FACTORS AFFECTING FINANCIAL SUSTAINABILITY AT THE UGANDA RED CROSS SOCIETY

BY

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A DISSERTATION SUBMITTED TO THE SCHOOL OF MANAGEMENT SCIENCE IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF THE MASTERS DEGREE IN MANAGEMENT STUDIES (FINANCIAL MANAGEMENT) OF UGANDA MANAGEMENT INSTITUTE

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DECLARATION

I, Eunice Nadunga, hereby declare that this dissertation is my own work and has never been presented to this or any other institution of higher learning for any academic award.

Signature……..Date……

APPROVAL

This dissertation has been submitted with my approval as the supervisor

Signed …… Date……

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UMI Based Supervisor

DEDICATION

I dedicate this research work to my brother, Mr. Joseph Wandulu, my dear mum Mrs. Elizabeth Wazaaba for the financial support and care they showed during this study.

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I am greatly indebted to the management and staff of Uganda Red Cross Society for their support during the study. They allowed me access their records/documents in addition to fully participating in this study by filling questionnaires and interview dialogue. Without this candid input, the study would not have come to fruition. They are therefore a key cornerstone that made this study acquire the current form and structure.

Finally, and most importantly, i thank the almighty God for His grace in taking me through this stressful process to satisfactory conclusion.

GOD BLESS THEM ALL

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LIST OF ABBREVIATIONS

ARC	American Red Cross
BRC	British Red Cross
DRC	Danish Red Cross
FA	First Aid
FRC	Finnish Red Cross
GAVI	Global Alliance for Vaccines and Immunization
GB	Governing Board
GOU	Government of Uganda
GRC	Germany Red Cross
ICRC	International Committee of Red Cross
IFRC	International Federation of Red Cross and Red Crescent
IGA	Income Generating Activities
JRCS	Japanese Red Cross Society
KPMG	Klynveld Peat Marwick Goerdeler
MOH	Ministry Of Health
MOU	Memorandum of Understanding
MP	Member of Parliament

MTN	Metric Tonne Net
MTR	Mid-Term Review
NEPARC	New Partnership for African Red Cross and Red Crescent Societies
NGOs	Non-Governmental Organizations
OPM	Office of the Prime Minister
PEPFAR	Presidents Emergency Plan For Aids Relief
RC	Red Crescent
RCS	Red Cross Societies
SP	Strategic Plan
UN	United Nations
UNFPA	United Nations Population Fund
URCS	Uganda Red Cross Society

ABSTRACT

This study examined the relationship between factors (organizational culture, leadership styles and stakeholder participation) and financial sustainability of URCS. The leadership style sub variable included delegation, commitment to networking and policy formulation; Organizational culture included long term planning and transparent governance while stakeholder participation included decision making process and information exchange. Cross-sectional survey design was used. Quantitative and Qualitative approaches were also used to collect and analyze data. The findings showed that there was a positive significant relationship between financial sustainability, leadership style, organizational culture and stakeholder participation which is in agreement with Hargrave and Van de Ven (2006), who asserted that, the success of income diversification strategies largely depends on the ability of the institution‘s leadership to communicate effectively with the church community as well as with external stakeholders thus; the study concluded that, financial sustainability of URCS is dependent on leadership styles, organizational culture and stakeholder participation. The implication of these findings is that, improvement in leadership style, organizational culture and stakeholder participation will boost financial sustainability. The study therefore makes key recommendations for URCS to improve its leadership styles, organizational culture and stakeholder participation as these ensure an organization’s goals are reached by guaranteeing that an institution produces sufficient income to enable it continue for the unforeseeable future.

CHAPTER ONE

INTRODUCTION

1.1 Introduction

Financial sustainability is a key determinant for the healthy existence of an organization as well as its competitive performance like Uganda Red Cross Society (URCS), hence need for a clear understanding of how it can be attained. Realization of financial sustainability will suffice only when the factors affecting its achievement are brought to light. In this study therefore, the independent variables were factors affecting financial sustainability conceptualized as; leadership styles, organizational culture and stakeholder participation while the dependent variable was financial sustainability which was conceptualized into; membership subscriptions and income generating activities (IGAs).

Financial sustainability is one of the key challenges for NGOs: only those institutions that have sound financial structures and stable income flows are able to fulfill their multiple missions and respond to the current challenges in an increasingly complex and global environment. Indeed, financial sustainability is not an end in itself rather it aims at ensuring that an organization‘s goals are reached by guaranteeing that the institution produces sufficient income to enable it continue in the unforeseeable future. Sustainability therefore implies that society must use no more of a resource than can be regenerated. Unsustainable operations can be accommodated either by developing sustainable operations or by planning for a future lacking resources

currently required. In practice, organizations mostly tend to attain sustainability by increasing efficiency in the way in which resources are utilized.

This chapter presents the background to the study followed by the statement of the problem, the purpose, specific objectives, research questions, hypotheses, conceptual framework, and scope of the study, the significance of the study and the operational definition of terms. The dissertation also presents a coherent flow of literature that was reviewed under themes that were developed from the specific objectives of the research to contextualize the research and identify the research gaps and weaknesses. Furthermore, the study highlights the methodology that was adopted by the researcher to accomplish the study. This was followed by the presentation, analysis and interpretation of the findings. The discussion of findings conclusions and recommendations of the study came last.

1.2 Background to the Study

1.2.1 Historical Background

Globally, the concept of financial sustainability came into limelight in the 1980s when donor agencies in developed countries realized that the health infrastructure invested 10-20 years ago had deteriorated. Besides this, developing countries were facing severe economic hardships that they could not avail the drugs. In addition to this, there was high demand for resources, which in true sense were scarce. It's from here that agencies such as Global Alliance for Vaccines and Immunization, Department for International Development, Norwegian Agency for Development among others started encouraging governments of developing countries like Mali, Kenya,

Ethiopia, Sudan, Somalia and many others to mobilize domestic resources to cater for activities that were previously funded by donors hence financial sustainability came to be prominent and at the same time seen to be related with " self-sufficiency" .At the end of 1980s , this concept had grasped the ground and it was a requirement that all donor-funded projects design documents reflecting a 'financial sustainability' section clearly committing that either the donor or the government will continue to support activities using their own resources once the project ends. Financial Sustainability was adopted in so many areas of human needs such as health, education, water, and other developmental issues at different points in time (Kaddar, Lydon and Levine, 2003).

Financial sustainability was not only adopted by governments, but also by humanitarian organizations like the Red Cross Societies and the Red Crescent and this started in 2004 where 15 leaders of African RCS and RC and the staff of Fritz institute met in South Africa to discuss a number of issues among which were the failure of current humanitarian assistance in Africa. It was discovered that inability to generate funds to support their core personnel and infrastructure costs was a common challenge among the national societies. To enhance audit capacity, Fritz Institute developed a Model of Humanitarian Excellence focusing on the challenges raised by New Partnership for African Red Cross and Red Crescent Societies' members hence creating areas to be assessed and among these was financial sustainability. After 3 years, Fritz Institute together with KPMG Kenya developed a tool to assess organization's financial sustainability. It was from this time on that the URCS took financial sustainability as a serious issue and this was wrapped up in a statement made by Tom Buruku, Chairman URCS;

NEPARC is providing African national societies with the opportunities to demonstrate our credibility to our partners, governments and societies. The network has prompted us to seek out resources within our own countries, as sustainability is a core value that NEPARC is fostering (Thomas and Bliss, 2012, p.25)

The URCS is a leading humanitarian organization in Uganda started in 1939 as a small women's emergency organization. It is aimed at sustainable improvement in the quality of life of the most vulnerable individuals, households and communities in Uganda. In 1941 it became a branch of the British Red Cross. The URCS was recognized by an "Act of Parliament in 1964" and admitted as a member of the IFRC and Red Crescent Societies in 1965. The national society has over 200,000 registered members with one and half million beneficiaries of its intervention. It works through 51 branches divided in five regions of Mbarara, Mbale, Gulu, Hoima and Central. In addition, the URCS is in partnership with the government of Uganda, Corporate bodies, UN agencies, NGOs and participating sister Red Cross Societies (Uganda Red Cross Society Strategic Plan 2011-2015, 2010).

1.2.2 Theoretical Background

This study was based on four theories and these included; the Contingency Theory, Goal-Setting theory, Theory of Agency and the Resource-Based Theory of the firm. According to Lorsch (2010), the Contingency Theory by Fielder (1967) posits that an effective leadership style depends on different situations therefore specific leadership styles are better suited for some situations than others. Lorsch further argues that, followers' values and expectations must align with the goals set by the leader, communication must be strong and the leader must draw

effectively on power as a position and influence others through perceived competence and charisma.

According to Locke and Latham (2006), the Goal-Setting Theory explains the relationship between goals and performance where high goals lead to greater efforts. Goal effects also depend on requisite task knowledge and skills of individuals in collaboration with self –efficacy mediate the effects of motivating variables like personality traits and participation in decision making. Goals are effective even when they come from different sources, they can be assigned by others, and they can be set jointly through participation. Furthermore, growth goals, together with self-efficacy and organization vision can predict future growth.

The theory of agency also supports the study which according to Jensen and Mechling (1976), is a paradigm in financial economics which is primarily concerned with the relationship between managers and stakeholders_ where one person performs services on behalf of others which involves delegating some decision-making authority to the agent. In a sustainable financial system, agency relations cannot be restricted to management alone, it also applies to other stakeholders such as employees, community members, donors and many others.

The resource-based theory is the new contribution to the theory of the firm which attempts to explain and predict why some firms are able to establish position of sustainability and in so doing earn superior returns; it perceives the firm as a unique bundle of idiosyncratic resources and capabilities where the primary task of management is to maximize value through the optimal deployment of existing resources and capabilities while developing the firms resource base for the future (Grant, 1996). Therefore, the study adopting these theories identifies four factors

affecting financial sustainability in the URCS and these include; leadership styles, organizational culture and stakeholder participation.

From the above theoretical explanations, the researcher adapted the goal-setting theory. Locke and Latham (2006) goal setting theory brings to the fore: feedback, time limits to achieve set goals and subordinate's participation in goal setting as key factors that are involved in leadership styles, organizational culture and stakeholder participation. Given the hypothetical assumption that the above factors influence financial sustainability of an organization, the Goal Setting Theory that incorporates parameters that are involved in the trio, the theory was considered more binding in exploring the factors that influence the financial sustainability of a not-for-profit organization like Uganda Red Cross Society.

1.2.3 Conceptual Background

In this study, the dependent variable was financial sustainability. Sustainability is a measure of an organization's ability to fulfill its mission and serve its stakeholders' overtime (Fundamentals of NGO Financial Sustainability). Sustainability can only be achieved if there is full commitment to the process throughout the organization, from board of directors through senior management and the entire staff. This is because sustainability is a process not an end. It involves all decisions and elements in an organization right from human resource to finances and service delivery**.** Organizational Sustainability (2012) also defines sustainability as an organization's ability to define a relevant mission, follow sound management practice, and develop diversified income sources to ensure long-term continuity of quality, community-oriented services.

Abdelkarim (2002) defines financial sustainability as the ability of an NGO to develop a diverse resources base so that it could continue its institutional structure and production of benefits for intended client population after donor financial support ceases.

Leadership style is the manner and approach of providing direction, motivating people and achieving objectives (Fertman and Van, 1999). Leadership according to Northouse (2004) refers to a process whereby an individual influences a group or individuals to achieve a common goal. Leadership and Management in most cases are used interchangeably though there some differences among the two variables. Leadership is concerned about forecasting and organizational change while management is about day to day operations of an organization. Putting aside the differences, lack of these two has an impact on the financial sustainability of an organization as effective leaders have to demonstrate some managerial skills and good management display leadership qualities and this cuts-across all levels of management. Mintzberg (2006) as cited by Hailey(2006) argues that the future lies with 'fostering' a new generation of leaders who can practice what he refers to as 'engaging management'. Bad leadership behavior such as poor judgment, abuse of power, and confusion between personal and organizational interests can lead to poor performance or unethical behavior that can threaten the viability, credibility and sustainability of an organization. Therefore, in non-profit sector context, identifying appropriate leadership competencies that reflect the values of the sector and the needs of individual staff and volunteers is very crucial.

People along with their core competencies and tacit knowledge are potential sources of sustainable competitive advantage therefore it is prudent to develop a corporate culture that is

conducive to the workforce and this is only possible if an appropriate leadership style is used Obradovich (2009) asserts. Obiwuru, Okwu, Akpa & Nwankwere (2011) add that, the extent to which members of an organization contribute in harnessing the resources of an organization equally depends on how well the managers (leaders) of the organization understand and adopt appropriate leadership style in performing their roles as managers and leaders thus, efficiency in resource mobilization, allocation, utilization and enhancement of organizational performance depends to a large extent on leadership/management style.

Culture refers to the cumulative deposit of knowledge, experience, beliefs, values, attitudes, meanings, hierarchies, religion, notions of time, roles, spatial relations, concepts of the universe, and material objects and possessions acquired by a group of people in the course of generations through individual and group striving (Culture, 2012). Schein (1997) defines organizational culture as a pattern of shared basic assumptions that the group leaned as it solved its problems that has worked well enough to be considered valid and is passed on to new members as the correct way to perceive, think and feel in relation to those problems.

World Bank (1994) defines participation as a process through which stakeholders influence and share control over development initiatives and the decisions and resource which affect them. Stakeholder participation is any process that involves stakeholders in problem solving or decision-making and uses stakeholder input to make better decisions (Twyford and Baldwin, 2006). The researcher appreciates more the definition of financial sustainability by Abdelkarim(2002), however, in the researcher's view; financial sustainability is a process of an organization being capable of gathering various sources of funding both internally and externally

to solve operational and maintenance costs using the right capacity in selecting partners while observing organizational norms.

These factors have a hypothetical relationship with financial sustainability because once they are provided for, they increase on the likelihood of increased membership in URCS, steer the performance of income generating activities and attract more donations from both locals and foreigners.

1.2.4 Contextual Background

The URCS receives donations through project support such as DFID, UNFPA, JRCS, FRC, PEPFAR, ARC, ICRC, GRC, BRC, DRC, and other local partners like MTN (U), MOH, OPM, Tullow oil (U) and many other donor agencies. Given her status, a number of challenges were revealed during the Mid-Term Review(MTR) of the SP 2007-2010 that arose from various departments and these include and not limited to; a problem of volunteer motivation and expansion of membership base, difficulties in commercializing FA, gathering adequate resources to match the budget and misplacement of the resource mobilization reporting line. Further still, the URCS was facing threats such as human resources unattractiveness as the best employer, limited support by branch governing board, changing donor priorities, unfavorable economic policy frameworks, and emerging competitors in provision of quality humanitarian services (Strategic Plan 2011-2015, 2010). In addressing issues, in 2007-2010 SP, the URCS designed a 5 year SP starting 2011-2015 to cater for the discrepancies and these include and not limited to; seeking partnerships with development agencies and partner with national societies with an intent of improving networking, optimizing resource usage in terms of organization and

structure. The URCS was undergoing inevitable changes in areas of monitoring and evaluation and human resource development, pursuing decentralization to improve service delivery through regionalization to render technical support to branches, it was also carrying on strategic fundraising, empowering branches economically, lobbing for government support to take care of her core institutional and organizational activities, building more resources using appropriate systems and enhancing co-ordination among departments.

The URCS has failed to gather adequate resources to match the budget simply because of the following factors; leadership styles, Organizational culture and stakeholder participation. Financial sustainability is the dependent variable and was measured in terms of ability to use diversified funding sources like membership subscription and Income Generating Activities(IGAs) while Leadership style was measured in form of delegation, commitment to networking and organizational capacity to contribute to policy formulation, Organizational culture was measured in form of focus on the long-term planning and transparent governance and stakeholder participation was measured in terms of the level of influence in decision making process and the level of information exchange.

Despite the efforts the URCS has put in, the national society still largely depends on donor support for its survival in terms of meeting community needs and its core costs. It was very devastating to imagine what was likely to happen to the only national society in Uganda if donor aid ceased today. This therefore became a gap existing that the researcher intended to close by investigating factors affecting financial sustainability at the Uganda Red Cross Society.

1.3 Statement of the problem

Ideally, whatever leadership style one adopts, it is supposed to foster success of an organization by reflecting the values of a sector and the needs of individual staff and volunteers, play a role in mobilizing resources, motivate people, build networks, maintain good personal relationships, manage teams and delegate authority (Hailey, 2006). An organization with a culture should influence how employees understand and enact corporate sustainability. Furthermore, well selected partners should act responsibly by helping organizations solve operational and maintenance problems to bring about financial sustainability and lastly, if all stakeholders are engaged in decision-making process especially when carrying out strategic planning, more ideas would be generated on how to mobilize resources to enable organizations become financially sustainable.

In addition to other efforts done by the URCS to ensure financial sustainability, the more recent initiative was the charity walk organized on 2 May 2012, where the Soroti MP Captain Michael Mukula pledged to steer the formation of an association comprised of URCS friends to boost its resource mobilization efforts country wide (Ntabadde, 2012). Despite all avenues URCS was putting to increase her funding base to reduce over dependency on only donor aid, the national society is failing to gather adequate resources to match the budget thus 90% of the overall budgetary expenditure is from external support. This is revealed in the URCS SP 2011-2015 (2010).

On a sad note, if this problem persists, it is presumed that in the long run, URCS is likely to fail to meet its core costs and worse still fail to meet the needs of the vulnerable communities of

which this is the main reason for its existence hence in-sustainability. Much as other researchers had carried out research on the same topic in different organizations/companies under different environments like Masolo (2009), they never covered financial sustainability in not-for-profit organizations, hence raising the need to undertake this study assessing the factors affecting financial sustainability of URCS with particular emphasis on leadership styles, organizational culture and stakeholder participation.

1.4 Purpose of the study

The purpose of this study was to establish factors affecting financial sustainability at the Uganda Red Cross Society.

1.5 Objectives of the Study

This study covered the following objectives:

(i) To determine the extent to which leadership styles affect financial sustainability at the URCS

(ii) To establish the relationship between organizational culture and financial sustainability at the URCS

(iii) To find out whether there is a relationship between stakeholder participation and financial sustainability at the URCS.

1.6 Research Questions

The study answered the following questions:

(i) To what extent do Leadership styles affect financial sustainability at the URCS?

(ii) What is the relationship between organizational culture and financial sustainability at the URCS?

(iii) What is the relationship between stakeholder participation and financial sustainability at the URCS?

1.7 Hypotheses of the study

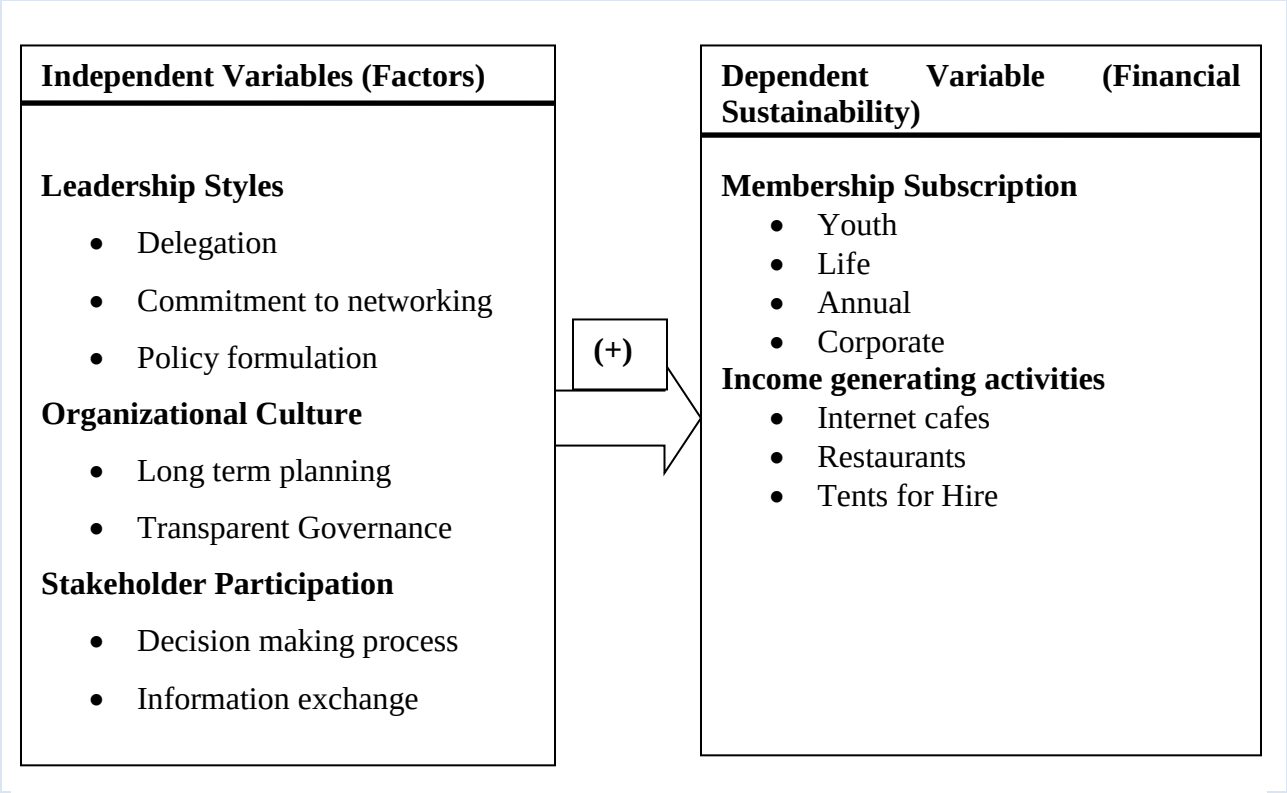
The hypotheses tested were;

(i) Leadership styles moderately affect financial sustainability.

(ii) There is a positive relationship between organizational culture and financial sustainability.

(iii) There is a positive relationship between Stakeholder participation and financial sustainability.

1.8 Conceptual Framework



Source: Adapted and modified from Nooteboon (2000), Abt Associates Inc (1994) and Ellsworth (1998)

Figure.1. Conceptual Framework above Showing the Factors Affecting Financial Sustainability at the Uganda Red Cross Society

Note: The positive sign (+) against the arrow connecting the variables shows that the study assumed a positive hypothetical relationship between the study variables.

From figure.1 above, Leadership styles have an impact on financial sustainability of the URCS that is to say a good leadership style leads to financial sustainability and a bad leadership style

does not encourage financial sustainability this was measured in terms of; the level of delegation, level of commitment to networking and the level of information on policy issues. Organizational Culture was another factor affecting financial sustainability. An organization with a culture influences employee behavior leading to adoption of financial sustainability while an organization without a culture may fail to attain financial sustainability. The researcher measured it in form of the level of focus on long-term planning and transparent governance. Besides the above, stakeholder participation affects financial sustainability of the URCS that is to say, participation of all stakeholders leads to good ideas that lead to attainment of financial sustainability while non-participation of stakeholders leads to generation of few ideas that may not encourage attainment of financial sustainability. This was measured in terms of the level of influence in decision making process and the level of information exchange. Lastly but not least, financial sustainability as a dependent variable was measured in terms of the ability of URCS to use membership subscription and ability to start IGAs.

1.9 Scope of the Study

The scope of the study covered the following areas; geographical, time and content scope.

1.9.1 Geographical Scope

The study was conducted in 5 regions of the Uganda Red Cross Society. They include: Gulu region, Mbarara region, Hoima region, Mbale region and the Central region. URCS headquarter is located at Rubaga on plots 551/555 along Rubaga road, 2 km from the city centre and falls under the central region. Each of these regions comprises of many branches however, the

researcher conducted the study only at the regional offices. Gulu regional office 340km from Kampala and found in northern Uganda, Mbarara regional office is 335km from Kampala located in the western part of the country, Hoima regional office is 270km from Kampala, Mbale regional office is 180km from Kampala and found in the Eastern part of the country. These geographical areas were selected because they were strategically located and act as collection centers for information from the various branches.

1.9.2 Time Scope

The study covered operations of URCS from 2004 to 2012. This time frame was selected because it was during this time that URCS adopted the concept of financial sustainability after a meeting of African National Red Cross Societies in Johannesburg South Africa in 2004. Besides, a strategic plan was also set to cover 4 years starting 2007 to 2010 and in this SP, the main objective was to improve networking to optimize the use of resources.

1.9.3 Content Scope

The study covered the factors affecting financial sustainability of the URCS. There were many factors affecting financial sustainability found both in internal and the external environment; however, the researcher limited the study by analyzing leadership styles, organizational culture and stakeholder participation as factors affecting financial sustainability of the URCS. Other factors not in the framework were not studied because of time and financial constraints.

1.10 Significance of the Study

Financial sustainability as a concept is widely adopted by many organizations and companies. The researcher articulated a number of benefits arising from the adaptation of financial sustainability thus; the study was helpful to the following categories of people/organizations. Financial sustainability is a vital phenomenon for the existence and continued performance of URCS. Today, most organizations are working towards becoming financially self-reliant. The findings of this study are therefore useful to a number of beneficiaries as enumerated below;

Firstly, the study findings may enable URCS and other NGOs to devise more strategies for mobilizing funds within their own countries and also to come up with IGAs as an internal idea since there was increased competition for international financial aid from mushrooming NGOs.

Secondly; this information may helpful to the donors who allocate their budget for assistance well by focusing more on disaster prevalent areas and when signing the MOU, consider sustaining the projects or NGOS they support in the long run by including a specific budget line.

Thirdly, findings of the study might be useful to the policy planners and implementers in the relevant ministries charged with the operations of NGOs and CSOs on how best they could be helped to achieve their set objectives.

Fourthly, accomplishment of this research may enable the researcher to be awarded with a master's degree in management science in addition to raising her proficiency in conducting future research studies at academic and consultancy levels with ease basing on the skills that she has accumulated in report organization, review of documents analysis of data and report making.

Fifthly, management of URCS may identify the forces that underlie the problem hindering its focus on financial sustainability and therefore devise more strategies in addition to what has been done through strengthening the leadership styles, organizational culture and stakeholder participation

Sixthly, future researchers may gain more knowledge into the variables of the study and thus, the findings of the study may create a need for other related studies. Further still, Future researchers could use the methodology as a bench mark for their studies, using the findings as a pertinent source of related literature as well as serving as a source of secondary data.

1.11 Justification of the Study

Masolo (2009) conducted a similar research on the 'factors affecting financial sustainability at NTSC and based the study on the traditional theory of the firm which only focuses on factors of production such as land, labour and capital to bring about profitability hence considers only the needs of profit making organizations ignoring needs of non-profit organizations like URCS. This was a gap that the researcher identified and it was against this that the researcher conducted a similar study using the contingency, goal-setting, the theory of agency and resource-based theory to find out their applicability in establishing factors affecting financial sustainability at the URCS.

1.12 Operational Definition

Financial sustainability is the ability of an organization/company to use diversified funding sources such as membership and being able to start income generating activities for the unforeseeable future.

Leadership styles refer to the different ways people in authority exercise their power and skills to ensure productivity through delegation, networking and contributing to policy formulation.

Organizational Culture refers to a set of perceptions, actions, beliefs learned by members of an organization that involve long-term planning, are goal-oriented and lead to service delivery and hence community satisfaction.

Stakeholder participation is a process whereby people with different interests engage in decision-making process and exchange information for the growth of an organization.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter presents a review of literature related to factors affecting financial sustainability at the Uganda Red Cross Society. The source of this literature was mainly from the internet, libraries and URCS publications. The information obtained guided the researcher in understanding the study by providing more information on the background clearly explaining the historical, theoretical, conceptual and contextual perspectives. The literature further helped the researcher in understanding the problem statement well and came up with the right study methodology which involved selecting an appropriate research design, data collection methods and tools and the study population. The review of literature acknowledged the works of other researchers through citations. It also helped the researcher in presenting the findings of the study, discussing and making necessary recommendations based on the outcome of the study. This chapter presents the review of literature on how leadership styles affect financial sustainability; the relationship between organizational culture and financial sustainability and last but not least how stakeholder participation affects financial sustainability.

2.2 Theoretical review

Fiedler's Contingency Model (1967) asserts that leadership effectiveness depends on both a leadership style and the degree to which the situation gives the leader control and influence. Fiedler further laments that whether you are a true type or a combination of leadership styles,

your effectiveness as a manager depends on how well your individual personality and leadership style fit the requirements of your leadership situation. Fiedler (1967) believes that if the leadership style and situational control are mismatched, the leader definitely becomes discouraged and dissatisfied with the job, which in the end affects the group performance in terms of making organizations become sustainable financially.

Hailey and James (2004) in their book "Trees Die from the Top" stress that leadership development programs need to focus on both the values and identity of individual leaders while also assisting leaders understand and proactively respond to their rapidly changing environment as cited by Jamuludin, Rahman, Makhbul and Idris (2011). According to Sweet, Roome and Sweet (2003), managerial outcomes are influenced by different decision styles of managers. The theory characterizes five different decision making styles that help managers' address complexity when solving problems. Sweet et al (2003) further posit that managers with certain styles 'interact and perform' in predictable ways under given situations. The qualities required of operational humanitarian leadership vary little between different types of humanitarian crisis, but vary substantially between different levels of the operations that is to say, leadership of the international humanitarian system in- country, versus leadership within an organization of a particular program therefore this is about situational leadership and the extent to which the leadership style must adapt according to context (Buchanan and Scriven, 2012).

A goal is a regulatory mechanism for monitoring, evaluating and adjusting one's behavior. A goal can provide purpose to an otherwise meaningless task; it provides a sense of accomplishment. Performance goals can make people so anxious to succeed that they scramble

to discover strategies in an unsystematic way and fail to learn what is effective. This can create evaluative pressure and performance anxiety. The antidote is to set specific challenging learning goals such as, to discover a certain number of different strategies to master the task so as to achieve financial sustainability (Seijts and Latham, 2001). Latham further suggests that an alternative to assigning goals is to allow subordinates to participate in setting them. The theory is that this would make goals more important to the person because one would at least in part own the goals. Locke and Latham (1990) claim that, setting specific and difficult goals leads to great performance because employees are motivated to accomplish that task hence becoming financially sustainable.

Agency theory shows how practices such as budget and communication of employees' private information in incentive contracts can create value by improving the resolution of the owner-employee conflict thus achieving financial sustainability in the end (Chapman, Hopwood and Shields, 2007). According to Kleiman (2012), an agency relationship arises whenever one or more individual called principals hire one or more other individuals, called agents to perform some services and then delegate decision-making authority to agents. The theory of agency is not wholesomely harmonious; it breeds a gap between shareholders and the managers. Despite the benefit of delegation from this theory, Kleiman noted gaps in this theory such as conflict of interest by managers and agency costs.

The resource-based theory is an important step in strategic management as it helps in explaining a firm's success, this is as a result of joint resources and capabilities which an enterprise owns and which makes it different from its competitors an example of this is the human resource

(Olalla, 2012). Conner (1991) states that performance differentials between firms depend on having a set of unique inputs and capabilities. Barney (1991) asserts that according to resource-based theory, competitive advantage occurs only when there is a situation of resource heterogeneity (different resources across firms) and resource immobility. This theory suggests that assets and resources of the firm should be viewed from a knowledge-based perspective and also engages in collective learning process of the organization on the development of skills and technology integration.

2.3.1 Leadership Styles and Financial Sustainability

Leadership style may differ from one person to another. No matter the leadership style one adopted, it depends not only on one's characteristics and personal abilities but also characteristics of the situation and environment one belongs to (Obiwuru, Okwu, Akpa and Nwankwere, 2011). Human beings become members of an organization with a hope that such organizations would enable them achieve their predetermined objectives. Therefore, an individual would support an organization if he or she believed that through it, his or her personal objectives and goals would be met, if not, the person's interest would decline. This meant that leadership style played a big role in enhancing or retarding the interest and commitment of the individuals in the organization.

Although prior research existed concerning how leadership styles affected organization performance, there was a gap of inadequate literature concerning the effect of leadership style on financial sustainability especially of humanitarian organizations in Uganda. Hailey (2006) maintained that leadership styles were contingent on the context in which they were applied; but

also depended on the ability of the individual diagnostic skills and judgment to know what style to adopt and when to adapt their style to suit the circumstances. This was in line with Fiedler (1967) argument that leadership effectiveness depended on both leadership style and the situation. Research carried on NGOs in Kenya, Malawi and Uganda revealed how NGO leaders adapted new leadership roles, the stresses arising from pressure of work and thus demands of organizational crises such as financial shortfall, internal conflicts or tensions between the staff, volunteers and the board. The unrealistic and artificial demands placed by aid donors added to the pressure faced by local NGO leaders and this had a negative impact on credibility and confidence of NGO leaders to pursue long-term goals or develop a degree of financial sustainability (Harris-Curtis, 2003). Therefore this called for various leadership styles to be adapted depending on the situation such as, transformational, participative, autocratic, bureaucratic and transactional.

The financial management processes of not for- profit organizations are generally dominated by conditions of resource scarcity. Such organizations have limited opportunities for generating additional income, but are faced with an ever increasing agenda of program and activities on which such funds could be spent (Drucker, 2000 cited in Ali, 2011). Sustainable funding means being available for your beneficiaries in the long term. An organization is financially sustainable if its core work will not collapse if its external funding is withdrawn. Sustainable funding is a process that leads projects to have longer life-spans and is further translated to impacts that are of beneficial to communities over a given period of time. Most donors are looking for a range of projects which can utilize the Sustainable Livelihoods approach to enhance activities aimed at supporting local communities to reduce poverty and disadvantage. Organizations are required to

use funds wisely for the purpose intended and improve the living standards of the populations meant to benefit. Often, uses of funds are diverted to serve other interest of the organization, managers outside the scope and work plans of these projects. This has resulted in surprise audits where misuses of funds are suspected by donors and in the extreme cases bank accounts have been frozen to minimize the extent. Good management practices demand that obvious key management concepts and principles such as sustainability, accountability and transparency which are necessary for institutionalized formal procedures are put in place-administrative efficiency.

Sustainability therefore implies that society must use no more of a resource than can be regenerated. This can be defined in terms of the carrying capacity of the ecosystem (Hawken, 1993) and described with input-output models of resource consumption. Unsustainable operations can be accommodated either by developing sustainable operations or by planning for a future lacking in resources currently required. In practice organizations mostly tend to aim towards sustainability by increasing efficiency in the way in which resources are utilized. It is the core of organizational effectiveness and connected to all other key components (WCC, 2005 cited in Ali, 2011). Sustainable strategies must therefore be considered in the areas of strategic direction, spiritual values, moral values, governance, management practices, human resources, impact of service delivery, financial resources and external relations. Sustainable organizations have been found to have at a minimum: A clear mission and strategic direction, the necessary skills to attract resources from a variety of local and international sources, skills and ability to manage resources effectively and efficiently and any effort at organizational regeneration (Ogara and Gitoho, 2005 cited in Ali, 2011).

Diversification of funding sources is essential to increase the stability of non-governmental organizations income streams. As a response to the economic crisis, tapping international funding streams might be more important than ever (Kurosaki, 2003). In particular, funding from international governments and their respective bilateral aid agencies has provided excellent opportunities for the NGOs. With the funding challenge most non-governmental organizations have responded with the same entrepreneurial spirit, good planning and hard work that brought them success in their core activities (Barrett, Bezuneh, Clay and Reardon, 2000). NGOs have expanded fund-raising activities directed at the general public, tapped new corporate donors for monetary and in-kind support, and held one-time events. Furthermore, NGOs have redesigned program implementation strategies to include cost-recovery components whereby the beneficiaries of the program pay part, and sometimes all, program costs (Henin, 2002). And today we even see Non-governmental organizations owning and managing restaurants, tour companies, banks, clinics and other businesses. One definition of income diversification, perhaps closest to the original meaning of the word, refers to an increase in the number of sources of income or the balance among the different sources (Jenkins and Yakovleva, 2006). Thus, an organization with two sources of income would be more diversified than an organization with just one source, and a organization with two income sources, each contributing half of the total, would be more diversified than a organization with two sources, one that accounts for 90 percent of the total (Joshi et al. 2002; Ersado, 2003).

For many non-governmental organizations, social enterprise serves as a strategy to diversify their funding base, decrease reliance on donors, and recover or subsidize program costs. In these cases, the social enterprise offers a means to reduce program deficits and employ resources more

efficiently (Rao and Holt, 2005). Non-governmental organizations seeking means to diversify income may set modest financial objectives. There are neither magic answers, nor simple solutions and every non-governmental organization is unique (Clark, 2007). But there are ideas, information and sources of practical support for non-governmental organizations wanting to broaden their income base and explore sustainable funding not as a single source of income - but as a process comprising several related parts (Migros, 2008).

Diversification should begin with a strategic analysis of the status quo, the institutional strengths, specificities and opportunities, as well as a scan of the competitive environment. Pre-existing additional income streams should be included in the overall evaluation (Lavie, 2006). Apart from undertaking an appropriate analysis of cost effectiveness and risk of various activities, institutions need to assess the appropriateness of these activities in relation to the non-governmental organizations' mission and culture. The leader's commitment to this process is of crucial importance. Management is best placed to project a vision and build the case for diversification activities, as well as engage the broader church community in the process (Reisch, Spash and Bietz, 2008). Non-governmental organizations' leaders also play an important role in shaping the necessary change processes related to diversification, be it a cultural change or an organizational change. Many activities to increase and generate new income sources need new expertise, which does not necessarily always exist within the institution. Churches may recruit professionals from outside the congregation or invest in the development of staff to acquire these skills (Dauncey, 2009). When external staff is recruited, it is important that they understand the specificities of the research and education environment or are integrated in an established team. Professionalization is relevant at all levels, including human resources management, knowledge

transfer activities, research administration, financial management, etc. A gradual approach to structured development of staff capacity may be best adapted considering the fact that the potential to invest in human resources is reduced in times of financial constraints (Ciliberti, Pontrandolfoa and Scozzi, 2008). Given the high relevance of building up these skills for successful income diversification however, targeted support from governments towards this end would have a high leverage effect to organizations like URCS in Uganda.

The success of income diversification strategies largely depends on the ability of the institution‘s leadership to communicate effectively with the church community as well as with external stakeholders. Non-governmental organizations need to reinforce awareness around the range of activities they undertake and the added value they create for society, helping potential partners to evaluate funding options (Hargrave and van de Ven, 2006). External communication should also contribute to reinforcing the image and specific profile of an institution. Communication can also usefully be undertaken at sector level, upholding the value of higher education for the wider economy. Risk management constitutes a major driver for income diversification for Non-governmental organizations (Beringer, Wright and Malone, 2008). The perception that it is necessary to spread financial risks is commonly shared among non-governmental organizations, especially in the light of the consequences of the economic crisis and on the basis of pessimistic expectations regarding future trends in funding coming from traditional sources. Developing additional funding streams becomes necessary to mitigate negative consequences of a sudden drop in income or to fuel further growth of the church‘s activities. Non-governmental organizations also tend to approach income diversification as a means to gain more flexibility in their internal financial management. Income generated by the institution often responds to

different rules in terms of allocation, types of use allowed, etc. There is a commonly shared perception that additional income sources may involve fewer administrative requirements, although this is not necessarily so in reality.

High fragmentation of donor funding exacerbates this issue, with different donors often having complex and different rules and requirements (Amsler, 2009). This demands swift action by donors to streamline funding modalities across the different funding entities. Large, broadly based non-governmental organizations are generally better equipped to diversify their funding sources than smaller NGOs. They can take advantage of their recognizable name and logo. They have more technical skills on which to build commercial activities. They have more contacts and connections with outside groups with which to form partnerships. And internally they have more experience adopting new programs and adapting to organizational change. These Non-governmental organizations also often have a greater need to seek outside funding because of their higher costs for support services and overhead (Daub, 2007). On the other hand, smaller NGOs have the advantage that relatively small amounts of self-generated funds can make a big difference in ensuring their financial viability. The above observations highlight efforts taken to achieve financial viability and not financial sustainability hence leaving a gap. The current study investigated the strategies that management of URCS had put in place in order to ensure that they acquire financial sustainability.

Financial management in non-governmental organizations is concerned with ensuring funds are available when needed and that they are obtained and used in the most efficient and effective

way to the benefit of the non-governmental organization (Waddell, 2000). From an organizational point of view, the process of financial management is associated with financial planning and financial control. Financial planning seeks to quantify various financial resources available and plan the size and timing of expenditures. Financial management practices requirements can impose a significant burden on NGOs (Page, 1984 cited in Ali, 2011). Managing the movement of funds in relation to the budget is essential for a NGO. At the corporate level, the main aim of the process of managing finances is to achieve the various goals a NGO sets at a given point of time (Linton, 2005). Financial managers aim to boost the levels of resources at their disposal. However, the above findings leave a gap because they never related financial management to the leadership styles and yet this formed one of the areas of intent investigated by the current study.

A financial instrument is a contract that gives rise to both a financial asset of one enterprise and a financial liability of another enterprise. The financial instruments of the organization mainly comprise Available for sale financial assets– These are investments in equity securities and government securities (Ahrens and Chapman, 2006). Originated loans and receivables– These are loans and receivables created by the organization for providing money to a debtor. These include debtors, prepayments and grants receivable. Financial liabilities– The Organization has financial liabilities, which consist mainly of trade creditors and unexpended grants. Used appropriately, financial management tools can help an organization to deliver its mission better and to ensure the best and most beneficial use of resources. The consequences of bad financial management are therefore very serious. Good financial management requires sound

organizational planning and the set-up and implementation of workable systems, policies and procedures which can respond to, accommodate and overcome the financial challenges a Non-governmental organization may face. All organizations need money. Alongside staff, money is the one thing that takes up most management time.

Non-governmental organizations usually exist because they have a mission: to cure the sick, to advance a profession, to discover new technologies, to educate the public. As Ebrahim (2005) argues, the end of project funding all too often means beneficial impacts that should have been sustained are lost. Establishment of trust funds which gather financial resources together on either an individual NGO or collective model. Investing those resources provides long-term income from interest or a combination of interest and principal. Meeting financial goals is essential to fulfilling this mission, but is not the top priority. Managers must ask a 'chicken and egg' question: Which comes first, the programs to fulfill the mission, or the income (earned and voluntary) to finance the programs? It is important to recognize that aspirations and financial resources are related and that it is management's task to co-ordinate the two (Edwards and Hulme, 1995).

All non-governmental organizations require a financial management system, however, many Non-governmental organizations may only have an accounting or bookkeeping system. Accounting or bookkeeping are a subset of financial management. Financial management is generally the responsibility of the finance manager however all section managers should contribute to and benefit from a financial management system. The role of the finance manager

is a key role within an organization. The financial manager must also be able to maintain perspective so that activity and administrative objectives are directed towards achieving organizational goals. The finance manager is in a position to have a bird's eye view of the day-to-day operations of the organization and will be able to see trends, strengths, weaknesses and opportunities for improvement (Gray et al, 2006). This unique position allows the finance manager to play an active role in strategic planning. Strategic planning focuses on the long-term goals and objectives of the non-governmental organization and should, at a minimum, include the Board of Directors and the key management staff of the organization.

Naidoo (2004) and Unerman and O'Dwyer (2006) observed that ethical environments are more important than codes of conduct in influencing finance managers in organizations when resolving ethical dilemmas. Catasus and Grönlund (2005) found that management‘s attitude toward internal control was significant when accountants were asked to evaluate the control environment of an organization. A more important issue, however, is whether these internal control factors are actually related to misrepresented financial information. Numerous empirical studies have looked into both the needs of financial reporting and management skills in public accounting information. Skoog (2003) carried out a research on visualizing value creation through the management control of intangibles; Power (2004) analyses the financial management of everything; while Waddell (2006) carried out a study on the complementary resources: the win-win rationale for partnerships with non-governmental organizations. These studies found that organizations are more apt to voluntarily disclose negative earnings surprises preemptively,

compared to positive earnings surprises. This is consistent with the thought that managers face an asymmetric loss function.

Sound financial management practices, good governance, and accountability are essential building-blocks for driving improvement and better-value for money in faith based organizations. Gray et al (2006) surveyed non-governmental organizations, civil society and accountability: making the people accountable to capital and Ebrahim (2005) report on Accountability myopia: losing sight of organizational learning. Financial statements are intended to be understandable by readers who have a reasonable knowledge of business and economic activities and accounting and who are willing to study the information diligently (Linton, 2005). Financial statements may be used by users for different purposes: Owners and managers require financial statements to make important business decisions that affect its continued operations. Financial analysis is then performed on these statements to provide management with a more detailed understanding of the figures.

Earlier research has shown that management control, such as accounting, have a stabilizing function (Huque and Rahman, 2003; Jackson, 2009). Financial management plays an important role in supporting new programs to be diffused in practice. Some even argue that programs can only be fulfilled to the extent that they can be realized through technologies (Gray et al, 2006). As a consequence, technologies become imperative in terms of realizing the program (Ahrens and Chapman, 2006). The development of management control research the past decade has been associated with strategic, informal and non-financial aspects of organizational control

systems, often though in combination with more tactical, formal and financially oriented aspects (Waddell, 2000). That is, albeit the trend is to leave management accounting as a stand-alone method for management to the inclusion of a more strategic perspective on control, both perspectives co-exist in practice.

Donor Relationship Management is not just a tool to collect data from donors; it is a holistic strategy, a methodology of collecting, organizing and analyzing every aspect of your donors. Burnett (2002) recognized the need for what he termed relationship fundraising – dealing with donors individually, recognizing each donor as unique in terms of giving history, motivation for giving, and the overall standard of care expected from the charities being supported. The entire relationship with a donor, he argued, should be viewed holistically and fundraising decisions taken in light of the perceived value of the overall relationship.

Recognizing the benefit of a future income stream, NGOs are not afraid to invest in their donors and allow them greater flexibility over the content, nature, and frequency of the communications they receive. This might make people feel important. Although the initial costs of implementing such a strategy are undoubtedly higher, the benefits in terms of an enhanced pattern of donor loyalty and therefore the future revenue stream far outweigh this investment. Donors should be able to choose when communication is initiated and the form that it might take. It seems that one way in which NGOs might achieve this goal is to ensure that they give ongoing and specific feedback to donors as to how their funds have been put to use, in particular the benefit that has resulted for the beneficiary group (Plummer, 2009). If this feeling of impact on the cause is not

strengthened, it seems less likely that donors will view other causes as being more deserving than those they already support. Donors viewing the communications they receive as informative, courteous, timely, appealing, and convenient appear to remain loyal for a greater period of time. The issue then becomes how best to achieve this perception (Matten and Moon, 2008). The donor, ideally, should be able to select the pattern of communication he or she wishes to receive.

Some NGOs offer donors the opportunity to specify how frequently they would like to hear from the organization, whether they would like news about how their gift has been employed, whether they would like such news but not additional letters asking for money, and so on. Such practices are likely to improve perception of the quality of communication received and thereby enhance loyalty (Wilson, 2003). Furthermore, it seems clear that NGOs could also offer donors some choice over whether or not they wish to be asked for a specific sum. Some donors may welcome guidance about the appropriateness of certain gift levels. Others may prefer to take such decisions themselves and not be prompted by the NGO (Hobson, 2006). Obviously, where specific sums are requested, NGOs should be sure they are appropriate given the financial ability of the donor (Sargeant and Woodliffe, 2007).

Liljander and Strandvik (2005) proposed that the relationship quality construct is critical in guiding relationship management, and Sasso (2003) suggested that relationship quality and its understanding will guide the field of services management in general. The fundraising variant of relationship marketing, relationship fundraising (Burnett, 2002a; Sargeant and Jay, 2004), also places developing quality perceptions at the heart of developing donor loyalty. Indeed, an

understanding of the processes and the development of the relationship quality within the charity-donor dyad is considered central to implementing any relationship fundraising marketing strategy (Bennett and Barkensjo, 2005a; Shabbir *et al.*, 2007). Although some research has focused on beneficiary perceived relationship quality (Bennett and Barkensjo, 2005a), the influence of quality perceptions of donor satisfaction and behaviour (Bennett and Barkensjo, 2005b) and the development of the relationship quality construct (Shabbir *et al.*, 2007), little empirical enquiry has explored the role that relationship quality may have in assisting the effects of identity-based constructs.

Religiosity and relational independent self-construal are selected as two important identity-based constructs which may impact on future giving intentions through the mediating effect of relationship quality. Despite the importance of these constructs in charitable giving behaviour, there is a lack of knowledge concerning their role in improving donor-perceived relationship quality. The powerful influence of these constructs is evident in the success of faith-based and medical charities in the UK. Faith-based giving, for instance attracts £4.6bn in the UK (Blackmore, 2005). Medical charities have consistently remained the largest recipients of individual donations in the UK for the past decade (Pharoah, 2006). Faith-based charities also appeal to the religious or spiritual identity, whereas medical charities commonly use relational-based self-identity appeals, often by reminding donors of the value of familial utility (Sargeant *et al.*, 2007). Whereas URCS is not a faith based organization and neither a medical organization but rather integrating diversity, the above view hint on networking which is an aspect that is

promoted by the leadership of the organization. Applied to the context of URCS in Uganda, it would promote financial sustainability of the organization.

The effect on charity of both of these constructs is also well known in global giving cultures and has consistent non-profit sector donors tend to have relationships with two to three organizations. These relationships are stable, typically based upon (often deeply) personal commitments to the mission of each organization they support. As with customers in the for-profit world, a nonprofit‘s existing donors are frequently their most valuable donors, and can be a key engine for growth. While the nonprofit world is rapidly evolving technologically, with the emergence of sophisticated online donor management and analytical tools, the ability to create a single donor view of giving throughout and across the organization remains elusive. As non-governmental organizations began to recognize the true value of maintaining and upgrading a donor‘s relationship and support, the roles of acknowledgment, recognition, and stewardship shifted from being rote activities to being strategic actions (Clarke, 2006). The field of donor relation management became the responsibility of the professional staff and the principles of donor relations were integrated into the many aspects of the development and institutional advancement programs at charitable organizations and non-governmental organizations. Relation management is a leadership attribute that management of NGOs like URCS should embrace if they were to achieve their organizational goals, become organizationally effective in general and financially sustainable in particular.

Dependence on grants and donations can also inhibit the autonomy of NGOs to choose which program activities to undertake and to select the most effective intervention strategies to achieve program goals (Bekkers, 2005). To a certain extent, all donors have their own agenda, i.e., their own views as to which problems are important and the best intervention strategies to address these problems. NGO managers may be compelled to follow the money and allow donors to dictate the scope and direction of their activities, or else receive no funds at all. Another problem is that many grants and donations carry restrictions on the types of expenses that they may cover. The most common restriction is to cover only direct program costs, but not the cost of support services or other overhead costs incurred by the NGO. The NGOs must contribute these costs on their own, or at least cover an increasing share of these costs over time. The uncertain continuity of donor funding, be it short term or long term, makes it extremely difficult for NGO managers to plan and implement their organization‘s core activities. It also may force a NGO to live a project- to-project existence, being unable to make long term plans to expand core activities or to improve the quality of program services (Bateson, Nettle and Roberts, 2006). This study was meant to establish whether the management of URCS had formulated interventions in this direction in order to hedge the organization against becoming a victim of depending on one source of funding as this does not promote organizational and financial sustainability in particular.

The various processes and procedures involved in the delivery of aid has made both donors and developing countries realize that development impacts were affected by these overwhelming transactions thus, armed with the intention of effectively delivering aid through efficient use of scarce resources, multilateral and bilateral donors together with their partner countries decided to

harmonize their operational policies, procedures and practices with the conscious effort of aligning development support with country-owned development frameworks. Financial sustainability involves all the elements and functions of an organization and every major decision made within the organization. As the work of NGOs broadens and becomes more complex, concerns about their capacity and sustainability will loom much larger and have more significant implications for development processes. Non-profit organizations, like all institutions, wrestle continually with the question of how to keep going and to improve their lot, especially during today‘s difficult economic times. In short, non-profits must constantly strive for sustainability. The need to strengthen the financial sustainability of NGOs and civil society organizations to fulfill multiple and increasingly complex roles has been identified time and again by NGOs themselves, by donor agencies and by governments (Fowler, 2000; Kaplan, 1999). Organizations must recognize that their stakeholders and their stakeholders' needs may change over time, and they must consciously change and adapt as needed.

Evidence about cost of intervention is critical for program decision-making, because it provides evidence about potential for sustainability. According to a UNDP representative, NGO financial sustainability is probably the most talked about issue at the non-profit organizations' stakeholder meetings (PIANGO, 2000). It is one thing to be able to access funds and quite another to have the capacity to deliver what has been agreed to. Alongside finance, NGOs recognise the need to develop their own capacity in a number of areas. Fowler (2000) further argues that it will be a long time before NGOs find avenues of sustainable self-financing to replace official development assistance. There are two main routes through which funds are transferred to

NGOs: the indirect route in which resources are provided to NGOs which then work with NGOs "partners" in the country concerned; and the direct route in which funds are given directly to NGOs via the donor's country office. Donor relationship is therefore important in meeting the needs on the NGOs. Providing people with the opportunity to invest in creating a better future for the communities is an incredible gift. While some of the tasks required to successfully raise money are tedious and can seem like drudgery (creating databases and maintaining good files comes to mind), the real joy in fundraising is being able to talk with donors and prospects about our shared vision for a better community. Donor funding is still overwhelmingly provided through project funding (Gunnarson, 2001 cited in Ali, 2011). Projects have a finite funding lifetime and within this framework the issue of core administrative costs remains a very difficult area for negotiation. Essentially, the view from the NGOs sector is that whilst it is possible to access project funding from donors, it is difficult if not impossible to obtain funding for core administration costs such as salaries, the cost of renting a building, vehicles for project use and so forth. The end of project funding all too often means beneficial impacts that should have been sustained are lost.

The role of NGOs as important determinant of giving and pro-social behaviour is undisputed. The antecedent qualities of religiosity to foster and harness pro-social and giving behaviour are well documented, and a full exposition of this work is beyond the scope of this study. Indeed, the concept of charity and the development of pro-social behaviour is a common denominator in global faiths, and therefore religion and charity are often perceived to go hand in hand (Batson et al., 1993, Bateson et al., 2006). Each global religion has its own unique tradition of giving, but

all place a strong emphasis on nurturing altruistic ties with charity, and the heart of faith-based giving is often a sense of selflessness, sacrifice and an afterlife in which deeds are accounted for (Emmons and Paloutzian, 2003). Indeed, receiving a return on charity in the afterlife is a powerful driver of religious giving motivations. Christiano (2000) and Brooks (2003) assert that religious establishments have been instrumental in shaping the nature, character and quality of social capital. This is because religious institutions encourage a sense of duty and obligation to maintain and sustain relationships with the needy and the poor (Brooks, 2003). However, Brooks (2004) also highlights the heterogeneity of religious sentiment in giving behaviour and offers several explanations for understanding religiosity's effects on charitable giving. Seeking demonstrable utility or simply wanting to help those in need and seeing a positive change as a result in the recipient's condition (Sargeant et al., 2007) is considered to be a key motive in religious giving and indeed in explaining general giving behaviour (Brooks, 2003).

Alternatively, a self-serving principle guiding religious giving, where religious givers seek to enhance the faith condition of the recipient, has also been proposed. Also, a religiously induced altruistic personality may develop into habitual giving behaviour. Brooks (2004) argues that no real consensus in understanding religiosity's effects has been reached and the mere search for a feeling of self-fulfillment through what Andreoni (1989) refers to as warm glow is rather simplistic. Notably, faith-based giving attracts a substantial ratio of overall individual giving in many countries.

Non-governmental organizations experience difficulty in finding sufficient, appropriate and continuous funding for their work (Jacobsen, 2005). They find accessing donors as challenging as dealing with their funding conditions. They perceive there to be certain cartels of individuals and Nongovernmental organizations that control access to donor funds. They have limited resource mobilization skills and are often not looking for funds that are available locally, preferring to wait for international donors to approach them. Local Resource Mobilization provides potential for Nongovernmental organizations to raise funds from local businesses, individuals, government and locally generated income (Edwards and David, 1995). To do this nongovernmental organizations must have strong governance and accountability mechanisms, clear strategies and local credibility. There is a high dependency of donors and a tendency to shift interventions to match donor priorities. There is a lack of financial, project and organizational sustainability. Nongovernmental organizations must be concerned with three aspects of sustainability: enduring impact, the continuity of resources, and the viability of the organization. Sustainability within each category requires insightful agility‘; overall sustainability depends on creating a virtuous spiral linking the three categories in a positively reinforcing way (Viswanath, 2000). Leadership here is what is required to make the virtuous spiral linking of the above possible. This was hypothesized by the current study that effective leadership styles supposedly bring about achievement of financial sustainability by an organization.

NGOs with excess assets can use them to generate income which may be used as the NGO determines. They consider renting buildings, providing consultancy, offering training, trading on their name or with locally made products. Killick (2001) pointed out that the participatory

element embodied in the development strategy of NGOs might not always enhance the economic benefit of women beneficiaries of an economic development program. It requires the accountability of an organization towards their members to increase the economic benefit. She emphasized that higher member accountability of an organization brings larger socio-economic benefit to their beneficiaries. Communities have assets, wisdom, labour, time, and skills to be applied to their own development programs. Income Generating Programs (IGPs) are intended to enable NGOs to attain self-sufficiency by providing economic inputs and activities like agriculture, service provision (e.g. food vending, charcoal making) or trade (Norton and Foster, 2001). The idea behind self-sufficiency or self-reliance is that most NGOs are able to support themselves and should not be forced to depend on assistance while awaiting their return. Governments therefore allow NGOs to pursue income generating activities. In a few cases, IGPs are linked to a policy of local integration, where NGOs are helped to pursue their livelihoods as part of the host community. Leadership and management are key aspects that are indispensable here.

Hailey (2006) observed that a more participative and collective leadership style that many NGOs exhibited was shaped by the collectivist nature of society found in much of the developing world. Collective management and effective team working had been crucial to the success of NGO leaders and they acknowledged the importance of their colleagues in their success (Smillie and Hailey, 2001). Avery (2009) found out that, leadership operated indirectly on performance and created results by driving the organizational system-in terms of financial results, customer focus, process management, human resources, strategic planning and information analysis. Avery (2009) also used Fiedler's contingency model to explain the effect of leadership style on

financial sustainability where he noted that, there should be a match between the leader's style and the situation_ as the situation changed, so was the leader's effectiveness, because the leader found himself or herself in and out of match. Dutra, Everaert, Fust and Millen (2011) asserted that, driving sustainability in a business required a predominantly social and participative style.

2.3.2 Organizational Culture and Financial Sustainability

Some management writers considered the concept of organizational culture as simply a crucial variable which if gotten right, could contribute to improved performance. Many projects became successful in many respects; however, evaluation critics drew attention to among other things, problems of sustainability. Lewis (2003) suggested that the roots of these sustainability problems could be usefully analyzed through the lens of organization culture.

Guler (2008) posited that, majority of the NGOs largely depended on donor funding and often faced the risk of collapse when these funds ceased and even if they continued, there would be greater threat to NGO performance hence weakening their autonomy. Guler (2008) advised that, this funding issue required a manager to find an optimum mix of quantity and quality of funds in relation to organization's mission, culture and strategy. Klobucher (2006) claimed that if there was lack of values in an organization for employees to follow, they might make their own which might not be beneficial to the organization to bring about financial sustainability.

Organizational culture comprises of the unwritten customs, behavior and beliefs that determined the "rule of the game" for decision-making, structure and power. In effect, culture dictated the way we did businesses here and the organizational survival tactics that facilitated assimilation

and personal success (Hofferbertha and Urich, 2012). Hofferbertha and Urich (2012) further contended that organizational culture helped team members prioritize activities and made decisions by way of the unwritten code of behavior for insistence respect for gender, family; responsiveness and value for people are some of URCS values (Culture). However, culture came from unbalanced forms of power, which excluded individuals and teams from decision-making and developed characteristics of cults, cliques, castes or insider clubs which in turn affected financial sustainability. Corporate culture reinforced the unifying strengths of central and created a sense of common responsibility. It was really a kind of image for organizations which top management liked to portray. Cultures were hardly planned or predictable in other words, they were natural products of social interaction, evolved and emerged over time and therefore, it was valid to allow such a notion of culture to give way to a version of managed consensus but also shaped to suit strategic ends and as such, had the capacity to transform them from within.

Many organizations were themselves seeking different sources of finance to have improved sustainability for their operations as they became less dependent on foreign aid either by choice or necessity simply because they posed some characteristic of a true culture which forced these organizations to turn to the market for income by selling locally produced products hence enroot to improved NGO financial viability (Stiles, 2002).

Concern with the effectiveness, productivity, efficiency or excellence of organizations is a subject that has motivated the writings of economists, organization theorists, management philosophers, financial analysts, management scientists, consultants and practitioners, and has served as a unifying theme for over a century of research on the management and design of

organizations. Empirical research has, however, not contributed to the development of a universal theory of organizational effectiveness and measures of effectiveness in the past have often been based on a set of subjective measures (Lewin & Minton, 1986).

In order to achieve the desired level of financial performance, many organizations have restructured, merged, benchmarked, re-engineered, implemented total quality management programs and introduced competitive staff benefits. Despite these attempts, organizations are still asking themselves why they have not yet seen the anticipated results or why they are not experiencing high performance (Jeuchter, Fisher & Alford, 1998). Analyses of sustained superior financial performance of certain American organizations have attributed their success to the specific culture of each of the respective organizations (Lewis, 1994). Culture sets the boundaries and supports an organization's ability to function. All the change in the world cannot provide sustainable performance unless an organization's culture and people are fully prepared and aligned to support that change. Culture is what distinguishes truly high-performing organizations from the pack (Jeuchter et al, 1998).

Kotter and Heskett (1992) have established that corporate culture has a significant effect on an organization's long-term sustainability and economic performance. They found, over an 11-year period, that organizations with an embedded culture had greater revenue increases, larger workforce expansions, greater increases in share price and larger improvements in net income than their counterparts with weaker cultures. Peters and Waterman (1982) identified 36 American companies which had displayed excellent performance between 1961 and 1980 in terms of compounded asset growth, average turnover growth, and average ratio of market to

book value, average return on capital, average return on equity and average return on sales. Their research indicates that there are certain direct links between corporate culture and financial performance. The findings left a research gap for the current study to fill because the researchers used for-profit companies and yet URCS is a not-for- profit organization. In addition, the findings used a context of the US and based on financial performance not financial sustainability.

A study conducted by Tidball (1988) highlights the importance of establishing linkages between the elements of organizational culture and outcomes such as profitability, turnover and commitment. She indicates that congruence of beliefs seems to create a unifying force that boosts organizational performance. When people can clearly see the link between their behaviour and the profitability of the organization, those behaviours will tend to be reinforced. The results of this study indicate that culture is a force that affects both employee behaviour and the success of a company.

Denison (1990) also found clear, compelling relationships between an organization's culture and bottom-line business performance in the research that he conducted over a 15-year period with more than 1000 participating organizations. According to Calori and Sarnin (1991), the study conducted by Denison is the most extensive quantitative study on corporate culture and organizational performance in which return on investment, return on equity and return on sales were shown to be linked to certain cultural traits. Recent studies thus indicate that corporate culture impacts on an organization's long-term financial performance and will probably be an important factor in determining the success or failure of organizations during the next decade. It is possible to develop corporate cultures that inhibit long-term financial performance and this

may happen despite the fact that the organization is staffed by reasonable and intelligent people. Corporate culture is, however, something that is not static and, although difficult to change, can be made more performance enhancing (Kotter and Heskett, 1992).

According to Goffee and Jones (1998), organizational culture is perhaps the single most powerful force for cohesion in the modern organization. Leaders can influence the way cultures evolve, positioning their organization for a sustained competitive advantage which cannot be easily copied by competitors. Every working person instinctively knows what organizational culture is and that it drives a common way of doing things amongst colleagues, even if that way is sometimes implicit or unspoken. The ways of doing things can make the difference between a successful organization and an unsuccessful organization. Quick (1992) argues that culture is the connective tissue that knits together an organization's people so that they can succeed in the face of challenges.

Organizations can develop and build great products, market them innovatively and deliver them quickly, but doing this consistently year after year is not an easy task. For decades economists have been trying to determine the elements embedded in truly great companies and have, ironically, found the answers not in hard economic facts but in the nature of relationships within the organizations (Goffee & Jones, 1998). Organizational culture can thus be said to give organizations the competitive edge. The powerful, pervasive role culture plays in shaping organizational life lends plausibility to speculations that cultural factors may be linked with exceptional levels of organizational performance (Saffold, 1988). Studies relating organizational culture to performance tend to differ in terms of the performance measures that are used across

the types of organizations that are studied. This is not unexpected, as the performance measures generally relate to the extent to which goals relevant to the specific organization are attained (Lim, 1995).

Peters and Waterman (1982) identified 36 American companies which had displayed excellent performance between 1961 and 1980. Six performance measures were used, namely compounded asset growth, average turnover growth, and average ratio of market to book value, average return on total capital, average return on equity and average return on sales. Among the eight lessons drawn from this empirical study, at least five have a direct link with corporate culture or the way people work in the company. The cement of those excellent organizations was a bias for action, closeness to the customer, autonomy and entrepreneurship, productivity through people's motivation and, finally, a strong corporate culture. However, Calori and Sarnin (1991) highlight that Peters and Waterman (1982) could not prove empirically that these attributes did not exist in less successful companies and there was no statistical test of the relation between economic performance and corporate culture. The current study carried out statistical tests using correlations and regression analysis to establish the net effect of organizational culture on financial sustainability so as to fill the gaps above about economic performance.

According to Calori and Sarnin (1991), Denison conducted the most extensive quantitative study on corporate culture and economic performance. Denison (1990) measured organizational culture by individual perceptions of organizational practices. The data was drawn from the Survey of Organizations archives at the University of Michigan's Institute for Social Research.

The Survey of Organizations used a 125-item questionnaire on organizational climate, work design, leadership, group functioning and satisfaction. It focused on the respondents' perceptions about the way their organization was managed. The study was based on the answers of 43 747 respondents in 34 companies across 25 industries. Organizational performance was measured by return on investment, return on equity and return on sales. To eliminate the effects of the economic climate, a standardized measure of financial performance was calculated. Financial performance was measured for five years, following the organizational survey. The results show that a well-organized work environment is positively related to return on investment and return on sales. Participative decision-making practices are related to a high standardized return on investment and return on sales, and the positive relationship increased during the subsequent five-year period.

Hansen and Wernerfelt (1989) used part of the same database and added further cases in their study of the relative importance of economic and organizational factors in explaining a firm's performance. Sixty firms were studied and four economic variables were measured, namely industry profitability, the firm's relative market share, the firm's market share and the firm's size. Two measures of organizational climate were selected, namely the employee's perception of how concerned the organization is with his or her welfare, work conditions and efforts, and the firm's emphasis on goal accomplishment. The firm's performance was measured by return on assets averaged over five years. The results showed that both factors are significantly correlated with return on assets, especially the response to employee needs. The results of a study by Calori and Sarnin (1991), on a sample of 260 individuals in five French companies, indicated that relative performance of participating organizations on return on investment and return on sales

seem to be related to five values and some of their corresponding practices, namely openness to the environment, participation in local activities, societal contribution, solidarity and flexibility. The findings also indicate that some cultural attributes and associated management practices are positively correlated with a firm's relative growth performance, such as personal fulfillment, listening to others, team spirit, responsibility, trust, openness to the environment, adaptation, anticipation, entrepreneurship, quality and consistency.

Between 1987 and 1991, Kotter and Heskett (1992) conducted four studies to determine whether a relationship exists between corporate culture and long-term economic performance. The results of their studies indicated that firms with cultures that placed an emphasis on customers, shareholders, employees and leadership from managers at all levels outperformed firms that did not have those cultural traits by a huge margin. This too is in line with the findings of this research which showed that there is a positive relationship between organizational and financial sustainability though a weak one. Over an 11-year period, the former increased revenues by an average of 682 percent, expanded their workforces by 282 percent, grew their share prices by 901 percent and improved their net incomes by 756 percent. Firms that did not have those cultural traits, on the other hand, increased revenues by an average of 166 percent, expanded their workforces by 36 percent, grew their share prices by 74 percent and improved their net incomes by one percent.

Kotter and Heskett (1992 also found out that performance-degrading cultures have a negative financial impact for a number of reasons, the most significant being their tendency to inhibit firms from adopting needed strategic or tactical changes. In a world that is changing at an

increasing rate, one would predict that unadaptive cultures will have an even larger negative financial impact during the coming decade. They develop easily, even in firms that are full of reasonable and intelligent people. Once these cultures exist, they can be enormously difficult to change because they are often invisible to the people involved and help support the power structure of the firm.

Although tough to change, corporate cultures can be made more performance enhancing, Kotter and Heskett (1992) indicated that such change is complex, takes time and requires leadership, which is something that is quite different from excellent management. Leadership should be guided by a realistic vision of what kinds of cultures enhance performance. A South African study conducted by Van der Post et al (1998) involved 128 organizations listed on the Johannesburg Stock Exchange in an attempt to understand the relationship between organizational culture and financial performance. The financial performance measures used in the study were return on average equity, return on average assets, total asset growth and share return. Their findings indicated that not all elements of culture correlate significantly with financial performance; however, the elements of culture that were found to have a positive impact on financial performance are as follows: Strategic visions that include organizational values which are widely accepted by organizational members; Alignment of culture and core values to the business strategy and the regular assessment of its appropriateness, and recruitment, orientation and initial training programs that are designed to communicate the core values of the organization to the employees.

Corbett and Rastrick (2000) indicate that evidence shows that companies that pursue best practices and total quality management achieve higher profits and cash flows, as well as greater shareholder value. However, some recent findings suggest that most features generally associated with total quality management, such as training, process improvement and benchmarking, do not generally produce advantages, while certain tacit, behavioral, imperfectly imitable features, such as an open culture, employee empowerment and executive commitment, can produce advantages. Powell (1995) concludes that these tacit resources, and not total quality management tools and techniques, drive total quality management success and that organizations that acquire them can outperform competitors with or without the accompanying total quality management methodology.

Much of the literature on organizational culture and performance can be interpreted as suggesting that culture can have a significant positive economic value for a firm (Barney, 1986). Certain cultures apparently enable firms to do and be things for employees, customers, suppliers and others that could not be done, or could not be done as well, by firms without those cultures (Deal & Kennedy, 1982; Ouchi, 1981). Many of those activities have shown a positive economic impact on organizations. The results of the studies reflected above tend to indicate that many positive correlations have been found between certain elements of culture and the financial measures. The key financial measures for which several positive correlations were established are return on assets, return on investment, return on sales and market share.

2.3.3 Stakeholder Participation and Financial Sustainability

According to the handbook on stakeholder consultation and participation in African Development Bank Operations (2001), there was significant evidence that stakeholder participation improved the quality, effectiveness and sustainability of development projects, enhance the commitment of beneficiaries and other stakeholders. Jeffery (2009) asserted that the development of meaningful relations should add value to the organization's operations by reducing constraints, minimizing risk and enhancing opportunities, furthermore, it enabled organizations to reassure stakeholders that they were on top of issues. In the same way, Kessler (2004) in their finding discovered that, stakeholder participation enhanced compliance because stakeholders were more knowledgeable about, committed to, and supportive of regulations if they had a say in the process.

Although community participation was essential foundation stone of projects and programs in developing countries, this alone was no automatic guarantee of success. The only way of gaining such a guarantee was by building it at all stages and for all stakeholders, a belief that participation is more worthwhile than non-participation. This is best illustrated by the typology below;

Typology	**Characteristics of each type**
Manipulative participation	Participation is simply a pretence, with "People's" representatives on official boards but who are unelected and have no power
Passive participation	People participate by being told what has been decided or has already happened. It involves unilateral

	announcements by administration or project management without any listening to people's responses. The information being shared belongs only to external professionals
Participation by Consultation	People participate by being consulted or by answering questions. External agents define problems and information gathering processes, and so control analysis. Such a consultative process does not concede any share in decision making and professionals are under no obligation to take on board people's views
Participation for material incentives	People participate by contributing resources such as labor, food, cash or other material incentives. Farmers may provide fields and labor, but are involved in either representation or the process of learning. It's very common to see this called participation, yet people have no stake in prolonging technologies or practices when the incentives end.
Functional participation	Participation seen by external agencies as a means to achieve project goals, especially reduced costs. People may participate by forming groups to meet predetermined objectives related to the project. Such involvement may be interactive and involve shared decision making but tends to arise only after major decisions have already been made by external agents. At worst, local people may still only be co-opted to serve external goals.
Interactive participation	People participate in joint analysis, development of action plans and formation or strengthening of local institutions. Participation is seen as a right, not just the means to achieve certain project goals. The process involves interdisciplinary methodologies that seek multiple perspectives and make use of systematic and structural

	learning processes. A group takes control over local decisions and determines how available resources are used, so they have a stake in maintain structures or practices.
Self-mobilization	People participate by taking initiatives independently of external institutions to change systems. They develop contacts with external functions for resources and technical advice they need, but retain control over how resources are used. Self-mobilization can spread if governments and NGOs provide an enabling framework of support. Such self-initiated mobilization may or may not challenge existing distribution of wealth and power.

Table 1: *A typology of participation: How people participate in Development Programs and Projects. Source: Pretty et al.(1995)*

Engaging with individuals, groups of individuals or organizations that were affected by or could affect an organization's activities and responding to their concerns made organization's performance better as it increased their knowledge and contributed to their license to operate. Besides this, it allowed for the pooling of resources (knowledge, people, money and technology) to solve problems and reach objectives that could not be reached by single organizations (AA 1000 Stakeholder Engagement Standards 2011, Final Report). Zollinger (Pg.9) contended that, taking stakeholder concerns and interests into account could improve relationships, which might make it easier for organizations to operate leading to ideas for products or services that addressed stakeholder needs and allowed the organizations to reduce cost.

Lush and Urgoiti (2012) in their investigations found that gaining trust of communities was key in ensuring the long-term sustainability of the sector and this could be done through engaging the

community members to participate in programming and governance of the organization thus leading to greater community buy-in. Lush and Urgoiti (2012) further posited that transparency and accountability in decision making as well as financial affairs of organizations were important in encouraging this all-important buy-in from communities and went on to warn that, social and institutional sustainability brought about financial sustainability not the other way round.

The importance of public participation in management and decision-making has long been understood and has been debated for many years. The failures of many development projects and programs were linked to poor participation of local communities in their planning, implementation and monitoring, resulting in lots of money spent without producing expected results on the ground. This created more problems, with benefits not reaching the right beneficiaries and greater mal-distribution of income in many developing countries (Karl, 2000; Fabricus, 2004; Rahnema, 1992).

Popular participation has been explained as an organized effort to achieve power by those that were previously excluded, oppressed and exploited groups of people and organizations to increase control over resources and movements (Stiefel and Wolfe, 1984 in Rahnema, 1992). It was assumed that popular participation would overcome obstacles to people's development by giving the people affected an opportunity to participate in all activities of the initiative. Support for participation is justified as it can present a platform for expressing the will of the majority, ensuring that important moral, cultural and economic objectives of social development can be attained. It was also assumed participation would present a platform for dialogical interaction

and conscientisation making it possible for stakeholders to organize themselves in a manner best suited to meet their desired results (Rahnema, 1992).

According to Rahnema (*ibid*) popular participation is intended to perform four functions: cognitive, social, instrumental and political: Cognitive in the sense that participation was meant to generate the development discourse and its practices on the basis of different modes of understanding of realities to be addressed and to find new meanings and images of development based on the different forms of interaction. The cognitive modes based on conventional development representing an ethnocentric perception of reality specific to industrialized countries of the North had to be replaced by a different knowledge system, representing local people. Political in the sense that participation was to provide development with a new form of legitimization that empowers the voiceless and the powerless and create a direct link between the development and the beneficiaries. Instrumental in the sense that participation was meant to provide the empowered role players of development with new answers to the failures of conventional strategies and propose new alternatives and involve affected parties. Social in terms of participation being a hope that development will meet the basic needs of the poor.

According to the United Nations prior to 1971, two elements that formed the backbone of community development were 1) the participation of local communities themselves in an effort to uplift their livelihoods through relying as much as possible on their own initiative, and 2) the provision of support in ways that will encourage initiative and effective empowerment. Multilateral agencies such as The Food and Agriculture Organization of the United Nations (FAO) began to promote participation in projects and programs in the late 1970's and 1980's

(Rudqvist and Woodford-Berger, 1996 in Karl 2000; Huizer, 1997). According to Huizer (1997), the FAO initiated an innovative program aimed at helping poor people in rural areas to participate in and benefit from rural development programs. The program was called the Small Farmers Development Program (SFDP) and was about establishing small groups of farmers to organize themselves into income generating groups called Small Farmers Development Groups. The basic strategy of SFDP was to help rural poor people organize themselves into small, informal, socially and economically active groups around common income generating activities. The assumption was that group influence in the community would help the community to gain better access to resources and receive a more equitable share of development benefits, which would otherwise have passed them by as individuals. From 1979 the emphasis on people participation, ways of involving the poor, rural dwellers and marginalized communities in development initiatives increased.

In the past 20 to 30 years participatory approaches have grown to such an extent that a wide range of participation-linked concepts have been introduced in development programs. Besides the actual participation of communities in activities, there has been an introduction of concepts like participatory evaluation, participatory action research and participatory rural appraisal. Fabricius (2004), Huizer (1997), Karl (2000) and Oakley and Marsden (1984) emphasized the importance of participation particularly for successful rural development and poverty alleviation initiatives. “Participation is generally believed to be a good thing in development theory and a key feature of Community Based Natural Resource Management” (Fabricius, 2004:28).

Participation has also been used as a strategy to deal with critical challenges of involving the public in planning relating to cities or urban developments (Huizer, 1997). Over the years, participation discourse has spread into issues of poverty, education and protection of the environment as well as holding prominence in community development (Sewell and Coppock, 1977). The community development movement has essentially been a rural-bound movement and the concerns have been the social and economic upliftment at village levels. Karl (2000) and Huizer (1997) discuss one of the early FAO participatory programs called the People's Participation Program (PPP) that focused on the development of poor, rural women and on the promotion of small groups in development projects and programs. This program encouraged participation with the view of enabling the poor rural people to use what they have to enhance their livelihoods and quality of life. Since the mid 1980's there has been a growing emphasis on the theme of empowerment with regard to participation (Rudqvist and Woodberger 1996 cited in Karl 2000; Oakley and Marsden, 1984; Lotz-Sisitka and Burt, 2006).

Participatory processes have, however, not been without critique, and the late 1990's saw an increasingly critical review of participatory practices in community development initiatives. New approaches of participation in development, conscientisation and empowerment of the previously excluded and disadvantaged created much enthusiasm amongst states and development organizations. There was a recognized movement of changing people centered approaches aimed to destroy the "pernicious monopoly of the dominant paradigm" whilst highlighting important elements of political and social discrimination. This made leaders more aware of the perceptions of the wider population and introduced new possibilities for action (Rahnema, 1992: 122). However there was not enough evidence that participation approaches did result in the

emergence of a new kind of knowledge, economic and development motives did not take adequate account of local tradition and knowledge systems. The mixture of knowledge representing both outsider and insider interactions was a "…conceptually reductionist and patchwork type of exercise" capable of creating "heterogeneous biases" and values that are doubtful (Rahnema, *ibid*).

Much of the participatory literature fails to discuss the capacity building of those that are expected to participate (Lotz-Sisitka and Burt, 2006). Participation is also often (unrealistically) viewed as a solution to project development failures that are directly linked to poor involvement of local people and marginalised groups who are often labeled as previously disadvantaged (Karl, 2000; Fabricus, 2004). Lotz-Sisitka and Burt (2006:23) ask a critical question associated with assumptions about equity in the participation process when they ask "How can people be called into a meeting and be expected to participate in issues that they do not understand? As a result of a lack of education or limited education, many people do not have the basic skills and information needed in order to participate…" They argue that capacity building and participation are directly related. Development of capacity building is an integral element of participation.

White (1996:7) argued that while participation has the potential to challenge patterns of dominance; it could also be a means through which existing power relations are entrenched and reproduced. "… Incorporation, rather than exclusion, is often the best means of control". Rahnema (1992:123) indicates that participatory approaches did bring about a new form of power, a power that manifests itself in many ways "taxpayers cheating the state, young people evading conscription, farmers accepting subsidies … and diverting them to their own ends…" He

argues that most activists devalue the traditional powers and replace them with power that is doubtful, highly influenced by western traditions, convincing local people that only the economic state authorities have real power (Rahnema, 1992). This is ascribed to participation's ambiguity: it can be applied in many forms for varying interests. White (1996) highlighted several instances where participation can take place for many "unfree" reasons including the following a) nominal participation where participation interest can be largely for legitimating, just to fulfill the inclusion interests, b) instrumental participation where participation can serve an efficiency interest for funders of the initiative, with the thought that funds will enhance people's commitment, c) representative participation where participation allows local people to voice (discuss) their interest in the initiative to ensure leverage and lastly d) transformative participation to empower those involved practically and fight injustice. In those instances, participation can sometimes simply be a fulfillment of political public relations exercises.

Lotz-Sisitka and Burt (2006:27) confirm the latent ambiguity in participation "…research has identified that the multiple ways of identifying stakeholder participation, and the ambiguity of these concepts can cause confusion". They showed concern with the definition of stakeholder when they state that stakeholders according to DWAF (2001 in Lotz-Sisitka and Burt, 2006) are defined according to their interest in and how are they affected by the initiative. Just like White (1996) they appear to be concerned that if stakeholder participation is misunderstood it is likely to a) cause more inequality instead of addressing it, b) change people by making them objects of participation, and c) make people take responsibility that they cannot handle (Lotz-Sisitka and Burt 2006). Such would not promote sustainability in an organization. This study investigated the efforts taken by URCS to ensure principled stakeholder participation.

To engage many people requires a large amount of financial support. There is a need to invest into stakeholders' development or empowerment through training and building quality partnerships for learning and economic activities (Lotz-Sistka and Burt, 2006). The need for huge investment and a conducive environment for quality interaction and partnership development among stakeholders at a local level poses a challenge to the process of participation (Snapp and Heong, 2003). The researcher was not sure whether URCS carried out training sessions for stakeholders for the purposes of empowering them with the intentions of promoting sustainable operations, hence need for this study.

According to Rahnema (1992) participation has been seen as a tool for investment. It was discovered that much more can be achieved at low cost when people were locally participating in an initiative (for example, community contributing labour) and the states were interested in production at a low cost and government can capitalize on using this approach to modernize and strengthen their national needs. Still on the notion of investment, Rahnema *(ibid)* indicated that most developing countries started to use participation for economic generation to pay their debts. He showed that the World Bank has invested over $50 billion to poverty alleviation programs since 1975 and the poor have proved to be reliable clients when they are contained and controlled in participation structures however, this has left developing countries indebted, resulting from various financial and economic assistance programs. Participation has also become a fundraising device for NGOs. Rahnema (*ibid*) demonstrated that NGOs have attracted a large sum of money from the European countries due to their reputation that their participation approach is less bureaucratized and have assisted with meeting the needs of poor people with efficiency and less cost.

It is clear that in the process of participation people have to participate, and the main questions are how will they participate and will they effectively participate? Oakley (1988 in Karl, 2000) and Oakley and Marsden (1984) identified four types of participation that can be distinguished in popular participation programs and projects. These are 1) involvement where people get involved in and benefit from the activities of the rural development project, 2) community development where people participate in specific tasks, 3) participation where people participate through formal organization and 4) empowerment where people actively participate in development projects and gain access to, and share in the resources required for rural development. Oakley does not relate the above forms of participation to financial sustainability, hence leaving a research gap for the current study to fill.

Participation has been considered a good thing for giving legitimacy and for eradicating mistrust, particularly in community-based initiatives (Fabricius, 2004). Many authors have spoken about the basic objectives of participation such as participatory decision-making, communication and consultation with locals, identifying correct beneficiaries, gathering of local knowledge and actual involvement of local people in development initiatives. Oakley and Marsden (1984) regrouped participation objectives into four specific objective categories of participation namely collaboration, community development, organization and empowerment. These are discussed in more detail below:

Sewell and Cappock (1977) recommended that it's important that in participatory decision-making, the process should take into consideration the views and ideas of those that are affected and have a legitimate interest in the initiative in order to correctly identify their preferences

(Sewell and Cappock, 1977). According to Thomas and Stillwell (1994), decision-making should reside with the resource users so that they are empowered to take charge of their own development.

Communication and consultation with locals is important for the better performance of an organization. The general belief of democratic societies is that all individuals have rights to be informed and consulted and to express their views in matters that affect them personally (Sewell & Cappock, 1977). In modern societies there are many ways of communication; normally there are channels of communication between the governors and the governed through various techniques for example, official letters. The channel of communication can work very well when the interested parties are identified and are able to express their views and if individuals are aware of those channels of communication. Through such structures, local community members can be enabled to lobby supporting institutions for development support that is related to their objectives and needs (Thomas and Stillwell, 1994). Thomas and Stillwell (1994) added that conflicts should be identified and resolved at an early stage.

According to Carnea (1983), mobilizing local knowledge is a prerequisite for planning for any initiative and participation of beneficiaries is the only avenue to pursue that. Local communities have in-depth knowledge on ways of doing things; developers should draw on local knowledge through participatory approaches (Thomas and Stillwell, 1994). Fabricius (2004) emphasized that community-based initiatives should pay attention to the local and traditional knowledge base, as the knowledge is evolving, rich with history of local ecosystems and embedded in local institutions.

If local people are involved in their own matters they may be more enthusiastic and interested. If local people are actively involved in the process of managing their natural resources, there is a chance that they will come to feel a sense of ownership. Carnea (1983) and Thomas and Stillwell (1994) emphasized the importance of local people‘s participation in financial resources management as it may reduce corruption and helps to ensure that the priority beneficiaries are benefiting. Participation by local community members makes sure that accountability and responsibility is in the hands of beneficiaries (Thomas and Stilwell, 1994). Participation gives local community members an opportunity to be involved in the planning and implementation of development activities in order to manage resources used to achieve their identified needs and objectives (Carnea, 1983; Thomas and Stillwell, 1994). According to Jansen (2000), it is unethical not to involve local community members in processes that are centrally related to their lives.

Collaboration involves different organizations working together equally. In many instances in rural development the fundamental decisions that guide the development actions have already been made. Here governors invite the governed to endorse and to support the decisions made. The ground rules are previously established. In such case, the majority of local community members tend to remain excluded, and participation is largely passive. Participation is limited to a specific task. Local community members do have some kind of say. Participation is not institutionalized. Even though, some fundamental decisions have already been taken regarding the task, there are some discussions with communities (clarifications) on interpretation and implementation. This form of participation encourages local community members to assume

responsibility for their own well-being and develop capacity to contribute to their own and community development (World Health Organization, 1982 in Oakley and Marsden, 1984).

Participation in this form encourages local communities to establish the governance structure. There is a belief that if people are in a group they can have a strong voice that can influence decisions. Participation can also be interpreted to mean empowerment. In this form participation is interpreted as empowerment, and involves redistribution of power and sharing of knowledge, which allows local community members to have access to, and control to resources and how they are to be used. Understanding of issues by the communities is important in order to be able to contribute meaningfully to the participation processes.

Oakley and Marsden (1984: 25-26) cited three statements all demonstrating that participation is about sharing power and scarce resources, local communities controlling their destinies and improving their living conditions and opening up opportunities.

... the promotion of popular participation implies a redistribution of power (basically a conflictual process) and this calls for scientific analysis which gives due recognition to political factors, social forces and the role of class in historical processes of social change (UNRISD, 1981).

... Participation is concerned with the distribution of power in society, for it is power which enables groups to determine which needs, and whose needs will be met through distribution of resources (Curtis et al., 1978).

... power is a central theme of participation and ... participatory social action entails widely shared, collective power by those who are considered beneficiaries, differentials between those who control and need resources is reduced (Fernandes and Tendon, 1981)

The above descriptions emphasize the relationship between participation and power. According to Bergdall (1993) perceptions of participation are closely linked with power and transformation following the concept of conscientisation, which occurs when there are limited interventions by support organizations. This gives local people enough opportunity to find the structure of the problem and if possible the solution. Empowerment was seen as a central theme during the World Conference on Agrarian Reform and Rural Development in 1979 (Oakley, 1991). Even though it was seen as a difficult term to define, some people saw empowerment as the development of skills and abilities to enable rural people to manage better, have a say in or negotiate, while some people saw it as enabling rural people to decide upon and take actions that are essential for their development (Oakley, *ibid*). There is no significant difference between the two views; the latter can be taken as an add-on to the earlier views.

Sithole (2004) indicated that one of the key reasons for failures of community-based projects has been related to the monopoly of power by ruling elites or particular families within the areas of projects. He gave an example of a project in South West Zimbabwe were government involved the local community in the management of a state forest. This example illustrated the difficulty, with regard to, merging democracy with traditional power structures in rural areas showing that the notions of worldwide democracy and governance are likely to be at odds with local notions of democracy in communal areas of South Africa. However, no attempts were made by Sithole

(2004) to relate his position with financial sustainability, hence leaving a gap for the current study.

2.4 Summary of Literature review

In regard to literature reviewed, it was clear that financial sustainability of an organization was very important. Lush and Urgoiti, (2012) focused on sustainability as a whole nevertheless, they hinted on financial sustainability as a key result of social and institutional sustainability. Other studies came up with various suggestions to ensure financial sustainability of an organization (Obiwuru et al, 2011; Hailey, 2006; Kessler, 2004; Lush et al , 2012) and they include; the ability of a manager to understand, adopt appropriate leadership style, collective management and effective team work, existence of values, involvement of stakeholders in participation.

However, there was inadequate literature about the effects of leadership styles on financial sustainability of humanitarian organizations in Uganda and inadequate resources to monitor progress of activities and programs in such NGOs and lastly the fact that most literature was about developed countries therefore, there was need to generate findings concerning factors affecting financial sustainability of the URCS since 90% of its budgetary expenditures are donor funded, the findings generated were used to find solutions to solve this problem.

CHAPTER THREE

METHODOLOGY

3.1 Introduction

This chapter presents the research design, study population, sample size, sampling techniques and procedure, data collection methods, data collection instruments, validity and reliability, procedure of data collection, measurements of variables and data analysis.

3.2 Research Design

This research adopted a cross-sectional survey design which considered correlational aspect simply because cross-sectional design collects data at one point in time as well as facilitates the establishment of the relationship between the study variables (Amin, 2005). The researcher triangulated the study as supported by both Sekaran (2003) and Amin (2005) and therefore, the study used the qualitative and quantitative approaches in order to gain a deeper understanding of the factors affecting financial sustainability at the Uganda Red Cross Society using survey instruments such as the questionnaire, interview guide and the documentary review checklist targeting a population of 1,699 people.

3.3 Study Population

The study population was the target population that the researcher accessed and drew a sample from. It comprised of 1,699 members and these were broken down in categories of 3 as follows: staff (170), Branch Governing Board members (357) and Volunteers (1,172) of the URCS based at the head quarter, regions and at branches.

3.4 Sample size and Selection

The researcher was guided by Krejcie and Morgan's (1970) table as cited in Sekaran (2003) to determine the total sample size because of its simplicity thus saved time. To get appropriate representatives, the researcher stratified the accessible population based on 5 geographical regions (strata) as per the URCS structure. The researcher reduced bias during selection by drawing valid statistical inferences to the entire population of the URCS by efficiently stratifying the 5 regions further into 3 categories of staff, GB members and volunteers. The researcher used proportionate method when selecting categories from Gulu (42), Mbale(86), Mbarara(48), Hoima(40) and Central(94) regions, however used disproportionate method based on accessibility and availability of staff, BGs and volunteers to select the sample for each category out of 310. The researcher went on to use systematic sampling method due to the large numbers of staff (87) and GB members (83), however, the researcher applied purposive sampling on top management because they were knowledgeable about URCS and factors affecting it through their own experiences. Convenience sampling was used in selecting volunteers (140) as the funds were not enough to mobilize them and because the researcher could not easily access them within the shortest time possible since they were unreliable.

Table 2: Sample Size and Selection per Category per URCS Region

Category	Regions										Sampling Technique
	Gulu		Mbale		Mbarara		Hoima		Central		
	P	S	P	S	P	S	P	S	P	S	
Staff	18	09	24	12	16	6	16	8	96	52	Stratified random
GBs	42	10	84	19	63	15	49	11	119	28	Stratified random
Volunteers	191	23	462	55	224	27	179	21	116	14	Stratified random
Total	**251**	**42**	**570**	**86**	**303**	**48**	**244**	**40**	**331**	**94**	

Source: Generated by the researcher

From table 3.1 above, (P) was the population and (S) was the sample size.

Table 3: Sample Size and selection Per Category

Category	Population Size (N)	Sample Size (n)	Sampling Technique
Staff	170	87	Systematic and purposive sampling
Governing Board	357	83	Systematic sampling
Volunteers	1,172	140	Convenience sampling
Totals	**1,699**	**310**	

Source: Adopted from Krejcie and Morgan (1970) table.

From table 3.2 above, the sample size is 310 respondents out of the accessible population of 1,699

3.5 Sampling techniques and procedures

The researcher divided the entire population of URCS into 5 different regions (strata) of Gulu, Mbale, Mbarara, Hoima and Central disproportionately with an aim of ensuring an equal chance of different categories represented in each region. The 5 regions named above were further stratified into 3 homogeneous categories and these included; staff, GB members and volunteers. The researcher applied a modified form of systematic random sampling by dividing the total population (N) of staff, and GB members by its sample size (n) that is [k=N/n] to obtain the sample fraction (k) and the researcher went on to select every k^{th} number to form a sample, this technique ensured that the population was evenly sampled. After which, the researcher went on to select volunteers using convenience sampling by way of picking members found at the time of

data collection due to limited time and money. Purposive sampling was also used in selecting knowledgeable staff. According to Katebire (2007), this technique is sometimes referred to as judgmental sampling where a researcher on his/her own judgments targets specific subjects to participate in the study because they have perceived knowledge or experience in relation to the study under investigation.

From here, the researcher then decided on the methods of collecting data for the study as discussed below under (3.6).

3.6 Data sources and Collection Methods

The study used primary and secondary sources of data and accessed these through; questionnaire surveys, interviews, and a review of URCS documents such as the SP and other publications.

3.6.1 Questionnaire Survey

Data was collected using a closed and open-ended questionnaire survey with an aim of helping respondents make quick decisions and also assisted the researcher in obtaining additional information from the respondents respectively (Sekaran, 2003). The questionnaire was sent to Branch managers and some volunteers whom the researcher reached easily that response was immediate while respondents who were geographically spread like upcountry BMs, GB members and Volunteers, the questionnaires were delivered by mail and responses were received by mail as well.

3.6.2 Interviews

The researcher conducted face-to-face structured interviews as supported by Mbaaga (2000) cited in Katebire (2007) with the Secretary General, directors of DM, Health, HR and Finance directorates and assistant directors who acted as key informants. This helped to obtain rich data and understand complex issues. Due to geographical distances, the researcher conducted telephone interviews with some regional Program managers with an intention of gaining in-depth information about financial sustainability issues in the URCS.

3.6.3 Documentary Reviews

Bogdan and Sari (2003) cited in Amin (2005) acknowledged that researchers are increasingly using documents as their secondary sources of data. Data was collected using this method basically to supplement on information collected by questionnaire and interview methods in order to gain a clear understanding of the factors affecting financial sustainability at the URCS. The researcher reviewed the SP, volunteer data base, branch reports, membership books, MOUs and quarterly newsletters. The researcher then proceeded to design appropriate instruments such as the questionnaire, interview guide and the documentary review checklist that were used to collect data about different objectives as discussed in details below.

3.7 Data collection instruments

3.7.1 Questionnaire

The questionnaire had closed-ended questions that enabled the researcher to quantify results easily as Patrick (2007) recommends and also enabled respondents make quick decisions among several alternative answers. The questionnaire had both nominal and interval scaling measures using a 5-point Likert scale ranging from 1(Strongly disagree) to 5(Strongly agree). The questionnaire had questions constructed both in positive and negative manner to enable respondents remain alert and reduce bias. This is supported by Sekaran (1992) in his observation that a questionnaire possesses the relevant information and it is a less costly method (Sekaran, 1992). Furthermore the questionnaire method was appropriate because respondents were all able to read and write. The questionnaire presented five (5) pre-determined responses rating using the Likert Scale to ease respondent effort in filling the questionnaire and helped to minimize the subjectivity.

3.7.2 Interview guide

A structured interview guide was used for top management and board members who acted as key informants hence provided more information about leadership styles, organization culture, and stakeholder participation and how they affected financial sustainability at the URCS. The guide helped in standardizing the interview situation in that the interviewees' replies were easily aggregated Kajornboon (2012) and also helped in obtaining in-depth data required to meet objectives of the study.

3.7.3 Documentary review checklist

The researcher also used a documentary check list to ensure that all the required information about stakeholder participation, membership and IGAs, was collected from the URCS website, membership books, branch reports, and other publications such as the SP, audit reports, newsletters and MOUs. These instruments were tested for reliability and validity to ensure their effectiveness in data collection as explained in (3.8) below.

3.8 Validity and reliability

3.8.1 Validity

Data collection instruments such as the questionnaire and the interview guide were presented to a panel of judges from Uganda Management Institute who attested the content validity of the instrument that is; ambiguity of question items and their relevancy. To ensure that data collection instruments were valid, they were pre-tested on staff and volunteers of World Vision. Odiya (2009) in support to Amin (2005) and Katebire (2007) holds that, validity of an instrument is the ability of the instrument to collect justifiable and truthful data; that is, measuring what it is developed to measure. The content validity index (CVI) was computed using the following formula;

$$CVI=\frac{R}{R+N+IR}$$

Where;

CVI = content validity index

R = Total number of items rated as relevant

N = Total number of items rated as Neutral

IR = Total number of questions rated as irrelevant

So using the formula above, the researcher calculated the content validity index for the questionnaire as follows;

The validity of the questionnaire was tested using the content validity test (CVI).

$$CVI = \frac{R}{R+N+IR}$$

Relevant (R), Neutral (N), to Irrelevant (IR).

When the CVI is closer to one (1), it implies that the instrument is valid. The results of the CVI are shown in table 3.3 below.

Table 4: Content Validity Index of the study variables

Variable	**Number of items judged**	**Number of items rated valid**	**CVI**
Leadership styles	18	15	0.83
Organizational culture	14	11	0.78
Stakeholder participation	11	10	0.90
Financial sustainability	17	16	0.94

Source: From expert judgment

The computed CVIs were above the 0.60 threshold postulated by Odiya (2009) implying that the tools that were used in collection of the data contained valid questions.

3.8.2 Reliability

The reliability of the questionnaire was assessed using Cronbach Alpha at 0.05level of significance. Cronbach alpha was used because it measures the internal consistency of the research variables and can be administered in a single test and also the fact that the instrument had more than two responses provided for each item as supported by (Odiya, 2009).The following formula was used;

$$\alpha = \frac{k}{k-1}\left(1 - \frac{\sum \sigma_k^2}{\sigma^2}\right)$$

Where

$\sum \sigma^2_k$ = the sum of the variances of the k parts (usually items) of the test.

σ = standard deviation of the test (items in the instrument).

α = reliability coefficient.

The results obtained were as follows;

Table 5: Reliability analysis

Variable	**Number of items**	**Cronbach alpha coefficient**
Leadership styles	15	0.96
Organizational culture	11	0.76
Stakeholder Participation	10	0.95
Financial sustainability	16	0.87

Sources: From primary data reliability test in SPSS

Table 3.4 above shows the alpha values of leadership styles = 0.96; organizational culture = 0.76; stakeholder participation = 0.95 and financial sustainability = 0.87 which are higher than 0.60 recommended for social research by Odiya (2009) suggesting that all the items used to measure each variable were consistent in measuring the variable.

3.9 Data Collection Procedures

After the proposal defense, the researcher got an introduction letter from UMI allowing the researcher to proceed to collect data and prepare the report thereafter. This was presented to the management of URCS who granted permission and the study was conducted. Reliable and validated questionnaires were delivered by mail to respondents up country three days after permission was granted while others were hand delivered by the researcher to those reachable respondents and the completed questionnaires were collected after one day by the researcher. Two weeks were given to respondent's upcountry to complete and collect the questionnaires however; an allowance of extra 3 days was given to respondents who had not completed the questionnaire within the two weeks.

With regards to face-to-face interviews, the researcher contacted the key informants and provided them with a snap-shot of the study and requested their consent to participate in the study. Tape recording did not take place because most respondents never permitted. Once face-to-face interviews were done, after 5days, the researcher conducted telephone interviews with other respondents and this took 30 minutes per respondent contrary to what was planned by the researcher and this was due to the poor network coverage. Documents were reviewed as other activities went on and also whenever the researcher had some free time to access the documents.

The whole process of data collection was delayed due to financial constraints therefore, commenced on 3rd December, 2012 by the researcher together with research assistants who were trained and equipped with necessary skills of collecting data. During this process, the researcher measured the data.

3.10 Measurements of variables

This section describes how the variables of the study both dependent (Financial Sustainability) and independent (Leadership styles, Organizational culture and Stakeholder participation) were measured. All the variables in the research were measured at nominal scale. Financial sustainability was measured by opinions on whether URCS is financially self-sustaining in terms of generation of its own revenue from income generating activities and the performance of membership subscription contributions. Leadership style was measured by the opinions on delegation, commitment to networking and policy formulation. The organizational culture of URCS was measured by opinions on long term planning and transparent governance while stakeholder participation was measured by opinions on decision making processes and information exchange.

Responses to a five point -likert scale were used to measure data for all the above variables of the study. The five point-likert scale was used because it is the most common and above all assesses the strength of respondents' feelings or attitude towards a subject. It ranges from strongly agree (5) to strongly disagree (1).

Table 6: Key table, defining the likert-scale

Scale	1	2	3	4	5
Description	Strongly Disagree	Disagree	Not Sure	Agree	Strongly Agree
Meaning	Greatly Untrue	Not True	Neutral /undecided	True	Very True

3.11 Data Analysis

3.11.1 Quantitative Data

All the variables in the research as laid down in the questionnaire were measured on a nominal scale. All the returned questionnaires were numbered, edited and cleaned to ensure that the required information was captured and not repeated so as to facilitate easy analysis.

The demographic characteristics (background information) of the respondents were analyzed using frequency percentage distribution as use of descriptive statistics would not give an accurate description of the characteristics. Descriptive statistics using mean and standard deviation were used in analyzing the responses to each of the variables investigated under financial sustainability, organizational culture, leadership styles and stakeholder participation. The data was transformed by clicking “Transform” menu on the SPSS user interface and then through the “Compute” option, the researcher came up with the “Average Indices” for financial sustainability, leadership styles, organizational culture and stakeholder participation.

Pearson correlation matrix and linear regression analysis were used to test the hypotheses of the study and to show the direction of the relationship. The “average indices” were used in the computation of Pearson’s Correlation and regression analysis respectively. The Calculated value was compared with the tabulated value after determining the degrees of freedom. For regression, the coefficient of determination(R-Squared), Regression sum of squares, the F statistic and its significance level were used. R-square is the proportion of the variation in the dependent variable explained by the regression model. The values of R-square range from 0 to 1. Small Values indicate that the model does not fit the data well.

3.11.2 Qualitative Data

Qualitative data analysis was used to present findings from the interviews that were administered to the key management of URCS and Board members. Given the fact that the data could not be quantified, the researcher presented them in narrative form. The qualitative data helped to corroborate the findings that were got through use of questionnaires.

CHAPTER FOUR

PRESENTATION, ANALYSIS AND INTERPRETATION OF RESULTS

4.1 Introduction

This chapter presents analyses and interprets the findings. The study investigated the factors affecting financial sustainability at the Uganda Red Cross Society. The objectives of the study were to determine the extent to which Leadership Styles affect Financial Sustainability; to establish the relationship between Organizational Culture and Financial Sustainability and; to find out whether there is a relationship between Stakeholder Participation and Financial Sustainability of Uganda Red Cross Society. Frequency tables were used accordingly as a way of presenting statistical data. This study employed a triangulated design, therefore the interpretations and analysis of data was derived from open and close-ended questions in the questionnaire and structured interviews for selected key informants. The main research instrument and tool was the questionnaire.

4.2 Response Rate

Out of the 310 questionnaires that were distributed, 300 were returned, yielding a response rate of 96.8%. All the 17 top management targeted were interviewed resulting into a response rate of 100%. The response rate for this study was high since it surpassed the 70% as the lowest limit for social science research Odiya (2009).

The Response Rate was calculated as;

Average Response Rate = Returned Questionnaires/interview guides * 100%

Total Questionnaires/interview guides distributed

$$= \frac{70+130+17+83}{310}$$

= 96.8%

Table 7: Summary of Response Rate from URCS

Category of Respondent	**Questionnaire**			**Interview guide**		
	No of questionnaires distributed	Returned	Response rate	Targeted	Accessed	Response rate
URCS Staff	70	70	100%	-	-	-
Volunteers	140	130	93%	-	-	-
Top Management staff of URCS	-	-	-	17	17	100%
Board Members	-	-	-	83	83	100%

Source: Primary Data

The response rates for both the questionnaires and interview guides administered during the study were higher than the world standard of slightly above 22% (Ulengin & Uray, 1998). The high response rates of 100%, 93%, 100% and 100% respectively indicated that majority of the

respondents were interested in the study. The level of interaction with management of URCS as well as board members, staff and volunteers partly explains the high response rate. This rhymes the observation made by Asiimwe (2007) who stated that his past association with many of the respondents at various functions influenced the response rate`. However, to ensure that such interaction did not bias the responses, the objective of the research was explained in the introductory remarks in which the respondents were requested by the researcher to answer the questionnaire objectively and that their responses would be kept confidential and anonymous.

4.3 Back ground information of the respondents

The researcher sought to obtain data on selected socio-economic characteristics of the respondents which included sex, age, highest academic qualifications and working experience. This section presents a summary of the findings about the sex, age, education and the working experience of the respondents.

4.3.1 Gender of the Respondents

Respondents were asked to indicate their gender as stated in the self-administered questionnaires and the interviews. The following results were obtained;

Table 8: Respondents by Gender

Sex	Category of Respondents							
	Staff		**Volunteers**		**Top Management**		**Board Members**	
	f	%	f	%	f	%	f	%
Male	59	84	95	73	14	82	69	83
Female	11	16	35	27	3	18	14	17

Source: Primary Data

As indicated in table 4.2 above, male respondents were 59(84%) from the staff category, 95(73%) volunteers, 14(82%) top management and 69(83%) Board members while female respondents were 11(16%), 35(27%), 3(18%) and 14(17%) staff, volunteers, top management and Board members respectively. There was a domination of male respondents over the females. This finding reflects the position that women have held since pre-colonial times; they have always been left out in some aspects where they would have been represented and where representation is observed thus a sign of gender imbalance in URCS.

The implication of this result meant that, males were more likely to contribute to financial sustainability of URCS by way of being proactive in looking for people to join as members hence increasing its membership base. Besides, they rarely gossip meaning they save time by committing and dedicating it to their work hence creating networks that can help in financing some IGAs which is contrary to the females.

4.3.2 Age of respondents

The respondents were asked to indicate the age range in which they belonged. The following results were obtained;

Table 9: Age of the respondents

Age	**Category of Respondents**							
	Staff		**Volunteers**		**Top Management**		**Board Members**	
	f	%	f	%	f	%	f	%
Below 25 years	23	33	26	20.0	-	-	-	-
26-30	16	23	66	50.8	-	-	-	-
31-35	29	41	32	24.6	10	59	-	-
36 +	2	3	6	4.6	7	41	83	100

Source: Primary Data

According to table 4.3, 23(33%) staff and 26(20.0%) volunteers were below 25 years of age. None of the top management and Board members respondents were below 25 years of age. In the 26-30years age bracket, 16(23%) were staff and 66(50.8%) were volunteers. None of the top management and Board members respondents fell in the above age bracket. Findings of the study indicated that 29(41%) staff, 32(24.6%) volunteers and 10(59%) top managers belonged in the 31-35 age brackets with none of the Board members falling in the same age bracket while 2(3%) staff, 6(4.6%) volunteers, 7(41%) top managers and 83(100%) Board members were aged 36 years and above. This finding implies that the study was comprehensive since it covered a cross section of different age brackets comprised majorly of the respondents from both categories

(staff, top management, volunteers and Board Members). This age bracket is known to be strong with great ideas that can generate a number of IGAs through writing business proposals that are appealing to sponsors. It's also known to enhance fundraising campaigns to many people of their age leading to increased revenue and hence Financial Sustainability of URCS.

4.3.3 Level of education

The respondents were asked to indicate their highest academic qualification as stated in the questionnaires and interviews. The following results were obtained;

Table 10: Level of education of the Respondents

Level of Education	**Category of Respondents**							
	Staff		**Volunteers**		**Top Management**		**Board Members**	
	f	%	f	%	f	%	f	%
Certificate	3	4	44	33.8	-	-	-	-
Diploma	17	24	16	12.3	-	-	-	-
Degree	35	50	20	15.4	9	53	69	83
Masters	15	22	50	38.5	8	47	14	17

Source: Primary Data

Table 4.4 shows that 3(4%) of the staff were certificate holders, 17(24%) were Diploma holders, 35(50%) were degree holders while 15(22%) had Masters. The high number of degree holders serving as staff of URCS was large. This is because most organizations prefer employing degree holders as compared to other cadres since they are more knowledgeable and innovative. Among the volunteers, 44(33.8%) were certificate holders, 16(12.3%) were Diploma holders, 20(15.4%) were degree holders while 50(38.5%) were holding masters. Study findings also indicated that,

of the top management, 9(53%) were degree holders while 8(47%) had masters. Majority of the Board members, 69(83%) had degrees while 14(17%) had masters. The different levels of academic qualifications indicated a mixed category of respondents who participated in providing data for this study. By implication, the findings of the study are informative largely because the respondents were literate and able to articulate a number of issues.

It's reflected from the findings of the study that degree holders constituted the majority of the respondents which meant that degree holders offer high potentials of achieving financial sustainability of URCS because it's widely believed that degree holders are very creative and innovative in executing the work assigned to them by management of an organization such as proposal writing, fundraising campaigns and many other activities that lead to increased revenue hence Financial Sustainability.

4.3.4 Working experience of the Respondents

The respondents were equally asked to indicate the number of years they had worked with URCS. This investigation was based on the proposition that the more the number of years, the greater would be the level of experience and therefore the more would be the knowledge they exhibit on the study variables. The following results were obtained**;**

Table 11: Working experience of the Respondents

Working experience	Category of Respondents							
	Staff		Volunteers		Top Management		Board members	
	f	%	f	%	f	%	f	%
Less than One year	5	7	62	47.7	-	-	-	-
1-5 years	50	71	10	7.7	-	-	20	24
5-10 years	5	7	46	35.4	11	65	63	76
More than 10 years	10	15	12	9.3	6	35	-	-

Source: Primary Data

As reflected in table 4.5 above, 5(7%) , 50(71%), 5(7%) and 10(15%) of the staff had worked with URCS for a period less than one year, 1-5 years, 5-10 years and above 10 years respectively. Equally, 62(47.7%) had volunteered for less than one year, 10(7.7%) had volunteered for 1-5 years, 46(35.4%) volunteered for 5-10 years while 12(9.3%) had volunteered for more than 10 years. The findings from table 4.5 also shows that 11(65%) of top management had worked for 5-10 years while 6(35%) had a long working experience stretching beyond 10 years. In URCS, the Board members have term limits and therefore serve for a period not exceeding 10 years. From the above table, 20(24%) had worked with URCS for 1-5 years while 63(76%) had worked for 5-1o years. This implies that majority of the respondents had served for more than 5 years in their respective designations. The long experience in these respective areas provided a basis for the accumulation of knowledge about the variables investigated by this study.

The higher response rate from the staff and volunteers that had worked for URCS for more than 5 years implied that retention of staff and volunteers can have potential for enabling an organization to become self-sustaining financially.

4.4 Leadership Styles and Financial Sustainability

The first objective of the study was to determine the extent to which leadership styles affect financial sustainability in the URCS. Leadership styles were conceptualized into three constructs: delegation; commitment to networking and policy formulation. In addition, the study aimed at testing the hypothesis: "Leadership Styles (delegation, commitment to networking and policy formulation) moderately affect financial sustainability of the URCS".

The following section presents and interprets the general perception of the respondents about financial sustainability, the general perception about leadership styles of the URCS, the correlation coefficient between leadership styles and financial sustainability of the URCS and the regression analysis of leadership styles and financial sustainability.

4.4.1 Description of financial sustainability according to staff

The respondents were asked to indicate their opinion on the main concepts of financial sustainability that were investigated by the study. The following results were obtained;

Table 12: Descriptive statistics showing the rating of staff on financial sustainability of the URCS

	N	Mean	Std. Dev
URCS has a membership strategy with clear goals	70	3.14	1.424
Dissemination is done on a regular basis	70	2.42	1.812
Information about membership is never captured	70	1.98	1.115
Staff in charge of recruitment in the field have marketing skills	70	2.01	1.688
There weak internal controls at branches	70	3.74	1.312
All URCS staff are trained in business skills	70	2.13	1.422
URCS branches receive initial capital	70	3.11	1.101
Branch managers engage in market analysis	70	3.00	1.192
Staff never write business plans	70	2.36	1.288
During project design, branch development is incorporated	70	2.41	1.524
Branches have access to soft loans from banks due to good relations	70	2.10	1.312

Source: Primary Data

Table 4.6 above shows that the staff agreed that URCS had a membership strategy with clear goals (Mean = 3.14, Std. dev = 1.42).This observation implied that management of URCS believed in promoting programs of the organization by enrolling many members since its policy strategy clearly spells the goals of the organization and principles that have to be observed in recruiting new members to the organization. The higher the numbers of the members recruited,

the more likely will be the higher level of sustainability and financial self-reliance because the membership fees would widen the income base of the organization. The staff disagreed that URCS was in position to carry out dissemination on a regular basis (Mean = 2.42, Std. dev = 1.81). The staff equally disagreed that Information about membership is never captured (Mean = 1.98, Std. dev = 1.11) while they also disagreed that staff in charge of recruitment in the field had marketing skills (Mean = 2.01, Std. dev = 1.68). The findings imply that though URCS does not carry out information about membership on a regular basis because it's somewhat costly especially where media such as radio and TV have to be used, data of the members is captured and is archived. The findings also indicated that the staff who market activities of the organization lacked relevant marketing skills implying that, they miss out on key people who would become members and as such, widen the funding base of the organization. The failure to attract these key people narrows the chances of achieving financial sustainability of URCS.

Table 4.6 above revealed that the staff strongly agreed that there weak internal controls at branches (Mean = 3.74, Std. dev = 1.31). This finding implies that administrative challenges were common in these branches because of fraud, misuse of the resources of the organization, shoddy work, limited regional networking, fewer outreaches for mobilization and under performance of employees. Such affects the achievement of sustainability of the organization, financial sustainability inclusive. The staff equally disagreed that all URCS staff were trained in business skills (Mean = 2.13, Std. dev = 1.42). The study findings indicated that URCS branches received initial capital (Mean = 3.11., Std. dev = 1.01) however, if staff have limited or no desirable business administration skills, the achievement of financial sustainability of the URCS is a nightmare. The branches were given the initial capital largely because they are implementing

the programs of URCS and were located in the areas where they are as a means of increasing her outreach services to the different parts of the country. The respondents were not sure whether the branch managers were engaged in market analysis (Mean = 3.00, Std. dev = 1.19). Most probably, the branch managers never carried out the market analysis and yet it's an important activity in the functioning and operation of an organization.

The staff according to table 4.6 above further disagreed that staff never wrote business plans (Mean = 2.36, Std. dev = 1.28). Business plan writing is one of the indicators of promoting sustainability in an organization because top management can either use them to solicit for funding or can use them as key documents while proposing newer policies aimed at ensuring that URCS achieves financial sustainability. They equally disagreed that during project design, branch development is incorporated (Mean = 2.41, Std. dev = 1.52); yet they also disagreed that branches have access to soft loans from banks due to good relations (Mean = 2.10, Std. dev = 1.31). Little wonder that the branches of URCS do not access loans from banks. Despite the fact that some of these banks are bankers to the organization and therefore the existence of positive relations, findings of the study indicated that branches never easily accessed the soft loans because URCS is a not-for-profit institution and therefore given the last opportunity by lending financial institutions.

4.4.2 Description of financial sustainability according to volunteers

The volunteers too were asked to rate the financial sustainability of URCS on a number of parameters as was the case with the staff respondents. The following results were obtained;

Table 13: Description of financial sustainability according to the volunteers

	N	Mean	Std. Dev
The number of life members is small	130	3.31	1.796
Annual members are very many	130	1.89	1.253
Members always renew their subscriptions	130	2.44	1.494
The general public understands the use of membership subscription to URCS	130	2.37	1.426
Membership base is dominated by the youths	130	2.23	1.471
Funds collected from members is banked after 3 days	130	3.00	1.98
URCS engages in Income generating Activities (IGAs)	130	3.01	1.896
There proper infrastructures to boost IGAs at branches	130	1.95	1.275
There is promotion of volunteer business ideas	130	2.36	1.403
There are entrepreneurship training opportunities in URCS	130	2.39	1.204
There competent volunteers to boost IGAs at branches	130	1.97	1.168
Seeking business ideas from communities is un necessary	130	2.45	1.495

Source: Primary Data

Table 4.7 above shows that the volunteers agreed that the number of life members was small (Mean = 3.31, Std. dev = 1.76). This therefore shows that the sustainability of finances of URCS was questionable since the numbers of life members were low. An organization that derives part of the funds for operations would be considered more financially healthy if most members were life members. The volunteers disagreed that annual members were very many (Mean = 1.89, Std. dev = 1.25). The volunteers equally disagreed that members always renew their subscriptions (Mean = 2.44, Std. dev = 1.49) while they also disagreed that the general public understood the use of membership subscription to URCS (Mean = 2.37, Std. dev = 1.42). By the virtue that URCS had fewer annual members meant that its income base from the members was narrow. Not

only does URCS have fewer annual members but also, the organization has a challenge of fewer members renewing their subscriptions because they do not understand the use of membership subscription to URCS. All these factors have inhibited the possibility of URCS becoming financially self-reliant.

Table 4.7 above revealed that the volunteers agreed membership base was dominated by the youths (Mean 3.63, Std. dev = 1.52). A high membership of youth in the organization means that URCS has not laid firm strategies that would help the organization to attract many adults and yet these would serve as key in planning for and strategizing for the financial sustainability of the organization. The study findings as reflected in Table 4.7 above further show that the volunteers were not aware whether funds collected from members were banked after 3 days. (Mean = 3.00, Std. dev = 2.98); yet they also unaware whether URCS had established Income generating Activities (IGAs) (Mean = 3.01., Std. dev = 1.89) and they equally disagreed that there was proper infrastructures to boost IGAs at branches (Mean = 3.00, Std. dev = 1.27). The volunteers showed indifference regarding the immediacy of banking the money collected from the members as well as the possibility that URCS had established Income Generating activities and expressed reservations regarding the existence of infrastructure to boost IGAs.

The volunteers according to table 4.7 above disagreed that there was promotion of volunteer business ideas (Mean = 2.19, Std. dev = 1.60). The volunteers in URCS, irrespective of the fact that they had worked for more than 5 years with URCS seemed not to be considered as having brains capable of enabling the URCS to leapfrog to financial sustainability. They equally disagreed that there were entrepreneurship training opportunities in URCS (Mean = 2.36, Std.

dev 1.40); yet they also disagreed that URCS had competent volunteers to boost IGAs at branches (Mean = 2.39, Std. dev = 1.20). Table 4.7 above further shows that the staff disagreed that seeking business ideas from communities was unnecessary (Mean = 1.98, Std. dev = 1.16). The absence of entrepreneurship training opportunities, lack of competent volunteers to boost the IGAs at branches and failure to acknowledge business ideas from the community where the URCS branch offices must have led to the haphazard running of the IGAs and eclipsed the chances of developing strong ties between URCS and the community all of which affected the efforts of the organization to become self-sustainable financially.

4.4.3 General Perception of the respondents on Leadership Styles of URCS

The respondents were asked their opinion concerning the various attributes of leadership style used by URCS. Table 4.8 below shows the perception of the respondents about the various aspects of leadership style in URCS.

Table 14: Description of leadership styles practiced in Uganda Red Cross Society according to staff.

	N	Min	Std. Dev
Am involved in goal setting and problem solving in my directorate	70	2.62	1.410
I delegate work and make sure they understand what to do	70	2.53	1.133
Management works to achieve income diversification	70	2.79	1.228
I assign work, stress results desired but don't help the employee	70	2.14	1.006
There is establishment of communication networks with other NGO	70	3.69	1.314
URCS works closely with government	70	2.49	1.521
There is no link between URCS and other national societies	70	2.39	1.491
URCS participates in formulation of government policies that affects it	70	2.18	1.381
URCS has no competent staff to formulate policies	70	2.36	1.454
All staff are involved in policy formulation	70	2.99	1.551
URCS carries out donor relationship management	70	1.90	1.047
Staff sometimes violate the set policies	70	2.37	1.193
Staff are never oriented on policies	70	2.00	.198

As indicated in the Table 4.8 above mean scores for all but one item of leadership styles were slightly lower than three, thus indicating a disagreement with most of the leadership styles practices. For example, the staff disagreed that staff were involved in goal setting and problem solving in their directorates (Mean=2.62, Std. dev =1.41) suggesting that on overall, the staff did not know the strategic plan of the organization they were working for. They were seldom involved in goal setting and problem solving in their directorates, but just used as rubber stamps

in codifying and ratifying some goals. The staff therefore never owed most of the goals financial sustainability inclusive, hence the failure of URCS to become financially self-reliant.

Similarly, table 4.8 above shows that the staff disagreed that top management of URCS delegated work and made sure that those who were delegated too understood what to do (Mean =2.53, Std. dev =1.13). The failure to understand the contents of the tasks delegated as well as the parameters in which to execute it could ultimately contribute to the unacceptable performance of URCS and indeed a document review indicated that the board of directors resolved to hire a consultant to design a five year strategic plan in liaison with the management as part of the interventions to improve on aspects of team work and staff delegation activities.

According to table 4.8 above the staff disagreed that management of URCS worked towards income diversification (Mean =2.79, Std. dev =1.22). Failure of management to ensure that the organization diversifies her sources of income implied that URCS was vulnerable to failure in as far as implementation of her projects was concerned. Similarly, the staff were not sure whether URCS had established communication networks with other NGOs (Mean =2.14, Std. dev =1.00). Basing on the experience that the staff members had with the organization, this finding implies that the staff seldom carry out networking activities with other organizations and yet this is important for the health of the URCS, including financial sustainability. The failure to set strategic objectives which were not known to the staff contributed to the poor performance of URCS since the staff did not know which plan, tactics, ploys or approach they had to use to contribute to the achievement of the URCS mission leaving them to conduct business haphazardly. A document review of the records archived with the Uganda Red Cross branch

offices in Uganda revealed that staff of these branches are rarely invited by NGOs for issues like workshops and trainings and yet such network activities are important if an organization is to become effective in the activities being done/ executed.

Table 4.8 shows that the staff agreed that URCS established communication networks with other NGO (Mean =3.69, Std. dev = 1.31) while most staff disagreed that URCS worked closely with the government (Mean = 2.49, Std. dev =1.52). Strategic partnerships with the government would be important largely because it would even attract grants from the government. The practice of operating with links to other national societies provides a precursor to the performance of an organization as it could for example bring about the formation of strategic mutual networks.

Table 4.8 above further shows that the staff disagreed that there was no link between URCS and other national societies (Mean=2.39, Std.dev=1.49). The staff also disagreed that URCS participated in formulation of government policies that affected it (Mean = 2.18, Std. dev =1.38). Similarly, the staff disagreed that URCS never had competent staff to formulate policies (Mean = 2.36, Std. dev = 1.45). The failure to deploy skilled and experienced financial and non-financial human resources such as human resources, equipment, vehicles and technology contributed to the failure of URCS to achieve financial sustainability.

Table 4.8 above shows that the staff disagreed URCS has no competent staff to formulate policies (Mean=2.36, St. Dev =1.45), while they also disagreed that all staff are involved in policy formulation (Mean = 2.99, Std. dev =1.55). Staff at strategic management level as is common with other organizations are charged with the formulation of the policies of an

organization. However, to make such policies effective, all the groups of stakeholders in the organization must be represented. Failure to do so leads to staff failing to know where they belong in the organization's hierarchy and who to report to while at the same time failing to know their functions which ultimately leads to disharmony in the organization that provides antecedents failure to achieve organizational effectiveness in general and financial sustainability in particular. Similarly, the staff disagreed that management of URCS carried out donor relationship management (Mean = 1.90, Std. dev =1.04). Without effective donor relationship management, URCS cannot achieve sustainability because that would imply the organization cannot have continuity of funding from donors because of poor relations.

Table 4.8 above shows that, the staff agreed that staff sometimes violated the set policies (Mean =2.37, Std. dev =1.19). This occurred because the staff were never oriented on policies (Mean =2.00, Std. dev =.98). Failure of management of URCS to adequately orientate their staff implies that the employees and the volunteers of URCS cannot easily become objective oriented and focused towards the attainment of the set objectives of the Organization hence scoring the need for fully fledged orientation of staff and volunteers in URCS for purposes of achieving financial sustainability.

Table 15: General perception of leadership styles practiced in Uganda Red Cross Society according to volunteers.

	N	Mean	Std. Dev
Volunteers are equipped with all tools to do delegated work	130	2.00	1.117
Volunteer performance is never evaluated for delegated tasks	130	2.19	1.002
Authority to do delegated tasks depends on volunteer experience	130	1.96	0.962
Capacity development of volunteers is through delegated tasks	130	2.08	1.121

As indicated in the table 4.9 above, mean scores for all items of leadership styles were lower than three, thus indicating a disagreement with most of the leadership style practices. The volunteers disagreed that they were never equipped with all tools to do the delegated work (Mean =2.00, Std. dev =1.11). The respondents disagreed that volunteer performance was never evaluated for delegated tasks (Mean=2.19, St. dev=1.00); they equally disagreed that authority to do delegated tasks depended on volunteer experience (Mean =1.96, Std. dev =.96). Similarly, the volunteers disagreed that capacity development of volunteers was through delegated tasks (Mean =2.08, Std. dev =1.12). Failure to equip the volunteers with the necessary tools, delegate tasks according to the experience the volunteers have working with the organization and failure to use delegation as one tool of capacity building leads to poor performance of the volunteers even though the study findings indicated that the management of URCS regularly evaluated the work of volunteers.

4.4.4 Leadership Styles used in URCS from Interview Responses

Findings of the study indicated that the staffs of URCS were delegated by management. They were assigned responsibilities given the fact that institution handles a number of projects. However, the respondents indicated that at times, the delegation of duties is done reservedly largely because some employees pretend they can shoulder the responsibilities but end up producing shoddy and substandard work. The findings further revealed that the delegation of duties excluded the volunteers and yet according to the background information gathered from the volunteers, it was observed that some had worked for over 5 years and showed a lot of commitment to their work compared to the employed staff. This tendency to exclude the volunteers is not good and yet they work for the organization with a lot of commitment.

On networking with the donors, findings of the study indicated that URCS was collaborating with a number of organizations, donors and high profile individuals who always make donations to the organization. It was observed that the donors are involved in annual general meeting preparations as well as fundraising occasions. The findings further revealed that URCS involves the donors in some activities such as charity walks and visits to places where there are disasters such as Bududa and the recent Kasese floods such that they are induced by the magnitude of the suffering of the people to donate to the organization.

To develop large networks, the top management staff who took part in the study indicated that they have facilitated the formation of Red Cross Clubs in secondary schools and tertiary institutions so as to raise a cadre of Ugandans who have the vision and mission of the organization heart. The findings of the study too revealed that top management of the Institution

carries out networking with other organizations such as SNV Netherlands, Catholic Relief Services (CRS) and Ugandan foundations based abroad such as Banyakigezi Foundation based in Toronto. It also carries out networking with Ugandans in Diaspora as a means of attracting more aid and as well explores the possibility of more funding. In universities, URCS has recruited representatives to carry out the mobilization of students to donate some items that are sent to the areas where victims have lost their property to floods, mudflows and to the refugee camps such as Oruchinga Valley in Isingiro District.

URCS emphasizes respect of her employees and volunteers and ensures that all the stakeholders are actively involved in the activities that URCS organizes. As revealed, priority is given to the most skilled staff during recruitment and also audited reports are circulated to donors, board members and other stakeholders to show how donations were used as a sign of transparent governance.

4.4.5 Correlation between leadership styles and financial sustainability

A correlation coefficient was used to establish whether there was a relationship between leadership style and financial sustainability of URCS. Pearson correlation matrix was used to establish the relationship between the variables of the study because they were numerical. Table 4.10 below provides a summary of leadership styles and financial sustainability.

Table 16: Correlation between leadership styles and financial sustainability

		Leadership styles	Financial Sustainability
Leadership styles	Pearson Correlation	1	.210(*)
	Sig. (2-tailed)		.003
	N	70	70
Financial Sustainability	Pearson Correlation	.210(*)	1
	Sig. (2-tailed)	.003	
	N	70	70

* Correlation is significant at the 0.05 level (2-tailed).

Table 4.10 above shows that the correlation coefficient for leadership style and financial sustainability is 0.210, and that this correlation is significant at 0.05 level. The correlation coefficient describes the magnitude of the relationship between the variables, the direction of relationship between the variables and the level of significance of the correlation. The absolute value of the correlation coefficient indicates the strength, and ranges from -1 to 1, which depict perfect negative and perfect positive linear relationships respectively. The larger absolute values indicate stronger relationships. Table 4.10 therefore, shows that there is a significant positive linear relationship between leadership style and financial sustainability. The acceptable limits of the significance are given by $p \leq 0.05$. The level of significance in this case is 0.01 indicating that

there is less than 1% chance of this relationship not holding true. However, the absolute coefficient value (0.210) is relatively far from +1, which implies that the relationship between leadership style and financial sustainability are not perfectly linear, but is a weak one.

4.4.6 Regression analysis testing the research hypothesis: "Leadership styles moderately affect financial sustainability of the URCS"

A regression analysis was conducted to measure the extent to which leadership styles affected financial sustainability of the URCS using the adjusted R^2 values, standardized beta values, t values and the significance measured at 0.05 confidence level. The results are tabulated in table 4.12 below.

Table 17: Regression results between leadership styles and financial sustainability of URCS

Predictor	Adjusted R Square	Df	Mean square	F	Sig.
	0.132	1	2.631	8.462	0.005[a]
			Standardized coefficients	t	Sig.
	Adjusted R square	Std error	Beta (*B*)		
Constant		0.220		5.962	0.000
Leadership styles	0.132	0.113	0.387	2.909	0.005

a. Predictor: (constant), Leadership styles

b. Dependent Variable: Financial Sustainability

The regression model in table 4.12 above shows adjusted R^2 value of 0.132 between leadership styles and financial sustainability suggesting that leadership styles predicted 0.132 of the variance in financial sustainability of URCS suggesting that leadership styles accounted for a variation in financial sustainability of 13.2%. Therefore, results show that there is a linear

relationship between leadership style and financial sustainability, given that the level of significance was less than 0.05. Therefore, the hypothesis that leadership styles affect financial sustainability is adopted. The implication is that networking and delegation lead to development of skills among all staff and volunteers which skills are used in soliciting membership; proposal writing and marketing skills that lead to increased resource mobilization hence increased revenue leading to financial sustainability.

4.5 Relationship between Organizational Culture and Financial Sustainability of URCS

The second objective of the study was to establish the relationship between organizational culture and financial sustainability in the URCS. Organizational culture was conceptualized into two constructs: long term planning and transparent governance. In addition, the study aimed at testing the hypothesis: "There is a positive relationship between organizational culture and financial sustainability".

The following section presents and interprets the general perception about organizational culture of URCS, the correlation coefficient between organizational culture and financial sustainability of URCS and the regression analysis of organizational culture and financial sustainability.

4.5.1 General perception of the staff about Organizational culture

The respondent staffs were asked their opinion concerning the various attributes of organizational culture of URCS, including long term planning and transparent governance. The following results were obtained;

Table 18: Description of organizational culture in the Uganda Red Cross Society according to staff.

	N	Mean	Std. Dev
Having a mission and vision is useless	70	2.71	1.094
URCS current mission statement reflects goals	70	3.98	1.251
Managing staff talents is a poor idea	70	2.41	1.712
There is clear flow of information	70	2.69	1.109
The current organization structure is strong to handle growth	70	2.78	1.450
URCS financial reports are presented to the board for approval	70	2.96	1.045
There no clear roles & responsibilities of the board	70	3.80	1.432
There harmonious relations between the board and management	70	2.11	1.041
There clear roles & responsibilities of management	70	4.00	0.680
There is accountability & reporting to donors & communities	70	1.73	0.715

Table 4.12 above shows that the staff disagreed that having a mission and vision was useless (Mean = 2.71, Std. dev =1.09). This meant that, the vision and mission of URCS were important as they serve as key foci on which staff of the organization based to execute the assigned tasks in line with vision and mission statements. The staff agreed that URCS current mission statement reflected goals (Mean =3.98, Std. dev =1.25) but disagreed that managing staff talents was a poor idea (Mean = 2.41, St. Dev=1.71). The implication is that management of URCS ignores staff talent yet this is known to supplement on the trained skills of staff that can reduce costs of training and recruiting new staff with such talents. An example of such talents is the negotiation

skill which can lead to solicitation of funds through fundraising campaigns. The respondents further disagreed that there was clear flow of information (Mean=2.69, St. Dev=1.10). A document review revealed that most staff were told to report to more than one supervisor for instructions yet did not have clear job descriptions. The failure to put in place and communicate standard operating procedures, policies, rules, distinctive roles and functions leads to disorganized work processes in the organization which ultimately contributes to poor results in the organization hence manifesting its failure to achieve financial sustainability.

Similarly on organizational culture, table 4.12 above shows that the staff disagreed that, the current organization structure is strong enough to handle growth (Mean =2.78, Std. dev =1.45). The staff equally disagreed that URCS financial reports were presented to the board for approval (Mean =2.96, Std. dev =1.04). The failure to achieve functional coordination and benchmarking contributes to failure to achieve the desired performance through coordination of functions and undertaking processes redesign to deliver value to the internal and external customers.

Furthermore, table 4.12 above shows that the staff agreed there no clear roles & responsibilities of the board (Mean =3.80, Std. dev =1.43). This indicates that there are organizational loopholes in the operations of URCS because by the virtue that the board members have no clear roles and responsibilities implies that the rest of other responsibility centers are prone to administrative challenges such as weak internal controls and conflict between the board and management in execution of duties since there is no borderline which affect the organization's resource base in terms of revenue wastage as no one takes responsibility and accountability. The staff equally disagreed that there were harmonious relations between the board and management (Mean =

2.11, Std. dev =1.04). This was largely because there were no clear roles & responsibilities of management (Mean =4.00, Std. dev =.68). This has affected the accountability & reporting levels of URCS to donors & communities, hence leading to failure to achieve financial sustainability (Mean=1.73, St.dev=0.71) and yet accountability and reporting are key determinants of ensuring the effectiveness and efficiency in the operations of an organization.

4.5.2 General Perception of the respondents on attributes of organizational culture in URCS

Table 19: Description of organizational culture in Uganda Red Cross Society according to volunteers.

	N	Min	Std. Dev
URCS financial reports are shared during the AGM with all stakeholders	130	2.43	1.29
There are no clear roles and responsibilities of the board	130	3.01	1.957
There harmonious relations between the board and the management	130	2.21	1.782
There is accountability and reporting to donors and communities	130	1.94	1.435

Table 4.13 above shows that the volunteers disagreed that URCS financial reports were shared during the AGM with all stakeholders (Mean = 2.43, Std. dev = 1.29). Failure to share financial reports with all stakeholders yet URCS is a voluntarily organization is a sign of poor management system because information is power and has the ability to turn around an organization on a verge of collapsing. The volunteers were not aware whether URCS had clear roles and responsibilities of the board (Mean = 3.01, Std. dev = 1.95). This is an indication that other stakeholders are never consulted simply because there are poor relations first of all between

the governing board and management which has extended to volunteers. This explains why the volunteers disagreed that there were harmonious relations between the board and the management (Mean = 2.21, Std. dev = 1.78). Similarly, the respondents disagreed there was accountability and reporting to donors and communities (Mean=1.94, St.dev=1.43). A document review revealed that most volunteers were told to report to more than one supervisor for instructions yet did not have clear job descriptions. The failure to put in place and communicate standard operating procedures, policies, rules, distinctive roles and functions leads to disorganized work processes in the organization which ultimately contributes to poor results in the organization and also promotes conflict of interest between management and the board.

4.5.3 Interview responses on Organizational Culture of URCS

Responses from top management of the URCS indicated that there are; organization values, accountability, financial discipline and value for money on her projects, ensures that all the activities executed are in line with the mission and corporate goals of the organization and job descriptions for the employees are formulated though the wider network of the organization makes coordination and reconciliation of the work activities a bit technical.

The findings of the study further indicated that, URCS carries out annual audit of the financial activities of the organization. This is done to assess whether the funds donated to the organization have been allocated to proper budget lines. This audit is carried out by Ernest and young _ the audit firm, however, the respondents indicated that cases of misuse of funds continue to be reflected in the internal audit reports, thus a challenge to top management but it is working on to mitigate it’s further occurrence.

4.5.4 Correlation Analysis between Organizational culture and financial sustainability

A correlation coefficient was used to establish whether there was a relationship between organizational culture and financial sustainability of URCS. Pearson correlation matrix was used to establish the relationship between the variables of the study because they were numerical. Table 4.14 provides a summary of organizational culture and financial sustainability.

Table 20: Correlation table showing the relationship between Organizational culture and financial sustainability

		Organizational culture	Financial Sustainability
Organizational culture	Pearson Correlation	1	.345(*)
	Sig. (2-tailed)		.01
	N	70	70
Financial Sustainability	Pearson Correlation	.345(*)	1
	Sig. (2-tailed)	.01	
	N	70	70

* Correlation is significant at the 0.05 level (2-tailed).

Table 4.14 shows that the correlation coefficient for organizational culture and financial sustainability is 0.345, and that this correlation is significant at 0.05 level. The correlation coefficient describes the magnitude of the relationship between the variables, the direction of the variables and the level of significance of the correlation. The absolute value of the correlation coefficient indicates the strength, and ranges from -1 to1, which depicts perfect negative and perfect positive linear relationships respectively. The larger absolute values indicate stronger relationships. Therefore, table 4.14 shows that there is a weak significant positive linear relationship between organizational culture and financial sustainability. The acceptable limits of

the significance are given by $p \leq 0.05$. The level of significance in this case is 0.01 indicating that there is less than 1% chance of this relationship not holding true. However, the absolute coefficient value (0.345) is relatively far from +1, which implies that the relationship between organizational culture and financial sustainability are not perfectly linear, but is a weak one.

4.5.5 Regression analysis testing the research hypothesis: "There is a positive relationship between organizational culture and financial sustainability of the URCS"

A regression analysis was conducted to measure the extent to which Organizational culture related to financial sustainability of URCS using the adjusted R^2 values, standardized beta values, t values and the significance measured at 0.05 level. The results of are tabulated in table 4.15 below;

Table 21: Regression results between organizational culture and financial sustainability of URCS.

Predictor	Adjusted R Square	Df	Mean square	F	Sig.
	0.108	1	2.214	6.928	0.011[a]
			Standardized coefficients	t	Sig.
	Adjusted R square	Std error	Beta (*B*)		
Constant		0.239		5.503	0.000
Organizational culture	0.108	0.117	0.355	2.632	0.011

a. Predictor: (constant), Organizational culture

b. Dependent Variable: Financial sustainability

The regression model in table 4.15 above shows adjusted R^2 value of 0.108 between organizational culture and financial sustainability suggesting that organizational culture predicted 0.108 of the variance in financial sustainability of URCS suggesting that organizational culture accounted for a variation in financial sustainability of 10.8%. The results show that there is a linear relationship between organizational culture and financial sustainability, given that the level of significance was less than 0.05. Therefore, the hypothesis that there is a positive relationship between organizational culture and financial sustainability is adopted. The implication is that to achieve the expected financial sustainability levels, management should ensure that the virtues of its culture are upheld at all times. In other words achievement of

financial sustainability in NGOs is based on clear policy formulation and transparent governance.

4.6 Relationship between Stakeholder participation and Financial Sustainability of URCS

The third objective of the study was to find out whether there is a relationship between stakeholder participation and financial sustainability of URCS. Stakeholder participation was conceptualized to mean decision making processes and information exchange. In addition, the study aimed at testing the hypothesis: “There is a positive relationship between stakeholder participation and financial sustainability of the URCS”.

The following section presents and interprets the general perception of the respondents about stakeholder participation in URCS, the correlation coefficient between stakeholder participation and financial sustainability of URCS and the regression analysis of stakeholder participation and financial sustainability.

4.6.1 General perception of respondent staffs on stakeholder participation

The respondents were asked their opinion concerning the various attributes of organizational culture of URCS including the decision making processes and information exchange. The following results were obtained;

Table 22: Description of stakeholder participation at Uganda Red Cross Society according to staff.

	N	Mean	Std. Dev
Regularly get feedback on decisions made	70	1.49	0.450
Staff are represented in URCS decision-making process	70	2.11	1.231
All staff have access to decision-makers	70	3.71	1.281
Issues raised by staff are taken into decision-making process	70	2.66	1.247
Decisions made by URCS staff are more influential	70	2.41	1.193
URCS meetings are held in an open dialogue	70	3.48	0.981
Staff always get feedback on issues previously discussed	70	2.17	1.123
Staff are never informed about meetings	70	2.46	1.195
Having a communication policy is no great idea	70	2.42	1.291
URCS has press releases or newsletters	70	3.26	1.252

Table 4.16 above shows that the staff disagreed that they regularly got feedback (Mean=1.49, St.dev=.45); they also disagreed that they were represented in URCS decision-making process (Mean =2.11, Std. dev =1.23), but agreed that all staff have access to decision-makers (Mean=3.71, St.dev=1.28). The staff also further disagreed that the issues raised by staff are taken into decision-making process (Mean =2.66, Std. dev =1.24). The failure to consider the issues raised by staff by management while making decisions and furnishing them with information about the decisions passed regularly contributes to poor performance and failure to achieve sustainability by the URCS.

Similarly, table 4.16 above shows that the staff disagreed that decisions made by URCS staff are more influential (Mean =2.97, Std. dev =1.15) and yet the organization convened meetings in an open dialogue form from where management would borrow the ideas of the staff members and incorporate them in the action plans(Mean=3.48, St. dev=.98). Staff further disagreed that they always got feedback on issues previously discussed (Mean = 21.7, Std. dev =1.12). Through informal conversation with some of the respondents, it was revealed that the meetings were characterized by pseudo-democracy where an individual is free to express their views but are not allowed to talk further on some issues and yet these would be critical towards the implementation of activities and programs that would make URCS become self-sustaining. As strategic stakeholders in the running of operations of URCS, the failure to include the staff in decision making processes, the existence of the wide management-staff and the conviction of the staff that the decisions made are not influential demoralizes the staff and hampers the execution of activities aimed at bringing about financial sustainability.

Furthermore, the respondent staffs agreed that sometimes, they are never informed about meetings (Mean =2.46, Std. dev =1.19). Similarly, it was revealed that having a communication policy was no great idea (Mean = 2.42, Std. dev = 1.29). The staff equally disagree that URCS had press releases or newsletters (Mean = 3.26, Std. dev =1.25). Having a communication policy that is not broad based and all accommodative is not sufficient enough to promote the better performance of URCS and more so in her struggle to become a financially sustainable organization. Press releases and newsletters are important because they would reflect the efforts of the stakeholders and motivate them to carry on with their support to URCS.

4.6.2 General perception of respondent volunteers on stakeholder participation in Uganda Red Cross Society

The respondent volunteers were asked their opinion concerning the various attributes of organizational culture of URCS including the decision making processes and information exchange. The following results were obtained;

Table 23: Description of stakeholder participation in Uganda Red Cross Society according to volunteers.

	N	Mean	Std. Dev
Volunteer ideas are valued	130	2.45	1.065
There is consultation of volunteers during decision-making process	130	2.62	1.690
Volunteers have inadequate skills to involve in decision-making process	130	2.43	1.311
Volunteer needs are considered during decision-making process	130	2.13	1.700
Relevant information concerning URCS activities is received by volunteers	130	2.21	1.472
Volunteers are encouraged to write articles	130	2.65	1.154
URCS shares information with volunteers through meetings and workshops	130	2.53	1.164
There is a feedback structure in URCS	130	2.95	1.806

Table 4.17 above shows that, volunteers disagreed that, management valued their ideas (Mean = 2.45, Std. dev = 1.06). The volunteers equally disagreed that they were consulted during decision-making process (Mean = 2.62, Std. dev = 1.69). The respondents equally disagreed that volunteers had inadequate skills to involve in decision making process (Mean=2.43, Std.dev=

1.311) and also disagreed that Volunteer needs are considered during decision making process (Mean=2.13, Std.dev =1.700). It's on this basis that management probably creates a reason for not involving the volunteers in the decision making process and yet earlier in this chapter, it was revealed that more volunteers were educated as they possessed masters degree which meant they had technical skills in resource mobilization, marketing and are strategic thinkers who probably if involved , would stir URCS to the next level by negotiating with banks to issue soft loans to branches that would act as capital to start new IGAs such as stationery shops, outside catering services and many others hence increasing URCS's income base and therefore making her self-sustainable . Because of this failure to involve the volunteers in the decision making process nor encourage them write articles, the needs of volunteers are never considered (Mean = 2.43, Std. dev = 1.31).

Similarly, table 4.17 above shows that the volunteers disagreed that relevant information concerning URCS activities was received by volunteers (Mean 2.21, Std. dev = 1.472). They equally disagreed that they were encouraged to write articles (Mean = 2.65, Std. dev = 1.154). Furthermore, according to table 4.17 above, the volunteers disagreed that URCS shared information with volunteers through meetings and workshops (Mean = 2.53, Std. dev = 1.164). The volunteers equally disagreed that there is a feedback structure in URCS (Mean = 2.95, Std. dev = 1.806). Failure to share information through meetings and workshops and lack of a feedback system thereof, was an indication of lack of capacity building of volunteers who would demonstratively have contributed a lot of ideas, identified gaps that hinder URCS from achieving financial sustainability and suggested solutions to curbing these gaps thus leading to increased revenue while reducing costs of operations hence financial sustainability.

4.6.3 Stakeholder participation in URCS from Interview responses

Through interviews, it was revealed by top management that URCS values the contributions of the stakeholders towards the successes already registered. It was revealed that the stakeholders are regularly briefed about whatever developments occur in the organization and whenever there is need for their involvement in executing an activity, they are expeditiously called upon to support the efforts of management.

The respondents too, indicated that whenever there are events like Board meetings, Annual general meetings, fundraising occasions and charity walks, all the stakeholders are assigned active roles and are actively involved in the planning stages.

The findings also indicated that URCS considers regular flow of information as a nexus for the improvement in the levels of performance, though management indicated that the numbers of employees and volunteers and the many branches sometimes make it hard for management to make the communication flow very efficient and effective and this has led to poor information exchange in the organization. Management also indicated that as is common to other organizations, there are information asymmetries and these have sometimes brought about flaws in the communication and information exchange processes.

4.6.4 Correlation between stakeholder participation and financial sustainability

A correlation coefficient was used to establish whether there was a relationship between stakeholder participation and financial sustainability of URCS. Pearson correlation matrix was used to establish the relationship between the variables of the study because they were numerical. Table 4.18 below provides a summary of stakeholder participation and financial sustainability.

Table 24: Correlation between stakeholder participation and financial sustainability

		Stakeholder participation	Financial Sustainability
Stakeholder participation	Pearson Correlation	1	.521(*)
	Sig. (2-tailed)		.01
	N	70	70
Financial Sustainability	Pearson Correlation	.01	1
	Sig. (2-tailed)	.521(*)	
	N	70	70

* Correlation is significant at the 0.05 level (2-tailed).

Table 4.18 above shows that the correlation coefficient for stakeholder participation and financial sustainability is 0.521, and that this correlation is significant at 0.05 level. The correlation coefficient describes the magnitude of the relationship between the variables, the direction of the relationship between the variables and the level of significance of the correlation. The absolute value of the correlation coefficient indicates the strength, and ranges from -1 to1, which depict perfect negative and perfect positive linear relationships respectively. The larger absolute values indicate stronger relationships. Therefore, table 4.18 above shows that there is a moderate significant positive linear relationship between stakeholder participation and financial

sustainability. The acceptable limits of the significance are given by $p \leq 0.05$. The level of significance in this case is 0.01 indicating that there is less than 1% chance of this relationship not holding true. However, the absolute coefficient value (0.521) is relatively far from +1, which implies that the relationship between stakeholder participation and financial sustainability is perfectly linear.

4.6.5 Regression analysis testing the research hypothesis: "There is a significant relationship between stakeholder participation and financial sustainability"

A regression analysis was conducted to measure the extent to which stakeholder participation related to financial sustainability of URCS using the adjusted R^2 values, standardized beta values, t values and the significance measured at 0.05 level. The results are tabulated in table 4.19 below;

Table 25: Regression results between stakeholder participation and financial sustainability of URCS

Predictor	Adjusted R Square	Df	Mean square	F	Sig.
	0.378	1	6.860	30.786	0.000[a]
			Standardized coefficients	t	Sig.
	Adjusted R square	Std error	Beta (*B*)		
Constant		0.166		6.397	0.000
Stakeholder participation	0.378	0.082	0.625	5.548	0.000

a. Predictor: (constant), Stakeholder participation

b. Dependent Variable: financial sustainability

The regression model in table 4.19 above shows adjusted R^2 value of 0.378 between stakeholder participation and financial sustainability suggesting that stakeholder participation predicted 0.378 of the variance in financial sustainability of URCS thus stakeholder participation accounted for a variation in financial sustainability of 37.8%. The results show that there is a linear relationship between stakeholder participation and financial sustainability, given that the level of significance was less than 0.05. Therefore, the hypothesis that there is a significant relationship between organizational culture and financial sustainability is adopted. The implication is that to achieve the expected performance levels, management should ensure that there is strong stakeholder participation at all times, set and communicate the organization's mission and strategic objectives to all stakeholders in order to strengthen the partnership.

CHAPTER FIVE

SUMMARY, DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS

5.1. Introduction

The study assessed factors affecting financial sustainability at the Uganda Red Cross Society. The variables included; leadership styles, organizational culture and stakeholder participation and their influence on financial sustainability of the URCS. This chapter therefore presents a summary, discussion, conclusions and recommendations based on the study findings.

The study examined the factors affecting financial sustainability at the URCS by testing the following Hypotheses:

1. Leadership styles moderately affect financial sustainability of the URCS
2. There is a positive relationship between organizational culture and financial sustainability of the URCS
3. There is a positive relationship between Stakeholder participation and financial sustainability of the URCS

5.2. Summary of the findings

In an effort to improve the quality of life of people, NGOs and Civil Society Organizations (CSOs) were conceived to enable individuals to live their fuller life through providing humanitarian help and at times serving as substitute providers of services in areas where state provision appears insufficient. Although URCS was conceived in 1939 to improve on the lives of

Ugandans through humanitarian help, the achievement of this goal is constrained due to the failure by management to adopt the most desirable leadership styles, uphold its cultural values and promote strategic stakeholder participation to achieve the objectives of URCS.

5.2.1 Leadership Styles and Financial Sustainability

The findings of the study showed that there is a weak significant positive relationship between leadership styles and financial sustainability where delegation, policy formulation and networking are key drivers into achievement of financial sustainability though their effect is not so great.

5.2.2 Organization Culture and Financial Sustainability

The findings also revealed that there is a weak significant positive relationship between organization culture and financial sustainability based on long term planning and transparent governance whereby if considered or not have very minimal effect on financial sustainability.

5.2.3 Stakeholder Participation and Financial Sustainability

The findings showed that there is a moderate significant positive relationship between Stakeholder participation and financial sustainability. This finding was based on decision making process and information exchange which indicated that lack of stakeholder participation in decision making and poor information exchange can have a great impact on financial sustainability.

5.3. Discussion of the findings

In this section the researcher presents the discussion of the study findings in relation to the objectives of the study.

5.3.1. Leadership styles and Financial Sustainability

Results of the correlation analysis of the effect of leadership style on financial sustainability established that there was a significant positive relationship($r = 0.210$, $p=0.01$). The correlation value being positive, suggests that financial sustainability of URCS was dependent on leadership styles. Therefore, effective long term planning and commitment to networking by management of civil society organization or non-governmental organization provide antecedents for attracting support and success of programs slated to achieve financial sustainability such as fundraising occasions.

From the study findings therefore, it was established that leadership styles affect financial sustainability on a small scale. This incorporated the aspect of long term planning or strategic management through policy formulation and networking and delegation which are vital for the achievement of financial sustainability of the URCS. This is in agreement with Waddell (2000) that financial management practices requirements can impose a significant burden on NGOs. Good financial management requires sound organizational planning and the set-up and implementation of workable systems, policies and procedures which can respond to, accommodate and overcome the financial challenges a non-governmental organization may face. Ebrahim (2005) also found out that establishment of trust funds which gather financial resources

together on either an individual NGO or collective model can help to invest those resources to provide long-term income from interest or a combination of interest and principal.

The study also deduced that participation in income generating activities affect the financial sustainability of the organization to a great extent. It is clear that business activities, corporate alliances, trust or endowment fund and unrestricted income generating activities affect the financial sustainability of NGO to a great extent. These findings are in line with World Bank (2000) income generation is a key programmatic strategy to address the need to find alternative means to make a living in a dignified way: it aims at creating opportunities for the use of resources among NGOs in a meaningful way and with the objective of becoming less dependent, more self-reliant and able to offer services to the community they serve. Further, according to CRDA (2001) NGOs like URCS need to develop more business-like operations, focusing on the most practicable forms of enterprise structure but without losing their priority of seeking to benefit the poor and other disadvantaged groups.

Leadership styles of an NGO especially through strengthened communication networks with other NGOs is likely to foster income diversification. Income diversification is important because it insulates an organization like URCS from shocks of relying on one source of funding. This is in line with Kurosaki (2003) that diversification of funding sources is essential to increase the stability of non-governmental organizations income streams. As a response to the economic crisis, tapping international funding streams might be more important than ever. In particular, funding from international governments and their respective bilateral aid agencies has provided excellent opportunities for the NGOs. It was clear that the income diversification strategies

enhancing financial sustainability at the organization to a great extent include tapping international funding streams, corporate donor sourcing, fundraising and development plan and owning and managing businesses. This agrees with Barrett, Bezuneh, Clay and Reardon (2000) that with the funding challenge most non-governmental organizations have responded with the same entrepreneurial spirit, good planning and hard work that brought them success in their core activities. They have expanded fund-raising activities directed at the general public, tapped new corporate donors for monetary and in-kind support, and held one-time events.

Donor relationship management affects the financial sustainability of the organizations to a great extent. This agrees with Burnett (2002) who recognized the need for what he termed relationship fundraising – dealing with donors individually, recognizing each donor as unique in terms of giving history, motivation for giving, and the overall standard of care expected from the charities being supported. The aspects of donor relationship management affect financial sustainability of NGOs to a great extent include use of information management, providing accountability, enhanced meaningful communications and implementing a comprehensive recognition program. This agrees with Plummer (2009) that donors should be able to choose when communication is initiated and the form that it might take. According to him, it seems that one way in which NGOs might achieve this goal is to ensure that they give ongoing and specific feedback to donors as to how their funds have been put to use, in particular the benefit that has resulted for the beneficiary group. If this feeling of impact on the cause is not strengthened, it seems less likely that donors will view other causes as being more deserving than those they already support. Further, Matten and Moon (2008) observe that donors viewing the communications they receive as informative,

courteous, timely, appealing, and convenient appear to remain loyal for a greater period of time. The issue then becomes how best to achieve this perception.

5.3.2 Relationship between Organizational culture and financial sustainability

Results of the correlation analysis of the relationship between organizational culture and financial sustainability established that there was positive significant relationship($r = 0.345$, $p=0.01$). The correlation value being positive, suggests that financial sustainability of URCS was dependent on the organizational culture attributes of the organization. This implies that upholding the strategic culture virtues of an organization presupposes the attainment of financial sustainability.

The findings of the study rhyme the observations of Lewis(1994) who indicated that sustained superior financial performance of certain American organizations have attributed their success to the specific culture of each of the respective organizations. Culture sets the boundaries and supports an organization's ability to function; all the change in the world cannot provide sustainable performance unless an organization's culture and people are fully prepared and aligned to support that change. Culture is what distinguishes truly high-performing organizations from the pack (Jeuchter et al, 1998).

The study findings further find credence in the observations of Kotter and Heskett (1992) that organizations with an embedded culture had greater revenue increases, larger workforce expansions, and greater increases in share price and larger improvements in net income than their counterparts with weaker cultures.

Findings of the study are further supported by Denison (1990) who found out those compelling relationships between an organization's culture and bottom-line business performance. In agreement with Denison, Calori and Sarnin (1991) found out that return on investment, return on equity and return on sales were linked to certain cultural traits. Every working person instinctively knows what organizational culture is and that it drives a common way of doing things amongst colleagues, even if that way is sometimes implicit or unspoken. The ways of doing things can make the difference between a successful organization and an unsuccessful organization.

5.3.3 Relationship between stakeholder participation and financial sustainability.

Results of the correlation analysis of the relationship between leadership style and financial sustainability established that there was a positive significant relationship($r = 0.521$, $p=0.01$). The correlation value being positive, suggests that financial sustainability of URCS was dependent on stakeholder participation.

Engaging with individuals, groups of individuals or organizations that were affected by or could affect an organization's activities and responding to their concerns made organization's performance better as it increases their knowledge and contributed to their license to operate. Besides this, it allows for the pooling of resources (knowledge, people, money and technology) to solve problems and reach objectives that could not be reached by single organizations.

The findings are supported by Lush and Urgoiti (2012) who observed that active stakeholder participation is important for gaining trust of communities and is a key for ensuring the long-

term sustainability of the sector and this could be done through engaging the community members to participate in programming and governance of the organization thus leading to greater community buy-in.

Relatively, popular participation overcomes obstacles to people's development by giving the people affected an opportunity to participate in all activities of the initiative. Support for participation is justified as it can present a platform for expressing the will of the majority, ensuring that important moral, cultural and economic objectives of social development can be attained. Participation would present a platform for dialogical interaction and conscientisation making it possible for stakeholders to organize themselves in a manner best suited to meet their desired results (Rahnema, 1992).

According to Rahnema (1992) participation is a tool for investment. It was discovered that much more can be achieved at low cost when people were locally participating in an initiative (for example, community contributing labour) and the states were interested in production at a low cost and government can capitalize on using this approach to modernize and strengthen their national needs.

5.4. Conclusions for the study

This section gives the conclusions from the discussion above and was made in line with the objectives of the study.

5.4.1 Leadership styles and financial sustainability

Since a positive significant relationship was established between leadership styles and financial sustainability, it meant that leadership styles affect financial sustainability. In conclusion therefore, if management of URCS adopted a good leadership style that recognizes delegation, commitment to networking, and policy formulation as important aspects in achieving financial sustainability, membership base and income generating activities will increase incredibly, short of this, URCS will remain unsustainable.

5.4.2 Relationship between Organizational culture and Financial Sustainability

The findings of the study indicated that financial sustainability is dependent on organizational culture. The dimensions of culture that were consistently found to be related to financial sustainability were transparent governance and long term planning. Kotter and Heskett (1992) conducted four studies examining the relationship between organizational culture and financial performance, and found that culture can have a significant influence on long-term financial performance and should thus be enhanced continuously.

5.4.3 Relationship between Stakeholder participation and financial sustainability

Since a positive significant relationship was established between stakeholder participation and financial sustainability, it was concluded that participatory methods and approaches hold great advantages for an organization. Stakeholder participation assists in better understanding of not only local people's short and long term needs but also focuses on finding better ways of collaboration between URCS and the stakeholders.

5.5. Recommendations

The study makes the following recommendations based on the study findings and conclusions above:

5.5.1. Leadership styles and financial sustainability

Management of URCS should train both staff and volunteers in writing business plans as this will help in attracting well wishers who will contribute resources that could help branches have long term income generating activities. Since findings showed that the majority of staff and volunteers were degree holders, URCS can remain competitive in the NGO sector by collaborating with teaching institutions like universities to get scholarships for its staff and volunteers to gain skills in marketing and resource mobilization.

Management of URCS should maintain good relations by networking with donors, bankers, government and other NGOs mainly by information management and meaningful communications. Furthermore, URCS should give staff and volunteers autonomy to involve in goal setting and solve problems in their directorates.

The findings also showed that more men than women were employed in URCS. Based on this, URCS should look at employing women as these in the modern world are seen to be good managers both at home and in offices thus women empowerment is the secret to today's successful businesses and assets to organizations leading to financial sustainability.

Results from interview responses of top management about leadership styles and financial sustainability were contrary from what was obtained from the questionnaire responses of the staff and the volunteers. This therefore breeds an area for further research using probably another research design and instruments.

5.5.2. Relationship between Organizational culture and financial sustainability

Top management of URCS should take cognizance of the fact that organizational culture has an impact on financial sustainability thus plan to institute culture change interventions for purposes of financial self-sustenance.

Management of URCS should develop clear job descriptions for all staff and volunteers and make clear reporting lines. This will reduce confusion and delays in execution of multiple tasks given by different supervisors hence increased performance thereby leading to achievement of financial sustainability. Management should also hire a consultant who will develop different clear roles for them and the board members. This will reduce confusion and interferences hence build a harmonious environment that encourages strategic thinking hence self-sustenance.

Top managers of URCS should ensure that the organizational culture is aligned to the business strategy. In order to be able to do this, top managers should consider training the line managers into financial terminology and the use of financial ratios in assessing and interpreting financial performance and sustainability. URCS should also take into account talents of her staff and volunteers as these can contribute greatly to financial sustainability through creative thinking and diversified abilities. On a similar note, URCS should account and report to her donors after

presenting reports to the board for approval as a sign of good practice of a transparent governance leading to financial sustainability.

5.5.3. Relationship between Stakeholder participation and financial sustainability

Management of URCS should ensure that staff and volunteer needs are taken into consideration during decision making process and should give them feedback on the outcome of the decisions made either during meetings or during workshops. This will motivate them as they will feel important and loved hence become proactive especially in business proposal writing since the study showed that the majority were degree and master holders. This will make URCS financially sustainable.

Top management of URCS should put in place a clear communication policy that is followed by every staff, volunteer even the board members. This will reduce misunderstandings between the board and management, staff and volunteers hence nature harmonious relationships. Management of URCS should also emphasize use of press releases and newsletters as a way of marketing themselves to the outside world, as this will help it acquire potential partners in business.

5.6 Contribution of the study

This study established that leadership styles, organizational culture and stakeholder participation are key factors that influence financial sustainability of the URCS. The study findings indicated that there were deficiencies in the leadership styles, organizational culture and stakeholder participation at URCS and these partly explained the failure of URCS to achieve financial

sustainability. The information created awareness about the factors that have inhibited URCS from achieving financial sustainability and this could be applicable to other not-for-profit organizations operating from Uganda and outside.

Recommendations for improvement for the three factors have been made and once followed, they will reverse the trend observed during the study and launch URCS to the path of financial sustainability. The study findings will help management of URCS to devise practical strategies and formulate policies aimed at correcting the anomalies that were identified by this study for purposes of achieving financial self-sustenance. Other organizations, mainly not-for-profit like URCS will too use the findings of the study to initiate an investigation into the effect of the variables indicated on their achievement of financial sustainability.

The study has generated more information to the body of knowledge that will be used by other researchers in a related field.

The study can be used to inform stakeholders in the operations of NGOs such as Uganda NGO Board and the line ministries about their contribution towards the competitive performance of the NGO and this could increase on their commitment in attending AGMs, responding to correspondences of management of the NGOs, and so forth.

The research has increased on the proficiency of the researcher as a result of the diverse skills in information critiquing, report assembling, data collection instrument formulation and data analysis. This has therefore increased on the academic prowess of the researcher in offering consultancy services in any management or research related area. Not forgetting the fact that the

study enabled the researcher to fulfill the requirements for the award of a Masters degree in Management Studies (Financial Management) of Uganda Management Institute.

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APPENDICES

APPENDIX A: Questionnaire [Staff]

INTRODUCTION

Dear respondent,

My name is Eunice Nadunga a student of Uganda Management Institute and I am pursing a Masters degree in management studies. As part of the requirements for the award of this degree, am undertaking a study to establish factors affecting financial sustainability in the URCS. This research is purely for academic purposes; however, the findings will help URCS to get strategies of becoming financially sustainable.

SECTION A: BACKGROUND INFORMATION

In this section please circle the category that best describes you.

1. Gender

   (a) Male ☐
   (b) Female ☐

2. Age of the respondent

   (a) Below 25 years ☐ (c) 26-30 years ☐
   (b) 31-35 years ☐ (d) Above 36 years ☐

3. Education level

   (a) Certificate ☐ (c) Diploma ☐
   (b) Degree ☐ (d) Masters ☐

4. For how long have you had working relations with URCS? [Experience]

(a) Less than 1 year ☐ (c) 5-10 years ☐

(b) 1- 5 years ☐ (d) 10 years and above ☐

SECTION B: INDEPENDENT VARIABLE (FACTORS)

(a) LEADERSHIP STYLES

In this section please tick in the box corresponding to your response according to a scale of 1= strongly disagree, 2=disagree, 3=neutral, 4=agree, 5= strongly agree

(i)	Delegation	1	2	3	4	5
1.	Am involved in goal setting and problem solving in my directorate					
2.	I delegate work and make sure they understand what to do					
3.	I assign work after selecting the assignee thoughtfully					
4.	I assign work, stress results desired but don't help the employee					
(ii)	Commitment to networking	1	2	3	4	5
1.	There is establishment of communication networks with other NGOs					
2.	URCS works closely with government					
3.	There is no link between URCS and other national societies					
4.	URCS collaborates with Community-based organizations					
5.	There are good relations between URCS and local partners					
(iii)	Policy formulation	1	2	3	4	5
1.	URCS participates in formulation of government policies that affects it					

2.	URCS has no competent staff to formulate policies					
3.	All staff are involved in policy formulation					
4.	URCS is guided by policies					
5.	Staff sometimes violate the set policies					
6.	Staff are never oriented on policies					

(b) ORGANIZATIONAL CULTURE

In this section, please tick in the box corresponding to your response according to a scale of 1=strongly disagree, 2=disagree, 3=neutral, 4=agree, 5=strongly agree.

(i)	Long-term planning	1	2	3	4	5
1.	Having a mission and vision is useless					
2.	URCS current mission statement reflects goals					
3.	Managing staff talents is a poor idea					
4.	There is clear flow of information					
5.	The current organization structure is strong to handle growth					
(ii)	Transparent governance	1	2	3	3	5
1.	URCS financial reports are presented to the board for approval					
2.	There no clear roles & responsibilities of the board					
3.	There harmonious relations between the board and management					

4.	There clear roles & responsibilities of management					
5.	There is accountability & reporting to donors & communities					
6.	Management prepares budgets/expenditure analysis reports					

(c) STAKEHOLDER PARTICIPATION

In this section, please tick in the box corresponding to your response according to a scale of 1= strongly disagree, 2=disagree, 3=neutral, 4=agree, 5= strongly agree

(i)	Decision making process	1	2	3	3	5
1.	Issues raised by staff are taken into decision-making process					
2.	Rarely do we get feedback on decisions made					
3.	Staff are represented in URCS decision-making process					
4.	All staff have access to decision-makers					
5.	Decisions made by URCS staff are more influential					
(ii)	Information Exchange	1	2	3	3	5
1.	URCS meetings are held in an open dialogue					
2.	Staff always get feedback on issues previously discussed					
3.	Staff are never informed about meetings					
4.	Having a communication policy is no great idea					
5.	URCS has press releases or newsletters					

SECTION C: DEPENDENT VARIABLE

(d) FINANCIAL SUSTAINABILITY

In this section please tick in the box corresponding to your response according to a scale 1=strongly disagree, 2= disagree, 3=neutral, 4=agree, 5= strongly agree.

(i)	Membership Subscription	1	2	3	3	5
1.	URCS has a membership strategy with clear goals					
2.	Dissemination is done on a regular basis					
3.	Information about membership is never captured					
4.	Staff in charge of recruitment in the field have marketing skills					
5.	There weak internal controls at branches					
(ii)	Income Generating Activities (IGAs)	1	2	3	3	5
1.	All URCS staff are trained in business skills					
2.	URCS branches receive Initial capital					
3.	Branch managers engage in market analysis					
4.	Staff never write business plans					
5.	During project design, branch development is incorporated					
6.	Branches have access to soft loans from banks due to good relations					

THANK YOU FOR YOUR RESPONSE!

APPENDIX B: Questionnaire [Volunteers]

INTRODUCTION

Dear respondent,

My name is Eunice Nadunga a student of Uganda Management Institute and I am pursing a Masters degree in management studies. As part of the requirements for the award of this degree, am undertaking a study to establish factors affecting financial sustainability in the URCS. This research is purely for academic purposes; however, the findings will help URCS to get strategies of becoming financially sustainable.

SECTION A: BACKGROUND INFORMATION

In this section please circle the category that best describes you.

1. Gender

   (a) Male ☐
   (b) Female ☐

2. Age of the respondent

   (a) Below 25 years ☐ (c) 26-30 years ☐
   (b) 31-35 years ☐ (d) Above 36 years ☐

3. Education level

   (a) Certificate ☐ (c) Diploma ☐
   (b) Degree ☐ (d) Masters ☐

4. For how long have you had working relations with URCS? [Experience]

   (a) Less than 1 year ☐ (c) 5-10 years ☐

(b) 1- 5 years ☐ (d) 10 years and above ☐

SECTION B: INDEPENDENT VARIABLE (FACTORS)

(a) LEADERSHIP STYLES

In this section, please tick in the box corresponding to your response according to a scale of 1= strongly disagree, 2=disagree, 3=neutral, 4=agree, 5= strongly agree

(i)	Delegation	1	2	3	4	5
1	Volunteers are equipped with all tools to do delegated work					
2	Volunteer performance is never evaluated for delegated tasks					
3	Authority to do delegated tasks depends on volunteer experience					
4	Capacity development of volunteers is through delegated tasks					
5	Training of volunteers is done depending on the need					

(b) ORGANIZATIONAL CULTURE

In this section, please tick in the box corresponding to your response according to a scale of 1= strongly disagree, 2=disagree, 3=neutral, 4=agree, 5= strongly agree

(i)	Transparent governance	1	2	3	4	5
1	URCS financial reports are shared during the AGM with all stakeholders					
2	There are no clear roles and responsibilities of the board					
3	There harmonious relations between the board and the management					
4	There is accountability and reporting to donors and communities					

(c) STAKEHOLDER PARTICIPATION

In this section, please tick in the box corresponding to your response according to a scale of 1=strongly disagree, 2=disagree, 3=neutral, 4=agree, 5=strongly agree

(ii)	Decision making process	1	2	3	4	5
1.	Volunteer ideas are valued					
2.	There is consultation of volunteers during decision-making process					
3.	Volunteers have inadequate skills to involve in decision-making process					
4.	Volunteer needs are considered during decision-making process					
(iii)	Information Exchange	1	2	3	4	5
1.	Relevant information concerning URCS activities is received by volunteers					
2.	Volunteers are encouraged to write articles					
3.	URCS shares information with volunteers through meetings and workshops					
4.	There is a feedback structure in URCS					

(d) FINANCIAL SUSTAINABILITY

In this section, please tick in the box corresponding to your response according to a scale of 1=strongly disagree, 2=disagree, 3=neutral, 4=agree, 5=strongly agree

(i)	Membership subscription	1	2	3	4	5

1.	The number of life members is small					
2.	Annual members are very many					
3.	Members always renew their subscriptions					
4.	The general public understands the use of membership subscription to URCS					
5.	Membership base is dominated by the youths					
6.	Funds collected from members is banked after 3 days					
(ii)	Income generating Activities (IGAs)	1	2	3	4	5
1.	There proper infrastructures to boost IGAs at branches					
2.	URCS branches are strategically located to boost IGAs					
3.	There is promotion of volunteer business ideas					
4.	There are entrepreneurship training opportunities in URCS					
5.	There competent volunteers to boost IGAs at branches					
6.	Seeking business ideas from communities is un necessary					

THANK YOU FOR YOUR RESPONSE

APPENDIX C: INTERVIEW GUIDE [Top Management]

INTRODUCTION

Dear respondents,

My name is Eunice Nadunga, a student of Uganda Management Institute and am pursing a Master's degree in Management Studies. As part of the requirements for the award of this degree, am undertaking a study to establish factors affecting financial sustainability in the URCS. The information collected will be purely for academic purposes. All information shall be treated with maximum confidentiality. Please spare some time and give your most appropriate and honest response.

1. Briefly tell me about yourself, including your highest qualification, number of years you have worked for URCS
2. Do you sometimes allow your subordinates to perform tasks on your behalf? Under what circumstances do you make this possible? How do you go about this?
3. In case of failure of delegated tasks and projects, whom do you hold responsible?
4. How is it like networking with donors in terms of engagement and desired outcomes?
5. As a humanitarian leader, what is your motivation for engaging your organization in partnerships with other organizations or national societies?
6. How do you ensure that URCS develops a large network?
7. How does the governance system of the URCS enhance policy formation? Of what value does the organization ascertain from policy formation?
8. In looking at the Uganda government through the office of the Prime Minister (OPM) allocations of aid across programs and initiatives, what is an area that you feel is not getting the attention and funding it deserves?

9. Overtime as the environment changes needs shift and emerge. What things from URCS current services, practices, values, strength or ways of working are valuable and should be kept?

10. Within the URCS context, please tell me about challenges and issues facing you as a service provider in meeting the needs of people you serve today and in the next five years.

11. Looking into a future that is better than today, how do you envision URCS?

12. How does URCS generate funds to run its operations, programs and projects?

13 .How have you ensured URCS has IGAs that can serve the national society for the unforeseeable future?

14. How is the membership base of URCS?

15. What strategies have you put in place to ensure growth of the membership base?

16. What kind of systems and structures are in place to ensure membership information/ records are up to date and correct?

17. What measures exist that can lead to continuity of URCS operations, programs, and projects in case donors stop funding?

What do you say about the imbalance in terms of power relations and dependency on donor funds? Do you think this is the best way to go?

THANK YOU FOR YOUR RESPONSE!

APPENDIX D: IN-DEPTH INTERVIEW GUIDE [Board Members]

INTRODUCTION

Dear respondent,

My name is Eunice Nadunga, a student of Uganda Management Institute and I am pursing a Masters degree in management studies. As part of the requirements for the award of this degree, am undertaking a study to establish factors affecting financial sustainability in the URCS. This study is purely academic though findings of this research will also help to find solutions that will make URCS financially sustainable. Your views will be kept confidential.

1. Briefly tell me about yourself, including your highest qualification, number of years you have worked for URCS?
2. As a board member, what do you say about the governance system of URCS? How has this helped URCS remain financially vibrant?
3. What are funding sources for URCS?
4. What behaviors are the foreign-aid donors and national government rewarding or ignoring?
5. Can URCS become sustainable in the long run? What are its best options in that direction?
6. What are the strategies for expanding other sources of funding? Who is responsible for such activities?
7. Does URCS have a fundraising committee? If no, what reason do you give for this, if yes, how has this committee ensured that URCS meets its vision?
8. What do you say about fund-raising campaigns? Have you personally involved in fundraising campaigns? If no, what could be the reason?
9. What do most people around here think of the ways that management treats its staff? Is that the way you feel too?

APPENDIX E: DOCUMENTARY REVIEW CHECK LIST

a) Leadership Style

- Is work delegated?

- Are there MOUs?

-Are there policies?

-Do all staff involve in policy formulation?

b) Organizational Culture

- Is there a strategic plan?

- How board members execute their duties?

c) Stakeholder participation

- Do volunteers and staff involve in decision-making process?

- Do staff and volunteers hold meetings? [Minutes & Reports]

- Is feedback communicated? [Minutes]

d) Financial sustainability

- Is membership subscription documented? [Membership registration forms]

- Are staff trained to handle membership subscriptions? [Reports]

-Are there incomes locally generated? [Receipts]

APPENDIX F: Krejcie and Morgan (1970) Table of Sample size determination

Population size	Sample size	Population size	Sample size	Population size	Sample size
10	10	220	140	1200	291
15	14	230	144	1300	297
20	19	240	148	1400	302
25	24	250	152	1500	306
30	28	260	155	1600	310
35	32	270	159	1700	313
40	36	280	162	1800	317
45	40	290	165	1900	320
50	44	300	169	2000	322
55	48	320	175	2200	327
60	52	340	181	2400	331
65	56	360	186	2600	335
70	59	380	191	2800	338
75	63	400	196	3000	341
80	66	420	201	3500	346
85	70	440	205	4000	351
90	73	460	210	4500	354
95	76	480	214	5000	357
100	80	500	217	6000	361
110	86	550	226	7000	364
120	92	600	234	8000	367
130	97	650	242	9000	368
140	103	700	248	10000	370
150	108	750	254	15000	375
160	113	800	260	20000	377
170	118	850	265	30000	379
180	123	900	269	40000	380
190	127	950	274	50000	381
200	132	1000	278	75000	382
210	136	1100	280	100000	384

Source: Morgan and Krejcie (1970)