SUSTAINABILITY STRATEGIES ADOPTED BY INTERNATIONAL TRAINING AND EDUCATION CENTRE FOR HEALTH KENYA

LUCIAH ANGELA AMONDI OTIENO

A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION SCHOOL OF BUSINESS, UNIVERSITY OF NAIROBI

NOVEMBER, 2014
DECLARATION

I declare that this project as my original work has not been presented for award of a degree in any other university.

Signed: _____________________________    Date:

Lucia Angela Amondi Otieno

D61/63203/2011

This project has been submitted for examination with our approval as University of Nairobi supervisors.

Signed: _____________________________    Date:

Dr. VINCENT MACHUKI
LECTURER, SCHOOL OF BUSINESS
DEPARTMENT OF BUSINESS ADMINISTRATION
UNIVERSITY OF NAIROBI
ACKNOWLEDGEMENTS

I acknowledge the guidance accorded to me by my supervisor, Dr. Vincent Machuki. Thanks for your keen guidance and patience as I worked towards this end.
ABSTRACT

Sustainability is the management and coordination of environment, financial social and economic resources to ensure success and continuity. Social, environmental and economic demands are considered the three pillars of sustainability. There is a wealth of knowledge on the process of improving an organization’s sustainability built by the experience of many people who have worked over many years to improve the sustainability of many different organizations. The main insight from this collective experience is that an organization’s level of commitment to sustainability is the most important factor of success. International Training and Education Centre for Health (I-TECH) Kenya operates in Kenya as a non-governmental organization with its headquarters in the United States of America Seattle. The organization is funded through the health resources services agency mechanism and the project is monitored through the center for disease control. This means that the organization has only one source of funding for its project in Kenya. This project sought to investigate the sustainability strategies that the organization in Kenya adopts to ensure it is attractive for alternative sources of funds and the challenges it encounters in doing so. The data for this study was collected by use of an interview guide and content analysis used to analyse the data. The key findings of the study were that the organization has adopted various sustainability strategies to ensure sustainability among them, paradigm shift in programming, key partnerships with other like-minded organizations, enhanced human resource compensation and reward systems. There are other strategies that the organization could improve on and enhance as found from the research. Further research is recommended to study the effectiveness of the different strategies employed for the organization.
TABLE OF CONTENTS

DECLARATION ............................................................................................................................................... ii

ACKNOWLEDGEMENTS ................................................................................................................................... iii

ABSTRACT .......................................................................................................................................................... iv

ACRONYMS AND ABBREVIATIONS ............................................................................................................... vii

CHAPTER ONE: INTRODUCTION .................................................................................................................. 1

1.1 Background of the Study .......................................................................................................................... 1

1.1.1 The Concept of Sustainability Strategy .......................................................................................... 3

1.1.2 The NGO Sector in Kenya .............................................................................................................. 6

1.1.3 International Training and Education Centre for Health Kenya ............................................... 8

1.2 The Research Problem .......................................................................................................................... 9

1.3 Research Objectives ............................................................................................................................ 11

1.4 Value of the Study .................................................................................................................................. 11

CHAPTER TWO: LITERATURE REVIEW ...................................................................................................... 13

2.1 Introduction .............................................................................................................................................. 13

2.2 Theories Anchoring the Study .............................................................................................................. 13

2.3 Sustainability Strategies ....................................................................................................................... 16

2.4 Challenges of Implementing Sustainability Strategies by International Training and Education Centre for Health ................................................................................................................................................. 19

CHAPTER THREE: RESEARCH METHODOLOGY ..................................................................................... 21

3.1 Introduction .............................................................................................................................................. 21

3.2 Research Design ..................................................................................................................................... 21
3.3 Data Collection

3.4 Data Analysis

CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

4.2 Sustainability Strategies adopted by I-TECH Kenya

4.3 Challenges faced in implementing Sustainability Strategies

4.4 Discussion

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS.

5.2 Summary

5.3 Conclusion

5.4 Recommendations for policy and practice

5.5 Limitations of the Study

5.6 Suggestions for Further Research

REFERENCES

APPENDICES

Appendix i: Letter of Introduction

Appendix ii: Interview guide
ACRONYMS AND ABBREVIATIONS

ITECH : International training and education centre for health

HRSA : Health resources services agency

CDC : Centers for disease control

UW : University of Washington

HQ : Headquarters

NGO : Non-governmental organisation
CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

A sustainable organization is an organization that plans ahead. For sustainability purposes, an organization has to put forward a strong argument as to why it needs to be in place. The future of an organization depends highly on its capability to address problems within the community in which it plans to exist. Accordingly, the first rule of sustainability is to have a clear vision which is consistent with existing needs within the community. The concept of sustainability was first employed in reference to natural resources and how they should be utilized. As knowledge and human capability have increased over time resources have also increased (Taylor, 1998). Organizations have to map clear strategic plans to ensure sustainability. The benefits of having sustainability strategic plans have been pointed out as being numerous to organizations (Chandler, 1962). Sustainability is the ability of an organization to remain relevant in order to provide goods and services to the community it serves and as an intangible asset that has the capability to enhance corporate reputation for organizations.

Sustainability is a part of strategic management and a process by which organizations incorporate tools and frameworks for developing and implementing strategy systems that help the organization think long term as well as manage its day to day activities (Carpenter and Sanders, 2007). The two tasks must be symbiotic and interlinked. There are several components with organizational identity, financial plans, long range strategic plans and fund raising plan, staff development along with organization culture appearing as the major components to consider.
Organization theory is the study of organizational designs and structures, relationship of organizations to the external environment and the behavior of managers and technocrats within the organization. Drucker (1974) put forward the theory of decentralization where organizations have autonomous operating units in order to minimize risk for the overall organization and ensure sustainability. It also suggests ways in which an organization can cope with rapid change in its external environment to ensure its survival. An approach to describing organization turnaround in organization theory was to propose a model that addresses five domains that focuses on the organization. The defense, offense, diversifies, consolidate or substitute (Zammuto and Cameron, 1985).

Organization theory complements the study of leadership, human resources, and financial aspects, among others to mark how the relationship with the external environment will be productive to ensure the sustainability. As an organization addresses these major aspects, it tends to understand the areas of weakness that require it to change and adapt sustainability strategies to its external environment, which brings about the change process. Another theory put forward is the organizational learning theory whereby a learning organization continually enhances its capability to create (Senge, 1990). He further mentions that organizations are continually moving from controlling to predominantly learning and the learning enables the organizations to remain sustainable. Organizational learning theory tends to bridge the gap between the old exploits, past and the new possibilities coming up from the learning process. It presents the process of change for an organization to learn what is in the environment, adapt to the changes in order to remain sustainable.
International Training and Education Centre for Health (I-TECH) is a center affiliated with the department of global health at the University of Washington (UW), established under the vision of a world in which all people have access to high quality, compassionate and equitable health care. Although I-TECH is a component of the University, it receives no funding from the University and is instead funded entirely by grants. Since being founded in 2002, I-TECH’s funding has been primarily through grants from the United States Government through the Health Resources Agency (HRSA). HRSA supports the training of health professionals, the distribution of providers to areas where they are needed most and improvements in health care delivery. Over the next five years the mechanism HRSA will not long disburse funds from the federal government. Since I-TECH receives funding solely through this mechanism, its sustainability comes into questions. Some of the challenges that the organization is currently facing is the single source of funding and the inability to source for other donors as I-TECH Kenya without necessarily having ties to the headquarters.

1.1.1 The Concept of Sustainability Strategy

Sustainability is the conscious and proactive use of methods that do not harm people and the planet in overall. The processes used to achieve sustainability must be reliable, replicable and measurable; outcomes must be confirmable, especially by outside scrutiny. Sustainability is creating objects of durability whose long term utility or use will not be harmful to future generations (Hawken, 2009). Sustainability covers all three time frames: rectifying past mistakes; reducing or eliminating current problems; building legacies for future generations. It is a human driven process (Wandiga, 2014). Sustainability is a continuous process and
not an end. It involves all elements and functions of an organization and every major decision made within the organization. The term sustainability has come into widespread use as a result of enhanced environmental awareness; however sustainability is much broader than this. Sustainability is also doing something that has a positive impact on its existence having a socially responsible outcome or impact (Senge, 2007). Sustainability is a long term business strategy that drives long term corporate growth and profitability. The main purpose of sustainability is to generate maximum increase in organizational awareness and satisfaction by embracing opportunities, managing risks derived from environmental and social development.

A sustainable organization that has the ability to survive over a long period of time and at the same time fulfills its mission and achieves its vision. Improved sustainability means broader sources of funding and an enhanced ability to deliver vital services to target populations. Sustainability implies that society must use no more of a resource than can be regenerated. This can be defined in terms of carrying capacity of the ecosystem (Hawken, 2009) and can be further described using the input output models of resource consumption. There is a wealth of knowledge on the process of improving an organizations sustainability built by the experience of many people who have worked over many years to improve the sustainability of many different organizations. The main insight from this collective experience is that an organizations level of commitment to sustainability is the most important factor of success. There must be full commitment to the process throughout the organization from the top management to the entire staff.
Sustainability is important to an organization in that it ensures continuity in service provision. This sees that the community that had originally benefitted from the services not experiencing a shortfall in the services previously delivered. An organization that has a sustainability plan can foresee increased financial consistency and security to enable each organization have a long term plan and strategy for its organization. A clear mission and strategic direction are the necessary skills to attract resources from a variety of local and international sources, skills and ability to manage resources effectively and efficiently and any effort at organizational regeneration (Njoroge, 2012). A long term plan and strategy for an organization will include the mission and strategic direction. Sustainability to an organization is important in that an organization exercises good governance when it has an internal system of checks and balances that ensure the public interest is served. An organization is accountable to its community when it demonstrates regularly that it uses its resources wisely and does not take advantage of its privileges to pursue activities contrary to its nonprofit status.

Organizations are accountable when they are transparent, readily opening its books to scrutiny by the concerned stakeholders (Hawken, 2009). This brings about increased accountability to the community at large that the organization serves. When an organization is accountable to the community it serves it brings about public involvement and the public will always tend to support the work the organization carries out. Sustainability is also important in that on organization that is sustainable tends to develop increases autonomy from external funders. The organization can develop a plan of action based on local priorities and implement
it with funds generated for that purpose. This sees the donor based organization not necessarily building their principles on the donor’s requirements.

1.1.2 The NGO Sector in Kenya

The sector in Kenya has made and continues to make enormous contributions to the development process in the country. The organizations are involved in various sectors in the country through affiliation with the government ministries and affiliation with various government agencies providing basic services that include education, economic employment, environment and natural resource conservation, agriculture, health, training and credit facilities, technical co-operation, training and capacity building. These organizations in Kenya gather their membership from international, regional and national presence. These NGO’s are active in various sectors including agriculture, water, education environment, health, human rights, gender and development, children’s rights, peace, population disability and many others. The NGO council provides overall leadership to the Sector. It champions the key values of justice and good governance. It enhances its members to practice self-regulation and assist them to improve the services they are offering in the social economic sector in Kenya in pursuit of sustainable development as stipulated in vision 2030.

The non-governmental organizations co-ordination act, 1990 (no.19 of 1990), amended through the Kenya Gazette Supplement No.85 (Act No.8) 23 October 1992, defines a Non-Governmental organization as a private voluntary grouping 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 (GOK 1990).

According to Kameri-Mbote (2002) the NGOs agenda and existence has been multifaceted and the following specific societal changes have spurred the formation, growth and development of NGOs; worldwide economic recessions, emergence of new diseases, recurrence of armed conflict, environmental degradation and climate change and dwindling job opportunities due to population explosion. Jillo and Kisinga (2009) agreed that the organizations have experienced increased economic importance in the country as providers of health, educational, social and environmental services.

There has been an enormous growth in the number of nongovernmental organizations being registered in Kenya or operating in Kenya. However, 70% of these registered NGO are not sustained up to 6 years. The financial management processes of not for profit organizations are generally dominated by conditions of scarce resources. Such organizations have limited opportunities for generating additional income, but are faced with an ever increasing agenda of projects and activities on which such funds could be spent. Having sustainable funding means being able to carry on the agenda for the beneficiaries and ensuring the core scope of work does not collapse in Kenya if the funding is withdrawn or minimized.

Currently the sector in Kenya faces a number of issues with lack of funds and poor governance and policies being one of the key factors. Absence of strategic planning and poor networking has also led to severe duplication of efforts and conflicting strategies at community level. Poor communication, limited approach
and hardware development approach are also a major issue confronting the sector in Kenya today.

1.1.3 International Training and Education Centre for Health Kenya

I-TECH Kenya began working in Kenya in 2006, under a subcontract from Engender Health with funding from USAID. This program lasted for two years, and then in 2009 I-TECH received $1 million in direct funding from the US Health Resources and Services Administration (HRSA). HRSA is an agency of the U.S. Department of Health and Human services, is the primary federal agency for improving access to health care by strengthening the health care workforce, building healthy communities and achieving health equity. HRSA’s programs provide health care to people who are geographically isolated, economically or medically vulnerable.

HRSA works in partnership with another USG agency, the center for disease control and prevention (CDC) and so I-TECH’s funding in Kenya is overseen by collaboration between HRSA and CDC. I-TECH through its parent entity the University of Washington has received over $16m between 2009-2014 to support the work in Kenya. As a project that works in partnership with HRSA, the US Centre for disease control and prevention-Global AIDS Program (CDC/GAP). Funding for these activities is provided through the (US) Presidents Emergency Plan for AIDS Relief (PEPFAR). Currently, I-TECH globally is funded on a five year cycle through the University of Washington that receives its federal funds directly from HRSA. I-TECH Kenya is charged with the task of providing technical assistance for the development of capacity for the use of
electronic medical records in Kenya. Previously this was done in regional blocks but has now been devolved to the county level across counties selected and allocated by the Ministry of Health and other stakeholders.

The country office has been carrying out activities within the various counties and the funding cycle will be lapsing in March of 2016. Once the cycle is complete, HRSA will not disburse the funds directly to the University and the Kenya country office sustainability will be questioned. This brings out how the country office should develop and adopt strategies that ensure it will be sustainable even without the single source of funds it had previously received. There are multiple sources of funds that the country office can tap into to fund its activities and ensure sustainability of the project and the organization should adopt various strategies to ensure they are eligible for funding for the various available resources.

1.2 The Research Problem

Sustainability is the ability of an organization to remain relevant in order to provide goods and services to the community it serves and as an intangible asset that has the capability to enhance corporate reputation for organizations. Blazek (1996) states that sustainability is one of the most crucial concerns that non-governmental organizations currently face. Sustainability of organizations ensures continuity of service to the community. As an organization evolves to remain relevant, there are several practices that it adopts as part of its policies to ensure that it adapts to the external environment. In many developing countries, the response to market gaps by non-governmental organization is clearly evident (Gaist, 2009)
One of the greatest challenges that face non-profit organization in many countries is how to sustain and support the organizations financially. Many Kenyan companies that previously channeled their corporate social responsibility funds through non-governmental organizations have started their own foundations like; Safaricom foundation and Equity bank foundation. These foundations have also diverted funds that would have been channeled through the non-governmental organizations to provide projects like free education programme (Rawlings, 2010). As the donor funding is drying up or getting diverted to other disaster prone areas, the humanitarian organizations are trying commercial activities as they struggle to reduce their overdependence on incoming resources, (Rawlings, 2010).

This challenge has seen many organizations commit a large part of their strategic plan to sustainability. Non-governmental organizations tend to rely strictly on external sources of funding that is provided largely by international donor communities (Kanyinga et. al., 2007). As the donors continue to fund the projects, there are several priorities that are overtaking the activities carried by NGO’s. The shift has seen various organizations deriving strategic plans to be sustainable and create alternative ways to survive. Similarly I-TECH Kenya has to lay out strategic sustainability plans as the sole funding mechanism will no longer disburse its funds on a five year cycle.

Sustainability strategies for non-governmental organizations have been widely researched by various researchers including Onsongo (2012); He concludes that there are several strategies that organizations can adopt to remain sustainable and to move away from overreliance on international donors. Tomno (2013) concludes that there are several factors including organizational structure that influence
sustainability of non-governmental organizations in Baringo County. Njoroge (2012) also mentions that several factors including unsuitable operations influence the sustainability of a non-profit organization.

Research has not been carried out to ascertain sustainability strategies to be adopted by I-TECH Kenya. This represents a significant gap in knowledge on the sustainability strategies adopted by I-TECH Kenya. It is in light of this that the researcher intends to carry out a research project into the sustainability strategies adopted by I-TECH Kenya operating as a NGO in Kenya.

1.3 Research Objectives

The research objectives identified are

i. Establish sustainability strategies adopted by I-TECH Kenya

ii. Determine the challenges the organization faces in adopting the sustainability strategies

1.4 Value of the Study

Organizations have to develop and implement strategies that enable them to exist and survive within the environment and similarly non-governmental organizations have to develop strategies that enable them operate and stay relevant within the given environment. Organizations are ever faced with the increasing agenda for which programme activities to prioritize due to the scarcity of funds (Drucker, 1974). The organizations continue to play an important role in the developing society because of the capacity building provided to the country citizens, their participation in the decision making process as well as the management of public affairs. Through the local non-governmental organizations, citizens of any
country can make an impact on the decision making processes at both central and local government levels (Lekorwe, 2007). The study will be important not only to I-TECH Kenya under study but also other key players in the NGO sector. This will help the organization at large understand the strategies it should enhance and those it should continue to adopt in order to attract multiples sources of funds.

The information gathered under study has provided insightful information to the country office team in its policy formulation and assist in policy development and implementation to take into account new strategic policies on sustainability. The study has also assisted managers know the methods used in gathering and applying various strategic practices, which will help them improve the management styles to enhance sustainability.

The study has shed light on other important relationships that require further research. The effectiveness of the sustainability strategies adopted is an area for further study for researchers.
CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

The purpose of this chapter is to review the writings that are related to this study of strategy and financial and eventually organization sustainability. It will lay the groundwork for the analysis for the findings from the study thus lead to the understanding of sustainability.

2.2 Theories Anchoring the Study

Sustainability is the conscious and proactive use of methods that do not harm people, the planet. The processes used to achieve sustainability must be reliable, replicable and measurable; outcomes must be confirmable, especially by outside scrutiny. Sustainability covers all three time frames: rectifying past mistakes; reducing or eliminating current problems; building legacies for future generations. It is a human driven process (Wandiga, 2014). Within the donor world and development community, sustainability is a notion that came into application in reference to financial resources including project funds, indicating that project funds and resources are not endless or limitless and must be used efficiently and effectively in ways that the local communities set to benefit from the projects are in support so the benefit flows are sustained. Good strategies can only guarantee success if they are translated into actions that yield acceptable results (Machuki, 2005). The acceptable results can be translated to sustainability of an organization.

Sustainability as an ability to meet present needs without jeopardizing the future needs is still unattainable for most organization. Unsuitable operations and
practices accommodate for numerous organization failures within 2-3 years of being in operations and this is still a distant goal. Although several organizations have governance structures in place, it is often focused on conformance with regulations. And this is very important, but governance should also support the organizations efforts to improve performance (Njoroge, 2012).

Sustainability is key to all organizations and income diversification is a theory that has been widely stated to enhance sustainability within the organizations. Income diversification within the donor world is one of the key factors. Malunga and Banda (2012) investigate on whether income diversification leads to greater stability in the financial stability of organizations. Their findings suggest that nonprofits can indeed reduce their revenue volatility through diversification, particularly by equalizing their reliance on earned income, investments and contributions. This positive effect of diversification on revenue stability implies that a diversified portfolio encourages more stable revenues and consequently more like to promote greater organizational sustainability. An organization that has diversified source of funds is likely to have more longevity than one that has a single source of funds.

The organizational theory brings about the set-up of the organization in response to its external environment to ensure its survival. The business environment in which organizations both profit and nonprofit making operate in is turbulent and continues to evolve. For an organization to remain afloat and productive in this environment, the organization has to develop strategies to enable it remain sustainable. Organizations have to develop evolutionary sustainability strategies that are essentially Darwinist. Malunga and Banda (2012) findings explain that
the impact that an organization makes in its operating environment, its credibility and accountability to stakeholders determine its long term sustainability. It is the view of these writers that an organization can ensure its sustainability through the use of two approaches. The conventional approach and organizational learning approach.

A major aspect of evolutionary strategic management in which organizations are likened to a population ecology model and the inability to tackle complex environmental problems sees the weak animals perish. If in industry is continuously changing, rational and logical planning will not work for the organization. Every organization has to compete for its space as a market leader and aspire to leave competition behind. The complex and interrelated activities and plan of actions that an organization undertakes are aimed at warding off competition, taking advantage of available opportunities and minimizing risk to achieve its mission and vision and in the process also remain sustainable (Ansoff, 1965).

Organizational theory suggests ways in which organizations cope with rapid change to ensure they are sustainable in a highly competitive environment. Abok et al, (2013). The importance of organizational capacity for effectiveness is not almost universally accepted. As a result of this and other factors in civil society and strengthening, organizational capacity development has become a major area of NGO activity. Successful organizations adhere to principles and periodically evaluate results to ensure continuity of effectiveness. Based on the external operating environment, different NGOs should adapt systems or change through organizational learning.
The theory of organizational learning is realized by an organization through experience and the need to keep up with new trends and practices in the environment in order to remain relevant. Organizations organically evolve to become learning organizations due to several factors that promote the growth (Smith 2001:2007) To be a learning organization requires organizations to simultaneously balance the need to take a strategic approach to organizational learning beginning with the highest level with recognition that each individual within the organization must learn in order to effect change and bring out change in policies to attain sustainability. In addition Senge,(1990) states that learning organizations are organizations where the people are continually expanding their capacity to create results they truly desire, where new and expansive methods of thinking are nurtured, where collective aspiration is free and where people are continually learning to see the whole together.

The learning organization has a vision of what might be possible for it and its not brought about by simply training its employees but as a result of total employee involvement in the learning process to facilitate change and transform itself (Smith 2001:2007). Non-governmental organizations became aware of the aspect of organizational learning in the mid 90’s and have since adopted the idea from the corporate world as they continue to adopt new practices that make the organization eligible for donor funding.

2.3 Sustainability Strategies

Strategy according to Mintzberg (1987) is a set of actions or behavior which an organization adapts or practices. Sustainability is the ability to use effectively and efficiently current resources without jeopardizing the availability of the same in
future. The reality of the current business world in which organizations operate requires that they continually think on their feet and grab opportunities while avoiding threats to ensure they stay afloat by surviving the environment and in the process achieve sustainability. They have to evolve with the internal and external environment, be dynamic and ensure they are not static. When donor funding begins to dwindle, an organization may work to return to sustainability through a mixture of strategies.

Organizational Structures - this is a framework, typically hierarchical, within which an organization arranges its lines of authority and communications, and allocates rights and duties. Organizational structure determines the manner and extent to which roles, power, and responsibilities are delegated, controlled, and coordinated, and how information flows between levels of management. The structure depends entirely on the organization's objectives and the strategy chosen to achieve them. In a centralized structure, the decision making power is concentrated in the top layer of the management and tight control is exercised over departments and divisions. In a decentralized structure, the decision making power is distributed and the departments and divisions have varying degrees of autonomy. An organizational chart illustrates the organizational structure. Donor would prefer organizations that have clear organizational structure with level of independence at various levels of control. Waiganjo et al (2012) established a strong positive relationship between organization structures and sustainability of the NGO.

Dynamism is important in organizations and the ability to incorporate swift changes within the entire system by accepting the fact that corporate strategic
decisions are not taken as part of wholesome big picture based on predictions and forecasts but are decided and implemented incrementally in unison with the changes that are occurring in the operating environment (Burgleman, 1980). Strategy is actually in bits and pieces shaped by events and occurrences rather than by boardroom decisions taken by directors.

Several strategies have been advanced as best suited to achieve all-round sustainability for NGOs. The BOND publication notes No. 9 identifies; strategic funding, allocation and apportioning of overheads into specific program budgets, own resources or organizational generated income, developmental funding and cost reduction or minimization as some of the strategies that can be pursued by NGOs to achieve sustainability. Waiganjo et al., (2012) identified the following strategies; paradigm shift in programming. The organizations have previously operated in a manner that seemed suitable to achieve their mission but did not necessarily attract donors. Most international donors prefer to have the funds reach the implementation stage within a short turnaround time, with most of the funds going into actual implementation rather than into programme support activities. Strategic financial management in organizations accounts for financial sustainability. With the organizations investing in proper financial systems and capable employees, there is a high level of good financial reporting systems and this creates accountability within the organization.

Strategic alliances among non-governmental organizations has seen various organizations partnering together to create stronger alliances to create combined advantage. This has also seen avoidance of duplication of efforts among the organizations especially at community levels. This is seen with the way CDC
funded organizations come together based on their core competencies and strengths. While organizations have identified several of these sustainability strategies, they are still faced with a number of challenges in implementing of these strategies.

2.4 Challenges of Implementing Sustainability Strategies by International Training and Education Centre for Health.

Implementation of strategy within organizations does not happen without impediments to the process, and it is not possible to prevent all the challenges that arise. Several researchers have however identified several factors such as poor communication, misunderstanding of the strategy implementation process, lack of understanding, poor reward and compensation, resources, uncontrollable environmental factors, environmental factors beyond control and lack of proper management support.

Shah (1996) found that factors that impede strategy implementation include organizational commitment, rewards to employees and effective leadership. Furthermore Pearce and Robinson (2011) argue that that to effectively direct and control the use of firm’s resources, mechanisms such as organizational structure, information systems, leadership styles, assignment of key managers, budgeting, reward and control systems are essential strategy implementation ingredients.

Doppelt (2009) observed that there had been tremendous development of “sustainable development” initiatives (organizations) world-wide. Despite the increased activities of these organizations, their progress towards sustainability had been wanting. In his search to find out why few organizations had
successfully adopted effective sustainability measures, Doppelt (2009) came up with seven key “Sustainability blunders”. He concluded that any organization that would take note of these blunders would be taking the first step in creating a sustainable enterprise. With no clear vision of sustainability, organisations will continue to struggle to adopt a sustainable path usually lacking in clarity about what they are striving to achieve.
CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

In this chapter, the study will explore the various research methodologies that will be used to gather information on the sustainability strategies adopted by I-TECH Kenya which operates as an NGO in Kenya. The subsections include the research design, the data collection method and tools with applicability descriptions and the data analysis method used.

3.2 Research Design

Case study design was appropriate as the design for this research. It was used to build theory in sustainability strategies adopted by I-TECH Kenya. Eisenhardt (1989) comments that case study is particularly suited to new research areas for which existing theory seems inadequate. The case study design is used to complement incremental theory building from normal science research. The case study is useful in early stages of research when a fresh perspective is needed.

Cooper and Schindler (2003) summarize essentials of research as an activity and time based plan that is always based on the research question, guiding the selection of sources and types of information. They further describe a research design as a framework for specifying the specific relationship among the study variables and outline the procedure for each activity.

3.3 Data Collection

Data was collected primarily using the interview guide. The guide had two sections part A for background information on the interviewees and part B that
will form the interview questions. The interviewees will be the senior managers within the I-TECH Kenya country office and the counterparts from the Seattle University of Washington headquarters. For the country office managers, the questions were administered orally and for the headquarters counterparts it was administered by conference call. Conference call is a system of communication in which three or more people use special equipment that allows them to speak to each other.

Secondary data was collected from the historical information available in the I-TECH Kenya database. Secondary data was available as either paper based or electronically available data. The important aspect in this section was to create a flow from the sources of data to ensure that there were multiple sources of evidence, a database is created and a chain of evidence is maintained. This information was used to create a link between the initial study questions and the case study results in order to lead to the data analysis.

3.4 Data Analysis

Content analysis was used to make numerical comparisons among and within documents. It was especially useful for tabulating the results of open-ended survey questions and multiple interviews. It was used to analyze entity documentation to determine compliance with laws, rules, policies, and procedures; to clarify trends in agency activity; to assess alignment between such activity and stated goals, objectives, and strategies; or to examine differences between groups within the entity on of issues of interest. The collected data was transcribed, then grouped into themes or categories which involve breaking down the data into manageable pieces, sorting and sifting while searching for types,
classes, sequences, processes, patterns or themes. The aim of this process was to assemble or reconstruct the data in a meaningful or comprehensible fashion (Jorgensen, 1989). The categorizing was based on the research question guiding the study. Generalization from the themes about the phenomena in question and discussion in the light of the available literature was made.

The objective of the study was to study investigate the sustainability strategies adopted by I-TECH Kenya. Based on the interview guide and the information collected, all the information that stated the different sustainability strategies was grouped together and theory built from the information. Holsti (1969) describes content analysis as any technique for making inferences by objectively and systematically identifying specified characteristics of messages. Content analysis is a useful technique for allowing discovery and description on the focus of individual, groups or institutional or social attention (Weber, 1990). Krippendorff (2013) mentions that content analysis research is motivated by the search for techniques to infer from symbolic data what would be too costly, no longer possible or too obtrusive by the use of various other techniques.
CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

In this chapter, data has been analyzed, interpreted and findings of the study have been presented. The study investigated the sustainability strategies adopted by International training and education center for health. The data was collected using interview guide and document review and analysis of the organization.

4.2 Sustainability Strategies adopted by I-TECH Kenya

The study sought to establish the sustainability strategies adopted by International Training and education centre for health Kenya chapter. The researcher established that the organization has adopted various sustainability strategies as below. Restructuring is how the organization has managed to reorganize its operations to provide more autonomy to the country office while still being able to provide the necessary technical and operations support required from the headquarters. One of the top managers stated clearly that it’s important for the country office to maintain all links with the headquarters to ensure we have compliance for all practices. One of the program managers explained “We have to ensure that our relationship with HQ does not have us cut out from various funding sources we are eligible for. We are tied to our head office but at the same time have to have the autonomy to apply for sources of funds and loop them in.” Restructuring is a framework, typically hierarchical, within which an organization arranges its lines of authority and communications, and allocated rights and duties. Organizational structure determines the manner and extent to which roles, power and responsibilities are delegated, controlled and coordinated and how information flows between levels of management. The structure depends
entirely on the organization’s objectives and the strategy chosen to achieve them. In a centralized structure, the decision making power is concentrated at the top layer of the management and tight control is exercised over departments and divisions. In a decentralized structure, the power is distributed and the departments and divisions have varying degrees of autonomy. I-TECH’s decentralized structure as adopted is a key strategy that enhances a feeling of cohesion within the organization. Donors would prefer to fund and work with organizations that have clear organizational structure with level of independence at various levels of control.

Paradigm shift in programming is how to gauge the way the country office activities enhance its sustainability. The study intended to know how the organization has strategically aligned itself to adhere to most donors’ requirement and shift as per requirement on the policies of the new constitution and donor dynamics. This was important in the sense that most donors have different and specific requirements and wish to assist as per their own assessment of the needs on the ground. With the change of the new constitution and global changes, most donors will like the funds to reach the beneficiary as fast as possible. There is a relatively strong positive relationship between paradigm shift in programming as a strategy and sustainability of the organization. Majority of the interviewees agreed said that the implemented shift helps the organization to maintain dynamism and relevance in the donor world and positions the organization positively to approach multiple donors. “We have to change the way we allocate expenses to the management budget. Let us cost all employees’ salaries to specific projects that they work for including all the support staff.” The interviewees from the finance management team clearly stated that donors would want to fund projects that had overall more management costs that actual project costs.
The study addressed the issue of strategic financial management as a sustainability strategy. This was a result of conviction that strategic financial management would affect financial sustainability of the organization. With a point to note that from the nonprofit operations, there is a lot of competition with private sector due to increase of collaboration and networking with many companies towards achieving corporate social responsibility. From the data gathered there is a Strong positive relationship between strategic financial management and sustainability of the organization. The interviewees agreed that strategic financial management contributed to I-TECH Kenya’s sustainability with high levels of accountability and adherence to donor financial requirement. The hiring of qualified financial staff also contributes a large percentage to the sustainability as donor confidence is high.” Financial sustainability is achieved through a good stable finance team. We have to share the resumes of all senior finance staff with donors as a show of confidence in the staff we have and their capabilities.” A top manager confirmed. And he continued to state that so far the donor has continued to fund I-TECH network based on how well the figures are reported and accountability is clear.

Assessing I-TECH Kenya’s strategic alliances was to measures the organizations level of alliances adopted to increase its sustainability. The study intended to know how the organization has strategically aligned itself in terms of partnership established, networks with government and corporate and other local institution. According to all the interviewees strategic alliances contribute to the organizations sustainability. Partnerships and alliances can be formed with international donors, religious institutions, governments and local authorities to imply the country governments. There is a strong positive relationship between strategic alliances and sustainability of the organization one of the top managers mentioned “we are more attractive to the
donors for funding when we have memorandums of understandings with other
partners to present a harmonious working environment”.

When it comes to the question of donor relationship management the researcher set to
find out to what extent the relationship with the donor as a strategy ensured
sustainability. According to the findings, donor relationship management affects the
sustainability of the organizations to a very great extent in the relationship has to be
nurtured for future funding. The donation decision, specifically how much and to
whom to donate is directly made by an authorized manager on the basis of cognitive
moral rather than a set of specific criteria in discussions with the activity manager.
The activity manager is on the ground throughout the project cycle and is able to
provide all information on project activities. The country office manager “the country
office receives continuous funding based on its relationship with the donor who is
CDC in the country.”

The overhead management strategies like outsourcing of support services including
cleaning, security, courier services, level of staff engagement, payroll services,
consultancy and sharing of office space with other organizations. This overhead
strategies to outsource non-core competencies is also one of the strategies the
organization has adopted in ensuring sustainability. We have to ensure we keep and
demonstrate a low head count as we continue to apply for new funds. We cannot keep
hiring new staff for each position we feel necessities. It’s not a positive show to the
donors when we are applying for funds. One of the program managers mentioned in
the interview process.
4.3 Challenges faced in implementing Sustainability Strategies

The questions asked during this part were to determine the challenges faced in the implementation of sustainability strategies adopted by the organization. The major roadblocks to sustainability are either strategic or cultural as discussed as follows. Setting clear and measurable goals as a challenge exist in part because implementing sustainability strategies is fundamentally different from implementing other strategies in an organization. For operations goals, the direct link to profit is very clear, but for innovation though long term and also often difficult to predict, measure and manage. The intermediate goal is new products and processes and the ultimate goal is increased profits which is not clear for non-profit organization as I-TECH Kenya. For sustainability, however, the goal is to achieve excellence in social, environmental and financial performance through project implementation simultaneously. “We have to have a proper monitoring and evaluation system to monitor the progress of the programs and report on the implementation numbers otherwise we are not able to know how well or poorly we are doing.” The program manager implementation stated.

Stakeholders’ reaction and input is a challenge in itself since there is uncertainty about how different stakeholders will respond to various sustainability actions and performances through time. Corporate and societal priorities often change as do the costs of implementing sustainability. All these issues make the decision making associated with sustainability implementation particularly challenging. The organizations support the Ministry of Health implementation and various times change processes in financial management have been met with mixed reactions from the stakeholders. “We have to have better ways of communicating our policies that
are applicable to the ministry of health. They are key in our programs and we have to have buy-in from them as a priority. “This was explained by one of the program managers during the interview process.

The researcher posed the question on organizational policies and procedures to determine whether the organizational policies and procedures were a challenge to the implementation of sustainability strategies adopted by the organization. The organizational policies and procedures adapted from the University manual were not necessarily applicable to the country office and have had to be edited to suit the country office. The training on these policies and procedures is not carried out as often as it should to the different program managers who confirmed that “we need to understand why we follow the processes we do and why they are necessary and what happens if we do not follow them.

4.4. Discussion

From the research findings, the organization has adopted various sustainability strategies to ensure it remains attractive for donor funds. The strategies adopted are restructuring, paradigm shift in programming, strategic financial management as well as aligning itself with partners who share the same vision and mission with the organization. The theory of the organization studies organizational designs and structures, relationships of organizations to the external environment and the behavior of managers and technocrats within the organization. This theory is supported by the organisation adopting one of the major sustainability strategies of restructuring. In comparison with this theory it supports the theory of the organisation.

The challenges in implementing these strategies are created by the different operations in different continents and the cultural differences between the different
groups of people which bring out different styles of working and implementation. The reward and compensation system for all job grades and groups are not well understood by all employees within the organisation. This creates an impediment as many of the employees do not understand why they should support the implementation of various key change activities that come from restructuring which brings about the aspect of communication. Communication also came out clearly as an impediment to the implementation of sustainability strategies within the organisation. This is clearly indicated in how the policies and procedures are communicated to the employees and the level of understanding.

The findings of the research state the sustainability strategies adopted by I-TECH Kenya. This research supports what various other researchers have found out on sustainability strategies adopted by non-governmental organization. Onsogo (2012) studied the sustainability strategies adopted by Non-governmental organizations and concluded that the strategies adopted include restructuring, alliances, and paradigm shift and donor relationship management. Tomno (2012) studied the influence of funding on sustainability and concludes that donors tend to regularly fund projects that have strong financial management systems. However the sustainability strategies adopted by I-TECH are not as encompassing and broad as studied by Nour (2013) and Njoroge (2012) . There are several strategies that have been stipulated that I-TECH Kenya is yet to adopt.

The restructuring of the organisation supports the theory of decentralization as put forward by Drucker (1974) where organisations have autonomous operating units in order to minimize risk for the overall organization and ensure sustainability. It also suggests ways in which an organization can cope with rapid change in its external environment to ensure its survival. The strategies of ensuring the country offices
operate autonomously are in line with the theory of decentralization. As I-TECH continues to adopt the strategies it comes out clearly as a learning organisation. A learning organization Senge (1990) is continually enhancing its capability to create opportunities. The Kenya office is supporting this theory by realigning itself and adopting various new strategies to ensure it has the capability to carry out its mandate in the county and globally at large. The theory of dynamism as put forward by Burgelman (1980) is supported in that the organisation is able to reorganize and restructure itself by adopting sustainability strategies.
CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS.

5.2 Summary

The main objective of the study was to determine the sustainability strategies adopted by International Training and Education Centre for Health. In order to determine these strategies adopted by the organization, the researcher posed several questions to the interviewees on the strategies adopted by the organization and the challenges the organization faces in implementing these strategies. The organization has adopted various strategies that make it sustainable including donor relationship management. As institutional donors continue to provide a substantial proportion of the funds that NGOs spend sustainability is a critical part of what they look out for as they fund the organizations.

Whether the motivation is concern for society and the environment, government regulation, stakeholder pressures, or economic profit, most managers recognize the importance of developing sustainability strategies and activities. For a donor funded project, the donors often require tightly-specified project proposals as a precondition of providing funds. This mechanism worsens the challenges of projects, encouraging organizations to claim that they can deliver more and with certainty, and to focus on upward accountability – all at the expense of the process-based approach required for genuine development. This kind competition for funds that I-TECH Kenya has experienced continues to put immense pressure to ensure dynamisms and organizational learning continuously in order develop and adopt strategies that ensure sustainability.
5.3 Conclusion

I-TECH Kenya has adopted various sustainability strategies which place it strategically for donor funding. It is clear that paradigm shift in programming and donor relationship management along with strategic alliances are key strategies that the organization has adopted. The key findings outline that the organization is adopting these strategies and as it continues to do so, it faces various challenges that it has to overcome to ensure sustainability. It is clear that the organization has begun to place itself strategically and has formed various alliances and memorandums of understanding with other like-minded partners and should improve on the system of communication given the time difference between the country offices and headquarter office. The organizational policies and procedures should also be revised to provide more leeway to country offices to adopt more applicable policies and procedures that are relevant.

5.4 Recommendations for policy and practice

From the findings of the study, it was apparent that strategic financial management affects the financial sustainability of the organization. The study recommends that in order to ensure I-TECH Kenya is sustainable it should continue adopting strategies and put forth mechanisms of monitoring and evaluating the success of the strategies it is implementing. The study also recommends that since donor relationship management affects the financial sustainability of the organizations, the management should ensure that they maintain a good relationship with the donors mainly by information management, ensuring there is accountability and meaningful communications. The study also recommends that the NGOs should participate more in more corporate and strategic alliances, and unrestricted income generating
activities that will go a long way in enhancing their sustainability. On the challenges they organization faces in implementing the strategies, the organisation must however be careful that this does not dissuade from the original objectives. The organization must also implement a more effective communication system to be used between the country office and the headquarters office.

5.5 Limitations of the Study

This is study like any other study encountered a number of challenges which the researcher believes could alter the conclusions arrived above. The concept of sustainability is a broad term that is generally associated with environmental sustenance rather than corporate or organizational sustainability. Gaining the understanding and interpretation of organizational sustainability was a challenge.

The interview method had some major draw backs. The processes targeted 8 top managers but interviewed less since some of the interviewees were on annual leave and were unavailable. Not all the interviewees were available as two were on their annual leave while four members of the organizations Executive Committee had busy schedules and were thus unavailable for interviewing. Six interviewees provided feedback form the targeted eight. There were also instances where appointments had to be rescheduled in the last minute due to urgent important matters which the interviewees had to respond to. This led to the data collection exercise taking thirteen days as opposed to the eight days which were initially targeted.

The interviewees were also not willing to provide some of the information requested as they viewed it as either company confidential or they were not allowed to discuss such matters. In some cases the interviewees pledged to provide the requested information later after they had sought clarification but their responses have not been
forthcoming. Some interviewees also provided their personal opinions which were not necessarily needed for the facts on the research topics.

Secondary data was collected from the organizations archives. The study was also limited to the degree of precision of the data obtained from the secondary source. While the data was verifiable since it came from the NGOs Regulatory Authority publications, it nonetheless could still be prone to these shortcomings.

5.6 Suggestions for Further Research

The study was carried out at a time when the operating current grant cycle is about to end with the organization making several applications for multiple grants. With the coming of new separate grants, some donors might change the way the organization has been operating in order to adhere to their required policies and procedures. A research should be carried out to investigate the effectiveness of the sustainability strategies adopted by the organization within the oncoming grant cycle and to take into account the different donor policies and procedures.

Further researchers should also consider alternative data collection methods given that the system used to gather data for the headquarters counterparts was not as effective as it should have been and did not meet the timelines that had originally been allocated for the data collection. A data collection method that limits personal opinion from the required facts may also be more effective as compared to the interview method that had interviewees providing opinionated responses to the questions that were posed. Further research would also be welcome for the organization to provide better access to secondary data and information that would easily be available rather than seeking the information from specific individuals in the various positions.
REFERENCES


London: SAGE.

Nairobi: African Centre for Technology Studies.


London: SAGE.


APPENDICES

Appendix i: Letter of Introduction

Luciah Angela Amo

P.O.Box 34014-00100 Nairobi.

19th August 2014

Dear Sir / Madam,

RE: MBA RESEARCH PROJECT

The above subject refers.

I am a student at The University of Nairobi pursuing MBA and I am currently conducting my MBA research project entitled: “Sustainability Strategies Adopted by I-TECH Kenya”

In order to undertake this research, you have been selected to form part of my study. This is therefore to request your assistance in responding to the interview as truthfully as you can. The information required is needed purely for academic purpose and will be treated in strict confidence. Even where a name has been provided it will not under any circumstance appear in the final report.

Your assistance and co-operation will be highly appreciated.

Yours Sincerely,

Luciah Angela Amo
Appendix ii: Interview guide

PART A: Background information

Date…………………………………………………………………..

Name of Interviewee……………………………………………….

Position within the organization……………………………….

PART B: Interview questions

Kindly respond to each of the questions below as candidly as possible

a) Do you agree that the below are the sustainability strategies currently used within the organization?
   - organizational structure
   - Paradigm shift in programming
   - Strategic financial management
   - Strategic alliances
   - Donor relationship management

b) Are the above mentioned sustainability strategies applicable to the organization in Kenya?

c) If not for b above, what sustainability strategies would be adopted to work in the organization in Kenya?

d) Which strategies are working best among the above to enhance attractiveness for funding within the organization?

e) Which other strategies from the above can the organization adopt/is adopting to ensure it remains relevant in its line of activity?

f) What are the major challenges the organization faces in adopting the strategies?
   - Time difference between country office and HQ
• Communication
• Organizational policies and procedures
• Rewards and compensation systems