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## Effects of Board Diversity on Performance of Non-governmental Organisations in Nairobi County Kenya

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### **Abstract:**

*The purpose of the study was to contribute to the NGO governance literature and also to provide NGOs' management and senior staff with evidence necessary for them to evaluate the effectiveness of their board composition. Using data from the NGOs located in Nairobi County in Kenya, the study measured the effects of board diversity on performance. It focused on the board diversity attributes of age, occupational and professional networks diversities. The overall objective of the study shall be to determine the effect of board diversity on performance within non-governmental organizations in Nairobi County in Kenya. The specific objectives were; to establish effect of age diversity of board members on NGOs performance; the effect of occupational diversity of board members on NGOs performance and to find out the effect of professional networks diversity of board members on NGOs performance;*

*The scope of the study covered both local and international NGOs in Nairobi County. The Directory of Development Organizations identified that 702 NGOs are registered in Nairobi, Kenya. This body of organizations constituted the population of the study. This paper investigated three independent variables (age diversity, occupational diversity and professional networks diversity) against the dependent variable – performance. Performance was reviewed from a resource dependency theory perspective.*

*The study employed a descriptive research design and adopted questionnaires as its data collection tool. Primary data was collected using questionnaires sent to a sample of 84 respondents. The study made use of descriptive, correlation and regression statistics in analyzing the data that was collected with the aid of Statistical Package for Social Sciences (SPSS20.0). The study variables (age diversity, occupational diversity and professional networks diversity) contributed to the improved organizational performance of the NGOs from the study.*

*Out of the 84 issued questionnaires, 63 questionnaires representing 75% of the total questionnaires distributed were returned fully completed. Out of the 63 respondents, majority (46.9%) were aged between 31 – 42 years, 28.1% were aged between 43 – 55 years and 18.8% were aged 56 years and above. The respondents strongly agreed that the board of their organizations were composed of members with varied networks/connections with a mean of 3.1563 and a standard deviation of 1.13903. Respondents reported that the age diversity of the board members in their organizations was of low extent as shown by a mean of 2.8438 for a low extent and a standard deviation of 0.51490. The respondents agreed to a very great extent indicating that the boards of the studied organizations are composed of members from varied occupations with a mean of 4.4063 with a standard deviation of 0.49899. The correlation results indicated that occupational diversity was the strongest of the 3 variables with a positive correlation of 0.684 with a significance value of 0.015. Professional networks diversity was positively correlated at .578 with a significance value of .001, whereas, age diversity was positively correlated to organization performance at .586 and a significance value of .000. The estimates of the regression coefficients, t-statistics and the p-values for the relationship between age diversity, occupational diversity and professional network diversity against organizational performance resulted in the equation below which shows that all the independent variables had a positive relationship with organizational performance;*

$$Y1 = 3.604 + 4.058 X1 + 4.078 X2 + 2.780 X3$$

*In conclusion, regression and correlation analysis showed that indeed there was a relationship between the three variables against the dependent variable, organizational performance. The study recommends the need for the top management of the non-governmental organizations to ensure presence of different professionals within their boards. Board members with diversified networks would facilitate growth of the organization. Also, the board of management in any organization should comprise of individuals of diversified ages and there is need for the non-governmental organizations to have different occupations represented in their boards of management.*

**Keywords:** Effects, board, diversity, performance, non-governmental, organizations

## 1. Introduction

### 1.1. Background of the Study

The discussions on the effects of board diversity on organizational performance have continued to rage on amongst scholars, practitioners and policy makers. Houle (1997, p. 6) defined board of directors as, “an organized group of people with the authority collectively to control and foster an institution that is usually administered by a qualified executive and staff”. According to Pfeffer, (1983) board diversity refers to the composition of the board in terms of basic attributes such as education, age, gender, size and tenure, among other demographic characteristics. In more recent studies, board member’s diversity is viewed not only from demographic attributes, but also from deeper-level attributes such as personality traits (Walker, Machold & Ahmed, 2015).

This research paper explored the impact of diverse boards on organizational performance. Various studies (Aggarwal, Evans & Nanda, 2012; Arshad, Abu Bakar, Thani, & Omar, 2013; Brown, 2002, 2005; Callen, Klein & Tinkelman, 2010; Hassan & Farouk, 2014; Letting’, Aosa & Machuki, 2012; Mori, Goleorkhi, Randøy & Hermes, 2015; Siciliano, 1996 and Wanyama & Olweny, 2013) revealed existence of correlation between board demographic attributes and organizational performance.

The global financial crisis of 2008/2009 made many funding agencies to cut down their grant disbursements to Non-Governmental Organizations (NGOs). Leach-Kemon, et al. (2012), found that the global financial crisis had slowed down the revenue growth in the NGOs health sector. This reduction was experienced in all sectors and was even worse in non-health sectors. In the wake of the ‘funding crisis’ NGOs are continually required to find innovative ways to raise funds, as such, evidence on the effects of boards’ diversity on performance (especially income and donations growth) is critical for the many struggling NGOs. The evidence generated from this paper will help NGOs in Kenya to put in place policies of board recruitment processes that would ensure optimum board mix that enhances organizational performance. This paper investigated demographic attributes of age, occupational and professional networks diversities on organizational performance.

The Public Benefits Organizations (PBOs) Act of 2013 regulates the registration and conduct of Non-Profit Organizations (NPOs) in Kenya. Bottiglieri, Kroleski & Conway (2011) defines NGOs as charities and other voluntary organizations formed to further cultural or public service objectives. These organizations are supported by grants from funding agencies, public donations, and contracts with governments, among others (Arshad et al., 2013). The terms PBOs, NPOs, NGOs and charities can be used interchangeably. In the next couple of paragraphs findings from other scholars on board diversity and organizational performance are introduced.

Brown, (2002) using survey data from one hundred and twenty-one executive directors in NGOs investigated the effects of racial diversity on board performance and recruitment practices. The finding was that NGOs with a higher percentage of racial minorities performed better on political aspects of board performance. Other scholars, Dienes & Velte, (2016) carried out a study to investigate the impact of gender, expertise and size diversity on Corporate Social Responsibility (CSR) reporting. Dienes & Velte, (2016) had carried out their study based on the German two-tier boards, this brought new evidence and perspective to the board literature since most of the previous research has been subjected to one-tier boards.

Arshad *et al.*, (2013) conducted a study on the effects of board composition on accountability of NGOs in Malaysia using data from two hundred and thirty-four organizations. Arshad *et al.*, (2013) found that board composition in terms of size, professional qualifications and political connections resulted in low accountability. Their results infer that an optimum board mix is essential to ensure efficient resource strategy and thereby improved accountability by NGOs. On the other hand, Siciliano, (1996) carried out a study on the effects of age, occupational and gender diversity on organizational performance. Siciliano, (1996) used data from Young Men’s Christian Associations (YMCA) located in the United States (US); her results showed that fundraising and social performance were higher with the occupational diversity of board members.

Aggarwal *et al.*, (2012) examined the relationship between non-profits board size against managerial incentives and performance by reviewing data from the publicly available from 990s that are filed by individual NGOs with the Internal Revenue Service (IRS) in the US. Aggarwal *et al.*, (2012) found that the size of the board was positively related to fundraising performance and donations growth. Other scholars, Ferrero-Ferrero, Fernandez-Izquierdo & Munoz-Torres, (2015) investigated the effects of age diversity on corporate performance whereas, Callen et al., (2010) studied the contextual impact of board diversity on performance, focusing on gender, size, professional qualification and professional connections of board members.

Studies have shown that diversity and board composition is a means of improving organizational performance (Letting’ et al., 2012 and Siciliano, 1996), this is because it provides the board with broad views and perspectives. Kinyua-Njuguna, Munyoki & Kibera (2014), noted that very few local studies have been carried out in Kenya relating to performance of NGOs. Further Cornforth, (2012) points out that another limitation is that much of the research that has been conducted on the governance of NGOs is often focused on quite restricted populations of organizations and is limited in geographical coverage or field of activity.

Miller-Millesen (2003), referring to (Alexander & Weiner, 1998, p. 223) noted that although it has been argued “that the adoption of structures and practices from the for-profit sector is neither a feasible nor even a desirable solution to problems facing many non-profit organizations” she would go ahead and use the literature from the for-profit sector in understanding the behavior of NGOs board of directors. Miller-Millesen (2003), explained that, this would offer researchers the opportunity to benefit from the knowledge that had been built in two distinct academic communities, thereby enhancing understanding of the issues that face all boards today. Following Miller-Millesen (2003), and due to the limited literature available on-board diversity and performance of NGOs (Cornforth, 2012 and Kinyua-Njuguna *et al.*, 2014), this paper has also reviewed literature relating to the for-profit sector.

Mori et al., (2015) conducted a study investigating the effects of board compositions on outreach performance of Micro Finance Institutions (MFIs) in Eastern Africa. Mori et al. (2015) focused on the effects of independent board members, international board members, gender and founding board member’s diversity on social performance. Another study by Waithaka, Gakure & Wanjau,

(2012) on MFIs in Kenya found that a significant negative relation exists between performance and boards' size. Waithaka *et al.*, (2012) had focused on the effects of size, tenure, committees, director remuneration, multiple directorship, skills and independence of directors on performance.

A study that examined the effects of board diversity attributes of age, gender, educational qualifications and study specialization on financial performance of forty Kenyan companies by Letting' *et al.* (2012), found that there was statistically no significant effect of board diversity on financial performance except for the independent effect of study specialization on dividend yield. The table below summarizes the some of the previously quoted references relating to board diversity and organizational performance.

Scholar(s)	Board Attributes Investigated	Finding(s)
Aggarwal <i>et al.</i> , (2012)	Size	Size was positively related to fundraising performance and donations growth.
Arshad <i>et al.</i> , (2013)	Size, Occupation and Political connections	All the attributes being investigated resulted in low accountability of boards.
Dienes and Velte (2016)	Gender, Occupation, Size and Presence of former managers	Gender has a positive impact on disclosure of information.
Letting' <i>et al.</i> , (2012)	Age, Gender, Occupation, Study Specialization, and Board Specialization	A positive relation existed for study specialization and dividend yield.
Mori <i>et al.</i> , (2015)	Independent, International, Gender and Founding board members.	Performance is improved with higher independent, international and female board membership
Waithaka <i>et al.</i> , (2012)	Size, Tenure, Committees, Director remuneration and Multiple directorship	A negative relation existed for size and director's remuneration, whereas a positive relation existed for multiple directorship and board committees.

Figure 1: Summary of Past Studies on Board Diversity

How to measure performance in NGOs continues to excite interest among academics, but despite the tremendous intellectual interest, little consensus has emerged as to what are the best measures of performance in NGOs (Boateng, Akamavi, & Ndoro, 2016). It has been noted by many scholars that non-profit boards face a more complex and heterogeneous set-of goals than their for-profit counterparts; in practice, many non-profits have more complex governance structures with boards operating at different levels (Cornforth, 2012; Calen *et al.*, 2010 and Miller-Millesen, 2003).

In his classic work, Drucker (1995) explains that non-profits tend not to give priority to performance and results, yet performance and results are far more important and difficult to measure for non-profits than for business organizations whose performance is determined by profits. He explains that the first question the leaders of a non-profit organization must answer is how the performance of the organization will be measured.

Kendall & Knapp, (2000) investigated the measures of performance in NGOs and came up with eight domains of performance i.e. economy, effectiveness, efficiency, choice, participation, equity, innovation and advocacy. Boateng *et al.*, (2016) on the other hand, used a hybrid methodological approach which consisted of fourteen exploratory interviews and a quantitative survey of one hundred and five chief executive officers in Britain that came up with five broad measures of performance for NGOs.

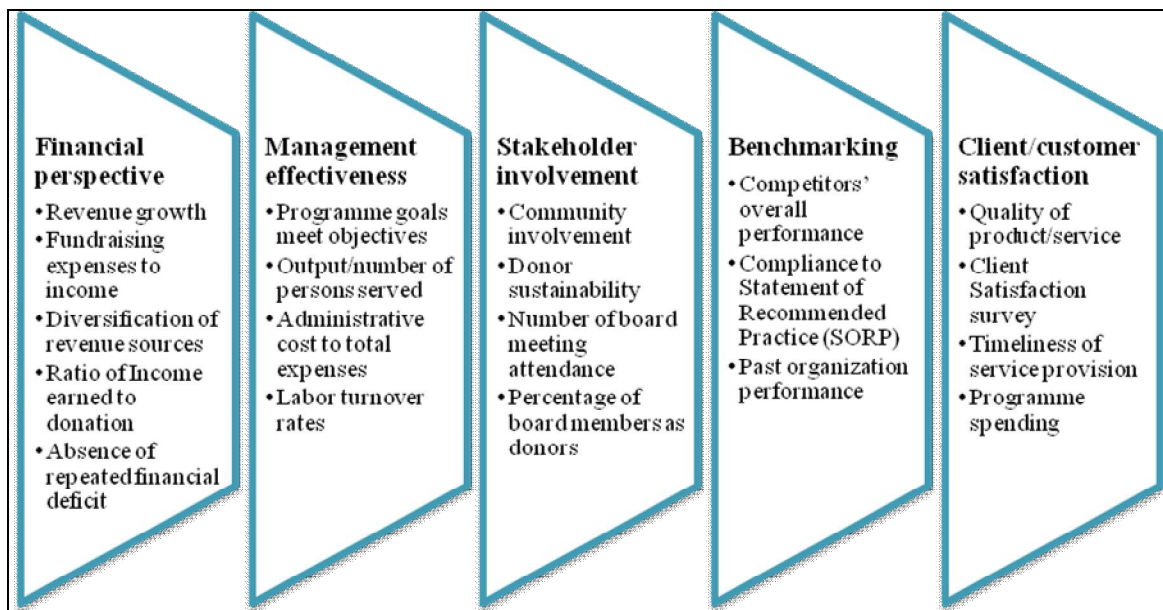


Figure 2: Five broad measures of performance (Boateng *et al.*, 2016)



Aldrich (2009), points out that measuring fundraising effectiveness properly is critical to organizations on two fronts, from a financial stewardship perspective NGOs need to ensure that their fundraising is as efficient as possible and two from a public relations perspective they need to be able to demonstrate this to donors and other stakeholders. Despite the numerous performance measurement methods developed by various scholars (Aldrich, 2009; Boateng *et al.*, 2016 and Kendall & Knapp, 2000) and the little consensus on what are the best measures of performance in NGOs, income growth remains the most important measure of performance for NGOs. This is because, unlike for-profits, where an organisation can continue operations even when making significant losses year in year out, in the NGO sector without funding an organisation simply closes shop and stops operations. Resource dependency theory is useful in explaining board behavior that is responsive to resource-based pressure (Andrew 2015), the theory posits that the NGO board is useful in helping the organization, learn about, respond to, and eventually adapt to the constraints that dominate its operating environment.

As long as there is consensus amongst scholars, that there are no one-size fits-all model for NGOs boards', because context influences board behavior (Miller-Millesen 2003). A suggestion was made that a model of NGO board governance capable of predicting the conditions under which NGO boards are likely to assume certain roles and responsibilities over others would be a useful addition to the NGO board literature. Following this recommendation and applying agency theory and resource dependency theory, Callen *et al.*, (2010), investigated the contextual impact of NGO board composition on performance and found that the impact of various board characteristics on organizational performance is contextual. Resource dependency theory is defined as the acquisition and maintenance of human, financial, and other resources essential for organizational survival and relevant to performance. Callen *et al.*, (2010) further found that results from resource dependency theory were always statistically stronger and more often consistent compared to other performance theories. In light of these consistencies from the resource dependency theory on both emerging and established organizations this paper adopted resource dependency theory in reviewing organizational performance.

The main goal of many NGOs is to reduce poverty incidence and alleviate suffering from the poorest communities and people. In order to achieve this objective financial resource in terms of income and donations are important for NGOs sustainability and survival. This paper explored whether board members demography relating to age, occupation and professional networks diversity is important in increasing these financial resource flows into an organisation and thereby supporting the organizations goals in the long term.

### 1.2. Statement of the Problem

Organizational performance is a key concern for stakeholders in both the profit and non-profit sectors. However, more attention has been focused on profit-making organizations with little emphasis on performance of NGOs especially those located in sub-Saharan Africa (Kinyua-Njuguna, *et al.*, 2014). Brown (2005), notes that effective recruitment strategies are instrumental to identifying and securing qualified board members, he recommends recruitment practices associated to four dimensions (analytical, educational, political, and strategic). Most NGOs do not consciously enhance board recruitment policies that enable a good mix of board members, a lack of compelling evidence to encourage these recruitment policies and practices maybe a part of the problem.

A global event that reshaped the current thinking on corporate boards and their governance structure is the Sarbanes-Oxley Act of 2002 (Ostrower & Bobowick, 2006). The Sarbanes-Oxley Act came directly after the wake of corporate scandals afflicting the likes of Enron, Tyco, Adelphi, and others (Harris & Raviv, 2008). The US congress passed the Sarbanes-Oxley Act in 2002, which governs companies registered with the Securities and Exchange Commission (SEC) in America (Holocomb & Schlieman, 2014). In the same year, the Capital Markets Authority (CMA) in Kenya, through a Gazette Notice No. 3362 passed the Guidelines on Corporate Governance for companies listed in the Nairobi Stock Exchange (NSE). These Guidelines stipulate among others, the need for a balance of, or mix of skills in the composition of the corporate boards. This includes gender balance because women bring different skills to the boards (Letting' *et al.*, 2012).

In their roles as resource expanders, the board of directors performs four primary functions. First, the board reduces organizational uncertainty by developing "exchange relationships" with external constituencies. Secondly, these relationships facilitate exchanges that reduce organizational resource dependencies and increase the flow of a variety of kinds of resources through personal and professional contacts (Callen *et al.*, 2010) and as such raise income and donations for the nonprofits. Thirdly, the board assures that the organization remains adaptive by gathering and interpreting information from the external environment. In this capacity, the board processes complex (often competing) information so that the organization can remain competitive in a dynamic environment, thereby managing problematic interdependencies and finally, the board represents the organization to external constituencies.

A recent research study found that resource dependency predictions were positive with respect to social policy shareholder resolutions (Grosvold, Rehbein, and Baker 2015). Seo, (2016) examined the relationships among the three dimensions of resource dependence patterns (resource dependency, resource diversity, and resource competitiveness) and organizational formalization and goals in nonprofit organizations. Seo, (2015) found that high resource competitiveness presented clearer organizational goals or missions and are likely to experience frequent goal change, also that resource competitiveness explained goal clarity and goal change in nonprofit organizations. On the other hand, high dependency on government funding is positively associated with organizational formalization. A number of other scholars (Callen *et al.*, 2010; Middleton, 1987; Miller-Millesen, 2003; Ostrower & Stone, 2010; Pfeffer, 1973 Seo, 2015 and Zald, 1970) also reviewed performance from a resource dependency perspective finding positive relations with nonprofits performance.

The NGOs Co-ordination Board, (2009) asserted that NGOs' governance is prescribed within their founding documents such as their constitution, this is a contrast in comparison to the corporate world where board composition, structure and tenure are quite clear, and even embedded into law. In Kenya the PBO Act, (2013) provides an opportunity to fill this gap, since it allows for NGOs to determine standards, certifications, and adherence to professional code of conduct through self-regulation. However, it has not been

operationalized since its gazettelement in January 2013. The PBO Act, (2013) supersedes the NGOs Coordination Act of 1990. In view of the above, this paper investigated the effects of NGOs' board composition on organizational performance, thereby providing research evidence for policy makers to design clear governance structures for NGO boards. This paper also provided scholars with evidence for further research on this under researched area.

### *1.3. General Objective of the Study*

The general objective of this study was to establish the effects of board diversity on NGOs performance.

### *1.4. Research Objectives*

1.4.1. To establish the effects of age diversity of board members on NGO's performance.

1.4.2. To establish the effects of occupational diversity of board members on NGO's performance.

1.4.3. To establish the effects of professional networks diversity of board members on NGOs' performance.

### *1.5. Importance of the Study*

This study will benefit a cross section of stakeholders in the sector, including donors, governments, international and national NGOs. It will serve to fill the knowledge gap in understanding the impact of board diversity on organizational performance of NGOs. It will seek to define the most critical aspects of board composition and how these are translated into efficient organizational performance. These organizations will be able to take the evidence generated and develop board recruitment policies to entrench an optimum board composition for their organizations. As previously pointed out, more attention has been focused on profit-making organizations with little emphasis on organizational performance of NGOs especially those located in sub-Saharan Africa. The evidence generated from the study will be important for management, funders, policy makers and scholars as illustrated below.

#### 1.5.1. NGOs Management Staff

The significance of this study is that it will assist many senior management staffs and executive directors of NGOs in Kenya to understand the importance of board diversity and in turn use the evidence generated from this research project in formulating effective boards. This will improve their organizational performance and contribute to the achievements of their organizational mission, visions and strategic objectives.

#### 1.5.2. Funding Agencies

Funders may use this study to understand and establish whether their presence on NGO boards is necessary and whether it is associated with NGOs efficiency and improved performance. They may also use the evidence generated from this research project in reviewing different NGOs that they intend to fund and advise them on their board composition to ensure maximum value return on their investments.

#### 1.5.3. Policy Makers

This research will contribute to informing policy, especially for the NGO coordination board, which is mandated to regulate NGOs in Kenya. The study will provide evidence and recommendations on the best mix of board characteristics that enhance NGOs performance.

#### 1.5.4. Scholars

This research will contribute to literature on board diversity effects on organizational performance and identify new areas for further research.

### *1.6. Scope of the Study*

The study was limited to NGOs located in Nairobi County in Kenya. The Directory of Development Organizations, (2011) identified that 702 NGOs are registered in Nairobi. This body of organizations constituted the population. The study was limited to 62 NGOs selected using random sampling method.

### *1.7. Definition of Terms*

#### 1.7.1. Age Diversity

Age diversity refers to the broadness of the board members number of years lived. There is a growing number of international initiatives encouraging age diversity to improve the overall level of knowledge and performance of boards. Ferrero-Ferrero, *et al.*, (2015) writes that the European Commission, in a working document entitled "Corporate Governance in Financial Institutions: Lessons to be Drawn from the Current Financial Crisis, Best Practices" argues that diversity broadens the debate within boards and helps to avoid the danger of narrow "group think".

### 1.7.2. Board Diversity

Board diversity refers to the composition of the board in terms of basic attributes such as education, age, size, gender and tenure, among other demographic characteristics. In more recent studies, board member's diversity is viewed not only from demographic attributes, but also from deeper-level attributes such as personality traits (Walker, Machold & Ahmed, 2015).

### 1.7.3. Non-Governmental Organization

The PBO Act, (2013) defines a public benefit organization as a voluntary, membership or non-membership, grouping of individuals or organizations, which is autonomous, non-partisan, non-profit making and which engages in public benefit activities. NPOs are generally defined as associations, charities, and other voluntary organizations formed to further cultural or public service objectives (Bottiglieri *et al.*, 2011). These organizations are supported by grants from funding agencies, public donations, and contracts with governments, among others. (Arshad *et al.*, 2013). A key characteristic of these organizations is that they do not operate for the benefit of private owners, but are responsible to various stakeholders. They are supported by the public, not by a single dominant donor. The terms PBOs, NPOs, NGOs and charities may be used interchangeably.

### 1.7.4. Occupational Diversity

A board with broad skills within its membership is more effective in fundraising (Siciliano, 1996). Occupational diversity refers to the broadness of skills within the board. Skills from financial backgrounds, programmatic backgrounds, fundraising backgrounds, among others will be categorized as an indication of occupational diversity.

### 1.7.5. Performance

Performance refers to the ability of an organisation to survive in a changing environment. Financial performance remains the most important measure of performance for NGOs, since unlike for-profits, where an organisation can continue operations even when making significant losses year in year out. In the NGO sector without funding an organisation simply closes shop and stops operations. This paper evaluated performance from a resource dependency theory perspective, by looking at the income and donations growth or decline. From a resource dependency perspective, variables that indicate performance are such as (1) resource dependency, or where resources come from; (2) resource diversity, or the degree of centralization or decentralization of the resource inflows; and (3) resource competitiveness, or the perception of competitiveness for obtaining resources from inside and outside the organization.

### 1.7.6. Professional Networks Diversity

Professional networks diversity refers to the individual's board members current and past professional contacts and networks. According to Callen *et al.*, (2009) the primary functions of the board, is to facilitate exchanges that reduce organizational resource dependencies by increasing the flow of a variety of kinds of resources through personal and professional contacts.

### 1.7.7. Resource Dependency Theory

Callen *et al.*, (2009) defines resource dependence theory (also known as boundary spanning theory) as the acquisition and maintenance of human, financial, and other resources essential for organizational survival and relevant to performance. Pfeffer & Salancik, (1978) defined resource dependency as the ability to acquire and maintain resources that are important to the survival of an organization.

## *1.8. Chapter Summary*

This chapter described in details the background of the study highlighting some of the research conducted on board diversity and organizational performance. It further described organizational performance in the context of resource dependency theory. This paper examined the relationship between board diversity attributes of age, occupational and professional networks diversity and organizational performance. The chapter also compared the for-profit sector boards and NGO boards highlighting the gaps that underscored the importance of the study. Finally, the chapter identified the general objective, specific objective and significance of the study. The next chapter comprehensively reviews the available literature on the relationship between board diversity and performance from the perspective of resource dependence theory.

## **2. Literature Review**

### *2.1. Introduction*

Mwenja and Lewis, (2009, p. 359) stated that studies have shown that well performing boards usually coincide with well performing organizations. Andrew, (2015) noted that the main duties of NGO boards are based on the accountability principle, the duty of obedience, loyalty and care. The duty of obedience requires the board to act in accordance with the organization's mission (Ostrower & Stone, 2006). The duty of loyalty requires the board to act in the best interest of the organization and not in their self-interest, or someone else's, and finally, the duty of care requires the board to take reasonable care when making decisions for the organization by participating; being informed about matters; and exercising independent, good faith judgment in board decisions (Andrew, 2015). According to O'Regan and Oster, (2004) the common folklores is that board members should bring to an organization the three W's: wealth (donations and fundraising), wisdom (monitoring and oversight), and work (operational duties).

The purpose of this chapter is to provide an introduction to the NGO governance literature and history, especially with relation to resource dependency theory. The remainder of the chapter consist of a review of the governance literature, an in-depth examination of the resource dependency theory and an overview discussion on each research question.

Research conducted in 1960's through the 1970's on boards related to investigations on functions, roles and responsibilities of boards with most theories being formalized during this period. Zald, (1969) studied the power and functions of boards, whereas, Aldrich and Herker, (1977) investigated the relationship between the boundary spanning roles and organizational structure. Pfeffer, (1973) studied the composition and functions of boards. Notably these studies were based on for-profit organizations. The resource dependency theory was formalized by Pfeffer and Salancik, (1978) in their studies of external control of organizations.

The period between the 1970's and 1980's experienced a growing interest and literature on boards with a keen interest on NGOs. Middleton, (1987) in her study to expand the literature beyond the governance function, indicated that literature in the NGO field was scarce, this sentiment was later shared by Ostrower & Stone (2010); Cornforth (2012) and Kinyua-Njuguna *et al.*, (2014) several decades later.

Kramer, (1985) researched on the relations of boards and executive directors in the non-profits. Axelrod, (1994); Carver, (1997) and Miller-Millesen, (2003) examined board leadership and board development, new designs for NGO boards and board behavior using theory based approach, respectively. Board composition accounts for the most researched topic in non-profit governance literature during the past twenty-five years and it continues to gain traction because of the assumption that who serves on the board matters (Andrew, 2015).

Finally, in the recent past more studies are focusing on board performance and deeper-level board diversity as opposed to organizational performance and demographic diversity of boards. However, board composition studies for NGOs in East Africa are still very few. This research paper seeks to expand board composition research for NGOs in Kenya by providing additional insights on how board composition impacts organizational performance.

## 2.2. Age Diversity of Board Members

Age diversity has not been extensively researched on compared to other board diversity indexes as gender and minority diversities. As remarked by Shore *et al.*, (2009), the research on age diversity is much less developed than research on race and gender, suggesting the need for new paradigms and new approaches to studying age diversity. There is a growing number of international initiatives encouraging age diversity to improve the overall level of knowledge and performance of boards. Ferrero-Ferrero, *et al.*, (2015) writes that the European Commission, in a working document entitled "Corporate Governance in Financial Institutions: Lessons to be Drawn from the Current Financial Crisis, Best Practices" argues that diversity broadens the debate within boards and helps to avoid the danger of narrow "group think".

In this context, this study focuses on age diversity of NGO board members and its effects on performance. Siciliano, (1996) found that age diversity in board members was linked to higher levels of donations, but was insignificant with respect to the organization's social performance. More recently, Hafsi and Turgut, (2013) determined empirically that age diversity in boards, negatively impacts social performance similar to Siciliano (1996). Subsequent studies of for-profit firms have demonstrated that gender and age diversity have a significant impact on corporate social performance (Boulouta, 2013 and Zhang *et al.*, 2013). According to Board Source 2012, 57% of NGO board members are men, and 59% are over the age of 50. Board Source is a national survey organization in the US that gathers information from both chief executives and board chairs on their experiences in the boardroom.

Wegge *et al.*, (2008), studied the effect of age diversity upon performance amongst some 4000 employees in the public sector. Age heterogeneity improved the ability of groups to solve tasks with high complexity. For groups working on simple tasks, however, age heterogeneity increased the number of self-reported health problems - which in turn indicates that groups of diverse ages should be utilized particularly for innovation or solving complex problems. These results can be extended to the board of NGOs, considering the tasks at hand involve complex decision making. Wegge *et al.*, (2008) further explained that some of the positive results of age diversity were as a result of extended job tenure of the participants.

Age diversity on boards helps the NGO to benefit from the different perspectives of different age groups, and the value of having the perspectives of younger directors on boards is emerging as an aspect of diversity worthy of attention. Age diversity on boards encourages board development and learning, which may foster creative and innovative ideas. Mahadeo *et al.*, (2012) found a significant positive relationship between age diversity on board and firm's corporate performance. They suggest that with age diversity, a board can consider the various strategic and operational aspects in a more effective way. Age diversity helps the board to bring different perspective and target NGOs beneficiaries in different age groups with a variety of services relevant to the specific groups.

## 2.3. Occupational Diversity of Board Members

Mwenja & Lewis, (2009) asserts that effective boards ensure that their members are knowledgeable about their organization, the board's roles, responsibilities, and performance. Hence, it is expected that board members with professional backgrounds are more capable to assist the NGOs in analyzing and understanding the complex environment under which the NGOs operate (Arshad *et al.*, 2013). Arshad *et al.*, (2013) further asserts that it is expected that board members with professional backgrounds are more capable to implement strategic plans that are perceived to be accountable to a wide range of stakeholders. In addition to their experience and expertise, board members with professional backgrounds are expected to be concerned with maintaining and enhancing their reputation.



Callen *et al.*, (2010) examined the relationship between the “type” of director and firm attributes. The type of director included the following categories: employee, major donor, well-known person who enhances the organization’s image (e.g., a celebrity) and a person with a useful professional skill (e.g., an investment advisor). They found that the proportion of persons with professional skills on the board had a positive impact on direct contributions to total revenues ratio. In light of the previous research showing positive relations between occupational diversity and performance we shall test the effects of occupational diversity on performance of NGOs in Nairobi.

In addition to diversity, empirical corporate governance research stresses the importance of appointing financial experts to the supervisory board in order to guarantee appropriate quality of corporate governance (Dienes & Velte, 2016). Siciliano, (1996) notes that from previous studies, the proportion of business leaders on the board was associated with greater organizational efficiency and program quality, while those members with non-business backgrounds tended to have better board attendance but were not associated with organizational outcomes. Dienes & Velte, (2016) agrees when they note that is impossible for board members without sufficient financial expertise to give advice to other board members. Siciliano, (1996) concludes that although the precise composition mix varied from firm to firm in response to different organizational and environmental characteristics, the most appropriate board composition included a diversity in board member affiliations and occupations.

#### 2.4. Professional Networks Diversity of Board Members

Miller-Millesen, (2003) rightly notes that resource dependency view is applied differently in the non-profit sector compared to the for-profit sector.

- “It is important to note that the way in which resource dependence theory is applied to the study of non-profit boards is somewhat different from the way it is applied to the study of corporate governance. The non-profit board’s role in linking the organization with its environment entails coordinating with a fairly broad array of constituents, whereas board-environment linkages in the private sector, for the most part, involve securing access to capital and enhancing coordination among firms. This means that board recruitment strategies, public relations programs, and the board’s role in acquiring necessary resources are likely to be different in each of the sectors.” (Miller-Millesen 2003: 534).

Miller-Millesen, (2003) further asserts that because the amount and type of financing the firm is able to secure is related to the types of financial institutions that are represented on the corporation’s board, a board is deemed effective when it is composed of individuals who have the capacity to facilitate favorable transactions that enable the organization to secure capital from financial institutions. In the non-profit world, a donor representation in the NGOs board would be the equivalent of a financial institutions’ representative in the corporate board. As such, organizations that have major donors represented in their boards are expected to have higher income and revenue growth.

Donor representation on the board is expected to be positively associated with performance from both the agency and the resource dependence perspectives. From the resource dependence perspective, major donors are often co-opted to serve on nonprofit boards and especially on-board fundraising committees because of their contacts among the moneyed elite and their often-unique ability to co-opt other potential major donors to the organization (Callen *et al.*, 2010). Callen *et al.*, (2003) found that for a large sample of nonprofit organizations major donors tend to be more highly represented on the fundraising (development) committee than on the board.

Following Callen *et al.*, (2003), this paper will review the presence of major donors on NGO boards and the impact it has on donations and income growth. Since, through their professional networks and contacts, major donors present in the board can influence the growth of donations and income for an organisation.

#### 2.5. Resource Dependency Theory and Board Diversity

An important mechanism for monitoring the NGOs is through the board of trustees. In their view, major donors on nonprofit boards monitor the organization in ways that are parallel to large shareholders on for-profit boards (Callen *et al.*, 2003). Pfeffer & Salancik, (1978) defined resource dependency as the ability to acquire and maintain resources that are important to the survival of an organization. Resource dependency theory is becoming more and more dominant in the evaluation of NGOs performance. Miller-Millesen, (2003) came up with an integrative theoretical framework of board behavior that identifies the conceptual links between environmental factors, organizational factors, and board behavior. Refer to Figure 3 below.



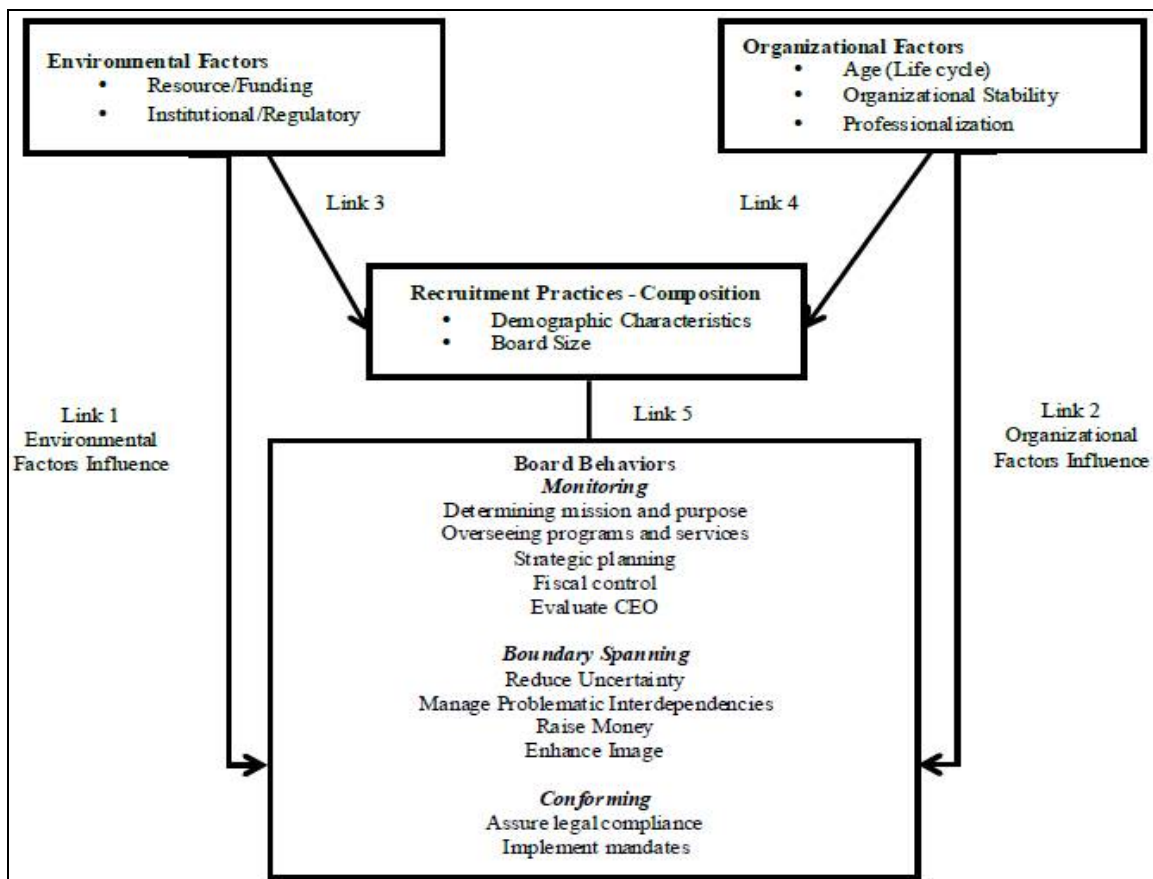


Figure 3: Theory-Based Typology of Board Behavior (Miller-Millesen, 2003)

In the theory based typology by Miller-Millesen, (2003) the boards' demographics, such as age, occupational and professional networks diversity which are being investigated in this research paper are influenced by the external and organizational factors, and they in turn influence board behavior. In their roles as boundary spanners, the board of directors performs four primary functions. First, the board reduces organizational uncertainty by developing "exchange relationships" with external constituencies. Secondly, these relationships facilitate exchanges that reduce organizational resource dependencies and increase the flow of a variety of kinds of resources through personal and professional contacts (Callen *et al.*, 2010) and as such raise income and donations for the NGOs. Thirdly, the board assures that the organization remains adaptive by gathering and interpreting information from the external environment. In this capacity, the board processes complex (often competing) information so that the organization can remain competitive in a dynamic environment, thereby managing problematic interdependencies and finally, the board represents the organization to external constituencies.

Boateng *et al.*, (2016) used a hybrid methodological approach which consisted of fourteen exploratory interviews and a quantitative survey of one hundred and five chief executive officers in Britain that came up with five broad measures of performance of charities. In both Miller-Millesen, (2003) and Boateng *et al.*, (2016) raising funds is identified as one of the key responsibilities of NGO boards. Boundary spanning is the most important responsibility of boards in NGOs since unlike for-profits, where an organisation can continue operations even when making significant losses year in year out, in the NGO sector without funding an organisation simply closes shop and stops operations. This research paper follows the two scholars and examine performance from a boundary spanning perspective.

A number of other scholars (Callen *et al.*, 2010; Middleton, 1987; Miller-Millesen, 2003; Ostrower & Stone, 2010; Pfeffer, 1973 and Zald, 1970) also reviewed performance from a resource dependency perspective. Following Miller-Millesen, (2003) logic, this paper seeks to test the hypothesis that for a NGO, having a donor on the board could be deemed effective since they may facilitate increased donations.

Resource dependence theory makes an important contribution to understanding board behavior. The theory is useful in that it highlights the board's capacity to unite the organization with its environment. However, the resource dependence approach has been criticized by those who argue that the theory is not helpful in identifying the coalitions of organizations that are most important to reducing the environmental dependencies of the focal organization (Provan *et al.*, 1980). Zald (1969: p 98) stated that, "Boards are at the mercy of the managers who control information, definitions of alternatives, the nominating process, and indeed the very agenda of decision-making". Through the lens of resource dependency theory, NGOs board's roles and responsibilities should focus on building relationships with the external environment to reduce uncertainties through acquiring resources. In summary, a board composed of influential members from the organization's external environment performs a boundary-spanning function that absorbs uncertainty,

reduces operational dependencies, exchanges information, represents the organization to external stakeholders, and enhances overall performance.

### 2.6. Chapter Summary

This chapter examined the background of NGO governance literature, outlined an in-depth review of the resource dependency theory, examined the roles and responsibilities of boards based on the theory based typology by Miler-Millesen, (2003) and discussed the board diversity attributes of age, occupational and professional networks diversity that are being investigated by this paper. The next chapter provides a detailed discussion of the research design, the population, the data collection method, the data analysis methods and discusses limitations to the research design.

## 3. Research Methodology

### 3.1. Introduction

This chapter discusses the research design, population, sampling design, data collection methods, research procedures and data analysis. It provides an academic description of sampling and data collection and analysis techniques that were used in order to ensure that the final report provided an accurate and unbiased description of the results of the study.

### 3.2. Research Design

The study employed a descriptive survey research design Kothari, (2014) states that a descriptive research design or study is meant to generate an accurate record of what is happening in a specific situation with a given population. Descriptive survey research was relevant for this kind of study since it is concerned with describing the characteristics of a particular individual or a group, to determine the proportion of people who behave in a certain way, to make specific predictions and the relationship between the variables (Backlund, 2005).

With descriptive design, the researcher has an opportunity to have a clear view of the problem from other related sources and narrows the research around these important items. In this case, the researcher will adopt a technique that leads to exact or almost detailed facts when carrying out the study. From this, the conclusion of the study will be derived from the investigated variables. A research design is regarded as the road map that a researcher decides to follow during the research journey. It constitutes the blueprint for collection, measurement and analysis of data (Garg & Kothari, 2014). Zikmund et al., (2012), describe a research design as the blueprint that enables the investigator to develop solutions to the research problems and guides him through the various stages of the research.

### 3.3. Population and Sampling Design

#### 3.3.1. Population

The Directory of Development Organizations, (2011) lists 70,000 development organizations that includes civil society organizations, academic and research institutions, NGOs and the non-profits in the private sector. The Directory of Development Organizations identified that 702 NGOs are registered in Nairobi, Kenya. This body of organizations constituted the population of the survey which included national and international NGOs. The respondent was the chief executive officer of the NGO, the chief executive officer was targeted since they are an ex-officio member of the board with suitable information to deal with the study questions.

Category	Population
International NGO	548
National NGO	154
<b>Total</b>	<b>702</b>

Table 1: Total Population Distribution

#### 3.3.2. Sampling Design

##### 3.3.2.1. Sampling Frame

Sampling is the collections, analysis and interpretation of data gathered from random samples of a population under study. The target population to which the researcher wants to generalize study results and the sample will be measured. To foster external validity of study finding, it is important that both the experimentally accessible population and the sample be representative of the target population (Kothari, 2014).

Garg & Kothari, (2014) stated that a sampling frame refers to an objective list of the population from which the researcher can select a sample. Kothari, (2014) explains that a sampling frame is the list of sampling units of analysis from the experimentally accessible population. Thus, randomly selecting study participants from a suitable sampling frame is an example of probability sampling. The sampling frame that was used was the Directory of Development Organizations, (2011) which identified that 702 NGOs are registered in Nairobi, Kenya.

### 3.3.2.2. Sampling Technique

Kothari, (2014) state that there are two types of sampling techniques, probability sampling and non-probability sampling. Probability sampling uses some form of random selection of research participants from the experimentally accessible population. Kothari, (2014) state that only random sampling permits true statistical inference and fosters external validity. He goes on to explain that there are several probability sampling methods and that a simple random sample is one that is done in such a manner that all members of the population have an equal and independent chance of being selected. Stratified sampling technique ensures the selection of study respondents with suitable information to deal with the study questions.

### 3.3.2.3. Sampling Size

A sample is the subset of a population which represents the characteristics of the population or a portion of the population selected for analysis. When a sample is taken from a population, as opposed to collecting information from the whole population, there is a probability that the sample will not reflect the characteristics of the population. Kothari, (2014) call this error the sampling error. Variability in sample results is measured in terms of number of standard errors. A standard error is similar to the standard deviation of a data set, except a standard error applies to a sample.

Standard errors are the building blocks of confidence intervals. A confidence interval is a statistic plus or minus a margin of error, and the margin of error is determined by the number of standard errors that one needs to get the desired confidence level. To attain a sample size that has a sufficient size qualified to the goals of the study, the researcher adopted Yamane's formula which is as follows:

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

Where:

$n$  is the sample size

$N$  is the population size and

$e$  is the margin of error.

$$n = \frac{702}{1 + 702(0.1)^2}$$

$$n = 84$$

A sample size of 84 respondents was deemed as an adequate size relative to the goals of the study. The sample size therefore comprised of 18 national NGOs and 66 international NGOs.

Category	Population
International NGO	66
National NGO	18
<b>Total</b>	<b>84</b>

*Table 2: Sample Size Distribution*

### 3.4. Data Collection Methods

The main tools of data collection for this study was structured questionnaires. The questionnaire method was used for data collection because it offers considerable advantages in administration. It also presents an even stimulus potentially to large numbers of people simultaneously and provides the investigation with an easy accumulation of data (Gay, 1992). The questionnaires were used to collect data from NGOs staff including, finance, procurement and programmatic staffs. A structured questionnaire was used to collect primary quantitative data. The questionnaire was divided into five parts. Part one was used to collect general demographics information about the respondents. Part two was used to collect information on effects of professional networks diversity of board members on NGO's performance. Part three was used for collecting information about the effects of age diversity of board members on NGO's performance while part four was used for collecting information about the occupational diversity of board members on NGO's performance and finally part five collected data on the dependent variable, which was performance.

### 3.5. Research Procedures

A research permit was obtained from the university registrars' office. Thereafter the introductory letter was sent to the sampled NGOs one week prior to commencement of the data collection exercise to make relevant staffs be well prepared. The researcher administered the questionnaires to the staff with the assistance of research assistants. The respondents were assured of high level confidentiality maintained in dealing with the responses given.

#### 3.5.1. Pilot Study

The researcher conducted a pilot study on respondents before the actual data collection began. The results were evaluated accordingly and thereafter the questionnaires adjusted to capture all the required data for the study. The purpose of the pilot study was to enable the researcher to ascertain the reliability and validity of the instruments, and to be familiarized with the administration of the questionnaires thereby improving the instruments procedures. The results of the pilot data were tested using Cronbach Alpha method

where any Alpha value of more than 0.7 would mean that the collected data is valid and reliable for this kind of study. Pre-test and pilot studies are used to ensure validity and reliability of the research instruments (Saunders et al., 2007). Van-Teijlingen & Hundley (2001) noted that pre-testing is useful since it helps to establish whether the study techniques are effective and helps to uncover internal variability, hence making the instrument more objective. Muus & Baker-Demaray (2007), noted that a pilot test should draw subjects from the target population.

### 3.5.2. Validity of Questionnaire

Van-Teijlingen & Hundley (2001) observes that validity is the degree to which results obtained from the analysis of the data actually represents the phenomenon under study. Content validity of the questionnaire was tested by giving it to the supervisor who identified items that were inadequate and suggest necessary corrections. Recommendations from the supervisor were incorporated in the final questionnaire. For face validity, the questionnaire was piloted on 10% of the potential respondents who were picked randomly. Insight obtained from the pilot survey were analyzed and used to make adjustments in the questionnaire.

### 3.5.3. Reliability of Questionnaire

Mugenda and Mugenda, (2003) define reliability as a measure of the degree to which a research instruments yields consistent results or data after repeated trial. Reliability of the questionnaire items were determined by using split-half method whereby the items of Part A were correlated with items in Part B using spearman's Rank Correlation Co-efficient. Alternatively, raw data from the instruments were subjected to a reliability analysis from which Cronbach's co-efficient alpha value of above 0.7 made; the data reliable the recommended reliability is 70%.

### 3.6. Data Analysis Methods

After all data was collected, the researcher conducted data cleaning, which involved identification of incomplete or inaccurate responses, which were corrected to improve the quality of the responses. After cleaning, the data was coded and, where necessary, quantified for appropriate analysis. Quantitative data was analysed using the Statistical Package for Social Sciences (SPSS) Version 22 software through descriptive statistics; measures of central tendency, measures of dispersion and measures of symmetry and inferential statistics. Thematic analysis was used for qualitative data. According to Mugenda and Mugenda, (2003) qualitative data analysis seeks to make statements on how categories or themes of data are related. As observed by Gray (2004) Qualitative data provides rich description and explanations that demonstrate the chronological flow of events as well as often leading to chance findings.

On the other hand, qualitative data was analyzed using various statistics test spearman correlation coefficient. Component/factor analysis based on groups of related statement was used to make comparison across the core study factors through the use of correlation.

The study adopted a linear regression equation as depicted below;

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \epsilon$$

Where;

**Y** = Dependent variable (Performance within non-governmental organisations (NGOs))

**$\alpha$**  = the model intercept

**$\beta_1$ - $\beta_4$**  = Coefficient of independent variables

**$X_1$ - $X_3$**  = ( **$X_1$**  – Age diversity,  **$X_2$**  – Occupational diversity,  **$X_3$** -Professional networks)

**$\epsilon$**  = Error Term

Data was presented primarily in frequency tables, charts, graphs, figures and percentages. This kind of presentation assisted bring out comparisons between the various pieces of data to be collected during the study. Such comparison helped the researcher in making inferences and consequently conclusions and recommendations.

### 3.7. Chapter Summary

This chapter presents the research methodology that was used for this study. The chapter covered research design, population and sampling design, data collection methods, research procedures, data analysis methods. The next chapter presents the data collected in form of charts, tables and linear regression.

## 4. Results and Findings

### 4.1. Introduction

This chapter presents an analysis of the data that was collected through the use of structured questionnaires. The chapter also interprets and discusses the findings. The mode of presentation employed for the results depends on the appropriateness on ease of understanding and interpretation of the results. Charts and tables were used depending on the most appropriate form of presenting the data.

Out of the 84 issued questionnaires, 63 questionnaires representing 75% of the total questionnaires distributed were returned fully completed, while 21 questionnaires were not returned representing 25% of the total questions distributed to the respondents. It can be concluded that the response rate was good. According to Mugenda and Mugenda (2003) a response rate of 70% and over is excellent for analysis and reporting on the opinion of the entire population.



#### 4.2. Respondents Demographic Characteristics

The section presents the study results on the background characteristics of the respondents. These include age of the respondents, gender of the respondents, employee designation and the period served in their respective organizations. Descriptive statistics have been used to present these findings in tabular form.

##### 4.2.1. Age of Respondents

Figure 4 presents the age groups of the respondents to the study. According to the findings, majority of the respondents (46.9%) were aged between 31 – 42 years. 28.1% were aged between 43 – 55 years and 18.8% were aged 56 years and above whereas the least (6.3%) were aged between 18 – 30 years. This showed that there was diversity in the ages of the respondents who were the chief executives of the organizations studied.

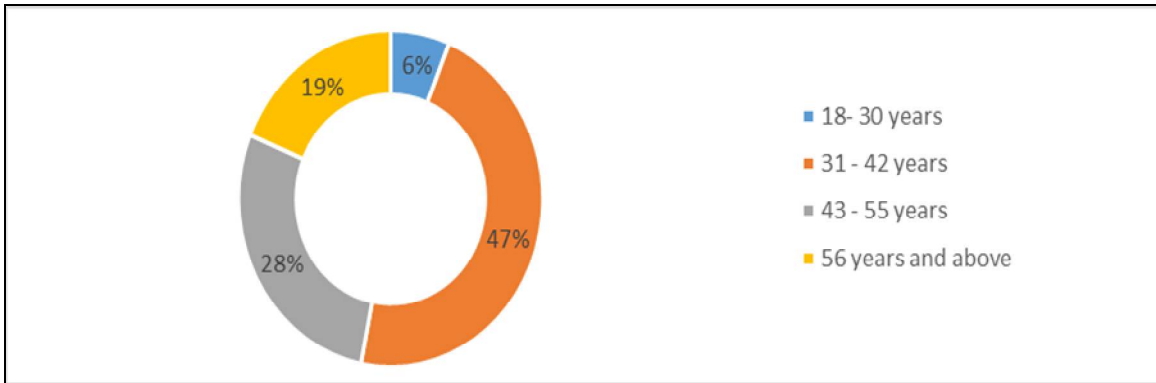


Figure 4: Age of Respondents

##### 4.2.2. Gender of the Respondents

According to the findings, majority of the study respondents (81%) were male staffs of the studied organizations. The female employees were the least among the respondents representing only 19%. This also illustrates clearly that there is gender inequality in the leadership of these organizations.

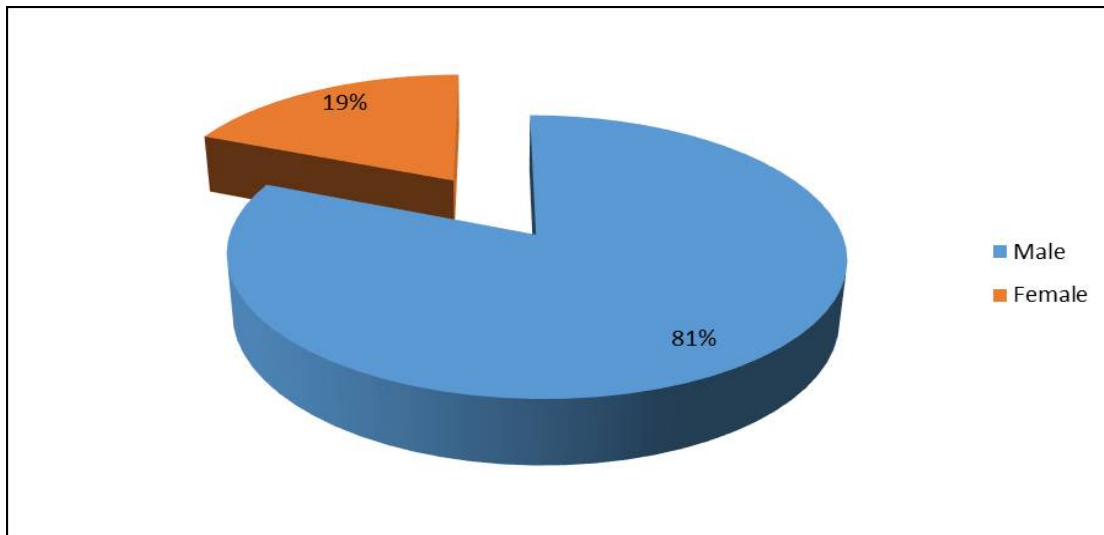


Figure 5: Gender of the Respondents

##### 4.2.3. Duration Served

As illustrated in the Figure 4 below, majority of the respondents (65.6%) had served in their organizations for a period of 0 – 3 years. 25% had been in their current positions for a period of 4 – 6 years and the least (9.4%) were the respondents who had worked in the organizations for a period of 6 – 9 years.

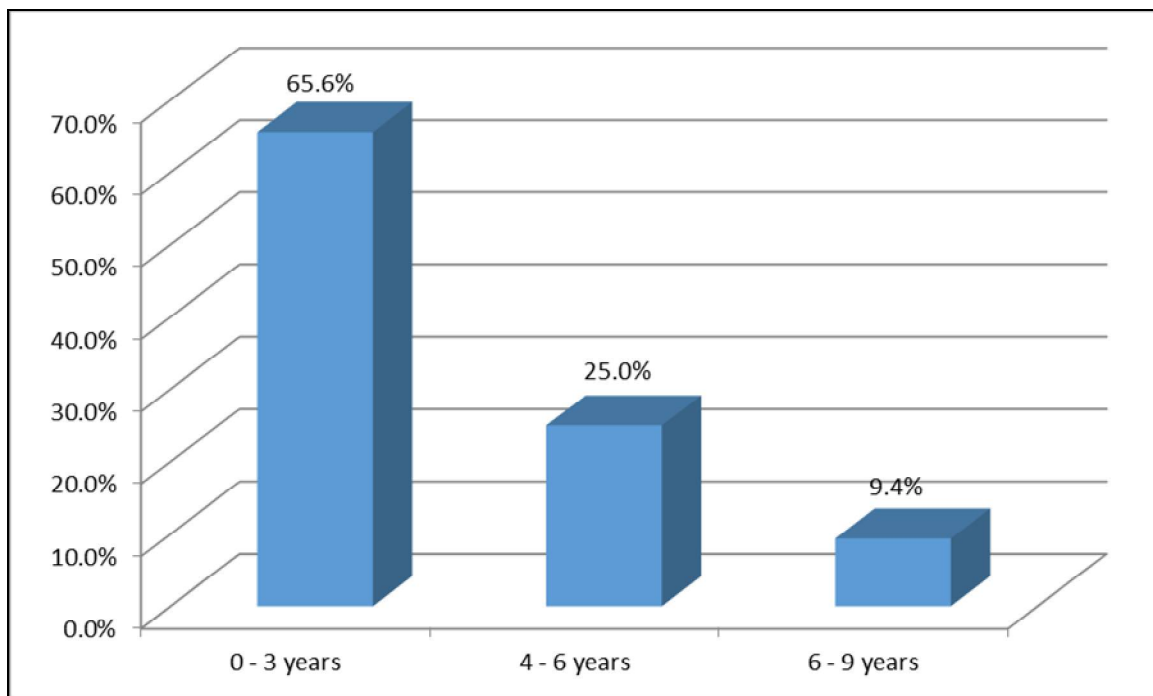


Figure 6: Duration Served

#### 4.2.4. Type of Organization

As shown in the Figure 7, majority of the organizations studied represented the international NGOs. These were 81% whereas 19% of the NGOs studied were local NGOs operating within the country.

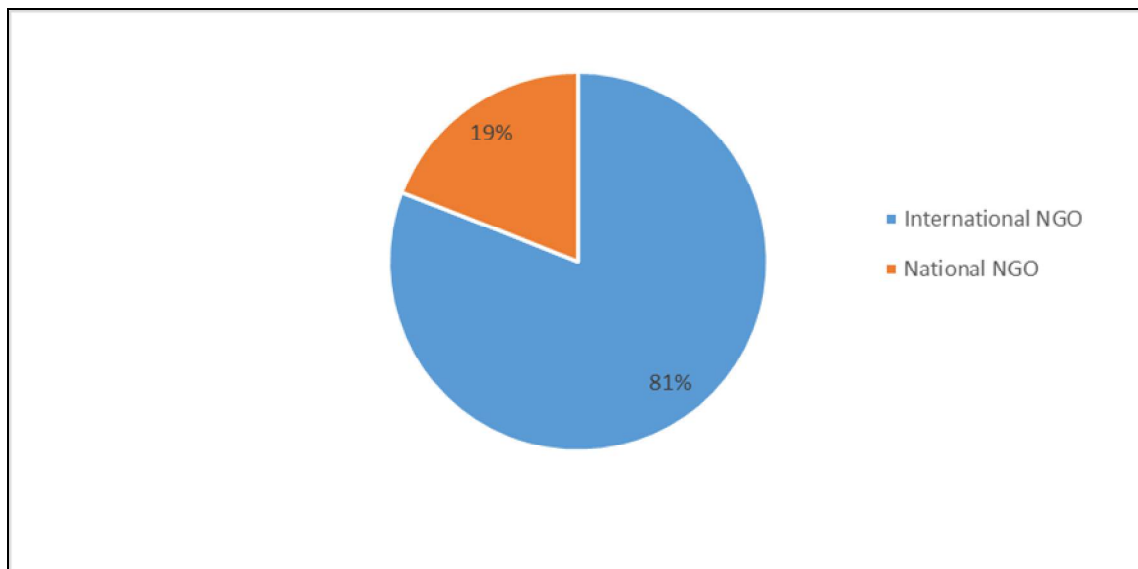


Figure 7: Type of Organization

#### 4.2.5. Number of Years the NGOs have been in Operation

According to the findings in Figure 8, most of the NGOs studied were in operation for a period of 0 – 10 years. 28.1% had been in operation for a period of between 11 – 20 years and 21.9% had been in operation for a period of 31 – 40 years. The least (12.5%) had been operating for a period of between 21 – 30 years.

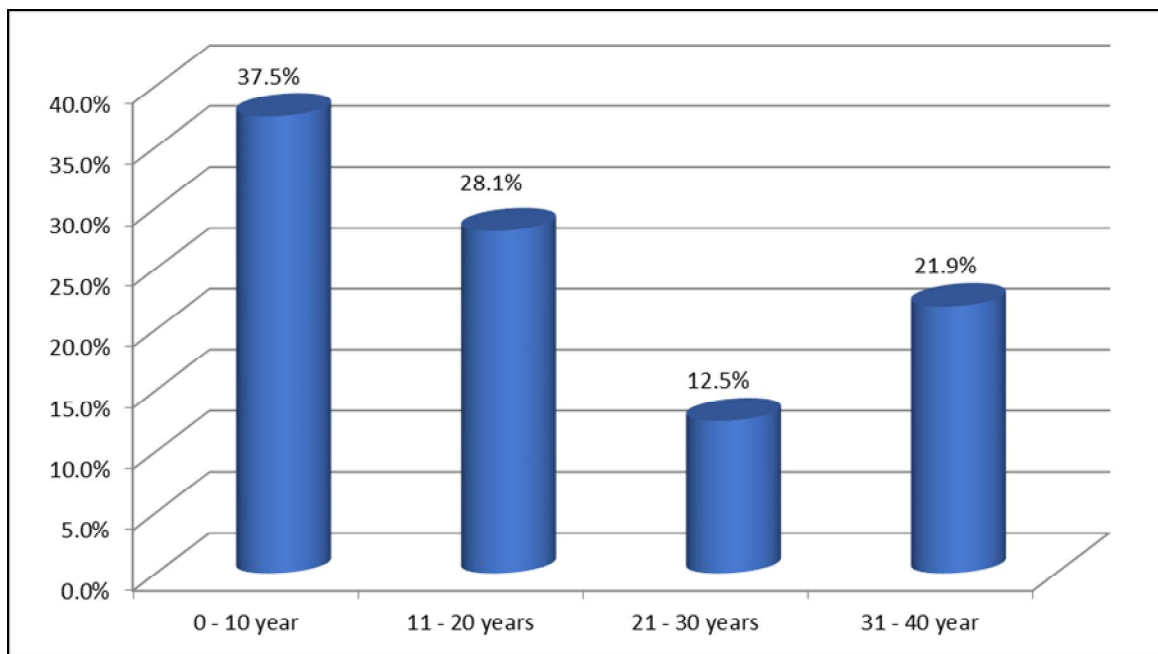


Figure 8: Number of Years the NGOs have been in Operation

4.2.6. Boards Profile

According to the findings, 78.1% of the studied organizations had their staff members in the board of governance for their organizations. However, 21.9% of these organizations did not include their staffs in the list of board members. The table also illustrate that, in 59.4% of the organizations, major donors were part of the boards unlike the case of 40.6% of the studied organizations. From the table also, 50% of the organizations had accountant professionals as members of the board of management, 34.4% had law professionals in their boards and 43.7% had well known individuals in their board membership. Findings further illustrate that majority of the organizations (93.7%) had women representative in their boards thus, indicating the fact of gender diversity in the board members.

Board Member Type	Present	Absent
Staff Members	78.1	21.9
Major donors	59.4	40.6
Accountants	50	50
Lawyers	34.4	65.6
Well known Individuals	43.7	56.3
Women	93.7	6.3

Table 3: Diversity of the Board Members

4.3. Effects of Boards Age Diversity on Organizational Performance

Findings on the effect of age diversity of the board members on organizational performance are as presented in Table 4. The findings showed the level of agreement of the respondents to the given aspects of age diversity in their organizations through means and standard deviation.

	Mean	Std. Deviation
To what extent is the diversity of members age in your organization	2.8438	.51490
The board at my organization is composed of members with varied age groups	3.6563	.90195
The variation of age group has greatly improved the performance of my organization in terms of donations and project managements	3.0000	.95038
Age diversity in board members is linked to higher levels of donations	2.2188	1.18415
Age is significant with respect to the organization's overall performance	3.2188	1.31332
Age diversity in boards positively impacts social performance	3.3125	.73780
Age diversity in board members improves the overall level of knowledge of the organization at the board level	3.4688	.76134
Age diversity in board members broadens the debate within boards and helps to avoid the danger of narrow group think	3.7812	1.12836

Table 4: Age Diversity of Board Members

As presented in Table 4 the respondents reported that the age diversity of the board members in their organizations was of low extent as shown by a mean of 2.8438 for a low extent and a standard deviation of 0.51490. The table also shows that the boards for the organizations studied were composed of members with varied age groups. This is as the respondents agreed with a mean of 3.6563 and a standard deviation of 0.90195. The variation of age groups among the board members had greatly improved the performance of the organizations in terms of donations and project managements (mean = 3.0000; std. dev. = 0.95038).

From the table also, the respondents however neither agreed nor disagreed that the age diversity in board members is linked to higher levels of donations (mean = 2.2188; std. dev. = 1.18415). The respondents also agreed indicating that the age diversity among board members is significant with respect to the organizations overall performance (mean = 3.2188; std. dev. = 1.31332). It is also clear from the table that age diversity in boards positively impacts social performance as indicated by the mean of 3.3125 with a standard deviation of 0.73780 showing no much variance of the responses given from the mean response calculated. According to the findings, the age diversity in board members improves the overall level of knowledge of the organization at the board level (mean = 3.4688; std. dev. = 0.76134). Findings showed that the age diversity in board members broadened the debate within boards and helped to avoid the danger of narrow group think as indicated by a mean of 3.7812 with a standard deviation of 1.12836 which showed that majority of the respondents agreed to this.

#### 4.4. Effects of Boards Occupational Diversity on Organizational Performance

Table 5 presents the results on the effects of occupational diversity of the board members on organizational performance. Similarly, the results are on means and standard deviation showing the level of agreement with the given aspects of occupational diversity.

	Mean	Std. Deviation
The board of my organization is composed of members from varied occupations	4.4063	.49899
Occupational diversity of the board members improves the organization performance by allowing it proper access to complex environment under which it operates	3.5625	1.24272
My organization has experienced higher levels of social performance and fundraising results due to the greater occupational diversity by the board members	2.6563	1.12478
The new insights and perspective brought about by the board diversity has improved the organization performance	3.2188	1.21109
The existence of board members with different skills has greatly enhance the organization performance by having the board venture their perspectives in different fields	3.2187	1.56028
Board members with varied skills help other members understand different aspects of organization operations thus improving the operations of my organization.	3.8437	.88388

Table 5: Occupational Diversity of Board Members

According to the findings as illustrated in the Table, the respondents agreed to a very great extent indicating that the boards of the studied organizations are composed of members from varied occupations. This had a mean of 4.4063 with a standard deviation of 0.49899 indicating a strong extent of agreement. The respondents also agreed that the occupational diversity of the board members improved organization performance by allowing the organization proper access to complex environment under which it operates (mean = 3.5625; std. dev. = 1.24272). However, the respondents neither agreed nor disagreed to the opinion that the organizations had experienced higher levels of social performance and fundraising results due to the greater occupational diversity by the board members. This had a mean of 2.6563 and a standard deviation of 1.12478.

From the table also, the respondents agreed indicating that the new insights and perspective brought about by the board diversity has improved the organizational performance for the studied organizations. This is as illustrated by a mean of 3.2188 and a standard deviation of 1.21109 indicating a moderate extent of agreement. The respondents also agreed that the existence of board members with different skills greatly enhanced organizational performance by having the board venture their perspectives in different fields (mean = 3.2187; std. dev. = 1.56028). Further, the respondents agreed that the board members with varied skills helped other members understand different aspects of organization operations thus improving the operations of the organization. This is as indicated by a mean of 3.8437 and a standard deviation of 0.88388.

#### 4.5. Effects of Boards Professional Networks Diversity on Organizational Performance

Table 6 presents the study results regarding the effects of professional networks diversity of board members on organizational performance. The results are on means and standard deviation measuring the level of agreement of the respondents in a scale of 1 – 5 where a mean of up to 1.0 is an indication of a strong extent of disagreement, 1.1– 2.0 is a slight extent of agreement, 2.1 – 3.0 is a moderate extent of agreement, 3.1 – 4.0 is agree and a mean of 4.1 – 5.0 is a strong extent of agreement.



	Mean	Std. Deviation
The board of my organization is composed of members with varied networks/connections	3.1563	1.13903
The board with different professional networks improves the performance of the organization through increased donations	2.7812	1.21109
The increased organizational performance of my organization has been largely contributed by varied network/connections diversity of board members	2.7500	1.07763
The varied professional networks of the board have increased donor funding activities due to increased donor confidence in the organization	2.7188	1.19770
My organization has experienced better project supervision that has then improved its performance due to board professional network diversity	2.6875	1.06066

Table 6: Professional Networks Diversity of Board Members

As illustrated in the Table, the respondents to the study agreed as indicated by a mean of 3.1563 and a standard deviation of 1.13903 indicating that the boards for the studied organizations are composed of members with varied networks/connections. The respondents had a moderate extent of agreement (mean = 2.7812; std. dev. = 1.21109) indicating that a board with different professional networks improves the performance of an organization through increased donations.

Findings also illustrated that, the respondents to the study moderately agreed (mean = 2.75; std. dev. = 1.07763) that the increased organizational performance of the studied organization have been largely contributed by varied network/connections diversity of board members. The varied professional networks of the boards have increased donor funding activities due to increased donor confidence in the organization. This as shown by a mean of 2.7188 with a standard deviation of 1.19770 illustrate that the respondents neither agreed nor disagreed thus there were varied responses in the level of agreement with regard to this aspect. Similarly, the respondents neither agreed nor disagreed to that the organizations studied had experienced better project supervision that have then improved their performance due to board professional network diversity (mean = 2.6875; std. dev. = 1.06066).

#### 4.6. Organizational Performance

Table 7 presents the results on the performance of the studied organizations. The findings are on means and Likert scale measuring the level of growth in a scale of 1 – 5 where 1 is the lowest growth and 5 is the highest extent of growth.

	Mean	Std. Deviation
Since the inception of my organization, the organization has witnessed great growth on donation	3.2500	.98374
Since the inception of my organization, the organization has witnessed great growth on project management and supervision	3.7500	.67202
Since the inception of my organization, the organization has witnessed great growth on varied activities	3.6250	1.00803
Since the inception of my organization, the organization has witnessed great growth employee workforce	3.3125	.59229

Table 7: Organizational Performance

According to the findings in the table, the respondents reported that since the inception of the organizations studied, the organizations have witnessed a high extent of growth on donation. This had a mean of 3.2500 with a standard deviation of 0.98374. The findings also showed that, the respondents agreed that since the inception of these organizations, there had been great growth on project management and supervision (Mean = 3.7500, std. dev. = 0.67202). Further, it is evident that since the inception of the organizations studied, there had been great growth on varied activities as shown by a mean of 3.6250 and a standard deviation of 1.00803. It is also clear from the table that, the respondents agreed (mean = 3.3125, std. dev. = 0.59229) indicating that since the inception of their organizations, growth in employee workforce had been witnessed which was to a great extent.

#### 4.7. Correlation Analysis

In this study, correlation analysis was conducted to test the association between professional network diversity, age diversity, occupational diversity and organizational performance. The association was tested at the 5% level of significance setting the critical value as 0.025 in a 2-tailed test. The strength of the association was tested based on the Pearson correlation scale with a range of 0 – 1 where a correlation coefficient in the interval of 0.0 – 0.3 is an indication of no correlation, 0.3 – 0.5 is a weak correlation, 0.5 – 0.7 is a moderate correlation and a correlation coefficient of 0.7 and above is an indication of a strong correlation between the variables. Results are as presented in Table 8;

		Organization Performance	Network Diversity	Age Diversity	Occupational Diversity
Organization Performance	Pearson Correlation	1	.578**	.586**	.684*
	Sig. (2-tailed)		.001	.000	.015
Professional Networks Diversity	Pearson Correlation	.578**	1	.129	.138
	Sig. (2-tailed)	.001		.480	.450
Age Diversity	Pearson Correlation	.586**	.129	1	.046**
	Sig. (2-tailed)	.000	.480		.002
Occupational Diversity	Pearson Correlation	.684*	.138	.046**	1
	Sig. (2-tailed)	.015	.450	.002	
**. Correlation is significant at the 0.01 level (2-tailed).					
*. Correlation is significant at the 0.05 level (2-tailed).					

Table 8: Correlation Results

According to the findings as presented in Table 8, there is a positive and significant correlation between the board members' professional network diversity and organizational performance. This had a correlation of 0.578 with a p-value of 0.001 ( $p < 0.05$ ) which is less than 0.05 at the 5% level of significance. The table also illustrate that there is a positive and significant correlation between the board members' age diversity and organizational performance. This is as indicated by a correlation of 0.586 with a significance value of 0.000 which is less than 0.05 at the 5% level of significance.

From the table also, the occupational diversity of the board members and organizational performance were positively and significantly correlated. The association indicated a positive correlation of 0.684 with a significance value of 0.015 less than 0.05 the critical value at the 5% level of significance.

#### 4.8. Regression Analysis

Findings under this section present the results on the relationship test between the dependent and independent variables. Regression test was carried out to show the extent of influence of the independent variables (Board members' diversity; - professional network diversity, age diversity and occupational diversity) on organizational performance. The significance of the regression model was tested at the 5 % level of significance through F – statistics which shows the level of reliability of the so developed in presenting the relationship between the above variables.

Results under regression analysis give the regression model summary which shows the extent of variability of organizational performance due to the influence of the predictor variables (professional network diversity, age diversity and occupational diversity) as given by the coefficient of determination, the ANOVA table which shows the significance of the regression model as well as the regression coefficients which indicate the extent to which a given variable influence the dependent variable keeping other independent variables constant.

The regression analysis was conducted through a multiple regression analysis with three (3) independent variables and one (1) dependent variable. The results are as presented in Table 9, Table 10 and Table 11 for the regression model summary, the Analysis of Variance and the Regression model summary respectively.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.748 <sup>a</sup>	.662	.639	.63727

a. Predictors: (Constant), Occupational Diversity, Age Diversity, Network Diversity

Table 9: Regression Model Summary

The study findings as presented in Table 9 provides the regression model summary showing the extent to which the independent variables (professional network diversity, age diversity and occupational diversity) influenced the dependent variable (organizational performance). The table gives the R coefficient and the R-square as well as the adjusted R-square coefficients.

Based on the coefficients, the predictor variables (professional network diversity, age diversity and occupational diversity) explain 66.2% of the variation in the organizational performance. This was as represented by the R coefficient of 0.662 (66.2%) which revealed that other factors not studied in this research were responsible for the 33.8% of the variability in the organizational performance.

The findings further illustrate that, the study results obtained were 63.9% reliable as indicated by the adjusted R Square coefficient which is also close to the R-square coefficient of 66.2%. This therefore illustrated that, had the study been conducted using other population rather than the population in place, the results would have been 36.1% different from the current findings which would not be a significant difference from the study results. Thus, the findings of the study can be relied on to present the relationship between the study variables.

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	9.746	3	3.249	8.002	.013 <sup>b</sup>
	Residual	11.371	59	.406		
	Total	21.117	62			
a. Dependent Variable: Organization Performance						
b. Predictors: (Constant), Occupational Diversity, Age Diversity, Network Diversity						

Table 10: Analysis of Variance

According to the findings as presented in Table 10, the significance value in testing the reliability of the model for the relationship between organizational performance and the independent variables (professional network diversity, age diversity and occupational diversity) was obtained as 0.013 which is less than 0.05 the critical value at the 5 % level of significance. Therefore, the model was statistically significant in predicting the relationship between the predictor variables (professional network diversity, age diversity and occupational diversity) and organizational performance. The F value calculated is 8.002 indicating a significant model for the relationship as given by the regression coefficients. This showed that the overall model was statistically significant and reliable in explaining the influence of the predictor variables to the organizational performance.

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.604	.679		5.305	.000
	Network Diversity	4.058	.676	.177	2.743	.003
	Age Diversity	4.078	.935	.192	3.813	.023
	Occupational Diversity	2.780	.786	.054	2.185	.015
a. Dependent Variable: Organizational Performance						

Table 11: Regression Coefficients

The estimates of the regression coefficients, t-statistics and the p-values for the relationship between professional network diversity, age diversity and occupational diversity and organizational performance are as presented in Table 11. These coefficients answer the regression model relating the dependent and the independent variables as given in chapter three.

Based on these, the regression model;  $Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \varepsilon$  therefore becomes;

$$Y_1 = 3.604 + 4.058 X_1 + 4.078 X_2 + 2.780 X_3$$

In testing the relationship, professional network diversity, age diversity and occupational diversity were used to run the multiple regression against the organizational performance as the dependent variable. The results show that all the independent variables had a positive relationship with organizational performance. The relationship between the variables was also found to be statistically significant at the 5% level of the significance as the coefficients had significant values all less than 0.05.

From the table, professional network diversity had a coefficient ( $\beta_1 = 4.058$ ,  $t = 2.743$ ,  $p = 0.003$  ( $p < 0.05$ )). The board members' age diversity also showed a significant influence on organizational performance with the coefficient ( $\beta_1 = 4.078$ ,  $t = 3.813$ ,  $p = 0.023 < 0.05$ ) indicating a positive effect on organizational performance. From the table also, the board members' occupational diversity had a coefficient of ( $\beta_1 = 2.780$ ,  $t = 2.185$ ,  $p = 0.015 < 0.05$ ) showing a positive and significant relationship with organizational performance.

#### 4.9. Chapter Summary

The study variables (age diversity, occupational diversity and professional networks diversity) contributed to the improved organizational performance of the NGOs from the study. Regression and correlation analysis showed that indeed there was a relationship between the three variables against the dependent variable, organizational performance. The next chapter will summarize and interpret the results outlined in this chapter.

### 5. Summary Conclusion and Recommendations

#### 5.1. Introduction

The chapter presents the summary and discussion of the study findings and the conclusions arrived at. The chapter also presents the recommendations that were made based on the findings. It as well proposes recommendations for further study areas. The discussion is guided by the study objectives.

#### 5.2. Summary of Findings

The study was undertaken with the aim of establishing the effects of board diversity on NGOs performance. The study was guided by three objectives. These included; to establish the effects of age diversity of board members on organizational performance, to establish the occupational diversity of board members on organizational performance as well as establishing the effects of professional networks diversity of board members on organizational performance.

The participants of the study involved chief executive employees of both local and international NGOs. Of these, 62% represented the international NGOs whereas 38% were the local/national NGOs operating within the country. Most of the NGOs were in operation for a period of 0 – 10 years, 28.1% had been in operation for a period of between 11 – 20 years and 21.9% had been in operation for a period of 31 – 40 years.

Findings with regard to the effect of age diversity of the board members on organizational performance showed a positive and significant effect. This had a correlation of 0.586 which was found to be statistically significant with a p-value of 0.000. According to the findings, organizational board for the NGOs studied composed of members with varied age groups. The variation of age groups among the board members had greatly improved the performance of the organizations in terms of donations and project managements. The findings as well illustrated that age diversity among board members is significant with respect to the organizational overall performance. It was also evident from the findings that age diversity in boards positively impacts social performance of the organizations. According to the findings, the age diversity in board members improves the overall level of knowledge of the organization at the board level; as well the age diversity in board members broadens the debate within boards and helped to avoid the danger of narrow group think.

According to the findings, the board members of the studied organizations composed of members from varied occupations. Findings also showed that, occupational diversity of the board members improved organization performance by allowing the organization proper access to complex environment under which it operates. Further, the study established that the new insights and perspective brought about by the board occupational diversity had improved the organizational performance for the studied organizations. Findings also illustrated that the existence of board members with different skills greatly enhanced organizational performance by having the board venture their perspectives in different fields. Further, the board members with varied skills help other members understand different aspects of organization operations thus improving the operations of the organization. The relationship between board members' occupational diversity and organizational performance indicated a positive and significant relationship. This had a correlation of 0.684 with a significance value of 0.015 indicating the significance of the relationship.

With regard to the effects of professional network diversity of board members on organizational performance, the study found out that 78.1% of the organizations had their staffs in the board of governance. 59.4% of the organizations had their major donors included in the board members, 50% had accountant professionals in their board members, 34.4% had law professionals in their boards and 43.7% had well known individuals in their board membership. Findings further illustrated that 93.7% of the organizations had women representatives in their boards.

Findings also showed that, the organizations' boards had composed of members with varied networks/connections which influenced the performance of these organizations. The study also illustrated that, increased organizational performance have been largely contributed by varied network/connections diversity of board members. The varied professional networks of the boards had increased donor funding activities due to increased donor confidence in the organizations. Further, these organizations had experienced better project supervision that have then improved their performance due to board professional network diversity. The correlation test between professional diversity and performance showed a positive and significant correlation of 0.578 ( $p=0.001$ ).

According to the findings, since the inception of the organizations studied, the organizations have witnessed a high extent of growth on donation. The findings also showed that, since the inception of these organizations, there had been great growth on project management and supervision. Further, it is evident that since the inception of the organizations studied, there had been great growth on varied activities. It was also clear from the findings that, since the inception of their organizations, growth in employee workforce.

### 5.3. Discussion

#### 5.3.1. Age Diversity

The study found that there was a significant positive relationship between age diversity of board members and performance of NGOs. The results of the study are in line with the findings of Siciliano (1996) who found that age diversity increased donations for YMCA organizations. Age diversity provides varied ideas within the board and this enables the organisation to source broadly for donations which is one of the performance metrics that was reviewed under this study. Ferrero-Ferrero, *et al.*, (2015) argued that age diversity broadens the debate within boards and helps to avoid the danger of narrow "group think". According to the findings, the age diversity in board members improves the overall level of knowledge of the organization at the board level; as well the age diversity in board members broadens the debate within boards and helped to avoid the danger of "narrow group think".

The study also finds that the project management aspects and social performance are positively enhanced with a diversified age group within boards, this is in contrast to findings by Hafsi and Turgut, (2013) and Siciliano (1996) who found that age diversity had a negative impact on social performance.

#### 5.3.2. Occupational Diversity

The study found that there is a positive relation between the occupational diversity of boards and organizational performance. This is especially so where the board has sufficient financial and program management skills within its membership. Dienes & Velte, (2016) viewed that is impossible for board members without sufficient financial expertise to give advice to other board members. Varied skills would also mean membership and representation in different professional bodies that enhances flow of information and knowledge in the complex environments that the NGO boards operate. Siciliano, (1996) viewed in her study that although the precise composition mix varied from firm to firm in response to different organizational and environmental characteristics, the most appropriate board composition included a diversity in board member affiliations and occupations.



An occupationally diverse board is able to implement strategic plans and are perceived to be accountable to a wide range of stakeholders Arshad *et al.*, (2013), this enhances performance and has also been a finding of this study. Similar to Callen *et al.*, (2010) this study found that the proportion of persons with professional skills on the board had a positive impact on direct contributions, in this study the respondents did not agree nor disagree with that finding.

### 5.3.3. Professional Networks Diversity

The study found a positive relationship between the professional networks diversity of boards and performance. Professional networks in terms of representation from various donors was found to favorably enhance performance in line with Callen *et al.*, (2010) view that major donors are often co-opted to serve on nonprofit boards and especially on-board fundraising committees because of their contacts among the moneyed elite and their often-unique ability to co-opt other potential major donors to the organization.

Further, the organization under the study had experienced better project supervision that have then improved their performance due to professional networks diversity within their boards.

## *5.4. Conclusion*

Based on the study findings and discussions above, the study made the following conclusions;

### 5.4.1. Age Diversity

The study concludes that, with diversified age groups in the board members, organizations are in a better position to have outstanding performance. With inclusion of both the young and the old generation in the board, there is a diversified level of thinking and different ideas will be available in decision making. Organizations with the young members in their boards are able to efficiently utilize the current technology and innovativeness in their operations thus enabling growth and development. Similarly, with the aged who are also experienced, organizations are in a position to utilize these skills and experience in making resourceful decisions leading to their growth.

### 5.4.2. Occupational Diversity

It was also evident from the findings of this study that, occupational diversity of board members significantly affected organizational performance. With different personnel with different occupations allows the utilization of these skills in decision making thus enabling appropriate decisions contributing to the organizational performance. The more diversified the organizational board was in terms of board members' occupation, the higher the chances of growth of the organization and the performance of the organization.

### 5.4.3. Professional Networks Diversity

There was a significant influence of board members' professional network diversity on organizational performance. This illustrates that, with diversified professionals in a board of directors of any organization, activities were accomplished easily without the necessity of consulting other professionals such as accountants for outsourcing services. Thus, the more diversified a board is with respect to the level of representation of different professions in the board members, the more was the efficiency of the organization to accomplish their mission.

## *5.5. Recommendation*

With reference to the study findings discussed in this chapter as well as the conclusions made above, the study makes policy recommendations that should be adopted by the management and boards of these organizations to ensure improved performance.

### 5.5.1. Age Diversity

The study also recommends that, the board of management in any organization should comprise of individuals of diversified ages. This allows for the organizational preparation of the future leaders as well as inclusion of skills and innovations in the board which also affected the performance of the organization greatly. Thus, the management of the organizations should ensure inclusive board with the aged and the young for effective decision making.

### 5.5.2. Occupational Diversity

Further, there is need for the non-governmental organizations to have different occupations represented in their boards of management. This would as well ensure effective decision making as the representation of these occupations in the management would give the board competent personnel for effective decisions and efficiency in operations.

### 5.5.3. Professional Networks Diversity

There is need for the top management of the non-governmental organizations to ensure presence of different professionals with diversified network that would facilitate growth of the organization in their board of management. Thus, these organizations should have their board members with different professions and networks for their improved performance.

## *5.6. Recommendation for further studies*

The study was limited to the effect of board diversity in Non-Governmental Organizations' performance. This study was also limited to Nairobi in its geographical scope. Thus, the findings might not successfully be a representative of all the Non-governmental

organizations as well to other organizations which are not listed as NGOs. There is need therefore for a further study to be undertaken covering a wide geographical area to include the NGOs outside Nairobi as well as a comparative study to examine the effect of board diversity in different organizations in different categories in the economy.

## 6. List of Abbreviations

- CSR Corporate Social Responsibility
- IRS Internal Revenue Service
- MFI Micro Finance Institution
- NGO Non-Governmental Organization
- NPO Non-Profit Organizations
- NSE Nairobi Stock Exchange
- PBO Public Benefit Organization
- RDT Resource Dependency Theory
- SEC Securities and Exchange Commission
- SORP Statement of Recommended Practice
- YMCA Young Men's Christian Association

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**Appendices**  
**Appendix I: Letter of Introduction**

April 19<sup>th</sup> 2016

Dear Respondent,

Re: Participation in Research Data Gathering

Please note that all the information provided for this study will be treated with utmost confidentiality. Your ability to answer all the questions comprehensively and to the best of your knowledge will be highly appreciated.

Thank you for your co-operation and precious time.

Yours faithfully,

.....

**Researchers**

**Appendix II: Questionnaire**

**Instructions**

Please tick in the appropriate box and also fill in the blank spaces provided for in the questionnaire where elaborate answers are required. You are requested to complete this questionnaire as honestly and objectively as possible. No one shall be intimidated based on the response given and the response given shall be used purposely for the study objectives where the results of the study shall be availed to any of the interested party upon request. Use the space at the back of this questionnaire if you need more space for your responses.

➤ **Part One: Demographic Information**

i) What is your age?

- 18-30 years
- 31-42 years
- 43-55 years
- 56 and above years

ii) What is your Gender?

- Male
- Female

iii) What is your designation at the organization?

iv) For how long have you been in the organization?

- Less than 3 years
- 4-6years
- 6-9 years
- 9 and above years

v) What is the name of your organisation? (Optional)

vi) Which of the answers below best suit your organisation?

- An international NGO
- Local NGO

vii) For how many years has your organisation been operating in Kenya?

- 0-10 years
- 11-20years
- 21-30years
- 31-40 years
- 41-50 years
- 51 above years

viii) How many board members are in your organisation currently?



ix) How many board members fall under each of the following categories?

- Staff Members
- Major Donors
- Accountants
- Lawyers
- Well Known Individuals (e.g. celebrities)

x) How many years is a board member allowed to sit on the board, before being rotated?

xi) Does your organizations' board have committees? if yes list them down

xii) How many meetings does your organizations board have in a year?

xiii) How many board members have multiple board membership (best guess is fine)?

xiv) How many board members have more than 5 years of service as board members in your organisation? (your best guess is fine)

➤ **Part Two: Effects of Professional Networks Diversity of Board Members on Organization Performance**

i) Indicate your level of agreement with the following statements - where 1 represents (total disagreement) 2 (slightly agree) 3 (Neutral) 4 (Agree) 5 (Strongly agree).

	Statement	1	2	3	4	5
1	The board of my organisation is composed of members of different professional networks					
2	The board with different professional networks improves the performance of the organization through increased donations					
3	The increased performance of my organisation has been largely contributed by the different professionals brought by the board diversity on professionalism					
4	The varied professional networks of the board have increased donor funding activities due to increased donor confidence in the organization					
5	My organization has experienced better project supervision that has then improved its performance due to board professional network diversity					

ii) What other professional networks diversity factors do you consider to have impacts on the organization performance in your organisation?

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➤ **Part Three: Effects of Age Diversity of Board Members**

i) To what extent is the diversity of age in my organizations board?

- Very low extent
- Low extent
- Moderate extent
- High extent
- Very high extent

ii) Indicate your level of agreement with the following statements - where 1 represents (total disagreement) 2 (slightly agree) 3 (Neutral) 4 (Agree) 5 (Strongly agree).

	Statement	1	2	3	4	5
1	The board at my organisation is composed of members with varied age group					
2	The variation of age group has greatly improved the performance of my organisation in terms of donations and project managements					
3	Age diversity in board members is linked to higher levels of donations					
4	Age is significant with respect to the organization's overall performance					
5	Age diversity in boards positively impacts social performance					
6	Age diversity in board members improves the overall level of knowledge of the organization					
7	Age diversity in board members broadens the debate within boards and helps to avoid the danger of narrow group think					

What other age diversity factors do you consider to have impacts on the organization performance in your organisation?  
 .....  
 .....

➤ **Part Four: Effects of Occupational Diversity of Board Members**

i) Indicate your level of agreement with the following statements – where 1 represents (total disagreement) 2 (slightly agree) 3 (Neutral) 4 (Agree) 5 (Strongly agree).

	<b>Statement</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
1	The board of my organisation is composed of members with occupational diversity					
2	Occupational diversity of the board members improves the organization performance by allowing it proper access to complex environment under which it operates					
3	My organisation has experienced higher levels of social performance and fundraising results due to the greater occupational diversity by the board members					
4	The new insights and perspective brought about by the board diversity has improved the organization performance					
5	The existence of board members with different skills has greatly enhance the organization performance by having the board venture their perspectives in different fields					
6	Board members with varied skills help other members understand different aspects of organization operations thus improving the operations of my organisation.					

ii) What other occupation factors do you consider to have impacts on the organization performance in your organisation?  
 .....  
 .....  
 .....

➤ **Part Five: Organization Performance**

i) Indicate your rating on the following performance measures in the organization– where 1 represents (extremely low extent) 2 (low extent) 3 (Neutral) 4 (High extent) and 5 (extremely high extent)

	<b>Performance Measure</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
1	Since the inception of my organisation the organization has witnessed great growth on donation					
2	Since the inception of my organisation, the organization has witnessed great growth on project management and supervision					
3	Since the inception of my organisation, the organization has witnessed great growth on varied activities					
4	Since the inception of my organisation, the organization has witnessed great growth in its employee workforce					