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FACTORS AFFECTING FINANCIAL SUSTAINABILITY OF NON-
GOVERNMENTAL ORGANIZATIONS IN GHANA. A STUDY OF NGOs IN
BONO REGIONS

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DECLARATION

I hereby declare that this submission is my own work towards the Master of Science (Accounting and Finance) and that, to the best of my knowledge, it contains no materials previously published by another person nor material which has been accepted for the award of any other degree of the university, except where due acknowledgement has been made in the text.

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DEDICATION

This work is dedicated to Rev. Kusi Appiah Busia my husband and my children: Aseda Frema Busia, Nkunim Abrefa Busia and Ayeyi Obeng Busia for their immense support.

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ABSTRACT

Financial sustainability of NGOs has become a global concern in the wake of global financial crisis which has reduced donor funds from developed economies to developing countries. NGOs play an important role in developing countries like Ghana and as such their financial sustainability is very important not only for the NGOs but the Ghanaian economy. The study examined the factors that determine financial sustainability of NGOs in Ghana based on the following variables; diversification of funds, competence of staff, strategic financial design and donor and management relationship. The study sampled 31 NGO where data was collected through the administration of questionnaires. Data was analysed using various statistical tools such as frequencies, graphs, tables and regression analysis. The study concluded that diversification of funds, the Competence of Staff and strategic financial design had no impact on the financial sustainability of NGOs. It was on donors and management relationship that had an impact on the financial sustainability on their organisation. This result show that NGOs in Ghana are not financially sustainable and as such need income generating income measures that will help them to be financially reliable

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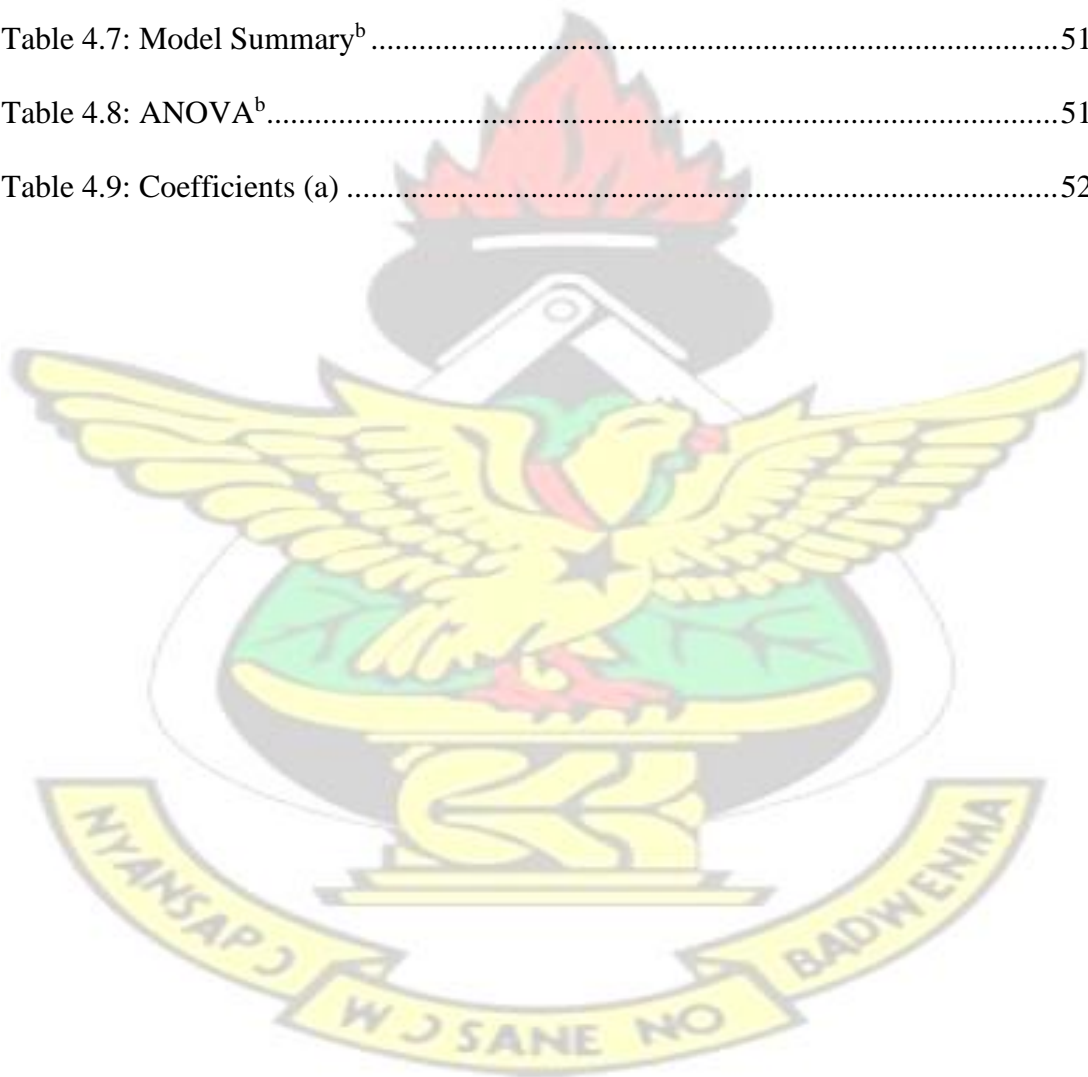
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CHAPTER ONE

INTRODUCTION

1.0 Background of the Study

Today in the developing world, Non-Governmental Organizations (NGOs) are an important part of the "development machine" and are commonly seen to play an increasingly important role in the developmental process. They are acknowledged as an essential part of community and the economy. According to Uphoff (1995), they're sometimes called to as the "third sector". NGOs play a crucial role as part of the steps aimed at improving people's difficulties, and as a way of redressing the developmental imbalances among rural and urban parts. Many NGOs are engaged in various activities in the fields of agriculture, health, education, research and, most prominently, gender empowerment.

Enyioko (2012) defined an NGO as an individual or group of people with certain goals operating independently of any external influence, which seeks to accomplish tasks that are aimed at bringing about positive improvements in a particular community or region or circumstance. According to Martens (2002), NGOs are commonly described as non-profit organizations, independent of governmental control (although government funding may be provided). As can be seen from the basic definition, there is little difference between non-profit organizations (NPOs) and NGOs.

In international development, NGOs play an increasingly significant role. The funds are a funnel both for individual givers in rich countries and bilateral aid agencies for development funding. At the same period, the Non-Governmental Organizations are also idealized as organisations interested in "doing good," with benefits or politics aside, an unnecessarily starry vision of romance. After the end of World War II,

growth-oriented NGOs, which have been in operation for decades, have taken on a rising role in the development process.

The increased existence of NGOs can be expounded by 3 elements: the trend towards outsourcing government services; new ventures by non-profit "entrepreneurs" and the increasing professionalization of existing NGOs (Werker and Ahmed, 2008). The part of NGOs in the social, political, economic and cultural development of Ghana is highly valued and recognized by the Government of Ghana. That is why NGOs have been accepted as socio-economic development partners. They mobilize communities to take an active interest in the problems that affect them to facilitate development. This is why the Ghana government implements policies to encourage and support the growth and activity of NGOs within the country.

One such policy is the creating of a Trust Bill that aims at strengthening non-governmental organizations' legal framework to make their operations vibrant and effective. The purpose of the Trust Bill is to provide for the establishment and registration of trusts by the Trust Commission as established by law. The Trusts legislation is derived from the 1860 common law and the British ACT of 1860. The Public Trustee Ordinance of 1952 (ACT 106) is also the only other constitutional provisions concerning trusts in Ghana. Therefore, religious organisations, but these laws are stringent in their implementations, have been licensed by the General Registrar. Consequently, the legal situation needs to be strengthened. Consequently, the Government of Ghana has found it expedient to state clearly in the best interests of all parties the position of trustees and others in a fiduciary connection.

In some underprivileged rural areas of Ghana, for instance, World Vision, Plan Ghana, Catholic Relief Services, Adventist Development and Relief Services, Universe

Concern are amongst the most common names associated with development in Ghana. This is so because the NGOs providing them with hygienic drinking water, the village centre clinic, the forestation project, credit facilities, school building, extension services and much more. Some of the local and international NGOs working in Ghana have transformed entire communities and benefitted many countryside inhabitants. Some NGOs have swapped eternal suffering with some smiles to those poverty-stricken and almost-forgotten classes of countryside inhabitants through their activities. According to Nzimakwe (2008), this is particularly true because international and local NGOs support the poor and the underprivileged in their efforts to improve their condition of living.

In recent times, numbers of NGOs, founded to support the public, are on the increase. According to the Department of Social Welfare which observes the events of NGOs to ensure that they comply with the rules that govern them in Ghana, there are more than 3,000 NGOs in Ghana. Many of those are local NGOs that operate in different parts of the country. They play a significant role in the growth of public and private partnerships in the country and enjoy privileges such as tax exemptions and exemptions.

NGOs conduct programs that are funded by government departments but operate outside the official agency framework. As a result, NGOs generally have the right to operate in the countries in which they work like private corporations. Their activities can range from advocacy to community non-profit assistance and fund-raising for organizations. A structure of NGOs usually focuses on a particular mission or goal, and then its actions lead to the needs of that mission or goal being met. NGOs comprise charitable and religious organisations mobilizing private development funds,

distributing food and family planning services and supporting community organizations.

NGOs face several challenges; despite the important roles they play in Ghana. Key among them is the issue of sustainability, although many NGOs are registered, they many fold up and only a few remain active for several reasons that have not yet been understood. For the non-profit sector, sustainability is perhaps one of the biggest obstacles. This problem calls for strong study into the financing of Ghana's indigenous NGOs.

In this context, the study examines the effect of funding on local NGOs management and sustainability. This study explores critically the literature available on the governance of civil society and the obstacles to better performance for the governance of CSOs, including NGOs.

1.1 Problem Statement

Achieving financial sustainability is an essential part of a Non-Governmental Organisation. Financial sustainability permits NGOs to provide programs that are broader and more complex. NGOs must be sustainable if they are to achieve their potential contribution and manage their activities efficiently.

Local NGOs' enormous development functions include the provision of funds to deploy them quickly and effectively. In understanding the critical role played by indigenous NGOs on the ordinary level as a mechanism to meet the needs of the community of getting health care, education, and construction other important structures, local NGOs need more unwavering secure funding,

Sarr (2006) denoted that there is still a lack of a stable financial basis for the local development of NGOs. As a result, they are running out of funds for those affiliated with or working in this organisation after a few years of formation with drastic consequences. The difficulties facing indigenous NGOs in Ghana just like other developing nations is for them to appear as a valuable force for growth to increase the living conditions of the general public in the societies. For this reason, the local NGOs need a considerable quantity of money and other assets to effectively convey out their deeds.

The Bono Region has seen a huge spread of NGOs, and the NGOs has been funded by a large amount of money in tandem with the need for reform. Though donors are the key sources of funds or NGOs, the amount of donations from donors has declined steadily. The activities of NGOs in the Bono Region have been affected. The NGOs were thus unable to accomplish their targets.

As a consequence of little or no funds, logically some NGOs will collapse. This will take place at the cost of the socio-economic assignment undertaken by the NGOs, therefore emphasizing the necessity of financially sustainable NGOs. The effects of programmes, capacity building and the role of the government in NGOs are the most research studies on local NGOs rather than organizational processes and factors that affect the organizational operations.

A diminutive statement is made of the NGOs financial sustainability, perhaps because they are usually been linked to seemingly unlimited funding from foreign donors. The government, society and donors have raised concerns about the viability of NGOs. Initial studies show that NGOs were not sustainable owing to financial issues. This

research, consequently, pursued to answer the question of what are the elements that influence the financial sustainability of NGOs in Ghana.

Also, complaints concerning sustainability of NGOs have been raised by the government, the community and the donors. Preliminary studies show that NGOs have not been sustainable due to financial factors (Uphoff, 1995; Adongo & Stork, 2006 and Saungweme, 2014). The researcher therefore set out to investigate the financial factors determining the sustainability of NGOs in Ghana.

1.2 Objective of the Study

The main aim of this study was to identify the elements affecting the financial sustainability of nongovernmental organisations in Ghana. Unambiguously, the research sought to accomplish the following aims:

1. To evaluate the effect of diversification of funds for the project on the financial sustainability of NGOs
2. To determine the effect of the competence of staff on the financial sustainability of NGOs.
3. To determine the impact of strategic financial design on the financial sustainability of NGOs.
4. To determine the impact of donor and management relationship on the financial sustainability of NGOs.

1.3 Research Questions

This study, therefore, sought to answer the following inquiries:

1. What is the effect of diversification of funds for the project on the financial sustainability of NGOs?

2. What is the effect of the competence of staff on the financial sustainability of NGOs?
3. What is the impact of strategic financial design on the financial sustainability of NGOs?
4. What is the impact of donor and management relationship on the financial sustainability of NGOs?

1.4 Relevance of the Study

The Bono Region offers an exceptional case study since there is a wide range of local NGOs working in the region, but they face funding challenges. Therefore, many of them are winding down their operations as a result of funding difficulties.

The study has helped identify the reasons for the collapse of many local NGOs in the region and come out with appropriate recommendations for alternative financing of local NGOs in Ghana.

Findings and recommendations that emerged from the study will serve as a springboard to generate interest for further research into the other aspects of NGO challenges. This stems from the fact that development challenge is a multifaceted phenomenon and no one research is capable of addressing it in full.

From an academic viewpoint, the research work will be of great benefit to various levels of educational institutions within and outside the country, especially the universities as reference material for further studies and research work on NGOs financing.

Lastly, the study will contribute to the existing literature on funding challenges of local NGOs and to the body of academic knowledge. The findings of the study shall

therefore be put at the disposal of students and other researchers in development work for reference purposes, hence it will add to knowledge

1.5 Scope of the Study

Several local non-governmental organizations work in Ghana in various segments of the economy. Nevertheless, the research focused solely on indigenous NGOs operational in the Bono Region, regardless of the sector the NGOs operates. The Bono Region affords an excellent case study for this research because; there is a wide variety of indigenous NGOs operational in the region but they are facing funding difficulties. As a result of the funding challenges, several of them are scaling down their undertakings.

1.6 Limitation of the Study

The collection of data was delayed due to delay in the reaction times, in particular the directors of local NGOs. Also, it was a difficult for all the indigenous NGOs surveyed to collect funding from the various sources in some situations. Notwithstanding the limitations set out above, the results of the study have not been affected and are therefore credible, reliable and useful for any assessment and feedback purposes.

1.7 Organisation to the Study

The project will be divided into five sections for the accurate presentation of the work. The first chapter will present the context of the study, the problem statement, the study goals, research concerns, study method and the value of the analysis, and the study's limitations. Chapter two will discuss the literature on the subject and split it into suitable sub-topics. Chapter 3 will discuss the methodology used by the researcher, which involves the study, population and sample testing design as well as the instruments used in the data collection and examination process.

The interpretation and presentation of the results of the research are covered under Chapter 4. The findings of the questionnaires, interviews and analysis of the table are presented and explained by the use of table and figures. Lastly, Chapter 5 will deal with the summary, conclusions, recommendations and suggestions of the study.

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CHAPTER TWO

REVIEW OF LITERATURE

2.0 Introduction

The literature review offers an overview and evaluation of what distinguished scientists and academics have written on specific subjects or areas of study. Literature reviews are envisioned to provide a summary of the sources reviewed when studying a specific topic and to show a person who reads how the work fits into the broader field of study. In this segment, the study takes a gaze at the Conceptual Review, Theoretical Review, Empirical Review and conceptual framework. The literature review is done with the objectives of the research in mind.

2.1 Conceptual Review

The conceptual review is to allow for the review of the literature on the concepts of the study. Among the concept in the study are the concept of NGO and Sustainability. The section will review the relevant studies relating to the concept underpinning the study. A conceptual review is relevant because the reader must understand the concept under study.

2.1.1 The Concept of NGO

The composition of NGOs is very difficult to describe. Some several organisations and bodies are entirely or partially government-independent and have mainly humanitarian or supportive purposes rather than profitable. Private organisations in developing nations that promote global development; ethnic and national local groups and village member groups. NGOs include benevolent and religious groups mobilizing private development funds, providing services like food and family planning, and supporting community group. Nagabhushanam and Sridhar (2010)

defined NGO as a non-profit making, charitable, service-oriented / development-oriented organisation, either for the good of members (a grassroots group) or other members of the community (an agency). Sharir and Lerner (2006) also defined it as a private entity that adheres to some fundamental social values and structures its operations to improve the communities they represent.

According to the World Bank (1990), these comprise voluntary cooperatives, neighbourhood organisations, societies for water users, organizations for women and pastoral organisations. Citizen groups which increase consciousness and inspiration policies are also non-governmental organizations.

Even though the term "NGO" has varying connotations, it is commonly understood to comprise non-profit and non-criminal, private organisations that work freestanding from government control. Moreover, other definitions clarify NGOs as non-religious and non-military associations. NGOs are now known as key players in the third sector for landscapes of sustainability, human rights, humanitarian action and the climate (Hilhorst, 2002).

In strategic terms, NGOs depend on key funding States' frequently uncertain decisions and are embedded in a system of services defined by rivalry, uncertainty, and fragmented authority and accountability and are separated by increasing discrepancies in the interpretation of their identities by participating organisations, in particular despite over a decade of experience. They are also distinguished on how relief assistance can be incorporated into long-term development strategies when developed nations suffer natural or human disasters.

According to Karns et al. (2004), NGOs, as we know them today, are generally thought to be around the mid-19th century but approximately a century later, the United

Nations recognized the importance of NGOs officially. At the 1968 United Nations Congress in San Francisco, Article 71 of the Charter of the United Nations provided that NGOs qualified in the field of economic and social development to be consulted by the Economic and Social Council. The development of modern NGOs largely reflected the history of the world, predominantly after the Industrial Uprising. As far back as 25,000 years ago, there were NGOs in some form or another.

Davies (2014) indicated that after World War II, the growth of NGOs began, with around 90 international nongovernmental organizations created every year and around 10 in the 1890s. While these organisations that were established after the wars had a higher success rate, only about 30 per cent of early foreign NGOs survived. Many more state, national or regional NGOs have been created, but not all have survived or flourished like their foreign counterparts. According to Boli (2012), the history of foreign NGOs dates back, at least, to 1839. The number of NGOs was estimated in 1083 by 1914. In the anti-slavery movement and the women's voting movement, foreign NGOs were significant and peaking at the time.

Boli (2012) further denoted that the term 'non-governmental organisation' was first popularly used until, in 1945, the United Nations was set up, with restrictions on the consultative position of organisations not governments or the Member States in Article 71 of Chapter 10 of the Charter of the United Nations. "International NGOs" (INGOs) is identified as "any international organization not being part of an international treaty" first, in Resolution 288(x) of ECOSOC of 27 February 1950: Chapter 27 of Agenda 21 recognized the vital role played by NGOs and other 'major groups' in sustainable development and resulted in intense consultative arrangements among UN and NGOs.

The role of NGO is considered to be important in the field of the economic well-being of the community, the NGO sector as an agent of socio-economic transformation. According to Bebbington (2005) the issue of how local NGOs can ensure their sustainability has arisen to the fore in contemporary years. In the past, this difficulty has not been so very felt as there have been sufficient means to fund missions and agendas. With the changing economic environment around the world, sustainability is perhaps one of the topics under discussion on non-governmental organisations. With the collapse of even financially established NGOs, the normal view of sustainability is being matched by having sufficient resources.

For several reasons, NGOs usually operate to promote their members' political or social aims. Changes in the natural environment, promote respect for human rights, enhance the health or serve the corporate agenda of vulnerable citizens. Nevertheless, other groups are involved and their priorities include a wide spectrum of partisan and philosophical positions. This can also be found effectively in private schools and sports organisations (Ngeh, 2013).

2.1.2 The Concept of Sustainability

Sustainability is a measure of the capacity of an organization to carry out its mission and to represent its players over time (Karanja and Karuti, 2014). The experience of many people working for many years to enhance the sustainability of many different organisations draws on an ample awareness about the sustainability cycle. The main finding of this cumulative experience is that a company is the most significant factor in its success with its dedication to sustainability. The whole company, the executive team, the senior management and all employees must be completely committed to the project.

According to Ceschin and Gaziulusoy (2016), sustainability focuses on addressing existing needs without jeopardizing future generations' ability to fulfil their needs. Sustainability stimulates organisations to decide on environmental, social and human implications for the long term and not on short-term benefits, such as the social corporate responsibility within a year. This drives them to take into account more considerations than the immediate benefit or loss. Industries have increasingly committed to sustainable development targets, such as a zero-waste packaging pledge, or a certain amount to reduce total emissions. Sustainable demand is met by reducing emissions, lowering energy consumption, importing goods from fair trade organisations and ensuring the proper handling of their physical waste with an as little carbon footprint as possible (McKinnon, 2010).

There are several stakeholders for each an organisation which includes community members, workers, consumers and vendors. Without knowing the internal and external stakeholders, recognizing their needs and desires, correctly measuring each group of stakeholders' relative priority (importance) towards each other and meeting the needs of the different stakeholders in a balanced manner, no organization can remain sustainable over time.

Repeatedly a good organization flops because its operation progressively “drifts” away from the desires of those it assists. Organizations must identify that their stakeholders and the needs of their stakeholders might change over time, and must intentionally change and adjust as necessary. According to Ali and Kilika (2016), it is difficult to overestimate the value of communication in the sustainable development process. The main characteristics of a sustainable organization are based on decent communication and dialogue: a sustainable organization sustains positive relations with its stakeholders, ensures effective marketing and community outreach and

answers to the "satisfied needs" of the community. These features of the process are mutually reinforcing.

Effective marketing and community engagement help an organisation healthier understand the needs of the community and allow the company to maintain a productive relationship with its stakeholders. Good communication and dialogue are also important to effective organisation's management, to ensure that the resources accessible are distributed appropriately to meet the organization's responsibilities and to provide long-lasting services to the community.

2.2 Funding Sources of NGOs

NGOs rely on a variety of sources to finance missions, operations, wages and other overhead costs. Since an NGO's yearly budget can be hundreds (or even billions) of dollars, fundraising efforts are essential to the existence and achievements of the NGO. Gronbjerg (1991) denoted that sources of funding comprise association fees, sales of goods and services, private profit-making corporations, philanthropy fundamentals, grants from local, state and national agencies, and private assistances. A significant portion of the NGO support is provided by individual private donors.

Most NGOs rely greatly on government funding to work given their independence from government. Some NGO funding can be considered contentious because financing can support other political objectives rather than the development objectives of a country. Some donors encourage NGOs to diversify their funding. The chances of success for a project are often seen to increase with the number of funding sources. The principal reason donors want diversified funding sources is to measure a project's and NGO's financial stability. The determinant factor of many donors is a stable, diversified fund.

According to Clark (1995), fundraising from individual community members is also how many NGOs have received their initial funding. Nevertheless, it can be much harder to extend and sustain the network of donors outside the local community of an NGO. Some organizations have structures in place for giving grants, have grant-giving data available, and in many cases actively implore grant requests.

Bilateral and multilateral assistance is one of the main sources of finance in the last 50 years and more. They come from the foreign offices of the developed countries or multilateral agencies founded by various countries comprising the United Nations, the World Bank and the Asian Development Bank.

2.3 NGOs Activities

NGOs carry out government-supported activities but operate outside the official structure of these agencies. As a consequence, in the nations in which they work, NGOs usually have the flexibility to act like commercial corporations. This will vary from activism to mutual service to charitable support and their efforts differ from activism. Usually, a system of NGOs focuses on a single objective or aim and then relates to the needs of the role or goal (Ossewaarde et al, 2008). In meetings with residents and other partners, NGOs will establish action schedules to decide who will meet particular goals (Dahan et al., 2010). Below are some common activities of NGOs:

2.3.1 Provision of Basic Infrastructure

According to Dahan et al. (2010), the mutual international role of NGOs includes assisting to build foreign infrastructure at the most basic level. Focused on areas of a rural countryside, activities may include well-drilling, construction of basic education facilities, road construction and the provision of medical services. NGOs can work

either on the actual construction or just on the purchase of resources and delivery to the target site. The details will vary and will depend on the specific project being serviced. Many of these projects are under the umbrella of a larger NGO or government agency.

2.3.2 Pilot Function

Because of the versatility of collaborating in the realms of private and public organisations, NGOs offer a perfect position to tackle pilot project needs when governmental agencies decide to test a new initiative without a complete programme. Unaffected by bureaucratic limitations and restrictions, NGOs can quickly undertake and dismantle such pilot projects as quickly as possible. Ossewaarde et al. (2008) denoted that this ease of operation allows the government agency overseeing the pilot project to try out the idea, achieve results and make validated decisions without undue expense.

2.3.3 Communication and Activism

NGOs strategize all actions to accomplish a goal or objective; promoting a goal is the bread and butter of an NGO at various levels. This position includes public relations, training programs, political lobbying and marketing. Many state bodies, businesses, societies and people should be included in the coordination priorities. Reasons could be to gain funding from NGOs, to compete financially, as well as to make legislative representations. According to Mushi (2011) often, the NGOs also serve as intermediate communicators with the target community and with assistance from the NGOs; this kind of relationship is usually established in pilot projects.

2.3.4 Raising of Funds

Since many non-governmental organisations are non-profit-oriented, they depend on their own money, loan and donate funds. Fundraising is a big task which must take place annually to ensure the service of NGOs every year. Funds are used to pay staff, capital and operational costs. The structured strategic approach to fundraising is adopted by Organizational NGOs: various divisions or sections are searching for support, while some are focused on the programmatic issues (Ebrahim, 2005). Campaigning NGOs are much more local, relate fundraising to an initiative or cause, and hire volunteers for short-term activities when appropriate.

2.4 Types of NGOs

There are several possibilities to categorize NGOs. This is the typology used by the World Bank

2.4.1 Operational NGOs

Its main objective is to plan and carry out projects relating to development. The division into relief or development-based organizations is a categorization that is often used; it may also be categorized according to whether it stresses service delivery or participation or whether it is religious or secular, and if it is public or private-based. It can be community-based, domestic or international Operational NGOs. To support their initiatives and services, operating NGOs must raise capital in the form of financial contributions, equipment or voluntary work.

This can take a rather complicated process. Charity shops, operated by volunteers, in premises given at nominal rentals and the sale of donated items, end up supplying the national headquarters with money (Parsons, 2002). Students on vacation or during a break in their education provide work for projects.

Finance attained from grants or contracts, from governments, foundations or corporations, needs time and capability to be spent on planning, preparing applications, budgeting, accounting and reporting. Significant fund-raising activities include promotional expertise, public relations and supporters' encouragement (Keulder, 2009). Operating NGOs also need to provide an effective administration at their offices, in addition to the field operational personnel.

2.4.2 Advocacy NGOs

It is occasionally termed as militant NGOs. It is mainly aimed at defending and encouraging a particular cause. Such organizations usually seek to raise awareness, recognition and expertise through lobbies, press and activist activities in comparison with operational project management.

According to Keck and Sikkink (2014), many non-governmental advocacy organizations are political or principle-based and actively campaign for broad ideas within the framework of human rights, social justice and environmental movements. In Croatia, ADF sponsored Croatian NGOs for democracy and human rights, as part of a movement to return and reintegrate communities (Caplan and Caplan, 2005).

2.5 Pillars of Sustainability

The word sustainability is commonly used to refer to services, policies and interventions intended to conserve a natural resource. Farrell and Hart (1998) however, the study specifically applies to four specific areas.

2.5.1 Human Sustainability

This is aimed at safeguarding and improving human resources. Many of the initiatives under human development are an investment in the health and education systems, access to care, nutrition, awareness and skills. The available natural resources and

spaces are scarce and rapid development need to be matched with better health and economic well-being for everyone. An organisation must consider itself as a part of society and foster corporate values respecting human capital in the context of business.

Kawamura et al. (2013) human sustainability stresses the importance of everyone directly or indirectly involved in the development or supply of goods, services and/or broader stakeholders (the organization's human capital). Global societies may be affected by market practices or may be affected by methods of raw materials. They may also be affected. The creation of human survival requires the capacity and resources of individuals to support organizational functions and survival and to promote the well-being of society and communities.

2.5.2 Economic Sustainability

The aim of economic growth is to keep resources undamaged. To order to strengthen social sustainability, economic sustainability strives to increase living standards. In the business framework, the use of resources to ensure the effectiveness of the enterprise over time is effective.

According to Soubotina (2004), one of the key goals of sustainable development is to achieve strong and steady rates of economic growth and it is not a choice to abandon economic growth. However, sustainability is not just economic development. Both the efficiency and the number of growth matters.

Critiques of this ideal accept that the cost of harm to the planet in consumer prices is not a huge difference in contemporary accounting. A recent economic approach identifies that the ecological and social components are limited in this model. New economics comprises natural capital (ecological systems) and social capital (relationships between people) and challenges the capital mantra that continuous

development is good and greater is healthier if it risks damaging the ecological and human systems.

2.5.3 Environmental Sustainability

Environmentally sustainable development seeks to improve people's wellbeing by shielding natural resources (e.g., soil, air, water, and ore). The policies and programme, in ensuring that the population's needs are met minus the risk of sacrificing the needs of future generations, are described in an environmentally friendly manner.

Dunphy et al. (2000) indicated that environmental sustainability emphasizes how corporations can yield positive economic results without damaging the climate, either in the short or long time. An organisation with a sustainable environment strives to incorporate the four pillars of sustainability, each of which has to be handled equally to achieve this goal (Dunphy et al., 2000).

2.5.4 Social Sustainability

Social sustainability aims at maintaining social capital through investment and the growth of services within our community. This description takes into account a wider perspective of societies, cultures and globalization. According to Roseland (2012), this means defending future generations and understanding that what we do will affect us and the environment. Social sustainability concentrates on the safeguarding and enhancement of social quality through values like unity, reciprocity, fairness and the value of human interaction.

It can be fortified and maintained by legislation, knowledge and shared philosophies of equality and rights. Social sustainability integrates the idea of sustainable development as established by the United Nations sustainable development goals.

Moldan et al. (2012) the sustainable development principle addresses social and economic changes that protect the environment and promote equality. The economy, culture and the ecological system are therefore dependent on one another.

The principle of the four pillars of sustainability states that full sustainability issues must be resolved and maintained concerning all four pillars of sustainability. While these can overlap in some cases, the particular type of green business must be defined, as the four types have individuality. Organizations must take a strategic option such that their strategies and practices successfully implement the chosen strategy.

2.6 Factors Influence Sustainability

Many elements encouragement the sustainability of the organization, comprising the operating environment, national and local polities and plans, the operation of other organisations, the availability of qualified personnel and more.

Understanding the essence and effect of these forces on the organization and your services is important as it will help prepare you to predict and adapt to external changes to produce enough capital to meet your customers' needs consistently. This is also necessary, however, to differentiate between those elements that you can regulator and those you cannot control.

According to Baumgartner and Rauter (2017), sustainability varies and some companies are often more sustainable than others. For each organisation, the 'starting point' is different, with each of its strengths improving and weaknesses improving. Some organizations, for example, may often need foreign donor support, while other organizations may produce enough support through the recovery of costs and local donations (Baumgartner and Rauter, 2017).

2.7 Challenges to Sustainability

Sustainability is considered to be the highest challenge to current and future management operates. Economic, social and environmental aspects call for the willingness of future generations to meet current needs without sacrificing. Therefore, global challenges currently face the NGOs, corporate, private, individual, public, non-lucrative and governmental sectors require commitment. These areas need to address concerns such as environmental efficiency, taking advantage of renewable energy developments, sufficient green consumers and corporate sustainability, among others. Each sector needs to give priority to a global sustainability network across multiple practices (Holliday et al., 2002).

In the same way, working closely with industrial associations and plan landscapes would be important. Comprehensive models help consumers to develop approaches and appropriate practices that enable competitive advantages, making organisations sustainability vital. Also, the models assist modern managers in developing environmental strategies and policies to expedite major changes.

Nevertheless, to attain sustainability an organisation may face major challenges. For instance, Savitz (2013) found that there are encounters that may be witnessed in the corporate world, and consequently authorities or contemporary executives should find mutual grounds for competitive reasons. Organizations appear to realize that sustainability concerns are multifaceted. Various perspectives are therefore needed in the making of innovative solutions. To start with, one of the key sustainability challenges is the assignment and measurement of the value of the company's environmental impacts.

Notwithstanding the restless efforts of an organisation, the continued release and development of enormous waste were observed in industrial operations. The pollution of the natural environment was therefore inevitable. Such pollution has caused damage to households or other businesses.

Companies faced the challenge of constructing a lasting sustainable corporate culture. Questions are asked about the next problem for the organization following the resignation of leading sustainability managers. The challenge is where the company should start. According to Bansal (2002), sustainability initiatives are usually often linked to or linked to a small number of key individuals in business, particularly leadership initiatives. The sustainability program will begin to atrophy as these people leave the business. However, sustainability programs continue for a long time in those businesses with a deep culture of sustainability.

Also, Organizations are called upon to encourage and guarantee the sustainability of supply chains. It can be questioned that suppliers in less developed countries should be handled differently than suppliers in developed countries. Humphrey and Schmitz (2002) as most of the products or services in the package are provided through supply chains of the subcontracted enterprises, the social or environmental impact of those goods is at all times not directly controlled by agents, agencies and tour operators (Humphrey and Schmitz, 2002). The identification of business risks associated with water shortages and quality is also a challenge faced by companies. However, to address such problems, the corporation has improvised ways of decreasing water use both to the firm and its patrons. Similarly, the corporation has produced an overview of sustainable growth in 2008.

2.8 Sustainability of NGOs

Looking at sustainability in terms of an NGO, it ensures that the key focus community continues to produce and benefit from the initiative when the donor's funding ceases (Holland et al., 2011). In other words, your attempts to retain viability and continue after the funding has been completed.

According to Ndungutse (2019) looking at the perception of donors and NGOs, the sustainability of the project simply means the continuation of project activities and the maintenance of project outcomes after the initial/primary grant has expired. Most donors worry about a project's sustainability aspects and often fund projects with a well-defined sustainable plan. This is a challenge for NGOs to ensure that funds for their initiatives and services are flowing steadily. An important way of achieving long-term effects can be the inclusion of environmental values in their current projects (Holland et al., 2011).

It must be understood that long-term sustainability needs to be planned to enable diverse donor participation and to improve institutional capabilities for the target population. In the absence of primary funding, sustainable development is a significant step for NGOs in preparation for an organisation to achieve a successful outcome.

Different sustainability issues have to be taken into consideration when drafting the organization's sustainability plan. Devine (2003) as an NGO, you should think about the organization's financial sustainability, organizational stability and programmatic sustainability.

2.9 Theoretical Review

The theories are framed to describe, foretell and understand occurrences and, in some cases, to challenge and expand present knowledge within the limits of critical

boundary expectations. The theoretical framework is the structure that can support or upkeep the theory of a research study (Ngulube et al., 2015). The theoretical framework presents and defines the theory that describes why there is a research problem under study. For this study, two theories were discussed.

2.9.1 Resource Dependency Theory

The theory of resource dependence implies that organizations cannot produce all the capital or services required for their management internally. They are thus endeavouring to obtain and retain external capital. The theory of resource dependence is based on the idea that an entity, like NGOs, must participate in transactions in its environment with other players and organizations to gather resources (Johnson, 1995). The resources needed by the organisation can be limited, not always readily accessible, or regulated by uncooperative actors. Differences in energy, authority and access to additional resources are created by unfair exchanges.

Organizations are developing approaches to strengthen their negotiating position in resources-related transactions to prevent these dependencies. Such approaches include policy action, the increase in productivity in the organisation, the diversification and the creation in relations with other organizations.

Nickson (2013) denotes that one hypothesis of the resource dependency theory is that uncertainty clouds a resource management organization, making it necessary to select approaches to minimize dependence. The need for the links to other organisations often grows as complexity and dependencies grow. Wang and Yao (2016) argue that the theory of resource dependence is capable of elucidating the dynamic and varied relations between the government and several NGOs. It has the potential of empirically probing the connexion minus over-focusing on the national or people.

Malatesta and Smith (2014) the theory is based on three main principles. First, to survive and chase its goals an organization requires resources; secondly, it is possible for an organization to attain resources from its environment or other organisations more simply and thirdly, power and its opposite, dependency, play crucial roles in the interpretation of inter-agency relations. The last principle is that the balance of power typically benefits the suppliers of services, which ensures that the organisation in need is tailored to the needs of the suppliers. The theory has been widely used to examine the relationship between government and NGOs, ranging from partnership to cooperation. The research on the relationship between government and NGOs in China and probably elsewhere has several advantages (Wang and Yao, 2016). It de-politicizes this relationship and, meanwhile, puts it in a recognized environment, discussing politics as a strategy rather than the most significant variable. According Wang and Yao (2016) it also allows a comparative study of the relationship between government and NGOs in different countries, because the variables of resource dependence tend to be available, measurable and similar in meaning.

2.9.2 Stakeholder Theory

According to stakeholder theory, the key objective of the business is to create value for all stakeholders, i.e., those groups and individuals who may or may be affected (Freeman, 1984). Since organisation impact different stakeholders and are influenced by various stakeholders, the goal is to generate numerous benefits for a range of stakeholders, such as employees, consumers, vendors, governments, creditor businesses and finance companies. The groups involved may, for example, often include environmental interest groups interested in environmental matters relating to the operation of the company in the form of wages, goods and services, payments to suppliers, taxes, interest payments, or environmental improvements.

The stakeholder theory, it can be seen as a business case, meeting stakeholders' expectations. For strategic business management, the stakeholder approach was created.

The stakeholder perception, therefore, takes an essentially different opinion from the existing business case research in the context of sustainability, which largely shares the understanding that business cases are about creating financial value, often implying that it serves only one group of stakeholders, namely shareholders. Schaltegger et al. (2019) therefore the idea of sustainability business cases shares an essential aspect, that is the understanding that opportunity is not the business case.

The aim is to build multiple benefits for a broad spectrum of stakeholders such as workers, vendors, consumers insecure jobs, manufacturers, good sustainable goods and much more, as the organisations need a commitment from various stakeholders. Also, the economic impact of social and environmental practices and what is viewed as the business case are profoundly affected by the stakeholder market climate with institutional structures, in particular, regulations (Schaltegger et al., 2019).

2.10 Empirical Review

Empirical Review is based on experience and observation rather than on systematic logic. The form consists of an analysis of current evidence relevant to a clearly defined research problem that uses pre-specified and validated identity methods and critically reviews relevant research and collects, publishes and analyses data from the studies included in the review (Booth, 2016).

2.10.1 Financial Sustainability of NGOs

Barnett (2007) defined Financial Sustainability to assess whether a proposal should have ample funding, whether the investment proceeds or does not, to fulfil all its

commitments and contractual obligations. Holland et al. (2011) financial sustainability as understood to be the capacity of public authorities to pursue current policies now and in the future without continued debt growth. A plan for financial sustainability is not just about receiving cash. Financial sustainability has developed into somehow the slogan in the NGO zone.

According to Edwards (1999) when the main work is not failing and with additional donor funds being reduced, an organisation is economically viable. Chan (2013) argue that it is not automatically a good thing that all NGOs should be sustainable.

Stanovci et al. (2019) study was to examine the Financial Sustainability of NGOs, Kosovo. The research concluded that sound financial management is also associated with financial sustainability. The more politically leading NGOs are, the more likely they are to have financially viable management. The more financial resources the NGOs have, the more likely they are to be financially viable.

2.10.2 Diversification of Funds

Diversification of revenues, which generates resources from different streams and an increased number of sources, has been highly suggested as an active strategy to maintain revenue stability. Stiroh (2010) a diversified fund is a large diversified investment fund in multiple market sectors or geographical regions. It holds multiple securities, often in multiple classes of assets. Its wide-ranging market diversification helps prevent idiosyncratic events in one area from affecting the entire portfolio.

According to Ilmanen and Kizer (2012) diversification is the method by which a mix of different investment is allocated portfolio or capital. The aim of diversification is ultimately to reduce portfolio volatility by compensating losses of one asset class with profits from another. Managers can also seek optimization of returns with a multiple

asset class portfolio. Investment funds typically help investors diversify the peculiar risks that may impact one or another sector securities category.

Calvet et al. (2007) investors that need to take into account the kind of risks that are to be mitigated in the hunt for diversified funds. Nkrumah (2010) research aimed to identify core factors which are crucial for their survival and steps to achieve organizational survival by locally based NGOs in the Mpohor Wassa East and Wassa West Districts. The study was a case study that collected qualitative as well as quantitative evidence on the phenomena.

The findings demonstrate the operational viability of local nongovernmental organizations in different aspects of the organization's needs, such as financial access, quality supply services, supportive leadership, need and demand-driven creation of programs and efficient management. Leadership has dramatically emerged as the primary factor in local NGOs' organizational survival in the study areas.

In order to help NGOs to strategically improve or maintain diversification of revenue, Zhu et al (2018) s identified management and environmental drivers for diversification of revenue. They analyzed how the prestige of the company, the Board participation and the profitability of capital affect the diversification of organizational revenue using a national sample of 429 grassroots Chinese NGOs.

Their findings show that management factors, including the legitimacy of the organization and the involvement of the board, can enhance organizational revenue diversification by reference to the HHI and the number of revenue sources. With respect to environmental factors, regional organizational density can exert a negative impact, while income diversification can strengthen as regional GDP increases.

The purpose of Gitonga (2018) study was to find the elements impacting sustainability of nongovernmental organizations in Nairobi County, Kenya. The outcome of ANOVA test shown that the collective independent variables have substantial influence on sustainability of NGOs in Nairobi County. This included diversification of funds.

2.10.3 The Competence of Staff

Staff Competence can be used in a variety of ways. According to Spencer and Spencer (2008), Staff Competence can be integrated into performance assessments, hiring practices, succession planning, on-board guidance and other forms of employee communication. Competencies are a means of addressing both the technical skills of a job and the more difficult-to-define behavioural expectations of a job sometimes referred to as soft skills (Hoffmann, 1999). However, there is nothing soft about these skills, and a well-defined set of competencies can help an organization to better evaluate and measure employee performance.

Based on the study from a Ghanaian case, Okorley and Nkrumah (2012) study aim to identify key factors which may influence local NGOs. In this study, quantitative and qualitative research methods were mixed. The study found that the availability of funding, quality material services, positive leadership, creation of programs based on needs and demand, and efficient management can affect the sustainability of local NGOs in a significant way.

Leadership has been significantly established as the main organizational sustainability factor for local NGOs. Additionally, the availability and efficiency of work services were less important, although they all were very important, to the survival of local NGO's.

Okorley and Nkrumah (2012) research sought to determine key elements that can influence local NGOs based on a Ghanaian case study. The study recognizes that the availability of funding, quality material services, responsive leadership, creation of needs-based and demand-driven programme, and successful management can have a major impact on the viability of local NGOs. Significantly, leadership arose as the most critical factor to organisational survival in local NGOs.

2.10.4 Strategic Financial Planning

Strategic Financial Planning is the mechanism to decide how a company financially manages to ensure that its short-term and longer-term aims and objectives are accomplished. Financial planning controls your investments so that you can fulfil your company needs over time.

Omeri (2014) study was conducted to find out the economic sustainability factors of non-governmental organisations, in Kenya. The descriptive research design for 249 registered and active non-governmental organizations in Nakuru County has been utilized. A sample size of 154 was used and data collected through questionnaires obtained using simple random samples.

The results showed that diversifying sources of funding, Competence levels of the staff and Strategic financial planning had significant effects on the financial sustainability of NGOs. The findings showed that the most important factor was the level of competence of the NGO workers in charge of the projects. The study advises the regular training of the staff of NGOs in order to maintain the continuing degree of competence. Personnel engagement and effective coordination of strategic plans should be actively promoted.

Malunga (2007) study explored factors that affect the efficacy of the strategic planning process among Malawi's local NGOs. The research revealed that the level of execution of the strategic plans was low (46%). In contrast, the execution was lower for organisational capacity building activities as compared to project activities.

The main reasons for the low implementation were the lack of financial independence of local NGOs from donors to respond effectively and independently to the needs and priorities of their beneficiaries; and the lack of capacity for the boards, managers, donors, consultants and communities to effectively pursue the strategic planning process.

2.10.5 Donor and Management Relationship

According to Baran & Galka (2016) a constructive interaction with a donor has to be frequently shared so that donors refresh the initiative without overloading the campaign. Electronic newsletters are an affordable way to stay in touch with multiple donors and others. Donors should be encouraged to engage in campaigning as far as possible.

In the Ebenezer et al., (2020) research 56 NGOs data was collected by management questionnaire. Various statistical instruments such as frequencies, maps, tableaux, the Kruskal Wallis Test and regression analysis have been used for analysis of the results. The findings revealed that Ghana's NGOs are donor based and have no resource diversification and a lower level of income production.

They indicated that Ghana's non-governmental organisations are not financially viable and that income-generating steps are important for financially reliable organizations. Results indicate that the financial viability of Ghana's NGOs is determined by sound

financial management activities, own revenue production by NGOs, income diversification, and good ties between donors.

2.11 Conceptual Framework

Conceptual Framework as a compilation of literature by the researcher on how to describe a phenomenon. It maps the behavior needed in the course of the study provided his prior knowledge of the point of view of other researchers and his observations on the research subject. The conceptual framework of this study is shown in Figure 2.1 below:

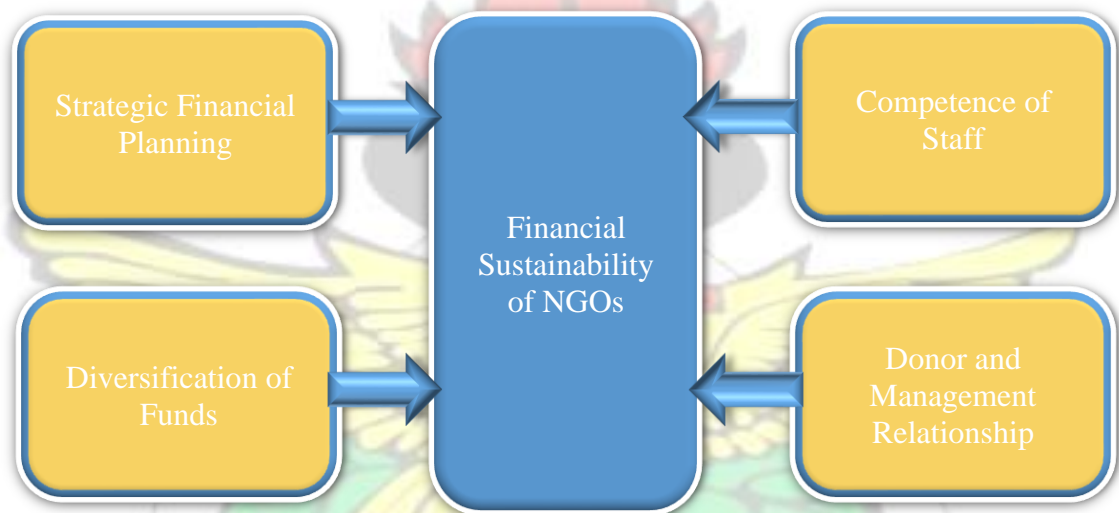


Figure 2.1: Conceptual Framework

Source: Author's Construction

The conceptual framework illustrates the relations between independent and dependent variables of the study. In this study, the independent variables were strategic financial design, the competence of staff, diversification of funds and strategic financial design and the dependent variable of Financial Sustainability of NGOs. As shown in Figure 2.1 with the boldface arrows. This research, therefore, seeks to identify the elements affecting the financial sustainability of nongovernmental organizations' in Ghana.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

The methodology is the philosophical context in which a research is carried out or the basis of the research. This chapter on research methodology defines in detail study methods, styles and plans that highlight the approaches used during this study, mitigating the choice by re-counting the benefits and difficulties of each approach and design, captivating its practical applicability into consideration. O'leary (2004) describe the methodology as a structure that is linked to a particular set of paradigmatic assumptions that will be used to conduct our research.

3.1 Study Design

The research design refers to the overall strategy for the integration of the various study components in a clear and rational way that will make sure that the question of the research is addressed effectively; it forms the basis for data gathering, measurement and examination. The function of the research design is to warrant that the evidence acquired enables the researcher to address the study problem as evidently as possible.

In social science research, attaining evidence pertinent to the research problem normally involves stipulating the type of evidence needed to test a concept, assess a program, or precisely describe an occurrence (Eisenhardt, 1989).

The study was based on a descriptive survey design. The descriptive survey design was considered appropriate for obtaining information on the respondents' opinions about the research problem. In addition, O'leary (2004) points out that descriptive studies are not only restricted to fact findings but may often result in the formulation

of important principles of knowledge and solutions to significant problems. The research approach was quantitative in nature and relied on primary methods of data collection.

3.2 The Population Size

Sotiriou et al (2003) research population is a whole range of elements with a standard parameter. It is often used to describe the human or the total number of people living in our country or state's geographical area. For research, the 'population' does not need to be human. Any data parameter with a specific characteristic can be used.

In most cases, a population is too large to collect accurate information something that is not practical. Collecting an entire population of data is sometimes almost impossible, as some populations are too difficult to cope with. A population survey is reliable and more precise with no margin of mistake except human inaccuracy when responding, however, this may not always be possible (Kotrlík and Higgins, 2001).

The population of the study was NGOs in Bono region of Ghana. According to Gyamfi (2010), there have been a total of 76 local NGOs registered with BANGO and it is operating in the Region of Brong Ahafo. Out of the 76 indigenous NGOs registered with BANGO 35 is located in now Bono Region. Bono Region was formed after Ahafo region and Bono East region have been carved out of the then Brong-Ahafo region.

3.3 Sample size and Sampling Techniques

The sample size is a word used in research to define the quantity of objects involved in the sample size. With sample size, we understand the group of objects designated from the general population and are considered to be representative of the actual population for that particular study (Kotrlík and Higgins, 2001).

In all 35 NGOs are considered as the sample size in this research. This is established on the fact that there are 35 NGOs registered Brong Ahafo Network of NGOs (BANGO).

Since the population is not too large, there is no sampling and a census of all the NGO was considered. A census is a study of each element, everybody or all in a populace of a study (Dempster and Tomberlin, 1980). The Census technique is also referred to as the complete Enumeration Survey Technique in which each and each element in the universe is nominated for data gathering. Then we can use the sample data to draw conclusions about the entire population.

3.4 Measurement of Variables.

The study adopted NGOs survival ratio indicated by Lewis (2011) and Likert scale questionnaires leading to financial sustainability of NGOs to assess the opinions of respondents as a measure of their financial sustainability. The ratio was used to multiply by 365 days to arrive at the sustainability of the NGOs per period of time. The higher the ratio and the number of days indicates that such an NGO is financial sustainable

NGOs financial Sustainability= (Generated Reserves)/(Total Income)×365 days

The study again adopted Likert scale questionnaires of Sydänmaanlakka (2003) competency measure used to assess competency of managers in Finland. 15 items were used to assess the managers work related competency, interpersonal competency, leadership competency, implementation competency and managers wellbeing are in appendix A

Donor management relation were operationalised using a Likert scale items to assess the opinions of managers and their relationships between their donors. The items used to measure the opinions of managers with their donor relations are in Appendix A. Lewis (2011) defined fund diversification for NGOs as the securing of funds from as many sources as possible and not just limiting funding sources to external institutional donors. The study adopted Lewis (2011) framework of measuring fund diversifications by seeking the opinions of managers of NGOs as to how income is generated aside donor sources. The study again operationalized Boas (2012) financial strategic planning to measure financial strategic planning of the NGOs. Respondents opinions on how they periodically review the budgets and other financial plans to see if they agree with its mission regular; if they invest in technology to help plan their financial and financial reserves and effective management of overheads are apply were assessed

3.5 Research Collection Instruments

Data collection is a systematic process in which special information is collected and analysed to find answers to the pertinent issues and to assess the outcomes. It focuses on discover all that there is to a specific topic. The data is gathered in order to be further subjected to hypotheses that seek to explain a phenomenon.

The main source of data for this research was primary and secondary. Financial statement of majority of the NGOs were examined and their generated reserves as well as their total income were used to determine their survival ratios. Primary data collection techniques were employed using Likert scale questionnaires. Section A of the questionnaires entails questions on the characteristics of respondents. Section B consist of Likert scale questionnaire items assessing the opinions of respondents to determine the independent variables of the study. Average responses of respondents

leading to their opinions on the latent independent variables were computed for the multiple regression analysis. The latent independent variables of the study were diversification of funding, staff competency, donor management relationship and strategic financial Planning.

3.6 Validity of the Research Instrument

Reliability and validity are significant characteristics of the selection of the survey instrument. Reliability means that the instrument performs in many trials in the same way and Validity is defined as the degree to which the instrument measures what it was designed to measure. Hays and Revicki (2005) in research, there are three approaches to validity, which comprise content validity, construct validity and criterion-related validity.

The researcher first tested the reliability of the first 5 participants. It is regarded as a pilot project as well. Once the data is collected, the reliability and validity of the SPSS system must be measured. The validity review hinge on the Alpha worth of Cronbach. The value of the alpha of Cronbach must exceed 0.7. If the value reaches 0.7, the scale is considered not to be accurate. The researcher continued to collect data from an additional 30 respondents in order to complement the data collection once the data is proved reliable.

3.7 Data Analysis

For ease of analysis, the data collected was sorted, classified and tabulated. In order to produce the data analysis on the basis of questions from study and goals, the researchers used statistical tools (SPSS Social Science Package). The data analysis consisted in particular of descriptive statistics. Rate of recurrence, percentages, means and standard deviations were included. Multiple regression analysis was employed to

assess the impact of independent variables on the dependent variable (financial sustainability of NGOs).

3.8 Model Specification

The specification of the model is the process for determining which independent variables include and exclude the equation for regression. When the researcher desires to found the relation among the independent and the dependent variable, the need for model selection always begins. The model below demonstrates the connexion between the dependent variable and all the independent variables on the dependency variable.

$$FS = a + \beta_1 DF + \beta_2 SC + \beta_3 SFP + B_4 DMR + e_i,$$

FS = Financial Sustainability

DF= Diversification of Funding

SC = Staffs Competency

SFP = Strategic Financial Planning

DMR = Donor and Management Relationship

e_i = error Term

a = Represents the y-intercept and

$\beta_1, \beta_2, \beta_3, B_4$ = Coefficients of Determination

3.9 Ethical Consideration

Business research ethics includes the code of conduct governing the conduct of the researcher's activities. The researcher took several steps to ensure that acceptable ethical behaviour is observed in the report. The researcher understood the causes and traditions of research ethics before beginning the research work. The researcher,

therefore, sought to follow the practices and procedures that led to the protection of human and non-human subjects.

Firstly, the researcher ensured that consent and voluntary engagement were notified. The NGOs concerned and the respondents who provided the correct information were sought confirmation. A letter was forwarded to ask for a research authorization

Secondly, the researcher ensured that respondents were respectful of their privacy, confidentiality and anonymity. All respondents have been told that the information they have received is kept private and used for academic reason only. The findings of the study have been secretly reported and thus no researcher or NGO can be found in this report. At the end of the day, the researcher tried as much as possible to remain honest, respectful and sympathetic towards all participants.



CHAPTER FOUR

DATA ANALYSIS AND DISCUSSION OF FINDINGS

4.0 Introduction

In this section, the finding and outcomes found in the questionnaire are discussed. It reported the results of the investigation obtained from the managers of NGOs in Bono region of Ghana. Because of the COVID 19 pandemic, most of the respondents were not at the post when the questionnaire was sent. To observe social distancing, most copies of the questionnaire were delivered electronically. The researcher made use of WhatsApp, Email Address and Google forms to distribute.

In all 35 questionnaires were distributed to the NGOs, responses were not received for four people. The study made use of 31 respondents representing 89% and according to Sauermann and Roach (2013), it is better to have a high reaction rate (80% or more) of a supposed small sample from a wider pool of prospective respondents rather than a lower reaction rate.

4.1 Demographic Information

In other to understand the background characteristics of the respondents (NGOs) their Demographic Information was inquired. Three things were asked that is their years of operations, their classification and their board of directors. Data on these is presented in Table 4.1.

4.1.1 Number of Years Operating

The responding NGOs were asked to indicate the number of the year they have been in existence. The period in existence will depict how experienced the organisation are.

The results are presented in Table 4.1

As shown in Figure 4.1, 8 (26%) of the NGOs have been operating for 1 to 10 years while 17 (55%) were from 11 to 20 years old and those NGOs above the age of 20 years were 6 which also represents 19%.

By implication, the majority of the NGOs has been operating for 11 to 20 years. By these results, it means the NGOs have some level of experience to respond to the questions on financial sustainability.

4.1.2 Classification

The respondents were also asked to indicate the classification of their activity as an NGO. The classification was done according to their activities. The results are presented in Table 4.1.

As shown in figure 4.2, 18 respondents representing 58% were Operational NGOs, while the rest of 13 representing 42% were Advocacy NGOs. By implication the majority of the respondents are Operational NGOs.

4.1.3 Board of Directors

The respondents were also asked to indicate if their organisation has a board of directors which oversees their activities. The results are shown in Figure 4.3 below

As depicted in Figure 4.3 majority of NGOs are having a board of directors, this is made up of 19 representing 61% and the rest of 12 which is also 39 didn't have a board of directors.

Table 4.1: Demographic Information

S/N	Particulars		Freq	Percent
1	Years of Operating	1-10	8	26
		11-20	17	55
		Above 20	6	19
			31	100
2	Classification	Operational NGOs	18	58
		Advocacy NGOs	13	42
			31	100
3	Board of Directors	Yes	19	61
		No	12	39
			31	100

Source: Filed Work (2020)

4.2 Financial Sustainability

The respondents' opinion on the financial sustainability of their NGOs was inquired. A number of statements that can be used to access the financial sustainability of NGOs were included in the survey for respondents to response.

In all five statements were presented to the respondents. The results reported in Table 4.2 below, where the statements have been ranked base on the means. This was the dependent variable for the study.

Ranking first among the five statements was the NGOs believing that they are certain of their survival with a mean of 3.13 and a standard deviation of 1.38. The practices of Projects been done on time and following the planned budget was ranked second with a mean of 3.06 and the highest standard deviation of 1.41. This was followed by adequate distribution of resources for all Developments (Mean= 2.90 and SD=1.22),

the sufficiency of money for all emergencies (Mean = 5.52 and SD = 0.81) and accumulation of fewer debts in the past 2 years compared to the preceding years (Mean = 31 and SD = 0.78) respectively.

Table 4.2: Descriptive Statistics on Financial Sustainability

Rank	Statement	N	Mean	Std. Dev.
1	We are certain of our organisation survival	31	3.13	1.38
2	Projects are done in time per the planned budget	31	3.06	1.41
3	There is an adequate distribution of resources for all Developments	31	2.90	1.22
4	We always have sufficient money for all contingencies	31	2.52	0.81
5	Goals and objectives of the NGO are attained on time	31	2.29	0.78

Source: Field Work (2020).

The respondents only agreed to the two statements of Projects been done on time and per the planned budget and being certain of the survival of the organisations and the respondents disagreed to the rest of the four statements.

4.3 Donor and Management Relationship (DMR)

The relation between the NGOs and their donor partners were also assessed. This also contains five statement and respondents were supposed to indicate the level to which they agree or disagree with the statements.

The results are shown in Table 4.3, the statements were also ranked according to their mean and standard deviation.

Table 4.3: Descriptive Statistics on DMR

Rank	Statement	N	Mean	Std. Dev.
1	This NGO ensures accountability of funds from the donors	31	4.03	1.05
2	My NGO has established networks with the donor for funding	31	3.26	1.18
3	My NGO includes donors in project execution	31	3.10	1.01
4	Not capable to meet strict requirements for funding by donors	31	2.74	0.93
5	My NGO is capable to secure long-term finance from diversification and donors who understand and share our vision	31	2.68	0.79

Source: Field Work (2020).

The respondents agreed to three of the statement and disagreed to the rest which is two. As presented in Table 4.3, the NGOs ensuring accountability of funds from the donor partners was ranked first. The statement recorded a mean of 4.03 and a standard deviation of 1.05.

Recording the highest standard deviation of 1.18 was them establishing networks with donors for funding which was also second-ranked with a mean of 3.26. Another statement which the respondents agreed to was NGOs including their donors' partners in the project execution with a mean of 3.10 and a standard deviation of 1.01.

Two disagreed statements were the NGOs not been capable to meet strict requirements for funding by donors (Mean =2.74, SD= 0.93) and NGOs being capable to secure long-term finance from diversification and donors who understand and share our vision which recorded the lowest standard deviation of 0.79 and a Mean of 2.68.

4.4 Diversification of Funding

The diversification of the NGOs sources of funds was also examined. Five statements were made available on the research instrument for the respondents' opinion. The statements are also ranked base on their mean and the results in Table 4.4.

Table 4.4: Descriptive Statistics on Diversification of Funding

Rank	Statement	N	Mean	Std. Dev.
1	Coming up with revenue-generating activities rises the financial sustainability of NGOs	31	3.65	1.11
2	Some resources of the NGO are reinvested to generate revenue to support our activities	31	3.06	1.03
3	Reserves of funds are invested in treasury bills	31	3.03	1.45
4	Developing various sources of funds other than depending on funds from donors increases the financial sustainability of NGOs	31	3.00	1.06
5	My NGO collaborate with other institutions with the same interest to generate income to fund the activities of the NGO	31	2.97	1.25

Source: Field Work (2020).

The respondents agreed to four of the statement and rejected one of the statements the first rank was coming up with revenue-generating activities rises the financial sustainability of NGOs (Mean= 3.65, SD=1.11). The NGOs agreed that some of their resources should be reinvested to generate revenue to support our activities (Mean= 3.06, SD=1.03), the respondents agreed that foreign contributions towards their activities are deteriorating (Mean= 3.03, SD= 1.45).

The respondents further agreed that developing various sources of funds other than depending on funds from donors increases the financial sustainability of NGOs (Mean=3.00, SD=1.06) but the respondents disagreed that local source of funding for NGOs is becoming increasingly dependable (Mean= 2.97, SD =1.25).

4.5 Competence of Staff

The Researcher sought to also examine the Staff Competence of the NGOs and to assess its effect on the financial sustainability, in doing so 15 statements assessing work related competency, interpersonal competency, leadership competency, implementation competency and competency of managers wellbeing were presented to the respondents and the outcome is shown in Table 4.5.

Table 4.5: Descriptive Statistics on staff Competence

Rank	Statement	N	Mean	Std. Dev
1.	I like my current work	31	3.87	1.03
2.	I am motivated to perform in my work	31	3.80	0.67
3.	I continuously aim developing myself in my work	31	3.76	1.21
4.	I am open and solution oriented when confronted with difficult situations at work place	31	3.75	0.98
5.	I often asked feedbacks from others	31	3.65	0.79
6.	I feel that it is easy to talk to me	31	3.56	1.32
7.	I feel that am able to put the NGOs strategy into practices	31	3.54	1.05
8.	I am able to delegate challenging task to subordinates	31	3.53	1.24
9.	I am ready for change	31	3.51	1.01
10.	I am able to make decisions in stressful situations	31	3.46	1.27
11.	I finish what I have started with perseverance	31	3.42	1.02
12.	I am able to schedule my work efficiently	31	3.36	1.37
13.	Fear of failure does not prevent me from doing challenging task	31	3.31	1.30
14.	I don't dwell on failure	31	3.25	1.45
15.	I aim at learning from my mistakes	31	3.13	0.91

Source: Field Work (2020).

The results from Table 4.5 suggest that managers of NGOs work related competency such as I like my current work, am motivated to perform in my work and am continuously aim at developing myself in my work were rated above average scale rating of 2.5. Again, interpersonal competency measured items of the managers such

as, I am open and solution oriented when confronted with difficult situations at work place, I often asked feedback from others and I feel that it easy to talk to me were all rated above average rating scores. Also, leadership measured items such as, I feel that am able to put the NGOs strategy into practices, I am able to delegate challenging task to subordinates and I am ready for change were all rated above the average rating scores. Additionally, implementation competency of managers measured items such as, I am able to make decisions in stressful situations, I finish what I have started with perseverance and I am able to schedule my work efficiently were all rated above the average rating score. Furthermore, wellbeing of managers competency measured items such as, Fear of failure does not prevent me from doing challenging task, I don't dwell on failure and I aim at learning from my mistakes were all rated above the average rating scores

4.6 Strategic Financial Planning

The research also sought to examine the impact of preparing financial strategic plans for fund projects on the financial sustainability of NGOs. To accomplish this objective, the respondents were entreated to respond to certain statements relating the approach to strategic financial planning in their various NGOs. This is shown in Table 4.6.

The result in Table 4.4 suggests that the respondents agreed to two of the statements and disagreeing to the rest (4). The periodically reviewing of the budgets and other financial plans to agree with the NGOs mission was ranked first with a mean of 3.32 and a standard deviation of 0.87. The respondents also agreed that all their staff partake in the development of budgets and other strategic financial planning tools (Mean = 3.10, SD 1.04).

Table 4.6: Descriptive Statistics on financial strategic planning

Rank	Statement	N	Mean	Std. Dev.
1	The periodically reviews the budgets and other financial plans to see if they agree with its mission	31	3.32	0.87
2	All staff participate in the development of budgets and other strategic financial planning tools	31	3.10	1.04
3	My NGO invest in technology to help plan their financial resource	31	2.74	0.96
4	My NGO prepares periodic budgets consistent with its long-term plans	31	2.35	0.80
5	There is effective communication of the budgets and other strategic financial plans in the NGO	31	2.29	0.82
6	The budgeting methods used in our NGO ensure that all funding of operations and projects are within the specified limits	31	2.16	0.86

Source: Field Work (2020).

The statements like their NGOs invest in technology to help plan their financial resource (Mean = 2.74, SD=0.96) and their NGOs preparing periodic budgets consistent with its long-term plans (Mean=2.35, SD =0.80) were rejected by the respondents

The respondents also disagree that there is effective communication of the budgets and other strategic financial plans (Mean=2.29, SD=0.82) and also the budgeting methods used in our NGO ensure that all funding of operations and projects are within the specified limits (Mean=2.16, SD=0.86).

4.7 Multiple Regression Analysis

Multiple Regression Analysis is a model that examines the relationship between the independent and dependent variables. This exploration is to envisage the results of a

response variable. The purpose of this analysis is to model the relationship between the explanatory and response variables.

Table 4.7: Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.585 ^a	0.342	0.241	0.4157	1.516

a. Predictors: (Constant), Strategic_Financial, Staffs_Compentency, Diversification, Donor_Management

b. Dependent Variable: Financial_Sustainability

Source: Field Work (2020)

Table 4.7 above is the model summary. This model is providing data about the capacity of the regression line to justify the total deviation in the dependent variable. If the value of Durbin-Watson is within 1 to 3, it is within the standard threshold, therefore it can be concluded that there is no autocorrelation. Per the figures under Durbin-Watson which is 1.516, it is within the standard threshold.

Table 4.8: ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2.335	4	0.584	3.379	.024 ^a
	Residual	4.493	26	0.173		
	Total	6.828	30			

a. Predictors: (Constant), Strategic_Financial, Staffs_Compentency, Diversification, Donor_Management

b. Dependent Variable: Financial_Sustainability

Source: Field Work (2020)

The ANOVA table is displaying how the independent variable is affecting the dependant variable. When the independent variable does affect the dependant variable, then it is considered as significant and vice versa.

The researcher most interest in Table 4.8 is the value found in the “Sig” column. Because it is depicting the exact significance level of the ANOVA. The figure in the

"Sig" column must be under the P-value (α) of 0.05, to be significant. A value exceeding the P-value is considered non-significant.

From Table 4.8, which is showing the value of 0.024 means it is significant. Per this information, it is suggested that the independent variables successfully impacted the dependant variable.

Table 4.9: Coefficients (a)

Model	Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
	B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1 (Constant)	0.83	0.78		1.06	0.30		
Donor/Management	0.66	0.18	0.621	3.59	0.00	0.845	1.18
Diversification	-0.12	0.14	-0.144	-0.87	0.39	0.921	1.09
Staffs Competency	0.21	0.13	0.275	1.61	0.12	0.868	1.15
Strategic Financial	-0.14	0.15	-0.167	-0.97	0.34	0.851	1.18

a. Dependent Variable: Financial Sustainability

Source: Field Work (2020)

In Table 4.9 the VIF (Variance Inflation Factor) figure is essential to determine if multicollinearity exists or not. This figure should be below 10 if, above 10, the data has a multicollinearity challenging. The VIF value for independent variables in this study was below 10 and therefore it indicates that there is no problem of multicollinearity. In Table 4.9, significant value is whereby P-value is less than 0.05.

The "Sig" value for Donor and Management relationship is 0.00 which is below the P-value and it is showing that Donor and Management relationship has an impact on financial sustainability. The other dependent variables (Diversification = 0.39, Staffs Competency = 0.12 and Strategic Financial = 0.34) are above the P-value of 0.05 and

therefore the variable has no impact on the dependent variable (Financial Sustainability).

Based on Table 4.7 above, a linear equation is generated as below:

$$FS = 0.83 - 0.12\beta_1 + 0.21\beta_2 - 0.14\beta_3 + 0.66 B_4 + e_i$$

Where

FS = Financial Sustainability

DF= Diversification of Funding

SC = Staffs Competency

SFP = Strategic Financial Planning

DMR = Donor and Management Relationship

e_i = error Term

a = Represents the y-intercept and

$\beta_1, \beta_2, \beta_3, B_4$ = Coefficients of Determination

4.8 Discussion of Results

The main aim of this study was to identify the elements affecting the financial sustainability of Non-Governmental Organisations (NGOs) in Ghana. Specifically, the study sought to achieve the following aims

The first objective of the study was to examine the effect of diversification of funds for a project on the financial sustainability of NGOs in Ghana. According to Stiroh (2010) diversification of revenues, which generates resources from different streams

and an increased number of sources, has been highly suggested as an active strategy to maintain revenue stability.

The results from the Coefficients in Table 4.7 which the p-value of 0.39 shows that the diversification of funds for the project has on the financial sustainability of NGOs. The result can be aligned to the assertion of Calvet et al. (2007) that diversified funds are primarily intended to mitigate idiosyncratic or non-systematic risks by investing in a wide range of securities across multiple market sectors or geographic regions.

But the results contradict to the studies of Ebenezer et al., (2020) and Gitonga (2018). Ebenezer et al., (2020) found that diversification of funds as part of sound financial management practices has an impact on the financial sustainability of NGOs. Gitonga (2018) also found that among other elements diversification of funds also has an impact on financial sustainability.

The second objective was to determine the effect of the competence of staff on the financial sustainability of NGOs. As stated by Lekorwe (2007) that the lack of well-educated and qualified human resources limits the degree to which local NGOs can handle their everyday affairs and their capacity to effectively prepare, appraise, execute, and track their initiatives and programmes.

The study found no effect of staff competence on NGOs financial sustainability. As shown in Table 4.7, the p-value of Staffs Competency was 0.12 which is above the standard level of 0.05. This means staff competences has no impact on the financial sustainability of NGOs.

The result is in confirmation of the outcome of Okorley and Nkrumah (2012) study which was aimed at identifying key factors which may influence local NGOs

sustainability financially. Okorley and Nkrumah (2012) rather found that it is quality leadership that has an impact on financial sustainability but not the general staff. Leadership has been significantly established as the main organizational sustainability factor for local NGOs.

The results also contradict the study of Omeri (2014) which found staff competency among other things having an impact on financial sustainability. According to Omeri (2014), financial sustainability can not only be accomplished by having varied sources of funds but also by having qualified personnel as the findings on this dimension revealed. This assertion is in variance to the results of this study.

The third objective was also to determine the impact of strategic financial design on the financial sustainability of NGOs. Strategic Financial Planning is the mechanism to decide how a company financially manages to ensure that its short-term and longer-term aims and objectives are accomplished (Omeri, 2014). The p-value was 0.34 for strategic financial design in Table 4.7, it means that the strategic financial design has no impact on financial sustainability. Omeri (2014) finding was in contradiction to this study which found a strategic financial design to have an impact on the financial sustainability of NGOs.

Mohamed & Muturi (2017) also found that strategic financial design to have an impact on the financial sustainability of NGOs. They indicated that strategic management has a significant influence on the financial sustainability of the local NGOs.

Finally, the effect of Donor and Management Relationship on financial sustainability was examined. The result indicated that it is the only factor that has an impact on the financial sustainability of NGOs. The p-value record under Donor and Management

was 0.00, meaning it has a significant influence on the financial sustainability of NGOs.

According to the UN (2009), most NGOs in Kenya and Africa in general, rest on donor funding or external support agents to sustain their programmes and projects. Ebenezer et al., (2020) made similar findings, they indicated that a good donor bond is a fundamental element of the financial sustainability of NGOs in Ghana. Further, Wachira (2016) also indicated that there is a significant and positive bond between donor relationship management and the financial sustainability of NGOs in South Sudan.



CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.0 Introduction

This part starts by summarising the key outcomes of the collected data. The section also provides conclusions and recommendations in line with research purposes. It also highlights study limitations and finally provides proposals for future research studies.

5.1 Summary of Findings

The main aim of this study was to identify the elements affecting the financial sustainability of non-governmental organisations in Ghana. The sustainability of NGOs is important since they also contribute to national development.

The respondents to this research were made up of managers of NGOs in the Bono Region of Ghana. The study found most of the NGOs operating for a period of 10 to 20 years and the majority having a board of directors which oversees their activities.

Again, the result indicated that most of the NGOs are operational NGOs. The reason has been because most Advocacy NGOs cease to function when their motive is achieved or it may change to operational NGOs afterwards.

In all four sub-objectives were set to be achieved in this research. These include the impact of diversification of funds, competence of staff, strategic financial design and the relationship between donor and management on financial sustainability.

Firstly, the impact of diversification of funds for the project was examined. The results show that it has no impact on the financial sustainability of NGOs. The respondents did agree that creating of revenue-generating activities rises the financial sustainability of NGOs and also the resources of the NGO are reinvested to generate revenue to

support our activities, the result from the study found it not to have any impact on the financial sustainability of NGOs. The study also found that developing various sources of funds other than depending on funds from donors increases the financial sustainability of NGOs but a local source of revenue for NGOs are becoming increasingly not dependable.

The second objective was to determine the effect of the competence of staff on the financial sustainability of NGOs. The study did find that financial statement is done on regular basis for accountability and transparency but not all staff have an understanding in cost analysis and identification of cost-saving practises.

It was also revealed that the NGOs were having finance staffs with the capacity to measure the current and future financial assets and develop a strategic design for it but most didn't have a fully functioning finance unit with qualified finance personnel.

The NGO was having proper and sound financial management practice in place, their staffs had also been trained on new technology and developing issues in the NGO sector within the past year.

The third objective was also to determine the impact of strategic financial design on the financial sustainability of the NGOs. The result from the study shows that the NGOs were periodical reviews the budgets and other financial plans to see if they agree with its mission and all staff participated in the development of budgets and other strategic financial planning processes.

But the NGOs were not investing in technology to help plan their financial resource and also were not preparing periodic budgets consistent with its long term plans. Long term plans are supposed to be the master strategic financial design for every

organisation and must be aligned to your budget. It was also revealed that the NGOs in the region lack competent staff to take care of their activities.

The NGOs were not having an effective communication of the budgets and other strategic financial plans among workers and the budgeting methods used do not ensure that all funding of operations and projects are within the specified limits. The results revealed that financial strategic plans have no impact on the financial sustainability of NGOs.

Finally, the impact of the relationship between donor and management on the financial sustainability of NGOs was examined. It was revealed that NGOs ensures accountability of funds they receive from their donors and also they have an established network with their donors for funding.

The results did also show that the NGOs includes donors in the execution of projects and make sure relevant information is provided to their donor. They were capable to meet strict requirements for funding by donors but they were not capable to secure long-term finance from diversification and donors who understand and share our vision.

The results from the study revealed that donor and management relationship have an impact on the financial sustainability of NGOs.

5.2 Conclusion

The study did examine the elements which have an impact on the financial sustainability of NGOs using the Bone region of Ghana. In all four elements were examined this included diversification of funds, the Competence of Staff, strategic financial design and donor management relationship.

The study concluded that diversification of funds, the Competence of Staff and strategic financial design had no impact on the financial sustainability of NGOs. It was on donors and management relationship that had an impact on the financial sustainability on their organisation.

The staff training heavily depended on indigenous NGOs to grow their staff capability in financial management to ensure that their financial sustainability improved progressively.

Therefore, organisations that diversify their funding source, hire competence of staff and put in place a good strategic financial design will not automatically enjoy financial sustainability in their organisations. But rather a good donor and management relationship will make the organisation financially sustainable. The majority of the local NGOs used their relationship with donor partners to enhance their financial sustainability.

5.3 Recommendation

Base on the finding the following recommendations are made

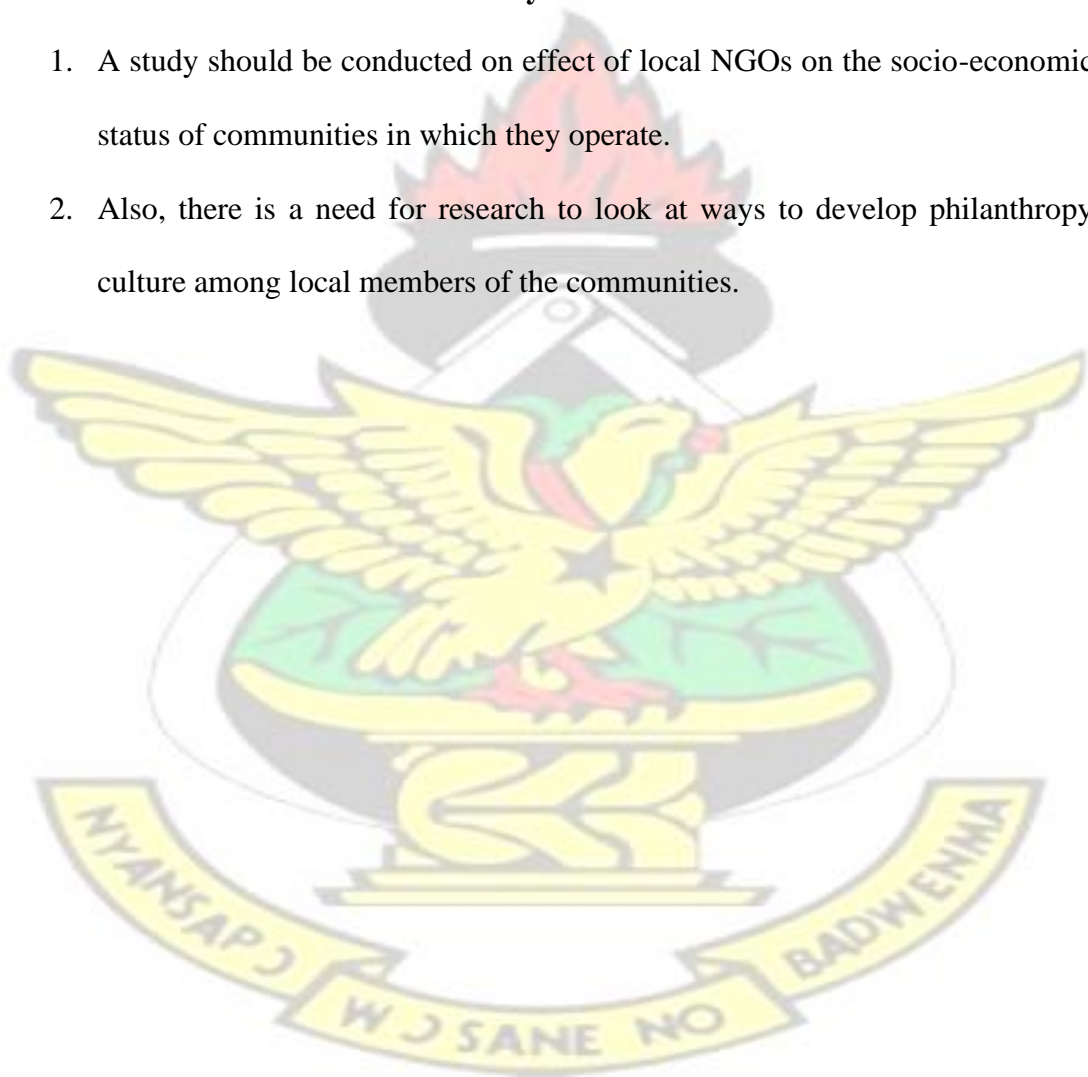
1. The management of the local NGOs should continue to invest funding mobilization strategy to ensure that they secure reliable funding. This should be coupled with the implementation of income-generating projects to raise their extra funds.
2. The NGOs should begin to seek local donor and private organizations to help fund their operations as they make significant contributions to the Ghanaian economy.
3. Local NGOs are urged to improve their governance institutions; powerful boards and committees made up of stakeholders of varied experiences,

competence and expertise are more likely to receive numerous sources of financing to execute their strategic strategies.

4. The government should consider funding local NGOs as they play a crucial role in the growth of the city. This will allow them to undertake and execute construction projects while at the same time limiting their reliance on external financing.

5.4 Recommendation for Further Study

1. A study should be conducted on effect of local NGOs on the socio-economic status of communities in which they operate.
2. Also, there is a need for research to look at ways to develop philanthropy culture among local members of the communities.



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APPENDIX “A” QUESTIONNAIRES

KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY

SCHOOL OF GRADUATE STUDIES

Department of Accounting and Finance

This questionnaire is designed to enable the researcher obtain data in order to examine the financial sustainability and funding of Non- Governmental Organisations. You are required to produce accurate information as possible. The confidentiality of such information is guaranteed as the results are purely for academic purposes.

Section A. Characteristics of Respondents

1. Number of year operating

A. 1 – 10 ()

B. 11 – 20 ()

C. Above 20 ()

2. How do you classify your NGO

A. Operational NGO ()

B. Advocacy NGOs ()

3. Does your NGO have a board of directors?

A. Yes ()

B. No ()

Section B. Please indicate your level of agreement for the following statements by ticking (√) the appropriate response. Using the 5-point Likert scale ranging from; 5 = **Strongly Agree (SD)**, 4= **Agree (A)**, 3=**Neutral (N)** 2= **Disagree (D)** to 1 = **Strongly Disagree (SD)**.

Part A: Financial Sustainability of the NGOs

SN	STATEMENT	1	2	3	4	5
1	There is adequate allocation of resources for all Projects in our NGO					
2	Projects are completed in time according to the planned budget					
3	Our NGO has accrued less debts in the last 2 years compared to the past					
4	My NGO always has enough money for all contingencies					
5	Goal and objectives of the NGOs are attained on time					

Part B: Relationship Between Donor and Management

S/N	STATEMENT	1	2	3	4	5
1	My NGO is unable to meet strict requirements for funding by donors					
2	My NGO ensures accountability of funds from the donors					
3	My NGO involves donors in project implementation					
4	My NGO Has established networks with donor for funding					
5	My NGO is able to secure a long-term funding from diversification and donors who understand and share the vision of the organisation					

Part C: Diversification of Funding

S/N	STATEMENT	1	2	3	4	5
1	Coming up with income generating activities increases the financial sustainability of NGOs					
2	Some assets of the NGO are reinvested to generate income to support the activities of the organisation					
3	Reserves of funds are invested into treasury bills					
4	Developing multiple sources of funds other than relying on funds from donors increases the chances of NGOs being financial sustainable					
5	My NGO collaborate with other institutions with the same interest to generate income to fund the activities of the NGO					

Part D: Staffs Competency

SN	STATEMENT	1	2	3	4	5
1	I like my current work					
2	I am motivated to perform in my work					
3	I continuously aim developing myself in my work					
4	I am open and solution oriented when confronted with difficult situations at work place					
5	I often asked feedbacks from others					
6	I feel that it is easy to talk to me					
7	I feel that am able to put the NGOs strategy into practices					
8	I am able to delegate challenging task to subordinates					
9	I am ready for change					
10	I am able to make decisions in stressful situations					
11	I finish what I have started with perseverance					
12	I am able to schedule my work efficiently					
13	Fear of failure does not prevent me from doing challenging task					
14	I don't dwell on failure					
15	I aim at learning from my mistakes					

Part E: Strategic Financial Design

SN	STATEMENT	1	2	3	4	5
1	My NGO prepares periodic budgets consistent with its long-term plans					
2	My NGO periodically reviews the budgets and other financial plans to see if they agree with its mission					
3	The budgeting methods used in our NGO ensure that all funding of operations and projects are within the specified limits					
4	All staff participate in the development of budgets and other strategic financial planning tools					
5	There is effective communication of the budgets and other strategic financial plans in the NGO					
6	My NGO invest in technology to help plan their financial resource					