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# STRATEGIC PRACTICES AND DONOR FUNDING OF **MULTI-FAITH BASED ORGANIZATIONS IN NAIROBI, KENYA**

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#### Abstract

Donor funding of multi-faith based organizations is a complex issue and sometimes donors decide to withdraw funding from an ongoing project which halts implementation of programmes and in some cases lead to the winding up of operations or partial closure in certain geographical areas or countries. This aspect motivated the study with the overall aim of investigating how strategic practices that include corporate governance, monitoring and evaluation and community participation influenced donor funding of multi-faith based organizations in Nairobi. The specific objectives were to establish the relationship between corporate governance, community participation and the influence of monitoring and evaluation on donor funding. The study was anchored on resource based theory, resource dependency theory and stakeholder theory, with descriptive research design and survey as research designs. The unit of analysis was 90 and data was collected using structured questionnaire. The response rate was 72% with the organizations having 62% male and 38% female employees. The findings showed that a unit increase in corporate governance would lead to a variation of 0.566 units of donor funding; community participation 0.358, while monitoring and evaluation had 0.426. From the standardized coefficients, corporate governance had the greatest contribution on donor funding



then monitoring and evaluation and community participation. Overall, the joint effect of corporate governance, monitoring and evaluation, and community participation explained 41.1 percent of donor funding decisions on multi-faith based organizations. The study recommends that the management of multi-faith based organizations should ensure that they entrench corporate governance in their relations with donors for sustainable funding leading to sustainable programmes. All managers in the multi-faith based organizations should ensure that monitoring and evaluation is done as per the practice, incorporating specific tools and systems recommended by the donors. Appropriate policies formulated as the organizations play critical role in humanitarian assistance to communities.

Keywords: Multi-faith based organizations, strategic practices, corporate governance, community participation, monitoring and evaluation

#### INTRODUCTION

Multi-faith based organizations are a category of organizations operating with a mission and vision rooted in religion or faith (Haakenstad, Johnson, Graves, Olivier, Duff, & Dieleman, 2022). They are also known as interreligious organizations with distinct attributes that encourage dialogue and cooperation between the world's different religions and with more than 80% of the world's population claiming religious affiliation (World Bank, 2022). They have over years depended on donor funding from none religious affiliated and church based organizations for administration and operations of their programmes. They are dedicated to specific religious identities, often including a social or moral component (World Bank, 2022). The relationship between donors and multi-faith based organizations worked well for years and donors willingly funded the programmes. World Bank for instance, has had long engagement with the organizations to enhance greater operational collaboration and partnerships that address complex challenges in the society (World Bank, 2022). World Bank (2015) notes that, the commitment of its leaders is demonstrated by their acknowledgement of the importance of religion in its programmes and policies. Faith leaders and the World Bank Group share a common goal that aims at realizing a world that is free of extreme poverty through ethical and moral authority. This implies that religious leaders' commitment and relationship with donors is to help many people out of poverty. Multi-faith based organizations have experienced a decrease in donor funding forcing them to scale down their operations. This resulted from diminishing of donor funding, diversion of funds to other projects and organizations, withdrawal and lots of exits (Gotsadze, Chikovani, Sulaberidze, Gotsadze, Goguadze & Tavanxhi, 2022).



Most of multi-faith based organizations recognize that the trend of donor withdrawal will continue and this has made them adapt new ways of creating sustainability of their programmes on the ground by finding supplementary (Gotsadze et al., 2022). Management of many organizations is adapting strategic practices due to changing donor funding patterns and environment. Mosley, Maronick & Katz, (2012) observed that enhanced strategic practices is one way that allows them to deal with funding uncertainties. These enable them to have shortterm programmes which may not guarantee financial sustainability. The changing operating environment has also made them change their operations to incorporate changing donor funding trends.

Donor funding and formulation of objectives, goals and implementation of programmes at the grassroots are some of the crucial factors that influence operations of multi-faith based organizations. This is because donor funds are attached to certain purpose and objectives of the providers (Alonzi, 2022). It is for this reason that management need to source funding from different partners, call for proposals and donor funding in order to reach the desired level of strategy implementation, execution and financial sustainability.

Most organizations in Kenya and the world at large are operating in a changing global business environment in terms of customer needs, changing economy, technology and competition for available resources (Samiksha, 2022). Multi-faith based organizations have a history of providing essential services and programmes that improve communities' livelihoods such as health services and poverty reduction (Alonzi, 2022); thus they have to change their operations and goals to suit those of donors and the dynamic operating environment. Every multi-faith based organization is required to implement strategic practices that enable them fundraise both locally and internationally. Additionally, multi-faith based organizations need to be registered with the Kenyan Government as Non-Governmental Organizations (NGO), or faith based organizations (FBO) or Community Based organizations (CBO) in order to be licensed to operate.

The World Bank recognizes the role of these organizations in different countries and provides funds to run their programmes in the certain countries on condition that they report effectively and efficiently on how the funds are utilized. Partnerships between organizations and other stakeholders in various countries are also encouraged. Abdulkadir (2014) supports this view by observing that donors make it mandatory for organizations seeking funding to establish partnerships and agreements with faith based organizations.

Donor funds area credit given to organizations to survive, implement activities and sustainability, of programmes at the grassroots. This aid is either bilateral, benefiting the organizations directly or through the government agencies acting as guarantors (Yunus, 2019).



Donor aid can either be a loan with low interest that the organizations have to pay after a certain period of time or a donation given from one country, usually a developed nation to a less developed one, classified as either soft or hard loan depending on the currency used (Kenton, 2021). The focus of the study was on external aid that donors give to the organization to enable them implement specific projects. Agarwal (2017) explained that the funds have contributed largely to existence of community aiding organizations in Kenya and lack of them can easily lead to collapse to almost all. However, there is a condition that they partner with the donors who give condition and preferences of the projects they would like initiated and implemented (Asher 2019).

Organizations need to create partnerships and networks with donor organizations to enable them to have contracts released for funding to take place (Herzig Van Wees & Jennings, 2021). Most donors ensure that the policies that make them support charitable organizations are based on the information given by the management. For donor funding to be managed properly, organizations require strategic practices that enable management compliance and deliver the required impact concerning the agreement between them and the donors.

This study focused on four multi-faith based organizations namely Association of Evangelicals in Africa (AEA), the Programme for Christian-Muslim Relations in Africa (PROCMURA), World Christian Student Federation (WSCF) and Association of Evangelicals in Africa. The common factor among the target audience and foundation is the concern to live and proclaim the good news of Jesus among all nations and peoples (multi-religious), transformation of individuals, family, community and culture using different programmes.

The rational for selecting the four faith based organizations was that they are both registered as faith based organizations in Kenya, have programmes for the religious leaders as well as for women and youth. The uniqueness of these organizations is that they draw membership from people of different congregations, different faiths and have a presence in Kenya and an established network worldwide. Their programmes are carried out through workshops, consultations and seminars which bring together the religious leaders, women and youth from different faiths. The four organizations depend heavily on the donor funding to execute their programmes.

#### **Strategic Practices**

Strategic practices are a set of decisions and actions that result from formulation of an organization's objectives that operationalize strategies (Pearce & Robinson, 2013). Management uses a strategy as a long term plan whose focus is how the organization interacts with the environment in which they exist. The concept of strategy entails a process of crafting a



plan that enables the organization to respond rapidly to the changing conditions in internal and external environment in order to accomplish the objectives (Jofre, 2011). Strategic practices in multi-faith based organizations include strategic analysis, strategy formulation, implementation, and evaluation.

Strategic formulation covers the determination of accurate courses of action that enable the organization to achieve the objectives and thereby accomplish the overall purpose. Setting strategic plans, involves goals and objectives, mission, vision, values, key result areas, action planning, specific objectives, monitoring, and evaluation of programmes. In the context of the study, strategic objectives for multi-faith based organizations are formulated through the donor requirements in order to meet award criteria. The process goes through capacity building of employees to equip them with skills and knowledge for strategy formulation, objective setting and programme implementation at the grassroots.

Top management is charged with the responsibility of planning and set strategies that accomplish the intended goals. Porter (1996) explained that strategy rests on the unique activities of an organization that enables it to attract resources from the stakeholders. Strategic practices may take the form of methods and innovations that management use to make the organization more efficient for purpose of continuous growth, success, and competitive advantage when they are implemented.

#### **Corporate Governance**

Corporate governance are practices and processes by which an organization is directed, controlled and it involves how management deals with customers, donors, government, employees and the community to increase share holders' value (Chen, 2021). It provides a framework that guides the attainment of firm's objectives. Donor funded projects that are successful follow corporate governance model and depend on managerial, technical, capacity formulate policies and employees who are tasked with operationalization of strategies and programmes. The quality of information shared by top and middle level management assists charitable organizations to gain a competitive advantage by attracting a wide range of donor (Datt, 2014).

Corporate governance provides a framework for attaining an organization's objectives which entails action plans, internal controls and corporate disclosure. Management influences corporate governance through their skills and knowledge that enhances accountability, transparency, fairness, and responsibility (Chen, 2021). Managers are the leaders of the strategy making process and they must take the responsibility of planning and leading the organization to the attainment of the strategies. They are also involved in supervising the



programmes at the grassroots. Management knowledge and experience increase FBO value because they define goals, allocate resources among the different programmes, formulate, implement strategies and provide the leadership required in organizations. Ukumu (2013) opines that, commitment and responsibility towards the formulation of strategic objectives is necessary if organizations endeavour to remain in the competitive market. This is because the structures of the organizations have an impact on how the information flows from the organizations to the stakeholders, especially the donors.

Management of organizations is supposed to assess both internal and external environment to attain competitive advantage in attracting donors. Various strategic practices play a key role in influencing donor funding of third sector alliance, among them being corporate governance, community participation, and monitoring and evaluation of the programmes. Corporate governance helps multi-faith based organizations build and enhances better relationships with key stakeholders such as donors and beneficiaries.

#### **Community participation**

Community participation is involvement of the people by an organization in projects that are already initiated for purpose of passing ownership without which they can fail for lack of support. Ndungu and Karugu (2019) views participation where stakeholders affect and have control on the initiatives of development, the resources and the decisions which influence them. The Community is a key stakeholder that includes the people themselves and their leaders who receive information and disseminate it to followers. In this context, community participation can occur at any of the stages namely -: needs assessment, planning, mobilizing, training and monitoring and evaluation.

The World Bank's Economic Development Institute (EDI) (2020) found that active community involvement in project planning, implementation and decision making improves programmes through the use of local knowledge, programme acceptance, sustainability and mobilization. When the voice of the community is heard and acted upon results to better governance, social development, volunteerism and overall better outcome (Admin, 2020).

#### Monitoring and Evaluation

Monitoring and Evaluation forms a logical framework through which multi-faith based organizations' work is measured. The indicators are based on value for money on services provided and the number of beneficiaries of the programmes at the grassroots (Toit, 2019). However, these frameworks inhibit the organizations ability to enhance accountability because monitoring of results is determined by trust of the charitable organization and the beneficiaries



because donors are not at the grassroots to see the extent to which implementation is executed. Donor funding has an effect on donor-funded programmes whereby the organizations with a steady flow of funds gain financial sustainability (Jeptoo, Serem, & Biwot, 2016).

In monitoring and evaluation, organizations use tools for carrying out the processes that are tailor-made. They originate from the donor who funds the programme and therefore they are contingent to the funded organization. Magero and Muchelule (2019) supported this view by explaining that participation of all stakeholders in strategy formulation, implementation, monitoring and evaluation of the programmes by the managers, community and donors helps in accountability and ownership by all.

Monitoring and valuation ensures appropriate implementation of the intended plans and assesses the progress of the programmes to ensure that they are completed on time and as budgeted. Management practices allow for the coordination and management of the available funds so that the programmes and strategies are executed on time and at reasonable cost. Multi-faith based organizations should endeavour to employ personnel with expertise, skills and knowledge on programme implementation, monitoring and evaluation These include the firm's formal reporting, procedures, controls, and decision making that permits strategies to be put in place. Leadership structure will influence the current strategic actions of top management and the choices they make about the sustainability of the donor. Management needs to have knowledge, experience and capability which are key to determining sustainability in donor funding. Okumu (2013) Corporate governance is an essential aspect of FBOs since it makes them receive large funding from donors and ability of organization to raising donor funds depends on viable strategy and objectives that demonstrates to the donors that their money would create value.

#### Donor Funding

Multi-faith based organizations' programmes were measured using non - financial perspective of the balance scorecard model. Management needs to put in place a set of measures that gives them a comprehensive view of the organization especially relating to finance. This information enables management to inform the donors of the results of their funds versus the funds they received (Norton & Kaplan, 1992). Donor withdrawal has not spared multifaith based organizations in Kenya since donors and beneficiaries have made the programmes to stop because of lack of funding and donor withdrawal, failure of the beneficiaries and staff to support the programmes.

Corporate governance helps promote financial viability by creating a long-term investment opportunity for market participants. Community participation ensures that



accountability is assured, programmes are accepted at the grassroots through involvement of people in decision making, planning and mobilization and monitoring and evaluation.

Donor funding withdrawal has become a growing concern to many organizations around the globe and most of them are competing for the little funds available to implement their programmes irrespective of the size. Multi-faith based organizations have experienced a reduction in donor funding and this has threatened their survival (Toit, 2019). Over time, international non-governmental organizations have constantly changed where and how they work and there has been a shift in their response to development needs, strategic priorities and funding opportunities. Most organizations' funds are in form of grants which are given by donors affiliated to the religious faiths. Christians, Muslims and other major faiths of the world have played a significant role in the development process in all regions of the world and support given to associated projects is believed to benefit humanity (Abdulkadir, 2014).

Recent monitoring and evaluation reports on the projects carried out by NGOs have shown that a good number of donors withdraw their funds or channel them elsewhere (Ahsan & Gunawan, 2010). This has seen many countries coming together to discuss the issue of aid withdrawal, partnership and sustainability by civil society organizations (CSOs) and other projects in the least developed countries (Millennium Development Goals (MDGs), 2013). The withdrawal of donors from social protection and NGOs has seen several operating in most parts of the least developed countries change their policies and activities thus limiting their achievements in providing the intended services to the communities.

Organizations weak structures and systems that do not indicate accountable make them loose the needed funds, beneficiary's ownership, employees and stakeholders' trust (Toit, 2019). According to Pallas and Sidel (2020), foreign aid has been decreasing overall and multifaith based organizations with weak policies and structures fail to get the needed funding. Aid reduction experienced among multi-faith organizations is similar across regions, thus there is a need for management of operation of third sector alliance bodies to show the credibility of the policies to avoid similar donor funding withdrawal. They also need to communicate in good time to enable them know what programmes need to be implemented and win over their involvement. Communication channels need to be created both within and outside the organization, because they are central to collaboration, teamwork and ensures continuation of organization through sharing essential information. Poor communication of channels lead to locking of critical data and the external stake holders do not get to know what is happening in the organization. When the information is also insufficient and unreliable, donors may not feel obligated to help out.



According to the World Bank report (2012), almost twenty NGOs withdrew their services to Kenya due to rules and regulations put in place by the government. Several multi-faith based organizations without efficient administrative systems may not have a future because they are new and small because of the declining donor funding from international partners. This inefficiency has made most donors withdraw their support because of lack of accountability and internal controls. In Kenya, programmes are failing to be implemented since government bodies are withdrawing funding for example the Norwegian Government withdrew funding in Turkana because the Turkanas are pastoralists and they could not consume fish this was because of the high cost of freezers to preserve the fish as soon as it was harvested (Mwangi & Muchelule, 2020).

#### Multi-Faith Based Organizations

Khafagy (2020) defines FBOs as humanitarian relief and development organizations formed by or with direct or indirect relationship with a specific faith community. The FBOs operate around development and relief programmes and provide their services at national, regional and international levels. Donor activities and funding under religion and development fall under FBOs even though NGO's are active in project areas like health, agriculture, water, peace, education, training, counselling, capacity building and poverty alleviation.

The FBOs get their foundation, reliance and guidance for their activities from their faith belief (Asher, 2019). They are entities dedicated to specific religious identities, often including a social or moral component (World Bank, 2022). Since global economic downturn restricts donor resources, many local multi-faith based organizations are watching as donors reduce or withdraw funding. The decline in the traditional sources of funds especially from Europe and America has made FBOs working in Kenya today face financial challenges that make them reduce the number of mission activities (Awiti, Mburu & Gathaiya, 2021).

Multi-faith based organizations are not for profit because they are founded by religious organizations to carry out charitable work within the communities and they are registered as NGOs associations. They usually work with local churches or International FBOs and they provide 40% to 50% of health care in developing countries and a fifth of them work in HIV and AIDs in Africa (Olarinmoye, 2012). They vary in their institutional structures, financial resources, interests and source of donations (Khafagy, 2020). Donor withdrawal in funding has affected local multi-faith based organizations in many ways such as loose of donor funds already budgeted to pay staff and operations Lack of support for community they represent, and access to donors training and capacity building including assistance to proposal writing as well as monitoring and evaluation.



Association of Evangelicals in Africa (AEA) is a Christian organization and works through various commissions; including: Women, Theology and Christian Education, Evangelism and Mission, Ethics, Peace and Justice, Relief and Development, Communication, Youth and Sports, Evangelical Focus on Children and Stewardship and Accountability. The World Student Christian Federation (WSCF) is a fellowship of student Christian movements putting faith into action to contribute to the renewal of the ecumenical movement and to promote justice and peace in Kenya and the world at large. It focuses on the transformation of the world where love, justice and peace is shared by all across boundaries of race, class, ethnicity, culture, gender and sexuality, ensures that students from all Christian traditions are reached and encourages dialogue between students of different traditions.

The Programme for Christian-Muslim Relations in Africa (PROCMURA) on the other hand, is a Christian organization which has been mandated to enhance and create dialogue between Christians and Muslims with a focus of witnessing and creation of peace and peaceful co-existence between these faiths. PROCMURA works in East, West, Central and Southern Africa and has well trained personnel on the complexity of Christian-Muslim relations working at country and grassroots levels. Organization of Africa Instituted Churches (OAIC) is a representative body that brings together African independent and Instituted Churches (AICs), and offers them a forum for sharing their concerns and hopes in addressing the needs of their members and their communities.

# **Problem Statement**

For any organization to post a positive performance, it is supposed to have goals and aims that define the purpose, enhance growth and achieve financial objectives (Roy, 2022). Multi-faith based organizations are not driven by profit as a measure of performance. In most cases, the output such as service to the people or increased welfare are qualitative in nature and are difficult to capture in quantitative terms; which have different strategies as basis upon which they are derived. As a result, many multi-faith based organizations have not fully adopted corporate governance which is anchored on obvious tangibles. Community participation and monitoring and evaluation as strategic practices that enhance service delivery cannot fully operationalize their missions as is the case with private firms because of people dynamics.

Utilization of funds can best be captured in quantitative measures but this is not achieved because some of the projects yield results after a long period of time. This is compounded by organizations lacking funds to carry out follow up programmes to monitor the impact at the grassroots. Such an example is educational projects where the sponsored students take an academic cycle (long time) to graduate. Like any other non-governmental and



charitable organizations, many multi-faith based organizations are small and have inadequate funding (Kode, 2010). Lack of funding and expertise has been cited as a hindrance to meeting the needs of funders and requirement of the donors. Due to withdrawal of donors, multi-faith based organizations face challenges in the implementation of the programmes at the grassroots. Donor funding to FBOs remains an issue worldwide and many organizations depend on the funds and grants for survival and sustainability (Toit, 2019).

Several scholars have examined the issue of donor funding of faith based organizations. Abdulkadir (2014) identified challenges caused by inefficient implementation of internal control systems in NGO. The study focused on the relationship between traditional and informal control structure. Bowers du Toit (2014) investigated on the nature of donor engagement in the context of South Africa's faith based organizations. The findings showed that there was a relationship between funding and the praxis of FBOs within the South Africa Context. BBC International (2013) carried out a study on Mombasa NGOs and showed that most of them had not only gone through donor withdrawal but the resultant effect enabled them to put in place strategies for survive after the exit of the donors. Tilahun (2019) did a study on challenges of donor fund allocation and utilization: The case of United Nations Children's Fund (UNICEF) in Ethiopia. Muluh, Kimengsi and Azibo (2019) studied the challenges and prospects of sustaining donorfunded projects in rural Cameroon. Pallas & Sidel (2020) carried out the study on foreign aid reduction and local civil society. The studies revealed that aid reduction was caused by organization's way of planning, the number of programmes organised at the grassroots and dependence of organization on grants from donors as the major source of funding. Lelengwe and Okech (2016) conducted a study on the participation of the community in donor funded projects among the pastoral communities and found out that the community needed to be involved in decision making for the funding request to be acceptable and sustainable as well as ensure that the community specific needs are addressed.

Despite these issues, donor withdrawal in multi-faith based organizations in Kenya has become a concern to the management. From the above studies, it is evident that most multifaith based organization have not fully incorporated corporate governance, community participation and monitoring and evaluation (M & E) in their programme implementation. The aim of the study was therefore to examine strategic practices that affected donor funding of multi-faith based organizations in Kenya, the case of multi-faith based organizations in Nairobi.

#### **Objective of the Study**

The overall objective was to establish the influence of strategic practices on donor funding of multi-faith based organizations in Kenya.



The specific objectives of the study were to;

i. Establish the relationship between corporate governance and donor funding of multi-faith based organizations in Kenya.

ii. Determine the influence of community participation on donor funding of multi-faith based organizations in Kenya.

iii. To assess the influence of Monitoring and Evaluation on donor funding of multi-faith based organizations in Kenya.

#### **Research Questions**

This study sought to answer the following research questions.

i. How does corporate governance influence donor funded projects of multi-faith based organizations in Kenya?

ii. How does community participation influence donor funding of multi-faith based organizations in Kenva?

iii. How does Monitoring and Evaluation influence donor funding of multi-faith based organization in Kenya?

#### Significance of the Study

The findings of this study will inform the policy makers of the multi-faith based organizations on the policies that can guide strategic practices that relate to corporate governance, community participation and monitory and evaluation. The policy should emphasize on how effective monitory and evaluation is done and reported to the donors.

Management of multi-faith based organizations will have Knowledge on the extent to which the studied variables contribute to donor funding. This will help managers to know on how best third sector alliance can mitigate against unanticipated withdrawal by donors. Management of multi-faith based organizations would benefit from this study as they would be able to set strategic practices in their day-to-day activities, provide timely reports, contracts and memorandum of association to donors to enable them to sustain the donor funding thus enabling them to implement their projects. The study highlighted several strategic practices lacking in multi-faith based organizations which needed to be entrenched in the running of organizations to avoid donor withdrawal of funds. It would also assist existing and upcoming FBOs and not to involve themselves in activities that would make donors to shy off from providing funds for programme implementation. The study would enhance the process of multifaith based organizations because of being in a position to align their policies to with those new donor policies as they come on.



This empirical study will also add to the literature on the area of strategic practices and donor funding of multi-faith based organizations, the theories involved and areas of further research. The contribution to knowledge is that the combination of corporate governance, community participation and monitory and evaluation influences donor funding. Corporate Governance was found to have the highest contribution to donor. More studies need to be carried out to find out.

#### Scope of the Study

The study focused on strategic practices and donor funding of multi-faith based organizations in Nairobi. Specifically, the study focused on corporate governance, community participation and monitoring and evaluation and the way they interacted to influence donor funding. The study drew its respondents from top and middle management, regional coordinators and area advisers of selected multi-faith based organizations in Nairobi which included Programme for Christian-Muslim Relations in Africa (PROCMURA), Association of Evangelicals in Africa (AEA), World Student Christian Federation (WSCF), and Organization of African Instituted Churches (OAIC).

#### Limitations of the Study

The study was done when the world and Kenya, were going through a health pandemic caused by COVID19 viruses. During this period there was a surge in COVID 19 cases and most employees were working from home as a requirement by Kenya government and the World Health Organization. During this time some of the respondents could not respond to the questionnaires because they did not have internet facilities installed in their homes, while others could not call back when they missed calls by the researcher because of cost of airtime. This extended the period of data collection because the researcher was able to administer limited questionnaires physically to some organizations while in other organizations; the online data collection was conducted.

The other challenge experienced was that strategies and tactics were applied to convince employees of the organization under study to respond to the questionnaires. This is because of restrictive ethical guidelines and regulations that have been put in place by most organizations regarding their data. Permits from the university and National Council of Science and Technology (NACOST) helped in assuring the respondents that the information obtained was for academic purpose and the questionnaire was constructed in a way that was not identifying individuals or the organizations that participated in the study.



# LITERATURE REVIEW

This section explores the literature available on the strategic practices among corporate governance, community participation and monitoring and evaluation, and the relationship with donor funding of multi-faith based organizations. The study derives its theoretical basis from resource based view, resource dependency theory and stakeholder theory. It also shows the research gaps and conceptual framework that shows the relationship between independent and dependent variables.

# Theoretical Literature Review

Donor funding is a complex concept that various scholars have tried to explain because of the stakeholders and the qualitative aspects such as trust that characterize it. The chapter explains the theories that were used to inform the variables of the study. These include resource dependency theory, stakeholder theory, and resource based theory. The resource based theory anchors the resources available within the organization and capabilities of the organization that lead to competitive advantage (Datt, 2022). As indicated by the resource based theory, the organizations resource refer to tangible and intangibles such as funds, skills and knowledge in the context of the study that make the organization to sustain their operations and provide the required services to the community.

Wright (2021) suggests that organizations are answerable to diverse stakeholders and in the context of the study they include employees of the mult-faith based organizations, donors, the government, the community and their leaders who exert different influence inclusive of personal interest. The theoretical framework provides a link between independent variables that include corporate governance, community participation and monitoring and evaluation, and dependent variable that is donor funding. Although the theories explained below originate from different disciplines they anchor strategic practices in relation to donor funding as opposed to when they are applied in performance of public and private sectors.

# **Resource Based Theory**

Barney (1991) crystallised resource based view into Resource Based Theory (RBT) which postulates that resources owned by the organization are key in attaining competitive advantage. RBT is associated with, strategic management and it proposes that organizations compete for the resources and capabilities in order to post a better value for the shareholders which are reflected by improved financial performance. Organizational capabilities both internal and external are considered essential to the organization and would assist them in achieving competitive advantage (Barney, 1991). Small businesses achieve competitive advantage when



they create more value higher than the competitors in a way that the counterparts are not able to duplicate the strategy put in place (Barney & Hesterly, 2012). RBT suggests that organization's resources such as assets, capabilities, organization processes, firm attributes, information, and knowledge enhance the ability to execute the formulated strategies, objectives and programmes.

The theory takes into consideration issues of tangible and intangible resources and in the context of the study, RBT takes into account management and operational employees' skills, knowledge and experience. In the context of the study, unique relationship between the organization and the donors is determined by ability of the staff reporting how controlling and coordinating of programmes, integration of groups and stakeholders within and with immediate environment takes place.

According to the theory, organizations that allocate enough resources in their activities improve the implementation of programmes unlike those that do not. This enhances planning that ensure sustainability of the strategies and programmes at the grassroots because donors can change and channel their funds to other organizations if this is not done properly. The underlying assumptions of RBT are that organizations differ depending on how tangible and intangible assets as well as organizational capabilities are blended to create a competitive advantage (Pearce & Robinson, 2013). They should be good enough to attract alternative funders in situations where donor funding reduces or donor policies change in a way that make them withdraw from previous projects. Such means would be writing proposals and initiating projects that address current situation that are in line with the vison and mission of the donors.

The theory explains why organizations fail or succeed in a given environment and suggest that the abilities available can lead to developing new programmes by expanding its operations of those in existence. RBT informs the variables of the study in that management is supposed to take into consideration the management of resources provided so that the strategies and programmes are implemented when due and completed within the outlined duration.

Good corporate governance is one of the intangible resources and the role of the managers is essential in determining the sustainable competitive advantage of the firm because it is difficult to trace the source that is embedded in it. The way management and operational employees create synergy, enables the organizations to fulfil the expectations of the stakeholders and delivering the desired services to the communities. Managers are able to spot extra ordinary core competences and skills among their employees that enable the firm to excel in strategy formulation, programme implementation, that appeal to sustainable donor funding



(Pearce & Robinson, 2013). The RBT highlights that management need to configure resources used for administrative operations and execution of programmes at the point of utilization.

#### Resource Dependency Theory

Resource dependence theory (RDT) anchors how resources external to the organizations affect its operations and how competitive advantage can be gained by accessing them. The RDT explains that organizations are interdependent in the environment that they operate in but ensuring that they have strategies that enhance their autonomy and pursuit of their interests (Castrillon & Alfonso, 2021), Davis and Cobb, (2010) observed that organizations depend on the resources for their survival and information drawn from other organizations. The theory underlies the relationship between partners, the board of governors and the environment. The RDT looks at the structure of the organization, how staff recruitments are done and the extent to which external organization creates relationships with donors and stakeholders. The theory is used to answer the question of the inefficiency of management relating to corporate governance and the major role played by management to enable the firm get resources that are critical to the organization's existence.

Pfeffer and Salancik (1978) propose the theory whose views are that inter-organizational relations is a means for securing and mobilizing needed resources and enhance control over resource supply. They also create relations with donors and stakeholders during the implementation of strategies and objectives (Ebers, 2015). Management makes decisions that help their organizations expand funding and set objectives for the activities. The RDT shows that the dependency of the organization is drawn from management's abilities to attract and maintain valuable resources that come from donors and incorporated into the processes of the organization by employees.

The relationship between funding sources in non-profit organizations required leaders to implement strategies appropriately. Lin and Wang (2016) noted that multi-faith based organizations need to secure external funding and manage the available resources. Changes in the management and the external environment especially the community influence funding sources. As management work toward attaining the organization's mission, it is important for them to employ strategies to identify resources that lead to building and sustaining community relationship and participation.

Aid dependency for multi-faith based organizations arises when the organizations are not able to implement their objectives and programmes because of withdrawal of funding by donors and lack of expertise among the staff. The theory outlines that organizations depend on resources to exist and the resources come from an organizations environment which in this



case are donors. It also states that the power of leadership and resource dependency goes together whereby legally independent organizations depend on each other. In this study, resource dependency theory analyses the sources and consequences of power in different organizations and they relate and how those that run organizations use their power and manage their dependence. The theory relates with corporate governance which is more on skills and knowledge of management and employees who ensure that objectives and goals are formulated and achieved. The theory also relates to monitoring and evaluation whereby the organization is able to determine what other organizations are doing in terms of the activities they plan and the resources available.

#### Stakeholder theory

Freeman (1984) as cited by Freeman, Wicks and Parmar (2004) proposed the stakeholder theory which proposes practical, efficient, effective and ethical way of managing organizations in a highly complex and turbulent environment. This theory explains that programme implementers should settle on choices to access the interests of all stakeholders. The stakeholder theory takes into consideration the customers, workers, and business associates views as they work towards the achievement of objectives without going beyond the ethical principles on which the organization is based (Castrillon & Alfonso, 2021). The theory's propositions are that all organizations should manage stakeholders efficiently so that they can reciprocate. Stakeholder theory allows sharing of information with all stakeholders, purchase of organizations' products and services and providing feedback on financial expenditure to the financiers and to employees who implement programmes.

It ensures corporate accountability of the resources that have been given to the organization. Smith (2000) defines stakeholders as individuals and organisations who are actively involved in the projects and the companies they invest in. They also ensure that the goals and objectives are achieved such that without the critical stakeholders the organizations cease to exist. Stakeholder theory identifies stakeholders as employees, financial institutions, government agencies, suppliers and customers, and in the context of the study communities and affiliated groups. An organization that takes into consideration the interests of its stakeholders, treating them well through allocating resources to satisfy their needs, takes control of their participation in the programmes. Employees on the other hand feel motivated to work effectively and efficiently. An organization's sustainability is dependent on how it can keep the relationship with its stakeholders (Kaluai & Muathe, 2020) and it is good to satisfy them by keeping good relations. The entire stakeholder relationship is a strategy for the achievement of organization's goals and survival.



The effective application of stakeholder theory yields good public relations whereby the community has a good view of the firm which contributes to future success through consumption of the company's products. It explains that an organization is accountable not only to its shareholders but to all stakeholders in the organization among them donors, researchers, management and users of the programme (Ndungu & Karugu, 2019). The theory suggests that a company will succeed if it satisfies all its stakeholders not only those whom they benefit from directly but even those they do not. When the employees are motivated they work effectively and efficiently. In the case of organizations that provide services, when the beneficiaries are satisfied they give positive feedback during monitoring and evaluation.

Donor relationship with multi-faith based organizations has been characterized by good relationships between the organization and the donors which contribute to non-withdrawal. Toit (2019) explains that donors usually provide funds for a particular period and may withdraw when priorities change. This makes them to scale down on the projects and programmes planned fora particular period. The approach ensures that management intentionally endeavour to create good relationship between the organization and the stakeholders. Stakeholder theory supports the study because it focuses on incorporating corporate management on all stakeholders such as communities who may not appreciate the need of running the organization as a corporate entity yet it determines the value of the inputs.

#### **Empirical Review of the Variables**

The section consists of review of past empirical studies on the variables in order to identify how they relate and reveal the gaps that the study set out to address. The study sought to find out how corporate governance, community participation and monitoring and evaluation as strategic practices influence donor funding of multi-faith based organizations.

#### **Corporate Governance and Donor Funding**

Corporate governance is good for development and has been rated high on the agenda of most organizations because it is easy to hold managers accountable (Jordon & Tuijl, 2012). Abdulkadir (2014) observed that corporate governance has gained recognition due to the managements' failure to show how they govern organizations; whereby bad governance has caused economic decline in various countries. Corporate governance is essential in the world because it reduces conflict among organizations. Corporate governance involves different areas of interaction between management and stakeholders in an ethical way which specifies roles and responsibilities among employees in organizations especially those who are interested in decisions making on different issues (Castrillon & Alfonso, 2021). This also involves the



process where financiers in the context of the study are expecting to receive a return on the funds invested in the organization (Castrillon & Alfonso, 2021). Bad governance has been cited to hinder organizational growth and improve the running of organizations in poor countries and managers need to get good governance systems entrenched in the organization and deliver policies concerning reportage (Earle, 2010). In several multi-faith based, most donors and foreign experts have taken over the leadership and in other cases given their expertise on the essential functions of governance. They cite poor management and lack of vision that lead to donor withdrawal. The expertise in capacity building, project management, monitoring and evaluation ensure that the programmes and objectives which have been put in place are implemented. Earle (2010) observed that organizations can improve governance if donors address governance failures with the concerned countries and tie funding to good governance. In the past donors have withdrawn funding as a result of data manipulation in some organizations (Gotsadze et al., 2022).

#### **Community Participation and Donor Funding**

Community participation and involvement is an essential factor that brings beneficiaries together in the active roles of decision making. Community leaders are trained to allow full participation because they can influence the followers to reject or accept a programme. According to the World Bank (2015), leaders lead by establishing organizations values and ethics, that show the way projects improve their lives and should be sustainable right from the initial planning to completion. Organizations need to bring together individuals of influence to mobilize community to make decisions about the issues affecting them. Multi-faith based organizations need to address the issue of community participation as they plan for the activities, though some people are usually reluctant to be part of the process. There is a close relationship between the community and the donor funding especially in relation to community ownership, sustainability and achievement of the programmes (Minkler, 2011). Community is key to programme implementation and in ensuring that programmes are valid and essential in improving their livelihood.

Lelengwe and Okech (2016) carried out a study on community participation in donorfunded projects in pastoral communities. The study was to examine community participation in donor-funded projects among pastoral communities of Northern Kenya with the use of a survey research design. The findings were that there was an insignificant community involvement in the planning and implementation of the projects, capacity building for managing projects; community support in terms of resources and effective participation in projects.

Donor-funded programme succeed at the grassroots, when community own it and are involved. Community project ownership is important because it shows confidence in decision



making and follow-up programmes by the management of the organization carrying it. This enables the concerned organization to implement any project when leadership in the community changes. In circumstances where the community is not involved in the programmes, resistance to programmes implementation occurs. This causes the problem where the community leaders do not provide any resources for the programmes. This is because the community many at times contributes to the programmes in whatever form. Community participation also allows for the community to be involved in decision making, listening to the suggestions being outlined and they community can also be given the opportunity to define their programmes (Lelengwe & Okech, 2016) and which can be implemented by the organizations.

For this study, community participation involves the community being allowed in decision making to enable the organizations to implement programmes that will create an impact and allow for monitoring and evaluation to take place effectively. Rashid and Begum (2016) carried out a study to assess the community participation level in development projects in a low-income community in Bangladesh. They found out that community participation is minimal in development projects. The conclusion was community needs to be involved in decision making, planning, and implementation of projects down-top-down.

Oakley (2012) reports that community participation helps it to be dependent and confident in running own programmes. Problems are collectively analysed in order to find viable solutions that lead to sustainable projects. Community involvement builds capacity that ensures replicability of the future programmes even when the initial organizations cease to exist in an area.

The stakeholders can be involved at different stages of the strategy formulation and implementation such as drawing up of expectations, decisions making, consultancy, planning and empowerment (Kaluai & Muathe, 2020). These allow access to skills and capabilities that enhance offering services to the community. Multi-faith based organizations are trusted by citizens and are highly networked with the donor organizations which enable them to operate effectively on the ground. Religious leaders are looked upon to provide both formal and informal support to enable the organizations implement projects (United Nations environment, 2018).

Kibe (2014) investigated on the effect of communication strategies on organizational performance; the case of the Kenya Ports Authority. The findings were that effective communication is considered to be key in organizational performance especially when passing on important information to stakeholders. It is equally necessary when planning programmes at the grassroots because it facilitates mobilization of community. The understanding that is created in the process makes the community participate and own programmes when tension is removed among all the participants. It is also possible that through proper communication the charitable organizations are able to appreciate cultures and norms of the people it wishes to serve.



#### Monitoring and Evaluation of donor funding

According to the Organization of Economic Cooperation and Development (OECD), monitoring and evaluation is a continuous process that uses data to analyse indicators that provide management and stakeholder information required achieve the objectives of the programmes and account for funds allocated. Organizations need to build aid modalities, and strengthen planning and monitoring and evaluation techniques, especially through the shared information received from donors. Monitoring and evaluation are critical in donor funding and evaluation involves the assessment of an ongoing or completed programme while monitoring is a continuous management process that provides management and stakeholders with ongoing intervention and shows the progress made.

Wanjala, Irawo, Odhiambo and Shalla (2017) carried a study on how monitoring and evaluation tools influence project performance in state corporations and found out that the tools of monitoring and evaluation affect the information gained significantly when carrying out a process.

Monitoring and evaluation should be an ongoing process because it allows the organization to check the progress of programmes continuously. Where discrepancy is found management is able to provide corrective measure in line with set goals and objectives. Carrying out project monitoring and evaluation exercise, management allocates adequate resources that ensure a smooth process of achieving objectives (Rungiri & Njangiru, 2018). Zakumumpa, Wilhelm, Paina, Qiu and Bennett (2020) carried out a study on patients' and HIV service, managers' perceptions of the impact of loss of PEPFAR support on HIV services in transitioned health facilities in Uganda: This was a qualitative research where case studies were used seeking to identify who owned health facilities. The findings were that with the loss of PEPFAR support, some facilities ceased operation. Overall, participants perceived that transition had important impact on HIV service delivery.

Management needs to carry out monitoring and evaluation of programmes regularly since it enables them to be accountable and transparent on how the funds are utilized, provides results and evidence of the programmes carried out (Wasike, 2014). Strategy control systems put in place enable managers to evaluate whether the organization is using the set strategies when sourcing for the donor funds. Monitoring and evaluation in some organizations has been extended from the projects implemented to the beneficiaries who benefit from the programmes (Wasike, 2014). The beneficiaries include grassroots people who are usually men, women, and the youth participating in the programmes.

Many donors undertake monitoring and evaluation of programmes and therefore organizations need to ensure that there is an impact in these programmes especially those that call for follow-up. Bennett, Sara and Ozawa, Sachiko and Rodriguez, Daniela and Paul, Amy



and Singh, Kriti and Singh, Suneeta (2015) conducted a study on monitoring and evaluating transition and sustainability of donor-funded programs: Reflections on the Avahan experience whereby a survey was used. The findings were that programmes funded and implemented by international donors frequently transitioned to local funding and management but such processes are rarely evaluated, given the inadequacy of transition evaluations,

Monitoring and evaluation need to be implemented by personnel with the relevant skills, adequate resource allocation and transparency advocacy to secure the quality of information needed from the process. This means that organizations have a responsibility to train employees for effective monitoring and evaluation to take place. There should also be an overall project budget for monitoring and evaluation functions (Waithera & Wanyoike, 2015).

# **Research Gap**

Table 1 provides a summary of literature that was reviewed with the gaps that the proposed study sought to fill.

Author	Торіс	Key Findings	Research Gap	How to address
				the Gaps
Bennett, Sara &	Monitoring and	Through M & E, they found	Programs funded and	The current study
Ozawa, Sachiko	Evaluating Transition	tensions between the idea of	implemented by	focus on M & E
& Rodriguez,	and Sustainability of	institutionalizing key features	international donors	and donor funding
Daniela & Paul,	donor-funded	of the Avahan program, and	frequently transition to	of multi-faith
Amy & Singh,	programs: Reflections	ensuring program flexibility to	local funding and	based
Kriti & Singh,	on the Avahan	promote sustainability.	management, yet such	organizations in
Suneeta.	experience		processes are rarely	Kenya
(2015).			evaluated, focus on India	
Lelegwe	Community	Insignificant community	Community participation	The current study
Ltumbesi S. &	participation in donor	involvement in the planning	in donor funded projects	focus on donor
Timothy C.	funded projects in the	and implementation of the	in pastoralist communities	funded
Okech (2016)	pastoral communities	projects, capacity gaps in		programmes in
		managing projects;		multi-faith based
		insignificant community		organizations
		support in terms of resources		
		and effective participation in		
		donor projects		
Masudur	Community	The planning and decision	Community participation	Level of
Rashied &	Participation in	making process is in control	in decision making and	community
Halima Begum	Development Projects	and leaders make decisions	planning.	participation in
(2016)	in a Low Income	for the local people and		donor funding
	Community	implementation of projects is		
		top down.		
Abdulkadir	Challenges of	Strong internal controls with	Implementing internal	The present study

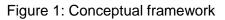
Table 1: Summary of the Research Gaps

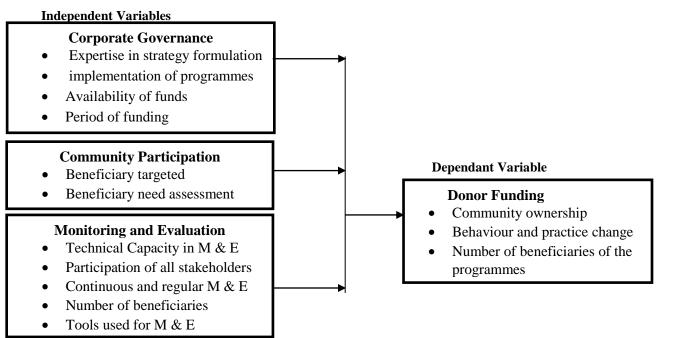


(2014)	implementing internal control systems in Non-Governmental Organizations in Kenya: A case of faith Based Organizations (FBO) in Coast Region.	the organization increase confidence of its financiers and important stakeholders	controls	focus on factors leading to withdrawal of donor funding
Holvoet & Rombouts (2008)	The Challenge of Monitoring and Evaluation under the New Aid Modalities: Experiences from Rwanda.	M & E is essential is key in cementing the relationship between donor agencies and receiving organization.	The focus is in Rwanda	The present study focuses on multi- faith based organizations in Kenya and M & E in donor funding.
Christine Jeptoo, C., Serem, W. & Biwot, E. (2016)	Investigation of donor funding practices and aided projects for capacity building: a case of World Vision Kenya	There is a relationship between donor funding and management skills and knowledge	Focus is in World Vision Kenya	Focus is multi- faith based organizations in Kenya

# **Conceptual Framework**

The conceptual framework was based on knowledge on variables derived from the theoretical and empirical literature review. The framework is shown in Figure 1 below.







Here, the independent variables are corporate governance factors which have the following constructs, expertise in strategy formulation and implementation of programmes, availability of funds and period of funding. Community participation entails the beneficiary targeting and beneficiary needs assessment. Another independent variable is monitoring and evaluation which involves the technical capacity, participation of all stakeholders, frequency of monitoring and evaluation of the programmes, number of beneficiaries and tools used. The dependent variable which is donor funding includes the following, Community ownership, behaviour and practice change and number of beneficiaries for the programmes.

#### **RESEARCH METHODOLOGY**

#### **Research Design**

Research design is a plan of how data that is a true presentation of the population is obtained to achieve the study objectives. There are many research designs where each type of study adopts a design that is suited to its purpose. This study employed a descriptive research design that was intended to describe the characteristics and relationship between independent and dependent variables (Mwangi & Muchelule, 2020). Descriptive design was essential in describing the variables in the context multi-faith based organizations. The choice of the design was informed by its application in similar researches by Kibe (2014), Kaluai & Muathe, (2020), and Lelegwe (2016). It was suitable for the research because it enabled detailed explanation of the data collected in the study.

#### **Study Population**

The study population was four multi-faith based organizations in Nairobi with a target population of all top and middle level managers as well as coordinators of different branches within Nairobi. The distribution of the managers is shown in table 3.1 below. These were chosen because they had the responsibility of planning, decision making, organizing and coordinating the projects they were involved in. They are also the main custodian of information and have responsibility of creating a link between the organization, donors and the community.

The study consisted of multi-faith based organizations in Nairobi among them the World Student Christian Federation (WSCF), Association of Evangelicals in Africa (AEA), Organization of Africa Instituted Churches (OAIC) and the Programme for Christian-Muslim Relations in Africa (PROCMURA). These were chosen because they have headquarters for the country offices in Nairobi and they are engaged with community programmes that target beneficiaries associated with different faiths. The uniqueness of these organizations is that they do not discriminate against people based on their faith unlike most of the FBOS that are involved with



people ascribing to a particular faith. The targeted group was top management, middle level management, and regional coordinators and area advisers who are responsible for various key functions of planning, formulating strategies, objectives, leadership and ensuring that programmes are carried out both at the offices and the grassroots. Top level management varied slightly depending on the organization and this is why a diverse group was included in order to obtain a true position of the variables that were studied. An example that shows the variation of managers who perform similar functions in the organization is the executive directors and the general adviser such as the case of PROCMURA. These are responsible for controlling and overseeing the entire organization.

No.	Organization	Designation	Target Population
1.	WSCF	Top Management	5
		Middle Management	15
2.	PROCMURA	Top Management	5
		Middle Management	15
		Regional Coordinators and Area Advisers	10
3.	AEA	Top Management	5
		Middle Management	15
4.	OAIC	Top Management	5
		Middle Management	15
		TOTAL	90

#### Sampling Design and Framework

Sampling is the selection of a subset of the population of interest in a research study (Turner, 2020). The study used a stratified sampling technique to draw up the sample size. Sampling is the selection of a subset of the population of interest in a research study where the technique allows for the inclusion of population subgroups of interest. The population was divided into groups of top management, middle level management, area advisers and regional coordinators. The multi-faith based organizations were also selected from several faith based organizations in Kenya because they are governed and deal with more than one religious group.

#### **Data Collection Procedure and Instrument**

The data collection instrument consisted of semi structured questionnaires where the statements operationalized the variables. Primary data was collected from the respondents who were involved in the formulation of objectives and strategies and the implementation process at the Central Offices and at the grassroots of the four organizations. The questionnaire consisted of a section that collected demographic data of the respondents while the other sections were



constructed on a five-point Likert scale. The scale from 1= Strongly Disagree (SD) 2=Disagree (D) 3= Neutral (N) 4= Agree (A) 5= Strongly Agree (SA).

The questionnaire was administered by dropping and picking method while others were sent by email to the respondents. The questionnaires were completed and picked by the researcher while those which were sent via email were sent back. There are those questionnaires that bounced back because the email addresses provided by the respondents could not go through. Respondents of the emails that bounced back were called to request for the correct email addresses and the questionnaires were resent.

#### **Reliability and Validity of Research Instruments**

Validity ensures that the results obtained on analysing data are in line with the phenomenon that is in focus. They also present an accurate status of the variables which makes conclusion trustworthy (Heale & Twycross, 2015). Validity of the instruments was determined in consultation with the experts as the research work went through various stages of presentation.

Reliability is the ability of a data collection instrument to give the same results when it is applied repeatedly (Taherdoost, 2016). A pilot study was done at the All Africa Conference of Churches (AACC) through some selected respondents who were chosen at random to enable the researcher correct the questions that were misunderstood by the respondents. Cronbasch Alpha was calculated and compared with already predetermined standard.

#### **Data Analysis Approach**

After the data collection, the questionnaire was checked to determine the completeness of the responses, coded, and entered into the Statistical Package for Social Sciences (SPSS) for analysis. Descriptive statistics was used to describe the general nature of the data. Means and frequency distribution were applied to assess central tendency while standard deviation was used to describe the dispersion of the data. Inferential statistics such as Pearson's correlation was used to assess the association between independent and dependent variables. Regression model was used to predict the relationship between the independent variables and dependent variable. The model below was used:-

 $Y = \beta 0 + \beta 1X1 + \beta 2X2 + \beta 3X3 + \varepsilon$ Where:- Y= Donor funding  $\beta 0 = constant$ 

 $\beta$ 1,  $\beta$ 2,  $\beta$ 3= regression coefficients

X1= Corporate governance



X2= Community participation

X3= Monitoring and Evaluation (M & E)

# ε=Error Term.

The formula was used to measure the relationship between corporate governance, community participation and monitoring and evaluation in relation to donor funding.

# **Ethical Consideration**

Ethics involves the practice adopted by a researcher that ensures that the rights of respondents are respected. It was taken into consideration during the data collection and presentation process. Concerning respondent confidentiality, the university provided an introductory letter to show that the research was for academic purpose only. Permit from the National Commission of Science, Technology and Innovation (NACOSTI) was obtained in compliance with the requirements for conducting research in Kenya. Permission was also sought from the concerned organizations requesting them to allow their employees to take part in the research.

# **ANALYSIS**

## **Response Rate**

The multi-faith based organizations studied were Programme for Christian-Muslim Relations in Africa (PROCMURA), Association of Evangelicals in Africa (AEA), the Organization of Africa Instituted Churches (OAIC) and World Student Christian Federation (WSCF). The population was distributed as follows PROCMURA 30, AEA 20, OAIC 20 and WSCF 20. Table below shows the response rate.

Institution	Population	Number of Responses	Percentage response rate
PROCMURA	30	25	38.46%
AEA	20	15	23.08%
OAIC	20	15	23.08%
WSCF	20	10	15.38%
Total	90	65	100%

Table above shows the number of questionnaires responded to, returned and the distribution was as follows 25 from (PROCMURA), 15 from (AEA), 15 (OAIC) and 10 from (WSCF). Total response rate was 72%. The response rate above 50% was taken as adequate for making conclusions about the objectives that the study set to investigate.



# **Demographics of the Respondents**

The first statement sought to find out the number of male and female employees working in the organization under study. The results were tabulated and presented in form of a pie chart below:

Table 4: Gender of Respondents

		Frequency	Percent
Valid	male	22	33.8
	Female	43	66.2
	Total	65	100.0

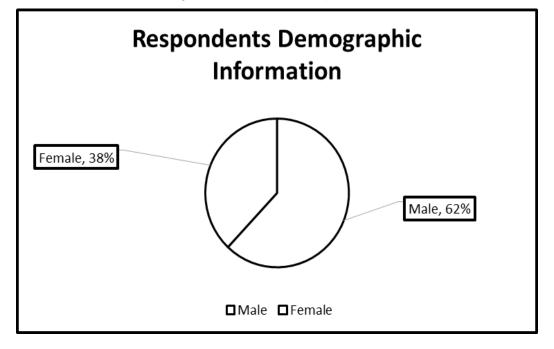


Figure 1: Gender of Respondents

Figure above, shows that there were 62% male and 38% female employee in the four organizations. The percentage difference was wide and it is possible that most of the management positions were held by men. The difference in gender disparity agreed with that of International Labour Organization findings that provides an average of 49% of women and of men 75% working in organizations (International Labour Organization, 2018). The second statement sought to find out the level of education of the employees in the organizations that were studied and the results were presented using a pie chart as shown in the Table and figure below:



		Frequency	Percent
Valid	Certificate	2	3.1
	Diploma	9	13.8
	Under Graduate	36	55.4
	Post Graduate	18	27.7
	Total	65	100.0

Table 5: Level of education

Data on table 5 is represented on figure 3 below and it shows the level of education of the employees in the organizations.

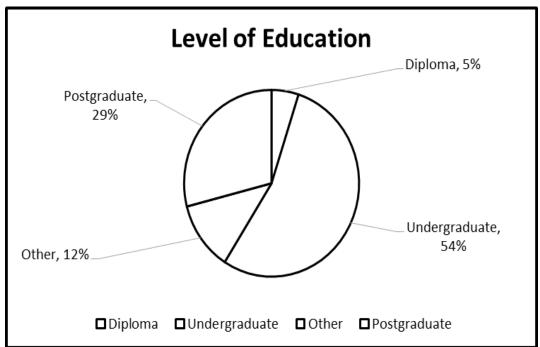


Figure 2: Level of Education

Table 5 indicates that respondents employed in the organizations' top management, middle management, regional coordinators and area advisers had attained the following levels of education undergraduate degrees 54 percent, postgraduate 29 percent, diploma 5 percent and others 12 percent. Therefore, most of them were degree holders. The findings implied that the respondents who participated in the study were learned and the information they provided was an adequate reflection of what the study sought to investigate. The 29 percent of post graduates in the organizations showed that the manpower was available to provide adequate skills at conceptual level. This is required for formulation of policies and strategies required by



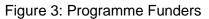
organizations to take advantage of opportunities and minimize any threats that may emanate from the environment in which the organizations operated on.

The third statement sought to find out the employees responsible for project and programme implementation. The responses were as indicated on Table below.

		Frequency	Percent
Valid	Middle Management	32	49.2
	Regional Coordinators	33	50.8
	Total	65	100.0

Table 6: Programme Implementers

Table 6 shows middle level managers were charged with the responsibility of operations in projects of the organizations studied. This was supported by Intakhan (2014) who reports that middle management provides support by ensuring that the members of the organization implement strategies and programmes at the grassroots. Support from the senior management team help in creating collaborative relationships between the organizations and external donors hence ensuring that donors funded the different programmes planned for. The fourth statement sought to find identify the source of funding of the programmes. The respondents were given choices that included donors, government, individuals and churches. The responses were as shown in Figure 4 below.



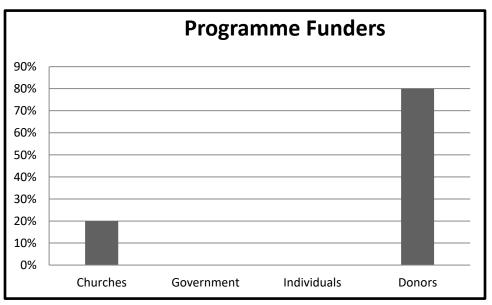




Figure above shows that most of the respondents agreed that 80 percent of funding was drawn from donors, 20 percent from Churches contributed while the government and individuals had an insignificant contribution

		Frequency	Percent
Valid	1-5 years	10	15.4
	6-10 Years	44	67.7
	Over 10 Years	11	16.9
	Total	65	100.0

Table 7: Number of years worked

The fifth statement sought to find out the number of years the respondents had worked in the organizations and results are shown in Figure 4.4 below:

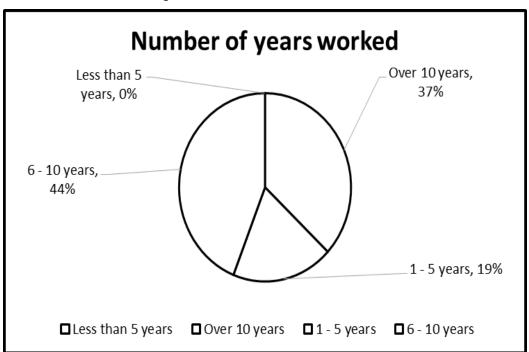


Figure 4 : Number of Years worked

Figure above indicates the percentage of the number of years different respondents had worked in the organizations. Respondents who worked between 6 - 10 years were 44 percent, over 10 years 37 percent, 1 - 5 years 19 percent and none for less than 5 years. Therefore, data showed that 81 percent of the respondents had worked in the organizations for six years and above implying that they understood the core functions and operations of the organizations.



It is also possible that they had the skills and competences that enabled them to perform their jobs well.

#### **Reliability and Validity of Research Instruments**

Validity of the instrument in the study was ensured by constructing the items after wide review of the relevant literature, consultation with the supervisors who are experts in the field of study and review of the items was done after proposal presentation to the panel of experts in research.

Cronbach alpha was calculated and compared with the standard to determine the validity of the instrument, The data for pilot study to was as indicated in the table below.

\_ . . \_ \_ .. . ... \_

ole 7: Reliability Test	
Cronbach's Alpha	Remarks
Values	
0.904	Reliable
0.756	Reliable
0.887	Reliable
	Values     0.904     0.756

As per the above table, the Cronbach alpha values for each of the variables are; corporate governance at 0.904, community participation at 0.756 and monitoring and evaluation at 0.887. The values for each of the variable are all above 0.7 which is the threshold for testing reliability using the Cronbach alpha values. The results indicate that there is consistency and high reliability of the variable in measuring the effect of strategic practises and donor funding of the multi-faith based organizations in Kenya.

#### **Corporate Governance**

This variable was operationalized by eight statements constructed on a likert scale. Respondents were required to state whether they agreed or disagreed with each of the statements. The scale quantified the responses ranging from 1.00 to 5.00 on a continuum The level assigned 3.00 was designated neutral in order to separate the range of agreement from disagreement. Average score below 3.00 implied that the respondents disagreed with the statement and if it was above, they agreed. The standard deviations indicated the extent of variation of the response provided per statement. The responses are as shown in the Table 8 below.



Table 8: Corporate Go	vernance
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	Ν	Ę	E	ee ee	ee	а	۵)	الا م	<u>ر</u>	u
		Minimum	Maximum	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Mean	Std. Deviation
Management has the required expertise in strategy formulation	65	3	5	0.0	0.0	26.9	28.4	41.8	4.15	0.83
Organization has required funds to implement strategies differentiation	65	2	5	4.5	3.0	16.4	38.8	34.3	3.98	1.03
The organization has expertise in fundraising for its programmes	65	1	5	1.5	14.9	53.7	26.9	0	3.09	0.7
Our management team comprises of persons with adequate experience in Strategy formulation	65	1	5	1.5	11.9	46.3	31.3	6	3.29	0.82
The organization has required fund to implement programmes	65	1	5	9.7	10.3	41.4	20.7	6.9	3.5	1.19
Adequatebudgetaryallocationsforimplementationofstrategies	65	1	5	0	16.9	338	30.8	18.5	3.5	0.98
Management has made adequate budgetary allocation for the implementation of programmes	65	1	5	0	1.5	36.9	43.1	18.5	3.78	0.76
Our team comprises of employees with adequate experience in strategy formulation	65	1	5	9.2	0	23.1	38.5	29.2	3.78	1.15
Staff allocation to tasks is based on desired level of efficiency	65	1	5	1.5	12.3	47.7	32.3	6.2	3.3	0.82
Aggregate Score									3.59	0.92

Table above shows that the means were above 3.00 and they ranged between 3.09 and 4.15. The overall mean score was 3.59 which indicated that the respondents agreed that corporate governance had an influence on donor funding. The statement that was highly rated was management has the required expertise in strategy formulation with a mean of 4.15. While the statement; the organization has expertise in fundraising for its programmes had 3.09. This meant that while there was competence in strategy formulation, ability to fundraise was low.



# **Community Participation**

The variable was operationalized by eight statements structured on five-point Likert scale that ranged from 1.00 (strongly disagree) to 5.00 (strongly agree). Neutral point was assigned 3.00 such that any figure below represented disagreement and any figure above r agreement. The variable was intended to determine the extent to which community participation contributed to donor funding. Responses obtained were recorded as appearing in Table 9 below:

						•				
	N	Minimum	Maximum	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Mean	Std. Deviation
Community involved in the planning and identification of the programmes	65	2	5	0.0	1.5	26.2	26.2	46.2	4.17	0.88
Community involved in decision making	65	1	5	1.5	1.5	20	23.1	53.1	4.26	0.94
Information sharing with the community leaders is done on timely basis	65	1	5	1.5	3.1	6.2	27.7	61.5	4.4	0.87
Communication with the community is done in an efficient way and as required	65	1	5	0	1.5	20	29.2	49.2	4.26	0.83
Community involved in monitoring and evaluation	65	1	5	0	0	38.5	35.4	26.2	3.88	0.8
Adequate financial resources allocated to run the programme at the grassroots	65	1	5	3.1	0	15.4	38.5	43.1	4.18	0.92
Collect feedback from the community to improve our overall partner relations	65	3	5	0	0	24.6	35.4	40	4.15	0.80
We exchange information with our participants in a timely manner	65	1	5	0	1.5	13.8	47.7	36.9	4.2	0.73
Aggregate Score									4.2	0.85

**Table 9: Community Participation** 

Table above shows that the mean averages of the statements that measured community participation ranged from 3.88 to 4.4. The overall mean score was 4.2 and all the standard deviations were below 1.00 which implied that there was a marginal variation a in the responses. The results showed that on average respondents agreed that community participation had a relationship with donor funding. This was in agreement with Ndungu and



Karugu (2019), who posted that the community should be involved in programme implementation for ownership purposes. Same view is supported by Kaluai and Muathe (2020) observation that, it is very necessary for stakeholders to engage in project planning and execution on project so that they can support it to completion.

#### **Monitoring and Evaluation**

The statements on questionnaire that operationalized monitoring and evaluation and donor funding of multi-faith based organization were measured using the Likert scale. The respondents were able to give the responses as shown in the Table 10 below:

			-							
	N	Minimum	Maximum	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Mean	Std. Deviation
Management team has technical capacity in M&E	65	1	5	1.5	0	26.2	33.8	38.5	4.08	0.89
Involve stakeholders in M&E of the programmes	65	3	5	0	1.5	36.9	40	21.5	4.62	071
Partners involved in M&E of programmes	65	1	5	0	9.2	23.1	41.5	26.2	3.85	0.92
Continuously and regularly monitor the implementation of programmes at the grassroots	65	1	5	4.6	3.1	24.6	35.4	32.3	3.88	1.0
Invite exact number of beneficiaries to the programmes as agreed with partners	65	1	5	0	1.5	24.6	29.2	44.6	4.17	0.86
Feedback on monitoring and evaluation done on programmes is provided accordingly	65	3	5	0	0	36.9	44.6	18.5	3.82	0.73
Evaluate programmes to ensure they are in line with partners requirements	65	3	5	1.5	0	16.9	35.4	46.2	4.25	0.85
Evaluate strategies to ensure they are in line with partners requirements	65	1	5	1.5	3.1	29.2	30.8	35.4	3.96	0.96
M&E reporting is done on timely basis	65	1	5	3.1	10.8	24.6	46.2	15.4	3.6	0.98
Check call for proposals from partners to fill as a way to increase funding	65	1	5	6.2	3.1	23.1	35.4	32.3	3.84	1.1
Monitoring the programme implementation	65	2	5	0	9.2	44.6	35.4	10.8	3.5	0.81
M&E tools put in place	65	1	5	3.1	1.5	24.6	24.6	46.2	4.10	1.02
M&E system installed for decision making	65	1	5	0	0	0	0	100	5	0
Aggregate Score									3.76	0.77

Table 10: Monitoring and Evaluation



Table above shows that the multi-faith based organizations had embraced monitoring and evaluation on donor funding from a moderate mean as indicated by mean averages of 3.5 to 4.62. The findings were supported by views of Kaluai and Muathe (2020) who observed that monitoring and evaluation practices should be put in place in organizations to allow for regular checks while programmes are on-going to check for any issues that may arise from the implementation. Monitoring and Evaluation is essential in the success of the projects as many times there is no enough information available on the projects. The findings on monitoring and evaluation were consistent with Waithera and Wanyoike (2015) who explained that systems for monitoring and evaluation should be installed to help managers of the projects know whether the execution of the projects was being accomplished as planned and if otherwise, corrective measures taken.

#### **Donor Funding**

The participants were given statements indicating the extent to which they agreed on donor funding of multi-faith based organizations in Nairobi and results are as shown in the Table 11 below:

	N	Minimum	Maximum	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Mean	Std. Deviation
Number of Donors have increased over the years	65	1	5	1.5	46.2	36.9	12.3	3.1	2.70	0.83
Overall grants from donors have increased	65	3	5	1.5	29.2	49.2	16.9	3.1	2.91	0.80
Programmes implemented have increased over the last five years	65	1	5	3.1	6.2	26.2	40	24.6	3.77	0.99
Number of staff has increased	65	1	5	6.2	1.5	24.6	26.2	41.5	3.90	1.10
Beneficiaries have benefited from the programmes implemented over the years	65	1	5	3.1	4.6	12.3	47.7	32.3	4.10	0.96
Government policies affected donors funding FBOs in Kenya	65	3	5	3.1	9.2	23.1	38.5	26.2	3.75	1.05
Memorandum of Understanding with donors for funding over a period of time	65	3	5	6.2	7.7	35.4	35.4	15.4	3.46	1.04
Funding contracts are signed in timely manner	65	1	5	3.1	9.2	32.3	35.4	20	3.60	1.10
Funding contracts returned to the donors in a timely manner	65	1	5	15.4	10.8	26.2	40	7.7	3.13	1.20

Table 11: Donor Funding



65	1	5	0.2	6.2	27.7	33.8	23.1	35	1.18
05	I	5	9.2	0.2	21.1	55.0	23.1	5.5	1.10
65	2	5	0	12.3	49.2	33.8	4.6	3.30	0.74
65	1	5	4.6	13.8	29.2	44.6	7.7	3.36	0.97
65	1	5	1.5	6.2	33.8	32.3	26.2	3.75	0.97
65	1	5	0	0	40	49.2	10.8	3.75	0.65
65	2	5	4.6	16.9	52.3	26.2		4.0	0.79
								3.31	0.89
	65 65	65 2   65 1   65 1   65 1   65 1	65 2 5   65 1 5   65 1 5   65 1 5   65 1 5	65 2 5 0   65 1 5 4.6   65 1 5 1.5   65 1 5 0	65 2 5 0 12.3   65 1 5 4.6 13.8   65 1 5 1.5 6.2   65 1 5 0 0	65 2 5 0 12.3 49.2   65 1 5 4.6 13.8 29.2   65 1 5 1.5 6.2 33.8   65 1 5 0 0 40	65 2 5 0 12.3 49.2 33.8   65 1 5 4.6 13.8 29.2 44.6   65 1 5 1.5 6.2 33.8 32.3   65 1 5 0 0 40 49.2	65 2 5 0 12.3 49.2 33.8 4.6   65 1 5 4.6 13.8 29.2 44.6 7.7   65 1 5 1.5 6.2 33.8 32.3 26.2   65 1 5 0 0 40 49.2 10.8	65 2 5 0 12.3 49.2 33.8 4.6 3.30   65 1 5 4.6 13.8 29.2 44.6 7.7 3.36   65 1 5 1.5 6.2 33.8 32.3 26.2 3.75   65 1 5 0 0 40 49.2 10.8 3.75   65 2 5 4.6 16.9 52.3 26.2 4.0

Table above shows that the selected multi-faith based organizations had embraced donor funding as a way of getting funds for operations and implementation of their programmes at the grassroots. The overall mean score was 3.31 which was closer to the mean average of 3.00 implying that on average donor funding fluctuated with time.

# Corporate Governance, Community Participation, Monitoring & Evaluation on Donor Funding

Correlations of the variables were determined in order to find out if there was a linear relationship which was a prerequisite for conducting a linear regression analysis (Table 12).

Pearson Correlation	Donors	Corporate	Community	Monitoring
	Funding	Governance	Participation	& Evaluation
Donors Funding	1.000			
Sig. (1-Tailed)				
Ν	65			
Corporate Governance	.179	1.000		
Sig. (1-Tailed)	.077			
N	65	65		
Community Participation	.256	.107	1.000	
Sig. (1-Tailed)	.020	.198		1.000
N	65	65	65	65
Monitoring & Evaluation	.522	.320	.484	1.000
Sig. (1-Tailed)	.000	.005	.000	
N	65	65	65	65



Corporate governance had a positive insignificant correlation of 0.179 with donor funding. Community participation had a significant correlation of 0.256 while monitoring and evaluation had the strongest correlation of 0.522 with donor funding. This confirmed that a linear relationship existed between the independent variables and the dependent variable. A multiple regression was carried out and results were tabulated as shown in the table below.

		-		•		
Model	R		R Square A	Adjusted R Square		
1	64.1		0.411	0.382		
		ANO	/A a			
Model	Sum of Squares	Df	Mean Square	F	Sig.	
Regression	1.999	3	0.666	14.170	0.000	
Residual	2.868	61	0.47			
Total	4.867	64				
		Coeffici	ents a			
Model	Unstandardized Co	efficients	Standardized Coefficie	nts t-value	Sig.	
(Constant)	3.023			8.129	0.000	
Monitoring and Evaluation	.426		0.550	4.871	0.000	
Corporate Governance	.566		0.597	3.546	0.001	
Community	.306		0.358	1.977	0.003	

Table 13: Strategic Practices and Donor Funding

The above table presents the results of regression analysis of corporate governance, community participation, monitoring and evaluation on donor funding of the multi-faith based organizations. The joint effect of the variables explained 41.1 percent (Rsquared =0.411) of donor funding of multi-faith based organizations while other factors not included in the study accounted for the 61.2 % On the ANOVA test, p-value was 0.000 which was less than the significance level of 0.05 implying that the model was statistically significant in explaining the relationship between the strategic practices and donor funding of multi-faith based organizations in Kenya.

This study adopted the regression model  $Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon$  to determine the relationship between the dependent and the independent variables. In the equation, Y was the dependent variable (donor funding) while  $\beta_0$  was the regression coefficients, and X<sub>1</sub>, X<sub>2</sub>, and X<sub>3</sub> represented corporate governance, community participation and monitoring and evaluation



respectively. All the variables were statistically significant at because the P values were less than 0.05 level of significance. All the three strategic practices had a positive effect on donor funding as indicated by the values of the coefficients;  $\beta_0$  = 3.023,  $\beta_1$  =0.426,  $\beta_2$  = 0.566 and  $\beta_3$  = 0.306 thus the predictive model was as follows;

Y=3.023+0.426 X<sub>1</sub> +0.566 X<sub>2</sub> + 0.306 X<sub>3</sub>

The model shows that when all variables are held constant, donor funding would be at 3.023 units meaning that there were other factors apart from the variables studied that helped the organizations to post a positive performance. On individual contribution, a unit increase in corporate governance would lead to a variation of 0.566 units of donor funding; a unit increase in community participation would lead to a to a variation of 0.306 in donor funding and a unit increase in monitoring and evaluation would lead on average to a variance of 0.426 of donor funding. From the standardized coefficients of 0.550 (monitoring and evaluation), 0.597 (corporate governance) and 0.358 (community participation) corporate governance had the greatest contribution effect on donor funding followed closely by monitoring and evaluation and then community participation.

#### SUMMARY OF THE FINDINGS

#### **Demographics of the Respondents**

Demographics of the respondents indicated that more male employees occupied the managerial positions in the multi-faith based organizations than females, which stood at 62% male and 38% female. This implied that there was the need for these organizations to have gender equity through empowerment, training and the employment process to enable them to occupy managerial positions and implement programmes as is required by the Kenyan constitution (2010). The organizations can do empowerment and training of the female employees through the provision of scholarships to attend professional courses in general and project management as well as administration to enable them to gain the necessary skills and competencies. This is supported by UNFPA, (2012) which explained that population and development programmes are more effective when they address educational opportunities, status, and empowerment of women.

#### Number of years worked

The findings on the statement on the number of years that employees worked for the organization, was that many employees had been in the system for many years 6 to 10 years 44%, which implied that the organizations motivated them and they probably were happy with their jobs. The employees, therefore, had a lot of knowledge and experience about the donor



requirements and programme implementation. It also shows the employees had grown the ladder to attain leadership positions as the information they gave shows that they had more knowledge about the organization and the donors in particular.

#### Level of Education

The findings on the level of education, undergraduate degrees holders with 54 percent were the majority of the employees. Most of the top, middle management, regional coordinators and area advisers had the required skills and knowledge required to formulate strategies and implement programmes at the grassroots. It is possible that the respondents are given opportunities to advance their education by the organizations when the need arises. The findings also showed that middle level managers were involved in the programme implementation.

#### Donor Funding

Funding of programmes of multi-faith based organizations came from donors which constituted 80%. There was also contribution by the churches but individuals and government made insignificant contribution though the organizations are entitled to source for grants from these sources too. Individuals were beneficiaries of the programmes implemented by the organizations.

#### Corporate Governance and donor funding of Multi-faith based organizations

The first objective sought to establish the relationship between corporate governance and donor funding of multi-faith based organizations in Kenya, case of multi-faith based organizations in Nairobi. From the descriptive statistics, respondents generally agreed that corporate governance played a major role in attracting donor funding management and employees had the required knowledge and skills in the formulation of strategies and implementation of strategies and programmes at the grassroots in line with goals and objectives. The results of the regression analysis indicate that corporate governance had a positive and highest influence on donor funding.

#### Community participation and donor funding of Multi-faith based organizations

The mean for community participation construct was 4.26 which indicated that it was the highest single influence on donor funding. The was contradicted by predictive analysis where the standardised coefficient was 0.358 while those of corporate governance and monitory and evaluation were higher meaning that donors placed higher consideration on these two. This can



be understood in that systemic factors may be harder to verify compared to community participation where it is easy to know whether community was involved or not.

#### Monitoring and Evaluation and Donor Funding of Multi-Faith Based Organizations

Monitoring and evaluation was rated highly in influencing donor funding decisions. Respondents agreed that monitoring and evaluation tools existed but they were not sure whether systems were in place in the organizations. Some of the statements on monitoring and evaluation such as programmes are continuously and regularly rated high. Standardized coefficient shown that this was the second most consideration that donor considered when funding a programme.

Regarding donor funding, most of the respondents gave feedback that donors have not increased their funding in the recent past, funds had been reduced, organizations had not implemented programmes as planned and the number of staff had decreased. The respondents agreed that beneficiaries had benefited from the programmes and that contracts and memorandum of understanding were signed and returned promptly as required by the donors.

#### CONCLUSION

The first objective of the study sought to establish the effect of corporate governance on donor funding. The findings showed that corporate governance had a positive and highest effect on donor funding. The respondents agreed that corporate governance played a major role in donor funding by donors. It answered the question of whether management and employees had the required knowledge and skills in the formulation and implementation of strategies and programmes at the grassroots according to the objectives and goals set.

The second objective sought to determine the extent to which the level of community participation influenced donor funding of multi-faith based organizations in Kenya. Under community participation, statements such as whether community was involved in the planning, decision making, monitoring and evaluation were provided in the questionnaire. From the findings, community participation had a positive but lowest contribution to donor funding compared to the other factors investigated.

The third and last objective assessed the influence of monitoring and evaluation on donor funding of multi-faith based organizations in Kenya. Among the items included were centred on management and employees' technical capacity for monetary and evaluation, the existence of monitoring and evaluation tools and whether the feedback after monitory and evaluation was shared with the stakeholders in good time. The findings indicated that monitoring and evaluation of programmes had a second influence on donor funding of the organizations.



The study concluded that monitoring and evaluation is an essential factor in donor funded organizations and it assists in providing action when there is mismatch between plans and activities. Monitoring and evaluation tools should be provided in the organizations and regular checks be carried out.

## RECOMMENDATIONS

Corporate governance factors were found to have the most significant contribution to donor funding of the organizations under study. In this regard, the study recommends that the management of multi-faith based organizations in Kenya should ensure that they entrenched corporate governance factors in their relations with donors to sustain continued funding which will enable them to sustain the programmes in administrative operations and at the grassroots.

Monitoring and evaluation had the second influence on donor funding after corporate governance. The study, therefore, recommended that all managers in the multi-faith based organizations to ensure that monitoring and evaluation is done as per the practice, incorporate monitoring tools and systems in their organizations and make them known to the employees. Information and report sharing especially with key stakeholders should be increased and feedback provided to enable realignment of the strategies and programmes to the donor requirements are encouraged.

Community participation had the lowest influence compared to the other two variables. The study recommended that the motives of the donors and community expectation be clearly understood so that where community participation is required, it participates fully because it allows for project sustainability and ownership by the community. The community through their participation in the decisions making may feel obligated to pool resources and finance programmes that may fail to be finalized due to lack of funds.

Monitoring and Evaluation (M & E) should be practiced by organization that receives donor funding and use it as evidence of control mechanism. This ensures that feedback from the grassroots is obtained and shared among the donors and other stakeholders. It was recommended that monitoring and evaluation tools be installed in the automated system of multi-faith based organizations to enable them real time checks.

# SCOPE FOR FUTURE STUDY

The issues on strategic practices and donor funding of multi-faith based organizations explained 41.1 percent only implying that there was about 59 percent explained by other factors included in the studied. The study was mainly limited to Nairobi and it will be necessary to



broaden it to include other forms of third sector alliance in order to have a compressive view of the factors influencing donor funding.

There may be a need to look at other impacts of donor funding of other multi-faith based organizations because they have particular challenges as opposed to multi-faith based organizations that are owned by one church (in the case of Christians) or a group of people of similar faith. These organizations need to be set apart as religious tolerance increase in the world. There is a probability that people from different religious backgrounds will work together for the common good of the people in the future if there is a common cause that puts them together.

There may be a need to look at the funding from the government and the church as they can fund certain programmes associated with people's faith. The affiliated churches can be approached to provide indirect funding such as free venues in the church compounds and church facilities, food for beneficiaries, and also allow for no refunds for the participation in the programmes. People also tend to invest heavily in church-based organizations because of the direct benefits that they gain.

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