

**SUSTAINABILITY STRATEGIES ADOPTED BY INTERNATIONAL
NGOS IN NAIROBI, KENYA**

BY

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DECLARATION

This research project is my original work and has not been presented in any other University or College for any award.

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DEDICATION

I dedicate this project to my loving husband Boaz; I appreciate your love, support and encouragement, my sweet daughter Maya, my dad Aggrey for your constant support and in the memory of my late mum Rose.

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The successful completion of MBA is as a result of the support and encouragement that I received from many quarters. My special thanks go to all those who in one way or another have contributed towards completion of this program.

I am most thankful to almighty God for uplifting me, giving, good health and strengthening me during the entire course.

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May the Almighty bless you all

ABSTRACT

Organizations all over the world develop strategies that will enable them to exist and survive in the long run. Similarly, non governmental organizations have to develop strategies that will ensure that they perform well by achieving their goals and objectives and thus guarantying their long term survival.

The purpose of this study was to establish sustainability strategies adopted by international NGOs in Nairobi Kenya. The study further sought to determine the challenges encountered in management of international NGOs. This study collected data from 24 international NGOs using a questionnaire. Descriptive statistics was used to analyze the data collected.

The study found out that international non governmental organizations adopt various strategies that sustain them. The most commonly used strategies were found out to be: Building stronger partnerships between public and private sector, clearly well defined policies and procedures, having strong management team and engaging in strategic management. The results also showed that finance restriction posed a grater challenge in the adoption of sustainability strategy, therefore non governmental organizational must have a good relationship with donor by engaging in practices such as improved donor reporting and complying with donor requirement; this will guarantee donor support and as such ensure that their funding is sufficient and reliable.

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ABBREVIATION

NGOs Non Governmental Organizations

CHAPTER ONE: INTRODUCTION

1.1 Background

The survival of any organization in the current world has become almost impossible to predict because of the ever changing business environment. Most organization would there develop strategies to guarantee their survival, Non Governmental organizations are also not left out as they also want to survive in the long run.

1.1.1 Concept of Sustainability Strategies

Today's world is a rapidly changing place as the environment in which organizations operate is never static. Developments across a range of factors will have an impact on any business or industry. The classic PEST framework (political, economic, social, and technological) identifies four major categories of external factors that affect the ability of an organization to survive and prosper. A firm that is unable to survive will be incapable of satisfying any of its shareholders. To survive, a firm must be able to have strategies that enable them to sustain themselves in the long run.

The long run future of an organization is however, never certain (Pearce and Robinson, 2003). This is because the environment in which organizations exists is very dynamic, making it impossible to predict what will happen in the future. Consequently, the ever changing environment continually presents opportunities and challenges. To ensure survival and success, firms need to develop capability to manage threats and exploit emerging opportunities promptly. This requires the formulation of strategies that

constantly match capabilities to environmental requirements (Pearce and Robinson, 2003).

Demand for a new competitive landscape makes it necessary for top level managers to rethink the concept of incorporation. Critically managerial mindset required is the view that a firm is a bundle of heterogeneous resources, capabilities and core competence that can be used to create exclusive organization position. Individual firms possess at least some resources and capabilities than other companies do not at least in the same combination (Duane, 2000). By core competence, firms are able to perform activities better. Thompson and Strickland (2003) observe that in a fast changing business environment, the capacity to introduce new organizational practices is a necessity if an organization is to achieve superior performance over long periods of time

Burnes (2000) points out that perhaps the biggest challenge to managers today is the issue of how organizations can cope with both the dynamic environment in which they operate given the constraints, challenges and threats. At any one point in time, some organizations are experiencing extreme turbulence whilst others appear to operate in relatively stable environments. The period when certainties was assured has been replaced with one where the pace and uncertainty of change varies from company to company, industry to industry and country to country, because the environment within which these operates in is never static.

A manager must therefore be skilled in knowing how to analyze and improve the ability of an organization to survive and grow in a complex and changing world. This means that managers have a set of tools that enable them to grasp the complexity of the organization's environment. A management system describes the organization and the set of significant interacting institutions and forces in the organization's complex and rapidly changing environment that affect its ability to serve its customers. The firm must continuously monitor and adapt to the environment if it is to survive and prosper.

With increasing demand for more and better services, dynamic environment and scarce resources, an organization must identify their unique major future challenges, formulate and implement unique resources to respond to these challenges. Their success will be determined by how their strategies match such factors as their environment, organization competence and resources, management of personal values and aspirations, and stakeholder's interest.

1.1.2 Overview of International NGO's in Nairobi Kenya

The vast majority of Non Governmental Organizations are not-for-profit. The operations of NGOs cover the entire range of human interests and may be domestic or international in scope. The concept of NGO came into use in 1945 following the establishment of the United Nations Organizations which recognized the need to give a consultative role to organizations which were not classified as neither government nor member states (Willett, 2002). NGOs take different forms and play different roles in different continents, with the NGO sector being most developed in Latin America and parts of

Asia. The roots of NGOs are different according to the geographical and historical context. They have recently been regarded as part of the “third sector” or not-for-profit organizations. Although there is contestation of the definition of an NGO, it is widely accepted that these are organizations which pursue activities to relieve the suffering, promote interests of the poor, protect the environment, provide basic social services, and undertake community development (Cleary, 1997).

NGOs are committed to addressing social needs and improving the human condition. In addition to this broad mandate, many NGOs share a number of other characteristics, for instance they recruit and engage volunteers for many of their activities and are usually led by volunteer boards; they place mission before profits; and they engage in activities, such as grassroots advocacy campaigns that would be difficult or impossible for other organizations.

NGOs receive support from the government and other corporations, and they often work in collaboration with these groups, each bringing their particular competencies to bear on a common issue. Such collaborations, especially those with the corporate sector, have often led to an increased professionalism and efficiency in NGOs. In fact, many choose to refer to themselves as not for-profits, rather than nonprofit, indicating that although they are not in the business of making a profit, they are by no means averse to raising more funds for their work. Of course, unlike for-profit corporations, which distribute earnings and dividends to their shareholders, NGOs roll their surplus revenues into ongoing activities or hold them in reserve to cover future needs. In Kenya they are a several

international NGOs operating in different sector of the economy. This ranges from those in the Health, Education, Agriculture, Relief, and environment.

NGOs carry on various campaigns and activities, based on their orientation and the Operation levels (Kameri, 2000). NGOs Based on Orientation include; Charitable Orientation which undertakes various relief activities during any disaster which may be man-made or natural, Service Orientation NGOs which carry on with activities as the provision of health, family planning or education services and Empowering Orientation NGOs which strengthen the awareness of their own potential in order to live a healthy life. NGOs Based on Operation include; community-based Organizations which is born out of people's initiatives and include women's organizations, sports clubs, religious or educational organizations, Citywide Organizations which include organizations such as the Rotary or lion's Club, chambers of commerce and industry, associations of community organizations and coalitions of business and National NGOs this include organizations such as the Red Cross, YMCAs/YWCAs, professional organizations etc.

1.2 Statement of the Problem

NGOs are usually non-profit organization that obtain at least a portion of their funding from private sources (Korten, 1990). Usually, NGO donors requires that a firm be clear on financial regulations that are inline with those of the parent offices, with strong laid down internal controls. It faces escalating pressure to do more with less, to maximize resources, lower costs and meet the needs of diverse stakeholders.

NGO's are constantly struggling to maintain their autonomy and control over their own objectives and programs, while at the same time balancing pressure from their donor, government and other partners (Dees, 1998). Oster 1998 observes that NGO's are donor driven and each donor will likely come up with terms and conditions which influence their activities such as allocation of funds. By virtue of resources, donors are strategically placed to exercise enormous influence on policies and practices (Oster, 1995).

Many studies have been carried out in the NGOs sector for instance Bwiko (2000) did a survey on Strategic Management within Non Profit Organizations in Kenya. His study focussed on how and whether these NGO are applying strategic management in their organization and the effects of it. The findings revealed that most of these organizations are practising Strategic Management and this has greatly improved their operations. Maraka (2009) did a study on management of strategic change at International Federation of Red Cross and Red Crescent Societies, her study sought to establish the change management practices and the challenges faced in management of change. The findings of her study were that the change practises applied were not fully inline with popularly acceptable practices and there was a great deal of resistance from employees.

This study sought to establish the strategies adopted by international NGOs to sustain themselves, and the challenges faced in managing these international NGOs. The study therefore sought to answer the following questions.

- (i) What are the strategies adopted by international NGOs to sustain themselves?
- (ii) What challenges are faced in managing international NGOs in Kenya?

1.3 Objectives of the Study

The objectives of this study were:

- (i) To determine sustainability strategies adopted by international NGOs in Kenya to sustain themselves.
- (ii) To determine the challenges faced by management in running international NGOs in Kenya.

1.4 Importance of the Study

It is hoped that the findings of this study will benefit the organization's stakeholders as well as various other groups of people in the following ways: Foremost, the study will enable the stakeholders to know if their operations can be contained in the long run, it will also enable them to know how best to carry out its operation in a manner that will lead to a long survival of the company especially in this dynamic environment. Secondly, Managers will use the finding of the study to develop effective strategies for the organization. The study will also enable the donors and the firm develop a better understanding of the environment within which they are providing funding. Lastly, the Government will be able to use the findings for policy formulations for instance to chart way forward for development of the sector in relation to changing donor support.

CHAPTER TWO: LITERATURE REVIEW

2.1. Introduction

This chapter discusses the major concepts relating to Non Governmental Organizations in Kenya and what various researchers have had to say about these concepts. The chapter focuses on, the formation of NGOs in Kenya, their various roles, the classification, performance and sustainability strategies of International NGOs in Kenya.

2.2. Management of International NGOs in Kenya

The formation and management of non governmental organizations are governed by the laws of the country/state where they are formed. Some jurisdictions have special laws creating special nonprofit entities while others require the formation of a traditional corporation and let the “nonprofit” designation and dedication be carried out in other ways (Fernando, 1997). In Kenya, Non-Governmental Organizations are registered by the NGO Coordination Board and governed by the NGO Coordination Act of 1990 (Act No. 19, Laws of Kenya) and its Regulations of 1992. Section 2 of the Act defines NGOs as “private voluntary groupings of individuals or associations not operated for profit or for other commercial purposes but which have organized themselves nationally or internationally for the benefit of the public at large and for the promotion of social welfare, development, charity or research in the areas inclusive of, but not restricted to, health, relief, agriculture, education, industry and the supply of amenities and services”

NGOs and societies are subject to mandatory registration, at least according to the law as written, although this has not proved problematic in practice (NGO Coordination Act, 1990). Under this NGO Coordination Act, for example, it is illegal for any person to operate an NGO in Kenya without registration and a certificate under the NGO Coordination Act. In practice, however, many NGOs have opted to register under alternative legal forms. The Societies Act provides that every society which is not a registered society or an exempted society is an unlawful society. Hence, where ten or more persons get together, they are expected, according to the law, to have that group registered. There are stiff penalties for operating as a society without a registration certificate. This legal provision is, however, rarely enforced.

NGOs must have good governance to provide the leadership, direction, and legitimacy for an organization. Typical NGO founders are charismatic individuals with a strong commitment to a cause or purpose and a definite set of ideas about how to serve that cause. However, other staff and constituents need to share the founders' understanding and commitment if the organization is to be sustained. Leadership is more effective if it is open to a wide variety of opinions and talents. Effective NGO leaders use the talents and enthusiasm of all NGO stakeholders—board members, staff, community members, clients, and even donors (Carlos, 1997). Leaders are also more effective if they are focused and consistent, so they will be trusted and followed. Above all, good NGO leadership fosters the involvement and participation of the NGO's stakeholders and the community.

NGO leadership must articulate and maintain the organization's mission (Green, 1997). An NGO's leadership includes members of the organization's board and staff in management positions. The board's function is to provide policy direction, ensure organizational planning, and hire and direct the NGO's senior manager. The board customarily performs fundraising and public relations functions. Management is responsible for the day-to-day operations of the organization and implementing the board's policies and plans. Both the board and management monitor the internal and external environment and are responsible for adapting to change (Carlos, 1997). All too often, boards tend to micromanage and managers take on the role of the board in setting the NGO's direction and policies. A common issue in NGO governance is the different roles of the board and management. Management is responsible for coordinating activities that implement the governing body's plans and achieve the organization's mission. Managers of small NGOs oversee all aspects of the organization with little need for systems and procedures. As the NGO grows, there is increased reliance on procedures and information systems to keep management informed so they can coordinate the organization's activities.

2.3. Role of Non Governmental Organizations

In the recent times the political system in form of democracy has changed its contours. Therefore in order to ensure that democracy is not abused and democratic institutions are not sullied, there is need to focus all attention on the fact that ultimate power should rest with the masses of people (Aubrey, 1990). In the other words it would mean creating

awareness and educating people to learn about their rights and duties. There is need to make the people alert against any impostors and pretenders seeking their vested interests.

NGOs have a very significant role to play in a democracy. Under the NGO Coordination Act, NGOs are established for the benefit of the public at large and for the promotion of social welfare, development, charity or research in the areas inclusive of, but not restricted to, health, relief, agriculture, education, industry, and the supply of amenities and services. Sessional Paper No. 1 of 2006, which is the National Policy for NGOs, describes NGO purposes as the following: “Enhancing the legitimate economic, social and/or cultural development or lobbying or advocating on issues of public interest or interest of a group of individuals or organizations.”

NGOs have played a vital role all over the world in tackling the range of issues (Cleary, 1997). Their role is not limited to one sector but extends from one corner to other. The government launches many schemes but the success of such schemes is based on the activity and campaign done by various NGOs in order to ensure better implementation of the scheme. NGOs manage the host of issues concerning the civil society. They carry on work for better health, protection of the environment, education etc. Some NGOs are devoted to specific issues such as women’s healthcare or HIV/AIDS.

Africa is the one of the worst effected continent with AIDS. An estimated 22.5 million people are living with HIV in the region, around two thirds of the global total. In 2009 around 1.3 million people died from AIDS in sub-Saharan Africa and 1.8 million people

became infected with HIV (UNAIDS, 2010). Kenya AIDS NGO Consortium consists of more than 600 NGOs. In Africa there are many religious organizations are also carrying on AIDS-related activities and campaign in Africa. There are several NGOs related to activities concerning environment. Environmental NGOs in the former Soviet Union had a vital role in the political, social and economic changes that took place in the middle of the 1980s. Even today, they continue to have great impact in many countries across the globe. NGOs also push for transparency and accountability within government, which in turn can leads to political reform.

2.4. Performance of International NGOs

Organizational performance comprises the actual output or result of an organization as measured against intended goals and objectives (Fowler, 1996). International NGOs in Kenya have developed strategies and organisational structures according to their differing goals: profits and ideals. The goals of an NGO are not measured in terms of loss or profit; the results are qualitative. For NGOs the criterion is whether the way the budget is spent will meet the expectations of the sponsors and public opinion. An NGO needs to survive, just like a company. They have people on their payroll and need cash. Careers are planned and pursued. This is a fact of life in the corporate world but less obvious in the case of the not-for-profit world (Edward, 1999). A strategy is built to add value, be it money or ideals. A prerequisite for this is that the organisation stays alive. No actions may go against this condition, and some actions are targeting only this condition. Survival must take priority over added value.

The factors determining performance are explored through the interaction of organizational decisions with the external context. Although these interactions are complex and dynamic, some clear conclusions emerge. Making a difference to livelihoods and capacities among poor people depends on NGO successes in fostering autonomous grassroots institutions and linking them with markets and political structures at higher levels (Edwards, 1999). These conclusions question the current predilection among donor agencies to fund large-scale NGO service delivery.

To sustain themselves, many International NGOs in Kenya are embarking on the process of strategic management, Strategic implementation, strategic change management all these is to ensure that their organization are managed in such a way that the overall goal is achieved despite the forces form the environment (Kameri, 2000) .This is the reason why many NGOs are recognizing the need for stronger business practices and that has led to the greater professionalization of NGO management

Fowler (1996) divides the assessment of NGOs into three related categories: outputs, outcomes, and impact. Essentially, he argues that performance is a multidimensional arena for NGOs, one that cannot be approached with any single metric. The beauty of the output/outcome/impact divide is that it enables the analyst to frame assessment along a range of criteria, one that tracks closely with the inherent complexity of any NGO's task. For nearly any NGO in Kenya, one can identify outputs from the organization's function. For example, an NGO dealing with public health training could be expected to produce certain kinds of easily measured outputs: the number of public health officials trained, the

number of programs offered the extent of citizen outreach. Likewise, an NGO dealing with the provision of shelter could be evaluated in terms of the number of housing units constructed or the amount of mortgage financing provided. In neither case would the numbers be definitive, but they would at least provide a solid benchmark for analysis. More importantly, this kind of output-based number would be considerably more specific than aggregate figures for resource allocation or administrative overhead, but more objective than simply relating the NGO to its own mission objectives. Organized by category, output numbers would allow analysts to evaluate an NGO's performance over time and in comparison to other similarly positioned groups

2.5. Sustainability Strategies of International NGOs

The sustainability of an NGO can be measured by its vision which includes the positioning of an organization within the external environment and its flexibility to adapt to changes in this environment, Its individual staff capacities, skills and aptitude, and their collective synergy and the organizational capacity to attract and retain a staff body and individual staff of the calibre or potential calibre necessary for running programmes effectively, organizational capacity to be accountable to funders, governing bodies or boards, staff and target groups (Green, 1997).

NGOs success can be judged by organizational ability to remain detached from party politics, Its able and committed leadership with solid skills derived either from grassroots experience and connections, or from formal educational qualifications, participatory and democratic involvement of grassroots membership and NGO staff in matters pertaining to

organizational and programme development (including staff selection), transparent and accountable (to grassroots membership and staff) management, Its ability to secure donor funding from known organizations with which partnerships have been developed, by having Donors who are committed to capacity building, skills development and conflict resolution and who refrain from becoming enmeshed in internal organizational politics, and who are able to adopt non-interventionist methods and have sound organizational control mechanisms deriving from democratic participation and/or measurable control systems and finally development of forward-thinking management and leadership strategies, and reduced reliance on organizational crisis management (Edwards, 1999).

Financing strategy is also an indicator of whether an International NGO can sustain itself. It consists of diversifying sources of income and thus minimizing dependency on any single source-reducing vulnerability to shifts in fund availability or donor preferences (Davis, 2004). A sustainable approach to NGO financing is an approach that avoids dependency on any one source of revenue, whether external or internal. It is impossible to prescribe any formula for the percentages that need to be derived from various sources to constitute a “financially sustainable NGO.” However, a balance between externally and internally generated resources is necessary in order for an organization to meet its operating and administrative expenses while maintaining the freedom to determine its programmatic priorities and projects, irrespective of donor preferences. A rule of thumb is that an NGO try to raise sufficient funds from internal sources to cover its basic operating costs but approach external donors for its program costs.

Most NGOs in many regions of the world remain heavily dependent on the external financial assistance of foreign, primarily Western, donors for instance; Family Health International relies on funding from the Gates Foundation and the USAID. Christian Aid on the other hand gets its funding from the United Kingdom. The support provided by international donor's accounts for the single largest source of NGO funding in the region. This has presented a two-part problem for local NGOs. First, the level of international funding is unstable. Resources for NGOs have not been as forthcoming and many donors have shifted their attention to other priorities-more needy, politically expedient or publicly popular regions of the world. Second, existing international donor funds in the region are often earmarked for particular projects or for limited project cycles.

Donors often attach very specific limitations on how money can be spent, designating particular issues or themes or supporting only programmatic expenses. This has made it tremendously difficult for NGOs to raise adequate support for their ongoing, operational expenses. The current donor enthusiasm for project-based funding puts the focus on the activities of NGOs rather than on sustaining the organizations themselves. In practice, institutional or organizational development remains a lower priority. NGOs are forced to "go where the money is" regardless of whether the project priorities identified by a perspective funder suit the long-term strategic plans of the NGO. This approach has led NGOs into an endless cycle of resource dependency (Davis, 2004)

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter establishes what the research design was, the population of study, the sampling design, data collection method and finally how the data collected was analysed

3.2 Research Design

The research adopted a descriptive design and used a cross-sectional survey. This allowed investigation of broad categories of related objects and comparison of outcomes with results.

3.3 Population

The population of study was all International NGOs registered to operate in Kenya, are based in Nairobi, and have been in operation for two or more years preceding years.

3.4 Sampling Design

There were 121 International NGOs operating in Nairobi Kenya (NGO Coordination Board 2009). This was stratified into 12 Categories representing the 12 sectors of the Economy in which these NGO operates in. One third of each stratum was selected through simple random sampling to obtain a fair representation of each group leading to 40 the number of international NGOs selected to represent the population.

3.5 Data Collection

Primary data was collected by use of questionnaire. Top Management, Chief Executive Officers and Key Managers were selected to complete the questionnaire. The questionnaire was designed to have both open ended and closed ended questions and was pre-tested before it was given to the respondents. Secondary data was collected from books, articles and Journals on Non Governmental Organizations in Kenya

3.6 Data Analysis

Descriptive statistics was used for the purposes of data analysis to analyse views on sustainability strategies adopted by International NGOs in Nairobi Kenya. This included the use of tables, Percentages and Frequencies to measure and compare outcomes.

CHAPTER FOUR: DATA ANALYSIS AND INTERPRETATION

4.1 Introduction

This chapter presents results of the analysis. It is divided into two sections. The first section deals with the Performance and sustainability strategies of international NGO's based in Nairobi Kenya whereas the second section outlines some of the challenges of managing these international NGO's based in Nairobi Kenya.

4.2 Response rate

Out of the total sample of 40 international NGOs, 24 organizations responded giving a 60% response rate. The responses received were categorised into the core business of the organization as shown in the table 4.1.

Table 4.1 Core Business area

Core Business	Frequency	Percentage of responses
Poverty Eradication	1	4%
Health care	11	46%
Development and Relief	5	21%
Education Improvement	2	8%
Any other	5	21%
Total	24	100%

Table 4.1 shows that a majority of NGOs are in the Health Sector, this could be attributed to focus by donors to ensure various health issues affecting Africa at large are looked into.

4.3 Performance of NGOs

The respondents were asked to state whether they think their organization is performing well, if it is meeting its objectives and what they think contributed to none or under performances. The responses to these questions were analysed in table 4.2 and 4.3.

Table 4.2 Extent of achievement of objectives

Extent	Frequency	Percentage
Very Low Extent	1	4%
Low Extent	0	0%
Indifference	0	0%
Large Extent	22	92%
Very Large Extent	1	4%
Total	24	100%

Table 4.2 shows that 92% of the respondents felt that their individual organizations was meeting its objectives to a larger extent.

The respondents were asked to indicate how they rate the performance of their various organizations. The results are shown in Table 4.3.

Table 4.3 Rating of performance

Rating	Frequency	Percentage
Very Good	7	29%
Good	16	67%
Average	1	4%
Poor	0	0%
Very poor	0	0%
Total	24	100%

As shown in table 4.3, 67% of the respondents rated their performance as good, 27% rated it as very good while 4% felt their performance was average.

The reasons stated for non performance includes: Poor attitude by staff and the beneficiaries, competition from other organizations, inadequate existing systems, poor linkages between different NGOs, lack of skills and experience of staff, donor funding not assured, non conducive government policies, high staff turnover, frequent change of strategies due to change in leadership, organizational change leading to uncertainty, financial crisis, global melt down and lack to laid down policies and procedures.

4.4 Sustainability Strategies

The respondents were asked to indicate the sustainability strategies adopted by their organizations. It was evident that each organization had their own strategies which they were adopting to ensure the long time survival.

It was however, evident that the most common sustainability strategies adopted by most organizations included: adopting a strategic plan which enable the organization to plot a long term direction, innovativeness which ensures that the organization is always ahead of others, improved donor reporting which ensures that donors are updated on the progress of projects, engaging in partnerships and collaboration which enables sharing of resources by using little and sharing more hence getting great results, staff training and development and better pay which has the effect of increasing staff performance and motivation and encourages them to do more, capacity building and empowerment of communities which builds a sense of ownership and enhances sustainability of interventions, institutional building, transparency and good management practice which enhances accountability .

Other sustainability strategies includes: remaining on the core business area of the organization which enable organizations not to deviate for those projects that do not add value and hence avoiding wastage of resources, engaging in income generating activities to substitute for a shortfall in funding, resource mobilization on personnel by keeping lean and small staff level that are capable of performing to avoid wastage of resources, linking with government and private partnership, regular proposal development which

attracts multiple donor ,advocacy, caring out funding campaign to boost organization finances, public systems strengthening and partnerships, cost reduction buy engaging in cost control measures such as sticking to budgets and engaging in consultancy work.

The respondents were also asked to mention the extent to which sustainability strategy adopted by their organisation has improved performance, their responses is analysed in table 4.4.

Table 4.4 Extent to which sustainability strategies adopted improved performance

Extent	Frequency	Percentage
Very low extent	1	4%
Low extent	0%	0%
Indifference	9	38%
Large extent	13	54%
Very large extent	1	4%
Total	24	100%

Table 4.4 shows that sustainability strategies adopted by an organization improves performance to a large extent. This is because the sustainability strategies adopted enables the organizations to have a clear laid down policies that all staff follow which ensure that everyone focuses on a common goal which bring outs good performance.

On sustainability the respondents were also asked to highlight things that should be done to improve performance and hence sustainability, their responses included: Strengthening community support, having experienced staff, getting support from corporate, regular staff training and development, regular communications with implementing partners, clear policy, focus on objectives, scale up capacity building, avoiding frequent management change, getting independence from core donors, sourcing for more funding, proper implementation of strategic plans, doing more community sensitization, sourcing for more donors, advocacy, strengthen public systems for accountability, proper legal frameworks stakeholders partnerships, beneficiary participation.

The respondents were asked to indicate the main source of funds for their organizations, 46% said that their finance is sourced internally while 54% said they source for their funding both locally and internationally. On whether the organization relied on a particular source of financing; 38% of the respondent admitted that indeed their organization relied on a particular source while 62% stated that their organization did not rely on a particular source of funding.

The study also sought answers from respondents as to what they do to finance deficit in financing, their responses highlighted the following: cutting down on activities, sourcing for more funding, engaging in cost cutting, revision budgets and plans and finally engaging in income generating activities.

The respondents were asked whether the organization carries out any activities that leads to generation of surplus, only 21% of the total responded stated that their organization carry out activities that generated surplus. This category of respondents were asked to state whether donors have restrictions on this, 60% admitted that donors have restrictions on them carrying out of activities that leads to generation of surplus. This entire category admitted that this restriction partially affects objectives and performance.

All the respondents unanimously agreed donors impose conditions on use of funds. The responses gave the effect of these conditions on performance as; Others felt the effect was minimal as the conditions are normally established in the organization structures, Some respondents noted that this sometimes leads to objectives not being fully achieved, the conditions also leads to a limited scope to expand, it also has negative effect on staff as they feel donors do not trust them to make good decisions, others felt they are affected positively since they become more vigilant to spending, it also limits freedom to prioritise needs.

4.5 Challenges in Management of International NGOs

The study sought to find out the factors that posed challenge in management of international NGOs. The results are shown in table 4.5.

Table 4.5 Factors that pose challenge in Management of International NGOs

Factors	Frequency	Ranking
Finance Restrictions	21	1
Management Issues	19	3
Government Restrictions	20	2
Donor Restrictions	19	3
Environment	17	5
Total	96	

As shown in table 4.5, most respondents felt that finance restrictions pose a greater challenge in management of international NGOs followed by government restrictions. Management issues and donor restrictions were both ranked at number three whereas environment was ranked last as a factor that pose challenge in management of international NGOs.

The respondents were asked to indicate the extent to which the various factors pose a challenge in management of international NGOs. The results are shown in table 4.6.

Table 4.6 Extent to which various factors pose challenge in Management of International NGOs

Factors	1 Very low extent	2 Low extent	3 Indifference	4 Large extent	5 Very large extent	Total Percentage
Finance Restrictions	5%	28%	10%	52%)	5%	100%
Management Issues	21%	32%	16%	26%	5%	100%
Government Restrictions	15%	25%	15%	40%	5%	100%
Donor Restrictions	0%	42%	11%	47%	0%	100%
Environment	18%	41%	23%	12%	6%	100%

As shown from table 4.6, it is evident that most respondents felt that Finance restrictions pose a challenge in management of international NGOs to a larger extent; this is because NGOs are not for profit organizations and as such relies mostly on donor funding, if this funding is no sufficient then there is a great challenge in managing their operations. According to the finding in table 4.6 management issues pose a challenge in management of International NGOs to a low extent; this may be attributed to the rising need of organization to hire qualified professionals to manage the organization failure to which their jobs are not assured. The findings also showed that government restrictions and donor restrictions pose challenge in management of international NGOs to a larger extent, this is because government may set in policies that may or may not be conducive for these organizations and therefore any policy set affects these organizations either positively or negatively. Donor are of great influence in management of international NGOs, this is because they are the ones that fund them and such they want to put in measures to ensure that their funds are channelled to the activities intend to.

4.51. Challenges in adopting Sustainability Strategies

The respondents were asked to state challenges their Organizations face in adopting sustainability strategies, their responses includes: Constant restructuring and constant change of operational strategies which lead to personnel not being certain on the goals and can lead to resistance, constant change of leadership affect employees in that each leaders have their own way of management, this may cause behavioural resistance , lack of capacities of local implementing partners in terms of technical expertise this leads to these organizations having to hire consultants to enable them execute some activities, this may be costly to the organizations, Inadequate funding, inadequate staffing, Inflation, , management and donor restrictions, inadequate knowledge and skills, unpredictable donor interest and priorities, poor relationship between public and private partnerships, weakness in accountability, governance, leadership and technical capacity.

CHAPTER FIVE: SUMMARY, RECOMMENDATIONS AND CONCLUSIONS

5.1 Introduction

This chapter outlines the summary of the finding, conclusions and recommendations. This is in line with the objectives and elements of the study. Based on these findings it makes conclusions and recommendations on sustainability strategies of international NGOs based in Nairobi Kenya.

5.2 Summary

The objective of the study was to establish the sustainability strategies adopted by international NGOs based in Nairobi Kenya and to determine the challenges in running international NGOs in Kenya. Data was collected by use of a questionnaire completed by Senior Management.

The study found out that most international NGOs was meeting its objectives and that their performance was relatively good. The finding also showed that these organizations adopt sustainability strategies such as; engaging in consultancy work, adopting a strategic plan, innovativeness, engaging in income generating activities, resource mobilization on personnel, engaging in partnerships and collaboration, Staff training and development and better pay, capacity building & empowerment of communities, institutional building, transparency, good management practice, remaining on the core business area of the

organization, improved donor reporting, keeping lean and small staff level, linking with government and private partnership, regular proposal development, advocacy, caring out funding campaign, public systems strengthening and partnerships, cost reduction. These sustainability strategies have lead to an improvement of performance to a larger extent.

From the study findings, it is evident that the finance restrictions posed a greater challenge in the management of International NGOs; this was followed by government restrictions, management issues and donor restrictions and finally environment which pose a challenge in management of these organizations to a lower extent.

5.3 Conclusions

The findings of this study have shed adequate light to draw pertinent conclusions about sustainability strategies adopted by International NGOs. It is evident from the study that international NGOs must adopt strategies that suit their organizations as these strategies will lead to an improved performance and subsequently the organizational become sustainable in the long run.

From the findings, it can be concluded that the organizational must have a good relationship with donor by engaging in practices such improved donor reporting and complying with donor requirement; this will guarantee donor support and as such ensure that their funding is sufficient and reliable.

The international NGOs need also to have stronger partnerships between public and private sector, have clearly well defined policies and procedures, and have a strong management team, and engage in strategic management. All these will lead to improved organizational performances.

It is also evident that finance restrictions pose a greater challenge in management of international NGO, it is therefore important that the organizations need to find a better means of managing their finances for instance not relying on a particular source of income, engaging in cost cutting measures and sticking to budget.

From the study, it is evident that international NGOs have a great challenge in adopting sustainability strategies, this challenges includes: Constant restructuring and constant change of operational strategies, constant change of leadership, lack of capacities of local implementing partners, Inadequate funding, inadequate staffing, Inflation, management and donor restrictions, inadequate knowledge and skills, unpredictable donor interest and priorities, poor relationship between public and private partnerships, weakness in accountability, governance, leadership and technical capacity.

5.4 Recommendations.

The success of international NGOs relies on their sustainability strategy that these organizations choose to adopt. Results from this study imply the need for the organizations to adopt strategy that best lead to them achieving their goals and objectives. These organizations must therefore ensure that they develop a good relationship with

donor to guarantee their support and ensure their funding is reliable. Organisations should also build in stronger relationship between public and private partnerships this has an impact to increasing technical capacities. Organization should also engage in capacity building of local implementing partners and staff to increase expertise knowledge and skills.

In avoiding challenges that come about with adoption of sustainability strategies organizations need to reduce case of constant restructuring and constant change of operational strategies as this will lead to the personnel not to be certain on what they are required to do and this can lead to underperformance, Constant change of leadership should also be reduced as leaders tend to bring in their own demands which can lead to behavioural resistance.

5.5 Suggestions for Further Research

The study found that adoption of sustainability strategies by International NGOs leads to improved performance it is therefore recommended that all organizations adopt sustainability strategies as the concept of sustainability is a key issue in almost all organization and every existing organization would want to exist in the long run. It was evident from this study that sustainability strategies adopted leads to an improved performance and hence the organizations become sustainable. Financing strategy is clearly considered to be a major strategy; therefore a study can be conducted further to link finance strategy to performance. It is recommended that a study be conducted to

establish appropriate ways by which organization can have a stronger partnership between private and public sector and their effect on organization performance.

5.5 Limitations of the Study

Every study encounters some level of limitations because of the scarcity of resources and time. During this study, it was challenging to get organizations to complete the questionnaire as some felt the topic was sensitive and that the information collected could be used by similar organizations.

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Appendix I
Questionnaire

This Questionnaire is designed to collect views on Sustainability Strategies of International NGOs Based in Nairobi Kenya

Section A: Organization Profile

Organization Name:
Position/Title of the Respondent:
Service Type of the Organization:
No. of Employees:

Section B: Performance and Sustainability

1. What is the core business of your organization? (Tick where appropriate)				
a) Poverty eradication		<input type="checkbox"/>		
b) Healthcare		<input type="checkbox"/>		
c) Development & Relief		<input type="checkbox"/>		
d) Education Improvement		<input type="checkbox"/>		
e) Any other (Please specify)		<input type="checkbox"/>		
2. To what extent do you think your Organization is meeting its objectives? (Tick where appropriate)				
1	2	3	4	5
Very low extent	Low Extent	Indifference	Large extent	Very large extent
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. How does your Organization rate its Performance? (Tick where appropriate)				
1	2	3	4	5
Very Good	Good	Average	Poor	Very Poor
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. In your Opinion what do you think contributes to non performance in your Organization?				
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.....				
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5. What sustainability strategies does your organization use?

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6. To what extent has the sustainability strategies adopted by your organization improved performance

1	2	3	4	5
Very low extent	Low Extent	Indifference	Large extent	Very large extent
()	()	()	()	()

7. What do you think should be done to improve performance and hence sustainability of your organisation?

.....
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.....
.....

8. How does your Organization Source for its Funding?

- a) Local
- b) International
- c) Both Local and International

9. Is the funding reliable or sufficient?

.....
.....
.....

10. Does your Organization rely on a particular source of financing

- a) Yes
- b) No

11. What does your organization do to finance the deficit in its funding?

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12. Does your organization in any way carry out activities that lead to generation of Surplus?

- a) Yes
- b) No

13. If yes do your donors have any restrictions on generation of Surplus?

.....
.....

14. How do those restrictions if any affect the company objectives and performance?

- a) Fully affects objectives and performance
- b) Partially affects Objectives and Performance
- c) Has no effect on Objectives and Performance

15. Do the donors impose any condition on the use of funds?

- a) Yes
- b) No

16. If yes, how does that affect the company performance?(Explain)

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Section C: Challenges in Management of International NGOs

17. To what extent do the following factors pose challenges of managing your Organization?
(Tick where appropriate)

Factors	1 Very low Extent	2 Low Extent	3 Indifferen ce	4 Large Extent	5 Very large Extent
Finance Restrictions	()	()	()	()	()
Management Issues	()	()	()	()	()
Government Restrictions	()	()	()	()	()
Donor Restrictions	()	()	()	()	()
Environment	()	()	()	()	()

18. Please list any other factors not mention in 18 above that pose challenges in managing your organization?

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19. What are the challenges faced by your Organization in adopting sustainability strategies?

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Thank you for your cooperation

Appendix II
LIST OF NGOS

Org Name	Sectors
1 Helplife Africa	AIDS
2 I Choose Life Africa	AIDS
3 Farm Africa	Agriculture
4 Children's International Summer Villages, Kenya	Children
5 Globalnet Kenya	Children
6 Hope For Kenya's Kids	Children
7 International Socio-Medical Children's Support Services	Children
8 Africa Educational Trust	Education
9 Education Support For Africa Organization	Education
10 Education And Public Awareness Media Centre	Education
11 The Education Kenya International Fund	Education
12 Friends Of America Foundation	Education
13 Environmental Friendly Services	Environment
14 Network For Water And Sanitation International	Environment
15 International Council Of African Museums	Environment
16 Council For International Development	Development
17 International Centre For Community Aid And Development	Development
18 International Organization For Development	Development

19	International Support Services	Development
20	International Co - Operation For Integrated Rural Development	Development
21	Urban Centre International	Development
22	Worldview International Foundation	Development
23	Afriafrica	Health
24	Family Health International	Health
25	Intrahealth International	Health
26	Pathfinder International	Health
27	Save Africa	Health
28	Vessel Of Hope International	Health
29	African Relief And Development Programme	Poverty Alleviation
30	Development Strategies Centre For Poverty Alleviation	Poverty Alleviation
31	Hope Of Grace International	Poverty Alleviation
32	Institute For International Development	Poverty Alleviation
33	International Community Assistance Organization	Poverty Alleviation
34	Starlife Care International	Poverty Alleviation
35	Kenya Grand Lodge Of International Organisation Of Good Templars	Rehabilitation
36	Africa Rescue Organization	Relief
37	International Rescue Committee	Relief
38	Trocaire	Relief
39	World Opportunities International	Religion

**SOURCE : NGOS CO-ORDINATION BOARD (2009)
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