FACTORS INFLUENCING SUSTAINABILITY OF
NONGOVERNMENTAL ORGANISATIONS IN NAIROBI COUNTY,
KENYA

BY

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UNITED STATES INTERNATIONAL UNIVERSITY-AFRICA

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A Research Project Report Submitted to the Chandaria School of Business in partial fulfilment of the Requirements for the Degree of Master in Business Administration (MBA)

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STUDENT’S DECLARATION

I, the undersigned, declare that this is my original work and has not been submitted to any other institution or university other than the United States International University- Africa in Nairobi for academic credit.

Signed: ______________________  Date: ______________________

Janet Wambui Gitonga (ID 651174)

This research project has been presented for examination with my approval as the appointed supervisor.

Signed: ______________________  Date: ______________________

Dr. Francis Mambo Gatumo

Signed: ______________________  Date: ______________________

Dean, Chandaria School of Business
ACKNOWLEDGEMENT

I would like to acknowledge my supervisor for the guidance and wise counsel during the development of this research project. I would also like to acknowledge my husband Meshack Bett, family and friends for their overwhelming support.
DEDICATION

I dedicate this research project to my family.
ABSTRACT

The overall objective of the study was to determine the factors that affect sustainability of nongovernmental organisations in Nairobi, County Kenya. It was guided by the following research questions: How does human resources influence sustainability of nongovernmental organizations in Nairobi County, Kenya? How does community engagement influence sustainability of nongovernmental organizations in Nairobi County, Kenya? To what extent does fund development influence sustainability of nongovernmental organizations in Nairobi County, Kenya? The purpose of this study was to establish the factors affecting sustainability of nongovernmental organizations in Nairobi County, Kenya.

The research philosophy was based on interpretive research of the data collected with focus on descriptive statistics and inferential statistics. The study adapted the explanatory research design, which used qualitative approach to provide the overall strategy for collecting and analysing data to obtain a sufficient understanding of the problem from perspectives of the participants of the research. The research was qualitative in nature and relied on primary data. Questionnaires were used for data collection while the data collected was analyzed using descriptive statistics and presented in form of tables and figures. The study concentrated on 1,881 registered NGOs in Nairobi County and a sample of 128 NGOs was selected. The study used a non-probability sampling design that depended on the researcher’s personal judgement and sample elements selected on basis of required information.

The study showed that human resources, community engagement and fund development influence sustainability of NGOs positively. The study showed that a majority of respondents were in agreement with the various aspects on human resources as shown by an aggregate score of 4.5601. Additionally, majority of respondents agree that community engagement aspects of collaborating with another NGO, corporates, governments and local community will improve sustainability of the organisation as shown by the aggregate score of 4.3665.

Finally, under fund development, majority agreed that implementation of good financial management practices and consistent income from diverse sources are important in
sustainability of an organisation as demonstrated by the average score of 4.5341. The research findings indicated that there was a positive relationship (R= 0.752) between the variables.

The adjusted $R^2$ was 0.905, which means that the included explanatory variables explained only 90.5% of the variations in sustainability. The other explanatory variations not in the model explain the remaining 9.5% variations in sustainability. From this study it is evident that at 95% confidence level, the variables produce statistically significant values and can be relied on to explain sustainability of NGOs in Nairobi City County. The results of ANOVA test revealed that the combined independent variables have significant effect on sustainability of NGOs in Nairobi County. This is explained by high F values (704.041) and low p values (0.000) which are less than 5% level of significance.

The study recommends creating an enabling work environment which a prerequisite in motivating employees to be productive. It also recommends engaging local communities in project implementation with a view of getting them to own the projects implemented. NGOs should also be encouraged to collaborate with corporate and governments as this will minimize resistance to project implementation thus greater project success. Moreover, management of NGOs should diversify their operations to enable them generate income from the sale of goods and services that can adequately support operations.
# TABLE OF CONTENTS

STUDENT'S DECLARATION ........................................................................................................... ii
COPYRIGHT .................................................................................................................................. iii
ACKNOWLEDGEMENT ................................................................................................................ iv
DEDICATION ................................................................................................................................. v
ABSTRACT ................................................................................................................................... vi
TABLE OF CONTENTS ............................................................................................................... viii
LIST OF TABLES .......................................................................................................................... xiii
LIST OF FIGURES ....................................................................................................................... xiv
LIST OF ABBREVIATIONS .......................................................................................................... xv

## CHAPTER ONE ......................................................................................................................... 1
1.0 INTRODUCTION ................................................................................................................... 1
  1.1 Background of the Study ................................................................................................. 1
  1.2 Statement of the Problem ............................................................................................. 5
  1.3 Purpose of the Study ..................................................................................................... 6
  1.4 Research Questions ....................................................................................................... 6
  1.5 Justification of the Study ............................................................................................. 7
  1.6 Scope of the Study ....................................................................................................... 7
  1.7 Definition of Terms ...................................................................................................... 8
  1.8 Chapter Summary ....................................................................................................... 8

## CHAPTER TWO ......................................................................................................................... 9
2.0 LITERATURE REVIEW ......................................................................................................... 9
  2.1 Introduction .................................................................................................................... 9
  2.2 Influence of Human Resources on Sustainability ....................................................... 9
  2.3 Influence of Community Engagement on Sustainability ............................................. 12
  2.4 Influence of Fund Development on Sustainability ....................................................... 17
  2.5 Chapter Summary ....................................................................................................... 21
CHAPTER THREE ..................................................................................................................22
3.0 RESEARCH METHODOLOGY ..............................................................................................................22
3.1 Introduction ..................................................................................................................................................22
3.2 Research Design ......................................................................................................................................22
3.3 Population and Sampling Design .............................................................................................................22
3.4 Data Collection Methods ..........................................................................................................................25
3.5 Research Procedures .................................................................................................................................25
3.6 Data Analysis Methods ...............................................................................................................................26
3.7 Chapter Summary .....................................................................................................................................27

CHAPTER FOUR .................................................................................................................................................28
4.0 RESULTS AND FINDINGS .......................................................................................................................28
4.1 Introduction ................................................................................................................................................28
4.2 Response rate .........................................................................................................................................28
4.3 Reliability Analysis .................................................................................................................................28
4.4 Demographic Data ..................................................................................................................................29
4.5 Factors Influencing Sustainability of NGOS In Nairobi County ..................................................................31
4.6 Regression Analysis ...............................................................................................................................35
4.7 Chapter Summary ..................................................................................................................................37

CHAPTER FIVE .................................................................................................................................................38
5.0 DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS ................................................................38
5.1 Introduction ...........................................................................................................................................38
5.2 Summary of the Study ..............................................................................................................................38
5.3 Discussion ...............................................................................................................................................40
5.4 Conclusions ............................................................................................................................................44
5.5 Recommendations ..................................................................................................................................45
APPENDIX I: COVER LETTER .........................................................................................53
APPENDIX II: QUESTIONNAIRE ...............................................................................54
LIST OF TABLES

Table 4.1 Reliability Analysis ......................................................................................................................... 29
Table 4.2 Descriptive Statistics on Human Resources .................................................................................... 32
Table 4.3 Descriptive Statistics on Community Engagement ........................................................................... 33
Table 4.4 Descriptive statistics on Fund Development .................................................................................... 34
Table 4.5 Descriptive Statistics on Sustainability .......................................................................................... 35
Table 4.6 Model Summary .............................................................................................................................. 36
Table 4.7 ANOVA ............................................................................................................................................. 36
Table 4.8 Regression Coefficients .................................................................................................................. 36
LIST OF FIGURES

Figure 4.1 Response Rate .................................................................28
Figure 4.2 Gender of Respondent .........................................................30
Figure 4.3 Highest Level of Education ......................................................30
Figure 4.4 Position of Respondents .........................................................31
Figure 4.5 Number of years NGO has been in operation .........................31
LIST OF ABBREVIATIONS

CSO  Civil Society Organisations
DAC  Development Assistance Committee
IMF  International Monetary Fund
NGO  Nongovernmental Organisation
NPO  Not for Profit
OECD Organisation for Economic Co-operation and Development
USAID United States Agency for International Development
USG  United States Government
CHAPTER ONE

1.0 INTRODUCTION

1.1 Background of the Study

Nongovernmental organisations form part of the fabric of many cultures globally, regionally and in Kenya. As Wright (2015) pointed out, the services provided by these organisations are crucial as they focus on the gaps not addressed by the government and private sectors. However, as the world population and economy grows, the gaps seem to burgeon beyond the means of nongovernmental organisation with sustainability becoming a far-flung goal.

Implementation of programs among nongovernmental organization is dependent of support received from governments and other well-wishers who wish to see them supplement the efforts of governments in provision of goods and services to less privileged members of society. These organizations find themselves in a situation where their agenda keeps on increasing against constrained resources. This is mainly because they are not engaged in profit generating activities therefore may not have adequate resources to plough back for continued operations into unforeseen future. The limited opportunities to generate revenue make them more susceptible and cast doubt on their continued operations into the unforeseen future.

According to Renz and Associates (2016), sustainability is important for continued operations of the nongovernmental organizations in execution of its programs. It entails the ability to come up with diverse resource base to enable continued provision of goods and services to the targeted beneficiaries beyond the financial support period by main donors. For an organization to survive, it should have the ability to acquire and maintain resources (Lin and Wang, 2016). Financial resources form part of the most fundamental resources to nongovernmental organizations depending on growth and survival; hence, it is vital for them to promote a healthy financial position and performance to achieve its goals.

Bowman (2011) provided that the financial performance be composed of financial capacity and financial sustainability. Financial capacity encompasses resources at the disposal of an organization that enable it seize opportunities promptly at the same time have an opportunity to react to threats posted by the external environment for their competitiveness. Nongovernmental organizations always face challenges generating
incomes as they operate in needy locations that makes it uneconomical to even recover the costs associated with the delivery of goods and services. This therefore means that unless they develop appropriate strategies, their operations may not last long.

Several means exist by which nongovernmental organizations can use to ensure program sustainability. Hoka (2009) identified self-sustainability as one of these approaches where nongovernmental organization initiate ventures that are revenue generating to supplement the income raised from donors, grants and well-wishers. Other approaches include building a culture that promotes volunteerism, cooperation and giving among the local society members. This has been found to be a key approach in ensuring sustainability of non-governmental organizational programmes across the world.

The issue of sustainability among nongovernmental organizations has been a subject of discussion across the globe. For instance, VanSant (2003) examined challenges that nongovernmental organizations faced in a highly dynamic environment. The study considered the changing roles of NGOs in society, contextual factors including globalization, developments in information, communication and technology, networking, and the regulatory framework. It was clear that the regulatory framework played a key role in NGO sustainability. It determined how they were to utilize the sourced funds and how the sourcing was to be done. Depending on the regulation regime, it could be restraining or liberal.

Lin and Wang (2016) explored sustainability of nongovernmental organisations during the global financial crisis with focus on human services and community improvement organisations in New Jersey. The study explored effects of fundraising efforts, revenue diversification, operating margin, equity ratio and administrative costs and debt ratio on financial sustainability. According to Lin and Wang (2016), previous studies evaluated financial performance based on income measures such as donations only but did not consider other contributing factors to financial sustainability such as management and organisational characteristics. In addition, the study was done to address immediate and long-term challenges faced in the wake of a financial crisis. The study proposed to research further on sustainability of a wider range of nongovernmental organisations as the study focused on community improvement and human services only.

In another study, Wright (2015) identified the gaps that impede the ability of nongovernmental entities to achieve sustainability. The study was done on social service
nongovernmental organisations in Central Okanagan, Canada and identified the following challenges faced: organisational and board capacity, financial capacity and community engagement. The study showed that studies done have similar findings but conflicting solutions and proposes further research to be done on additional nongovernmental organisations.

Williams (2015) investigated strategies to offers a better understanding of how non-profit organisations can be financially stable. The study explored fund development, strategic planning & thinking as well as capacity to innovate in five NPOs in the health, social services, development arena. The study provides that the issue of sustainability in the non-profit sector is much talked about but less research has been done. It proposes further research on sustainability strategies and applicability of for-profit strategies in the non-profit context.

In another study, Batti (2014) examined the challenges facing local NGOs in resource mobilization. The study acknowledges the role played by resource mobilization in strengthening the nongovernmental organizations. Resource mobilization needs to be widened to include fund raising from diverse sources so that the projects started can last and impact the community positively for a long time. The study covered the entire resource mobilization framework from submission of grant proposals, application for donations, technical support, human capital requirements, facilities, information and equipment, and the likely resources providers. The resource providers ranged from international NGOs, cooperative movements, private businesses and governments.

Amagoh and Kabdiyeva (2012) examined some of the obstacles to sustainable development faced by nongovernmental organisations sector in Kazakhstan. The study identified the following factors: transparency and accountability, financing, governance and management structure and human resources.

Bromideh (2011) focused on widespread challenges of NGOs in developing countries using the case studies from Iran. The study acknowledges the role played by NGOs in economic development of developing economies in times of difficult including draught, famine, and catastrophes. It was established that NGOs are a critical source of social justice to marginalized persons in developing countries. However, the study established that NGOs were weak at staff career development, which meant that their ability to deliver desirable results were limited. Other challenges included disproportionate
compensation of NGO sector compared to private sector, which demotivated staff. Following this lower pay and lack of career development programs, the employees had little professional skills that could enable them perform optimally. Other challenges included: limited financial and management expertise, limited institutional capacity, low levels of self-sustainability, isolation/ lack of inter-organizational communication and/or coordination, lack of understanding of the broader social or economic context difficulties of managing NGOs especially for NGOs operating in many countries.

In the regional context, Aipinge (2015) analysed the sustainability of the USG aid funded NGOs in the Namibian Health Sector. The study analysed operations and staffing and funding arrangements as well as sources of income in influencing sustainability of NGOs. The findings indicated that reduced funding has a potential of reversal of gains attained in the health sector and hence have a negative implication for NGOs delivery of key services.

Saungweme (2014) examined challenges faced by NGOs in the political harsh climate of Zimbabwe by analysing the factors influencing sustainability. The study considered factors around sound financial management practices, income diversification; own generating activities and good donor relationship management practices. The findings indicated that the organisations raised insignificant revenue; incomes were not diversified and were highly dependent on external donor national governments.

Okorley and Nkrumah (2012) focused on organisational factors influencing sustainability of local nongovernmental organisations in Ghana. From a review of a number of nongovernmental organizations, the study acknowledged existence of various factors including inadequacy of financial resources, the quality of material resources, types of leadership in the organization, resonance of programmes and projects among the stakeholders, and management competency. The most important factor was leadership as it influenced how other resources were utilized within the organization. The community served plays a critical role in determining the success of projects initiated by nongovernmental organizations. This therefore means that the level of support and acceptance of projects initiated by non-governmental organizations would determine the confidence that donors and other well-wishers will have in the organization and their willingness to continue financing the operations.
In the local context, Mutinda & Ngahu (2016) investigated the factors affecting sustainability of nongovernmental organisations in Nakuru County, Kenya. The study considered financial resources mobilisation capacity and internal financial control systems. The findings indicated that financial resources mobilisation capacity was not statistically significant in determining the sustainability of NGOs in Nakuru County. However, sustainability of NGOs in Nakuru County was significantly influenced by internal financial control systems. The study identified a research gap on the fact that previous studies reveal a general conceptualisation of studies in Kenya focusing on different factors but specific studies on the financial factors determining sustainability of NGOs in Kenya in particular in Nakuru County have not been done.

Muriithi (2014) examined key factors that determined sustainability of nongovernmental organizations in Kenya. The study considered management factors and capabilities of individuals entrusted with the management of organizations. There needs to be competent leaders that would instil confidence in the donors that resources are to be used well for the purposes they are intended. To do this, the management need to adhere to all governance and reporting regulations and keep a close eye to the utilization of funds. There needs to be regular communication and reporting to the donors on how the programs financed are progressing. There needs to be well-structured reporting channels that promote accountability and openness in utilization of finances. The study identified strategic planning as key to sustainability of nongovernmental organizations.

The nongovernmental sector comprises of institutions, organisations, trusts and foundations that engage in activities to meet needs of a community that the profit sector due to its nature. This study will aim at determining factors influencing non-profit organisations in Nairobi County, Kenya. It will also provide recommendations on potential ways of developing sustainable NGOs.

1.2 Statement of the Problem

Wright (2015) argues that non-governmental organizations play a vital role in the global economy. Due to scarcity of resources and increased population, there has been an increase in the number of NGOs over time competing for the same resources across the world. As such there sustainability is put into question depending on how they survive especially in the wake of the global financial crisis. This is evident especially on the drying up of funds from foreign donors.
During the 1990s, the amount of grant money being offered by the donors especially from Europe and America had increased greatly (OECD-DAC database; IMF, International Financial Statistics, 2006). However, lately funding from these donors has continued to see significant decline especially with changes in the global political environment. This means that the noble course championed by not for profit organizations may not be achieved unless they deal with different factors affecting their access to sustainability. NGOs face challenges such as uncertainty of government funding and decline in private partnerships due to economic downturns, which is further worsened by competition within the industry. This has made it obvious for NGOs to identify ways of improving their sustainability (Muriithi, 2014).

There is however limited studies on how NGOs can attain sustainability in the wake of the challenges facing them. Okorley and Nkrumah (2012), for instance concluded that the survival of NGOs can be improved if they are able to develop and implement need-based and demand-driven programmes, supported by good leadership, transparency, accountability, and commitment to meet felt and expressed needs of beneficiaries. Further, there is need for management capacity that promotes learning organisation principles (such as shared vision, teamwork), and the provision of quality material resources for organisational efficiency and effectiveness. This study therefore aims at determining factors that affect sustainability with specific focus on Nairobi County, Kenya.

1.3 Purpose of the Study
The purpose of this study was to establish the factors affecting sustainability of nongovernmental organizations in Nairobi County, Kenya.

1.4 Research Questions
The study was guided by following research questions:-

1.4.1 How does human resources influence sustainability of nongovernmental organizations in Nairobi County, Kenya?

1.4.2 How does community engagement influence sustainability of nongovernmental organizations in Nairobi County, Kenya?

1.4.3 To what extent does fund development influence sustainability of nongovernmental organizations in Nairobi County, Kenya?
1.5 Justification of the Study

This section outlines the various beneficiaries for this study. These include the policy makers who design measures to ensure financial stabilities of nongovernmental organizations, future scholars and academicians, the government. The significance is highlighted in each section below:

1.5.1 Policy Makers

The findings of this study will be relevant to the Government of Kenya through the relevant ministry under which the nongovernmental organizations fall. This will advise the government and ministry in formulating policies that guide the organizations thus leading to their performance well.

1.5.2 Scholars and Academicians

The findings of this study will be important to future scholars and academicians in that; the study will be a source of empirical literature for future studies and also it will suggest areas where further studies need to be conducted in. where they can extend the level of existing knowledge. Future scholars will refer to materials in this study to understand the procurement risk management practices that lead to improved organizational performance.

1.5.3 Management of non-Profit Organizations

It is further hoped that the findings of this study will be relevant to the top management staffs in various not-for-profit organization making organizations. The study findings and recommendations will guide the management in adopting management practices that will enable the organization to yield sustainability.

1.6 Scope of the Study

The study covered non-profit- organizations within Nairobi County with an aim of establishing the factors affecting their sustainability. The respondents for the study were drawn from the management who formulate the practices, ranging from head of programs, finance and administration and human resources. The study was carried out in March 2018 in Nairobi County.
1.7 Definition of Terms

1.7.1 Sustainability
This is defined as the ability of an organisation to maintain resources deployed to pursue its mission effectively and efficiently over the long term (Bowman 2011).
It is the capacity of the NGO sector to effectively function and be viable in the long term (Amagoh & Kabdiyeva 2012).

1.7.2 Nongovernmental Organisation
This is an organization that utilizes its surplus funds to further achieve its mission or purpose instead of distributing the surplus funds to shareholders or equivalent as dividends or profits. It is also known as a nonprofit organization for the purpose of this study.
United Nations (2016) describes such organisations as social or legal entities created with an aim of producing goods and services whose status does not permit them to be a source of income, profit, or other financial gain for the units that establish, control or finance them.

1.7.3 Human Resources
This is the workforce of an organization or the people working for the organization to meet the organization objective.

1.7.4 Community Engagement
This refers to the efforts and actions of volunteers and stakeholders in a given social unit. It includes collaboration between sectors, programs, disciplines, governments and organisations.

1.7.5 Fund Development
This relates to all revenue generating activities employed by a nongovernmental organisation with an aim of generating the necessary financial resources to meet its goals.

1.8 Chapter Summary
This first chapter provided a background to the study, statement of the problem, purpose of the study, research questions, justification of the study, scope of the study and definition of terms. The next chapter presents the literature review.
CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Introduction

This chapter reviewed related literature that focused on factors influencing sustainability in various organizations in different areas. The information was based on the independent variables; human resource, community engagement, and fund development. It also provided a summary of the literature and research gap as a conclusion.

2.2 Influence of Human Resources on Sustainability

2.2.1 Ratio of Employees

The ratio of employees is directly proportional to the rate of performance of an organization. Human resource professionals who move to a new organization that is larger or smaller than their previous organization often find changes in HR metrics in relation of employees to tasks Garavan and McGuire (2010). As entities grow in size, organizational life cycle theory suggests they face a range of problems, including HR problems. For example, in small NGO organizations, when the focus is on firm survival, HR practices may appear unstructured and lack documentation, which can increase risk should a hiring decision or employment termination be legally challenged. Large organizations, which usually have established business strategies to reliably produce revenue, often institute formal business practices (such as formal job descriptions, established pay scales and standardized performance reviews) to manage that risk. Generally, as staff size grows and organizations become complex, the HR function becomes more formalized and sophisticated.

2.2.2 Working Days

In any given period, the statutory work-hour norm may appear as an entrenched given that cannot change without major economic or social disruption. However, nations in the past did reduce the workweek, first to 48 and then to 40 hours, without apparent damages. Saturday-off was once as unthinkable as Friday-off is today. Interestingly, it was Henry Ford who introduced the five-day workweek. In 1926, he initiated it in his factories, replacing the prevalent six-days, without reducing employees ‘pay.
His rationale was that workers needed more time for leisure if they were to buy the cars he was producing.

Rich countries do not become rich by working more; they actually work less as they get richer and more productive. Whereas it is true that industrialization comes with increasing working hours, subsequent economic development comes with a decrease, not an increase, of working hours. If one plots GDP per capita versus weekly working hours in manufacturing for all the countries of the world, two groups appear: on the left side of the graph one finds developing (industrializing) nations (i.e., low GDP, lots of work), and on the right, industrialized nations (high GDP, less work). In other words, industrializing nations work more than the industrialized. Overall there is a negative gradient, meaning the more developed a country is, the less it works, but the relationship is statistically significant only for the industrializing group (Surroca et al., 2010).

According to Ameer and Othman (2012) annual working hours per active person in the OECD reveals a similar pattern: the less developed countries, Korea, Portugal, Turkey or Greece are the ones that work the most. The more developed ones such as The Netherlands, Germany, or Luxembourg work the least. An exception to this pattern are the US, UK, and Commonwealth countries, which we discuss below. Certainly, this does not mean that countries become richer by working less. However, it also rejects simplistic arguments that developed economies such as those of Northern Europe will become poorer if they work less. There seems to exist a strong relation between the phase of development of a country and the hours worked: working hours probably decline as structures change from an industrializing to a more service, higher added-value economy (Ameer and Othman, 2012).

A counter-argument here against reducing working hours is that it might as well have been that the service sector boom allowed a reduction of actual worked hours, but further efficiency increases in many service jobs are limited, so growth requires increasing total labour. Remember however, that here we are writing from a de-growth perspective, so we do not share the idea of growth at all costs, least of all at the cost of labour’s working conditions (Frias- Aceituno, Rodríguez- Ariza & García- Sánchez, 2014).
2.2.3 Ability to Attract and Retain Human Resources

A feasible human resources aspect is important in NGOs' efficiency and effectiveness. Amagoh and Kabdiyeva (2012) argued that the ability to attract and retain human resources is an indicator of NGOs’ credibility and their ability to produce tangible results as per their study done in Kazakhstan. The study used qualitative research methodology and relevant information was collected from secondary sources.

Iwu et al (2015) investigated the criteria of organisational effectiveness in non-profit organisations and how the criteria fits into the sustainability in South Africa. One of the criteria was human resources (ability to attract volunteers and ability to attract and retain talented people. The study revealed that there was significant relationship between ability to attract volunteers and organisational effectiveness as donors have become scarce and organisations have to sustain themselves. There was a strong relationship between ability to attract and retain talented people and organisational effectiveness. The methodology in the study was anchored by an interpretivist view of reality where it is believed that reality is built by people’s perception and social actors. The sampling frame consisted of 984 NGOs and from these 10 NGOs were selected for further consideration. Data collection involved interviews with management through discussions procedures drafted and agreed with participants for free disclosure.

USAID (2015) CSO Sustainability index provided that staffing in NGOs is based on the availability of funds. More established NGOs with long legacies have established relationships with donors, and positive reputations that are often able to retain permanent staff, as their ongoing funding seems assured. Smaller NGOs tend to have thin staffing, and the majority of them struggle to retain permanent employees. Some NGOs do not have professional managers. Few organizations have staff development policies or offer their employees training or career development opportunities. The human resource function is unfulfilled at many organizations or is handled by financial or administrative staff.

2.2.4 Competence of Human Resources

Okorley and Nkrumah (2012) studied the relationship between human resources capacity and organisational sustainability in Ghana. It concluded that human resource capacity that included, technical competence, leadership and staff motivation were statistically
significant on sustainability. The research used a combination of quantitative and qualitative research approaches.

Omeri (2015) carried out a study effect of competence of personnel managing NGOs on sustainability in Nakuru, Kenya. The study was based on a descriptive research design and comprised of a sample of 154 organisations. The results of the study showed that a significant relationship exists between NGOs financial sustainability and competence of staff managing the projects.

Aipinge (2015) studied the relationship between human resources and sustainability in the Namibian health Sector with emphasis of effect of reduced funding. The study focused on the health sector as this is the sector that receives the highest external donor funding. The study focused on sample of seven NPOs funded by USG funds. The results showed that reduction in funding affected the workforce and in the long term affects sustainability.

The literature reviewed has brought out a general concept of studies in Kenya focusing on different factors influencing sustainability of NGOs. However, specific studies on the human resources as a factor determining sustainability of NGOs in Kenya, and particularly in Nairobi County have not been done.

2.3 Influence of Community Engagement on Sustainability

2.3.1 NGO Collaboration with other NGOs

Community engagement forms part of the principles of sustainability. Williams (2015) studied the link between community collaboration and sustainability in Canada. The study defined community collaboration as a complex, expansive growing field of study. It is the engagement between two or more entities with a purpose to improve capacity, secure more incomes and have more impact on the delivery of social services.

The study showed a significant relationship between community collaboration and sustainability where NGOs strive to support those around them mandated with similar roles rather than just meeting their own goals.

Wright (2015) also explored the relationship between community engagement and sustainability with focus on service duplication, cooperation and sharing resources among NGOs in Canada. The findings showed that service duplication could be a significant drain of resources in a region and hence negative impact on sustainability. Cooperation
and sharing of resources had a promising impact on sustainability. A descriptive research
design was used to address the research questions.

2.3.2 NGO Collaboration with the Government

Karanja and Karuti (2014) looked at engagement from the government end in Isiolo, Kenya. The study noted an increase in demand for social services provided by the state and the state can no longer be the sole provider of these services. The growth of NGOs was linked to failure by government to deliver essential services hence both the state and NGOs need each other. The study identified that the government involvement has a significant impact on financial sustainability. The study utilised a descriptive study and conducted a census method, as the population was very small.

Holland (2012) described community engagement the collaboration between institutions and governments (local, state, national, global) for the mutually benefit of exchange of resources and knowledge in a partnership and reciprocity context in the US. In many nations, it is the responsibility of the government to assure essential public services are provided to the whole population. However, most of these public services such as health, education have become so large that the governments of these countries have been unable to provide the services. This has led organizations outside the government to assume part of that responsibility. Moreover, there is a growing recognition by government and international organizations that the involvement of all stakeholders is needed where essential services are to reach the poor. Further, continued bilateral relationships between donors and non-governmental organizations (NGOs) have created a window of opportunity for government–NGO collaboration. Holland (2012) research also indicated that working in isolation can result in duplication of efforts and failure to accomplish the set goals, whereas collaboration of NGOs and governments can generate synergy and facilitate the flow of information.

Williams (2015) noted that non-governmental organizations often produce change in small, hand-to-mouth quantities. The change itself could be well thought-out and nimbly executed. However, its failure to be effective in a bigger, more permanent system will render it niche and temporary.

By contrast, systems produce change in bulk. The vast network of infrastructure and organization is unsurpassed in scale and sustainability even if some of their practices appear retrograde. Working with the government has made all the difference. The government has the capital that can be used to support the service system, instead of NGOs building their
own. Governments have a wider reach to a large population and hence collaboration with them will be more beneficial to NGOs.

2.3.3 NGO Collaboration with the Local Communities

Rose (2014) on the other hand focused on need for community knowledge to have a collective impact in Canada. The following conditions are proposed before launching a collective Impact initiative: an urgent need for change, sufficient financial resource and an influential champion.

Non-profits exist within the communities they serve. Sontag, Staplefoote and Morganti, (2012). This was based on their study done in the United States of America. This creates a challenge between collaboration between members of the community and promoting ownership whilst maintaining balance between programs and goals.

Nevertheless, encouraging the engagement of members of the community in non-profit operations has the potential to assist the non-profits address the community needs better and hence promote financial sustainability. This is through leveraging on members expertise on unique organisation and cultural challenges. By engaging the community through board or volunteerism, there is a sense of ownership and willingness to support the organisation. However, the non-profit organisations have to consider how the mission aligns to the interests of the volunteers and vision of the board. Amagoh and Kabdiyeva (2012) proposed that it is important for the public to be fully engaged in NGO funding in their study done in Kazakhstan. While such philanthropic culture is yet to be fully developed in developing countries, it would go a long way in reducing dependency on international donors. The study used qualitative research methodology and relevant information was collected from secondary sources.

One cannot initiate sustainable activities without considering community concerns as this would amount to poor decisions. Imposing projects that affect people's daily lives will hamper participation and inhibit progress. Instead, empowering members to invest in their community by allowing active participation from them in the yield better results. Community members are a valuable resource, who offer first-hand information on the strengths and weaknesses of the community. They can contribute towards diverse ideas and challenges that may otherwise be overlooked. They can help analyze the specific needs and ensure that sustainability projects are properly designed to meet those needs.
Bayne-Smith, et al (2008) identified the following key components of community engagement in the US: Capacity of members which includes the knowledge and skill to work with others, positive attitudes and the ability to create and build effective programs, Relational capacity which incorporates internal and external relationships, Organizational capacity which entails having strong leadership base with skills and vision to create collective outcomes along with existing formalized processes and plans, and Program capacity which is the strong design, implementation and evaluation of associated programs with an aim to deliver upon the desired goal.

These components imply that the opportunity to build new capacity and resiliency exists where there is mutual interest in collaboration. The key principles and findings of Bayne-Smith, et al (2008) suggest that consensus and a focus on commonalities rather than a focus on differences, as well as a focus on success rather than failure helps participants achieve desired outcomes. Leaders participating in community engagement need to be able to build on the commitment and contributions of others in order to move forward.

Functioning as a different kind of community engagement is the relationship between an organization and its volunteers. Non-profit organizations sometimes rely heavily on volunteer support, which means that operational decisions may inspire volunteers or potentially turn off support. Volunteers need to be engaged deliberately because they play a critical role in constructing what is termed as the institutional order within organizations, and they are likely to be equally important as agents of change.

2.3.4 NGO Collaboration with the Private Sector

Omeri (2015) identified one of the basic issues facing nonprofit organisations in Nakuru, Kenya, is the challenge of raising funds for operations, as few corporations in private sector are willing to make significant financial contributions to support the organisations. Encouraging a culture where private sector can donate and involving them in fundraising efforts can help fill the gap and address the challenges faced in fundraising. There is a need to balance between meeting the expectations of the main donors and maintaining the connection to the community. The nonprofit organisations can address this by establishing strong partnerships with private sector.
Williams (2015) noted that NGO collaboration with the private sector is based on three frameworks namely, stakeholder perspective, rationalistic perspective and governance perspective. Under the stakeholder perspective a corporation’s performance can be analyzed through its relationship with stakeholders, including shareholders, employees, customers, suppliers, and communities. An important aspect of stakeholder theories is that managers are expected to be more sensitive to influences that are external to a firm’s operations including NGO groups, media, political movements, and government regulators. Companies would approach partnerships from a risk management perspective; they would collaborate with NGOs when there are concerns related to corporate reputation, brand identity, public relations or stakeholder stewardships.

The philanthropic endeavors of firms that give monetary donations to NGOs is one of the most traditional forms of NGO-private sector interactions in this respect. The difference in missions, strategies and social functions between businesses and NGOs is usually not actively resolved, as NGOs in such partnerships are considered an extra, add-on or peripheral dimension outside a company’s core strategy.

Under the rationalistic perspective, the efficiency-oriented perspective brings NGOs closer to the core strategy of a firm, because they are considered an important institutional force with increasing legitimacy and influence that shapes the business landscape. To pursue greater efficiency gains, partnerships are established to lower transaction costs and mitigate opportunism by combining resources and capacities through formal, contractual relationships in order to reap joint benefits.

Under governance perspective, NGOs pose as the “balance wheel” of the political system. Interest groups, including business elites, lobbying groups, industry associations, and other special interest coalitions that have a stake in public policy-making and administration, play an active role in influencing policy making, dispersing power, and acting as watch dogs to channel public sentiments and ideas. Not surprisingly, businesses have also entered into the rule-making game against the backdrop of globalization.

For instance, when multinational corporations enter into developing countries, a variety of political and social challenges arise, especially in places where social institutions are ineffective and governance structures are weak. As host countries’ rules and regulations
prove to be inadequate to govern corporate behaviors overseas, private entities—both businesses and NGOs—are stepping up the game and starting to intervene in the rule-making sphere that’s traditionally restricted to public organizations. In this context, NGO-business relations have gradually shifted from being antagonistic to cooperative; they begin to partner up and leverage their comparative advantage to establish new rules collectively.

The study aims at identifying how community engagement influences sustainability of nongovernmental organisations. The literature reviewed has revealed a general conceptualization of studies in Kenya focusing on different factors influencing sustainability of NGOs. However, specific studies on the community engagement as a factor determining sustainability of NGOs in Kenya, and particularly in Nairobi County have not been explored.

2.4 Influence of Fund Development on Sustainability

2.4.1 Revenue Diversification

According to Guo (2006) in study done in Missouri, US, revenue diversification is the distribution of three main sources of income namely, private and public contributions and revenue from commercial activities. It is estimated that 90% of funding for African countries comes from donors and 10% from own income generation.

Steinman (2010) explained that financial sustainability, would suggest financial or business practices that ensure the continued success of a product or practice into the future as per his study in South Africa. Further studies imply that even if an entity has twenty donors, it will still be vulnerable if a large proportion of its budget is derived from one of the donors (Leon 2001). This means that any change in decision of the donor will cause a major crisis. For sustainability, Leon (2001) proposes at least 60% of the organisation’s total budget should be derived from five different sources.

Financial sustainability presents the greatest problem for nonprofit organisations. The global financial crisis and government reductions have had a major influence on several nonprofit organisations. There is also an inclination for donors to support short-term programs rather than long-term activities and operation costs (Stowe and Barr, 2005). The Department for Social Development review (2010) has recapitulated the essence for nonprofit organisations to continuously explore other funding sources for their continued existence.
Omeri (2015) studied the link between fund development with regards to income diversification and financial sustainability in Nakuru, Kenya. Fund development was based on diversification of sources of funding. The results should that diversification of income was likely to make the NGOs sustainable.

Singh and Mofokeng (2014) investigated the effect of fund development with emphasis of revenue diversification on financial sustainability of NGOs in South Africa. The findings revealed that revenue diversification does not necessarily promote financial sustainability, as the right balance remains a challenge.

2.4.2 Financial Management

Financial management is, according to Weerawardena, McDonald and Mort (2010) in their study done in Australia, an income-generation technique that can be implemented by all institutions, regardless of whether it generates a little, or a lot, of income. This category refers to the appropriate, strategic management of an organization’s assets (assets may be bank accounts, property, etc.) in order to maximize their financial potential. For example, property that is not being used can be rented, bank accounts can be transferred to interest-bearing accounts until the funds are needed, or unused assets that retain some market value can be sold. However, non-profit organizations undertaking any of these strategies should review existing laws in each of their countries to verify that there are no legal barriers. For example, in Peru, foundations may not sell any asset without a special permit, which takes a long time to obtain (Garavan et al., 2010).

According to Noruzi et al., (2010), donor policies with respect to financial management are another area that must be researched. For example, the United States Agency for International Development (USAID) requires that any interest generated through fiscal management be utilised for administration purpose up to US$ 250 per year while the balance should be refunded to USAID.

Mutinda and Ngahu (2016) determined the relationship between internal financial control (prudent financial management, compliance and regulation, safeguarding assets) and financial sustainability. The study was conducted using a sample of 56 NPOs in Nakuru County, Kenya. The results demonstrated that internal financial control systems significantly influenced the sustainability of the NPOs. The internal control system was positively correlated to sustainability of NPOs.
Muriithi (2014) carried out a study to determine how sound financial management affects sustainability in Kenya. The study used a sample of 92 respondents. The study controlled for government regulations and competition from other NGOs. The results showed that sustainability is positively influenced by sound financial management.

Amagoh and Kabdiyeva (2012) looked at the relationship between fund development in terms of transparency and accountability and financial sustainability in Kazakhstan. Most NGOs are dependent on external donors and this dependency has significant implications on the forms of accountability promoted within the sector. Donors want access to updated records about the operations and finances of an organisation.

Organisations have to increasingly demonstrated value and accountability to donors. Sontag, Staplefoote and Morganti (2012). Accountability in NGOs is an ethical and legal obligation that use resources received to further their charitable goals. It may include a report and a justification of how the resources have been utilised.

Gordon, et al (2010) summarised five best practices for annual reports on the NGO sector: Completeness: the financial statements should include all relevant information, Accessibility: The reports should be made available to parties of interest, Transparency: they should include voluntary and required information that will enable the user to properly interpret the numbers and understand activities therein. Full disclosure: the information should be enough to ensure that it does not mislead a prudent, reasonably informed user, Relevance: the information provided should outline the achievements linked to organisational goals. Even though financial sustainability is a necessity, demonstrating surpluses may imply that more program services would have been provided. For donors, what the organisations accomplishes (goals) is most vital in encouraging more contributions

2.4.3 Own Income

Many institutions offer products or services as an income-generating strategy. This type of initiative exists in many forms. It can be as simple as the sale of promotional products (t-shirts, posters, or other products with the organization’s logo), or as complex as offering professional consulting services in a particular field (Weerawardena et al., 2010). The latter usually corresponds to an area in which the organization has technical
expertise. Moreover, such goods and services can be offered in a variety of ways. A simple method is direct sales to friends and acquaintances.

A more complicated method involves the mass distribution in commercial sales locales, and/or advertising in the press it corporations in which the organization has full or part ownership. It usually occurs when a non-profit organization identifies a business opportunity and, at the same time, recognizes the existence of various factors conducive to creating a separate entity rather than managing the initiative at the program or project level.

According to Guthrie et al., (2010); there are myriad potential factors, but they may include the need to obtain capital by commercial means; the need to attract personnel from the private sector to direct the initiative, creating salaries and incentives that differ from the organisation’s, and safeguarding the organization’s equity from the risks inherent to a business. Other factors include the risk of diverting the organization’s assets to activities that do not directly correspond to its mission and the need to safeguard the organization’s image.

Whatever the reason or reasons for choosing a specified route, it is, an option that must be carefully weighed (Bowman, 2011). Any entrepreneur will tell you that it is not easy to make a profit. It involves considerable effort and work, and in this case, companies compete directly in the marketplace. Moreover, there must be a clearly established policy regarding the allocation of profits corresponding to the organization. There should never be any doubt as to how these profits are used. A policy usually is established stipulating that all profits earmarked for the organization must be invested in it immediately.

Omeri (2015) studied the link between fund development with regards to own income and financial sustainability in Nakuru, Kenya. The findings indicated that an increase of fund development through own income generating activities suggested that a decrease in foreign funding is a reality and hence likely to improve sustainability.

Saungweme (2014) investigated the effect of own income on financial sustainability in Zimbabwe. The study used a sample of 52 local NGOs. A regression analysis was used to test the relationship between own income and financial sustainability. The results demonstrated that own income generation had an insignificant effect to financial
sustainability. Although, some of the NGOs have their own income, the amounts are too low to support the operations of the organisation.

Gathee (2013) carried out a study of income generating activities and their effect on financial sustainability in Kenya. From the findings, business activities, endowment fund or trust and company alliances have a significant positive relationship with the financial sustainability of NGOs. The study focused on a sample of 30 NGOs.

Ahmed (2012) investigated the effect of income generation on financial sustainability in Garissa, Kenya. The regression analysis was used to test the relationship between income diversification, income generation, strategic financial management and donor management on financial sustainability. The study was moderated for government policies, inflation and global financial crisis.

The literature reviewed has shown a general conceptualization of studies in Kenya focusing on several factors influencing sustainability of NGOs. However, specific studies on the fund development as a factor determining sustainability of NGOs in Kenya, and particularly in Nairobi County have not been explored.

2.5 Chapter Summary

This chapter provided a critical review of the theoretical framework on sustainability, human resources, community engagement and fund development. The next chapter presents the research methodology.
CHAPTER THREE

3.0 RESEARCH METHODOLOGY

3.1 Introduction

This chapter relays the methodology employed in carrying out the study. It provides a roadmap of the procedures and techniques that were used in the collection, processing and analysis of data. Specifically the following subsections are included; research design, population, sampling design, data collection methods, research procedures and finally data analysis methods.

3.2 Research Design

The research philosophy was based on interpretive research of the data collected with focus on descriptive statistics and inferential statistics. The study adapted the explanatory research design, which used qualitative approach to provide the overall strategy for collecting and analysing data to obtain a sufficient understanding of the problem from perspectives of the participants of the research. The research was qualitative in nature and relied on primary data. A survey questionnaire was administered to the sample of respondents selected from specific population identified. The study focused on NGOs registered in Nairobi County.

Mugenda and Mugenda (1999) noted that a survey research attempts to collect data from members of a population and describes existing phenomena by asking individuals about their perception, attitudes, behaviour or values. Surveys enable collection of data from a sample in a specific population or from a specific population. Moreover, it explores the existing status of two or more variables at a given point in time.

3.3 Population and Sampling Design

3.3.1 Population

According to Ngechu (2004), population is the total collection of elements with common observable characteristics about which some inferences can be made.
A large set of observations is referred to as a population while the smaller set is called the sample. The population of the study consisted of NGOs registered in Nairobi County. The study concentrated on 1,881 registered NGOs in Nairobi as obtained from the NGO Coordination Board.

3.3.2 Sample Design

3.3.2.1 Sample Frame

According to Cooper & Schindler (2014), a sampling frame is a list of elements from which the sample is actually drawn and closely related to the population. In this study, the sampling frame was drawn from the NGO Coordination Board.

3.3.2.2 Sampling Technique

Cooper and Schindler (2014), provide explanation that both non-probability and probability sampling may be used in order for a researcher to draw conclusions from a sample that is representative of the population.

The study used a non-probability sampling design that depended on the researcher’s personal judgement and sample elements selected on basis of required information. A purposeful sampling technique was used to select the respondents. This technique was utilized as it allowed the researcher to select respondents with the required features.

3.3.2.3 Sample Size

Thorpe, Smith and Jackson (2008) said that a sample refers to a subset of those entities to which decisions relate. Denscombe (1998) poised that, the sample must be carefully selected to be representative of the population and the researcher needs to ensure that the subdivisions entailed in the analysis are accurately catered for. A sample size is the number of persons or elements in a population that is being studied Saunders, Lewis and Thornbill (2012).

A sample of 128 NGOs in Nairobi County was selected. As per recommendations of several authors (Israel, 2003; Kothari, 2004, Mugenda & Mugenda, 1999), the following formula was used to determine the sample size.

\[ N = \frac{Z^2 pq}{d^2} \]
Where:

N = the desired sample size (if the target population is greater than 10,000)

p = the proportion in the target population estimated to have characteristics being measured. This was placed at 90% (0.9).

q = (1-p) i.e. the proportion in the target population estimated not to have characteristics being measured, (1-0.9) = 0.1.

d = the level of statistical significance set. For this study this was placed at 0.05

Z = the standard normal variate at the required confidence level. In this study, this was placed at 95% level of confidence.

In the current study, the proportion that was assumed to have the characteristics of the interest (population) was placed at 90% that is p = 0.9 (Kothari, 2004; Nunally, 1978). In other words, the researcher was confident that as high as 90% of all possible samples taken from the target population embraced the characteristics of that population. The researcher was also conscious of the fact that lower proportions of p lead to a bigger sample, which might render the research cumbersome to conduct while higher proportions increase the risk of bias (Sekaran, 2006; Cooper & Schindler, 2014).

Using the formula specified above, the following sample size for populations with more than 10,000 units was obtained:

\[ n = \frac{z^2 pq}{d^2} \]

\[ n = \frac{(1.96)^2 (0.9)(0.1)}{(0.05)^2} = 138 \]

\[ n = 138 \quad \text{sample size for target population greater than 10,000} \]

In the current study, the target population was less than 10,000 (i.e. 1,881); therefore, calculating the final sample estimate (\( n_f \)) required the following formula:

\[ n_f = \frac{n}{1 + \frac{n}{N}} \]
Where;

\[ n_f = \text{The desired sample size (when the population is less than 10,000).} \]

\[ n = \text{The desired sample size (when the population is more than 10,000) i.e. 138.} \]

\[ N = \text{The estimate of the population size (i.e. 1,881 in the case of the current study).} \]

Applying the formula therefore yielded a sample size of 128 NGOs. The researcher sampled three respondents from each NGO sampled thus a total sample size of 384 respondents. The three respondents were the heads of programmes, finance and human resources in each of them.

3.4 Data Collection Methods

This research utilized questionnaires as the main collection method for primary data. The questionnaires comprised both open and closed ended aspects in line with the objectives of the study. A five point Likert scale was used for closed ended questions. The questionnaire contained two sections each. The first section sought to establish the respondents’ demographic data while the second section sought to establish the respondents’ opinions on the three variables (human resources, community engagement and fund development). The questionnaires were administered through drop and pick method.

3.5 Research Procedures

After development of the draft questionnaire, a pilot test was carried out with five selected subsets of the population to test for any inconsistencies, ambiguity and incomprehension. The pre-test participants did not participate in the actual study to avoid pre-emption of the study at the actual area. In the process of piloting, the study ensured that the rectification of any errors of ambiguity existing in the research instrument were done. After the amendment of the final questionnaire, the researcher explained the purpose of the research to the respondents and sought permission to carry out the research in the given topic.

Each questionnaire was directly distributed to each of the identified participants in the study at the NGOs. According to Creswell (2003), participants should not be inconvenienced during the process. To ensure a high response rate, the researcher requested the respondents to fill and return the questionnaires immediately. Before the
data analysis, data obtained through questionnaires was validated, edited and then coded. The returned instruments were scrutinized to determine correctness and accuracy.

The researcher’s expectation on the output was as follows: Human resources have a significant effect on sustainability of NGOs, Community engagement has a significant effect on sustainability of NGOs, and Fund development has a significant effect on sustainability of NGOs

3.6 Data Analysis Methods

Data analysis is the process of bringing order, structure and meaning to the mass of information collected (Mugenda and Mugenda, 1999). The questionnaires were edited for completeness before coding. Once coded the questionnaires were entered into the Statistical Package for Social Sciences (SPSS) computer package. Both descriptive and inferential statistics were used in this study.

Descriptive statistics were used to describe and make sense of the data. The descriptive statistics comprised of percentages, means and standard deviations. Regression analysis was the main inferential statistics used to establish the effect of various factors affecting sustainability of NGOs in Nairobi County, Kenya. In addition, the researcher conducted a multiple regression analysis to determine the extent to which the factors influence sustainability in nongovernmental organization in Nairobi County, Kenya. The study used the model below.

\[ Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon \]

Whereby

- \( Y = \) Financial sustainability
- \( X_1 = \) Human resource
- \( X_2 = \) Community engagement
- \( X_3 = \) Fund development
- \( \beta_0 = Y\)-intercept as a coefficient
- \( \beta_1 = \) coefficient representing change on \( Y \)
- \( \beta_2 = \) coefficient representing change on \( Y \)
- \( \beta_3 = \) coefficient representing change on \( Y \)
- \( \varepsilon = \) the error term

\( \beta \) was evaluated based on a 95% confidence level.
3.7 Chapter Summary

This chapter highlighted the research design, population and sampling design, data collection methods, research procedures and data analysis methods utilized in the study. The next chapter presents the results and findings.
CHAPTER FOUR

4.0 RESULTS AND FINDINGS

4.1 Introduction

The chapter represents the empirical findings and results of the application of the variables using techniques mentioned in chapter three. The data analysis was in line with specific objectives where patterns were investigated, interpreted and implications drawn from them.

4.2 Response Rate

The study targeted 384 respondents but managed to obtain responses from 294, which represents 77% response rate. This response rate is considered satisfactory to make conclusions for the study. Mugenda and Mugenda (1999) observed that a 50% response rate is adequate, 60% good and above, while 70% is rated very good. This collaborates with Bailey (2000) assertion that a response rate of 50% is adequate, while a response rate greater than 70% is very good. This implies that based on this assertion, the response rate in this case of 77% is therefore very good.

![Response Rate](image)

**Figure 4.1 Response Rate**

*Source: Researcher (2018)*

4.3 Reliability Analysis

The reliability of an instrument refers to its ability to produce consistent and stable measurements. Bagozzi (1994) explains that reliability can be seen from two sides: reliability (the extent of accuracy) and unreliability (the extent of inaccuracy).
The most common reliability coefficient is the Cronbach’s alpha, which estimates internal consistency by determining how all items on a test relate to all other items and to the total test - internal coherence of data. The reliability is expressed as a coefficient between 0 and 1. The higher the coefficient, the more reliable is the test.

In this study, to ensure the reliability of the instrument, Cronbach’s Alpha was used. Cronbach Alpha value is widely used to verify the reliability of the construct. Therefore, Cronbach Alpha was used to test the reliability of the proposed constructs. The findings indicated that human resources had a coefficient of 0.763; community engagement had a coefficient of 0.784, fund development had a coefficient of 0.778 and sustainability had a coefficient of 0.773.

All constructs depicted that the value of Cronbach’s Alpha are above the suggested value of 0.7 thus the study was reliable (Nunnally & Bernstein, 1994). Based on the reliability test, it was concluded that the scale used in this study is reliable to capture the constructs as shown in the table below.

<table>
<thead>
<tr>
<th>Item</th>
<th>Cronbach’s Alpha</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Human resources</td>
<td>0.763</td>
<td>Accepted</td>
</tr>
<tr>
<td>Community engagement</td>
<td>0.784</td>
<td>Accepted</td>
</tr>
<tr>
<td>Fund development</td>
<td>0.778</td>
<td>Accepted</td>
</tr>
<tr>
<td>Sustainability</td>
<td>0.773</td>
<td>Accepted</td>
</tr>
</tbody>
</table>

Source: Researcher (2018)

4.4 Demographic Data

The study sought to establish the demographic data of the respondents. The researcher begun by a general analysis on the demographic data obtained from the respondents, which included; gender, position in organization, number of years NGO has been in operation and highest level of education.

4.4.1 Gender of Respondent

Respondents were required to indicate their gender. The findings revealed that 49% of the respondents were male while the remaining 51% of them were female as shown in Figure 4.2 below. The findings therefore reveal that both genders were adequately represented.
4.4.2 Highest Level of Education

Respondents were further required to indicate their highest level of education. It is clear from the research findings presented in Figure 4.3 below, that majority of the respondents who participated in this study had attained Bachelors degrees (62%) and Masters degrees at 38%. This therefore implies that majority of the respondents in the NGOs were well educated and therefore able to articulate the issues under study appropriately.

4.4.3 Position of respondent

The findings presented in Figure 4.4 below show that majority of the respondents in this study were program managers, 30.2% of them were finance and administration managers while 20.4% of them were human resource managers. This therefore implies key management members were adequately involved in this study.
Majority (49.1%) of the respondents in this study indicated that their organizations had been in existence for a period of over 10 years, which is considered long enough for an organization to be considered sustainable. Another 41.5% of them indicated that they had been in operations for a period of 7-10 years. The findings further revealed that 5.5% of the respondents indicated that their organizations had been in existence for a period of between 4-6 years while the remaining 1.9% of them indicated that they had been in operation for a period of between 1-3 years. The findings are as presented in Figure 4.5 below.

Figure 4.4 Position of Respondents
Source: Researcher (2018)

4.4.4 Number of years NGO has been in Operation

Figure 4.5 Number of years NGO has been in operation
Source: Researcher (2018)

4.5 Factors Influencing Sustainability of NGOS In Nairobi County

The study sought to investigate factors influencing sustainability of NGOs in Nairobi County which are human resources, community engagement and fund development.
4.5.1 Human Resources

Respondents were required to indicate the extent to which they agreed to various aspects on how human resources affected sustainability of NGOs in Nairobi County. Items were measured on a five point Likert-Type scale ranging from 1 being “Strongly Disagree” to 5 being “Strongly Agree”. Means of between 4.4116 - 4.8116, standard deviations of between 0.37548 - 0.52644, medians and modes of between 4.00 – 5.00 were registered. The study findings generally revealed that majority of the respondents were in agreement with the various aspects on human resources as shown by an aggregate score of 4.5601. Specifically the findings revealed that majority of the respondents strongly agreed (4.8116) that better remuneration of staff improved sustainability of an organization. Another majority of the respondents strongly agreed (4.5204) that adequate employee head count improved the sustainability of an organization. The findings further confirmed that majority of the respondents strongly agreed (4.4966) that well qualified employees improved the sustainability of an organization.

The influence of good working environment on sustainability of an organization was also highly rated by respondents as shown by a registered mean of 4.4116. The findings are as presented below.

<table>
<thead>
<tr>
<th>Item</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Median</th>
<th>Mode</th>
<th>Skewness</th>
</tr>
</thead>
<tbody>
<tr>
<td>Well qualified employees improve the sustainability of an organization</td>
<td>4.4966</td>
<td>.51429</td>
<td>5.0000</td>
<td>5.00</td>
<td>-.138</td>
</tr>
<tr>
<td>Adequate employee head count improves the sustainability of an organization</td>
<td>4.5204</td>
<td>.37548</td>
<td>4.0000</td>
<td>4.00</td>
<td>15.763</td>
</tr>
<tr>
<td>A good working environment improves the sustainability of an organization</td>
<td>4.4116</td>
<td>.52644</td>
<td>4.0000</td>
<td>4.00</td>
<td>.006</td>
</tr>
<tr>
<td>Better remuneration of our staff improves sustainability of an organization</td>
<td>4.8116</td>
<td>.49983</td>
<td>4.0000</td>
<td>4.00</td>
<td>.279</td>
</tr>
<tr>
<td>Aggregate Score</td>
<td><strong>4.5601</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Researcher (2018)
4.5.2 Community engagement

Respondents were required to indicate the extent to which various aspects of community engagement affected the sustainability of an NGO by using a five point Likert-Type scale. Where 1 being “Not at All”, 2 being “To a Little Extent”, 3 being “To a Moderate Extent”, 4 being “To a Great Extent” and 5 being “To a Very Great Extent”. Means of between 4.3095 - 4.4388, standard deviations of between 0.54302 - 0.59007 median and mode of 4.00 were registered. It is clear from the study findings that most respondents agreed to a great extent to the various aspects on community engagement positively affected the sustainability of NGOs as shown by a mean of 4.3665.

Specifically the findings revealed that an NGO collaborating with another one in project implementation was more (4.4388) sustainable than one which did not.

The findings further confirmed that an NGO collaborating with both National and County Governments in its operations stood a better chance to be sustainable that one which did not, as shown by a mean of 4.3912. Respondents further indicated that NGO partnership with the private sector and local communities in project implementation were highly rated at 4.3265 and 4.3095 respectively. The findings are as presented in the table below.

<table>
<thead>
<tr>
<th>Item</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Median</th>
<th>Mode</th>
<th>Skewness</th>
</tr>
</thead>
<tbody>
<tr>
<td>An NGO partnering with other NGOs in implementation of projects</td>
<td>4.4388</td>
<td>.54302</td>
<td>4.0000</td>
<td>4.00</td>
<td>-.205</td>
</tr>
<tr>
<td>An NGO collaborates with the government (both national and county) in its operations</td>
<td>4.3912</td>
<td>.59007</td>
<td>4.0000</td>
<td>4.00</td>
<td>-.373</td>
</tr>
<tr>
<td>Our NGO partners with the private sector in implementation of programs</td>
<td>4.3265</td>
<td>.56234</td>
<td>4.0000</td>
<td>4.00</td>
<td>-.097</td>
</tr>
<tr>
<td>An organization engages the local communities in area of project implementation</td>
<td>4.3095</td>
<td>.56891</td>
<td>4.0000</td>
<td>4.00</td>
<td>-.108</td>
</tr>
<tr>
<td><strong>Aggregate Score</strong></td>
<td><strong>4.3665</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Researcher (2018)
4.5.3 Fund Development

Respondents were also required to indicate the importance of various aspects on fund development and sustainability of NGOs. Aspects were measured on a five point Likert-Type scale ranging from 1 being “Unimportant” to 5 being “Very Important”. Means of between 4.1599 - 4.8170, standard deviations of between 0.52713 - 0.55641, medians and modes of between 4.00 and 5.00 were registered. Most of the respondents agreed that they considered the three fund development aspects as important in affecting organizational sustainability as shown by a mean of 4.5341.

Specifically the findings revealed that implementation of good financial management practices was rated the highest in terms of importance at 4.8170 then followed by consistent income from diverse sources at 4.6253. Generation of income from sale of goods and services that could adequately support operations was rated the least important at 4.1599. The findings are as presented in table below.

Table 4.4 Descriptive Statistics on Fund Development

<table>
<thead>
<tr>
<th>Item</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Median</th>
<th>Mode</th>
<th>Skewness</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consistent income from diverse sources</td>
<td>4.6253</td>
<td>.55641</td>
<td>4.0000</td>
<td>4.00</td>
<td>-.060</td>
</tr>
<tr>
<td>Implementation of the good financial management practices</td>
<td>4.8170</td>
<td>.52713</td>
<td>5.0000</td>
<td>5.00</td>
<td>-.350</td>
</tr>
<tr>
<td>Generation of income from sale of goods and services that can adequately support operations</td>
<td>4.1599</td>
<td>.55264</td>
<td>4.0000</td>
<td>4.00</td>
<td>.059</td>
</tr>
<tr>
<td><strong>Aggregate Score</strong></td>
<td><strong>4.5341</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Researcher (2018)

4.5.4 Sustainability

Respondents were finally required to indicate the importance of various aspects on sustainability of funds. Aspects were measured on a five point Likert-Type scale ranging from 1 being “Unimportant” to 5 being “Very Important”. Means of between 4.3265 - 4.8415, standard deviations of between 0.48123 - 0.56234, medians and modes of 4.00 registered. Most of the respondents agreed that they considered the two sustainability aspects as important as shown by a mean of 4.584. It is clear from the research findings that adequate financial resources to run organizations’ operations into the unforeseen
future are very important (4.8415) in enhancing their sustainability. Ability to meet its recurring expenses into unforeseen futures was considered as important (4.3265) by most of the respondents in enhancing sustainability of NGOs. The aggregate score was 4.584. The findings are as presented in the table below.

Table 4.5 Descriptive Statistics on Sustainability

<table>
<thead>
<tr>
<th>Item</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Median</th>
<th>Mode</th>
<th>Skewness</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adequate financial resources to run its operations into unforeseen future</td>
<td>4.8415</td>
<td>.48123</td>
<td>4.0000</td>
<td>4.00</td>
<td>.546</td>
</tr>
<tr>
<td>Ability to meet its recurring expenses into unforeseen future</td>
<td>4.3265</td>
<td>.56234</td>
<td>4.0000</td>
<td>4.00</td>
<td>-.097</td>
</tr>
<tr>
<td>Aggregate Score</td>
<td>4.584</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Researcher (2018)

4.6 Regression Analysis

Multiple regression analysis was conducted to establish the influence of various factors on sustainability of NGOs in Nairobi County. The multiple linear regression analysis models the relationship between the dependent variable which was sustainability and as influenced by independent variables of human resources, community engagement and fund development. The coefficient of determination ($R^2$) and correlation coefficient ($R$) shows the degree of association between sustainability and the independent variables.

The research findings indicated that there was a positive relationship ($R= 0.752$) between the variables. The adjusted $R^2$ was 0.905, which means that the included explanatory variables explained only 90.5% of the variations in sustainability. The other explanatory variations not in the model explain the remaining 9.5% variations in sustainability. From this study it is evident that at 95% confidence level, the variables produce statistically significant values and can be relied on to explain sustainability of NGOs in Nairobi City County. The findings are as shown in the table below.
Table 4.6  Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.752</td>
<td>.565</td>
<td>.905</td>
<td>.21410</td>
</tr>
</tbody>
</table>

**Source: Researcher (2018)**

Table 4.7 shows the results of ANOVA test which revealed that the combined independent variables have significant effect on sustainability of NGOs in Nairobi County. This is explained by high F values (704.041) and low p values (0.000) which are less than 5% level of significance.

Table 4.7  ANOVA

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>129.087</td>
<td>1</td>
<td>32.272</td>
<td>704.041</td>
<td>.000</td>
</tr>
<tr>
<td>Residual</td>
<td>13.385</td>
<td>283</td>
<td>.046</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>142.471</td>
<td>284</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Source: Researcher (2018)**

Table 4.8 shows the results of regression coefficients that reveal that a positive effect was reported for all the factors under study on sustainability of NGOs in Nairobi City County.

Table 4.8  Regression Coefficients

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Constant)</td>
<td>229</td>
<td>.148</td>
<td>1.543</td>
<td>.124</td>
</tr>
<tr>
<td>Human resources</td>
<td>.338</td>
<td>.097</td>
<td>.253</td>
<td>3.472</td>
</tr>
<tr>
<td>Community engagement</td>
<td>.293</td>
<td>.027</td>
<td>.274</td>
<td>10.704</td>
</tr>
<tr>
<td>Fund development</td>
<td>.711</td>
<td>.078</td>
<td>.713</td>
<td>9.175</td>
</tr>
</tbody>
</table>

**Source: Researcher (2018)**

From the study, it was evident that at 95% confidence level, the variables produce statistically significant values for this study (high t-values, p < 0.05). However, the constant was not statistically significant (p=0.124, p>0.05). A positive effect is reported...
for all the aspects under study hence influencing sustainability of NGOs in Nairobi County.

The results of the regression equation below shows that for 1 unit change in the independent variables, sustainability is predicted to change by 229, given that all the other factors are held constant. The equation for the regression model is shown below:

\[ Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 \]
\[ Y = 229 + 0.338X_1 + 0.293X_2 + 0.711X_3 \]

Where

\( Y \) = Sustainability
\( X_1 \) = Human resources
\( X_2 \) = Community engagement
\( X_3 \) = Fund development
\( \beta_0 \) = \( Y \)-intercept as a coefficient
\( \beta_1 \) = coefficient representing change on \( Y \)
\( \beta_2 \) = coefficient representing change on \( Y \)
\( \beta_3 \) = coefficient representing change on \( Y \)

The findings therefore revealed that human resources, community engagement, fund development positively affected sustainability of NGOs in Nairobi County, Kenya.

4.7 Chapter Summary

This chapter highlighted the response rate, reliability analysis, demographic data, factors influencing sustainability of NGOs in Nairobi County and regression analysis done in the study. The next chapter presents the discussion, conclusions and recommendations.
CHAPTER FIVE

5.0 DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

The chapter provides the summary, discussion, conclusions and recommendations of the study. The summary section provides a brief statement of vital elements of the study with specific reference to the objectives, methodology and the overall finding. The discussion section provides details of the findings which link to literature review. The findings section makes use of the results in chapter four while conclusion relates directly to the specific objectives/research questions.

5.2 Summary of the Study

The study sought to establish the factors affecting sustainability of nongovernmental organizations in Nairobi County, Kenya. It was guided by the following research questions: How does human resources influence sustainability of nongovernmental organizations in Nairobi County, Kenya? How does community engagement influence sustainability of nongovernmental organizations in Nairobi County, Kenya? To what extent does fund development influence sustainability of nongovernmental organizations in Nairobi County, Kenya? The independent variables are therefore human resources, community engagement and fund development while sustainability is the dependent variable. Literature review on the variables has been done to support the study and obtain the hypothesis.

The research philosophy was based on interpretive research of the data collected with focus on descriptive statistics and inferential statistics. The study adapted the explanatory research design, which used qualitative approach to provide the overall strategy for collecting and analysing data to obtain a sufficient understanding of the problem from perspectives of the participants of the research. The research was qualitative in nature and relied on primary data. Questionnaires were used for data collection while the data collected was analyzed using descriptive statistics and presented in form of tables and figures.

The research questions were addressed through descriptive research design and relied on primary data. Structured questionnaires were used for data collection. The questionnaires
comprised both open and closed ended aspects in line with the objectives of the study. A five point Likert scale was used for closed ended questions. The questionnaire contained two sections each. The first section sought to establish the respondents’ demographic data while the second section sought to establish the respondents’ opinions on the three variables (human resources, community engagement and fund development). The questionnaires were administered through drop and pick method.

Data collected was analyzed under the SPSS software and presented in form of tables and figures. Regression analysis was used to determine the extent to which the factors influence sustainability of Nongovernmental Organisations in Nairobi County, Kenya. The study showed that human resources, community engagement and fund development influence sustainability of NGOs positively. The study showed that a majority of respondents were in agreement with the various aspects on human resources as shown by an aggregate score of 4.5601.

Additionally, majority of respondents agree that community engagement aspects of collaborating with another NGO, corporates, governments and local community will improve sustainability of the organisation as shown by the aggregate score of 4.3665. Finally, under fund development, majority agreed that implementation of good financial management practices and consistent income from diverse sources are important in sustainability of an organisation as demonstrated by the average score of 4.5341. The research findings indicated that there was a positive relationship (R= 0.752) between the variables.

The adjusted $R^2$ was 0.905, which means that the included explanatory variables explained only 90.5% of the variations in sustainability. The other explanatory variations not in the model explain the remaining 9.5% variations in sustainability. From this study it is evident that at 95% confidence level, the variables produce statistically significant values and can be relied on to explain sustainability of NGOs in Nairobi City County. The results of ANOVA test revealed that the combined independent variables have significant effect on sustainability of NGOs in Nairobi County. This is explained by high F values (704.041) and low p values (0.000) which are less than 5% level of significance.
5.3 Discussion

5.3.1 Effect of Human Resources on Sustainability

Majority of the respondents agreed that human resources play a key role in enhancing the sustainability of NGOs in Nairobi County, Kenya. These findings agree with Okorley and Nkrumah (2012) when they studied the relationship between human resources capacity and organisational sustainability in Ghana and concluded that human resource capacity that included, technical competence, leadership and staff motivation, good working environment were statistically significant on sustainability. Iwu et al (2015) in their study in South Africa also affirmed that there was a strong relationship between ability to attract and retain talented people and organisational effectiveness and as a result improve sustainability of the organisation.

Omeri (2015) also argued that a significant positive relationship exists between NGOs sustainability and competence of staff managing the projects, adequate staffing and better remuneration of staff in the study do in Nakuru County, Kenya. USAID 2015 CSO Sustainability index provided that few organizations have staff development policies or offer their employees training or career development opportunities. The human resource function is unfulfilled at many organizations or is handled by financial or administrative staff, which is mainly understaffed, and this affects sustainability of the NGOs.

Aipinge (2015) study in Namibia also confirmed that the relationship between human resources and sustainability in the Namibian health Sector was statistically significant in the study that focused on the health sector as this is the sector that receives the highest external donor funding.

Iwu et al (2015) affirmed this in the study of the criteria of organisational effectiveness in non-profit organisations and how the criteria fits into the sustainability in South Africa. One of the criteria was human resources (ability to attract volunteers and ability to attract and retain talented people. The study revealed that there was significant relationship between human resources and organisational effectiveness as donors have become scarce and organisations have to sustain themselves.

The study showed that a majority of respondents were in agreement with the various aspects on human resources as shown by an aggregate score of 4.5601. Specifically, the findings revealed that majority of the respondents strongly agreed (mean of 4.8116) that
better remuneration of staff improved sustainability of an organization. Another majority of the respondents strongly agreed (4.5204) that adequate employee head count improved the sustainability of an organization.

The findings further confirmed that majority of the respondents strongly agreed (4.4966) that well qualified employees improved the sustainability of an organization. Good working environment was also rated as greatly contributing to sustainability of NGOs in Nairobi County, Kenya as shown by a registered mean of 4.4116.

Inferential statistics revealed that human resources positively affected sustainability of NGOs in Nairobi County, Kenya. Results of the inferential statistics included unstandardized regression coefficients of +0.338, which showed a positive effect of human resources on sustainability of the NGOs. This was further collaborated by the low p values of 0.001.

The findings confirm the researcher’s hypothesis that human resources have a significant effect on sustainability of NGOs.

5.3.2 Effect of Community Engagement on Sustainability

Majority of the respondents agreed that community engagement plays a key role in enhancing the sustainability of NGOs in Nairobi County, Kenya. The study found that community engagement positively influenced sustainability of NGOs. Moreover, further findings show link between community engagement and sustainability. Williams (2015) in her study done in Canada, showed a significant positive relationship between community engagement and sustainability where organisations strive to support those around them mandated with similar roles rather than just meeting their own goals. This was with regards NGOs collaborating with other NGOs to achieve sustainability.

Wright (2015) also echoed the same conclusion in another study done in Canada, which showed that service duplication could be a significant drain of resources in a region and hence negative impact on sustainability. Cooperation with private sector and sharing of resources with other NGOs had a promising impact on sustainability. Karanja and Karuti (2014) study in Kenya noted an increase in demand for social services provided by the state and that the state can no longer be the sole provider of these services. The growth of NGOs was linked to failure by government to deliver essential services hence both the
state and NGOs need each other. The study identified that the government involvement has a significant impact on financial sustainability.

Non-profits exist within the communities they serve. Sontag, Staplefoote and Morganti, (2012). They concluded that, encouraging the engagement of members of the community in non-profit operations has the potential to assist the non-profits address the community needs better and hence promote sustainability. This is through leveraging on members expertise on unique organisation and cultural challenges. By engaging the community through board or volunteerism, there is a sense of ownership and willingness to support the organisation.

Community members are a valuable resource, who offer first-hand information on the strengths and weaknesses of the community. They can contribute towards diverse ideas and challenges that may otherwise be overlooked. They can help analyze the specific needs and ensure that sustainability projects are properly designed to meet those needs.

Holland (2012) affirmed the findings when he concluded that community engagement the collaboration between institutions and governments (local, state, national, global) for the mutually benefit of exchange of resources and knowledge in a partnership and reciprocity context in the US and hence influence sustainability.

Majority of respondents agree that community engagement aspects of collaborating with another NGO, corporates, governments and local community will improve sustainability of the organisation as shown by the aggregate score of 4.3665. The findings revealed that an NGO collaborating with another one in project implementation was more sustainable than one, which did not. This was supported by respondents who strongly agreed (mean of 4.4388) that NGO collaborating with another is likely to be sustainable than one which does not. The findings further confirmed that an NGO collaborating with both National and County Governments in its operations stood a better chance to be sustainable that one which did not as shown by a mean of 4.3912. Respondents further indicated that NGO partnership with the private sector and local communities in project implementation were highly rated at 4.3265 and 4.3095 respectively.

Regression analysis confirmed that community engagement positively affected sustainability of NGOs in Nairobi County, Kenya. Results of the unstandardized regression coefficient of +0.293 show a positive effect on sustainability of the NGOs.
This further indicates that community engagement had a significant effect on sustainability of NGOs as indicated by the low p values of 0.000.

The findings confirm the researcher’s hypothesis that community engagement has a significant effect on sustainability of NGOs.

5.3.3 Effect of Fund Development on Sustainability

Majority of the respondents agreed that fund development plays a key role in enhancing the sustainability of NGOs in Nairobi County, Kenya. The study revealed that NGOs with good fund development provide reasonable assurance of sustainability of the NGO. The findings were supported by Omeri (2015) in her study done in Kenya, whose results should that own income-generating activities were likely to make the NGOs sustainable. The findings indicated that an increase of fund development through own income generating activities suggested that a decrease in foreign funding is a reality.

Moreover, the findings are in line with Gathee (2013) study in Kenya who argued that business activities, endowment fund or trust and company alliances have a significant positive relationship with the sustainability of NGOs. Ahmed (2012) identified a positive effect of income generation on sustainability in his study done in Kenya. Mutinda and Ngahu (2016) further supported this finding in their study done in Kenya where results demonstrated that good financial management practices significantly influenced the sustainability of the NGOs.

Williams (2015) study in Canada supports the findings when she argued that there was a significant positive relationship between fund development and sustainability of NGOs. Muriithi (2014) study in Kenya also supports the findings as results showed that sustainability was positively influenced by sound financial management.

The Department for Social Development review (2010) has recapitulated the essence of non-profit organisations to continuously explore other funding sources for their continued existence.

Steinman (2010) supported the finding in his study done in South Africa and concluded that explained sustainability is significantly influenced by diversification of income sources.
Muriithi (2014) in study to determine how sound financial management affects sustainability in Kenya concluded that sustainability is positively influenced by sound financial management.

Amagoh and Kabdiyeva (2012) concluded that there is a positive relationship between fund development in terms of transparency and accountability and financial sustainability in the study done in Kazakhstan.

Under fund development, majority agreed that implementation of good financial management practices and consistent income from diverse sources are important in sustainability of an organisation as demonstrated by the average score of 4.5341. The findings revealed that implementation of good financial management practices was rated the highest in terms of importance at 4.8170 then followed by consistent income from diverse sources at 4.6253. Generation of income from sale of goods and services that could adequately support operations was rated the least important. Regression analysis confirmed that fund development positively affected sustainability of NGOs in Nairobi County, Kenya. Results of the unstandardized regression coefficient of +0.711 show a positive effect on sustainability of the NGOs. This further indicates that fund development had a significant effect on sustainability of NGOs as indicated by the low p values of 0.000.

The findings confirm the researcher’s hypothesis that fund development has a significant effect on sustainability of NGOs

5.4 Conclusions

5.4.1 Human Resources and Sustainability

The study supports the research question, how does human resources influence sustainability of nongovernmental organisations in Nairobi, County, Kenya. The study revealed that indeed human resources affect sustainability of NGOs. This is through human resources factors that include high competence of employees, adequate number of employees, good working environment and better remuneration.

A positive effect is reported for all these aspects under study hence influencing sustainability of NGOs in Nairobi County. An adequate team of employees with the right
skills, experience, work environment and proper leadership will lead to well-designed projects that facilitate an organisation to meet its objectives.

5.4.2 Community Engagement and Sustainability

The study supports the research question, how does community engagement influence sustainability of nongovernmental organisations in Nairobi, County, Kenya. This is achieved through a number of community engagement factors that include collaborating with other NGOs, government, private sector and local communities. A partnership with key stakeholders that is in line with objectives of both partners will provide a motivation tool and hence improve sustainability of the NGO.

5.4.3 Fund Development and Sustainability

The study supports the research question, to what extent does fund development influence sustainability of nongovernmental organisations in Nairobi, County, Kenya. The study revealed that sustainability is influenced to an extent by existence of good financial management practices, diverse income sources and generation of income from sale of goods and services. The findings deduced that implementation of good financial management practices contribute most to sustainability of NGOs then consistent income from diverse sources while generation of income from sale of goods and services contributed the least to sustainability.

5.5 Recommendations

5.5.1 Recommendations for the Study

5.5.1.1 Human Resources

Management of nongovernmental organizations to create an enabling work environment and better remuneration, which is a prerequisite in motivating employees to be productive and ensure competent employees, are retained. Management should also ensure that adequate number of employees are assigned to tasks in organisations. This will go a long way in ensuring that low employee turnover cases are reported which in turn improves sustainability of the organisation.
5.5.1.2 Community Engagement
There is a great need for NGOs to engage local communities in project implementation with a view of getting them to own the projects implemented. They should also be encouraged to collaborate with other NGOs, corporations and governments. This will minimize resistance to project implementation thus greater project success.

5.5.1.3 Fund Development
Nongovernmental organisations should diversify their activities to enable them generate substantial income to support their operations and should implement good financial management practices which will improve sustainability of the organisation.

5.5.2 Recommendations for Further Research
This study is a milestone for future research in this area, particularly in Kenya. First, this study focused on the three factors affecting sustainability of NGOs in Nairobi County and therefore generalizations cannot adequately extend to other counties. Based on this fact among others, it is therefore, recommended that a broad based study covering all Counties in Kenya should be conducted. Further research should focus on how various factors other than the three affect both financial and operational sustainability of private and public organizations.
REFERENCES


Department of Social Development (2010). ‘Codes of Good Practice for South African Non-profit Organisations’ (NPOs), 34


16 February 2018

To Whom It May Concern

Research Project by Janet Wambui Gitonga- Student ID: 651174

The bearer of this letter is a student at the United States International University-Africa pursuing a Master’s Degree in Business Administration (MBA).

As part of the program, she is required to undertake a research project on “Factors Influencing Sustainability of Non-Governmental Organizations in Nairobi” This requires her to collect data and information from various relevant institutions.

Kindly assist by enabling her access data, information and contact with respondents who can complete her questionnaires. I assure you that the information provided will be treated with the utmost confidentiality.

Should you have any queries regarding the student research please feel free to contact me on my email at tlin@usiu.ac.ke or Tel: +25472619019.

Yours faithfully

Dr. Teresia K. Linge
Associate Dean, Chandaria School of Business
APPENDIX II: QUESTIONNAIRE

This study is a requirement for the partial fulfillment of the Master of Business Administration program (MBA) at the United States International University Africa. The purpose of this study is to examine the “FACTORS AFFECTING SUSTAINABILITY OF NONGOVERNMENTAL ORGANISATIONS IN NAIROBI COUNTY, KENYA” The findings of this study will provide the management of NGOs as well as other stakeholders with information that can be used to improve their sustainability.

Please answer all questions as honestly as you can. The information you provide will be treated with a lot of confidentiality. It will only be used for academic purposes only.

SECTION A: GENERAL INFORMATION

Kindly answer all the questions by ticking in the boxes as may apply to you in this section.

1. Gender of Respondent
   - Male [ ]
   - Female [ ]

2. Name of the organization (Optional) ______________________________

3. Department in organization: Projects/Programs [ ]
   - Human Resource [ ]
   - Finance & Administration [ ]

4. Number of years the NGO sector has been in operation
   - <1 [ ]
   - 1-3 [ ]
   - 4-6 [ ]
   - 7-10 [ ]
   - Over 10 [ ]

5. Kindly indicate your position in the organization ______________________

6. Your highest level of education ________________________________

SECTION B: HUMAN RESOURCES

Human resources is the workforce or employees of an organization.

Below are several aspects of human resources that affect the sustainability of nongovernmental organizations. Kindly indicate the extent to which you agree with each of these statements. 1=Strongly disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree
7. Well qualified employees improve the sustainability of an organisation

8. Adequate employee head count improve the sustainability of an organisation

9. A good working environment improves the sustainability of an organisation

10. Better remuneration of our staff improves sustainability of an organisation

SECTION C: COMMUNITY ENGAGEMENT

Below are several aspects of community engagement that affect the sustainability of nongovernmental organizations.

To what extent do the following aspects positively affect sustainability of an organization? (Use the scale of 1-5 below)

1=Not at all, 2=To a little extent, 3=To a moderate extent 4=To a great extent, 5=To a very great extent

11. An NGO partnering with other NGOs in implementation of projects

12. An NGO collaborates with the government (both national and county) in its operations

13. Our NGO partners with the private sector in implementation of programs

14. An organization engages the local communities in areas of project implementation
**SECTION D: FUND DEVELOPMENT**

7. Below are several aspects of fund development that affect the sustainability of nongovernmental organizations. How important are the following aspects in improving sustainability of organization? (Use the scale of 1-5 below)  
1=Unimportant, 5=Very important

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>15. Consistent income from diverse sources.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>16. Implementation of the good financial management practices</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>17. Generation of income from sale of goods and services that can adequately support operations.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**SECTION E: SUSTAINABILITY**

Below are several aspects of sustainability. How important are the following aspects in sustainability? (Use the scale of 1-5 below)  
1=Unimportant, 5=Very important

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>18. Adequate financial resources to run its operations into unforeseen future</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>19. Ability to meet its recurring expenses into unforeseen future.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Thank You