International Journal of Social and Development Concerns

ISSN 2524-1478 (Online)

Vol. 13 | Social and development concerns in Africa (c)
Vol. 13 Article 8 | February 2021

INCOME DIVERSIFICATION AND SUSTAINABLE DEVELOPMENT OF WOMEN RELIGIOUS CONGREGATIONS IN THE CATHOLIC ARCHDIOCESE OF NAIROBI, KENYA

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Abstract: *Diversification of income in financial management is key to organizational development and sustainability in the 21st Century. The purpose of this study was to investigate the role of income diversification on organizational development and sustainability among Catholic women religious congregations in Nairobi Archdiocese, Kenya. The study was grounded on Resource Dependency theory and adopted a descriptive research design. The population of the study was 3,000 women religious from which a sample of 97 was drawn using Simple Random Techniques. The study established that income diversification affects sustainability of Congregations to a great extent and therefore other income generating activities are helping to increase congregations' financial sustainability. The declining foreign donations are pushing many Congregations to invest in income generating projects as source of funding and for self-reliance and sustainability purposes. The study recommends that the management of Women Religious Congregations have an obligation to ensure that their communities are able to sustain themselves through self-reliance and good financial management practices.*

Study key terms: Income diversification, Sustainability, development, women religious congregation

1.1 Study background

Religious life in the Catholic Church came into existence in the first century of Christianity. These religious women lived within institutes canonically erected by the church. It is distinguished from other forms of consecrated life by its liturgical character, public profession of the three evangelical counsels of Gospel poverty, Consecrated Celibacy (Chastity), and Apostolic Obedience vowed to live in community. The fraternal life of women religious leads to common life witness given to the union of Christ with the church. Shared community life is an integral part of this form of consecrated life.

In professing the vows and living within community, the members individually and as a whole witness to a life of communion with Christ, the church, the society and with one another. Based on the original vision of its founders, Apostolic religious congregations establish their own practices, while continuing to concentrate their ministries on meeting the needs of the church today. While every religious congregation is unique, together, they form a rich source of inspiration for the entire church and the society at large through their works of charity (Francis 2015). In God's salvific plan, the faithful and consecrated CWRCs are prudent stewards who has the task of carefully taking care of what has been entrusted to them (Ibid, 2015).

The historical reality of the global financial crisis and economic recession, coupled with uncertainty of donors funding's calls CWRCs to take into consideration a wide-spread decline in vocation and long lasting economic crisis. The situation urges them to assume realism; trust and hope in a world that needs profound cultural renewal and rediscovery of fundamental values on which to build the future.

The lasting economic crisis urges CWRCs to redesign their path and acquire knowledge on sound financial management strategies which will in turn lead to a sustainable organizational development. However, they are called to be good stewards of the charism received from the Spirit through the management and administration of their assets for future sustainability. In recent years, many CWRCs have faced problems of an economic nature which is the growing decrease funding from the donors accompanied by an increase in difficulties such as insufficient preparation and lack of planning have often been the cause of economic choices that have not only endangered the assets of CWRCs, but also, the future survival and sustainability of the organization as well.

In this context, Income diversification is defined as the process by which CWRCs construct increasingly diverse livelihood portfolios, making use of increasingly diverse combinations of resources and assets in order to meet their basic needs, improve their living standards or welfare, and manage risk (Niehof, 2004). Financial sustainability represents an organization's ability to retain its various Bowman (2010) capabilities.

Globally, in view of the recent happenings, including 'donor fatigue' in the affluent nations, increasing government scrutiny and regulations on the activities of NPOs with focus on CWRCs, and the recent economic recession, financial management and sustainability has become very necessary in this sector, Islam (2016). In a survey conducted by Bond- an international Development Network, among 1,400 NPOs in 2015, 85% of NPOs reported feeling effects of the economic recession,58% already experiencing cuts in funding. 66% reported cuts in government funding while 48% relied on the donations from foundations, grants and donors Kristin (2016).

This clearly illustrates that most NPOs including CWRCs who live on people's generosity across the world are struggling financially, Bowman (2011) In light of the above highlighted realities, embarking on a sound financial management strategy and sustainability efforts has become a necessity if the CWRCs are to avoid cutting back the delivery of community based services Dardanes (2010).

According to Pathfinder International (2009) many analyses have identified three major elements as having a major bearing on the financial management and organizational sustainability of modern-day NGO including CWRCs. These include: Diversification of revenue- which implies the need for an organization to establish several sources of revenue in order to adequately fund its activities in the light of its defined objectives; the second aspect is the relationship of donor management, which means making concerted efforts to involve donors in the organization's activities in a proactive manner; the third point is the relationship of financial management
In several ways, Sub-Saharan Africa has contested the positions played by CWRCs and other associated organizations. As part of the Roman Catholic, the CWRCs are generally regarded as contributors to governance and public success in different fields, including public policy and decision-making on principles and morality, promotion of openness, social justice, delivery of social services, facilitation and promotion of reconciliation and peace building in conflict areas. They have also partnered with other organizations including United Nations. Despite of all these good services rendered by CWRCs, the irony of the situation regarding development and their own sustainability is that they have very little or not at all put in place corresponding financial strategies toward sustainable organizational development.

A considerable number of CWRCs in Africa are operated by the mother Church, with roots in the Western World, their financial sustainability is very much tied to the Western donors, thus, when funding cycle's changes due to economic hardship these congregations are the first to be affected because they are unable to operate their programmes, and thus their role is limited. Donor dependency is one of the major factors of CWRCs instability in Kenya. This study will explore other determinants of financial instability among CWRCs in Nairobi Arch diocese, Kenya

In Kenya, various problems are faced by several NGOs, including CWRCs, including weak leadership, lack of strategic planning activities, poor financial management practices, inadequate organizational policies and procedures, as well as declining donor funding (Rono 2012). Despite the good works of CWRCs in Kenya, just like many other organizations across the globe, they have their share of financial sustainability challenges due to the dwindling financial support from the traditional donors, requesting inevitably for some kind of adjustment. The net worth of several congregations is shaky even as chronic budget deficits becomes unmanageable, thus, the reduction in available funding has attributed largely to the world-wide economic recession, to changing domestic and international priorities in the African countries also termed as the "North", this situation affects the volume of funds available to aid agencies.

Currently, according to Global sisters' report (2014) they are 3,000 religious women working in Nairobi both national and international CWRCs residing here in Kenya. Most of these religious congregation deal with issues such as: gender, human rights, creating awareness on environmental sustainability, advocacy and participatory development. All these congregations have been assisting through their social and charitable delivery in strengthening the civil society through informing and educating the public on various, aspects such as their legal rights, entitlements to services and other welfare activities. This current study therefore aims to examine the role of income diversification on sustainable organizational development of CWRCs in Nairobi Arch Diocese, Kenya.

1.2 Statement of the Problem

Income diversification can help CWRCs to make effective and efficient use of resources to achieve their objectives and commitment to stakeholders. It will help them to be more accountable to donors, gain the respect and confidence of funding agencies, partners and beneficiaries. Income diversification practice will also give CWRCs the advantage in competition for increasingly scarce resources and prepare them for a long-term financial sustainability thus leading to sustainable organizational development. According to the (GSR 2014), there are 3,000 religious women who work effortlessly towards implementing projects that cater for the needs of most deprived people in the society. The irony of the situation is that the social development programs delivered by CWRCs are primarily dependent on donations and grants from European and North American non-governmental organizations or their respective governments with limited financial and organizational sustainability capability. In the quest for strategies for organizational sustainability, CWRCs dependency on foreign aid is a worrying factor. Therefore, some of the challenges related to financial management and sustainable organizational development of CWRCs are related to poor choice of investment diversification and dependency on external assistance and support, deficiency of creativity and innovativeness, startled projects, lose opportunities for organizational growth, lack of efforts for self- reliance, self- governance and self –propagation, poor budgeting system, lack of adequate knowledge and sustainability priority. There is little or lack of attention on financial control and reporting. Furthermore, the available literature on income diversification and sustainable organization development laid much emphasis on NGOs generally, without much reference to CWRCs whose services feature additional spiritual dimensions. This study will therefore examine the role of income diversification on sustainable organizational development of CWRCs in Nairobi Arch diocese, Kenya.

1.3 Research Objectives

The main objective of this study was to examine the role of income diversification on sustainable organizational development of Catholic women religious congregations in Nairobi Archdiocese, Kenya.

1.4 Justification of the Study

This study will provide insights to the congregational treasurers, leadership team, development coordinators and the entire members of the congregation, on income diversification and sustainable organizational development. It will provide information on how best to plan on the usage of financial policies and practices that ensures success and future sustainability for CWRCs in Nairobi Archdiocese, Kenya.

1.5 Significance of the Study

Therefore, this study will be intended to add knowledge and understanding income diversification and sustainable organizational development to the CWRCs in Kenya and beyond. The study will enrich theory to model financial management and sustainable organizational development of CWRCs in their social service delivery; it will generate greater awareness among CWRCs on the relevance of having in place proper and practical ways of good financial management as a means to the effectiveness of sustainable organizational development. The study will help CWRCs in making productive decisions concerning resource allocation, fund raising, fund mobilization and develop good skills and knowledge of funds to be invested at the right place. This study will help CWRCs in framing well-defined financial plans and policies, which will help them, improve from their current positions and look forward to gain trust, faith and reliability. Also, a well- defined financial plan will help them in securing the future, as this study will create an awareness for the CWRCs to opt for sustainable use of income.

1.6 The Scope and delimitation of the Study

In any research study, delimitation and restriction help to define boundaries and expectations (Creswell et al. 2014). This research study will be limited to an examination of the role of income diversification and sustainable organizational development of CWRCs in Nairobi Archdiocese, Kenya. These determinants will include:- Fundraising, Digital Community building and Corporate partnership. Geographically, the study will cover Nairobi arch diocese where various religious congregations are generally operating within the following areas such as; Adams Arcades, Karen, Dagorretti corner and Msongari here in Kenya. The above areas mentioned are accessible and where religious communities reside in these areas. Also the study is limited because it is focusing on only women congregations.

1.7 Conceptual framework

Independent variable ***Dependent variable***

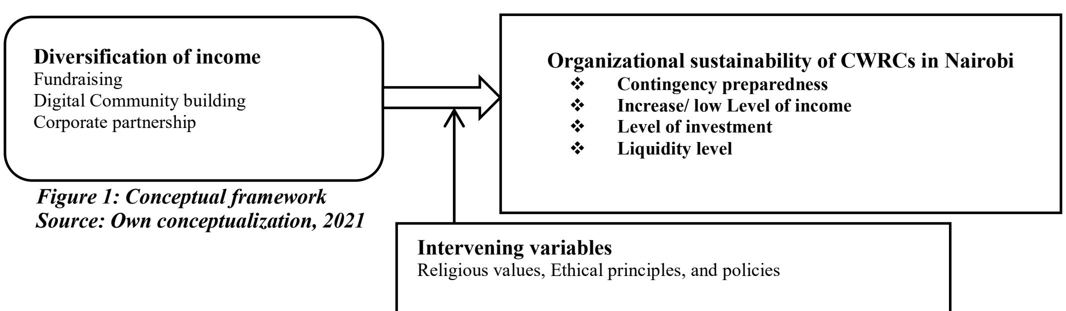

Figure 1: Conceptual framework
Source: Own conceptualization, 2021

1.8 Literature review

This sub-chapter presents the theoretical framework and empirical literature supporting the study.

Resource Dependency Theory

The resource dependency theory (RTD) was propagated by Preffer and Salancik in 2003 with the view that organizations are dependent on their external environments for scares resources (Barnman, 2008; Malatesta and Smith, 2014) and that the ability to obtain and retain capital is crucial to an organization's survival (Hodge and Piccolo, 2005; Jung and Moon, 2007). (i.e., information, networks, contracts, loans, among other essential resources.) RDT adds that organizational success benefits from three main forces: the ability of the company to control capital

(Bingham and Walter,2013; Nienhuser,2003), the ability of the company to protect vital environmental resources (Wry etal. ,2013; Pferrer and Salancik,2003) and the ability of the company to respond to evolving and demanding environments (Mitchell,2014).

Resource dependency theory examines how the external resources of the organizations and how it affects the behavior of the organization. This theory underpins the importance of organizations acquiring and maintaining resources for sustainability in an uncertain external environment. The theory applies the following tenets: Organizational success in RDT is defined as organizations maximizing their power (Pfeiffer, 2009). According to this theory, resources ultimately originate from the external environment of the organizations; therefore, access to such resources usually imply that those providing these resources have certain claims over the organizations and these claims need to managed carefully. Organizations are dependent on resources, and when it acquires these external resources, it decreases its dependence on others, thereby increasing other organizations' dependence on it, (Ulrich & Barney 2008). An organization operates in a limited and valued resource environment that generates instability in the mobilization of capital, which in turn poses a significant challenge to the sustainability of its organizational activities. For an organization to be sustainable there is need to increase control over resources and reduce dependence on their traditional funders.

This theory is built upon the notion that not every organization is independent of other organizations for survival and growth, this is because most if not all organizations are dependent on a pool of resources for sustainability. While it is very true that no one organization can claim to be solely independent from others, it is very relevant that organizations make efforts to meet their needs in a sustainable way. Resource dependency theory implies that an organization engages in inter- organizational relation with certain actors because those actors control the needed resources or demand such as engagement in exchange for these resources. Alternatively, an organization can engage in inter- organizational relations to buffer the pressure coming from other actors in its resource environment (AbuoAssi and Bies 2018; Malatesta and Smith 2014; Verbruggen, Christiaens, and Milis 2011). RDT is based on the idea that organizations are, to at least some extent, depend on external resoures to operate. This resources are embedded in ever-changing environments that create power dynamics with both external suppliers who control them and other organizations who covet them (Malatesta & Smith, 2014). The argument in this study is based on the notion of restraining from dependency in order to achieve a sound financial management system that will otherwise lead to organizational sustainability. There is need for CWRCs to strive and distance themselves from dependence and embrace a theory of Resource Independence rather than Resource dependency for the purpose of self- sustenance, self- reliance and self- governance.

Empirical review

Income diversification is another strong pillar of a sound financial management that may lead to a successful organizational development and sustainability. Income diversification does not only refer to international means of income generation, but also to the number of income sources that provide main funding to CWRCs. Saungweme (2014) described NGO revenue diversification as the organization's ability to broaden revenue sources to include multiple sources of donors locally and internationally. Boas (2012) identified sources of revenue diversification to include a variety of activities that decrease the company's reliance on a specific source of income, donor or region. Alymkulova and Seipulnik(2015) support this view, arguing that if they want to be sustainable, NGOs must not rely too much on a particular source of income. Income diversification, according to Leon (2011), is when NGOs collect funds from at least five different sources. Lewis(2011) argued that NGO revenue diversification is where the organization has the potential to secure funding from multiple sources, including public, local and national governments, private sector companies, rather than relying on overseas donors.Even if an organization has numerous donors, it will remain extremely vulnerable if a large portion of the budget depends on only one source of income. Any change in donor's decision can induce a major crisis. At least 50% to 60% of the organization's overall budget must come from different sources.

Previous research on NGO income diversification in Africa found that most NGOs had difficulties attempting to diversify their sources of income with some losing their identity (Marinkovic, 2014; Waiganjo etel.2012; Rawlings, 2011). For example, Waiganjo et al . (2012) claimed that in their attempt to diversify their revenue streams from foundations and confidence formed by private companies and corporate social obligations by banks, NGOs in Kenya faced stiff competition. This indicates that funding that should have been made available to these NGOs was channeled by private companies to these foundations and projects. In a study carried out by Guo (2006) in Missouri, USA on Revenue Diversification and Organizational sustainability. He found out that revenue diversification is the distribution of three main sources of income namely: private and public contributions and revenue from commercial activities. The findings in that study revealed that90% of funding for African countries comes from donors and only 10% comes from own income generation. Leon 2011 and Lewis (2011) suggest that income diversification of NGOs is when at least 60% of the funding of organizations comes from five different sources. What constitutes income diversification of NGOs? On the other hand, Norton sees revenue diversification as where 50 percent of international donors, 20 percent of membership dues, 20 percent of group fund raising and 10 percent of other revenue sources are funding sources for an NGO. Rasler (2007) argues that building a sustainable organization has both internal dimensions and external dimension. From the point of view of Iris and Simon (1990) most NGOs must achieve organizational and self-governance first before achieving a sustainable organizational development.

According to the study conducted in South Africa by Steinman (2010), he explained that even if an organization has numerous donors, it will still be vulnerable if a large proportion of its budget is derived from one of the donors. Leon (2011) proposes that at least60% of the organization's total budget should be derive from sources. In addition, Sigh and Mofokeng (2014) using a descriptive research design in South Africa, investigated the effect of fund development with emphasis of revenue diversification on financial sustainability of NGOs in South Africa. The findings revealed that revenue diversification does not necessarily promote financial sustainability, as the right balance remains a challenge.

In a research carried out by Saungweme (2014), using a survey-design, he revealed that most NPO in Zimbabwe were not leveraging their assets to generate income, and most were not engaged in own income generating activities while their funding sources were not diversified enough to be regarded sustainable. They further revealed that most local NPO were funded entirely by external sources, had no reserve funds, were not generating own income, and depended on average on about three donors.

Omeri(2015) studied the link between fund development with regards to income diversification and financial sustainability in Nakuru county, Kenya. The study revealed that fund development was based on diversification of sources of funding. The result showed that diversification of income was likely to make the NGOs sustainable.

Risk management is a significant driver of income diversification for the Beringer (2008) CWRCs. Therefore, the view that it is important to spread financial risk is widely shared among CWRCs, especially in the light of the implications of the economic crisis and on the basis of expected future trends in donor funding, it becomes very necessary to build additional funding sources to mitigate against a negative or unexpected drop in revenue in order to continue to grow the activities of CWRCs. As a way of gaining greater versatility in their internal financial management, CWRCs often prefer to approach income diversification.

A research on the effect of Revenue Diversification on Expected Revenue and Volatility for NPOs was conducted by Mayer (2012), which classifies CWRCs as part of this category. The study found that the uncertainty and expected revenue impacts of diversification depend on the compositional changes in the portfolio. The study found that a more diversified portfolio achieved by substituting donations for earned income decreases both volatility and expected revenue, whereas substituting donations for investment income to improve diversification of the same degree decreases volatility and increases expected revenue.

Via changes in three facets of the organization, namely financial, individual and international, CWRCs will be able to mitigate the risks to their autonomy and reputation. By diversifying their capital, they can combat funding exploitation better. If they can prevent reliance on a single donor, they are more likely to have the option of walking away rather than responding to their entity 's demands. As donors are continually shifting their core subject matter, this often decreases financial risk and burden; diversification helps an entity to have more fluidity in its sources. Previous research on income diversification and organizational sustainability of NGOs showed that income diversification and organizational sustainability have a positive and meaningful relationship. In Nakuru County, Kenya, for example, the Omeri (2015) study on NGOs revealed a positive and essential relationship between income diversification and organizational sustainability. In Zimbabwe, Saungweme (2014) also found a positive and important correlation between revenue diversification and organizational sustainability.

1.9 Study methodology

This study adopted a descriptive research design. A descriptive study attempts to describe a subject, often by creating a profile of a group of problems, people, or events, through the collection of data and tabulation of frequencies on research variables or their interactions as indicated by Cooper and Schindler (2003). The target populations of 3,000 but only 97 participants were chosen using randomization. Primary data was collected through the administration of questionnaire and structured interviews. According to the directory for women religious in 2012, the total numbers of registered congregations were 250 and there are 3,000 women religious serving in Nairobi arch diocese as recorded in the global sisters' report of 2014. Based on these records, the population will be grouped into strata in order for the researcher to obtain the best representative for the entire population of study. Each individual in the population has equal right to be selected for effectiveness of achieving a sample that reflects the characteristics of the population. Random selection was used to select a sample of 52 different congregations in Nairobi Archdiocese, Kenya. The general superiors, provincial/ Regional superiors, development coordinators and treasurers of the different congregations were sampled because they deemed to have the necessary information needed for this study.

Sampling Technique and Sample Size

The strategy used to pick study respondents is the sampling technique (Kothari, 2004). Due to the homogeneity of the target population, random sampling was used. The study population was divided in to four groups, i.e. general superiors, provincial superiors, creation coordinators, and treasurers of the congregation. Statistically, a sample of at least 30 elements (respondents) must exist in order for generalization to take place (Cooper and Schindler,2003). Saunder (etal. ,2007) argues that good reliability can sometimes be given by well-chosen samples of about 10 percent of a population. The study sample size was derived by using the Yamane (1967) scientific formula which is simplified to calculate the size of a population. The formula was found to be appropriate for descriptive studies involving large population size do to its simplicity the research choose to use it as shown below;

$n= \mathbb{N}/ 1+N (e^2)$

Where;

N = sample size

N = Total population (3,000)

e = Margin of error

1 is constant

The level of precision, set at 10% for this study in line with stipulations by Nsubuga (2006) and Denscombe (2014) who asserted that 10% was an acceptable error margin in social studies.

$n =3000/ 1+3000(0.1)^2$

$n = 3000/ 31$

$n = 97$

n =97 respondents anticipated

Hence the study sample size was 97 respondents who were distributed proportionately to 52 selected congregations out of 250 registered congregations in Nairobi on the basis of their capacity of services where the information needed can was provided. Data was analyzed using descriptive statistics.

1.10 Study findings

The questionnaires return rate was 83 (86%) out of 97 (100%). This rate was good enough for this study.

The Demographic Information

The demographic data for the study included name of congregation, position, ownership, number of communities and years of existence in Kenya. The results of the analyses are presented as follows:

Position in the Congregation

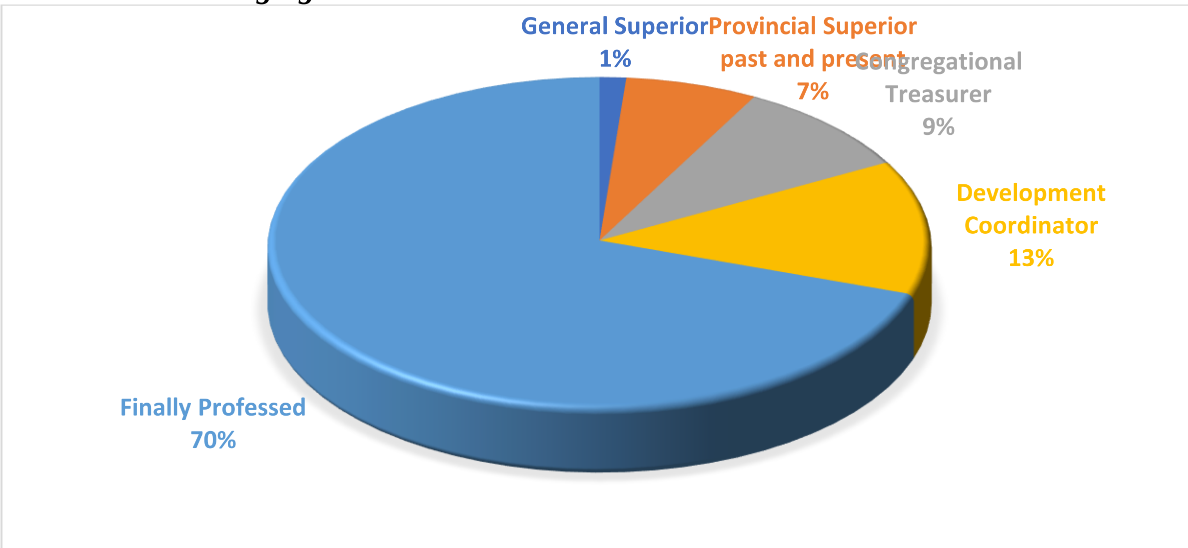

Figure 1: Your position in the Congregation
Source: Field data, 2020

From the above Figure, 1% of the respondents was General Superior, 7% were Provincial Superiors past and present, 9% were Congregational Treasurers, 13% were Development Coordinators while 70% of the respondents were Finally Professed. This implies that most of the respondents were those who have Finally Professed. This was important for the current study as most of the respondents were privy to income diversification and sustainable organizational development of Catholic Women Religious Congregations in Nairobi Archdiocese.

Table 1: Name of the congregation participating in the research

Name of the Congregation	Frequency	Percent
Assumption Sisters of Nairobi	2	3.8%
Benedictine sisters of Oshikuku	2	3.8%
Consolata Missionary Sisters	1	1.9%
Cottolengo Sisters	1	1.9%
Daughters of Mary Help of Christians	1	1.9%
Daughters of the Sacred Heart	1	1.9%
Female congregation	1	1.9%
Franciscan sisters of St Joseph	1	1.9%
Franciscan sisters of the Immaculate	1	1.9%
Handmaids of the Holy Child Jesus	4	7.6%
Holy Rosary sisters	1	1.9%
IBVM	1	1.9%
Institute of The Blessed Virgin Mary	2	3.8%
Little sisters of St Francis	2	3,8%
Little sisters of St. Therese of the Church	1	1.9%
Little sisters of St. Joseph	1	1.9%
MSMMC	1	1.9%
Medical Missionaries of Mary	2	3.8%
Missionary Benedictine Sisters	1	1.9%
Missionary Sisters of the Holy Family	1	1.9%
Missionary Sisters of the Precious Blood	1	1.9%
Nativity	1	1.9%
School Sisters of Notre Dame	1	1.9%
SND de Namur	1	1.9%
School Sisters of Notre Dame	2	3.8%
Sister of charity	1	1.9%
Sisters of Emmanuel	1	1.9%
Sisters of Mary of Kakamega (SMK)	1	1.9%
Sisters of Notre Dame de Namur	5	9.6%
Sisters of Notre Dame de Namur	1	1.9%
Sisters of St. Joseph of Tarbes	1	1.9%
Sisters of st Joseph of Tarbes	1	1.9%
Sisters of the Sacred Heart of Jesus	1	1.9%
Sisters of the Sacred Heart of Jesus, B…	1	1.9%
Sisters of the Sacred Heart of Jesus, S…	1	1.9%
St Joseph's	1	1.9%
St Teresa's	1	1.9%
The Grail International Institute	1	1.9%
sisters of Charity of the Incarnate Word	1	1.9%
Total	**52**	**100.0**

Source: ***Field data, 2020***

The proportion of participation shows that most of the participants came from the Sisters of Notre Dame de Namur (9.6%) followed by those from Handmaids of the Holy Child Jesus and then Assumption Sisters of Nairobi, Benedictine sisters of Oshikuku, Institute of The Blessed Virgin Mary and Benedictine sisters of Oshikuku at 3.8% each. Other Congregations had at least 2% representation. This implies that most of the women Congregations targeted were able to participate.

Diversification of income and Sustainability of Congregations
This objective wanted to establish how diversification of income affects sustainability of Catholic women religious congregations in Nairobi Kenya. The analyses of the items of these objectives are explained below:
Income Diversification

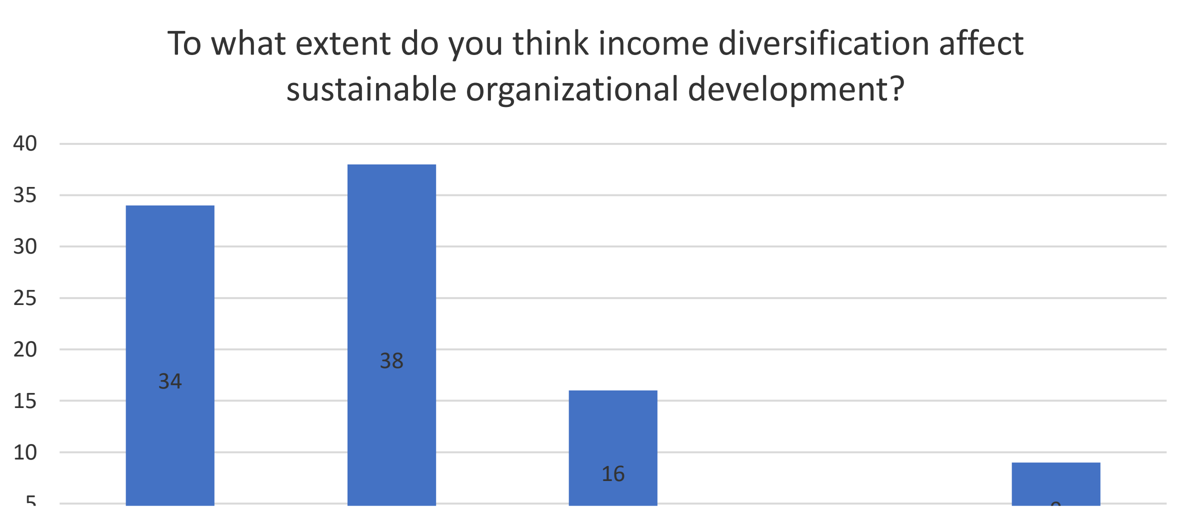

Figure 3: Extent of income diversification on sustainability of Congregations
Source: Field data, 2020

Figure 3 above shows that, 34% of the respondents pointed out that income diversification to a very great extent affects sustainability of Congregations, 38% to a great extent, 16% to a moderate extent, 3% to a little extent while 9% had neutral views. This implies that income diversification affects sustainable organizational development great extent income diversification affects sustainability of Congregations to a great extent.

Creating Other Income Generating Activities
Table 2 : Creating other income generating activities

Creating other income generating activities increases my congregation's financial sustainability	Frequency	Percent
Strongly agree	44	63.8%
Agree	17	24.6%
Neutral	5	7.2%
Disagree	2	2.9%
Strongly disagree	1	1.4%
Total	**69**	**100.0**

Source: ***Field data, 2020***

As for the value of developing other revenue-generating activities, 89 percent of respondents accepted that developing other revenue-generating activities increased the financial sustainability of my congregation, 7 percent had neutral opinions, while 4 percent disapproved. This ensures that developing such income-generating practices enhances the financial sustainability of the congregation. This concurs to what Saungweme (2014) described in his study, that" NGO revenue diversification as the ability to broaden revenue sources to include sources of donors locally and internationally. Lewis (2011) argued NGO revenue diversification is where the organization has the potential to secure funding from multiple sources, including public" local and national government as well as private sectors companies rather than relying on oversees donors.

Reliance on Donor Funding

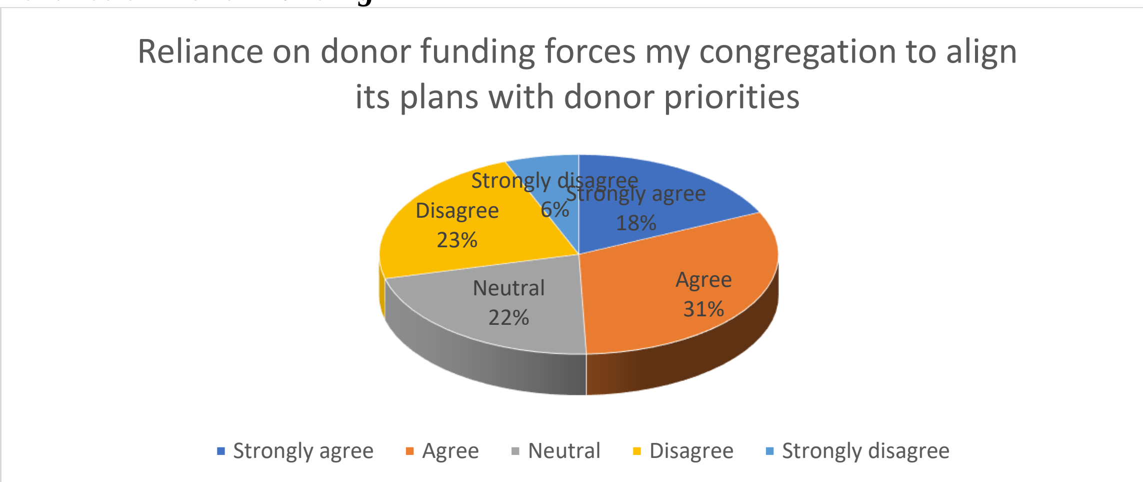

Figure 4: Reliance on donor funding
Source: Field data, 2020

From the figure above, 49% of the respondents were in agreement Reliance on donor funding forces my congregation to align its plans with donor priorities, 22% were neutral while 29% of the respondents were in disagreement. This implies that reliance on donor funding forces many Congregations to align their plans with donor priorities.

Declining Foreign Donors

Table 3: Declining foreign donations

Foreign donations as a source of funding are on the decline in my congregation	**Frequency**	**Percent**
Strongly agree	35	42.7%
Agree	30	36.6%
Neutral	11	13.4%
Disagree	4	4.9%
Strongly disagree	2	2.4%
Total	**82**	**100.0**

Source: ***Field data, 2020***

From the findings, it is evident that 80% of the respondents were in agreement that foreign donations as a source of funding are on the decline in my congregation, 13% were neutral while 7% of the respondents were in disagreement. This is an indication that foreign donations as a source of funding are on the decline in most of the congregations.

Income Diversification and Ability to Fund Projects

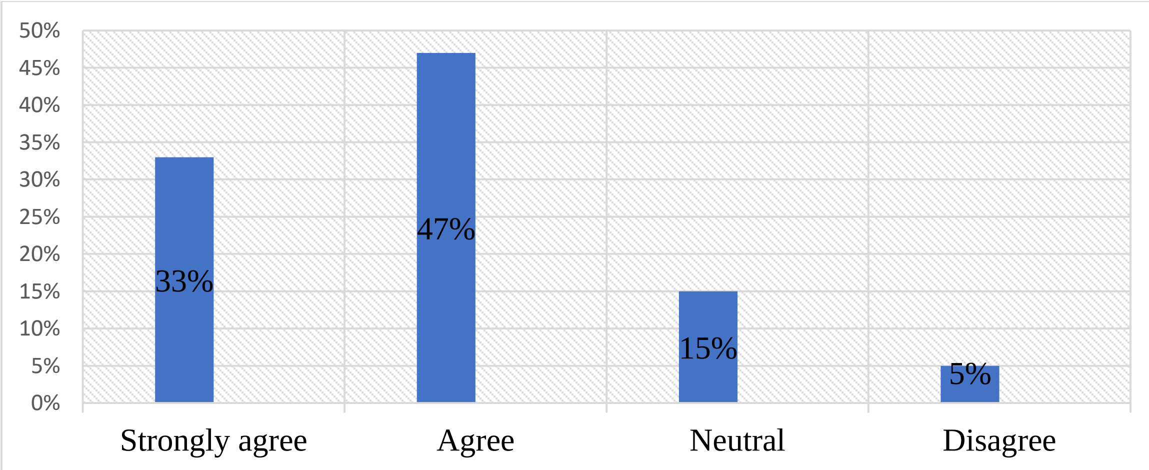

Figure 5: Income diversification and ability to fund projects
Source: Field data, 2020

The issues of whether income diversification increases congregation's ability to fund projects, 80% of the respondents was in agreement, 15% were neutral while 5% of the respondents were in disagreement. This implies that income diversification increases congregation's ability to fund projects. This is in avowal with the study conducted in South Africa by Steinman (2010), he explained that even if an organization has numerous donors, it will still be vulnerable if large proportion of its budgets derived from one source mainly the donors. Leon (2011) also proposes that at least 60% of the organization's total budget should be derived from numerous sources.

Income Diversification and the Risk of Closing Down

Table 4: Income diversification and the Risk of Closing Down

Income diversification reduces the risk of my congregation closing down in case of donor funding withdrawal	Frequency	Percent
Strongly disagree	19	23.8%
Disagree	12	15%
Neutral	10	12.5%
Agree	22	27.5%
Strongly agree	17	21.3%
Total	**80**	**100.0**

Source: Field data, 2020

Regarding the importance of income diversification to reduce the risk of closing down, 39% of the respondents were in disagreement that income diversification reduces the risk of congregations closing down in case of donor funding withdrawal, 12% of the respondents were neutral and 49% of the respondents were in agreement. This implies that income diversification reduces the risk of congregations closing down in case of donor funding withdrawal.

Income Diversification and ability to meet Overhead Costs

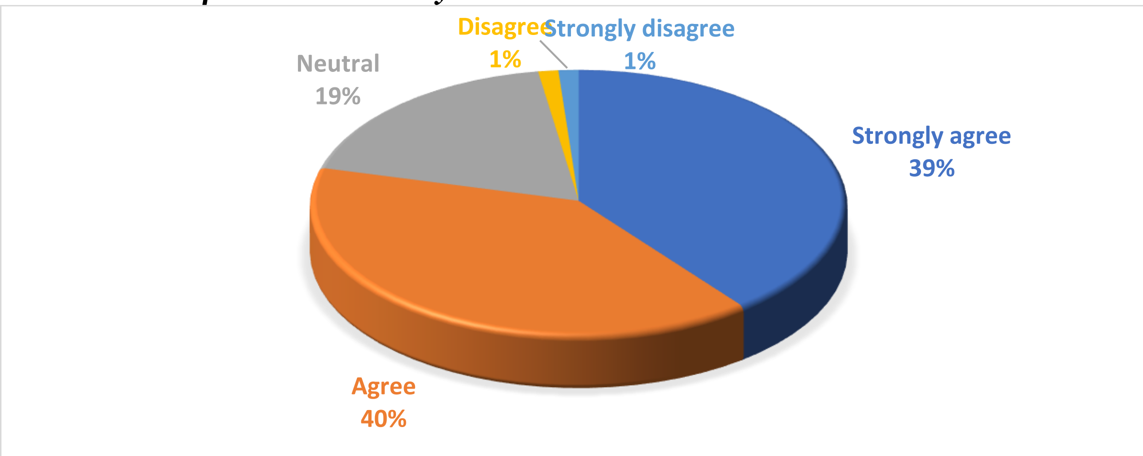

Figure 6: Income diversification and Congregation's ability to meet its overhead costs
Source: Field data, 2020

From the figure above, 79% of the respondents were in agreement that income diversification enables their congregation to meet its overhead costs and other expenses not met by the donors, 19% of the respondents were neutral while 2% of the respondents were in disagreement. This implies that income diversifications enable their congregation to meet its overhead costs and other expenses not met by the donors.

Income diversification and ability to reject funding

Table 5: Income diversification and rejection of funding

Income diversification enables my congregation to be able to reject funding whose source is not in line with our values and believes	**Frequency**	**Percent**
Strongly agree	39	47.6%
Agree	27	32.9%
Neutral	11	13.4%
Disagree	3	3.7%
Strongly disagree	2	2.4%
Total	**82**	**100.0**

Source: ***Field data, 2020***

From the findings, 81% of the respondents were in agreement that income diversification enables congregations to be able to reject funding whose source is not in line with our values and believes, 13% had neutral views while 6% of the respondents were in disagreement. This shows that in deed, income diversification enables congregations to be able to reject funding whose source is not in line with their values and believes.

Sources of Funding

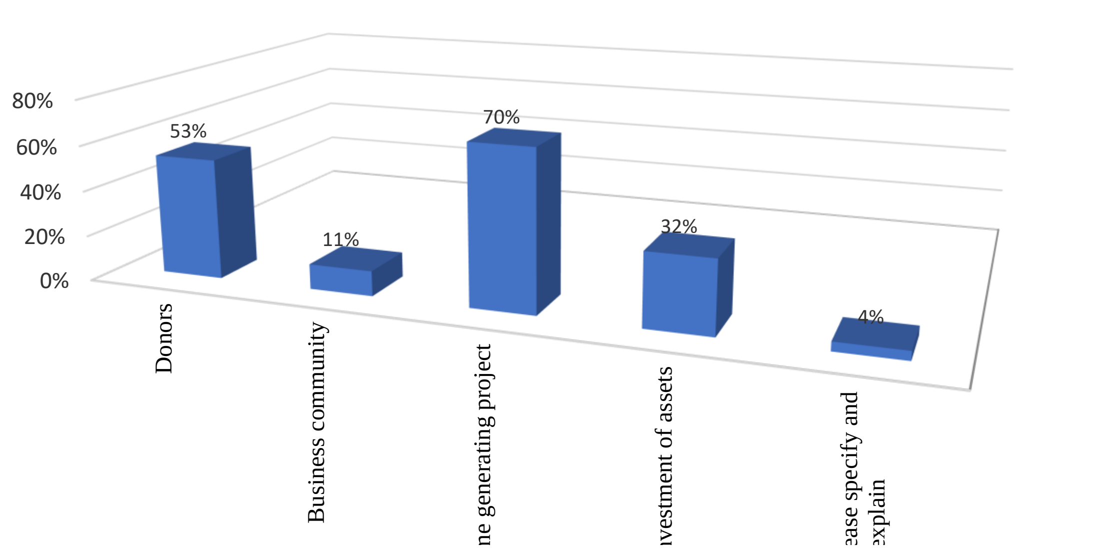

Figure 7: Sources of Funding
Source: ***Field data, 2020***

Figure 7 above demonstrates that 703% of the respondents pointed out that income generating projects were their main source of income, followed by donor (53%), then investment of assets at 32%, followed by business community at 11% and lastly, others at 4%. This shows that income generating projects tops the sources of funding for most Congregations. This implies that most of the Congregations are drifting towards self-reliance for their sustainability.

1.11 Conclusion

The study concludes that income diversification affects sustainability of Congregations to a great extent and therefore other income generating activities are helping to increase congregations' financial sustainability. The declining foreign donations are pushing many Congregations to invest in income generating projects as a source of funding and for self-reliance and sustainability purposes.

1.12 Recommendation

As observed from the findings, effective financial management, income diversification and donor relationships positively affect CWRCs financial management and sustainability in Nairobi Kenya. This study therefore, recommends that leaders of Women Religious Congregations have an obligation to ensure that their communities are able to sustain themselves through self-reliance and good financial management practices in the light of declining donor support. Through income diversification, CWRCs would also be able to increase the scope of their activities and thereby being able to meet the need of the target stakeholders and a sustainable organizational development.

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