EFFECT OF PEST FACTORS ON NGOs PERFORMANCE IN NAIROBI COUNTY

BY

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UNITED STATES INTERNATIONAL UNIVERSITY-AFRICA

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UNITED STATES INTERNATIONAL UNIVERSITY-AFRICA

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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 college, institute or university other than United States International University in Nairobi for credit.

Signed ________________________ Date ____________________

Karue Paul Ng’ang’a

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

Signed ________________________ Date ____________________

Prof. Maina Muchara, PhD

Signed ________________________ Date ____________________

Dean, Chandaria School of Business
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DEDICATION

To all my loving parents, siblings, wife, friends and relatives for their encouragement, prayers and support
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LIST OF ACRONYMS AND ABBREVIATIONS

ANOVA: Analysis of Variance
CSO: Civil Society Organizations
ETPS: Economic, Technical, Political and Social
FAO: Food and Agriculture Organization
GDP: Gross Domestic Product
GNP: Gross National Product
ICJ: International Court of Justice
ICRC: International Committee of the Red Cross
IDA: International Development Association
IFAD: International Fund for Agricultural Development
IMF: International Monetary Fund
IT: Information Technology
IVS: International Voluntary Services
KENPRO: Kenya Projects Organization
KNCSS: Kenya National Council of Social Services
NGO: Non-Governmental Organization
PEST: Political, Economical, Sociological and Technological
PESTEL: Political, Economic, Social, Technological, Environmental and Legal
RBV: Resource Based View
RSS: Rich Site Summary
SME: Small Micro Enterprise
SPSS: Statistical Package for Social Sciences
STEP: Strategic Trend Evaluation Process
STEPE: Social, Technical, Economic, Political and Ecological
SWOT: Strengths, Weaknesses, Opportunities and Threat
UN: United Nation
UNDP: United Nations Development Program
USA: United State of America
ABSTRACT

The purpose of this research project was to explain the effects of PEST Factors on NGOs performance in Nairobi County. The research was guided by four research questions that sought to establish the extent to which political, economic, socio-cultural and technological factors affects performance. The performance indicators were financial stability, empowerment, training, and extent to which NGOs reaches targeted beneficiaries.

The study was conducted using a descriptive research design, drawing from a population of 288 NGOs from Nairobi County. Data collection was done through a research survey with 40 out of the 100 sampled units giving back the responses, which represented a forty percent (40%) response rate. After collection, the data was then analyzed using a computer analytical program with inferential and descriptive statistics to test the hypotheses.

The study revealed effects of political, economic, socio-cultural and technological factors on NGOs performance. From the findings, it became evident that political factors was the highly affecting variable on NGOs performance pointing to the constant need for state stability, proper regulation policies and good inter-relationship between NGOs and the government. The findings also found that economic factors influence NGOs performance since amount of funding received to drive their own activities determines the impact at the grassroots level. Similarly, during slow economic growth, NGOs performance is influenced owing to fact that many beneficiaries will turn to NGOs for different needs. In addition, social-cultural factors influenced performance of NGOs pointing to a constant need to empower employees, define a clear objective of NGO to avoid conflict of interests of stakeholders and empower people with economic skills to get rid of poverty. The study also found that technological factors influences activities of NGOs pointing to a constant need to invest in research and development, use technology and being open mindedness to innovation to come up with faster and efficient ways of reaching beneficiaries.

The study concluded that the performance of NGOs is usually affected by factors of politics, economics, socio-cultural and technological which when put together creates turbulence in this sector. Thus, the study concluded that NGOs should strive to respond to turbulence present in the environment. From the findings, the study recommends that NGOs should at close range check the trends in their environment and adequately respond to them through avenues that would have
the most impact and benefit. For further research, future researchers in this area should conduct studies on other aspects of NGOs performance that were not highlighted in this study. In addition, the researchers can study other components of strategic management for instance internal environment analysis, strategy formulation and implementation and monitoring and evaluation. This would assist in determining the key factors in every aspect and how they affect organizational decision and performance. Lastly, this study was only carried out in in Nairobi County and thus the study can be replicated to other counties in Kenya and across other industries. This would consolidate the knowledge around PEST factors in various industries and inform organizational leaders and policy makers on how important PEST analysis is to an industry.
CHAPTER ONE

1.0 INTRODUCTION

1.1 Background of the Problem

Political, Economic, Socio-Cultural and Technological (PEST) Factors analysis has been widely used in marketing and business circles over the last twenty years. Its true history is difficult to establish. However, the earliest known reference tools and techniques for scanning the business environment were ‘ETPS’ (Economic, Technical, Political and Social) which were a mnemonic for the four factors of environment. Arnold Brown for the Institute of Life Insurance in the US reorganized ETPS to STEP which stands for Strategic Trend Evaluation Process as a way to organize the results of his environmental scanning. Thereafter, this macro external environmental analysis was modified again to become STEPE (Social, Technical, Economic, Political and Ecological) analysis which facilitated analysis of the factors of environment. By 1980s, several other authors including Fahey, Narayanan, Morrison, Renfro, Boucher, Mecca and Porter included variations of the macro-environment classifications in a variety of orders majorly PEST PESTLE. These factors are widely used to scan business environments (Morrison, 2012).

According to Kotler (1998), PEST factors analysis has been used as a strong strategic tool for understanding market growth and decline, market position, potential and directions for operations. Kotler, (1998) further stated that PEST framework has been used to review situations. PEST, SWOT (Strengths, Weaknesses, Opportunities and Threats) and Porter’s 5 models can be implemented by organizations to identify strategic directions. In general, according to Kotler, (1988) PEST analysis assists in adjusting to new environmental realities while avoiding dependency on assumptions. PEST factors analysis has been effective in analyzing organizations, strategic planning and service delivery planning as well as doing research reports.

According to James et al., (2011), PEST analysis is a tool that is useful in understanding the macro-environment in which organizations operate. It involves taking a review of factors that will create impacts on the business organizations and identifying levels of success the business could achieve. The analysis may be carried out as an ongoing process with an aim of informing overall strategy development or even support development of a new product or service. In
addition, understanding PEST analysis can create awareness of threats to ongoing profitability and help to anticipate future difficulties; hence, actions of avoiding or minimizing their effects are taken. Moreover, the analysis can alert the organizations to promising business opportunities for the future. Lastly, the process of carrying out PEST will help in developing the ability to think strategically.

Political factors are concerned with how the policies and actions of the government affect the conducts of organizations. Legislation may restrict or even protect organizational operations in many ways. The government may affect organizations performance through the level of political stability in the country, the legislative and regulatory framework for businesses, employment and trade tax regimes and fiscal policies as well as effect of the dominant political ideology (James et al. 2011). According to Liebenberg (2000), the relationship between NGOs and government is critical because both institutions are expected to provide strategic development on public activities. NGOs function as agents of creating development in some areas where the government is ineffective thus, NGOs have an important function to play in the role of development.

According to Thompson (2002), economic environment includes factors and trends that are related to income levels as well as production of goods and delivery of services. Economic conditions influences success and profitability at some point since they affect capital availability, cost and capital. For survival, NGOs need to deal with financial sustainability since its one of the key challenges NGOs will face in the next decade. However, only the institutions that have proper financial structures as well as stable income flows will be able to fulfill their multiple missions and respond to the current challenges in an increasingly complex and global environment (Njoroge, 2013).

The social environment takes into consideration all factors and trends which are related to groups of people, this includes their number, characteristics, behavior and growth projections (Buckley, 2011). According to Van de Ven (1993) culture has great impact on the attitude and behavior of individuals and their disposition of life. In addition, indeed, whether or not an individual would develop, become, and perform in their area of specialization would depend on his or her disposition and value orientation. Lewis and Kanji (2009) cited that, NGOs are involved in the provision of social roles to the community. They offer a broad spectrum of services that cut across multiple fields. They range from livelihood interventions, health and education. They
further argued that their services are provided to more specific areas for instance emergency response, democracy building, conflict resolution, human rights, finance, environmental management and policy analysis. According to Jomo (2010), since Kenya attained independence in 1963, many socio-economic challenges have been experienced. The first president first pronounced them that Kenya needed to fight challenges of ignorance, poverty and disease to be able to stabilize themselves socially and economically. However, these challenges are still embedded in our communities forcing Kenya to rely on aids and supports from foreigners.

According to Stieglitz & Kruger (2010) communicating in a multidirectional ways is one of the functions of social media. The presence of new technologies and web applications help individuals to engage into dialogues with one another. Concisely, social software applications provide users the platform to interact and share knowledge and experiences. Employees within an organization can discuss certain topics via the internet. Such usage of social media can evolve virtual communities if the members are socially linked. Matschke & Moskaliuk (2012) argues that NGOs have started to establish virtual communities. They consist of high number of voluntary members who participate based on democratic principles. In addition, NGOs are always characterized by interaction with their members. One major reason for setting virtual communities is to improve and strengthens the relationships within members and to consider different point of views within the community. With the use of social media, NGO aims to attract attention to their focused issues. In the context of NGO sector, Bies (2010) information technology has promoted proactive disclosure of information that is considered as an act of responsibility that allows excellence in accountability and thus promotes effectiveness in the best practices of organizations.

Leshie (1997) defined NGOs as voluntary and autonomous organization whose functions lies between the citizens, funders and state as they aim to promote citizen’s welfare and public good. In the Kenyan context, activities of NGOs are diversified and they include conservation of environment, conservation of energy, nutrition and health, water and sanitation, population matters, shelter, relief, communication and education (KNCSS, 1998). The quantitative and qualitative growth of NGOs in Kenya has been growing enormously. There are over 5000 NGOs registered by the NGO Coordination Board of Kenya (Kameri, 2002).
Organizational performance comprises the actual output or results of an organization as measured against its intended outputs (or goals and objectives). Specialists in many fields are concerned with organizational performance including strategic planners, operations, and finance, legal and organizational development. In recent years, many organizations have attempted to manage organizational performance using the balanced scorecard methodology where performance is tracked and measured in multiple dimensions such as financial performance, customer service, social responsibility, and community outreach and employee stewardship (Lebans & Euske 2006).

Nairobi County is one of the 47 counties in Kenya. It is the smallest but most populous of all the counties. The city of Nairobi is the capital city of Kenya. It was founded in 2013 using the boundaries of the former Nairobi Provinces after the eight provinces were divided into 47 counties. The city has experienced rapid growth rates compared to all other urban centers.

1.2 Statement of the Problem

According to Thompson and Martin (2010), PEST analysis is said to be taking an analysis of the political, economic, social and technological factors outside the organizational environment that can affect its activities and performance. According to David (2009), the aim of analyzing PEST is to find out what are the current external factors affecting performance of an organization, identifying what are the external factors that may change in the future and finally exploiting the opportunities of coping up with threats better than competitors would do.

Researchers have analyzed the PEST factors and how they affect the performance of both profit making and not for profit organizations globally. In a study of influence of political factors on the business environment in China, Fogel (2010) found that conducting businesses in China is hazardous with respect to political risk. In the similar study, Fogel (2010) found that in 1994 there were risks of confiscation, expropriation, currency inconvertibility and contract repudiation, risk of personal harm and kidnapping of employees. In another study conducted by Nwaiwu (2010) on impacts of political factors on performance of multi-national companies in Nigeria it was found that political influence may complicate the business earnings through direct effects on tax policies. Wanjiru (2013) agree with the above sentiments from interviews conducted to establish external factors affecting Kenya-China trade that political factors
influenced the China-Kenya trade. Wanjiru (2013) found that political stability and election violence to be the major causes. These findings were based on researches conducted in business and trade, could the same factor affect charitable not-for-profit organizations?

Clay et al., (2005) studied how the changes in interest rates in Germany affects world currency markets and found that when interest rates changes in the country the value of the dollar on world currency market changes, which affects the price, and subsequently sales of American exports and imports. Another study was conducted on factors affecting SME performance in South Africa; Eeden (2004) found that finance was one of the most prominent constraints affecting their performance. In another study conducted by Tirimba et al., (2014) on factors influencing SME performance in Kiambu County, it was found that access to finance affects the performance of business at Limuru Town Market to a greater extent. It is evident from the above studies that, performance on any business is influenced by the prevailing economic conditions; however these studies were conducted in commercial entities, could the same factor affect performance of NGOs?

Rahimi (2014) conducted a study on effects of socio-cultural factors on demand of Cinema in Tehran and found that, socio factors such as age and free time have significant effect on demand for going to cinema. Another factor is time management that Fogel (2010), on study of effects of socio-cultural in China business found that some of the cultural values that govern business practices relate to setting up appointments one-to-two months in advance and preferably in writing. The Chinese view punctuality as a virtue. In addition, Florence et.al. (2015) conducted a study on the influence of socio-cultural factors on the growth of women-owned micro-enterprises in Kitui County and found that young women were much involved in business compared to their older counterparts and married ones participated more in businesses than single ones. In the above studies, the researchers conducted their studies in profit making environment and it would be of interest to evaluate whether the similar can be said about charitable organizations.

According to a study conducted by Egol (2004) on influences of E-commerce on business performance, it was found that many people have found it increasingly difficult to protect their products, services, trade secrets, customer base and personnel from those determined to gain access to privileged information. Chirapada (2012) found that information technology together with technological skills can create new opportunities for companies to communicate with their
target customer. In another study, Njoroge et.al. (2016) conducted a study on effect of technology on performance of mobile telephone industry in Kenya and found that technology is an important resource in influencing companies’ performance. However, since the above studies were done in purely commercial situations, could the same results be obtained in non-profit organizations?

1.3 Purpose of the Study

The purpose of this study was to establish the effect of PEST factors on NGOs performance in Nairobi County.

1.4 Research Questions

The research will be guided by the following questions:

1.4.1 What is the effect of Political Factors on NGOs performance in Nairobi County?

1.4.2 What is the effect of Economic Factors on NGOs performance in Nairobi County?

1.4.3 What is the effect of Socio-Cultural Factors on NGOs performance in Nairobi County?

1.4.4 What is the effect of Technological Factors on NGOs performance in Nairobi County?

1.5 Significance of the Study

The study will be of benefit to the following stakeholders:-

1.5.1 Project Managers of the NGOs

It will enable the management of the NGOs to understand how PEST Factors has affected the performance of the NGOs and further shed more light on how they can optimize sustainability of the organizations in today’s turbulent environment.

1.5.2 The Academicians

The study will contribute to the existing literature in the field of strategic management for non-profit organizations in Kenya. It will act as a stimulus for further research to refine and extend the present study especially in Kenya.
1.5.3 Policy Makers

This will enable policy makers to decide whether they need to review policies with regards to macro-environmental factors which affect service delivery of NGOs.

1.6 Scope of the Study

The study focused on the effects of PEST Factors on NGOs performance with a particular focus on Nairobi County. The study sought to establish the interplay between macro-environmental factors and their effects on organizational performance. The motivation for choosing to study this topic in Nairobi County was the fact that NGOs have been affected by macro-environmental forces for a long time, enough time to be able to arrive at a meaningful conclusions and recommendations. The target respondents were employees of the sampled NGOs. The time frame was between October 2017 and March 2018.

1.7 Definition of Terms

1.7.1 PEST

Kotler (1998) defined PEST analysis as a useful strategic tool for understanding market growth or decline, business position, potential and direction for operations in relation to external environment the organization operates in.

1.7.2 Political Factors

These are activities to do with government policy and its implementation that has potential to change and influence organizations. Political rules are embedded in national laws and they include statutory and customary laws (FAO & IFAD, 2012).

1.7.3. Economic Factors

According to Minzberg & Quinn (1992) economic factors are business factors business cycles, GNP trends, interest rates, money supply, inflation, unemployment and disposable income.

1.7.4. Socio-Cultural Factors
They are customs, lifestyles and values that characterize a society or groups of people. They include the following: education, language, religion, values and attitudes (FAO & IFAD 2012).

1.7.5. Technological Factors

According to Johnson et.al. (2009), technological factors are technological trends, innovations and breakthroughs, infrastructure as well as technological legislation.

1.7.6 Non-Governmental Organizations

Leshie (1997) defined NGOs as voluntary and autonomous organizations whose life lies between the citizens on one hand and state and market on the other whose work is promotion of collective welfare and public good.

1.7.7. Organizational Performance

According to Corina (2011), there is no definition for this concept which is universally accepted, however, Georgopoulos and Tannenbaum (1957) defined it as the extent to which organizations are viewed as social systems fulfill their objectives. Yuchtman & Seashore (1967) defined organizational performance as organization’s ability to do exploitation of its environment with an aim of assessing and using the limited resources.

1.8 Chapter Summary

In summary, the chapter introduces the study “the effect of PEST Factors on NGOs performance”. The chapter highlights the background of the problem, purposes of the study and research questions to guide the study. The chapter also summarizes and states the problem as evident from the review of existing literatures. The research gives a summary of the usefulness of this study to various stakeholders. The researcher finally outlined the scope of the study and gives quick definitions of key words as used in the study.
CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Introduction

This chapter presents review of literature on PEST Factors sustainable with reference to non-profit organizations. The sources of literature include books, journals and web articles.

2.2 Political Factors on NGO Performance

Strategic management is defined as decision and actions which results in formulating and implementing plans which are designed to achieve the company’s or organizational objectives. Strategic management comprised of nine critical tasks. One of them involves assessing the organizational external environment and analyzing the organizational options through matching resources with external environment. External environment is viewed in three distinctive segments that are remote, industrial and operational. Remote environment comprises political, economic, social, technological and ecological factors that originate beyond any single firm’s operating situation (Pearce & Robinson, 2007).

Political factors define legal and regulatory measures within firm’s operating environment. The constraints of political factors affect the organizational performance through fair trade laws and decisions, antitrust laws, tax programs, minimum wage legislation, pollution, pricing policies and administrative jawboning. Laws and regulations are restrictive thus; they tend to reduce profits of the firms (Pearce & Robinson, 2007)

According to Robert et al., (2013), political factors are concerned with how conduct of business is affected by the policies and actions of the government. Legislation may restrict or protect commercial operations of organizations in a number of ways. The following are some of the political factors: level of political stability, legislative and regulatory framework for business, employment and trade, tax regime and fiscal policy, forthcoming legislation programs and political ideology in dominance.

NGOs have changed the way governments and corporations conduct business. They have further altered the relationship between the government and businesses. If the NGOs are viewed as
organizations, the institutional economic logic can be further applied. When organizations are embedded within the institutional framework, they can be supported and constrained by institutional forces (Scott, 1995). Internationally, NGOs presses foreword for international human rights practices through standards setting, documentation of violations as well as lobbying for successful implementation of the human rights norms. Through standards setting, NGOs are still important in establishing global norms through which the conducts of the states can be measured or judged. In addition, NGOs pressurizes the national governments in signing and ratifying the treaties which enforce human rights norms and which have worked at enhancing the use of the complaint mechanisms of such treaties (Paul, 2000). Government institutions such as political institutions influence the means through which the organizations conduct their activities.

2.2.1 Government-NGOs Relationship

According to Chakawarika (2011), NGOs and government, relationship is significant since both institutions are supposed to deliver strategic development to public activities. The major role of the government is promotion of social, physical and emotional well-being of the society by facilitating development. NGOs have put this into place as one of their major objective. This brings the evidence that, since their nature of work is similar, interactions between the NGOs and government is inevitable. However, the huge problem rises if the relationship between the two is really bad.

De Beer and Swanepoel (2000) stated that three ways through which the government relates with the state, the first one is NGOs complimenting the state. This involves NGOs participating to provide the services that the state would not be able to provide. In this case, the NGOs assume the policy implementation mechanisms of the government. Secondly, the NGOs may exists to oppose the state by contesting directly or by using pressure groups with an aim of engaging the government concerning the policies the NGOs and community believes they are affecting them. Lastly, assuming the role of reforming the state whereby the NGOs stand on behalf of interests groups working at the grassroots level while negotiating with the government for its policy improvement. According to Maharaj and Jaggernath, (1996) the relationship between the NGOs and the government should be cautiously managed. They further stated that the interaction could be both indirect and direct which results either positive or negative effects.
According to Dirlik (1987), the governments can formulate their rules by use of coercive powers. To create these rules, culture and political ideology influences the decision-making. Martens (2002) give an example of Zimbabwe that is guided by a common law and emphasizes much on customary laws and traditions. NGOs operations have always been addressed by means of legislation since the colonial era. When the demand for democratic space increased, the state focused on the NGOs through harassment by increasing the legislative and administrative intervention. When the cold war ended and the global civil society increased, NGOs played a major role in the world politics. However, due to the nature of their work they struggled to remain effective within the dynamics of politics, military harassment and societal disorders (Rieff, 2002).

### 2.2.2 Regulation of NGOs

According to Nowaczyk (2017), regulation involves the government’s restrictions and controls. It is designed at achieving efficiency and equity. This requires the intervention of the government, for instance, to maintain efficiency goals that are practices for competitive trade and equity goal that is protecting vulnerable parties in economic transactions. Majority of regulatory decisions of the government are largely made in the group politics context. In addition, business lobbies have a strong influence on the regulatory policies that affect them.

Organizational performance in the market is much affected by legal enforcement and the policies of the government (Pearce & Robinson, 2007). According to NGO Council (1996), by the year 1986, the work NGOs were doing was tremendous but unfortunately, it was uncoordinated. KNCSS was yet to effectively coordinate the affairs of the NGOs. In 1986, the Ministry of Culture and Social Services attempted to legislate the affairs of NGOs in the country. This was done by presenting a paper to Cabinet within aim of coordinating the activities of the NGOs. However, the process did not proceed as it was overtaken by directive of the President Moi in 1989 who directed the officers to kick off the process of coordinating the NGOs through the Office of the President. What triggered creation of the current law to coordinate the activities of the NGOs is diverse and complex? The factors that prevailed in the 1980s provided the base within which the current law is drafted. Some of the NGOs were reported practicing importation of luxurious cars for resale, acquisition of arm and high-powered communication devices
(Thomson, 1993). This was good evidence that the function of Kenya Council for Social Services had failed (Beigbeder, 1991).

Another reason that lead to regulation of NGOs was the fact that the government was concerned that the donors were focusing greatly to NGOs to facilitate implementation of civil rights by foreign countries. For example, USA was sending information to most countries in African Governments that they were corrupt and in 1992, they adopted a policy of working with NGOs, an issue that most host governments did not take kindly. Consequently, the host governments started perceiving NGOs as threats to sovereignty of the government (ICJ, 1993).

According to Kuria (1993), regulation is the function of the government that cannot be delegated. To do this the government majorly considers practical reasons. For instance, the government ensures no role it plays is undermined. With this reason, the government is mandated to guard misuse of resources by NGOs since the NGOs receives funding from diverse funders and the sum of money involved is huge. There is also the need of the government to guard the public interest by maintaining professionalism of NGOs managers. In addition to this, the government safeguards its legitimacy from weakening and the tendency of impinging on the sovereignty of the nations by NGOs.

According to Lowe (2008), the government tendencies to change regulations can have a huge effect on the international strategy that provides both threats and opportunities. Lowe (2008) cited the example of invasion of Afghanistan and Iraq by US; this brought market development opportunities for some nations but devastated the market for other nations. The neighboring countries were subjected to higher risks. The instability in the Middle East and the continued threat of global terrorism have served to heighten firm’s awareness of the importance of monitoring political risks factors in the international markets in which they operator. Lesser developed countries and emerging markets pose particularly high political risks, even when they are following reforms to solve the political problems they have. The stringency of such reforms can itself lead to civil disorder and rising opposition to governments, as has been recently in Indonesia, Venezuela, Brazil and Argentina. Political risks are defined as a risk due to sudden or gradual change in a local political environment that is disadvantageous or counterproductive foreign firms and markets.
2.2.3 State’s Stability

Stability is defined as predictable political environment. This in turn attracts investment, both internally and externally. The resulting circle of reducing poverty, creation of jobs, state revenue increase, welfare investment and education brings benefits to everyone in the society thus the benefits to all in the society such that violence or chaos is no one interest. When the issue of political stability is discussed in the context of organizational growth, it means a specific kind of stability i.e. the rule of law, strong institutions that substitute powerful individuals, a bureaucracy that is responsive and efficient, low corruption rate and a business climate that is conducive for investment. The stability of political factors is a major consideration when doing evaluation of the remote environment (Pearce & Robinson 2007).

The issue of insecurity is one of the big issues that affect the performance of NGOs. According to Aid Worker Security Report (2012) in 2011, 308 aid workers were killed, kidnapped or even wounded. After this, the number declined in 2010, the incidences of violence against aid workers rose again. The issue of kidnappings was rampant. Most of these attacks continued to happen in small number in some countries for instance Afghanistan, Somalia, South Sudan, Pakistan and Sudan. The attacks are more common in the weak, unstable states and those that are experiencing active and armed conflicts according to statistical analysis. The low level of rule of law can be correlated with these attacks.

According to Aid Workers Security Database (2011), the major attacks rose in 2011. Globally, the recorded number of attacks was 151 that occurred against civilian aid operations. The total number of those who were attacked was 308 that is the highest number to be recorded. Out of 308, 86 workers were killed, 127 seriously wounded and 95 of them were kidnapped. Since the year 2009, the issue of kidnappings has become the frequent means of violence to NGO workers. Majority of the kidnapped aid workers do not end in the victims death but they are released based on negotiated release and only a small number manages to be rescued and escapes. However, the date does not capture all the kidnappings since not all cases of kidnappings are recorded since some organization and families of victims do not report some crimes and negotiations.
Separate incidents occurred between the years 1997 to 2008 where one or more aid workers were seriously injured through violence that took place deliberately. On average, the number of major incidents for the past three years represents an increase of 89% for the year between 2003 and 2005 and an increase of 177% from the annual average going back to 1997. Humanitarian funding has increased leading to a growth of organizations; this has led to the increase of humanitarian footprint size. If measured against the total number of NGOs workers in the field, the total number has outweighed the expanding aid worker population. This has resulted to a rising rate of attacks per 10000 workers (Aid Worker Security Report 2012).

According to 2006 report, the casualty rate of national staff trends has increased in relation to their number in the field and with international staff. This is attributed to an increased use of remote management and outsourcing of NGOs service delivery in environments that are dangerous to NGOs. This was fueled by assuming that nationals were less likely to be victims of violence than international staffs. This trend will still hold on long term. However, in the past three years the rate of attacks of international staffs has increased. This is a symptom of an increasing politicization of violence against NGOs operations during the insecure contexts (Dhakal, 2000).

According to Stoddard and Didomenico (2008), out of the three main branches of humanitarian organization agencies i.e. the International Committee of the Red Cross (ICRC) and NGOs, ICRC recorded a decline in the rate of attacks in the past three years. NGOs and UN experienced a rise in attacks to their field staff members. UN aid workers attacks are mainly attributed to the casualties suffered by national staff and contractors, more so truck drivers. The rate for the UN’s international staff declined slightly. This indicates that the marked rise in the casualty rate among international staff was borne primarily by NGOs.

2.3 Economic Factors on Performance

According to Robert et.al, (2013), economic factors are concerned with overall prospects for the economy. The key measures include: GDP/GNP, inflation rates, interests rate, exchange rates, unemployment figures, wage and price controls, fiscal and monetary policy. The raw materials availability and energy resources, the condition of infrastructure, distribution networks and the changing nature of global competition are also some of the issues to be factored.
According to Kay (2005), the resource-based theory that is the currently dominant business strategy view of firms is based on the economic concept and the theory views the company as a collection of different capabilities. Kay (2005) further stated that this view of a strategy has both coherent role and integrative which places it much ahead of other mechanisms of strategic decision making. Barney (1995) stated that resource based view provides fundamental and critical insights into why the firms with rare, valuable and effectively and efficiently resources enjoys performance.

Hoopes, Madsen and Walker (2003) emphasized the role of resource based view theory by suggesting a discussion that expands the sustained differences among firms that will lead to a development of a broad theory of competitive heterogeneity. The Resource Based View theory states that sustained differences among firms are because of the variations within resources and capabilities among the firms. The theory further explains that resources are potential sources of competitive heterogeneity. Hoopes et al. (2003) defines competitive heterogeneity as enduring and systematic performance differences among the competing organizations.

To explain the organization’s heterogeneity concept in both strategy and performance, organizations uses internal characteristics. By definition, a firm is an organized and unique set of factors called resources and capabilities. The Resource Based View theory cites the two sources of advantage to the firm that are resources and capabilities. To define them, resources are the firm has accumulated assets. This includes anything the firm has and can use in creation, production or offering its products or services to the market. They are eligible for legal protection for instance the firm can exercise property rights over them (Amit & Shoemakers, 1993). Furthermore, resources can operate independently of firm members (Camison, 2005). Resources can also intervene as production factors in the production process in converting inputs into output with an aim of satisfying the needs (Grant, 1991).

Lidblom (1994) and Suchman (1995) proposed legitimacy theory that is centered in the value system. The theory states that there is existence of a dichotomy between the value systems of the organizations and society. The theory further stated that legitimacy exists at the organizational level when there is congruence between organizations and societal value system. By definition, legitimacy is a perception originating from key stakeholders and its existence, activities and impacts of Civil Society Organizations (CSO) can be justified and are appropriate in terms of
central social values and institutions. According to Brown and Jagadanada (2007) legitimacy is grounded in the perceptions of the stakeholders in the macro environment from the organization is embedded. Legitimacy is about an organization fulfilling its social contract with the society (Edwards 2000).

2.3.1 Gross Domestic Product (GDP)

Gross Domestic Product provides the indication of the economic activities and the amount of output a particular country generates. These economic activities directly have an impact on every sector including profit and non-organization in terms of performance. In a study of economic factors affecting performance of foreign banks in Malaysia, Chin Sau et.al., (2013) found that the performance in terms of profitability of banks is significantly correlated with economic environment and upswing and downsizing of cycles of business. Athanasoglou et.al (2008) explained several reasons why the performance of banks may be cyclical. One of them is the aspect of economic boom. This crates stimulation of higher demand for credit, stock market transactions and may widen of the interest margins. Thus, as revenue increases more than the incurred costs, this would lead to higher profits. However, performance declines during economic downswings. The cycles of businesses are highly correlated with bank performance and these cycles play an important role in the promotion of economic growth of a country (Demirguc-Kunt and Huizinga 1998). In a study to investigate the factors affecting the bank performance in Pakistan, Gul, Irshad and Zaman (2011), found that GDP has positive effect on the bank performances. They further stated that the relationship of GDP trends is associated with business cycles movement.

2.3.2 Interest Rates

According to Chin Sau et.al, (2013), interest rate is the amount that is charged or paid for the use of money. It is expressed as an annual percentage of the principal. Its calculation is done by dividing the amount on interests paid by the amount of principal. Profits are made up of interest income and non-interest income. Hence, the variation in the interest rate will tends to change the components of the balance sheet and earning profit of organizations. Dietrich and Wanzenried (2011) found that the interest rate structure have positive effects on the profitability performance
of Swiss banks during the financial crisis period. Interest income is always an important source of income for banks and it will be affected by the changes of interest rates.

According to Ramlall (2009), bank profits could be affected by interest rate through two channels of the revenue side. The first one is that an increase in interest rate strengthens the income that banks earn on new assets it acquires. The second is the amount of loans and securities held is a crucial factor. When the interest rate increases, there is a strong incentive for banks to have more loans rather than buying securities. Samuelson (1945) provides evidence that increased in interests rate result in higher bank profits. Moreover, previous research of Rasiah (2010) also supports the positive relationship between commercial bank profitability and real interest rate.

### 2.3.3 Availability of Funding

According to Lewis & Madon (2004), between 1970s and 1980s, there was an emergent of advocacy groups, national and international NGO. The self-help groups emerged and their associations led to adaptations of cash aid flows and procedures to benefit local groups in Africa. At large, donor countries monitoring and evaluations have confirmed that, international NGOs have been working effectively in their abilities in their work at the grassroots levels and in operating in remote areas, or even those sectors that didn’t have efficient development activities. Their work in government sensitization and development of projects is well documented. However, management areas, training of local staffs, projects replication ability and collaboration at appropriate levels with government services have limitations (Riddell, Roger & Robinson, 2001).

There has been a rapid growth in the number of NGOs in recent years and they are now under taking larger roles in development work. Their influence has grown with the growth in their numbers and in the disbursed amounts (Chand, 1991). According to Wulfsohn and Howes (2010), NGOs emerging from developed countries provided grants of some 3.6 billion US Dollars in 1983; this was equal to 13% of official developed assistance. They raised this amount with an aim of developing countries in the third world countries. By 1987, NGOs from developed countries were providing about 5.5 billion dollars that is nearly 1 billion dollars that was more than credits from the International Development Association (IDA) in 1988.
According to Dhakal (2000), NGOs should be judged not so much based on their numbers and flow of resources but by the contribution they make to create and raise awareness of issues of development and moving other institutions to become more responsive to the needs of the poor. However, not all NGOs are equipped well for this role, despite their best intentions. Majority of small NGOs are still in need of developing their managerial capacity. Many of them are founded and managed by a single leader. This has led to occasional mismanagement and misdirection of their mission in a number of countries. NGOs umbrella organizations are being strengthened by NGOs themselves or by external assistance with an aim of encouraging mutual support among NGOs in developing countries (Howes, 2005).

According to Robinson (2003), NGOs being part of voluntary organizations, have aimed at keeping the costs down. Professionalism of staff members associated with the shift in the nature of their work for instance immediate relief, administrative and training seems to have increased the cost. Recently in Chad and elsewhere in Africa, questions have been raised about NGOs overhead costs when compared with the profit making consulting sectors in Africa. NGOs are more numerous in Bangladesh and costs are said to be within agreeable limits. NGOs staff salaries and benefits are on similar range when compared with the government employees. When it comes to measuring benefits from the work of NGOs, it is more complex. This is particularly when benefits are long term or intangible.

2.4 Social-Cultural Factors on Performance

According to Bennett and Kassarjian (1972), Social-cultural environment majorly consists of social system and the people’s culture. This primarily refers to man created intangible elements that affect behaviors of people, relationship, perception and way of life, their survival and existence. The social-cultural environment consist of all elements, conditions and influences which shape the personality of an individual and potentially affect their attitude, disposition, behavior, decisions and activities. These elements include the following: beliefs, values attitudes, habits, forms of behavior and life styles of persons as developed from cultural, religions, educational and social conditioning (Adeleke et.al, 2003).

The effect of cultural factors on NGOs over the years has been one of the critical areas to focus by the project managers. Many organizations mostly in developed nations such as Asia and
Britain and some countries in Asian countries have invested much in the research in attempt to ways to effectively deal with the cultural differences within the society. The aim is to gain competitive advantage for their businesses. Culture is defined as mental programming of the mind. There are three levels of mental programming which are individual, collective as well as universal (Hofstede, 1991). Garrison (2001) elaborated this concept of mental programming by writing about collective mindset as well as the development of the iceberg model.

According to Willets (2010), many NGOs exist to empower the people who are stricken by poverty, to change the attitudes of public members and to campaign for the process of making policies and the issues related to public. They are prompting creation of global governance by creating constitutive norms. Several women groups have actively been influencing the United Nations on the questions of social welfare.

2.4.1. Stakeholders Opinions

According to (Johnson & Scholes, 1999), stakeholders are people, groups, institutions, suppliers, customers, shareholders, financial institutions, unions or local communities that have likelihood to be affected or affect organizational performance positively and negatively. They usually rely on the organization in fulfilling their goals and in turn, the organizations depend on them. The key stakeholders in organizations include creditors, customers, employees, government, suppliers, unions, competitors and the community from which the organizations draws its resources (Johnson, Scholes & Whittington, 2008).

Stakeholders are both internal and external. External stakeholders are composed of the market environment, socio-political and technological environments. They are grouped this way in relation to the nature of their relationship with the organization and therefore, they might affect the success or failure of a particular strategy (Cummings & Doh, 2000). Thus, stakeholders are very influential individuals and groups. They are vitally interested in the actions of an organization looking back into the past, present and future operations plus the environment of the organization (Pearson & Robinson, 2004). It is important to understand stakeholder expectations in detail, how they might differ from each other and the extent to which they are likely to seek influence over an organization’s purposes and strategies alongside the corporate governance
chain that provides the formal requirements and boundaries within which strategy is being developed (Jonson, Scholes & Whittington, 2008).

Simpson and Lyddon (1995) noted that different stakeholders have their own needs and expectations. Because of this, they will have different views of what a programme will be seeking to achieve. Some stakeholders can be nominated while others like the government and politicians are difficult to ignore since they are crucial in the implementation of any strategic plan successfully. Various needs must be put together with an aim of identifying the needs in conflicts with others and thus facilitates in bringing them in line with implementation of strategic plan.

2.4.2 Poverty Level

People are said to be in poverty when they are deprived of income as well as other resources that are required to obtain life conditions such as diets, material goods, amenities, standards and services that enable them play their roles, meeting obligations and participating in the relationship and customs of their society (UNDP, 2006).

In the past three decades, there have been concerted efforts to improve the living conditions in many developing countries. However, poverty persists throughout the Third World with many people living below the poverty line. Stagnating and declining of economic development has caused the problems and extent of poverty in Sub Saharan Africa. Bryant and White (1982), Baker (1997), Breth (1997) and the World Bank (1995) stated that the majority of developing countries that were at one point able to feed their own citizens are no longer able to do so. Consequently, most of these nations have become the net importers of foods. In 1992, 42% of the approximately 525 million people in Sub-Saharan Africa were living below the poverty line of US $370 per capita according to the estimation. In the year 2000, there were expectations that this number was to rise to about 304 million or fifty percent of the region’s population. Moreover, there is a growing concern that poverty that was a predominantly rural phenomena but it is now spreading quickly in growing urban centers. Furthermore, the global poverty distribution is projected to shift towards Africa. This is from 16% in 1980s to 50% in 1990s (Breth 1997; Sirleaf 1997; World Bank 1995; FAO 1993).
In Kenya, the level of poverty is high and is still rising. In rural areas, the absolute poverty was recorded at 47.9% compared with a rate of 29.3% in 1992 and 28.9% in 1994 within the urban areas. In 1999, the figure was estimated at 52.3% countrywide. The rural areas had an overall incidence of 53.9% and urban areas the incidence was 49.33% (FAO 1986; World Bank 1995; Ministry of Finance 2000). Nowadays, poverty is manifested in form of hunger, lack of water for drinking, inadequate health facilities and shelter, illiteracy and lack of access to basic education. To get creative solutions to eradicate poverty is one of the greatest challenges facing the continent. Despite the three decades of efforts and the adoption of various approaches to improve the level of development in majority of developing nations, the performance indicators of development project and the living conditions of the rural people are deteriorating.

With the introduction of structural adjustment programs in this era which was introduced by IMF and World Bank together with frequent aid capping, many countries in Africa with Kenya included, are on realization that there is a need to ensure a strong ethics of work and high levels of participation of rural people in the development process. Other than the desire to realize increased rural participation, there exist the need to develop rural social structures and institutions that lead to sustainable growth and development of rural areas. By enhancing ethics of work people in the rural areas and their participative work in the development process is one primary objective needed to be achieved in the rural development process (FAO, 1993).

2.4.3 Employees Empowerment

According to Richards (2017), employee empowerment is defined as the process of providing an allowance to employees to have input and control over their work as well as the ability to openly share suggestions and ideas about their work and to the whole organization. When employees are empowered, they are committed and loyal. They have eagerness to share ideas and they can serve as strong ambassadors to their organizations. In Kenya, many NGOs have participated in many workshops and training programs. However, they are frequently blamed for failing to keenly implement strategies and pool together resources in case of proximity and common activities in a given area. Amulyoto (2004) conducted a study on the analysis of organizational learning process in donor agencies in Nairobi and found that there have been wastages in the resource usage in NGOs mostly during food distribution for long-term plans. To motivate the organizations towards effective implementation of strategic plan there is a need to recognize
shortage of resources. In such cases, the objective is usually to develop both the existing and expected new resources.

Person & Robinson (2009) stated that there is no, particular variable that is indispensable of the other but the human resource and financial resources are ranked higher than the rest. Through good training and human resource development, other resources become viable and closely monitored to achieve strategic goals. According to Prahalad & Hamel (1990), when workers are offered high job security by motivating, empowering, providing modern and reliable working systems and a free environment to allow motivation, the assumption is that they will tend to guard organizational resources and thus work towards achievement of long-term goals as stated in the strategic plans.

2.4.4. Employment Patterns

Foreign-based voluntary service is a system that is composed of NGOs, international donors and Bretton Woods’ institutions such as the World Bank and International Monetary Funds (IMF) that are still involved in the contribution of social work of development and help in creating relationship between the poor and richer countries (Lewis, 2006). The historical importance of international voluntary service has its origins in the 19th Century by Christian missionaries. Hoskins (1960) states that, there are other voluntary NGOs those are secular. Many religious and voluntary organizations have somehow shifted their focus from only on evangelism to expanding in other ways with an aim of teaching, helping and serving others around the world (Sherraden et.al. 2006).

The potential benefits of international voluntary service, as stated by Devereux (2008) will include: provision of the space for exchanging technical skills, knowledge and cross-cultural experience in developing communities and creating awareness of, and a commitment to combat the existing unequal power relations and deep seated causes of poverty, injustice and unsustainable development. These positive effects on international voluntary service are effective when addressing potential problems or negative outcomes of International Voluntary Services (IVS) such as IVS being viewed as imperialistic, paternalistic charity, volunteer tourism or viewed as a self-serving quest for career and personal development as addressed by Westerners.
The one who advocates existence of IVS uplifts the ability of volunteerism spirit in motivating regular people to care about the well-being of others globally as well as getting involved in international affairs. The one who critic argues that, IVS reinforces the existing inequalities or negative stereotypes (Sherraden, Lough and Moore, 2008).

Factors such as the cheap cost and greater accessibility of international travel have added the ease of international volunteering and general exploration. In addition, increased use of television, mass and social media and other technology, people in the world are in a position to build relationships with other individuals, NGOs and their advocates. Globalization has created contributions too many positive global impacts, for instance increasing ability in gathering and sharing information between states and non-state individuals such as NGOs, however, the increasingly interconnected world now magnifies social injustices. Thus, the challenges of global poverty, inequality and insecurity remain acute than ever (Lewis, 2006).

IVS manifests itself in a number of forms and have differently structured programs (Sherraden et al. 2006). The authors describe IVS in multiple ways such as those along the lines of purpose that answers the question whether or not the IVS program is meant to promote international understanding or is meant for development aid and humanitarian relief. Other ways are by volunteer service length, group vs. individual volunteering and the last one is by the degree of internationality to which volunteers are exposed. According to Sherraden et al. (2006) short term IVS programs are defined as being 1-8 weeks in length, medium term programs as 3-6 months and long term IVS as 6 months or more spent volunteering intentionally.

2.5 Technological Factors on Performance

Technological factors are a factor that aims at helping an organization avoid obsolescence and thus promotes innovation. Hence, a firm must be aware of technological changes that influence the industry (Pearce & Robinson 2007). The way through which the firm controls its own vital resources will directly determine its performance. Resource Based View attributes focuses on the resources and the capabilities from the source. They are gained with an aim of clarifying the
heterogeneity and sustainability of the firm. Resources are important such that by gaining dominance in an aggressive marketplace depends on the firm capability to recognize, build up, position and safe guard resources that differentiate them from competitors.

Firm’s capability is composed of complex packages of skills, obtained knowledge, ability and experience that assist the company to manage its activities as well as making use of the resources to create performance by coordinating and putting the resources into proper production (Amit & Shoemaker 1993; Barney, 2007, Mckelvie & Davidson, 2009). On strategic management Lockett, Thompsons and Morgenstern (2009), the RBV focuses on the abilities and resources that aids on how the firm will produce above the expected rates of return and benefits from higher performance.

The contribution of RBV theory is enabling the firm managers to check whether the relevant factor to superior performance exists or not. This makes the firm to position themselves with an aim of exploiting the market imperfection that exists in order to advance their performance. This way, the managers are positioned in a place where they can combine available resources to sustain their advantage of performance. RBV theory provides firm with the benefit of highlighting factors that creates superior performance for the firm. RBV theory allows program managers to choose the most important factors in order to invest in from a given range of probable strategic factors within the organizations (Locket, Thompson and Morgenstern, 2009).

According to Barney and Hesterly (2010) resources includes the following: resources, capabilities and competencies. Resources are defined as stocks of things that are accessible and are possessed by the firm according to the strategic management literatures. Competencies are the firm’s strengths that enable the organization to differentiate its products or services by incorporating technological system with an aim of responding the customer’s needs thus allowing the firm to compete with other firms more efficiently and successfully (Defillipi, 1990; Arend and Levesque, 2010 and Anderson, 2011).

To possess competitive advantage and superior performance the resources and capabilities of the firm have to qualify as valuable, rare, inimitable and non-substitutable. The resources that are much valuable will add to the advancing of the firm’s performance. By being rare, resources create an ideal competition with a view that fewer firms possess the resources within that
category. Resources that are inimitable are expensive to do duplication and are non-substitutable. This means that there is no equal alternative to accomplish an equal function instantly available to competitors (Barney 2007, Barney and Hesterly, 2010). Tangible resources are the physical resources that an organization possesses for instance raw materials and equipment. Others such as corporate brand names, organizational values, networks and processes that are not included in the normal managerial accounting information compose the intangible resources. These resources are likely to generate competitive advantage and superior performance as compared to tangible resources (Rouse & Daellenbach, 2009; Kenneth et. al., 2011).

2.5.1 Technological Competencies and Performance

According to Paladino (2009) differences between progress in technology and consumer, demand indicates that technology does not have any impact superior performance. Kinot (2009) conducted a study on performance in the technology-based firms in Kenya and found that investment in research and development directly contributed directly to higher performance of the firms. However, the study just analyzed the direct relationship between performance and technologies and failed to acknowledge any mediation, which is a gap that the current study attempted to fill by mediating the relationship with competitive advantage while maintaining technology as independent variables. According to Mu, Peny and Maclachian (2009), there is a need for creating successful organization out of the ongoing practices. This is done to increase value of a product and reinvigorating slow moving organizations that often accomplish their objectives by introducing breakthrough innovation to make it hard for competitors to copy its good performance. The entrepreneur’s ability to take a risk has huge effect on the decision-making in the firm as well as on performance. What drives the aspect of risk taking is the willingness to progress in hesitant returns as well as research and development that gives a firm the opportunity to discover complex production processes which results to higher organizational performances.

Rhee et al., (2010) stated that, to be able to invest in research and development requires organization to evaluate advantages and the cost before making any decision on whether to adopt or invest in the technology. In a study conducted by Rhee et al., (2010), technology can be linked
to greater innovativeness of the firm. This involves focusing the company to dedicate its efforts and utilizing resources with an aim of producing unique products to sustain sustainability of competitiveness as well as performance. The study concluded by stating that there is a strong positive correlation between technology and performances of small and medium enterprises in South Korea.

According to a Web (2010), report will always possess a greater competitive advantage when it has an ability of converting the knowledge created during innovation over the others who are not in a position to do so. Lum (2011) emphasized that for a firm to take advantage in performance it has to uphold values which will includes being tolerant to risk and being open minded to the aspects of innovation. Mu and Benedeto (2011) conducted a quantitative survey and found that when innovation is carried out it lead to creation of new products, services as well as processes which gives rise to new ideas, experimentation and creativity. Anal et al., (2011) concluded by stating that innovativeness and performance aspects have a positive relationship since uniqueness and inimitability of the products exists.

An interactive research by Hakala (2011) found out that for a firm to maintain a better performance more than the competitors it must incorporate complicated technologies that the competitor cannot be able to duplicate. The complicated technologies can be incorporated by developing new products, using swiftness of combination of original technologies as well as expanding the new technologies with the aim of creating novel, valuable and distinctive product ideas. Hakala further stated that firm’s technical skills, research and development as well as technological stand appears a bit critical when passing originality and better products in the market. This has led to an organization’s superior performance to be achieved. Hakala’s findings showed a strong and positive relationship between performance and technology. The study concluded by stating that firms that are technology oriented possess the capability and willingness to obtain advanced technological settings. Such firms hold the idea that innovation is a strategy if well incorporated can lead to superior performance of the organizations.

According to Spanjol et al., (2011), for firms to achieve superior performance they need application of technical ability in the introduction of new products in the markets. This would enable them to cope up with competition, flexibility of products in order to change with the ever changing demands of the customers and able to maintain them and lastly originality in
development of products and processes which are unique and difficult in imitating. Anal, Dionysis and Carmen (2011) stated that customers tend to go for products which are technologically superior and tend to stick to the firms which have the capability to react to their choices in a successful way.

According to Slater et al., (2012) the issue of technological competence can be viewed as the major means through which organizations engage in the product creation and differentiation which will end up by being unique to specific firms and thus promotes products designs which are not beyond those of the competitors. The firms which are engaged in the using the technological oriented strategy are supporting the strong research and development, acquiring of the new technologies and applying the recent technologies which ensures higher and superior turnovers and transform them in a manner that the competitor cannot duplicate. Christina (2012) stated that for the firms to invest in the technologies with an aim of maintaining the superior performances, they need to focus in searching for new markets as well as remember to keep on producing unique products.

2.5.2 Internet and Social Media

According to Stieglitz and Kruger (2010), communicating in a multidirectional ways is one of the functions of social media. The presence of new technologies and web applications help individuals to engage into dialogues with one another. Concisely, social ware applications provide users the platform to interact and share knowledge and experiences. Employees within an organization can discuss certain topics via internet. Such usage of social media can evolve virtual communities if the members are socially linked. NGOs have started to establish virtual communities. They consist of high number of voluntary members who participate based on demographic principles. In addition, NGOs are always characterized by interaction with their members. One major reason for setting virtual communities is to improve and strengthens the relationships within members and to consider different point of views within the community. With the use of social media, NGO aims to attract attention to their focused issues (Matscheke and Moskaliuk, 2012)

Multi-dimensional relations with the following attributes usually characterize the stakeholder relationship. First, the aspect of being able to be based on the perceptions of users and thus is
indirectly controllable (Rindova et al. 2005). Secondly, social and collective (Fombrun et al., 2000) and third is issue specific (Walker, 2010). In a corporate context, social media can be used to support and increase stakeholder communication. To support this corporate communication, the following features can be used: online availability, download possibilities, web forms, search engines, hyperlinks as well as feedback forms. Use of social media platforms such as blogs, RSS feeds, wikis or forums provides a new form of interaction and enables companies to address information to a variety of stakeholders in particular. In relations to the above named potential of social media, it can be deducted that companies may implement social media components to influence the stakeholders’ opinion, reputation, perception and decision making processes (Klein and Ford, 2003).

According to Lennefors (2007), one of the main factors that provoke organizational corruption is the informative opacity. Levine (2005) and Hatler et al. (2009) argued that, transparency is a strategic tool that aims at avoiding organizational interests being replaced by individual interests. Darbishire (2010) added and stated that the importance of proactive disclosure of information which implies the dissemination of information independently of whether or not it has been previously requested. In the context of NGO sector, this form of proactive disclosure is considered as an act of responsibility that allows excellence in accountability and thus promotes effectiveness in the best practices of organizations (Bies, 2010).

Information technology can be defined as knowledge, products, processes, instruments, procedures and systems which helps at helping to produce required goods and services (Arvanitis, 2005). It is at the center of systems that are designed for finding the needs of customers and their satisfaction. Integration and coordination of information technological innovations, production processes, marketing, financing and personnel leads to successful implementation of strategies. According to Gist and Mitchell (1992), there is a relationship between the major goals and operational targets of organization and its IT strategy.

According to Downes and Mui (2000), there are three factors that affect the way organizations are being conducted: connectivity, speed and intangibility. It is suggested that, the combination of the three factors is making changes to occur in organizations in a rate that organizational managers view businesses today as a blur. These three factors are related to advancement in information technology. Downes and Mui (2000) continued to suggest that connectivity refers to
the fact that everyone is connected via electronic devices which range from emails, internet, telephone or fax. Firms that are connected with these networks provide services which are available 24 hours a day, seven days a week in place of conventional hours of nine to five i.e. Monday to Friday. This has enhanced further implementation of operational strategies within the organization since there is communication with the clients in a timely manner amongst other factors.

2.5 Chapter Summary

The chapter involves reviewing literature from other scholars who have done research on NGOs and profit making organizations. The independent variables that are political factors, economic factors, socio-cultural factors and technological factors have been reviewed in reference to the work of other scholars.
CHAPTER THREE

3.0 RESEARCH METHODOLOGY

3.1 Introduction

The aim of this chapter is to set out various stages of methods and procedures that will be used to execute the study and thereby satisfying the objectives. Moreover, it aims at providing the background and justification to the study design and methodology. This study will investigate the effects of PEST factors on the performance of NGOs in Nairobi County.

3.2 Research Design

According to (Cooper and Schindler, 2011) research design is defined as the act of planning and structuring investigation with an aim of obtaining answers to the research questions. Cooper and Schindler (2014) further defined research design as detailed plan that is based on the way a research is conducted starting all the way from data collection to the analysis of the data. This study employed the descriptive research design. According to Saunders and Thornbill (2009), this design attempts to investigate the variables involved by answering who, what, where, when, and the how questions. Cooper and Schindler (2011) further emphasized that descriptive research design estimates the population proportions which have these characteristics and at discovering the relationships among the different variables. This research employed use of questionnaires. The questions were structured. By definition, structured questions are questions that present the participants or respondents with fixed set of choices (Cooper and Schindler, 2014). In this study, the independent variables are political factors, economic factors, socio-cultural factors and technological factors while dependent variable is the organizational performance.

3.3 Population and Sampling Design

3.3.1 Population

Population according to Uma and Roger (2013) is defined as the entire grouping of people, events or things of interests that the researching person would like to investigate or the group of people, things or events the events of interests that the researcher wants to refer from. According to (KENPRO, 2015), there are 288 registered NGOs in Nairobi County.
3.3.2 Sampling Design

According to Cooper and Schindler (2015), sampling is the selection of the individuals isolated from the population in a manner that every individual in the population bears an equal chance of being selected. Cooper and Schindler (2011) defined a sample design as techniques the researcher uses in getting a sample from the target population to ensure the information is accurate and precise. Mugenda, (2003) further emphasised that sampling is concerned with selection of a subset within a population with an aim of estimating characteristics of the whole population. In this study, the sampling design is made up of sampling frame, sampling technique and sample size.

3.3.2.1. Sampling Frame

According to Campbell, (2000), a sample frame include a list of every member of the population from which a sample will be taken. Uma and Roger (2013) agrees by defining sampling frame as a physical representation of population elements from which drawing of a sample takes place. Campbell, (2000) emphasised the role of a sampling design in that it provide a means for choosing a particular member of a given target population to be studied in the research process. According to Drost (2011), sampling frame is defined as a list of individuals or even objects where the sample is drawn. Blumberg et al. (2008) defined sampling frame as a representative of elements from which a sample is drawn. For this study, the sample frame was obtained from Embakasi Sub-County, Starehe Sub-County, Dagoretti Sub-County and Langata Sub-County in Nairobi County.

3.3.2.2 Sampling Technique

This refers to a method of selecting elements within a population which will serve a representative of the whole population (Cooper & Schindler, 2014). According to Cooper and Schindler (2013), it is a scientific method of making selection of the sample to be studied from the population. This study employs both stratified sampling technique and simple random sampling technique. Mugenda and Mugenda (1999) define stratified sampling technique as a process of dividing population members into subgroups which are homogenous before sampling. According to Cooper and Schindler (2011), in simple random sampling technique each element of a population is known and has an equal chance of being selected. The population was
segmented into subordinates staff and administrative staffs then questionnaires were administered to administrative staffs using simple random technique.

### 3.3.2.3 Sampling Size

Mugenda and Mugenda (1990) defines a sample size as the number individuals, objects or cases in a population to be studies which is denoted by ‘n’. According to (Bryman and Bell, 2003), in most cases the decision about the sample size is affected by time and cost factors and also argue that as sample size increases the sampling error decreases. Mugenda and Mugenda (2003) argues that for a sample to be representative of the whole population it must be carefully and accurately be selected. The sample size was given using the following formula.

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

where \( N(\text{Population}) = 288 \)

\[ e \text{ (margin of error)} = 10\% \]

Thus \( n = \frac{288}{1 + 288(0.1)^2} = 100 \)

The study sampled 100 NGOs from the four four sub-counties to act as the representative of the whole population.

### 3.4 Data Collection Methods

According to Cooper and Schindler (2014), collection of data is contacting the respondents in the sample population with the aim of collecting the required information concerning the study. This study employed self administered structured questionnaires. According to Cooper and Schindler (2003), data collection involves contacting the respondents in the sampled population with an aim of collecting the required information about the study. Data collection involved a self administered questionnaire.

This study used questionnaire for primary data collection. The questionnaires were used because they are straightforward and they consume less time for both the researcher and the participant (Owen, 2002). The questionnaires had subsections which were subdivided according to the major research questions. However, the first subsection (Section A) which captured the background
information of the respondents such as gender, age, working experience, level of education, name of NGO etc was not subdivided. The other sections will cover the main areas of the study. According to Borg and Gall (1996), questionnaires are instruments which are appropriate for the studies because they collect information which is indirectly observed since they inquire qualitative information such as feelings, motivations, attitudes, accomplishments and experiences of individuals. Questionnaires are useful in obtaining objective data (Satyanarayana, 1983). To a large extent, participants are not easily manipulated by the researcher. Borg and Gall (1996) argues that, questionnaires are less costly and are time saving as methods of data collection.

3.5 Research Procedures

The researcher physically delivered the questionnaires to the respondents. Each respondent received the same set of questions in the same way. Respondents were informed that all their responses were confidential and the data and findings were to be reported in a way that do not identify a particular responses with any given respondent.

3.6 Data Analysis Technique

According to Kombo and Tromp (2006), data analysis involves examining what has been collected from a survey or an experiment and then making deductions and inferences. Denscombe (2003) argued that quantitative analysis refers to as the process of numerical data presentation and interpretation which contains descriptive and inferential statistics. Qualitative analysis involves gathering in depth understanding of the research study while investigating the why and how of decision making, not just what, where and when (Cohen, Manion and Morrison, 2000). This study employed qualitative and quantitative techniques.

The data collected by use of questionnaires were thoroughly checked and edited for completeness and understandability, summarized and coded. The data was then analysed using SPSS Software which facilitated establishment of patterns, trends and relationships using both descriptive and inferential statistics such as frequencies, means, regression and correlation. This made it easier for the researcher to comprehend and interpret the implications of the study. Correlation analysis helped to detect any significance concerning which factors are related to any
another and regression analysis helped in modelling the relationships among the variables (Montgomery, 2007). Data was then presented in terms of tables and graphs.

3.7 Chapter Summary

This chapter deals with research methodologies. Its start by introducing the chapter. The key components of the chapter includes research design, population and sampling design, data collection, research procedures and data analysis methods.
CHAPTER FOUR

4.0 RESULTS AND FINDINGS

4.1 Introduction

This chapter presents the findings and the analyzed results of the factors that affect the performance of NGOs in Nairobi County, Kenya. Questionnaires were used to collect the data. The data was then analyzed using SPSS and then presented using tables, graphs and charts. Background information of the respondents was analyzed and presented first then followed by the second part that presented results of the findings of the political factors on NGOs performance, third part on economic factors on NGOs performance, fourth part on socio-cultural factors on NGOs performance and finally the last part that presented the findings on technological factors on NGOs performance.

4.2 Background Information

Research was done to investigate the background information of the respondents based on their gender, age, highest level of education, level of employment, working experience, source of funding and sector of the economy the NGO target.

4.2.1 Response Rate

The research targeted 100 NGOs. Out of this, forty NGOs responded registering a response rate of 40%.

Table 4.1: Response Rate in Frequencies and Percentages

<table>
<thead>
<tr>
<th>Sample</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Responded</td>
<td>40</td>
<td>40%</td>
</tr>
<tr>
<td>Not-Responded</td>
<td>60</td>
<td>60%</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>100%</td>
</tr>
</tbody>
</table>
4.2.2 Gender

From the background, information provided by the respondents, 54.2 % of those responded were male and 45.8% as shown in the Figure 1 below. Thus more males responded compared to their female counterparts.

![Graph Showing Percentages of Gender](image)

**Figure 4.1: Graph Showing Percentages of Gender**

4.2.3 Age

According to analysis of the data provided by the respondents on background information, the percentages of their ages are as follows as shown in Figure 2 below. 11.7% were below 24 years, 44.2 % between 25-30 years, 26.7% were between 31-34 years, 15.8% were between 35-40 years, and 0.8% was between 41-44 years and 0.8% those above45 years. Based on this information, majority of those who responded were between 25-30 years while the least were those between 41-44 years and those above 45 years.
4.2.4 Level of Education

The respondents provided the information based on their level of education. The results provided shows that 16.7% had secondary school certificate, 25.8% had college certificate, 25.8% had college diploma, 23.3 had bachelor degree and 8.3% had postgraduate degree. Majority of those who responded had college certificate and college diploma qualifications while the least had the postgraduate degree qualifications as shown in Figure 4.3 below.
4.2.5 Level of Employment

The information provided based on level of employment showed that, 4.2% of the respondent are managing directors, 15.8% were program managers, 43.3% were management staffs and 36.7% represented other workers within the organizations. Thus, majority of the respondents worked as management staffs and few of those who responded worked as managing directors.
4.2.6. Working Experience

The general information provided based on the respondents working experience showed that 33.3% had worked for one-two years, 49.2% between 2-4 years and 17.5% had a working experience of 5 years and above as shown in Figure 5 below. This shows majority of those who responded had a working experience of 2 to four years and the least had worked for more than five years.

![Figure 4.5: Percentages of Respondents' Working Experience](image)

4.2.7. Funding

The background information on funding shows that 43.3% are locally funded, 38.3% are foreign funded and 20.8% obtain their funds from other uses, this shows that majority of NGOs obtain their funding locally. The Figure 6 below show this information.
4.2.8. Sector of the Economy

The background information on sector of the economy the NGOs target shows that 57.5% of NGOs are on education, 34.2% on health, 20.8 on civil society, 18.3% on hunger alleviation and 27.5% target other sectors of economy as shown in the Figure 7 below. Based on this analysis it’s apparent that majority of NGOs target education sector.
4.3 Political Factors on NGOs Performance

4.3.1 NGOs and Government Relationship

The relationship between NGOs and the government is of great importance since organizational performance depends on government mechanisms. The study aimed to test how this relationship influences the NGOs performance in Nairobi County.

The researcher sought the opinions as to whether the interaction with the government is inevitable due to the nature of NGOs work. The information was provided as follows in Table 2 below: 26.7% strongly agreed to this opinion, 46.7% agreed to this opinion, 23.3% neither agreed nor disagreed, 3.3% disagreed and no respondent strongly disagreed to this opinion. It is apparent that the interaction between NGOs and government cannot be ignored as these organizations provide services to the community.

The researcher also sought the opinions from respondents on whether the NGOs compliment the state by providing the services which the government less provide or do not provide at all. The percentages of those who strongly agreed to this opinion was 29.2%, 48.3% agreed, 20% neither agreed nor disagreed, and 2.5% disagreed to this opinion while no respondent strongly disagreed to this opinion. Majority of those who responded agreed to this opinion and it is sure that the NGOs compliment the state when they provide the services in different sectors.

Moreover, the study sought the opinions from respondents on whether the government has enacted laws that favor the activities of NGOs. The information provided showed that 13.5% strongly agreed to this opinion, 28.3% agreed, 32.5% did not agree or disagree, 23.3% disagreed and lastly 2.5% strongly disagreed with this opinion. From this analysis, the government has enacted laws that favor NGOs operations.

Lastly, the researcher sought to establish whether there is strict enforcement of regulations governing operations of NGOs in Kenya. The information provided is as follows: 15% strongly agreed, 39.2% agreed, 34.2% neutral, 9.2% disagreed while 2.5% strongly disagreed with this opinion. It’s apparent that, regulations which govern the NGOs in Kenya are strictly enforced.
Table 4. 2: Analysis of NGO-Government Relationship in Percentages

<table>
<thead>
<tr>
<th></th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>I view our interaction with the government is inevitable due to</td>
<td>26.7%</td>
<td>46.7%</td>
<td>23.3%</td>
<td>3.3%</td>
<td>0.00%</td>
</tr>
<tr>
<td>the nature of our work thus we are able to reach our beneficiaries</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I view we compliment the state by participating in providing the</td>
<td>29.2%</td>
<td>48.3%</td>
<td>20.0%</td>
<td>2.5%</td>
<td>0.00%</td>
</tr>
<tr>
<td>services which are less provided or not provided at all.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I view the government has enacted laws which favor activities of</td>
<td>13.3%</td>
<td>28.3%</td>
<td>32.5%</td>
<td>23.3%</td>
<td>2.5%</td>
</tr>
<tr>
<td>our NGO.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I view there is strict enforcement of regulations governing</td>
<td>15.0%</td>
<td>39.2%</td>
<td>34.2%</td>
<td>9.2%</td>
<td>2.5%</td>
</tr>
<tr>
<td>operations of NGOs in Kenya</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

4.3.1. Correlation Test between NGOs-Government Relationship and Performance

A Pearson Correlation test was done to establish the relationship between the four components of NGO-Government relationship and the three measures of performance. The three measures of performance includes financial stability, empowerment and training of employees and whether the NGOs reaches the targeted beneficiaries.

From Table 3 below, the analysis showed that that there was a positive statistical significant relationship between financial stability and NGOs-Government interaction at 0.01 level of significance with \( r=0.312^{**} \) and \( p=0.001 \). There was a positive statistical significant relationship between reaching targeted beneficiaries and NGOs-Government interaction at 0.05 level of significance with \( r=0.226^{*} \) and \( p=0.013 \). There was a negative statistical significant relationship between NGOs complimentary of the state and empowering and training at 0.05 level of significance with \( r=-0.209^{*} \) and \( p=0.022 \) and lastly there is positive statistical significant relationship between strict enforcement of regulations and empowerment and training at 0.05
level of significance with $r=0.220^*$ and $p=0.16$. However, there was no statistical significant relationship between enacted laws and any component of performance indicator.

Table 4.3: Correlation Analysis between NGO-Government Relationship and Performance

<table>
<thead>
<tr>
<th></th>
<th>Financially stability</th>
<th>Empowering and Training</th>
<th>Reaching targeted beneficiary</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Our interaction with government is inevitable due to nature of our work</strong></td>
<td>Pearson Correlation Sig. (2-tailed)</td>
<td>.312**</td>
<td>.103</td>
<td>.226*</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.001</td>
<td>.265</td>
<td>.013</td>
</tr>
<tr>
<td><strong>We compliment the state by providing services</strong></td>
<td>Pearson Correlation Sig. (2-tailed)</td>
<td>-0.097</td>
<td>-.209*</td>
<td>-.105</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.292</td>
<td>.022</td>
<td>-.105</td>
</tr>
<tr>
<td><strong>Government has enacted laws which favor NGOs activities</strong></td>
<td></td>
<td>.097</td>
<td>.096</td>
<td>-.054</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.293</td>
<td>.297</td>
<td>-.064</td>
</tr>
<tr>
<td><strong>There is strict enforcement of regulations</strong></td>
<td></td>
<td>.829</td>
<td>.16</td>
<td>.064</td>
</tr>
</tbody>
</table>

4.3.2 Regulations of NGOs

Government plays a regulatory role of NGOs. NGOs Coordination Board of Kenya performs registration and regulation functions. Regulation is done to make sure NGOs are operating under stipulated laws. The study sought opinions regarding NGOs regulation and their performance.

First, the researcher sought the views whether rules and regulations set by the governments have made NGOs to run their activities efficiently. Of those who were interviewed, 7.5% strongly
agreed with this opinion, 41.7% agreed, 32.5% neither agreed nor disagreed with this opinion, 15.8% disagreed and 2.5% strongly disagreed with this opinion. It’s apparent that the government’s rules and regulations on NGOs have enabled them to run smoothly.

Second, the researcher sought to establish whether NGOs are well coordinated by the NGO Coordination Board of Kenya that has enabled them to be run smoothly. Those who gave their views, 5.0% strongly agreed to this opinion, 35.0% agreed, 28.3% were neutral, 28.8% disagreed to this opinion and 5.8% strongly disagreed to this opinion. Majority of those who gave their views agreed with this statement that NGO Council coordinates NGOs well though quite a big percentage of respondents disagreed with the statement.

Third, the researcher sought the opinions to the question whether the government regulate NGO sector because they are perceived as threats to sovereignty of the government. The analysis showed that 19.2% strongly agreed with this opinion, 36.7% agreed, 23.3 were neutral, 16.7% disagreed with this statement and 4.2 strongly disagreed with this opinion. According to this analysis, the government regulate NGOs sector because they pose a threat to nation’s sovereignty though a large number do not view government regulation as a way of silencing NGOs as shown in the Table 4 below.

**Table 4.4: Regulation of NGOs Analysis in Percentages**

<table>
<thead>
<tr>
<th></th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rules and regulations set by the government have made</td>
<td>7.5%</td>
<td>41.7%</td>
<td>32.5%</td>
<td>15.8%</td>
<td>2.5%</td>
</tr>
<tr>
<td>our NGO to run its activities efficiently</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I view NGOs are well coordinated by the NGO Coordination</td>
<td>5.0%</td>
<td>35.0%</td>
<td>28.3%</td>
<td>25.8%</td>
<td>5.8%</td>
</tr>
<tr>
<td>Board of Kenya and this has enabled us meet our</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>objectives.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The government regulate NGO sector since they are</td>
<td>19.2%</td>
<td>36.7%</td>
<td>23.3%</td>
<td>16.7%</td>
<td>4.2%</td>
</tr>
<tr>
<td>perceived as threats to sovereignty of the government</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>hence we are not able to reach our beneficiaries as</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>planned</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
4.3.2.1. Correlation Test between NGOs Regulation and Performance

A Pearson correlation test was done to establish the relationship between the three components of NGOs regulation and three performance indicators. The three components of NGOs regulations are rules and regulation, NGO Coordination and reasons for regulations. The performance indicators are financial stability, empowering, training, and reaching the targeted beneficiaries. The analysis showed that there was a positive statistical significant relationship between rules and regulations and financial stability at 0.05 level of significance with $r=0.193^*$ and $p=0.035$ while rules and regulations have a positive statistical significant relationship with empowering and training at 0.01 level of significance with $r=0.266^{**}$ and $p=0.03$. Lastly, there was no statistical significant relationship between NGOs Coordination with any performance indicator as shown in Table 5 below. This was a similar case between reasons for government regulation with any component of performance indicator.

Table 4. 5: Correlation Analysis between NGOs Regulation and Performance

<table>
<thead>
<tr>
<th></th>
<th>Rules and Regulations set by government made NGOs run efficiently</th>
<th>NGOs are well coordinated by NGO Board</th>
<th>Reason for NGO regulation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Stability</td>
<td>Pearson Correlation Sig. (2-tailed)</td>
<td>.193*</td>
<td>.034</td>
</tr>
<tr>
<td></td>
<td></td>
<td>.035</td>
<td>.708</td>
</tr>
<tr>
<td>Empowering and training</td>
<td>Pearson Correlation Sig. (2-tailed)</td>
<td>.266**</td>
<td>.102</td>
</tr>
<tr>
<td></td>
<td></td>
<td>.003</td>
<td>.267</td>
</tr>
<tr>
<td>Reaching targeted beneficiary</td>
<td>Pearson Correlation Sig. (2-tailed)</td>
<td>.076</td>
<td>.084</td>
</tr>
<tr>
<td></td>
<td></td>
<td>.407</td>
<td>.363</td>
</tr>
</tbody>
</table>
4.3.3. States Stability

A violence free environment provide conducive environment for organizations to functions. Turbulence environments create uncertainties that reduce donor commitments and affects delivery of services by NGOs to the community. This section aimed at seeking opinions regarding the stability of a nation and NGO performance.

The first statement the respondents were to give their opinions was to establish whether the political environment NGOs operates in is predictable. Those who gave their opinions, 15.0% strongly agreed with the statement, 31.7% agreed, 10% were neutral, 21.7% disagreed and lastly 21.7% strongly disagreed with this statement. Apparently, the political environment in Kenya is predictable and this has led to more local and foreign donors willing to support NGOs. However, from the analysis, a large number of respondents disagree with this.

The researcher sought opinions to establish whether insecurity is a big threat affecting NGOs performance. Out of those interviewed, 30% strongly agreed with the statement, 41.7% agreed, 20.0% neither agreed nor disagreed, 6.7% disagreed while 1.7% strongly disagreed. This shows that insecurity poses a threat to NGOs and their operations. Lastly, the researcher sought to establish whether foreign-based staffs are more attacked and robbed than their local counterparts.

In the Table 6 below, the analysis showed that 15% strongly agreed, 35.8% agreed, 27.5% neither agreed nor disagreed, 6.7% disagreed and 1.7% strongly disagreed with the opinion. Consequently, the foreigners who to provide their services in a foreign country are more prone to attack and robbery as compared to their local service workers in that given country.

**Table 4. 6: State Stability Analysis in Percentages**

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>The political environment our NGOs operate in is predictable and this attracts more local and foreign donations</td>
<td>15.0%</td>
<td>31.7%</td>
<td>10.0%</td>
<td>21.7%</td>
<td>21.7%</td>
</tr>
<tr>
<td>Insecurity is a big threat affecting performance of our NGO</td>
<td>30.0%</td>
<td>41.7%</td>
<td>20.0%</td>
<td>6.7%</td>
<td>1.7%</td>
</tr>
<tr>
<td>I view that foreign based staffs are more prone to attacks and robbery than local based staffs</td>
<td>15.0%</td>
<td>35.8%</td>
<td>27.5%</td>
<td>15.8%</td>
<td>5.8%</td>
</tr>
</tbody>
</table>
4.3.3.1. Correlation Test between States Stability and Performance

A Pearson correlation test was done to establish the relationship between the three components of state stability and three performance indicators. The three components of state stability are predictability, insecurity and whether foreign-based staffs are more attacked than local staffs. The performance indicators are financial stability, empowering, training, and reaching the targeted beneficiaries. The analysis showed that, there is a positive statistical significant relationship between political environment predictability and financial stability at 0.01 level of significance with \( r=385^{**} \) and \( p=0.000 \). The information is provided in Table 7 below. The analysis further proved there is a positive statistical significant relationship between political environmental predictability and empowerment and training. However, there was no statistical significant relationship between insecurity and foreign-based staff being prone to attack more than local staff with any component of performance indicator.

Table 4.7: Correlation between State Stability and Performance

<table>
<thead>
<tr>
<th></th>
<th>Political environment is predictable</th>
<th>Insecurity is a big threat</th>
<th>Foreign based staffs are more prone to attacks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Our Organization is financially stable</td>
<td>Pearson Correlation</td>
<td>.385**</td>
<td>-.008</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.928</td>
</tr>
<tr>
<td>Employees in our org are empowered and trained</td>
<td>Pearson Correlation</td>
<td>.327**</td>
<td>.137</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.137</td>
</tr>
<tr>
<td>Organization in most cases reach targeted beneficiary</td>
<td>Pearson Correlation</td>
<td>.023</td>
<td>.060</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.799</td>
<td>.518</td>
</tr>
</tbody>
</table>
4.4 Economic Factors on NGOs Performance

4.4.1 Gross Domestic Product (GDP)

When economic activities in a country increase, the overall GDP increases. The revenue collected by the government will improve sectors that NGOs targets. In this section, the researcher sought the opinions whether GDP has influence on NGOs performance.

The researcher first sought the opinions whether the nation’s economic activities have increased in the recent past that has stopped beneficiaries stopped over-relying on them. The results were that 7.5% of respondents strongly agreed, 20.0% agreed, 24.2% neither agreed nor disagreed, 33.3% disagreed and 15.0 strongly disagreed. This showed that beneficiaries are still over-relying NGOs to provide services since the government is not meeting their needs.

Secondly, the researcher sought the opinion whether during the economic slow growth rate NGOs performance is affected. The analyzed information showed that, 26.7% strongly agreed to this statement, 52.5% agreed, 17.5 neither agreed nor disagreed, 2.5% disagreed and lastly 0.8% of the respondents strongly disagreed. The information is provided in Table 8 below. Thus, it is apparent that when a country is experiencing economic recession the performance of NGOs institutions is greatly affected.

**Table 4.8: GDP Components Analysis in Percentages**

<table>
<thead>
<tr>
<th></th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>The nation’s economic activities have increased in the recent past thus our beneficiaries have stopped over-relying us.</td>
<td>7.5%</td>
<td>20.0%</td>
<td>24.2%</td>
<td>33.3%</td>
<td>15.0%</td>
</tr>
<tr>
<td>I view that, during economic slow growth rate NGOs performance is affected</td>
<td>26.7</td>
<td>52.5</td>
<td>17.5</td>
<td>2.5</td>
<td>0.8</td>
</tr>
</tbody>
</table>
4.4.1.1 Correlation Test between GDP and Performance

A Pearson correlation test was done to establish the relationship between the three components of GDP and three performance indicators. The three components of GDP are economic activities and economic growth rate. The performance indicators are financial stability, empowering and training and reaching the targeted beneficiaries. The analysis showed that there is a positive statistical significant relationship between nation’s economic activities and financial stability at 0.01 level of significance with $r=0.342^{**}$ and $p=0.000$. In addition, the analysis found that there is a positive statistical significant relationship between nation’s economic activities and empowering and training but there was no relationship between the nation’s economic activities and reaching targeted beneficiaries. The information is provided in Table 9 below. In addition, economic growth did not correlate with any component of performance indicator.

Table 4.9: Correlation Analysis between GDP Components and Performance Indicators

<table>
<thead>
<tr>
<th>Financially stability</th>
<th>Pearson Correlation</th>
<th>Financially stability</th>
<th>Pearson Correlation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.342**</td>
<td>.000</td>
</tr>
<tr>
<td>Empowering and Training</td>
<td>Sig. (2-tailed)</td>
<td>.339**</td>
<td>.000</td>
</tr>
<tr>
<td>Reaching targeted beneficiary</td>
<td>Sig. (2-tailed)</td>
<td>.004</td>
<td>.968</td>
</tr>
</tbody>
</table>

4.4.2 Funding

Funding is one of the major components that drive NGOs in the as many community are thriving in poverty, illiteracy, hunger, malnutrition among other things. To manage and eradicate some societal threats NGOs have been established either to push the governments to act on them or
even participate in trying to solve these problems. As any other investment, funds are needed for infrastructural development, salaries and other purchases. The researcher carried a study to establish the effects of funding on NGOs performance.

First, the researcher sought the opinions from the respondents from the statement whether the influence of NGOs at the grass root level depends on the amount of funding the NGOs receives. At the end the analysis showed that, 30% strongly agreed, 34.2% agreed, 25.0% had a neutral view, 8.3% disagreed while 2.5% strongly disagreed to this statement. According to these responses, for NGOs to make an impact at their targeted area of service, funding are much needed as majority agreed with the statement. The second statement that the researcher sought opinions on was whether an efficient managerial capacity is very important in making better use of available organization’s resources. Out of those who responded, 43.3% strongly agreed, 43.3% agreed and 13.3% were neutral. Based on thus analysis, it’s apparent that, good leadership plays a great role in making sure the scarce resources are utilized effectively.

The last statement the study-sought opinions were whether cost cutting is a strategy NGOs utilizes to ensure they are stable financially. 33.3% of respondents strongly agreed to this statement, 45.8% agreed, 13.8% neither agreed nor disagreed, 5.8% disagreed and 1.7% strongly disagreed. The information is provided in Table 10 below. Majority agreed and this showed that, NGOs managements need to employ cost-cutting strategy to make sure the organization is financially stable.

Table 4.10: Analysis of Funding Components in Percentages

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>The influence of our NGO at the grassroots level depends on the amount of funding we receive.</td>
<td>30%</td>
<td>34.2%</td>
<td>25.0%</td>
<td>8.3%</td>
<td>2.5%</td>
</tr>
<tr>
<td>Efficient managerial capacity is very important in making better use of available resources in our organization.</td>
<td>43.3%</td>
<td>43.3%</td>
<td>13.3%</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Cutting costs is a strategy in our NGO which ensures we are financially stable</td>
<td>33.3%</td>
<td>45.8%</td>
<td>13.8%</td>
<td>5.8%</td>
<td>1.7%</td>
</tr>
</tbody>
</table>
4.4.2.1 Correlation Test between Funding and Performance

A Pearson correlation test was done to establish the relationship between the three components of funding and the three performance indicators. The three components funding are impacts at the grass roots level, efficient managerial capacity and cost cutting strategy. The performance indicators are financial stability, empowering and training and reaching the targeted beneficiaries. From the analysis, there is a positive statistical significant relationship between efficient managerial capacity and financial stability at 0.05 level of significance with \( r = -0.201^* \) and \( p = 0.028 \). There was also a positive statistical significant relationship between cost cutting strategy and reaching targeted beneficiaries at 0.05 level of significance with \( r = 0.180^* \) and \( p = 0.04 \) but there was no statistical significance between influence or impacts of NGOs at the grass root level with any component of performance indicator. The information is provided in Table 11 shown below.

**Table 4. 11: Correlation Analysis between Funding and Performance Indicators**

<table>
<thead>
<tr>
<th></th>
<th>Influence of our NGO at the grassroots level</th>
<th>Efficient Managerial Capacity is important in making better use of available resources</th>
<th>Cutting Costs strategy ensures financial stability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financially stability</td>
<td><em>Pearson Correlation</em> ( r = -0.021 )</td>
<td><em>Pearson Correlation</em> ( r = -0.201^* )</td>
<td><em>Pearson Correlation</em> ( r = -0.099 )</td>
</tr>
<tr>
<td></td>
<td><em>Sig. (2-tailed)</em> ( p = 0.819 )</td>
<td><em>Sig. (2-tailed)</em> ( p = 0.028 )</td>
<td><em>Sig. (2-tailed)</em> ( p = 0.283 )</td>
</tr>
<tr>
<td>Empowering and Training</td>
<td><em>Pearson Correlation</em> ( r = -0.146 )</td>
<td><em>Pearson Correlation</em> ( r = -0.111 )</td>
<td><em>Pearson Correlation</em> ( r = 0.099 )</td>
</tr>
<tr>
<td></td>
<td><em>Sig. (2-tailed)</em> ( p = 0.111 )</td>
<td><em>Sig. (2-tailed)</em> ( p = 0.226 )</td>
<td><em>Sig. (2-tailed)</em> ( p = 0.281 )</td>
</tr>
<tr>
<td>Reaching targeted beneficiary</td>
<td><em>Pearson Correlation</em> ( r = -0.087 )</td>
<td><em>Pearson Correlation</em> ( r = 0.008 )</td>
<td><em>Pearson Correlation</em> ( r = 0.180^* )</td>
</tr>
<tr>
<td></td>
<td><em>Sig. (2-tailed)</em> ( p = 0.347 )</td>
<td><em>Sig. (2-tailed)</em> ( p = 0.934 )</td>
<td><em>Sig. (2-tailed)</em> ( p = 0.049 )</td>
</tr>
</tbody>
</table>
4.5 Social-Cultural Factors on Performance

4.5.1 Stakeholders Opinion

Table 4.12: Analysis of Stakeholders' Opinion in Percentages

<table>
<thead>
<tr>
<th></th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>I view that stakeholders e.g. employees, directors, managers rely on our NGO to fulfill their objectives and this affects our performance positively or negatively.</td>
<td>30.8%</td>
<td>40.8%</td>
<td>17.5%</td>
<td>8.3%</td>
<td>2.5%</td>
</tr>
<tr>
<td>Stakeholders are very influential individuals since they can make a particular organizational strategy to succeed or fail.</td>
<td>26.7%</td>
<td>51.7%</td>
<td>16.7%</td>
<td>1.7%</td>
<td>3.3%</td>
</tr>
<tr>
<td>Stakeholders have different needs and expectations and thus they will have different views on what the programme is seeking to achieve.</td>
<td>22.5%</td>
<td>46.7%</td>
<td>25.0%</td>
<td>5.0%</td>
<td>0.8%</td>
</tr>
</tbody>
</table>

Organizations are made of many individuals relying directly or indirectly on NGOs. Their effect influences the performance and as a result the researcher sought to establish the influence of stakeholders’ opinions on performance. First, the researcher sought views from the opinion that stakeholders rely on NGOs to fulfill their objectives and as result organizational performance is affected. From the analysis, 30.8% strongly agrees with the opinion, 40.8% agreed, 17.5% were neutral, 8.3% disagreed while 2.5% strongly disagreed this opinion. Hence, stakeholders affect the performance of their NGOs by relying on them to fulfill their own objectives.

Secondly, the researcher sought views from the opinion that stakeholders are very influential individuals because they determine success or failure of an organizational strategy. Based on the analysis, 26.7% strongly agreed, 51.7% agreed, 16.7% were neutral, 1.7% disagreed and 3.3%
strongly disagreed. This showed that, for a strategy to fail or succeed the opinions of stakeholders matters a lot. Third, the researcher sought views of respondents on the opinion that stakeholders have different needs and expectations and as a result they will have divergent views on what the programme is seeking to achieve. From the analysis, 22.5% strongly agreed, 46.7% agreed, 25.0% neither agreed nor disagreed, did 5.0% disagree while 0.8% strongly disagreed. This becomes clear that, due to different needs and expectations from the stakeholders, these individuals will have divergent views on what the organization is seeking to achieve. Tables 12 provide the information above.

4.5.1.1. Correlation Test between Stakeholders Opinions and Performance

A Pearson correlation test was done to establish the relationship between the three components of stakeholders opinions and the three performance indicators. The three components of stakeholders are objectives of stakeholders, influence of stakeholders and needs and expectations of stakeholders. The performance indicators are financial stability, empowering and training and reaching the targeted beneficiaries. Based on the analysis, there was no statistical significant relationship between the stakeholders’ components and indicators of performance. Tables 13 below provide this information.

Table 4. 13: Correlation Analysis between Stakeholders' Opinions with Performance Indicators

<table>
<thead>
<tr>
<th></th>
<th>Stakeholders rely on NGOs to fulfill objectives</th>
<th>Shareholders are very influential individuals since they make strategy to fail or succeed</th>
<th>Stakeholders have different needs and expectations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financially Stability</td>
<td>Pearson Correlation Sig. (2-tailed) .064</td>
<td>.043</td>
<td>-.093</td>
</tr>
<tr>
<td></td>
<td>Pearson Correlation Sig. (2-tailed) .490</td>
<td>.639</td>
<td>.315</td>
</tr>
<tr>
<td>Empowered and trained</td>
<td>Pearson Correlation Sig. (2-tailed) .072</td>
<td>-.102</td>
<td>-.061</td>
</tr>
<tr>
<td></td>
<td>Pearson Correlation Sig. (2-tailed) .437</td>
<td>.267</td>
<td>.506</td>
</tr>
<tr>
<td>Reach targeted beneficiary</td>
<td>Pearson Correlation Sig. (2-tailed) -.010</td>
<td>.154</td>
<td>-.089</td>
</tr>
<tr>
<td></td>
<td>Pearson Correlation Sig. (2-tailed) .915</td>
<td>.092</td>
<td>.333</td>
</tr>
</tbody>
</table>
4.5.2 Poverty Level

NGOs functions to eradicate poverty as one of their major objective among other functions. They implement a number of programs with a common aim of addressing this menace. Some of them partially contribute to service delivery where community members contribute a small percentage of the total requirements for instance funds and labor force then NGOs contributes the bigger portion. If the targeted community is poor to an extent they cannot contribute their portion, this influences performance. The researcher aimed at establishing the influence of poverty on NGOs performance.

The researcher first sought the opinions of the respondents on the statement that when there is inadequate income and resources required to obtain life conditions, people participate less in the activities of NGOs. From the table shown below, 18.3% strongly agreed, 40.0% agreed, 19.2% were neutral, 18.3% disagreed while 4.2% strongly disagreed to this statement. Majority agreed with this statement and it’s true to say, poverty manifested by inadequate income and resources required to obtain life conditions threaten participation of community members in NGO.

Secondly, the researcher sought opinions on the statement whether poverty manifested in form of illiteracy and lack of basic education has influenced strategy implementation. Those who strongly agreed were 30.0% of the total respondents samples, 36.7% agreed, 20.0% were neutral, 10.0% disagreed while 3.3% strongly disagreed. Tables 14 below provide the above information. Apparently, illiteracy and lack of basic education due to poverty affects performable of NGOs.

Table 4.14: Analysis of Poverty Level in Percentages

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>When there is inadequate income and resources required to obtain life</td>
<td>18.3%</td>
<td>40.0%</td>
<td>19.2%</td>
<td>18.3%</td>
<td>4.2%</td>
</tr>
<tr>
<td>conditions, people participate less in the activities of our NGO.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Poverty manifested in form of illiteracy and lack of basic education</td>
<td>30.0%</td>
<td>36.7%</td>
<td>20.0%</td>
<td>10.0%</td>
<td>3.3%</td>
</tr>
<tr>
<td>has affected implementation of our organizational strategy.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
4.5.2.1. Correlation Test between Poverty level and Performance

A Pearson correlation test was done to establish the relationship between the three components of poverty level and the three performance indicators. The three components of poverty level are inadequate income and other resources and illiteracy and lack of basic education. The performance indicators are financial stability, empowering and training and reaching the targeted beneficiaries. The analysis in the Table 15 below showed that there is a positive statistical significant relationship between inadequate income and resources with financial stability of an NGO at 0.05 level of significance with $r=0.224^*$ and $p=0.014$. In addition, there was a positive statistical significant relationship between inadequate income and resources with empowerment and training at 0.05 level of significance with $r=0.183^*$ and $p=0.046$. However, there was no statistical significant relationship between illiteracy and lack of basic education with any component of performance indicator.

Table 4. 15: Correlation Analysis between Poverty Level with Performance

<table>
<thead>
<tr>
<th>People participate less when income and resources are inadequate</th>
<th>Illiteracy and Lack of basic education has affected strategy implementation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Our Organization is financially stable</strong></td>
<td><strong>Pearson Correlation</strong></td>
</tr>
<tr>
<td>Correlation Sig. (2-tailed)</td>
<td>People</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
</tr>
<tr>
<td><strong>Employees in our org are empowered and trained</strong></td>
<td><strong>Pearson Correlation</strong></td>
</tr>
<tr>
<td>Correlation Sig. (2-tailed)</td>
<td>People</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
</tr>
<tr>
<td><strong>Organization in most cases reach targeted beneficiary</strong></td>
<td><strong>Pearson Correlation</strong></td>
</tr>
<tr>
<td>Correlation Sig. (2-tailed)</td>
<td>People</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### 4.5.3 Employees Empowerment

Organizational performance has been linked with empowerment of employees. This ranges from good working environment, security the work to remunerations procedures. The study in this section aims at identifying the effect of employees’ empowerment on performance.

To achieve this, the researcher started by seeking the views from the statement that the ability of our employees to share suggestions and ideas about their work greatly influences implementation of strategies. From the analysis in the Table 16 below, 30.8% strongly agreed, 52.5% agreed, 13.3% were neutral, 2.5% disagreed while 0.8% strongly disagreed with the statements. Consequently, majority of the respondents agreed with the statement, thus for high performance to be recorded, employees need to be encouraged to share suggestions and ideas about their work.

The second statement that the researcher sought opinions was whether NGOs workers when offered high job security they will guard organizational resources and work towards achieving long term objectives. From the analysis, 31.7% strongly agreed with the opinion, 36.7% agreed, 25.8% neither agreed nor disagreed while 0.8% strongly disagreed. Majority agreed with the statement and thus for employees to guard organizational resources and work to achieve organizational goals their job security is of important.

#### Table 4. 16: Employees' Empowerment Analysis in Percentages

<table>
<thead>
<tr>
<th></th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>The ability of our employees to share suggestions and ideas about their work greatly influences implementation of our strategies</td>
<td>30.8%</td>
<td>52.5%</td>
<td>13.3%</td>
<td>2.5%</td>
<td>0.8%</td>
</tr>
<tr>
<td>I view when NGOs workers are offered high job security they will guard organizational resources and work towards achievements of long term goals</td>
<td>31.7%</td>
<td>36.7%</td>
<td>25.8%</td>
<td>5.0%</td>
<td>0.8%</td>
</tr>
</tbody>
</table>
4.5.3.1. Correlation between employees’ empowerment and performance

A Pearson correlation test was done to test the relationship between the components of employees’ empowerment and performance. The components of empowerment are ability to share ideas and high job security given to employees. The components of performance indicators are financial stability, empowerment and training and reaching targeted beneficiaries. From the analysis in Table 17 below, there is no statistical significant relation between empowerment components and performance indicators.

Table 4.17: Correlation Analysis between Employees' Empowerment with Performance

<table>
<thead>
<tr>
<th></th>
<th>Ability of employees to share suggestions and ideas influences strategy implementation</th>
<th>High Security of jobs to workers help to guard organizational resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financially  stability</td>
<td>Pearson Correlation .008</td>
<td>.932</td>
</tr>
<tr>
<td>Empowered and trained</td>
<td>Pearson Correlation -.026</td>
<td>.782</td>
</tr>
<tr>
<td>Reach targeted beneficiary</td>
<td>Pearson Correlation .047</td>
<td>.609</td>
</tr>
</tbody>
</table>

Sig. (2-tailed) .932 .782 .609
4.5.4 Employment Patterns

Majority of NGOs which have a foreign origin are mostly composed of foreign staffs who work permanently or visits the organization on regular basis. It is expected that, they offer skills whose the local staffs lacks as well as training the local based staffs. The researcher sought to establish the influence of employment patterns and performance.

First the researcher sought the opinions from the respondents whether foreign based voluntary service provided by foreigners creates space for exchange of skills and knowledge. From the analysis, 28.3% strongly agreed with the opinion, 49.2% agreed, 20.0% neither agreed nor disagreed, did 1.7% disagree while 0.8% strongly disagreed. Thus, foreign workers provide skills and knowledge have an impact to organizational performance.

Secondly, the researcher sought the opinion whether foreign based voluntary service has uplifted the ability of employees to volunteer in caring the well-being of others. The analysis in Table 18, showed that 18.3% strongly agree, 53.3% agreed, 23.3% remained neutral, 3.3% disagreed and 1.7% strongly disagreed. Majority of the respondents agreed and it’s apparent that foreign based staffs have encouraged the local staffs to care about the well-being others.

Table 4.18: Employment Patterns Analysis in Percentages

<table>
<thead>
<tr>
<th></th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foreign based-voluntary service provided by foreigners creates space for exchange of skills and knowledge which has an impact on our performances</td>
<td>28.3%</td>
<td>49.2%</td>
<td>20.0%</td>
<td>1.7%</td>
<td>0.8%</td>
</tr>
<tr>
<td>Foreign based-voluntary service has uplifted the ability of our employees to volunteer in caring about the well-being of others.</td>
<td>18.3%</td>
<td>53.3%</td>
<td>23.3%</td>
<td>3.3%</td>
<td>1.7%</td>
</tr>
</tbody>
</table>
4.5.4.1. Correlation between patterns of employment and performance

A Pearson correlation test was to test the relationship between components of employment pattern and performance indicators. The components of employment patterns include skills and knowledge and motivation of employees. From the analysis in Table 19 below, there was no statistical significant relationship between the two components of employment patterns and performance.

Table 4. 19: Correlation Analysis between Employment Patterns with Performance Indicators

<table>
<thead>
<tr>
<th></th>
<th>Foreign based voluntary services creates space for skills and knowledge services</th>
<th>Foreign based voluntary services has uplifted ability of employees to volunteer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financially stable</td>
<td>Pearson Correlation: .041, Sig. (2-tailed): .660</td>
<td>-.030, .744</td>
</tr>
<tr>
<td>Empowered and Trained</td>
<td>Pearson Correlation: .095, Sig. (2-tailed): .303</td>
<td>.149, .104</td>
</tr>
<tr>
<td>Reach targeted beneficiary</td>
<td>Pearson Correlation: -.048, Sig. (2-tailed): .602</td>
<td>.011, .908</td>
</tr>
</tbody>
</table>

4.5 Technological Factors and Performance

4.5.1. Technological competence and Performance

A competent technological is a key component in profit making organizations. Similarly, NGOs also need technology for efficient and fast service delivery. The study thus aimed at establishing whether technological competence is influences performance.
The researcher sought the opinion whether investment in research and development of technology greatly increases NGOs performance. From the analysis in Table 20 below, it is established that 42.5% strongly agreed, 51.7% agreed, 4.2% were neutral, 1.7% disagreed and none of the respondent strongly disagreed. Apparently, for NGOs to achieve higher performances they need to invest in research and development.

In addition, the researcher sought the opinions whether for NGOs to perform better than others they must incorporate technology for them to possess competitive advantage over others. The analysis showed that, 37.5% strongly agreed, 45.0% agreed, 17.5% were neutral, 5.8% disagreed and 0.8% strongly disagreed. Apparently, to achieve a competitive advantage, NGOs need to acquire technology.

Lastly, the researcher sought opinion on whether NGOs which are open minded to innovation achieves much better performance. Analysis showed that, 48.3% strongly agreed, 41.7% agreed, 9.2% were neutral, 0.8% disagreed and no respondent strongly disagreed. Thus for organizations to perform better in their objectives they need to be open minded to aspects of innovation since majority of respondents agreed to the opinion.

**Table 4. 20: Technological Competence Analysis in Percentages**

<table>
<thead>
<tr>
<th></th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment in research and development of technology greatly increases NGOs performance</td>
<td>42.5%</td>
<td>51.7%</td>
<td>4.2%</td>
<td>1.7%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Currently, for NGOs to perform better than others they must use technology to possess advantage over others who aren’t in a position to do so.</td>
<td>37.5%</td>
<td>45.0%</td>
<td>17.5%</td>
<td>5.8%</td>
<td>0.8%</td>
</tr>
<tr>
<td>NGOs which are open minded to innovation achieves much better performance</td>
<td>48.3%</td>
<td>41.7%</td>
<td>9.2%</td>
<td>0.8%</td>
<td>0.0%</td>
</tr>
</tbody>
</table>
4.5.1.1. Correlation between technological competence and performance

A Pearson Correlation test was done to test the relationship between technological competence and performance. The components of technological competence are research and development, use of technology and open minded to innovation. Components of performance are financial stability, empowerment and training and reaching targeted beneficiaries. From the analysis in Table 21 below, there is no statistical significant relationship between the two components.

Table 4. 21: Correlation Analysis between Technological Competences with Performance Indicators

<table>
<thead>
<tr>
<th></th>
<th>Research and investment of tech increases performance</th>
<th>NGOs must use technology to possess advantage over others</th>
<th>NGOs with Open Mind to Innovation achieves better performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financially stability</td>
<td>Pearson Correlation Sig. (2-tailed)</td>
<td>.061</td>
<td>-.026</td>
</tr>
<tr>
<td></td>
<td>Pearson Correlation Sig. (2-tailed)</td>
<td>.511</td>
<td>.778</td>
</tr>
<tr>
<td>Empowered and Trained</td>
<td>Pearson Correlation Sig. (2-tailed)</td>
<td>-.021</td>
<td>.063</td>
</tr>
<tr>
<td>Reach targeted beneficiary</td>
<td>Pearson Correlation Sig. (2-tailed)</td>
<td>.821</td>
<td>.497</td>
</tr>
<tr>
<td></td>
<td>Pearson Correlation Sig. (2-tailed)</td>
<td>.168</td>
<td>.094</td>
</tr>
<tr>
<td></td>
<td>Pearson Correlation Sig. (2-tailed)</td>
<td>.067</td>
<td>.309</td>
</tr>
</tbody>
</table>
4.5.2 Internet and Media

Ease of communication and interaction has been facilitated as many people have abandoned the traditional methods in favor of the new ones. Speed is an essential strategy that enhances achievements of a particular objective. Thus, the researcher aims at establishing whether internet and media influence performance.

The researcher sought opinions whether social media platforms have facilitated interactions and sharing of knowledge and expectations that initially required physical meeting. The analysis from Table 22 showed that, 49.2% strongly agreed, 44.2% agreed, 5.0% were neutral, 0.8% disagreed and 0.8% strongly disagree. Majority of the respondents agree with the statement and thus many organizations are opting to use social media platforms to facilitate interactions and sharing of knowledge and experiences.

Secondly, the researcher sought views from the respondent that internet has enabled communication with stakeholders to be fast. From the analysis, 46.7% strongly agreed, 40.8% agreed, 10.8% neither agreed nor disagreed, 1.7% disagreed and none strongly disagreed. Majority agreed with the statement and it became apparent that internet has made communication to be fast between NGOs and stakeholders thus their opinions are obtained on time.

Lastly, the researcher sought the opinions that internet has facilitated disclosure of organizational information which promotes accountability and better practices within the organizations. From the analysis, 35.0% strongly agreed with the statement, 46.7% agreed, 13.3% were neutral and 1.7% strongly disagreed to this opinion. With the majority agreeing, it’s clear that disclosure of organizational information has been facilitated by the internet and thus organizations become more accountable.
Table 4. 22: Internet and Media Analysis in Percentages

<table>
<thead>
<tr>
<th></th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social media platforms have facilitated interactions and sharing of knowledge and experiences that initially required physical meeting</td>
<td>49.2%</td>
<td>44.2%</td>
<td>5.0%</td>
<td>0.8%</td>
<td>0.8%</td>
</tr>
<tr>
<td>Internet has enabled communication with our stakeholders to be fast thus we obtain their opinions in time</td>
<td>46.7%</td>
<td>40.8%</td>
<td>10.8%</td>
<td>1.7%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Internet has facilitated disclosure of organizational information which allows accountability and thus promotes best practices of organizations</td>
<td>35.0%</td>
<td>46.7%</td>
<td>13.3%</td>
<td>3.3%</td>
<td>1.7%</td>
</tr>
</tbody>
</table>

4.5.2.1 Correlation between internet and social media and performance

A Pearson Correlation test was done to test the relationship between the components of internet and social media and performance. The internet and media components are interactions and sharing of information, communication with stakeholders and disclosure of organizational informational. Performance indicators are financial stability, empowerment and training and reaching targeted beneficiaries. From analysis in the Table 23, there is negative statistical significant relationship between internet enabling easier communication with stakeholders and financial stability at 0.01 level of significance with r=0. -336** and p=0.000. However, there was no statistical significance relationship between other components of internet and media and components of performance indicators.
Table 4.23: Correlation Analysis between Internet and Media with Performance Indicators

<table>
<thead>
<tr>
<th></th>
<th>Social media have facilitated interactions and sharing of knowledge and experiences</th>
<th>Internet has enabled communication with our stakeholders</th>
<th>Internet has facilitated disclosure of organizational informational</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financially stable</td>
<td>Pearson Correlation: -.090, Sig. (2-tailed): .330</td>
<td>-.336**</td>
<td>-.023</td>
</tr>
<tr>
<td>Empowered and Trained</td>
<td>Pearson Correlation: .121, Sig. (2-tailed): .188</td>
<td>-.156</td>
<td>.037</td>
</tr>
<tr>
<td>Reach targeted beneficiary</td>
<td>Pearson Correlation: .120, Sig (2-tailed): .192</td>
<td>-.016</td>
<td>.006</td>
</tr>
</tbody>
</table>

4.6. Organizational Performance

The study sought the opinions of respondents on performance. The performance indicators were financial stability, empowerment and training and reaching the targeted beneficiaries.

First, the researcher sought the views of respondents on whether the NGOs are financially stable which facilitates implementation of projects as per planned. The results from Table 24 were as follows, 6.7% strongly agreed, 27.5% agreed, 40.0% were neutral, 21.7% disagreed while 4.2% strongly disagreed. Majority neither agreed nor disagreed as they were neutral.

Secondly, the researcher sought the opinions on whether employees in NGOs are empowered and trained which makes them to be permanently retained. From the analysis, 6.7% strongly agreed, 27.5% agreed, 40.8% were neutral, 20.0% disagreed while 5.0% strongly disagreed. Apparently, majority were neutral about this opinion.
Lastly, the researcher sought the opinion on whether the NGOs in most cases reach their targeted beneficiaries. From the study, 6.7% strongly agreed, 52.5% agreed, 30.0% were neutral, 10% disagreed while 0.8% strongly disagreed. Majority agreed that in most cases the NGOs reaches their targeted beneficiaries.

**Table 4.24: Performance Indicators Analysis in Percentages**

<table>
<thead>
<tr>
<th></th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Our organization is financially stable thus we are able to implements our projects as per planned.</td>
<td>6.7%</td>
<td>27.5%</td>
<td>40.0%</td>
<td>21.7%</td>
<td>4.2%</td>
</tr>
<tr>
<td>Employees in our organization are empowered and trained thus are permanently retained which enable organization to tap their skills and knowledge</td>
<td>6.7%</td>
<td>27.5%</td>
<td>40.8%</td>
<td>20.0%</td>
<td>5.0%</td>
</tr>
<tr>
<td>Our organization in most cases reaches the targeted beneficiaries.</td>
<td>6.7%</td>
<td>52.5%</td>
<td>30.0%</td>
<td>10.0%</td>
<td>0.8%</td>
</tr>
</tbody>
</table>

**4.7 Regression Analysis**

A regression analysis was done to investigate the extent to which performance is affected by political, economic, socio-cultural and technological factors. The regression model was

\[ Y = B_0 + B_1 X_1 + B_2 X_2 + B_3 X_3 + B_4 X_4 \]

Where, \( Y \) = Performance, \( B_0 \) = Constant, \( X_1 \) = Political Factors, \( X_2 \) = Economic Factors, \( X_3 \) = Socio-Cultural Factors and \( X_4 \) = Technological Factors and \( B_1, B_2, B_3 \) and \( B_4 \) are coefficients of \( X_1, X_2, X_3 \) and \( X_4 \) respectively.

From the model summary table below it was found that \( R=0.258 \) meaning that there is low statistical significant relationship between the dependent variable (Y) and the independent variables (\( X_1, X_2, X_3 \) and \( X_4 \)). The \( R^2 \) (R Square) value indicates how much of the total variation
in the dependent variable, NGOs performance, can be explained by the independent variables political factors, economic factors, socio-cultural factors and technological factors. In this case, 6.7% can be explained, which is low.

Table 4. 25: 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>.258</td>
<td>.067</td>
<td>.034</td>
<td>.69132</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Technological Factors, political factors, Economic Factors, Social - Cultural Factors

From the ANOVA table below, which reports how well the regression equation fits the data (i.e., predicts the dependent variable) is shown below. This table indicates that the regression model do not significantly predicts the dependent variable. This indicates no statistical significance of the regression model that was run. Here, \( p < 0.091 \), which is more than 0.05 indicates that, the regression model do not statistically significantly predicts the outcome variable (i.e., it is not a good fit for the data).

Table 4. 26 :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>3.927</td>
<td>4</td>
<td>.982</td>
<td>2.054</td>
<td>.091b</td>
</tr>
<tr>
<td>Residual</td>
<td>54.961</td>
<td>115</td>
<td>.478</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>58.888</td>
<td>119</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: NGOs Performance
b. Predictors: (Constant), Technological Factors, political factors, Economic Factors, Social-Cultural Factors

From the coefficients table below, it was found \( B_0 = \text{Constant}=1.729, B_1=0.431, B_2=0.111, B_3=-0.066 \) and \( B_4=-0.035 \) and therefore the regression model will be as follows:

\[
Y=1.729+0.431X_1+0.111X_2-0.066X_3-0.035X_4.
\]

This means that;
Increasing political factors ($X_1$) by one unit will increase performance ($Y$) by 0.431

Increasing economic factors ($X_2$) by one unit will increase performance ($Y$) by 0.111

Increasing socio-cultural factors ($X_3$) by one unit will decrease performance ($Y$) by 0.0666

Increasing technological factors ($X_4$) by one unit will decrease performance ($Y$) by 0.035

The results prove that socio-cultural and technological factors negatively affect NGOs performance while political and economic factors positively affect NGOs performance. The study found that, political factors and technological factors highly affect NGOs performance.

**Table 4.27: 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></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>(Constant)</td>
<td>1.729</td>
<td>.853</td>
<td>2.028</td>
<td>.045</td>
</tr>
<tr>
<td>political factors</td>
<td>.431</td>
<td>.162</td>
<td>.257</td>
<td>2.656</td>
</tr>
<tr>
<td>Economic Factors</td>
<td>.111</td>
<td>.177</td>
<td>.062</td>
<td>.629</td>
</tr>
<tr>
<td>Social-Cultural Factors</td>
<td>-.066</td>
<td>.167</td>
<td>-.043</td>
<td>-.394</td>
</tr>
<tr>
<td>Technological Factors</td>
<td>-.035</td>
<td>.140</td>
<td>-.025</td>
<td>-.251</td>
</tr>
</tbody>
</table>

a. Dependent Variable: NGOs Performance

**4.8 Chapter Summary**

The chapter presents the results and findings of the study. Findings are presented in frequency tables and figures. The presentation is aligned to the research questions and covers on the reports of the extent political, economic, socio-cultural and technological factors affects NGOs performance. Correlation between political factors components with NGOs performance are also presented in the chapter. Regression analysis showing the extents independent variables affects NGOs performance is presented in this chapter.
CHAPTER FIVE

5.0: DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter will provide discussions on the findings for all the research questions by providing similarities and deviations from previous studies. The chapter will start by giving a summary of the study by highlighting the research problem, methods of data collection and short summary for each of the research questions that were studied. Later in the sections which follow, the researcher will engage in a detailed discussions, conclusion and recommendations for further studies for each of the research questions.

5.2 Summary of the Study

The aim of this research was to examine the effects of PEST Factors on NGOs performance in Nairobi County. Simple random sampling method was employed for the study to sample the number of NGOs. Stratified sampling method was adopted for the study to sample respondents in the organizations. Out of the 100 NGOs targeted as the sample size, 40 NGOs responded representing a 40% response rate. From these responded NGOs, the researcher collected 120 questionnaires. The data collection was carried out using self-administered structured questionnaires. The data collected was analyzed using computer software programs. The data analysis employed the use of descriptive and inferential statistics.

To tackle the research problem, the study primarily empirically tested the components of PEST Factors and the performance employed in the sampled unit. PEST Factors was comprised of four independent variables which are political factors, economic factors, socio-cultural factors and technological factors. The dependent variables were comprised of three performance indicators which are financial stability, empowerment and training and reaching targeted beneficiaries. A Likert Scale of 0 to 5 representing strongly agree, agree, neutral, disagree and strongly disagree was utilized in testing the extent to which respondents agreed to influence of PEST Factors in NGOs sector.

On the background section, it was established that, the NGOs in Nairobi County employs more men than women as demonstrated by the percentage of men (54.2 %) compared to women (45.8
This serves to show the sector is dominated by men. Regarding the age, those who dominated the sector are those between 25-30 years with a percentage of 44.2%. This shows the sector is majorly dominated by youthful population. The youthful workforce percentage was closely followed by those between 31-34 years which occupied a percentage of 26.7% which also gives a clear message that the sector is dominated by young people. Those between 41-44 years and 45 and above years comprised of the least sector’s workforce with a percentage of 0.8% each. In the level of education it became apparent that the NGO sector employs trained workforce since those who had college certificate and diploma occupied a percentage of 51.6% and those with bachelor degrees with 23.3% of the sampled respondent. Those who had a postgraduate degree qualification occupied a percentage of 8.3%. These percentages show a high level of academic qualification required by the sector.

The study found that the NGOs employed more management staffs (43.3%). Few are employed as program managers (15.8 %) and managing directors (4.2%). This provided a highlight that decision making was comprised of few individuals within the NGOs. On the issue of working experience it seems that majority had a working experience of two to four years (49.2%). This was followed by those who had worked for the organization for a period of one to two years (33.3%) and those who had served the NGOs for more than five years with a percentage of 17.5%. This indicated that the NGOs don’t retain their workforce for a longer period of time.

The study further stated that, many NGOs are locally funded (43.3%) while around 38.3% are foreign funded. Finally, the study found that many NGOs are in education sector (57.5%) followed by health (34.2%), civil society (20.8%) and hunger alleviation (18.3%). This is a clear indication that, public schools are not in a position to satisfy the academic requirements thus NGOS comes in to complement the education sector that is dominated by the government. The other sections tested the extent of PEST Factors represented by political factors, economic factors, social-cultural factors and technological factors with a section measuring the performance indicators. This was done to determine the extent to which the PEST Factors influences performance.
5.3 Discussion

5.3.1 Political Factors and Performance

The study revealed that political factors influenced the performance of NGOs as it was evident from the findings on NGOs-Government relationship, NGOs regulations and political stability of a country.

On the first aspect of NGOs-Government relationship, the study found that the interaction between the NGOs and the government is inevitable due to the nature of their work. This is consistent with Chakawarika (2011) who stated that NGOs and government relationship is of significant since the two are engaged in the delivery of strategic developments to the public. The government develops the country to promote social, physical and emotional well-being of the society, this is usually the NGOs major objective.

The study also found that, NGOs compliment the state by providing the services which the government don’t provide or provide less. This affirms the findings of De Beer and Swanepoel (2000) who stated that NGOs relates with the government in three ways; complementing the state, opposing the state and supplementing the state. By complementing the state, the NGOs participate in providing the services which the states do not provide by assuming the policy implementation mechanisms of the government.

Further, the study found that the government has enacted laws which favor activities of NGOs in Kenya. This contrast with Dirlik (1987) findings which states that government’s regimes can formulate their rules using coercive forces, customary laws and political ideology such as democracy or autocracy and this influences their decision making.

The study also found that there is strict enforcement of regulations governing operations of NGOs in Kenya. This affirms the work of International Journal for not for profit (2002) which stated that when the demand for democratic space increased in Zimbabwe, the state focused on the NGOs via harassment by increasing the legislative and administrative intervention. Pearce & Robinson (2007) further affirmed these findings by stating that organizational performance in the market is much affected by legal enforcement and the policies of the government. Thus, the
relationship between the two sectors is important for NGOs to perform better and this has been reinforced by the findings and literature highlighted above.

On the second aspect of NGOs regulation, the study found that rules and regulations set by the government have made the NGOs to run their activities efficiently. This affirms the work of Nowaczyk (2017) who stated that regulation involves government’s restrictions and control. It is designed at achieving efficiency and equity. Regulation function requires the government intervention in order to maintain efficiency and equity goals which are practices for competitive trade aimed at protecting vulnerable parties in economic transactions.

On the other aspect of regulation, the study obtained mixed reactions on NGOs are well coordinated by the NGO Coordination Board of Kenya. The findings contrast with the findings of NGO Council (1996) which stated that the work NGOs were doing was tremendous but it was not coordinated since KNCSS was yet to effectively coordinate the affairs of the NGOs. On the same, a slightly higher percentage of respondents disagreed with the statement that NGOs are well coordinated meaning that NGOs in Kenya aren’t coordinated. This affirms the findings of Thompson (1993) which stated that some of the NGOs were involved in importation of luxurious cars for resale, acquisition of arm and high powered communication devices and Beigbeder (1991) stated that this was good evidence that the function of KNCSS which coordinated NGOs had failed.

The study also found that the government regulate NGO sector since these organizations are perceived to be threats to sovereignty of the government hence they do not reach beneficiaries as planned. These findings aligns with ICJ (1993) findings that regulation of NGOs was done due to the fact that, government was concerned that the donors were focusing on NGOs greatly to facilitate implementation of civil rights by foreign countries. In 1992, USA adopted a policy of working with NGOs to implement their programs upon realization that African countries were corrupt. Host governments did not agree with this observation which resulted to African governments perceiving NGOs as threats to governments’ sovereignty.

On the third aspect of states stability, the study found mixed reactions on the issue that the political environment NGOs operates in is predictable and in turn this attracts more local donors and foreign donations. This is affirmed by Pearce & Robinson (2007) that predictable political
environment attracts investments from both internal and external sources. This in turn reduces poverty, create jobs, increases state revenue, welfare investment and education, these brings benefits to all in the society such that violence or chaos is no one interest.

However, a slightly higher percentage of the findings were contrary to the issue that the political environment is stable to enhance NGOs performance. This is consistent with Aid Worker Security Report (2012) that, between the years 1997 to 2008 there were cases of violence where one or more aid workers were seriously injured. The findings further found that insecurity is a big threat affecting performance of NGOs. This aligns the study of Aid Worker Security Report (2012) that, insecurity is a big issue which affects NGOs since in 2011, 308 aid workers were killed, kidnapped or wounded. Though, the number had declined in 2010, the incidences of violence against aid workers rose again and kidnappings were rampant due to ransom demanded by kidnappers.

The findings also found that foreign based staffs are more prone to attacks and robbery than local based staffs. However, this is in contrast with Dhakal (2000) that, casualty rate of national staff trends has increased in relation to international staffs which was due an assumption that nationals were less likely to be victims of violence than international staffs. It’s apparent that political factors determine whether an organization will perform as illustrated in the findings and literature review above.
5.3.2 Economic Factors on Performance

The study revealed that economic factors disrupt the performance of NGOs as it was evident from the findings on Gross Domestic Product and funding.

On the aspect of GDP, the study found that beneficiaries are still over relying on NGOs since they are not engaging in economic activities that will generate income to their households. This means that, if households engage in productive economic activities, the overall amount of output a particular country generates increases. This finding affirms Chin Sau et.al in bank profitability studies, that profitability of banks is significantly correlated with economic environment contributed by economic activities in a given country since these economic activities have an impact on organizations. The study also found that, during economic slow growth rate periods NGOs performance is affected. This aligns with Demirguc-Kunt and Huizinga (1998) in their study on banks profitability and found that profitability declines during economic slowdowns. Moore (2005) also stated that, NGOs are economic institutions since they make use of the scarce resources in the society for instance labor and capital to produce goods and services.

On funding aspect, the study found that influence of NGOs at the grassroots level depends on the amount of funding these institutions receives as donations. This affirms the study of Riddell, Roger & Robinson (2001) that donor countries monitoring and evaluations have confirmed that, international NGOs have been working effectively in their abilities at the grassroots levels. Chand (1991) affirmed this by stating that, their influence has grown with the growth in numbers and in the disbursed amounts. This showed funding influences the magnitude of activities NGOs at the grass root level.

Similarly, the study established that efficient managerial capacity is very important in making better uses of available resources in the organization. This agrees with the findings of Dhakal (2000) that majority of small NGOs are in need of developing their managerial capacity since most of them are founded and managed by a single leader. The result of this is occasional mismanagement and misdirection of their mission. Thus, managerial skills of programs managers and managing directors of these organizations need to be efficient for these organizations to be financially stable.
The findings of this study also found that, cutting costs is a strategy NGOs are using to ensure they are financially stable. This affirms Robinson (2003) findings that, NGOs are voluntary organizations and they have aimed at keeping the costs down and there are more NGOs in Bangladesh and costs are said to be within agreeable limits. However, questions have been raised about NGOs overhead cost when compared with profit making consulting sector in Africa, despite this from the study findings and literature review above its evident that NGOs are aiming at cutting their costs for them to remain financially stable.

5.3.3. Social –Cultural Factors on Performance

The study revealed that socio-cultural factors influence the performance of NGOs as it was evident from the findings on stakeholders’ opinions, poverty level, employees’ empowerment and employees’ patters.

On the aspect of stakeholders’ opinions, the study found that stakeholders rely on NGOs to fulfill their objectives and this influences performance. This affirms the findings of Johnson & Scholes (1999) that stakeholders are composed of people, groups, institutions, suppliers, customers, shareholders, financial institutions, unions and local communities which bear the likelihoods of affecting performance both negatively and positively. Johnson, Scholes & Whittington (2008) also stated that shareholders usually rely on the organizations in fulfilling their goals and in turn the organizations depend on them. This shows stakeholders are individuals whom their presence in the organization determines growth or shrinking of an organization as they derive their satisfaction from them.

The study also found that, shareholders are very influential individuals since they can make a particular organizational strategy to succeed or fail. This agrees with the Cummings & Doh (2000) that, stakeholders are both internal and external. External stakeholders are composed of market environment, socio-political and technological environments. They are grouped in relation to the nature of their relationship with the organization and therefore they might affect success or failure of a particular strategy. Also the findings aligns with Pearce & Robinson (2004) that, stakeholders are much influential individuals and groups since they are interested in the actions of an organization. Corporate governance thus should provide formal requirements and boundaries within which a strategy is being developed due to influence of stakeholders.
On the same aspect of stakeholder, the research found that, stakeholders have different needs and expectations and thus they have different views on what the program is seeking to achieve. These study findings affirms the findings of Simpson and Lyddon (1995) that different stakeholders have their own needs and expectations. As a result they will have different views of what the program will be seeking to achieve. Needs must be put together with an aim of identifying the needs in conflict with others and this facilitates in implementation of strategic plan. It’s apparent that, stakeholders needs and expectations need to be established and be classified on their similarities and differences to enhance smooth running of organizations.

On the aspect of poverty level, the study found that when there is inadequate income and resources required to obtain life conditions, people participate less in the activities of the NGO. This affirms the findings of UNDP(2006) that when people are deprived of income and resources such as diets, material goods, amenities, standards and services which help them play the roles, meeting obligations and participating in the relationship and customs of their society this leads to stagnation and decline of economic development.

Also the findings established that poverty as manifested in form of illiteracy and inadequate access to basic education affects performance. This affirms FAO (1986) and World Bank (1995) findings that poverty nowadays is manifested in many ways which includes hunger, lack of water for drinking, inadequate health and shelter, illiteracy and lack of access to basic education. To solve this menace is one of the greatest challenges facing Africa. For 30 years ago efforts and adoption of various approaches have been put into place to improve level of development in majority of developing countries; however the performance indicators of development project and the living conditions of the poor are deteriorating. NGOs are institutions that participate in eradication of poverty and other socio-economic problems, from the above findings and literatures poverty in itself can derail efforts made by NGOs to solve these problems.

On employment empowerment issue, the study found that ability of NGOs employees to share suggestions and ideas about their work influences implementation of organizational strategies. This agrees with Richards (2017) findings that when employees are empowered they are committed, loyal and conscientious. They develop eagerness to share ideas and they can serve as strong ambassadors to their organizations.
Also the study found that when NGO workers are offered high job security they will guard organizational resources and work towards achievement of long term goals. Pearson and Robinson affirms this by stating that there is no particular variable that is indispensable of the other but human resource development and financial resources are given more priorities. Good training and development of human resource other resources become viable and closely monitored to achieve strategic goals. Prahalad and Hamel (1990) also affirmed these findings by stating that when workers are offered high job security via motivating, empowering, providing modern and reliable working systems and a free environment to allow innovation they will guard organizational resources and work towards achieving long term goals. From these findings and other studies it’s apparent that when employees are empowered the assumptions are they will be open to ideas as well as guard organizational resources.

On employment pattern aspect, the research found that foreign based-voluntary service provided by foreigners creates space for exchange of skills and knowledge which has an impact on NGOs performance. This aligns with Devereux (2008) findings that potential benefits of international service includes provision of space for exchanging technical skills, knowledge and cross-cultural experience in developing communities and creating awareness and commitment to combat the existing unequal power relations and deep seated causes of poverty, injustice and unsustainable development. Skills and knowledge are key pillars in organizational development, thus important when acquired and assimilated in the whole organization.

The research also found that foreign based voluntary services have uplifted the ability of employees to volunteer in caring about the well-being of others. Sherraden, Lough and Moore (2008) affirms this by stating that those who advocates existence of international voluntary services is that IVS uplifts the ability of volunteerism spirit by motivating people to care about the well-being of others globally and encouraging them to get involved in international affairs. In contrast Devereux (2008) states the negative effect of IVS as some view it as imperialistic, paternalistic charities, volunteer tourism or viewed as a self-serving quest for career and personal development.
5.3.4 Technological Factors on Performance

The study revealed that technological factors influence the performance of NGOs as it was evident from the findings on technological competencies and internet & media.

On technological competencies, the study found that investment in research and development of technology increases NGOs performance. This is affirmed by Kinot (2009) findings that investment in research and development directly contributed to higher performance of the firms. Rhee et.al (2010) stated in a study on effects of technology on performance of Small and Medium Enterprises in South Korea that investment in technology increases their performance.

The research also found that for NGOs to perform better than others they must use technology to enable them possess competitive advantage over others who are not in a position to do so. This is affirmed by Web (2010) findings that for a firm to possess a greater competitive advantage must have an ability to convert the knowledge created during innovation over the others who are not in a position to do so. Hakala (2011) also found that for a firm to maintain a better performance more than the competitors must incorporate complicated technologies which the competitors cannot be able to duplicate.

The study also found that NGOs which are open -minded to innovation achieves much better performance. This aligns with Lum (2011) who emphasized that for firms’ to take advantage in performance it has to uphold values which will include being tolerant to risk and being open minded to the aspects of innovation. These findings and literature review showed that for NGOs to perform better aspect of competent technology is important.

On social media and internet aspect the study found that social media platforms have facilitated interactions and sharing of knowledge and experience that initially required physical meeting. This aligns with Stieglitz and Kruger (2010) that multidirectional communication is one function of social media. New technologies and web applications enable individuals to engage into dialogues with one another. Social ware applications provide users a platform to interact and share knowledge and experiences. This enables employees within an organization to discuss certain topics via the internet. Matschke and Moskaliuk (2012) stated that NGOs are always characterized by interaction within their members. They set virtual communities to improve and
strengthens relationships within members and also to consider different point of views within the community. Social media in NGOs aims at attracting attention to their focused issues.

The researcher also found that internet has enabled communication with stakeholders to be fast which enables quicker response for their opinions. Klein and Ford (2003) affirm this by stating that social media can be used to support and increase stakeholder communication. This is done via features such as online availability, download possibilities, web forms, search engines, hyperlinks. Use of social media platforms provide a new way to interact and this enables the companies to address the information to variety of stakeholders. Organizations implement social media platforms to influence stakeholder’s opinion, reputation, perception and decision making processes. Speed is a strategy many organizations are seeking to implement to reach their targeted beneficiaries and other stakeholders, from above findings and empirical studies internet and social media are tools organizations can use to achieve performance.

The research also found that internet has facilitated disclosure of organizational information which allows accountability and promotes best practices of organizations. This aligns the findings of Lennerfors (2007) that the main factors which provoke organizational corruption is the information openness. Darbishire (2010) stated that the importance of proactive disclosure of information implies dissemination of information whether or not it has been requested. Bies (2010) further stated that proactive disclosure of information is considered as an act of responsibility which allows excellence in accountability and promotes effectiveness in best practices of organizations. Thus, for NGOs to be accountable and be efficient in their practices openness to their stakeholders is key and this can be better enhanced via social media and internet.

5.4 Conclusion

5.4.1. Political Factors and NGOs Performance

The study explored factors of politics as an indicator of NGOs performance. The study found that, performance of these charitable organizations is greatly influenced by political factors. This was made evident since majority of the respondents acknowledged that, relationship between the government and NGOs is vital since these organizations must interact with government institutions due to the nature of their work and with the fact that they complement the
government by providing services to the societies. On the other side the government enacts laws and also regulates the affairs of the NGOs. Majority of respondents also acknowledged that rules and regulations formulated by the government favors activities of NGOs and NGOs Coordination Board coordinates NGOs well which enable them to conduct their affairs efficiently. However, the political environment where these organizations work in is unpredictable, insecurity is one of the major threat and foreign based staffs are more prone to attacks and robberies compared to local based staffs. This negatively influences NGOs in reaching their beneficiaries for fear of murder, robbery and kidnappings.

5.4.2. Economic Factors and NGOs Performance

The study concluded that economic factors influence the performance of NGOs as was indicated by GDP and funding aspects. Majority of the respondents acknowledged that many people are less involved in economic activities to generate their income and as a result they over rely on NGOs to meet their needs. Organizational performance was found to be affected by economic growth rate since performance level increases when the rate increases and vice versa. Funding is a major key that determines organizational performance since the impact of NGOs at the grass root level is majorly determined by amount of funds generated to these organizations. Many NGOs suffers from inadequate funding and efficient managerial capacity is one strategy of maximizing utility of available resources and managing costs enhances financial sustainability in NGOs.

5.4.3. Socio-Cultural Factors and NGOs Performance

NGOs performance was found to be influenced by social cultural factors as indicated by opinions of stakeholders, poverty level, patterns of employment and employees’ empowerment. Stakeholders for instance donors, suppliers, employees, board of management and targeted beneficiaries are powerful individuals who determine whether a proposed strategy will fail or succeed. They also rely on NGOs for them to fulfill their objectives and due to different interests the NGOs focus is affected. Some of the stakeholders lack knowledge and information on why the NGOs exist due to mixed needs and expectations and this too affects implementation of program activities. Poverty was found to affect NGOs performance as majority of respondents acknowledged that when people do not have adequate income and resources to meet their daily
needs e.g. foods, clothing, shelter and education they participate less in the NGOs activities. Empowerment of employees is a social factor that greatly improves performance more so if they are empowered to share ideas and suggestions about their work and they are offered high job security. Empowerment of employees eases implementation of strategies and makes the employees guard against misuse of organizational resources. Majority of respondents acknowledged that, foreign based workers provide a space for exchange of knowledge and skills which has an impact on performance.

5.4.4. Technological Factors and NGOs Performance

Technological competence, internet and social media are some of the aspects of technology that affects performance of NGOs as it was acknowledged by majority of respondents. Investment in research and development as well innovation greatly influences performance. Technology was viewed as a means of acquiring competitive advantage. Social media platforms have facilitated interactions, sharing of ideas and information that initially would have been facilitated by physical meetings. Internet on its part has facilitated fast communication between NGOs and stakeholders thus decisions are generated fast compared to traditional modes of communications. Information disclosure facilitated by internet promotes accountability and transparency and this enable better organizational practices.
5.5 Recommendations

5.5.1 Recommendations from the Study

These recommendations are made in relation with the research questions which were outlined in the study.

5.5.1.1 Political Factors and NGOs Performance

The study recommends that NGOs to maintain a working good relationship with the government by strictly remaining true to their goals and objectives of establishment in accordance to stipulated laws and regulations since some of them are occasionally viewed as threats to the state sovereignty. NGOs to seize the opportunities granted to them via enacted laws, regulations and coordination to increase their impacts. Insecurity was highlighted as one of the NGOs threats and the study recommends that NGOs establish programs which aim to address the root causes of insecurity and empower community members against the menace.

5.5.1.2 Economic Factors and NGOs Performance

The study recommends that NGOs to empower their targeted beneficiaries with entrepreneurial skills which will assist them to engage in economic activities that generate income with an aim of reducing over-dependency. The study also recommends NGOs to engage in activities which diversify their funding to avoid over relying local and foreign donations. Management and leadership capacities to be effective and efficient since this will results to maximum use of scarce resources.
5.5.1.3 Socio-Cultural Factors and NGOs Performance

The study recommends NGOs to sensitize their stakeholders on the organizational vision, goals and objectives and on their turn NGOs to establish the needs and expectations of their stakeholders to avoid conflict of interests that hinders performance. The study also recommends NGOs to empower their employees by creating avenues for sharing of experiences, ideas and suggestions as well as offering high job security to enable employees guard organizational resources. New skills and knowledge is key in achieving competitive advantage and thus NGOs need to embrace foreign based staffs who volunteer to train the local staffs.

5.5.1.4 Technological Factors and NGOs Performance

The study recommends NGOs to invest in research and development of new technologies and encourage innovation among employees for efficient delivery of services to their beneficiaries. Internet has facilitated openness and disclosure of information that promote transparency and accountability and thus the study recommends NGOs to make use of internet tools for instance websites and blogs to provide information to their stakeholders. Social media platforms have made it easier for communication of ideas, experiences and suggestions to take place with no need of physical meetings thus the study recommends NGOs to embrace these platforms to allow faster communication and ideas generation.

5.5.2 Recommendations for Further Research

The study recommends that future researchers to conduct studies on other areas of NGOs performance which the study did not highlight. Holistically, this would serve to understand various components which affect NGOs performance. In addition, the researchers can study other components of strategic management for instance internal environment analysis, strategy formulation and implementation and monitoring and evaluation. This would assist in determining the key factors in every aspect and how they affect organizational decision and performance.

Moreover, this study was only carried out in in Nairobi County and thus the study can be replicated to other counties in Kenya and also across other industries. This would consolidate the knowledge around PEST factors in various industries and inform organizational leaders and policy makers on how important PEST analysis is to an industry.
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shire


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APPENDICES

APPENDIX 1: INTRODUCTORY LETTER

Karue Paul Ng’ang’a

United States International University,

P.O BOX 14634, 00800

Nairobi, Kenya

Dear Respondent,

My name is Paul Ng’ang’a Karue and I am a graduate student at United States International University. I am undertaking a study on the effects of PEST Factors on NGOs performance in order to successfully complete the requirements of attaining a postgraduate degree. I will be performing a case study on your company and would appreciate your approval to conduct a study on the organization.

Once the study is complete it will enable the management of the organization to make more informed decisions concerning the day to day running of the firm and can also be used by the government to inform laws concerning the NGOs sector. Better employee motivation can be achieved using the information gathered in this study. Knowledge gathered will also be available to other individuals who will be interested in the field.

I plan to administer a questionnaire that will take approximately 5 minutes to complete. Kindly answer each and every question as honestly as possible as the results of the study depend on you. Please do not indicate your name for the sake of confidentiality. I will collect the questionnaire in person to ensure no other has access to your answer.

Thank you for taking time to provide me access to the information you have.

Faithfully,

Paul Ng’ang’a Karue

Ngangakarue13@gmail.com
APPENDIX 2: QUESTIONNAIRE

Please read the questions and provide answers to the best of your knowledge. Please try and answer all the questions. Please provide additional information in the spaces provided. Tick in the spaces provided. The aim of the study is to explain the effects of PEST Factors in the NGOs performance. Use a 5-point scale to rate the extent to which you agree with the statements as from section B. 5= strongly agree and 1= strongly disagree. Your assistance in the completion of this questionnaire will be highly appreciated.

SECTION A: Background Information

(I) Name of the organization………………………………………………………………………………………………………………

(II) Your gender: 1. Male 2. Female

(III) Your age bracket
   1. Below 24 years  2. 25-30 years  3. 31-34 years  4. 35-40 years  5. 41-44 years
   6. 45-50 years  7. Over 51 years

(IV) What is your highest level of education?
   4. Bachelor Degree  5. Postgraduate Degree

(V) What is your level of employment in the organization?

(VI) What is your working experience in the organization?
   1. One to two years  2. Two to four years  3. Five years and above

(VII) What is the major source of your funding?
   1. Local Funding  2. Foreign Funding  3. Others (specify)

(VIII) Which sector of the economy does the organization target?
SECTION B: Political Factors on Performance

2.3.1 NGOs and Government Relationship

(I) To what extent do you agree with the following statements? Select the option that most closely reflects your opinion.

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly Agree (5)</th>
<th>Agree (4)</th>
<th>Neutral (3)</th>
<th>Disagree (2)</th>
<th>Strongly Disagree (1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>I view our interaction with the government is inevitable due to the nature of our work thus we are able to reach our beneficiaries</td>
<td></td>
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<tr>
<td>I view we compliment the state by participating in providing the services which are less provided or not provided at all.</td>
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<tr>
<td>I view the government has enacted laws which favor activities of our NGO.</td>
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<tr>
<td>I view there is strict enforcement of regulations governing operations of NGOs in Kenya</td>
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</tbody>
</table>

2.3.2 Regulations of NGOs

(II) To what extent do you agree with the following? Select the option that most closely reflects your opinion.

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly Agree (5)</th>
<th>Agree (4)</th>
<th>Neutral (3)</th>
<th>Disagree (2)</th>
<th>Strongly Disagree (1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rules and regulations set by the government have made our NGO to run its activities efficiently</td>
<td></td>
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<tr>
<td>I view NGOs are well coordinated by the NGO Coordination Board of Kenya and this has enabled us meet our objectives.</td>
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<tr>
<td>The government regulate NGO sector since they are perceived as threats to sovereignty of the government hence we are not able to reach our beneficiaries as planned</td>
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</tr>
</tbody>
</table>
### 2.3.3 States Stability

To what extent do you agree with the following statements? Select the option that most closely reflects your opinion.

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly Agree (5)</th>
<th>Agree (4)</th>
<th>Neutral (3)</th>
<th>Disagree (2)</th>
<th>Strongly Disagree (1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>The political environment our NGOs operate in is predictable and this attracts more local and foreign donations</td>
<td></td>
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</tr>
<tr>
<td>Insecurity is a big threat affecting performance of our NGO</td>
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<tr>
<td>I view that foreign based staffs are more prone to attacks and robbery than local based staffs</td>
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</tr>
</tbody>
</table>

### 2.4 Section C: Economic Factors on NGOs Performance

#### 2.4.1 Gross Domestic Product (GDP)

To what extent do you agree with the following statements? Select the option that most closely reflects your opinion.

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly Agree (5)</th>
<th>Agree (4)</th>
<th>Neutral (3)</th>
<th>Disagree (2)</th>
<th>Strongly Disagree (1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>The nation’s economic activities have increased in the recent past thus our beneficiaries have stopped over-relying us.</td>
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<tr>
<td>I view that, during economic slow growth rate NGOs performance is affected</td>
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</tbody>
</table>
2.4.2 Funding

To what extent do you agree with the following statements? Select the option that most closely reflects your opinion.

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly Agree (5)</th>
<th>Agree (4)</th>
<th>Neutral (3)</th>
<th>Disagree (2)</th>
<th>Strongly Disagree (1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>The influence of our NGO at the grassroots level depends on the amount of funding we receive.</td>
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<tr>
<td>Efficient managerial capacity is very important in making better use of available resources in our organization.</td>
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<tr>
<td>Cutting costs is a strategy in our NGO which ensures we are financially stable</td>
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</tbody>
</table>

2.5 SECTION D: Social-Cultural Factors on Performance

2.5.1 Stakeholders opinions

To what extent do you agree with the following statements? Select the option that most closely reflects your opinion.

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly Agree (5)</th>
<th>Agree (4)</th>
<th>Neutral (3)</th>
<th>Disagree (2)</th>
<th>Strongly Disagree (1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>I view that stakeholders e.g. employees, directors, managers rely on our NGO to fulfill their objectives and this affects our performance positively or negatively.</td>
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<tr>
<td>Stakeholders are very influential individuals since they can make a particular organizational strategy to succeed or fail.</td>
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<tr>
<td>Stakeholders have different needs and expectations and thus they will have different views on what the programme is seeking to achieve.</td>
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</tbody>
</table>
### 2.5.2 Poverty Level

To what extent do you agree with the following statements? Select the option that most closely reflects your opinion.

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly Agree (5)</th>
<th>Agree (4)</th>
<th>Neutral (3)</th>
<th>Disagree (2)</th>
<th>Strongly Disagree (1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>When there is inadequate income and resources required to obtain life conditions, people participate less in the activities of our NGO.</td>
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<tr>
<td>Poverty manifested in form of illiteracy and lack of basic education has affected implementation of our organizational strategy.</td>
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</tbody>
</table>

### 2.5.3 Employees Empowerment

To what extent do you agree with the following statements? Select the option that most closely reflects your opinion.

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly Agree (5)</th>
<th>Agree (4)</th>
<th>Neutral (3)</th>
<th>Disagree (2)</th>
<th>Strongly Disagree (1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>The ability of our employees to share suggestions and ideas about their work greatly influences implementation of our strategies</td>
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<tr>
<td>I view when NGOs workers are offered high job security they will guard organizational resources and work towards achievements of long term goals</td>
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</tr>
</tbody>
</table>
2.5.4 Employment Patterns

To what extent do you agree with the following statements? Select the option that most closely reflects your opinion.

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly Agree(5)</th>
<th>Agree (4)</th>
<th>Neutral (3)</th>
<th>Disagree (2)</th>
<th>Strongly Disagree (1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foreign based-voluntary service provided by foreigners creates space for exchange of skills and knowledge which has an impact on our performances</td>
<td></td>
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<tr>
<td>Foreign based-voluntary service has uplifted the ability of our employees to volunteer in caring about the well-being of others.</td>
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</table>

2.6 SECTION E: Technological Factors on Performance

2.6.1 Technological Competencies and Performance

To what extent do you agree with the following aspects of technology on NGO performance? Select the option that most closely reflects your opinion.

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly Agree(5)</th>
<th>Agree (4)</th>
<th>Neutral (3)</th>
<th>Disagree (2)</th>
<th>Strongly Disagree(1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment in research and development of technology greatly increases NGOs performance</td>
<td></td>
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<tr>
<td>Currently, for NGOs to perform better than others they must use technology to possess advantage over others who aren’t in a position to do so.</td>
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<tr>
<td>NGOs which are open minded to innovation achieves much better performance</td>
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</tbody>
</table>
2.6.2 Internet and Social Media

To what extent do you agree with the following statements about internet and social media on performance of your NGO? Select the option that most closely reflects your opinion.

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly Agree(5)</th>
<th>Agree(4)</th>
<th>Neutral(3)</th>
<th>Disagree(2)</th>
<th>Strongly Disagree(1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social media platforms have facilitated interactions and sharing of knowledge and experiences that initially required physical meeting</td>
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</tr>
<tr>
<td>Internet has enabled communication with our stakeholders to be fast thus we obtain their opinions in time</td>
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<tr>
<td>Internet has facilitated disclosure of organizational information which allows accountability and thus promotes best practices of organizations.</td>
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</tbody>
</table>

Section F: Organizational Performance

To what extent do you agree with the following statements? Your assistance in the completion of this questionnaire will be highly appreciated.

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly Agree(5)</th>
<th>Agree(4)</th>
<th>Neutral(3)</th>
<th>Disagree(2)</th>
<th>Strongly Disagree(1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Our organization is financially stable thus we are able to implement our projects as per planned.</td>
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<tr>
<td>Employees in our organization are empowered and trained thus are permanently retained which enable organization to tap their skills and knowledge</td>
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<tr>
<td>Our organization in most cases reaches the targeted beneficiaries.</td>
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</tbody>
</table>

Thank you very much for taking your time to complete this questionnaire.