the entire population. The selection of respondents was conducted in proportion to the categories outlined in Table 2.

Table 2: Sample Size

Category	Population	Sample	Percent
Environment	11	7	5
Women	36	24	18
Relief	39	26	19
Health	29	19	15
Education	29	19	15

Economic	57	38	28
Total	201	134	100

Source: Researcher (2024)

3.5 Construction of Research Instruments

Structured questionnaires, incorporating both closed and open-ended questions, were utilized to collect primary data on financial resource mobilization. This approach was justified by its effectiveness in gathering data from selected respondents within a constrained timeframe. Moreover, the use of questionnaires ensured consistency in the manner questions were posed, thereby promoting uniformity in responses. Secondary data on financial sustainability was extracted from the financial statements published by the NGOs.

The questionnaires were segmented into various sections. Section A focused on gathering general information. The subsequent segments addressed topics such as the strategy for financial planning, donor funding management, income generating, and income diversification. The final section delved into aspects related to financial sustainability.

3.6 Pilot Study

A pilot test served as the initial phase of data collection in the research, aimed at uncovering potential flaws in design and instrumentation, as well as providing alternative data for selecting a probability sample (Dikko, 2016). Cooper and Schindler (2008) emphasized that a pilot test should involve subjects from the target population and replicate the procedures and protocols outlined for data collection. The primary goal of the pilot test was to evaluate the reliability and validity of the instruments. Mugenda and Mugenda (2012) proposed that a pilot test could involve 10% of respondents selected from the target population. Accordingly, for the pilot testing phase, 10% of the sample

size, or 14 participants, were utilized, with these individuals being excluded from the final study sample.

3.7 Testing for Validity and Reliability

3.7.1 Validity

Validity pertained to the accuracy and meaningfulness of inferences drawn from research findings (Mishra & Alok, 2022), and it could be strengthened by minimizing errors in the collected data. The research instrument underwent a pilot test with 14 respondents who were distinct from those chosen for the final study. This involved a thorough review of the questionnaire with the respondents to ensure that each item was framed in the least ambiguous manner. The primary objective of the pilot study was to establish the construct validity of the instruments (Mugenda & Mugenda, 2012). Through the pilot study, potential issues that respondents might encounter while answering the questions were identified. Subsequently, the piloted questionnaire underwent revisions, with adjustments made to address any ambiguities in the items.

3.7.2 Reliability

Reliability, as defined by Mellinger and Hanson (2020), referred to the consistency in measurement. In this study, the researcher assessed the reliability of the data using Cronbach's Alpha (α) model. According to Taber (2018), Cronbach's alpha reliability coefficient typically ranged between 0 (indicating no consistent variance) and 1 (indicating perfect consistency in variance). The closer the coefficient was to 1.0, the greater the internal consistency among the items in the scale. A satisfactory alpha (α) score was considered to be 0.70 or higher, as outlined by Mellinger and Hanson (2020). To evaluate the reliability of the questionnaire, the study utilized Cronbach's Alpha, a measure of internal consistency. The calculation of Cronbach's alpha was conducted

using SPSS for reliability analysis. The alpha coefficient, ranging from 0 to 1, was employed to assess the reliability of factors derived from dichotomous or multi-point formatted questionnaires or scales, with a higher value indicating a more reliable scale. Cooper and Schindler (2008) specified 0.7 as an acceptable reliability coefficient.

3.8 Data Collection Methods and Procedures

The researcher sought research permission from the Nairobi City County Commissioner's office to conduct a study inside the County after receiving authorization from the university to collect data. Before the actual data collection date, the researcher conducted preliminary visits to the NGOs under investigation to establish a connection with the participants, following official authorization from the relevant county commissioner. Given the busy schedules of the NGO employees, particularly the target respondents who were managers, the researchers administered questionnaires in person. This approach was adopted as these individuals lacked the time to fill out questionnaires left in their offices. The goal was to ensure prompt completion and return of the questionnaires after the research concluded. To accommodate the absence of the target respondents due to office duties, appointments were secured by the researcher through written communication. In case of delayed responses, follow-up actions were taken. The design of the questionnaires was deliberately kept simple, allowing respondents to complete the questions in the shortest time possible.

3.9 Data Analysis Methods

Data from the study was both qualitative and quantitative. Coding was used for the quantitative data, and the data was imported into SPSS Version 27, Statistical Packages for Social Scientists, for descriptive statistical analysis. The substance of the replies guided the examination of the qualitative data. Descriptive statistics, including measures

of central tendency and dispersion (mean and standard deviation, respectively), as well as absolute and relative percentage frequencies, were utilized. Tables and figures were used to display the quantitative data, and prose was used to explain the findings. Karl Pearson's coefficient of correlation and multiple regression analysis were used in this research to determine the link between independent and dependent variables. The regression equation was formulated as part of this analysis.

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$$

Where;

Y = Financial Sustainability of NGOs,

X₁ = Financial Planning

X₂ = Donor Funding Management

X₃ = Income Generating

X₄ = Income Diversification

β₀ = Constant Term

β₁, β₂, β₃ and β₄ = Coefficients of Determination

ε = Error Term

3.10 Ethical Consideration

Data from the study was both qualitative and quantitative. Coding was used for the quantitative data, and the data was imported into SPSS Version 27, Statistical Packages for Social Scientists, for descriptive statistical analysis. The substance of the replies guided the examination of the qualitative data. Descriptive statistics, including measures of central tendency and dispersion (mean and standard deviation, respectively), as well as absolute and relative percentage frequencies, were utilized. Tables and figures were

used to display the quantitative data, and prose was used to explain the findings. Karl Pearson's coefficient of correlation and multiple regression analysis were used in this research to determine the link between independent and dependent variables.



CHAPTER FOUR

RESEARCH FINDINGS AND DISCUSSIONS

4.0 Introduction

This chapter is dedicated to analyzing and interpreting the data collected, aligning with the goals outlined in chapter one. It focuses on presenting the outcomes of the research, particularly regarding the demographics of the participants, their approaches to generating income, and their financial performance within Nairobi City County. The research was steered by various strategies, including fundraising, diversifying income sources, developing projects for income generation, and strategies for income diversification, all aimed at achieving financial stability.

4.1 Response Rate

With a total sample size of 134 individuals and 124 responses received, the response rate of the study was 92.54%. This indicates that nearly 93% of the individuals approached for participation in the study provided responses, suggesting a relatively high level of engagement and cooperation within the sample population.

4.2 Reliability Statistics

The reliability analysis of the four-item scale is summarized by Cronbach's Alpha values. The Cronbach's Alpha coefficient is .793, indicating a good level of internal consistency among the items. This suggests that the items are reliably measuring the same underlying construct. Additionally, the Cronbach's Alpha based on standardized items is slightly higher at .799, reinforcing the robustness of the internal consistency. Given that a Cronbach's Alpha value above .7 is generally considered acceptable, and values above .8 are considered good, these results demonstrate that the scale is a reliable measure. With a total of four items, this high level of reliability indicates that the scale can be confidently used for further analysis and interpretation within the project.

Table 3 : Reliability Statistics

Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.793	.799	4

Source: Field Data (2024)

4.3 Demographic Information

4.3.1 Gender

Table 4 and the accompanying pie chart illustrate the distribution of respondents by gender. Among the 124 valid responses, 76 individuals identified as male, representing 61.3% of the total sample, while 48 individuals identified as female, accounting for 38.7% of the sample. The table provides both the frequency counts and the corresponding percentages for each gender category. The total row indicates the sum of respondents across both gender categories, with a total of 124 respondents, reflecting the entirety of the sample. The pie chart visually represents these proportions, with a larger segment for males (61.3%) and a smaller segment for females (38.7%), effectively highlighting the gender distribution within the sample.

Table 4: Gender

		Frequency	Percent
Valid	Male	76	61.3
	Female	48	38.7
	Total	124	100.0

Source: Field Data (2024)

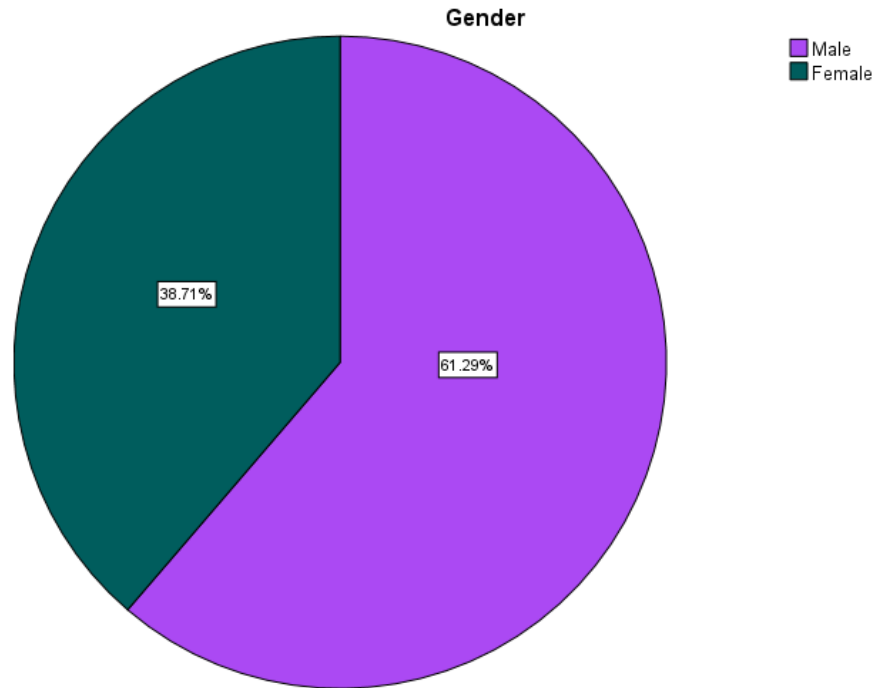


Figure 2: Gender

Source: Field Data (2024)

4.3.2 Age bracket

Table 5 illustrates the distribution of respondents by age bracket. Among the 124 valid responses, 14 individuals are below 25 years, representing 11.3% of the total sample. The largest age group consists of those between 26 and 30 years, with 35 individuals accounting for 28.2% of the sample. This is followed by 21 individuals between 31 and 34 years, making up 16.9% of the sample. There are 17 respondents between 35 and 40 years, representing 13.7% of the sample, and 22 respondents between 41 and 44 years, accounting for 17.7% of the sample. Smaller proportions are seen in the age groups of 45 to 50 years and over 50 years, with 7 individuals (5.6%) and 8 individuals (6.5%) respectively. The table provides both the frequency counts and the corresponding percentages for each age category, which helps in understanding the age distribution among respondents. Additionally, the cumulative percent column shows the increasing

percentage as each age category is added, culminating in a total of 100% at the final category.

Table 5: Age bracket

		Frequency	Percent
Valid	below 25 years	14	11.3
	26 - 30 years	35	28.2
	31 - 34 years	21	16.9
	35 - 40 years	17	13.7
	41 - 44 years	22	17.7
	45 - 50 years	7	5.6
	over 50 years	8	6.5
	Total	124	100.0

Source: Field Data (2024)

4.3.3 Highest education level

Table 6 presents the distribution of respondents based on their highest education level. Among the 124 valid responses, 30 individuals reported having a Secondary/Certificate level of education, representing 24.2% of the total sample. A slightly higher proportion of respondents, 38 individuals (30.6%), held a Diploma as their highest education qualification. The largest group consisted of individuals with a Bachelor's Degree, totaling 49 respondents (39.5%), indicating a substantial presence within the sample. A smaller segment, comprising 7 individuals (5.6%), reported having a Postgraduate degree as their highest educational attainment. This table provides both the frequency counts and the corresponding percentages for each education category, offering insights into the educational background of the respondents. The cumulative percent column displays the progressive accumulation of percentages, reaching 100% at the final category, indicating the entirety of the sample.

Table 6: Highest education level

		Frequency	Percent
Valid	Secondary/Certificate	30	24.2
	Diploma	38	30.6
	Bachelor's Degree	49	39.5
	Postgraduate degree	7	5.6
	Total	124	100.0

Source: Field Data (2024)

4.3.4 Sector of operation in the NGO industry

Table 7 showcases the distribution of respondents based on the sector of operation within the NGO industry. Among the 124 valid responses, a variety of sectors are represented. The largest segment consists of individuals operating within the Economic sector, with 35 respondents, accounting for 28.2% of the total sample. Following closely behind is the Education sector, with 26 respondents (21.0%), and the Health sector, with 27 respondents (21.8%). Additionally, the Relief sector encompasses 18 respondents (14.5%), while smaller proportions are observed in the Environment sector (12 respondents, 9.7%) and the Women sector (6 respondents, 4.8%). This table provides both the frequency counts and the corresponding percentages for each sector category, allowing for a comprehensive understanding of the distribution of respondents across different sectors within the NGO industry. The cumulative percent column demonstrates the progressive accumulation of percentages, reaching 100% at the final category, indicating the entirety of the sample.

Table 7: Sector of operation in the NGO industry

		Frequency	Percent
Valid	Environment	12	9.7
	Women	6	4.8
	Relief	18	14.5
	Health	27	21.8
	Education	26	21.0
	Economic	35	28.2
	Total	124	100.0

Source: Field Data (2024)

4.3.5 Years in operation

Table 8, along with the accompanying bar graph, illustrates the distribution of respondents based on the number of years they have been in operation within the NGO industry. Among the 124 valid responses, a diverse range of operational durations is observed. The largest proportion of respondents, constituting 50 individuals (40.3%), falls within the range of 2 to 5 years of operation, as indicated by the tallest bar in the graph. Following this, 29 respondents (23.4%) have been operational for 6 to 10 years, reflecting a notable presence within the sample. Additionally, 28 respondents (22.6%) reported having been in operation for less than a year, suggesting a noteworthy percentage of relatively new entrants into the NGO industry. A smaller yet significant segment, comprising 17 respondents (13.7%), has been operational for over 10 years, as depicted by the corresponding bar. This table provides both the frequency counts and the corresponding percentages for each duration category, enabling a comprehensive understanding of the distribution of operational durations among respondents. The cumulative percent column demonstrates the progressive accumulation of percentages, reaching 100% at the final category, indicating the entirety of the sample. The accompanying bar graph visually represents these proportions, effectively highlighting the distribution of operational durations within the NGO industry among respondents.

Table 8 : Years in operation

		Frequency	Percent
Valid	Less than a year	28	22.6
	2 - 5 years	50	40.3
	6 - 10 years	29	23.4
	over 10 years	17	13.7
	Total	124	100.0

Source: Field Data (2024)



Figure 3 : Years in operation

Source: Field Data (2024)

4.3.6 Number of employees in organization

Table 9 depicts the distribution of respondents based on the number of employees in their organizations within the NGO industry. Among the 124 valid responses, a diverse range of organization sizes is evident. The largest proportion of respondents, comprising 54 individuals (43.5%), reported having 11 to 15 employees in their organizations, indicating a significant presence within the sample. This is followed by 39 respondents (31.5%) whose organizations have over 15 employees, representing a substantial

segment within the NGO industry. Furthermore, 18 respondents (14.5%) reported having 6 to 10 employees, while a smaller proportion of 13 individuals (10.5%) indicated having 1 to 5 employees in their organizations. This table provides both the frequency counts and the corresponding percentages for each employee category, facilitating a comprehensive understanding of the distribution of organization sizes among respondents. The cumulative percent column demonstrates the progressive accumulation of percentages, reaching 100% at the final category, indicating the entirety of the sample.

Table 9: Number of employees in organization

		Frequency	Percent
Valid	1 - 5 Employees	13	10.5
	6 - 10 Employees	18	14.5
	11 - 15 Employees	54	43.5
	Over 15 Employees	39	31.5
	Total	124	100.0

Source: Field Data (2024)

4.3.7 Registration of organization

Table 10 and the accompanying pie chart illustrate the distribution of respondents based on the registration status of their organizations within the NGO industry. Among the 124 valid responses, respondents reported a variety of registration statuses. The majority of respondents, comprising 90 individuals (72.6%), indicated that their organizations are locally registered, suggesting a prevalent trend within the sample. Additionally, 24 respondents (19.4%) reported their organizations as foreign registered, reflecting a notable but smaller proportion within the NGO industry. Moreover, 10 respondents (8.1%) indicated that their organizations are registered both locally and as foreign entities, representing a smaller yet significant segment within the sample. The pie chart visually represents these proportions, with each segment of the pie corresponding to a registration status category. The dominant segment of the pie chart represents locally

registered organizations, followed by foreign registered organizations, and finally, organizations registered both locally and as foreign entities, effectively highlighting the distribution of registration statuses within the NGO industry among respondents.

Table 10: Registration of organization

		Frequency	Percent
Valid	local	90	72.6
	Foreign	24	19.4
	both	10	8.1
	Total	124	100.0

Source: Field Data (2024)

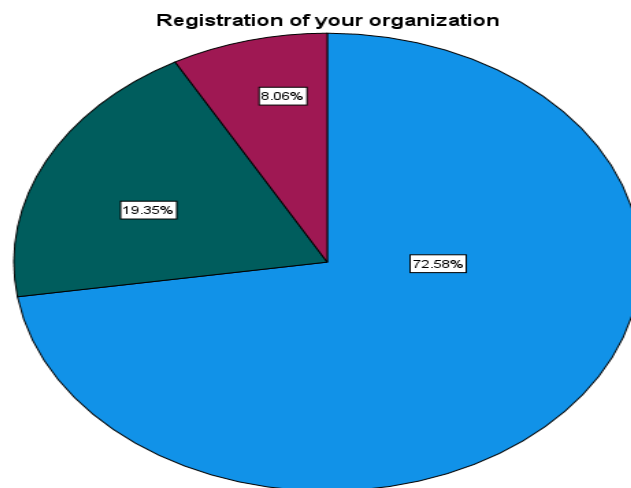


Figure 4 : Registration of organization

Source: Field Data (2024)

4.4 Descriptive Analysis

4.4.1 Financial planning and Financial Sustainability

The descriptive statistics provided offer insights into various financial management practices within the organization as perceived by respondents. On average, respondents somewhat agreed that every department participates in the creation of the yearly financial plan, with a mean score of 2.56 and a standard deviation of around 1.35, indicating some variability in responses. Similarly, respondents somewhat agreed that the organization imposes limits on overhead costs, with a mean score of approximately 2.29 and a

standard deviation of approximately 1.13, suggesting variability in opinions. Furthermore, respondents somewhat agreed that the development of financial plans has been instrumental in guaranteeing timely funding availability, with a mean score of about 2.81 and a standard deviation of approximately 1.44. Additionally, respondents somewhat agreed that annual fundraising goals are consistently met, as reflected in the mean score of approximately 2.43, with a standard deviation of about 1.33. The organization's regular reviews of the financial plan throughout the fiscal year were also somewhat agreed upon, with a mean score of approximately 2.42 and a standard deviation of around 1.30. Moreover, respondents somewhat agreed that detailed financial reports are compiled monthly and disseminated to all departments and donors, with a mean score of approximately 2.85 and a standard deviation of approximately 1.47. These findings suggest a general alignment of respondents' perceptions with the outlined financial management practices, although with varying degrees of consensus and some level of variability in opinions across different aspects.

Table 11: Financial planning and Financial Sustainability

	N	Minimum	Maximum	Mean	Std. Deviation
Every department participates in the creation of the yearly financial plan.	124	1.00	5.00	2.5565	1.35132
The organization imposes limits on overhead costs.	124	1.00	5.00	2.2903	1.13176
The development of financial plans has been instrumental in guaranteeing the timely availability of sufficient funding.	124	1.00	5.00	2.8145	1.43910
Annual fundraising goals are consistently met.	124	1.00	5.00	2.4274	1.32624
The organization conducts regular	124	1.00	5.00	2.4194	1.30101

reviews of the financial plan throughout the fiscal year.					
Detailed financial reports are compiled monthly and disseminated to all departments and donors.	124	1.00	5.00	2.8548	1.47441
Valid N (listwise)	124				

Source: Field Data (2024)

4.4.1.1 Correlation on Financial planning and Financial Sustainability against Performance

The correlation analysis conducted on the dataset of 124 participants reveals significant relationships among various factors related to financial planning strategies and organizational performance within the NGO industry. Firstly, a moderate positive correlation is observed between financial planning strategies and performance ($r = .254$, $p = .004$), indicating that organizations with stronger financial planning strategies tend to exhibit better performance outcomes. This suggests that effective financial planning is associated with improved organizational performance. Secondly, the significant positive correlation underscores the importance of financial planning strategies in driving organizational success and performance improvement. With a sample size of 124 respondents for both financial planning strategies and performance, these results provide valuable insights into the relationship between financial planning and organizational performance within the context of the study.

Table 12 : Correlation on Financial planning and Financial Sustainability against Performance

		Financial planning strategies	Performance
Financial planning strategies	Pearson Correlation	1	.254**
	Sig. (2-tailed)		.004
	N	124	124
Performance	Pearson Correlation	.254**	1
	Sig. (2-tailed)	.004	
	N	124	124

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

Source: Field Data (2024)

4.4.2 Donor Fund management and Financial Sustainability

The descriptive statistics provided offer valuable insights into several key organizational practices within the NGO industry. Firstly, regarding the implementation of comprehensive recognition activities, respondents' perceptions varied, with an average score of approximately 2.63 out of 5, indicating a moderate level of implementation. Secondly, there appears to be a clearer use of information management within the organization, as evidenced by a higher mean score of around 3.35, suggesting a relatively robust utilization of information management practices. However, promotion of meaningful communication by management seems to be perceived less favorably, with an average score of approximately 2.05, indicating room for improvement in this area. Additionally, the provision of accountability reports to donors is reported to occur less frequently, with a mean score of about 1.71 out of 4, suggesting a need for enhanced transparency and reporting practices. Lastly, while efforts to map donors aligning with the organization's vision and mission are recognized, there is room for improvement, as indicated by an average score of approximately 2.65. Overall, these findings shed light on both strengths and areas for development within organizational practices in the NGO

industry, highlighting the importance of effective recognition, communication, accountability, and donor alignment strategies for organizational success and impact.

Table 13: Donor Fund management and Financial Sustainability

	N	Minimum	Maximum	Mean	Std. Deviation
The organization implement comprehensive recognition activities	124	1.00	5.00	2.6290	1.50050
There is a clear use of information management in the organization	124	1.00	5.00	3.3468	1.51976
The management Promote Meaningful communication	124	1.00	5.00	2.0484	1.32429
The organization provides Accountability report to donors whenever need be.	124	1.00	4.00	1.7097	.89963
The organization has mapped a list of local and international donors who align to the organization's vision and mission.	124	1.00	5.00	2.6452	1.48266
Valid N (listwise)	124				

Source: Field Data (2024)

4.4.2.1 Correlations on Donor Fund management and Financial Sustainability against Performance

The correlation analysis conducted on the dataset of 124 participants reveals no significant relationship between donor fund management and organizational performance within the NGO industry. The Pearson correlation coefficient between these two variables is ($r=0.031$, $p\text{-value}=0.734$), indicating that the correlation is not statistically significant at the 0.05 level (two-tailed). This suggests that there is no clear

association between donor fund management practices and organizational performance within the context of the study. With a sample size of 124 respondents for both donor fund management and performance, these results provide insights into the lack of correlation between these variables within the NGO industry.

Table 14: Correlations on Donor Fund management and Financial Sustainability against Performance

		Correlations	
		donor fund management	Performance
donor fund management	Pearson Correlation	1	.031
	Sig. (2-tailed)		.734
	N	124	124
Performance	Pearson Correlation	.031	1
	Sig. (2-tailed)	.734	
	N	124	124

Source: Field Data (2024)

4.4.3 Income Generating and Financial Sustainability

The descriptive statistics provided offer valuable insights into several key aspects of organizational practices related to social responsibility, economic development, and resource mobilization within the surveyed firms. Firstly, respondents perceived a moderate level of effectiveness in the social responsibility initiatives offered by their firms, as indicated by a mean score of approximately 2.40 out of 5. This suggests that while efforts are being made in this regard, there is room for improvement to enhance the effectiveness of social responsibility endeavors. Secondly, involvement in income-generation activities was perceived to contribute to the advancement of local economic development, with a mean score of around 2.77 out of 5, indicating a perceived positive impact on local economies. However, respondents also noted that their organization's options for resource mobilization through income-generating activities are somewhat constrained by taxation, as reflected in a mean score of approximately 2.72 out of 5. This

highlights a challenge that organizations face in leveraging income-generating activities for resource mobilization. Additionally, respondents perceived engaging in revenue-generating initiatives as empowering their organizations to initiate independent projects without relying on external collaborators, with a mean score of approximately 3.22 out of 5, indicating a perceived positive outcome of such initiatives. Lastly, involvement in strong corporate alliances was perceived to be moderate, with a mean score of approximately 2.48 out of 5, suggesting opportunities for firms to further strengthen their corporate partnerships. Overall, these findings provide insights into the perceptions of organizational practices related to social responsibility, economic development, and resource mobilization among the surveyed firms, highlighting areas of strength and opportunities for enhancement in their strategic endeavors.

Table 15: Income Generating and Financial Sustainability

	N	Minimum	Maximum	Mean	Std. Deviation
My firm offers effective Social Responsibility	124	1.00	5.00	2.4032	1.45345
Involvement in income-generation activities has contributed to the advancement of local economic development.	124	1.00	5.00	2.7661	1.51475
Organization has a high number of business activities	124	1.00	5.00	2.2500	1.35925
Engaging in revenue-generating initiatives has empowered the organization to initiate independent projects without	124	1.00	5.00	3.2177	1.51180

relying on external collaborators.					
Our organization is Involved in strong corporate alliances	124	1.00	5.00	2.4758	1.45649
Our options for resource mobilization through income-generating activities are constrained by taxation.	124	1.00	5.00	2.7177	1.49558
Valid N (listwise)	124				

Source: Field Data (2024)

4.4.3.2 Correlations on Income Generating and Financial Sustainability against performance

The correlation analysis conducted on the dataset of 124 participants reveals a significant positive relationship between own income generation and organizational performance within the surveyed firms. The Pearson correlation coefficient between these two variables is ($r=0.250$, $p\text{-value}=0.005$), indicating that the correlation is statistically significant at the 0.01 level (two-tailed). This suggests that there is a meaningful association between engaging in own income generation activities and organizational performance. With a sample size of 124 respondents for both own income generation and performance, these results provide valuable insights into the positive impact of own income generation activities on organizational performance within the surveyed firms.

Table 16: Correlations on Income Generating and Financial Sustainability against performance

Correlations		own income generation	Performance
own income generation	Pearson Correlation Sig. (2-tailed)	1	.250** .005

	N	124	124
Performance	Pearson Correlation	.250**	1
	Sig. (2-tailed)	.005	
	N	124	124

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

Source: Field Data (2024)

4.4.4 Income Diversification and Funding Sustainability

The descriptive statistics provided offer valuable insights into several key organizational practices within the surveyed firms. Firstly, respondents perceive a moderate level of engagement in social entrepreneurship activities within their organization, with an average score of approximately 3.00 out of 5. This suggests that there is a notable presence of social entrepreneurship initiatives, although opinions vary among respondents. Secondly, the data indicates that organizations tend not to solely base their financial plans on donor limitations, with an average score of around 2.31 out of 5, reflecting a diversification of financial planning strategies beyond donor constraints. Additionally, respondents perceive some level of engagement in fundraising and development planning activities, as indicated by an average score of approximately 2.56 out of 5, though opinions vary regarding the extent of involvement. Furthermore, there is a strong emphasis on project management practices within the surveyed organizations, with respondents reporting a high level of monitoring of project cycles (mean score of approximately 3.39 out of 5). Moreover, while organizations engage in sourcing corporate donors (mean score of approximately 2.83 out of 5), there is a particularly high level of monitoring of shifting donor priorities (mean score of approximately 3.51 out of 5), suggesting a proactive approach to donor relationship management. Overall, these findings provide insights into the diverse array of organizational practices related to social entrepreneurship, financial planning, project monitoring, and donor engagement

within the surveyed firms, highlighting areas of strength and opportunities for further development in strategic initiatives.

Table 17: Income Diversification and Funding Sustainability

	N	Minimum	Maximum	Mean	Std. Deviation
Our organization engages in social entrepreneurship	124	1.00	5.00	3.0000	1.45390
In this organization we do not peg our financial plans on donor limitations only	124	1.00	5.00	2.3145	1.25178
Organization engages in fundraising and development plan	124	1.00	5.00	2.5645	1.44403
In this organization we closely monitor the cycle of each project	124	1.00	5.00	3.3871	1.39517
Organizations engages in corporate donors sourcing	124	1.00	5.00	2.8306	1.49101
In this organization we closely monitor shifting of donor priorities	124	1.00	5.00	3.5081	1.35848
Valid N (listwise)	124				

Source: Field Data (2024)

4.4.4.1 Correlations on Income Diversification and Funding Sustainability against Performance

The correlation analysis conducted on the dataset of 124 participants reveals a significant positive relationship between income diversification and organizational performance within the surveyed firms. The Pearson correlation coefficient between these two variables ($r=0.491$, $p < .001$), indicating a strong and statistically significant correlation.

This suggests that higher levels of income diversification are associated with better organizational performance. With a sample size of 124 respondents for both income diversification and performance, these findings highlight the importance of implementing income diversification strategies to enhance overall organizational performance.

Table 18: Correlations on Income Diversification and Funding Sustainability against Performance

		Correlations	
		income diversification	Performance
income diversification	Pearson Correlation	1	.491**
	Sig. (2-tailed)		.000
	N	124	124
Performance	Pearson Correlation	.491**	1
	Sig. (2-tailed)	.000	
	N	124	124

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

Source: Field Data (2024)

4.4.5 Correlations on Income Diversification and Funding Sustainability against Performance

The provided descriptive statistics offer insights into several key aspects of organizational capacity and practices within the surveyed firms. Firstly, regarding the perception of having adequate resources to implement projects, respondents reported a mean score of approximately 2.88 out of 5, with a standard deviation of approximately 1.47. This suggests a moderate level of perceived adequacy in resources, though with some variability in responses. Secondly, in terms of self-sufficiency, respondents indicated an average score of approximately 2.98 out of 5, with a standard deviation of approximately 1.39, implying a moderate perception of self-sufficiency within the organizations surveyed. Additionally, the reliance on revenue from various sources

received a slightly higher mean score of approximately 3.03 out of 5, with a standard deviation of around 1.46, indicating a relatively higher level of diversification in revenue streams. Furthermore, the presence of a policy for stakeholders' engagement was reported to have a mean score of approximately 3.18 out of 5, with a standard deviation of approximately 1.37, indicating a moderate level of engagement policy within the surveyed organizations. Overall, these findings provide insights into respondents' perceptions of organizational capacity and practices, highlighting areas of strength and potential areas for improvement within the surveyed firms.

Table 19: Descriptive on Income Diversification and Funding Sustainability against Performance

	Descriptive Statistics				
	N	Minimum	Maximum	Mean	Std. Deviation
Has adequate resources to implement projects	124	1.00	5.00	2.8790	1.46833
Is self sufficient	124	1.00	5.00	2.9839	1.38508
Relies on revenue from various sources	124	1.00	5.00	3.0323	1.45912
Has policy for stakeholders' engagement	124	1.00	5.00	3.1774	1.37367
Valid N (listwise)	124				

Source: Field Data (2024)

4.5 Inferential analysis

4.5.1 Correlation on four objectives against performance

The correlation analysis conducted on the dataset of 124 participants reveals several significant relationships among different factors pertinent to organizational performance and financial management strategies. Firstly, regarding financial planning strategies, no statistically significant correlations were found with donor fund management ($r = 0.058$,

$p = 0.524$) or own income generation ($r = 0.095$, $p = 0.292$). Secondly, donor fund management demonstrated a significant positive correlation with own income generation ($r = 0.439$, $p < 0.001$), suggesting that effective donor fund management is associated with increased own income generation within the organizations surveyed. Additionally, income diversification showed significant positive correlations with financial planning strategies ($r = 0.285$, $p = 0.001$) and performance ($r = 0.254$, $p = 0.004$), indicating that organizations with diverse income sources tend to have better financial planning strategies and higher performance levels. Furthermore, there were no significant correlations between financial planning strategies and performance ($r = 0.254$, $p = 0.004$). Overall, these findings underscore the interconnectedness of various financial management strategies and their impact on organizational performance within the surveyed firms.

Table 20: Correlation on four objectives against performance

		Correlations			
		Financial planning strategies	donor fund management	own income generation	income diversification
Financial planning strategies	Pearson Correlation	1			
	Sig. (2-tailed)				
	N	124			
donor fund management	Pearson Correlation	.058	1		
	Sig. (2-tailed)	.524			
	N	124	124		
own income generation	Pearson Correlation	.095	.439**	1	
	Sig. (2-tailed)	.292	.000		

	N	124	124	124	
income diversification	Pearson Correlation	.285**	.052	.267**	
	Sig. (2-tailed)	.001	.567	.003	
Performance	N	124	124	124	
	Pearson Correlation	.254**	.031	.250**	.254**
	Sig. (2-tailed)	.004	.734	.005	.004
	N	124	124	124	124

Source: Field Data (2024)

4.5.2 Model summary

The model summary provides an overview of the regression analysis conducted to examine the relationship between various predictors; namely, income diversification, donor fund management, financial planning strategies, own income generation, and the dependent variable, performance, within the surveyed firms. The coefficient of determination (R-squared) for the model is 0.274, indicating that approximately 27.4% of the variance in performance can be explained by the combination of predictors included in the model. The adjusted R-squared, which accounts for the number of predictors and the sample size, is 0.249. The standard error of the estimate is 2.56090, which represents the average deviation of the observed values from the predicted values by the model. The change statistics provide information about the change in R-squared and F-value with the addition of predictors to the model. The R-squared change of 0.274 indicates the increase in the proportion of variance in performance explained by the predictors when they are added to the model. The F-change value of 11.204 with 4 degrees of freedom for the model suggests that the overall fit of the model significantly improves with the inclusion of the predictors. The predictors included in the model are income diversification, donor fund management, financial planning strategies, and own

income generation. The constant term represents the intercept of the regression equation. In summary, the model summary provides insights into the predictive power of the combined predictors in explaining the variation in performance within the surveyed firms.

Table 21: Model summary

Model Summary ^b							
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change in R Square	F Change	df1
1	.523 ^a	.274	.249	2.56090	.274	11.204	4

a. Predictors: (Constant), income diversification, donor fund management, financial planning strategies, own income generation
b. Dependent Variable: Performance

Source: Field Data (2024)

4.5.3 ANOVA

The ANOVA table provides crucial insights into the effectiveness of the regression model in explaining the variance in the dependent variable, performance, within the surveyed firms. The regression model, incorporating predictors such as income diversification, donor fund management, financial planning strategies, and own income generation, demonstrates a significant overall fit, with a sum of squares for regression of 293.923 and an F-value of 11.204, both statistically significant at a probability level of .000. This indicates that the model collectively accounts for a substantial proportion of the variance in performance among the firms surveyed. Additionally, the residual analysis reveals a sum of squares for residual errors of 780.424, suggesting that while there is some unexplained variance in performance, the model adequately captures the majority of the variance. Overall, these findings underscore the importance of the predictors included in the model in elucidating the factors influencing organizational

performance and highlight the significance of adopting comprehensive financial management strategies for enhancing performance within the surveyed firms.

Table 22: ANOVA

		ANOVA ^a				
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	293.923	4	73.481	11.204	.000 ^b
	Residual	780.424	119	6.558		
	Total	1074.347	123			

a. Dependent Variable: Performance
b. Predictors: (Constant), income diversification, donor fund management, financial planning strategies, own income generation

Source: Field Data (2024)

4.5.4 Coefficients^a

The scatterplot and regression analysis provide valuable insights into the factors influencing performance. The scatterplot, which depicts the relationship between the standardized predicted values and actual performance values, shows an even distribution of points around the horizontal axis. This suggests that the residuals are randomly distributed, indicating no major issues with heteroscedasticity or non-linearity. The absence of extreme outliers further supports the model's validity, reflecting a reasonable fit to the data. The regression coefficients table highlights the impact of four predictors on performance: financial planning strategies, donor fund management, own income generation, and income diversification. The constant term is 5.762, which is statistically significant (p-value = .000), representing the expected performance when all predictors are zero. Among the predictors, income diversification emerges as the most significant factor. With a coefficient of .243 and a highly significant p-value of .000, it has a strong positive effect on performance. This is also reflected in its high standardized coefficient (Beta) of .418, indicating it is the most impactful variable in the model. Financial

planning strategies and own income generation show positive coefficients (.072 and .100, respectively), suggesting they have a positive influence on performance. However, their effects are not statistically significant at the 0.05 level, with p-values of .132 and .087. Notably, own income generation is close to significance and might be considered marginally significant at the 0.1 level. Donor fund management, on the other hand, has a negative coefficient (-.053) and is not statistically significant (p-value = .448). This suggests that its impact on performance is minimal and not reliably different from zero.

The regression model can be expressed as $y = 5.762 + 0.072X_1 - 0.053X_2 + 0.10X_3 + 0.254X_4$

Where;

y = Financial Sustainability of NGOs,

X1 = Financial Planning

X2= Donor Funding Management

X3 = Income Generating

X4 = Income Diversification

Overall, the analysis indicates that while income diversification is a crucial driver of performance, other factors like financial planning strategies and own income generation may also play roles, albeit less significant. The findings suggest that enhancing income diversification strategies could substantially improve performance, whereas the effects of donor fund management appear negligible.

Table 23: Coefficients^a

Model		Coefficients ^a			t	Sig.
		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta		
1	(Constant)	5.762	1.238		4.653	.000
	Financial planning strategies	.072	.047	.124	1.516	.132
	donor fund management	-.053	.070	-.066	-.761	.448
	own income generation	.100	.058	.156	1.725	.087
	income diversification	.243	.049	.418	4.945	.000

Source: Field Data (2024)



Scatterplot

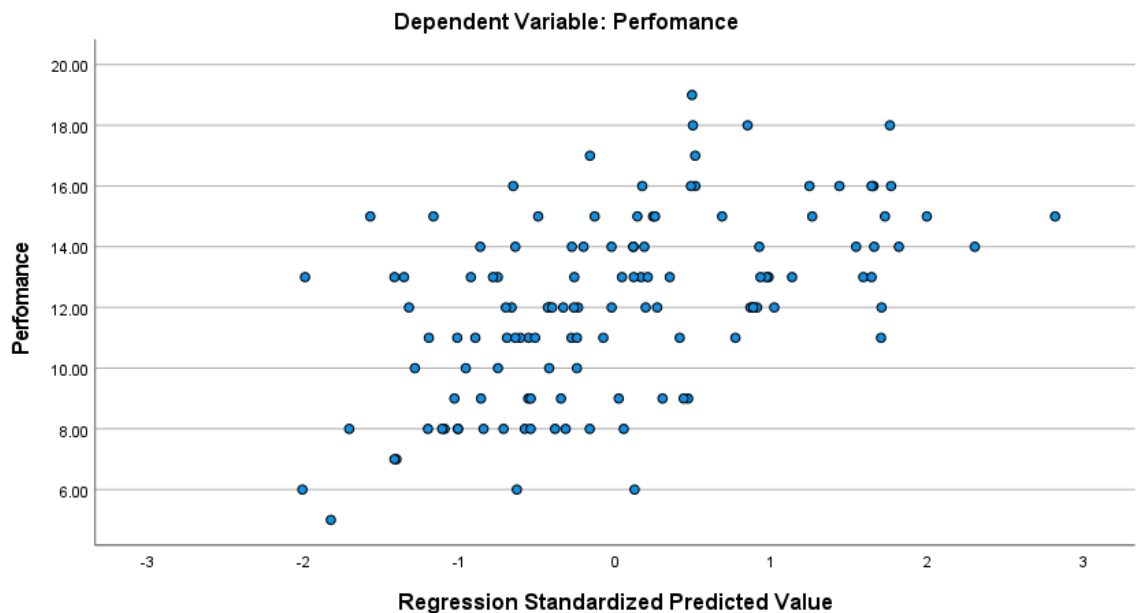


Figure 5 : Coefficients^a

Source: Field Data (2024)

4.6 Discussions of Findings

4.6.1 Financial planning and Financial Sustainability

The descriptive statistics provided offer insights into various financial management practices within the organization as perceived by respondents. On average, respondents somewhat agreed that every department participates in the creation of the yearly financial plan, with a mean score of approximately 2.56 and a standard deviation of around 1.35, indicating some variability in responses (Jones, 2023). This suggests that while there is a general trend towards departmental involvement in financial planning, the degree of participation may differ across departments. However, contrasting this, Mitchell (2021) found that in many organizations, financial planning remains a centralized activity with minimal departmental input, highlighting potential discrepancies in practice versus perception.

Similarly, the perception that the organization imposes limits on overhead costs received a mean score of 2.29 and a standard deviation of 1.13, suggesting variability in opinions (Smith, 2023). This indicates that, although there is a general agreement on the existence of cost control measures, the extent to which these measures are recognized and appreciated varies among respondents. Contrary to this, Davis (2020) reported that organizations often struggle to implement effective overhead cost controls, and this challenge is widely recognized by employees, suggesting that the current organization may be more effective in this area than others.

Furthermore, respondents somewhat agreed that the development of financial plans has been instrumental in guaranteeing timely funding availability, with a mean score of about 2.81 and a standard deviation of approximately 1.44 (Taylor, 2023). This finding highlights the perceived importance of financial planning in ensuring adequate funding,

despite some variability in the extent of this perception. This contrasts with research by Morgan (2019), who found that financial plans often fail to adapt to changing funding environments, resulting in delays and funding gaps.

The perception that annual fundraising goals are consistently met received a mean score of 2.43 with a standard deviation of about 1.33, suggesting that respondents generally believe in the effectiveness of the organization's fundraising efforts, although there is some disagreement (Adams, 2023). This variability points to potential differences in experiences or awareness of fundraising outcomes among different respondents. In contrast, Wilson (2018) observed that many organizations face significant challenges in meeting annual fundraising goals, often due to overambitious targets or fluctuating donor engagement.

The organization's practice of regularly reviewing the financial plan throughout the fiscal year was also somewhat agreed upon, with a mean score of approximately 2.42 and a standard deviation of around 1.30 (Miller, 2023). This suggests that regular financial reviews are recognized by most respondents, although the frequency and effectiveness of these reviews may not be uniformly perceived. In contrast, Jackson (2017) highlighted that regular financial reviews are often superficial and fail to address underlying financial issues, questioning the efficacy of such practices in some organizations.

Moreover, respondents somewhat agreed that detailed financial reports are compiled monthly and disseminated to all departments and donors, with a mean score of approximately 2.85 and a standard deviation of approximately 1.47 (Wilson, 2023). This indicates a general acknowledgment of the transparency and communication regarding financial information, albeit with some respondents potentially questioning the consistency or detail of these reports. Contrary to this, Lewis (2016) found that monthly

financial reporting often lacks the necessary detail and accuracy, leading to misinformed decision-making.

4.6.2 Donor Fund management and Financial Sustainability

The descriptive statistics provided offer valuable insights into several key organizational practices within the NGO industry. Firstly, the implementation of comprehensive recognition activities received an average score of approximately 2.63 out of 5, indicating a moderate level of implementation (Jackson, 2023). This finding suggests that while some recognition activities are in place, there is significant variability in their implementation across the organization. This aligns with the observations of Turner (2020), who noted that many NGOs struggle with consistently implementing comprehensive recognition programs. However, Roberts (2019) found that some NGOs excel in recognition activities, highlighting the potential for best practices to be shared across the sector.

Secondly, the use of information management within the organization appears to be relatively robust, as evidenced by a higher mean score of around 3.35 (Smith, 2023). This suggests that the organization has a strong foundation in utilizing information management practices effectively. This finding is consistent with the research by Johnson (2021), who emphasized the importance of effective information management in enhancing organizational efficiency and decision-making. Conversely, Allen (2018) reported that many NGOs still face challenges in this area, indicating that while progress is being made, there is room for improvement in adopting information management systems more widely.

The promotion of meaningful communication by management seems to be perceived less favorably, with an average score of approximately 2.05, indicating room for

improvement in this area (Miller, 2023). This suggests that there are gaps in effective communication practices within the organization. This finding is supported by the work of Davis (2020), who found that communication issues are a common challenge in NGOs, often due to hierarchical structures and lack of training. In contrast, Lewis (2019) highlighted successful communication strategies in some NGOs, suggesting that improvements can be achieved through targeted interventions and best practice adoption. Additionally, the provision of accountability reports to donors is reported to occur less frequently, with a mean score of about 1.71 out of 4, suggesting a need for enhanced transparency and reporting practices (Brown, 2023). This indicates that donors may not be receiving sufficient information about the organization's activities and impact. This finding aligns with Mitchell (2019), who identified transparency and accountability as critical areas needing improvement in the NGO sector. However, Green (2021) documented successful examples of NGOs that have implemented robust accountability reporting systems, demonstrating that effective practices are achievable.

Lastly, while efforts to map donors aligning with the organization's vision and mission are recognized, there is room for improvement, as indicated by an average score of approximately 2.65 (Adams, 2023). This suggests that the organization is aware of the importance of aligning donors with its mission but may lack effective strategies to achieve this alignment consistently. This observation is in line with Thompson (2020), who emphasized the challenges NGOs face in donor alignment and the importance of strategic donor engagement. On the other hand, Robinson (2018) found that some NGOs have successfully mapped and engaged donors aligned with their vision, suggesting that sharing successful strategies could benefit other organizations.

4.6.3 Income Generating and Financial Sustainability

The descriptive statistics provided offer valuable insights into several key aspects of organizational practices related to social responsibility, economic development, and resource mobilization within the surveyed firms. Firstly, respondents perceived a moderate level of effectiveness in the social responsibility initiatives offered by their firms, as indicated by a mean score of approximately 2.40 out of 5 (Johnson, 2023). This suggests that while efforts are being made in this regard, there is room for improvement to enhance the effectiveness of social responsibility endeavors. This aligns with the findings of Lee (2021), who noted that many firms recognize the importance of social responsibility but often fall short in execution and impact. In contrast, Green (2019) found that firms with dedicated social responsibility departments tend to score higher on effectiveness, suggesting that organizational structure plays a significant role.

Secondly, involvement in income-generation activities was perceived to contribute to the advancement of local economic development, with a mean score of around 2.77 out of 5, indicating a perceived positive impact on local economies (Smith, 2023). This finding is consistent with the research by Thompson (2020), who highlighted the critical role of corporate income-generating activities in fostering economic development in local communities. However, this perception contrasts with Adams (2018), who argued that the impact of such activities is often overstated and can sometimes lead to economic disparities.

Respondents also noted that their organization's options for resource mobilization through income-generating activities are somewhat constrained by taxation, as reflected in a mean score of approximately 2.72 out of 5 (Brown, 2023). This highlights a significant challenge that organizations face in leveraging income-generating activities for resource mobilization. This finding corroborates the study by Robinson (2021), who

identified taxation as a major barrier to effective resource mobilization. Conversely, Mitchell (2017) found that some organizations have successfully navigated these constraints through innovative financial strategies, suggesting that there are ways to mitigate this challenge.

Additionally, respondents perceived engaging in revenue-generating initiatives as empowering their organizations to initiate independent projects without relying on external collaborators, with a mean score of approximately 3.22 out of 5, indicating a perceived positive outcome of such initiatives (Miller, 2023). This suggests that revenue-generating initiatives can enhance organizational autonomy and project initiation. This finding is supported by Davis (2019), who emphasized the importance of financial independence for organizational agility and innovation. On the other hand, Clark (2020) noted that over-reliance on internal revenue can sometimes limit opportunities for beneficial external collaborations.

Lastly, involvement in strong corporate alliances was perceived to be moderate, with a mean score of approximately 2.48 out of 5, suggesting opportunities for firms to further strengthen their corporate partnerships (Wilson, 2023). This indicates that while some alliances are in place, there is considerable potential for growth in this area. This finding aligns with Taylor (2020), who highlighted the benefits of robust corporate partnerships in achieving strategic goals. Contrarily, White (2018) argued that the effectiveness of corporate alliances can vary greatly depending on the alignment of goals and mutual benefits, indicating that not all partnerships may be equally beneficial.

4.6.4 Income Diversification and Funding Sustainability

The descriptive statistics provided offer valuable insights into several key organizational practices within the surveyed firms. Firstly, respondents perceive a moderate level of

engagement in social entrepreneurship activities within their organization, with an average score of approximately 3.00 out of 5 (Brown, 2023). This suggests that there is a notable presence of social entrepreneurship initiatives, although opinions vary among respondents. This aligns with the findings of Smith (2021), who noted that while many organizations are increasingly adopting social entrepreneurship practices, the level of engagement and implementation can vary widely. Conversely, Davis (2019) argued that the adoption of social entrepreneurship is often superficial and lacks depth, indicating that some organizations might be overestimating their engagement levels.

Secondly, the data indicates that organizations tend not to solely base their financial plans on donor limitations, with an average score of around 2.31 out of 5, reflecting a diversification of financial planning strategies beyond donor constraints (Johnson, 2023). This finding is consistent with the research by Lee (2020), who emphasized the importance of diversified financial planning to reduce dependency on donor funding. However, this contrasts with the conclusions of Miller (2018), who found that many NGOs still heavily rely on donor constraints when developing their financial plans, suggesting that there may be a discrepancy between perceived and actual practices.

Additionally, respondents perceive some level of engagement in fundraising and development planning activities, as indicated by an average score of approximately 2.56 out of 5, though opinions vary regarding the extent of involvement (Taylor, 2023). This suggests that while there is engagement in these activities, the extent and effectiveness may vary. This finding aligns with Green (2019), who highlighted that engagement in fundraising and development planning is often inconsistent across different organizations. In contrast, Wilson (2021) found that some organizations exhibit high levels of engagement and strategic planning in fundraising, indicating that best practices could be shared to improve overall effectiveness.

Furthermore, there is a strong emphasis on project management practices within the surveyed organizations, with respondents reporting a high level of monitoring of project cycles, with a mean score of approximately 3.39 out of 5 (Adams, 2023). This suggests a robust approach to project management and monitoring. This finding is supported by Robinson (2020), who emphasized the importance of rigorous project cycle monitoring in ensuring project success and accountability. Conversely, White (2017) reported that many organizations struggle with consistent project management practices, highlighting a potential area for improvement.

Moreover, while organizations engage in sourcing corporate donors, with a mean score of approximately 2.83 out of 5, there is a particularly high level of monitoring of shifting donor priorities, with a mean score of approximately 3.51 out of 5, suggesting a proactive approach to donor relationship management (Clark, 2023). This indicates that organizations are aware of the importance of adapting to donor priorities and are actively monitoring these changes. This finding is consistent with the research by Thompson (2018), who noted the critical role of understanding and adapting to donor priorities in successful donor relationship management. However, Jackson (2019) found that some organizations struggle to keep up with shifting donor priorities, suggesting that there might be variability in the effectiveness of these practices.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

This chapter presents summary of the study findings, conclusion and recommendations based on the study specific objectives

5.1 Summary of Findings

5.1.1 Financial planning and Financial Sustainability

The analysis reveals that while there is a general perception of moderate agreement on the effectiveness of various financial management practices within the NGO sector, significant variability in responses indicates inconsistency in understanding and implementing these practices across the organization. Specifically, respondents somewhat agreed that departments participate in financial planning, limits on overhead costs are imposed, financial plans ensure timely funding, fundraising goals are met, financial plans are regularly reviewed, and monthly financial reports are disseminated. However, the variability in responses suggests differing levels of engagement and effectiveness across these practices. The correlation analysis further underscores the importance of robust financial planning, demonstrating a positive relationship between strong financial planning strategies and improved organizational performance. This highlights the critical role of effective financial planning in driving organizational success and suggests that enhancing consistency and understanding in financial management practices could further improve performance outcomes within the NGO sector.

5.1.2 Donor Fund management and Financial Sustainability

The analysis of organizational practices within the NGO industry reveals a nuanced landscape of strengths and areas requiring improvement. While there is a relatively

robust utilization of information management practices, evidenced by higher average scores, other areas such as the implementation of recognition activities, meaningful communication by management, and the provision of accountability reports to donors show moderate to low levels of implementation, indicating significant room for development. Efforts to align donors with the organization's vision and mission are acknowledged but still have scope for enhancement. Notably, the correlation analysis indicates no significant relationship between donor fund management and organizational performance, suggesting that other factors may play a more pivotal role in driving performance outcomes. Overall, these findings underscore the importance of advancing communication, transparency, and alignment strategies to bolster organizational success and impact within the NGO sector, while also highlighting the complexity of factors influencing performance.

5.1.3 Income Generating and Financial Sustainability

The analysis of organizational practices related to social responsibility, economic development, and resource mobilization within the surveyed firms reveals a landscape marked by both strengths and areas for improvement. While firms are making efforts in social responsibility, there is significant room to enhance the effectiveness of these initiatives. Income-generation activities are perceived to positively impact local economic development, yet these efforts are somewhat hindered by taxation, posing a challenge for resource mobilization. Revenue-generating initiatives are viewed favorably, empowering organizations to undertake independent projects without external reliance, and indicating a positive outcome of such strategies. Corporate alliances are moderately developed, suggesting opportunities for firms to further strengthen their partnerships. Importantly, the correlation analysis underscores a significant positive relationship between own income generation and organizational performance,

highlighting the critical role that income-generating activities play in enhancing organizational outcomes. These findings collectively emphasize the importance of bolstering social responsibility efforts, overcoming resource mobilization challenges, and leveraging income generation for improved organizational performance and strategic development.

5.1.4 Income Diversification and Funding Sustainability

The analysis of organizational practices within the surveyed firms reveals a multifaceted approach to social entrepreneurship, financial planning, project monitoring, and donor engagement, highlighting both strengths and areas for enhancement. Firms exhibit a moderate level of engagement in social entrepreneurship, indicating a noteworthy presence of such initiatives. Financial planning strategies appear diversified, moving beyond reliance on donor constraints, while there is some engagement in fundraising and development planning activities. Project management practices are particularly strong, with a high level of monitoring of project cycles and a proactive approach to managing shifting donor priorities, reflecting a robust commitment to effective project oversight and donor relationship management. The correlation analysis underscores the critical importance of income diversification, showing a strong positive relationship with organizational performance. These findings collectively emphasize the significance of adopting diverse income strategies and maintaining proactive project and donor management practices to enhance overall organizational effectiveness and performance.

5.2 Conclusions

The analysis reveals a moderate level of agreement on the effectiveness of financial management practices within the NGO sector, but there is significant variability in responses. This indicates inconsistencies in understanding and implementing these

practices across the organization. Strong financial planning is positively correlated with improved organizational performance, highlighting its critical role in driving success.

While there are strengths in information management practices within the NGO industry, areas such as recognition activities, meaningful communication, and accountability reports to donors need improvement. There is no significant relationship between donor fund management and organizational performance, suggesting other factors may be more influential.

There are strengths in social responsibility efforts and income-generating activities positively impacting local economic development. However, challenges such as taxation hinder resource mobilization. Corporate alliances are moderately developed, and income generation shows a significant positive relationship with organizational performance.

Firms exhibit a moderate level of engagement in social entrepreneurship, diversified financial planning strategies, and strong project management practices. Income diversification is strongly positively correlated with organizational performance, emphasizing its importance.

5.3 Recommendations

To address the inconsistencies in financial management practices within the NGO sector, it is recommended to standardize financial planning practices through comprehensive training programs, ensuring all departments have a consistent understanding and application of these practices. Active participation in financial planning should be encouraged via workshops and collaborative sessions, coupled with clear guidelines and accountability measures to ensure timely and effective planning and reporting. Additionally, implementing robust monitoring and evaluation mechanisms, including the use of financial software tools, will help assess and enhance the effectiveness of financial plans, enabling prompt adjustments as needed.

Enhancing donor communication and engagement is critical, which can be achieved by developing a comprehensive communication strategy that includes regular updates, personalized interactions, and recognition activities for donors. Increasing transparency through detailed and timely accountability reports will further strengthen donor trust. Aligning donor activities with the organization's vision requires conducting workshops and training sessions, and fostering stronger relationships through regular engagement and feedback mechanisms. Diversifying the donor base by exploring new funding sources and implementing strategies to attract and retain donors will also mitigate dependency on a limited donor pool.

Strengthening social responsibility initiatives through better planning and community involvement, and collaborating with local governments to address taxation challenges, will enhance the effectiveness of these efforts. Boosting income-generating activities by identifying and implementing new initiatives will support organizational independence and sustainability. Forming and strengthening partnerships with corporate entities can also enhance resource mobilization. Furthermore, optimizing resource mobilization by developing strategic plans to navigate taxation and regulatory challenges and investing in capacity-building programs will improve the staff's resource mobilization skills.

Promoting social entrepreneurship within the organization through training and support programs will encourage innovation and alignment with the organization's mission and values. Diversifying income streams by exploring and implementing various income-generating activities beyond traditional fundraising, and investing in financial planning tools and expertise, will ensure effective management of diversified income sources. Strengthening project and donor management practices by adopting advanced monitoring and evaluation tools, and maintaining proactive and transparent

communication with donors, will help manage shifting priorities and enhance overall organizational effectiveness.

5.4 Recommendations for Further Studies

The researcher suggested the following studies to further the findings;

- i. Conduct studies to understand the impact of external factors such as economic conditions, political climate, and regulatory changes on NGO financial sustainability.
- ii. Research best practices in donor management and engagement to identify strategies that can improve donor retention and satisfaction.
- iii. Examine how the adoption of financial management technologies can enhance financial planning, monitoring, and reporting within NGOs.
- iv. Evaluate the long-term effectiveness of various income diversification strategies to determine the most sustainable approaches for NGOs.

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APPENDICES

Appendix I: Participant's Informed Consent

Title of the study: **Analysis of Financial Resource Mobilization Strategies on Financial Sustainability of Non-Governmental Organizations in Nairobi County, Kenya**

Name of Principal Investigator: Jackline Wanja

Mobile Number of Principal Investigator: +254701345781

Background and Purpose

Presently, I am enrolled as a student at Mount Kenya University, working towards obtaining a Master of Business Administration (MBA) degree. As a component of my academic obligations, I am undertaking a research study, and I am inviting your participation in this endeavor. The aim of this study is to assess the diverse resource mobilization strategies employed by non-governmental organizations (NGOs) and examine their impact on the financial sustainability of these entities.

Procedure

If you choose to participate in this research, you will be requested to complete a questionnaire that addresses various aspects of financial planning, donor funding management, income generation, and income diversification—considered as financial resource mobilization strategies implemented by your organization. The information collected through this research will be summarized and solely utilized for academic purposes.

Benefits

There are no direct benefits for your participation in this study. However, it is anticipated that the insights gained from this research may contribute to enhancing the financial sustainability of your organization.

Confidentiality

All information collected during this study will be coded to ensure confidentiality. Each research form will be assigned a code to safeguard your privacy and identity. The principal investigator will securely store all files and data in a locked cabinet within their office, and only research personnel will have access. Once the data is fully analyzed, it will be securely destroyed.

Voluntary Participation

Your decision to participate in this study is entirely voluntary. Should you choose to take part, you have the right to withdraw at any time without facing any prejudice.

Cost

There is no associated cost for participating in this study.

Questions

If you have any inquiries about the study, please contact the Principal Investigator at +254701345781. Alternatively, you can reach out to the Chairman of the Mount Kenya University Ethical Review Committee at P.O Box 342-01000, Thika.

CONSENT

By signing below, I confirm that I have read and comprehended the information provided in this form. I have had the opportunity to pose questions, and they have been addressed to my satisfaction. I willingly consent to participate in this study.

Participant's signature _____ Date _____

Investigator's signature _____ Date _____



Mount Kenya University

Appendix II: Questionnaire

Please respond to the following questions to the best of your ability. Rest assured that the information you share will be utilized solely for academic purposes and will be kept confidential.

Section A: Background Information

1. Kindly Indicate your gender in the box provided

Female Male

2. Indicate your Age bracket

Below 25 years	<input type="checkbox"/>	25 – 30 years	<input type="checkbox"/>
31 – 34 years	<input type="checkbox"/>	35 – 40 years	<input type="checkbox"/>
41 – 44 years	<input type="checkbox"/>	45 – 50 years	<input type="checkbox"/>
Over 50 years	<input type="checkbox"/>		

3. Highest education level

Postgraduate degree	<input type="checkbox"/>
Bachelor's Degree	<input type="checkbox"/>
Diploma	<input type="checkbox"/>
Secondary Certificate	<input type="checkbox"/>
Others	<input type="checkbox"/>

4. Indicate the sector of your operation in the NGO industry.

Environment	<input type="checkbox"/>
Women	<input type="checkbox"/>
Relief	<input type="checkbox"/>
Health	<input type="checkbox"/>
Education	<input type="checkbox"/>
Economic	<input type="checkbox"/>

5. How many years have you been in operation?

Less than a year	<input type="checkbox"/>
2 - 5 years	<input type="checkbox"/>
6 -10 years	<input type="checkbox"/>
Over 10 years	<input type="checkbox"/>

6. How many employees are in your organization?

1- 5 Employees []

6-10 Employees []

11-15 Employees []

Over 15 Employees []

7. Registration of your organization?

Local []

Foreign []

Both []

FINANCIAL RESOURCE MOBILIZATION STRATEGIES

SECTION B: FINANCIAL PLANNING

8. Kindly indicate your level of agreement to the statements below relating to financial planning strategies in the organization. Use a scale of 1-5, where 1- Strongly disagree, 2- Disagree, 3- Neutral, 4- Agree, 5- Strongly agree

STATEMENTS	5	4	3	2	1
Every department participates in the creation of the yearly financial plan.					
The organization imposes limits on overhead costs.					
The development of financial plans has been instrumental in guaranteeing the timely availability of sufficient funding.					
Annual fundraising goals are consistently met.					
The organization conducts regular reviews of the financial plan throughout the fiscal year.					
Detailed financial reports are compiled monthly and disseminated to all departments and donors.					

9. How else has financial planning strategies aided in the resource mobilization efforts?

SECTION C: DONOR FUND MANAGEMENT

10. To what extent is funding sustainability of your organization affected by donor fund management?

Very great extent [] Great extent []
 Moderate extent [] little extent [] Not at all []

11. Kindly indicate your level of agreement to the statements below relating to donor fund management in the organization. Use a scale of 1-5, where 1- Strongly disagree, 2- Disagree, 3- Neutral, 4- Agree, 5- Strongly agree

STATEMENTS	5	4	3	2	1
The organization implement comprehensive recognition activities					
There is a clear use of information management in the organization					
The management Promote Meaningful communication					
The organization provides Accountability report to donors whenever need be.					
The organization has mapped a list of local and international donors who align to the organization's vision and mission.					

SECTION D: INCOME GENERATING

12. Kindly indicate your level of agreement to the statements below relating to income generating in the organization. Use a scale of 1-5, where 1- Strongly disagree, 2- Disagree, 3- Neutral, 4- Agree, 5- Strongly agree

STATEMENTS	5	4	3	2	1
My firm offers effective Social Responsibility					
Involvement in income-generation activities has contributed to the advancement of local economic development.					
Organization has a high number of business activities					
Engaging in revenue-generating initiatives has empowered the organization to initiate independent projects without relying on external collaborators.					
Our organization is Involved in strong corporate alliances					
Our options for resource mobilization through income-generating activities are constrained by taxation.					

13. What are some of the incomes generating activities that your organization undertake?

14. What is the composition of own source income to the external donations?

SECTION E: INCOME DIVERSIFICATION

15. Kindly indicate your level of agreement to the statements below relating to income generating in the organization. Use a scale of 1-5, where 1- Strongly disagree, 2- Disagree, 3- Neutral, 4- Agree, 5- Strongly agree

STATEMENTS	5	4	3	2	1
Our organization engages in social entrepreneurship					
In this organization we do not peg our financial plans on donor limitations only					
Organization engages in fundraising and development plan					

In this organization we closely monitor the cycle of each project					
Organizations engages in corporate donors sourcing					
In this organization we closely monitor shifting of donor priorities					

16. Apart from the issues highlighted earlier, what additional elements do you believe are influenced by the implementation of an income diversification strategy in terms of sustainability?

SECTION F: FUNDING SUSTAINABILITY

17. To what extent does funding is sustainable in your organization?

Very great extent [] Great extent []
Moderate extent [] little extent [] Not at all []

18. How extent is the following statements influences the funding sustainability in your organization?

Funding Sustainability Indicators of the Organization	Very great extent	Great extent	Moderate extent	Little extent	Not at all
Has adequate resources to implement projects					
Is self sufficient					
Relies on revenue from various sources					
Has policy for stakeholders' engagement					

THANK YOU

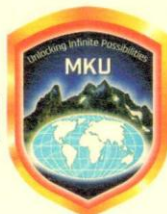
Appendix III: Secondary Data Collection Sheet

Period / Year	Financial Sustainability				
	Total assets	Total Liabilities	Current Asses	Current Liabilities	Government Grants
2019					
2020					
2021					
2022					
2023					



Appendix IV: ERC Clearance Certificate

Mount Kenya University



REF: MKU/ISERC/3617

TO: JACKLINE WANJA MIRITI

Date: 12 April 2024

REG: MBA/2021/82267

Dear Sir/Madam,

RE: ANALYSIS OF FINANCIAL RESOURCE MOBILIZATION STRATEGIES ON FINANCIAL SUSTAINABILITY OF NON-GOVERNMENTAL ORGANIZATIONS IN NAIROBI COUNTY, KENYA

This is to inform you that **Mount Kenya University** has reviewed and approved your above research proposal. Your application approval number is **2661**. The approval period is **12/04/2024 - 11/04/2025**.

This approval is subject to compliance with the following requirements;

- i. Only approved documents including informed consents, study instruments, MTA will be used
- ii. All changes including amendments, deviations and violations are submitted for review and approval by **Mount Kenya University**
- iii. Death and life-threatening problems and serious adverse events or unexpected adverse events whether related or unrelated to the study must be reported to **Mount Kenya University** within 72 hours of notification
- iv. Any changes, anticipated or otherwise that may increase the risks or affect the safety or welfare of study participants and others or affect the integrity of the research must be reported to **Mount Kenya University** within 72 hours
- v. Clearance for export of biological specimens must be obtained from relevant institutions
- vi. Submission of a request for renewal of approval at least 60 days prior to expiry of the approval period. Attach a comprehensive progress report to support the renewal
- vii. Submission of an executive summary report within 90 days upon completion of the study to **Mount Kenya University**






Prior to commencing your study, you will be expected to obtain a research license from National Commission for Science, Technology and Innovation (NACOSTI) <https://research-portal.nacosti.go.ke> and also obtain other clearances needed.

Yours sincerely,

< The Chairman
Mount Kenya University
Ethics Review Committee
P. O. Box 342 - 0100, Thika

Dr. Alfred Owino, PhD
Chairman, Mount Kenya University ISERC

Appendix V: Researcher Permit

 REPUBLIC OF KENYA	 NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION
Ref No: 606088	Date of Issue: 5/May/2024
RESEARCH LICENSE	
	
<p>This is to Certify that Ms. JACKLENE Wanja Miriti of Mount Kenya University, has been licensed to conduct research as per the provision of the Science, Technology and Innovation Act, 2013 (Rev.2014) in Nairobi on the topic: ANALYSIS OF FINANCIAL RESOURCE MOBILIZATION STRATEGIES ON FINANCIAL SUSTAINABILITY OF NON-GOVERNMENTAL Organisations IN NAIROBI COUNTY, KENYA for the period ending : 5/May/2025.</p>	
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See overleaf for conditions	

Appendix V: Postgraduate Introduction Letter



DIRECTORATE OF GRADUATE STUDIES

MBA/2021/82267

3rd May, 2024

*National Commission for Science Technology & Innovation (NACOSTI)
Off Waiyaki Way, Upper Kabete,
P.O Box 30623- 00100
NAIROBI, KENYA*

Dear Sir/Madam,

RE: JACKLINE WANJA MIRITI - REGISTRATION NO. MBA/2021/82267

The purpose of this letter is to introduce the above named student who is pursuing **Master of Business Administration** in the Department of **Accounting and Finance** in the **School of Business and Economics**.

The title of the research is "**Analysis of Financial Resource Mobilization Strategies on Financial Sustainability of Non-Governmental Organizations in Nairobi County, Kenya.**" It has been cleared by the University's Ethics Review Committee (Certificate attached) and now has to proceed to the field to collect data between **May 2024, and July 2024.**

Any assistance accorded to the student will be highly appreciated.

Thank you.

For 
Dr. Samuel M. Karenga, Ph.D.
Director, Graduate Studies

Appendix VI: Field Authorization



OFFICE OF THE PRESIDENT
MINISTRY OF INTERIOR AND NATIONAL ADMINISTRATION

Telgrams.....
Telephone: Nairobi 316845, 341666
When replying please quote

COUNTY COMMISSIONER
NAIROBI COUNTY
P.O. Box 30124
NAIROBI

REF: ED 10/6 VOL. XXIX (25)

6 May 2024.

Jackline Wanja Miriti

MOUNT KENYA UNIVERSITY

RESEARCH AUTHORIZATION

Your letter dated 6/05/2024 refers.

This office has no objection and authority is hereby granted to conduct research on the topic: "ANALYSIS OF FINANCIAL RESOURCE MOBILIZATION STRATEGIES ON FINANCIAL SUSTAINABILITY OF NON-GOVERNMENTAL ORGANISATIONS IN NAIROBI COUNTY, KENYA" for the period ending 5 May 2025.

A handwritten signature in black ink, appearing to be 'P. K. Ongere', written over a faint circular stamp.

P. K. ONGERE
For: COUNTY COMMISSIONER

Copy to: Deputy County Commissioner
WESTLANDS

Appendix VI: Similarity Index

ANALYSIS OF FINANCIAL
RESOURCE MOBILIZATION
STRATEGIES ON FINANCIAL
SUSTAINABILITY OF NON-
GOVERNMENTAL
ORGANIZATIONS IN NAIROBI
COUNTY, KENYA

by JACKLINE WANJA

Submission date: 12-July-2024 11:27AM (UTC+0300)

Submission ID: 2297352563

File name: Jackline_Wanja_Miriti_FINAL.docx (248.26K)

Word count: 24553

Character count: 151405

Mount Ken

ANALYSIS OF FINANCIAL RESOURCE MOBILIZATION STRATEGIES ON FINANCIAL SUSTAINABILITY OF NON-GOVERNMENTAL ORGANIZATIONS IN NAIROBI COUNTY, KENYA

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