

Civil Society and Development: Involving Stakeholders to Enhance Financial Sustainability of Public Benefit Organisations in Informal Settlement in Kenya

*Timothy Osiru Okatta¹, Wilkins Ndege Muhingi², Vitalis Okoth Odera³, Teresia Mutavi⁴, Anne Obondo⁵, Victor Namulanda⁶, Dennis Ondieki⁷

¹St. Elizabeth University of Health and Social Sciences-Slovak Republic (Bratislava), Faculty of Tropical Medicine- *Corresponding Author: timothyokatta@gmail.com)^{1,6}

²St. Paul's University (P.O Box private bag 00217 Limuru, wilkndege@gmail.com)^{2, 7}

³Catholic University of Eastern Africa, Department of Development Studies, (P. O. Box 62157 Bogani E Rd, Nairobi, Kenya, vitalis_okoth@yahoo.co.uk)³

⁴University of Nairobi, Department of Psychiatry, School of Medicine, College of Health Sciences (P.O Box P.O. Box 19676 – 00202, GPO, Nairobi, Kenya)^{4,5}

Abstract: This explored the influence of stakeholder involvement in achieving financial sustainability of PBOs in Nairobi informal settlement in Kenya. It was concurrent mixed methods approach study that employed a descriptive design and was carried out between January and August 2015. The study targeted various stakeholders who were randomly and purposively sampled constituting a sample size of 304. Descriptive statistics was used to analyse quantitative while qualitative data was analysed using content analysis in themes. The findings showed that 56.1% of the beneficiaries were not involved while 43.9% were involved. In addition 70.1% of the beneficiaries were involved in resource mobilization while 29.9% were not involved, 55.7% of staff were not involved in resource mobilization while 44.3% were involved. There was no statistically significant association between involvement of stakeholders in program and ways of involvement in resource mobilization ($\chi^2(4) = 4.186, p = .381$). It was concluded that PBOs were not adequately engaging stakeholders in program adequately. The study recommended that PBOs should ensure they involve stakeholders to enhance commitment and ownership of the PBO programs and financial sustainability.

Keywords: stakeholder involvement, fundraising strategies, sustainability, public benefit organisations

1. Introduction

Civil society gets only a minimal attention among a number of implementing bodies. There is great need for investigation of civil society in the context of SDGs other development agenda and its rethinking in the arena of development research. "The current Sustainable Development Goals seem to pay relatively little attention to civil society, and ideas of citizens' mobilization and social movements as agents for development are even more absent" (Kontinen, & Millstein, 2017). We focus on a part of what constitutes the civil society for our attention is not very much on the complex idea of civil society at large.

Public Benefit Organization refers to institutions that provide welfare, humanitarian and development services like healthcare, land and housing, education, religion, belief or values, societal, maintenance, surroundings and animal well-being, research, provision of funds, assets or other resources and consumer rights to the public for free or at a subsidized cost especially in disadvantaged or hardship areas (Waters, 2009). They are organizations that are established to serve the community good, backing up growth, societal unity and tolerance within society; encouraging social equality, respect for the regulation of any ruling, and providing accountability mechanisms that can contribute to improved governance (The Public Benefit Act 2013 - Kenya).

The term stakeholder refers to a person, group or organization with interest in a project without which an organization would cease to exist (Freeman, 2010). PBOs stakeholders are donors, directors, staff, service providers and the service users (Canon & Donnelly, 2014). Stakeholders must be engaged and involved in program scheme, enactment and resource utilisation to ensure the PBO programs are effective (Noland & Philips, 2010). This enhances ownership and sustainability of the programs initiated by the PBOs. Stakeholder involvement implies a willingness to listen; to discuss issues of interest to stakeholders of the organization. (Jeffrey, 2009).

Financial sustainability is the ability of a PBO to generate resources to meet the organizational needs of the present without compromising the future (Harding, 2014). It also refers to the ability of an organization to seize opportunities and react to emergencies and unexpected challenges while maintaining the day to day operations of the association (Bowman, 2011).

In a survey conducted in the United States of America (USA), involving 800 PBOs, 75% of the PBOs reported having been affected by dwindling donor funds (Renz, 2010). In addition, 61% of PBOs depending on Federal governments funding reported experiencing funding cuts while 48% of those depending on foundation funding also expressed reduction in funding (Hill, 2013). Recent recessions in the US have also made declines in

philanthropic giving because Americans have less disposable income (Besel, Williams & Klak, 2011).

PBOs in Europe also grapple with financial sustainability challenge and some are dependent on the European Structural funding (Vaceková, G., & Svidroňová, 2016). In Poland for example, the PBOs have created dependency on European Union structural funds hence lessening their interest to look for other funds or income generation activities and in some ways stalled the development of the NGO sector (Hyánek, 2016). It is however important to note that some PBOs in Europe have embraced innovative diverse fundraising strategies like use of face book, blogs and interactive websites for advertising among other strategies to ensure they become financially sustainable (Dyczkowski, 2014). They have also enhanced their transparency and accountability by publishing their annual financial reports so as to win the trust of the funders thus improving funding rating (USAID, 2010).

In Africa, PBOs operate amidst myriad of challenges (Wood, 2016). The USAID's Civil Society Organisation Sustainability index for Sub Saharan Africa in 2009, identified challenges like legal hurdles for example being denied registration, restriction on foreign funding amounts like in Ethiopia, inadequate infrastructure, underprivileged authority, deficiency of transparency and responsibility, and donor dependency as the major challenges affecting financial sustainability of the PBOs (USAID, 2009). It has also been noted that only a few PBOs are able to generate local income by pursuing economic activities like charging user fees, collecting membership dues, and individual corporate philanthropy. In East Africa, PBOs face similar operational challenges (Kisinga, & Act, 2014). However, Tanzania and Uganda's PBOs are vibrant, yet they do not have diversified sources of funds thus they are donor dependent while Burundi and Rwanda PBOs face restricted legal frameworks and are also struggling to survive financially (Zulkuhri, 2014).

PBOs in Kenya became vibrant in the 1960's when the government then promoted grass roots growth and action to spur socio-economic development (Nganga, 2013). This philosophy was commonly referred to as harambee. The harambee spirit was based on the understanding that one could not be able to carry out plans or actions by him/herself without the support of other members of the community (Omeri, 2014). Thus people were encouraged to form self-help groups to address the social challenges facing them. In 1974 there were merely 125 registered PBOs in Kenya. Since then there has been a notable growth, in 1990 there were over 400, in 2004 they grew to 3,000, by 2007 there were 4,200 registered PBOs while in 2014 there were 7,258 registered and active PBOs in Kenya of diverse categories, Community based organizations, Trust centred establishments, and Global organizations (NGO Coordination Board, 2014). The Kenyan PBOs are 46.7% sustainable. This is because a high percentage, 81% of the total funds utilized by the PBOs in financial year 2014 were from external sources while 14% was from local sources and slightly more than half, 60.2% of PBOs reported to have diverse sources of funds (Nyagah, 2015).

Nairobi County is home to two hundred and forty two (242) registered and active PBOs which represents 12% of the total PBOs in Kenya and the County with the highest number of registered PBOs in Kenya (Kaburu, 2014). They have diverse areas of operation including and not limited to health, education, environmental conservation, housing and settlement, refugees issues among others (Mutuvi, 2013). Its population is estimated at 3.1 million people (Kenya National Bureau of Statistics, 2010) and 60-70% of this population is estimated to live in slum like conditions (APHRC, 2014), it is also the home of seventy four (74) slums spread in the eight (8) administrative units of the County (Slum Dwellers International and Pamoja trust inventory, 2014). Majority of the PBOs in Nairobi serve this population in the disadvantaged and marginalized communities in Nairobi. These PBOs are grappling with the financial sustainability challenge due to the dwindling donor funds caused by economic recession, changing donor priorities, minimal stakeholder involvement in platform design, enactment and resource utilization and restrictive government policies, and laws (Osano, 2013).

1.2 Theoretical Framework

This study was anchored on two sociological theories; role theory and general systems theory.

1.2.1 Role theory

Role theory proponents Ralph Linton and George Herbert Mead theorize that behavior is influenced by role expectations for appropriate behavior in that position and that changes in role behavior occur through a repetition process of role sending and role receiving (Thompson, 2001). Roles are learned, culturally conditioned, often can be developed, or amplified (Parry & Coleman, 2010). Roles consist of rules or norms that function as plans or blue prints to guide behavior. Role theory further posits that in order to change conduct, it is essential to vary roles; roles correspond to behaviours and vice versa (Liñán & Rueda, 2011). In addition, roles influence beliefs and attitudes therefore the stakeholders need to be aware that their action or inaction influences the financial sustainability of their respective PBOs.

1.2.2 General systems theory

Ludwig von Bertalanffy (1968) asserts that the whole is made up of differentiated interrelated parts or elements that interact together to make the whole function effectively and efficiently. A system has four distinct characteristics; first, it has objects, i.e. the various parts, elements or variables within the system, second it has attributes, this refers to the qualities or properties of the elements of the system, thirdly the differentiated parts have relationships, these relationships are enhanced through constant effective communication. An organisation is a system made up of various interrelated elements that work together to ensure the organisation functions effectively. To achieve financial sustainability, the differentiated departments and stakeholders of an organisation must work effectively together.

1.3 Methodology

The aim of this study was to explore the level of involvement of PBO stakeholders in platform design, enactment and resource utilization in Informal settlement in Kenya. This was a descriptive study that employed the concurrent mixed methods approach. The study was carried out in Nairobi County Slums. The County was selected due to the fact that it houses the highest number of slums. It was carried out between January and August, 2015. The target population were stakeholders of active and registered PBOs serving in Informal settlement. They included: PBO Directors, CDF Coordinators, Suppliers, Service users, and PBO Staff. A sample size of 304 was obtained whereby PBO Directors, CDF Coordinators were sampled purposively while Suppliers, Service users, and PBO Staff were randomly selected for a sample. Descriptive statistics was used to analyse quantitative data with the aid of SPSS version 22.0. Qualitative data was analysed using content analysis in themes.

1.4 Results

Out of a total of 304 questionnaires administered to the stakeholders in this study, a return rate of 87.8% was achieved. The target population was directors, staff, beneficiaries and supplies as shown in the table because the study objective aimed at examining stakeholder involvement and how that influenced financial sustainability of public benefit organizations in Informal settlement in Kenya.

Table 1.1: Response Rate (N=304)

PBO Stakeholders	No. of questionnaire issued	No. of questionnaire returned	% returned
Directors	24	21	87.5%
Staff	84	70	83.3%
Beneficiaries	122	107	89.2%
Suppliers	74	69	96%

The response rate for all the questionnaires for the PBO directors was 87.5%, staff 83.3%, beneficiaries 89.2%, and suppliers 96%. Mugenda (2003) asserts that a response rate of above 50% is sufficient for analysis thus the data collected was adequate for exploration, demonstration and discussion.

1.5 Demographic Information

This section summarizes the demographic information of the PBOs and their stakeholders. The type of PBOs that participated in the study, length of service in their respective communities, the direct beneficiaries age groups, their gender and duration they have received services from the respective PBOs.

Table 1.2: Distribution of the types of PBOs that participated in the study

Type of organisation	Frequency	Percent
Local	14	66.7
International	7	33.3
Total	21	100.0

The majority of the PBOs that participated in the study were local based PBOs, 66.7% compared to 33.3% that were International based.

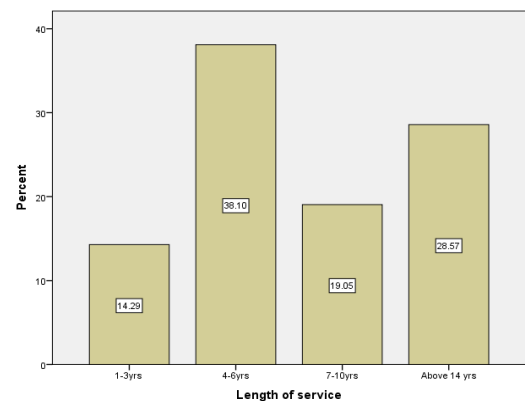


Figure 1.1: Showing PBOs directors' response on the length of service of the sampled PBOs

Figure 1.1 shows a bar graph indicating the length of time the PBO had served. Most of the PBOs had served between 4-6 years which represented 38.10%, 28.57% had served above 14 years while 19.05% had served between 7-10 years.

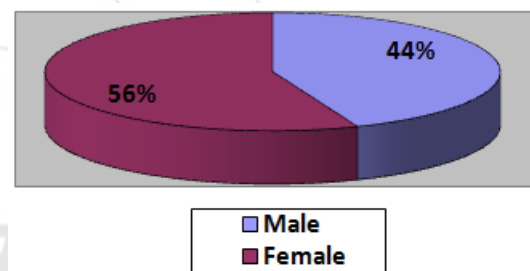


Figure 1.2: Showing beneficiaries by gender of the sampled PBOs Beneficiaries

Figure 1.2 indicates that most of the sampled PBOs beneficiaries were female representing 56% of the respondents while 43.9% were male.

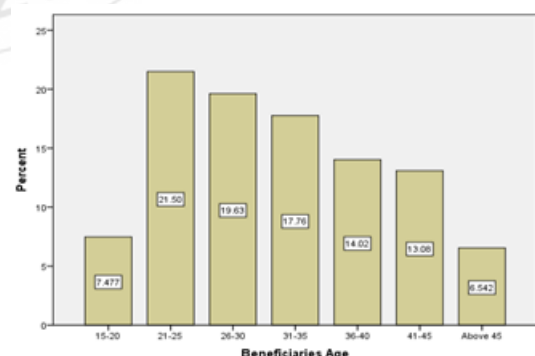


Chart 1.3: Distribution of PBOs beneficiaries' by age

Further Figure 1.3 age intervals of the sampled beneficiaries. 21.5% were aged between 21-25 years, 21% were between 26-30 years, 17.8% were aged between 31-35 years, 14% were between 36-40 years, and 7.5% were between 15-20 years while 6.5% were above 45 years.

Table 1.3: showing the period the sampled staffs have served the sampled PBOs

No. of years served	Frequency	Per cent
1-3yrs	34	48.6
4-6yrs	19	27.1
7-10yrs	9	12.9
11-13yrs	8	11.4
Total	70	100.0

Table 1.3 shows that majority of the sampled PBO staff had served the PBOs for a period of 1-6 years, this represented 75.7% while 24.3% had served between 7-13 years.

1.6 Stakeholder involved in designing, implementation and resource mobilisation for PBOs programmes

The researcher sought to determine whether the PBO stakeholders were involved in programme plan enactment and resource deployment. The findings were as follows.

Table 1.4: Beneficiaries of involvement in program plan, and enactment

Response	Frequency	Percentage
Yes	47	43.9
No	60	56.1
Total	107	100.

Most of the beneficiaries were not involved in PBOs program design, and implementation. This was represented by 56.1% while 43.9% were involved in the program design and implementation. Inadequate involvement leads to lack of ownership of the PBO programs and projects which affects financial sustainability of PBOs. It has further been noted that when the beneficiaries are not involved in program design, they do not adequately support the financial sustainability strategies initiated by the PBO offering services to them. Katherine (2012) asserts that the involvement of stakeholders is key in ensuring they own the program being initiated and fully support it in all aspects.

Table 1.5: Beneficiaries' involvement in resource mobilization

Response	Frequency	Percent
Yes	75	70.1
No	32	29.9
Total	107	100.0

Majority of the PBO beneficiaries were involved in resource mobilization through payment of user fees. This represented 70.1% of the interviewed respondents while 29.9% were not involved in resource mobilization because they were not paying user fees. The introduction of user fees by the PBOs aims at ensuring that the beneficiaries financially support the programs, gives a sense of dignity to the beneficiaries and also gives a sense of ownership to the beneficiaries.

There is a wide recognition of the importance of the user fees by a majority of the PBOs serving in the slums of Nairobi. This is crucial in ensuring the PBOs achieve financial sustainability. Waiswa (2012) contends that

introduction of user fees have both positive and negative implications on delivery of services. Positive impacts are improved quality of services due to availability of local resources to continue financing the services, longevity of services, prevent frivolous use of services and improve equity of services by redistributing the revenue. The negative impacts are that have been attributed to user fees are barriers to access of services and decrease utilization of services offered by PBOs.

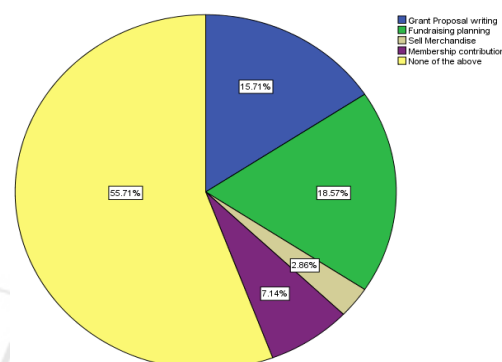


Figure 1.4: PBO staff involvement in resource mobilization for the PBOs

Figure 1.4 shows that most of the sampled PBO staff were not involved in resource mobilization. This represented 55.7% of the respondents while 44.3% were involved. Out of the staff involved, 18.6% were involved in fundraising planning, 15.7% in grant proposal writing, 7.1% in membership contribution while 2.9% in selling merchandize for the PBOs. Most PBOs are yet to recognize the latent potential in their staff in helping them raise funds for the PBOs. The role of resource mobilization has been limited to the PBO managers leaving out the staff. The four capital model proposed by the Centre for SDI and land administration – University of Melbourne (2011) asserts that the human resource of an organization has cleverness, societal networks, political structures, faith and reputation, influence and power that can be utilized to generate resources for PBOs.

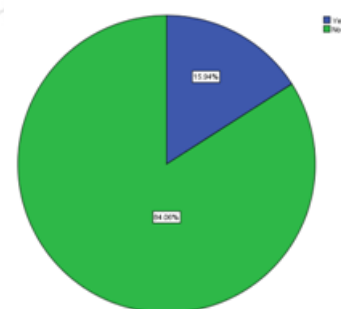


Figure 1.5: The Involvement of Suppliers in Program designing and Implementation

Source: (Research data, 2017)

Figure 1.5 above indicates that the majority of PBO suppliers were not involved in program design and implementation of their respective PBOs. This was represented by 84.06% while 15.94% were involved in program design and implementation. Involvement of the

suppliers in program design and implementation is crucial because they are able to understand the role of their services in the program, it makes them own the PBOs programs and they are able to advice on how to cut down costs so that the PBO can be financially sustainable. Their involvement can also make them be willing to support the financial sustainability strategies and since they are business people they can offer consultancy services to their respective PBOs on how to strengthen the financial sustainability strategies especially the commercial enterprises. Jeffrey, (2009) affirms that successful management is a result of optimizing long-term benefits for the organisation by engaging stakeholders and reconciling their wants and needs.

Table 1.6: Involvement of suppliers in resource mobilization resources for the PBO

Response	Frequency	Percent
Yes	8	11.6
No	61	88.4
Total	69	100.0

The majority of the sampled PBOs suppliers were not involved in any way in resource mobilization for the respective PBO they were supplying goods and services. This was represented by 88.4% compared with 11.6% who were being involved in resource mobilization. The PBOs have not recognized the latent potential in their suppliers in mobilizing resources for the PBOs. Covey, (1989) posits that without involvement, there is no commitment. To ensure the suppliers to PBOs participate in resource mobilization for PBOs, they need to be involved in planning of the fundraising events. By doing this they will commit their time, energy and resources to ensure the PBOs generates resources for their projects and programs.

Table 1.7: The willingness of suppliers to be involved in resource mobilization

Response	Frequency	Percent
Yes	60	87.0
No	9	13.0
Total	69	100.0

Table 1.7 further shows that a majority of the suppliers who were not involved in resource mobilization were willing to be involved. This represented 87% of the sampled suppliers while 13% were not willing to be involved. This willingness by the suppliers should be viewed as a potential source of resources both financial and in kind. The American Marketing Association (2015) asserts that people give to charities when they are asked to give. Therefore this is a potential source of income for the PBOs.

1.8 Government involvement in resource Mobilization for PBOs

The researcher sought to explore whether the government was involved in any way in supporting the PBOs serving in Nairobi's informal settlement in resource mobilization. The researcher therefore interviewed the CDF coordinators in the respective constituencies where the PBOs served.

1.9 Factors considered by CDF committees for funding of Development projects

The CDF coordinators said that the factors the CDF committee considers are; the legitimacy of the project that is; does the law (CDF Act) allow funding of such a project, prioritization by the community members, the cost of the project and sustainability of the plan. They therefore said that the CDF act only allows the CDF fund to allocate funds to government institutions only and not any non-governmental organization. The PBOs can therefore not get any allocation from the CDF kitty.

1.10 Government collaboration with PBOs in implementing development projects

The CDF coordinators posited that the collaboration of the government and the PBOs to include funding is not possible with the current policy and legal framework. This can only be possible if the law is reviewed to allow for such collaborations. They however said that this kind of collaboration is necessary because PBOs have expertise in implementing development projects, they have efficient and effective management and evaluative mechanisms thus can accomplish a lot with the limited resources that will be availed to them.

Table 1.9: Showing Chi-Square Tests association between Involvement of Stakeholders in program design, Implementation and Ways of involvement in resource mobilization

Chi-Square Tests			
	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	4.186 ^a	4	.381
Likelihood Ratio	4.240	4	.375
Linear-by-Linear Association	2.539	1	.111
N of Valid Cases	106		

In the table above we can see that $\chi^2(4) = 4.186$, $p = .381$. This tells us that there is no statistically significant association between Involvement of Stakeholders in program design, implementation and ways of involvement in resource mobilization; that is, both who supported and those who were against equally prefer ways of involvement in resource mobilization.

Table 1.10: Showing homogeneity Tests of association

		Value	Approx. Sig.
Nominal by Nominal	Phi	.199	.381
	Cramer's V	.199	.381
N of Valid Cases		106	

Phi and Cramer's V are both tests of the strength of the relationship. From table 1.10, the strength of relationship between who supported and those who were against ways of involvement in resource mobilization was weak.

1.12 The effect of stakeholder awareness about financial sustainability strategies on support for financial sustainability initiatives by PBOs serving in Informal settlement

The researcher explored the understanding of the financial sustainability concept by the stakeholders and the effect it has on the support for the financial sustainability initiatives. The results were as follows;

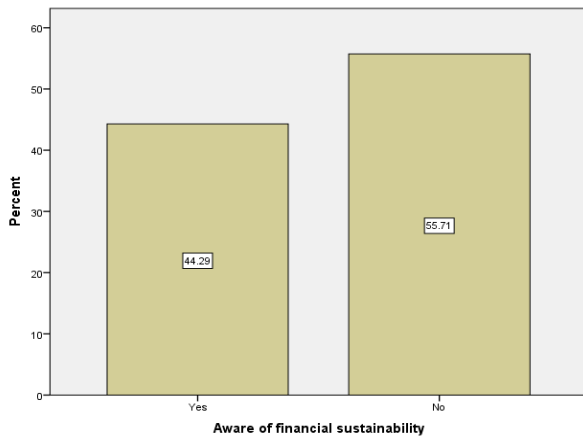


Figure 1.7: shows PBOs staff awareness of financial sustainability concept

Chart 1.7 indicates that 55.7% of the interviewed staff was not aware of the financial sustainability concept. Lack of awareness causes staff to make decisions that may impact negatively on the financial sustainability of an organization. It also causes lack of commitment to financial sustainability strategies of PBOs.

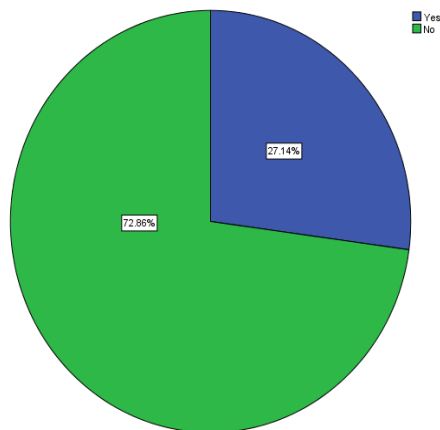


Chart 1.8: shows staff awareness of financial sustainability strategies implemented by PBOs

Figure 1.8 shows that majority of the staff were not aware of the financial sustainability strategies being implemented by the PBOs. This represented 72.86% of the respondents while 25.14% were aware of the financial sustainability strategies being implemented by the PBOs. Spence, (2010) asserts that for staff to be in position to play a key role in any strategy, they must be informed about the strategy. The role of the director therefore is to communicate the strategy through organizing trainings and workshops about

the financial sustainability strategies. This helps the staff to effectively execute their role thus ensures the financial sustainability strategies are successful.

Table 1.12: Showing Length of time beneficiaries expect the PBOs to serve the community

Response	Frequency	Percent
1-5 years	6	5.6
6-10 years	9	8.4
11-15 years	5	4.7
16-20 years	2	1.9
Long-term existence	85	79.4
Total	107	100.0

Table 1.12 indicates that a majority of the PBO beneficiaries expected the PBOs to serve for a long time. This represented 79.4% while 20.6% wanted the PBOs to serve between 5-20 years.

Table 1.13: shows staff aware that quality of their work influences financial sustainability

Response	Frequency	Percent
Agree	62	88.6
Disagree	8	11.4
Total	70	100.0

Table 1.13 indicates that majority of the staff interviewed agreed that the quality of their work had a role to play in achieving financial sustainability, this represented 88.6% while 11.4% disagreed. This agrees with Yoo and Park (2007) assertion that the quality of service of employees influences financial performance of an organization.

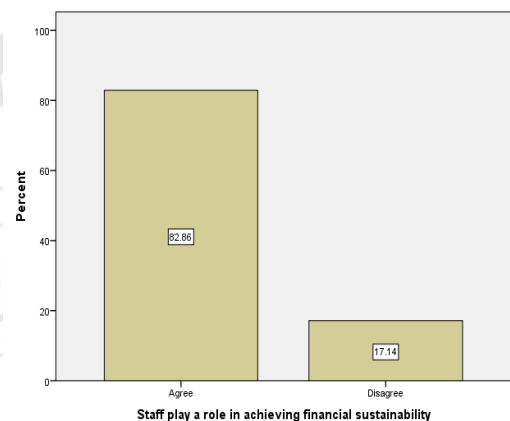


Figure 1.9: Staff awareness on the role they play in achieving financial sustainability of PBOs

Majority of the sampled PBO staff agreed that they played a role in achieving financial sustainability of the PBOs they were serving this represented 82.9% compared to 17.4% who disagreed. This is in agreement with USAID's paper on Fundamentals of NGO financial sustainability (1994) which asserts that the PBOs should be aware of their internal and external stakeholders and ensure that they know they play a role in achieving financial sustainability of the organization.

Effects of beneficiaries' awareness about financial sustainability on the beneficiaries' support for initiatives of PBO serving in Informal settlement.

The researcher sought to know the effects of the awareness about financial sustainability on the beneficiaries' support for PBO serving in Informal settlement. The null hypothesis was to test whether there is no effect with respect to time of receiving services.

Table 1.14: Analysis of variance of the effects on beneficiaries

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	28.460	4	7.115	2.120	.084
Within Groups	342.269	102	3.356		
Total	370.729	106			

The results from table 1.14 showed that the p-value = 0.084. Since the p-value is more than alpha (0.05) then this implies that there was evidence to accept the null hypothesis hence there is no significant difference with the duration of receiving services with regard to the five effects. This can be verified by the variance test in table 1.15 below.

Table 1.15: Test of homogeneity of variance of the effects on beneficiaries

TukeyHSD ^{a,b}	Duration of receiving service	N	Subset for alpha = 0.05
	1-3 yrs	32	3.03
	7-10 yrs	20	3.40
	4-6 yrs	50	3.70
	11-13 yrs	2	4.00
	Over 14 years	3	6.00
	Sig.		.069

The results from table 1.15 showed that the p-value = 0.069. Since the p-value is more than alpha (0.05) then this implies that there was no evidence to reject the null hypothesis hence there are no differences in the variances in the duration of receiving services with regard to the five effects.

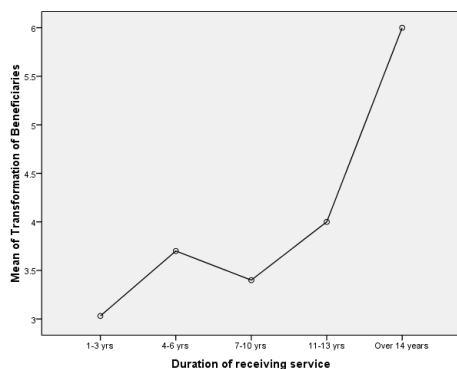


Figure 1.10: Means Plots on Effects on beneficiaries

From the above figure, 14 years had more of the effects on beneficiaries followed by 11-13 years followed by 4-6 years followed by 7-10 years and lastly 1-3 years had fewer effects. Being aware about financial sustainability concept, the beneficiaries were willing to support the PBO financial sustainability initiatives. Beneficiaries' support for PBO initiatives would in turn affect financial sustainability of PBO positively.

2. Discussion

The findings of in this study revealed that involvement in program design, implementation and resource mobilisation by stakeholders particularly directors, staff, beneficiaries, suppliers and the government was vital. The findings indicated that there was inadequate involvement of stakeholders precisely suppliers at 84%, beneficiaries at 56.1%, staff at 55.7%, and the government. This encouraged lack of stakeholder commitment to the PBO financial sustainability projects, and inadequate participation in resource mobilization. Involvement of stakeholders in program plan, execution and resource deployment was key in ensuring that there was ownership of the program inputs, activities, processes, outputs and outcomes. In addition involvement enhanced commitment to the PBO programs thus the findings of the study concurred with Covey (1989) who asserts that if there is no involvement there is no commitment. Stakeholders will be willing to volunteer resources financial or in kind if they are involved in the program plan, execution and resource deployment. There is latent potential in the stakeholders which if tapped, can generate a lot of resources for the PBOs. Further the study findings showed that 81% of the suppliers who had not been involved in resource mobilization were willing to be involved if called upon to do so.

Public Benefit Organizations (PBOs) have traditionally depended on donors for their funding. Study findings indicated that 61.9% of the sampled PBOs depended on the donors for their funding, 23.8% of the PBOs were using diverse methods of fundraising. User fees and membership fees were also used by PBOs to generate funds. This relates with Renzet al, (2010), assertion that PBOs need to diversify their sources of funds to ensure they are financially sustainable. Donor trends have indicated that there is a reduction in donor funding, change in priorities of donors that is from aid to trade, donor fatigue and a change in focus to least developed countries. To achieve financial independence and thereafter financial sustainability, PBOs in Kenya have to establish and invest in local fundraising strategies.

Study findings indicated that 57.1% of the sampled PBOs did not have fundraising committees. In such organizations, fundraising is done by the vision bearer and a few select people. This is not sustainable. For fundraising to be sustainable a clear policy guideline specific for the organization should be formulated and implemented by the organizations stakeholders. Fundraising should be a team effort and not an individual effort.

The study showed that there was no significant difference between the duration of receiving services and the effects of stakeholders' awareness about financial sustainability strategies in support of PBO initiatives. Study findings further indicated that 27.14% of the beneficiaries of the sampled PBOs were not aware of the financial sustainability concept while 72.86% were aware of the financial sustainability strategies initiated by their respective organizations. It was however noteworthy that 79.45% of the beneficiaries had a long term view for their respective PBO. They desired to see their respective PBOs serving for a long time so as to reach more needy people. This is important because they will provide the necessary support for the organization to continue serving its clientele for a longer period of time.

The study findings further indicated that 88.6% of the staff were aware that the quality of their work influenced financial sustainability of their respective organisations while 62.8% affirmed that they had a role to play in achieving financial sustainability of their respective PBOs. This was consistent with Omeri (2014) findings in which she asserted that the competence of the PBOs staff had an influence in the financial sustainability of a PBO. The competence of the staff would enable the staff provide quality services to the PBO clients, makes cost conscious decisions, manage PBO projects cost effectively and enhance accountability.

3. Conclusion

The study results indicated that PBOs serving in Informal settlement are not adequately engaging their stakeholders in program plan, enactment and resource deployment. This was attributed to the lack of a role matrix that can be used to guide stakeholders effectively in executing their roles. Non- involvement of stakeholders has led to dependency syndrome among PBOs stakeholders specifically the directors, staff and beneficiaries thus making the PBOs financially unsustainable. Donor funds are not sufficient in meeting the ever burgeoning budgets of PBOs neither are they sustainable.

The study results further demonstrated that PBO stakeholders especially the staff are unaware of the financial sustainability concept thus they are prone to making decisions that may have negative financial outcomes thus making the PBOs financially unsustainable. It is however noteworthy to mention that the PBOs beneficiaries desire to see the PBOs serving for a long time so that they can serve many more disadvantaged people in the society.

4. Recommendations

The PBOs should ensure they involve their stakeholders in program plan, execution and resource deployment. This will enhance their commitment and ownership of the PBO programs. In addition they should utilize the PBO stakeholder role matrix developed by the researcher so that every stakeholder knows their exact role to play.

Diversification of resource mobilization strategies especially local fundraising will enable the PBOs generate adequate resources to meet the current and future needs. Formulation of resource mobilization policies and teams or committees that will be tasked with the responsibility of resource mobilization for the PBOs. This will ensure that resource mobilization is institutionalized and sustainable.

The government should explore ways of partnering with well performing PBOs. They should review policies and laws that restrict PBOs from doing businesses and enable PBOs to start business related projects that will consistently generate income for the PBOs. Parliament should also amend the CDF Act to enable CDF- PBO partnerships. This will enable the CDF committees to identify results based PBOs in their constituencies and form partnerships. The PBOs will act as implementing partners of CDF projects especially those targeting the disadvantaged individuals, families and communities. The PBO Act 2013 article 67 mentions the involvement of PBOs and government in policy formulation and decision making. This collaboration should be extended to financing. This has been successfully done in Europe, United States of America and Asia thus it can be successfully be done in Kenya if well planned. The government should also consider giving tax exemptions and tax cuts to private firms that give donations to PBOs. This will encourage more firms to support the noble courses of PBOs serving the disadvantaged populations in slums in Kenya.

The PBO directors should also clearly and continuously cast the vision of the organisation and articulate the roles of each stakeholder. The stakeholders in turn should execute their roles effectively so as to achieve financial sustainability of their respective organizations. PBOs should conduct continuous trainings to its stakeholders on financial sustainability concepts; build capacity of stakeholders to participate in initiatives that will ensure financial sustainability of their respective PBOs.

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