

**DIVERSIFICATION OF FUNDING STRATEGIES AND OPERATIONAL
PERFORMANCE OF DROUGHT-RELATED HUMANITARIAN
ORGANIZATIONS IN MACHAKOS COUNTY, KENYA**

BY

HELLEN KATUNGE MBINGO

**MASTER OF BUSINESS ADMINISTRATION DEGREE (CORPORATE
MANAGEMENT)**

**KCA UNIVERSITY
2025**

**DIVERSIFICATION OF FUNDING STRATEGIES AND OPERATIONAL
PERFORMANCE OF DROUGHT-RELATED HUMANITARIAN
ORGANIZATIONS IN MACHAKOS COUNTY, KENYA**

BY

HELLEN KATUNGE MBINGO

**A RESEARCH DISSERTATION SUBMITTED IN PARTIAL FULFILLMENT OF
THE REQUIREMENTS FOR THE AWARD OF MASTER OF BUSINESS
ADMINISTRATION DEGREE (CORPORATE MANAGEMENT) SCHOOL OF
BUSINESS, KCA UNIVERSITY**

OCTOBER 2025

DECLARATION

I declare that this dissertation is my original work and has not been previously published or submitted elsewhere for award of a degree. I also declare that this dissertation contains no material written or published by other people except where due reference is made and author acknowledged.

Hellen Katunge Mbingo

Reg. no.19/03823

Sign.



Date 08/10/2025

I do hereby confirm that I have examined the master's dissertation of

Hellen Katunge Mbingo

And have certified that all revisions that the dissertation panel and examiners recommended have been adequately addressed

Sign:..



Date: 11/10/2025

Dr. Wabuyabo-Okonga Brigitte

ABSTRACT

This study examined the effect of social enterprise ventures, corporate sponsorships, crowd funding, and NGO membership subscriptions on the operational performance of drought-related humanitarian organizations in Machakos County, Kenya. The study was guided by Modern Portfolio Theory, Contingency Theory, Ansoff Matrix Theory, and Resource Dependence Theory. A descriptive research design was adopted, targeting 518 staff from 13 drought-related organizations in the county. Using cluster sampling, 103 departmental heads closely involved in funding decisions were selected. Primary data was collected through structured questionnaires that met validity and reliability standards, with Cronbach's alpha coefficients exceeding 0.7. A pilot test was conducted with 10 respondents from the Kenya Red Cross Society. Data analysis involved descriptive and inferential statistics, including correlation and regression analysis. Findings revealed a significant positive relationship between diversification strategies and operational performance. Social enterprise ventures showed a strong positive relationship with operational performance ($r = 0.600$, $p < 0.001$), while corporate sponsorships had an even stronger correlation ($r = 0.769$). Crowd-funding strategies also demonstrated a positive but relatively weaker relationship ($r = 0.523$). NGO membership subscriptions recorded a positive and significant association ($r = 0.686$). The study concludes that diversification of funding enhances operational performance by improving financial stability, responsiveness, and sustainability of humanitarian operations. It recommends that policymakers and NGO managers strengthen capacity building in social enterprise development and digital fundraising, establish clear ethical guidelines for corporate sponsorships, and promote membership-based funding frameworks. Strengthening these strategies can help humanitarian organizations in drought-prone areas like Machakos County achieve more consistent and effective operational outcomes. In suggestion for further studies, there were some more factors that were not captured by the model but still affected operational performance in Humanitarian organizations in Machakos County. This gave room for further analysis or research in which other researchers may consider pursuing. Therefore, there is need for further research to be carried out to establish what other factors represented by 36.5% could be affecting operational performance because of diversification of funding strategies.

ACKNOWLEDGEMENT

I wish to express my gratitude to those who have significantly contributed to the effective completion of this research study and my complete educational journey. I would want to express my gratitude for the unwavering dedication my supervisor, Dr. Wabuyabo-Okonga Brigitte, M., has demonstrated towards me, particularly regarding research commitment. I wish to convey my gratitude for the steadfast support and encouragement I have gotten from my friends and colleagues over my academic career. Their significant contributions have been a crucial role in my academic progress. I also express my gratitude to the KCA University Management for enabling all responsibilities related to the development of this research.

TABLE OF CONTENTS

DECLARATION	iii
ABSTRACT.....	iv
ACKNOWLEDGEMENT	v
TABLE OF CONTENTS	vi
DEDICATION	ix
LIST OF TABLES.....	x
LIST OF FIGURES.....	xi
LIST OF ABBREVIATION AND ACRONYMS.....	xii
OPERATIONAL DEFINITION OF TERMS.....	xiii
CHAPTER ONE	1
INTRODUCTION	1
1.1 Background of Study	1
1.2 Statement of the Problem.....	10
1.3 Objectives of the Study	12
1.4 Research questions.....	12
1.5 Significance of the Study.....	13
1.6 Scope of the Study	15
CHAPTER TWO.....	16
LITERATURE REVIEW	16
2.1 Introduction.....	16
2.2 Theoretical Review	16
2.3 Empirical Literature	24
2.4 Summary of Research Gaps.....	34
2.5 Conceptual Framework	36
2.6 Operationalization of Variables	37
CHAPTER THREE.....	38
RESEARCH DESIGN AND METHODOLOGY	38
3.1 Introduction.....	38
3.2 Research Design.....	38
3.3 Target Population.....	39

3.4 Sample Size and Sampling Techniques	40
3.5 Instrumentation and Data Collection	41
3.6 Validity and Reliability of Research Instruments	43
3.7 Pilot Study.....	44
3.8 Data Analysis and Presentations	44
3.9 Diagnostic Tests.....	45
3.10 Ethical Considerations.....	46
3.10.1 Informed Consent	47
3.10.2 Voluntary Participation	47
3.10.3 Confidentiality.....	48
3.10.5 Anonymity.....	48
CHAPTER FOUR	49
FINDINGS AND DISCUSSIONS	49
4.1 Introduction.....	49
4.2 Response Rate	49
4.3 Pilot Test Results	50
4.2.1 Reliability Test Results	50
4.4 Demographic Analysis.....	51
4.4.1 Gender	51
4.4.2 Work Experience of Respondents	52
4.4.3 Highest Level of Education.....	53
4.5 Analysis of Study Variables.....	54
4.6 Inferential Analysis	67
4.6.1 Correlation Analysis.....	67
4.6.2 Regression Analysis	70
4.6.3 Analysis of Variance	71
4.6.4 Regression Coefficient Tests.....	72
CHAPTER FIVE	75
CONCLUSIONS AND RECOMMENDATIONS	75
5.1 Introduction.....	75
5.2 Summary of Findings.....	75
5.3 Conclusion of the Research Study	77

5.4 Recommendations for the Research Study	77
5.4.5 Recommendation to Policy and Practice	79
5.5 Limitations of the Study.....	80
5.6 Recommendations for Further Research.....	81
REFERENCES.....	82
APPENDICES	89
APPENDIX I: ETHICS CLEARANCE LETTER	89
APPENDIX II: INTRODUCTION LETTER TO NACOSTI	90
APPENDIX III: RESEARCH PERMIT (NACOSTI).....	91
APPENDIX IV: INTRODUCTION LETTER TO RESPONDENTS.....	92
APPENDIX V: QUESTIONNAIRE.....	93
APPENDIX VI: DROUGHT-RELATED HUMANITARIAN SUPPORT ORGANIZATIONS ..	98

DEDICATION

This research is dedicated to my family, particularly my daughter Zara as well as my son Josh. They have significantly influenced my academic endeavors. They have provided me with unwavering support despite the rigorous schedule involving professional and academic obligations. I sincerely appreciate their assistance.

LIST OF TABLES

Table 1 Operationalization of Variables	37
Table 2 Target Population.....	39
Table 3 Sample Size.....	41
Table 4 Response Rate	49
Table 5 Reliability Test Results	50
Table 6 Gender of Respondents	51
Table 7 Work Experience of Respondents.....	52
Table 8 Highest Level of Education	53
Table 9 Results for Social Enterprise Ventures Diversification	54
Table 10 Results for Corporate Sponsorships Diversification.....	56
Table 11 Results for Crowd-Funding Diversification.....	59
Table 12 Results for NGO Membership Subscriptions	62
Table 13 Results for Operational Performance.....	65
Table 14 Correlation Analysis	68
Table 15 Regression Analysis.....	70
Table 16 Analysis of Variance.....	71
Table 17 Regression Coefficient Test Results	73

LIST OF FIGURES

Figure 1 Conceptual Framework	36
--	----

LIST OF ABBREVIATION AND ACRONYMS

CBO	Community Based Organization
EASHRI	East African Sexual Health and Rights Initiative
IRC	International Rescue Committee
KPIs	Key Performance Indicators
MPT	Modern Portfolio Theory
MSMEs	Micro, Small and Medium Enterprises
NDMA	National Drought Management Authority
NGOs	Non-Governmental Organization
RDT	Resource Dependence Theory
SESOK	Society of Social Entrepreneurs in Kenya
UDO	Utooni Development Organization
UNICEF	United Nations International Children's Emergency Fund
USAID	United States Agency for International Development

OPERATIONAL DEFINITION OF TERMS

- Corporate Sponsorships** Partnerships or agreements wherein a firm (the sponsor) offers financial support, goods, or services to an individual, event, organization, or cause in return for designated marketing advantages or brand exposure (Kamstra & Schulepen, 2023).
- Crowd-Funding** It is a fundraising approach that involves requesting minor contributions from a substantial number of individuals, usually through internet platforms. It is frequently utilized to endorse creative endeavors, entrepreneurial enterprises, philanthropic activities, or community projects (Nadzmy *et. al.* 2024).
- Diversification of Funding Strategies** The practice of sourcing financial resources from a variety of channels, methods, or revenue streams to reduce financial risk, increase stability, and enhance the ability to achieve organizational or project goals (Burns & Burns, 2023).
- Drought-related Humanitarian Organizations** Specialized entities such as governmental, non-governmental, or international that provide aid and resources to communities affected by drought-related organizations (Herniate *et. al.* 2024).
- NGO Membership Subscriptions** They are regular payments made by individuals or entities to join, participate in, or retain membership in an organization, association, club, or group (Mindra & Moya, 2024).
- Operational Performance** Denotes the efficiency and efficacy with which a company employs its resources to attain its objectives and provide products or services, as

well as the proficiency of its core operational processes in fulfilling customer demands, achieving profitability, and sustaining a competitive advantage (Mpofu & Govender, 2022).

Social Enterprise Ventures

Comprises groups that pursue both social and financial objectives to tackle societal issues such as poverty, education, healthcare, or environmental sustainability, while producing cash to support their operations (Zugay & Zakaria, 2023).

CHAPTER ONE

INTRODUCTION

1.1 Background of Study

Operational performance refers to the effectiveness and efficiency of an organization's internal operations in delivering services or products with the goal of optimizing processes to reduce costs while maintaining high quality and throughput (Renz, 2023). According to Aponte (2022), there are five main operational performance objectives: speed, quality, costs, flexibility, and dependability. These objectives help organizations define their operational goals and assess their performance against these criteria. According to Aboramadan (2020), operational performance is usually assessed using two key dimensions: efficiency, which signifies best utilization of resources to produce the intended results, and effectiveness, which assesses how well the organization achieves its objectives and goals. Integrating these two factors is critical to overall performance enhancement.

Operational performance in drought-related humanitarian organizations refers to their effectiveness and efficiency in delivering timely, adequate, and appropriate assistance to affected populations. Key performance indicators include response time, resource allocation efficiency, logistical coordination, and adaptability to changing conditions (AlKhoury & Arouri, 2022). Humanitarian organizations working in drought-prone regions must ensure rapid needs assessments, strategic stockpiling, and pre-positioning of resources to mitigate delays during crisis periods. Organizations such as the World Food Programme (WFP) and the International Federation of Red Cross and Red Crescent Societies (IFRC) have adopted early warning systems and contingency planning to enhance operational readiness and reduce human suffering (Stobaugh et al., 2023). The use of geographic information systems (GIS),

mobile data collection, and real-time monitoring further supports evidence-based decision-making and improves response effectiveness.

Despite these innovations, the operational performance of humanitarian organizations is often constrained by limited funding, bureaucratic delays, poor coordination among stakeholders, and restricted access to affected regions (Buchanan-Smith & Davies, 2024). These factors cause inefficiencies in service delivery and hinder the timely response to emergencies. Moreover, the increasing frequency and severity of droughts due to climate change require more adaptive and resilient operational strategies. Strong partnerships with governments, local communities, and development actors have become essential in sustaining humanitarian operations. Scholars agree that financial diversification, data-driven planning, and inclusive coordination mechanisms can strengthen both emergency response and long-term resilience (Mosel & Levine, 2024).

Globally, humanitarian organizations have faced financial constraints that threaten their operational effectiveness. In the United States, reduced public financing has forced many NGOs to scale down or close their operations (Kumi & Hayman, 2022). Similarly, in the United Kingdom, NGOs such as Childhood Development and Aid collapsed due to weak financial oversight and dependence on restricted grants (Ghauri & Wang, 2021). In developing contexts such as Zimbabwe, excessive reliance on external donors has made NGOs financially unstable and limited their ability to sustain social welfare programs (Islam, 2020). These cases reveal that diversification of funding sources is a crucial factor for the sustainability of humanitarian operations.

In Kenya, NGOs continue to grapple with declining donor support, a shift in donor focus to emerging crises elsewhere, and lower allocations to social programs (Mutinda &

Ngahu, 2020). Many organizations have been urged to diversify their financial bases through partnerships, community-based fundraising, income-generating projects, and improved financial management systems (Olando, 2020). The 2022 UNICEF Humanitarian Situation Report on Kenya's drought response indicated that 93 humanitarian groups assisted over 1.7 million people. However, sustaining such large-scale interventions remains challenging because of inconsistent funding flows and the heavy reliance on external aid. This has raised concerns about the long-term financial viability of NGOs working in drought-prone areas.

In Machakos County, where recurrent droughts continue to affect livelihoods, humanitarian organizations such as World Vision and Action Against Hunger face similar funding challenges that hinder their capacity to respond effectively. Relying heavily on external grants exposes them to financial shocks when donor priorities shift or funding cycles end (Salamon, 2020). Diversifying funding through mechanisms such as public-private partnerships, grants, community contributions, and income-generating ventures—can enhance flexibility and operational sustainability (Mutisya & Barker, 2021; OECD, 2024). Despite this, there is limited empirical evidence on how diversification of funding strategies influences the operational performance of drought-related humanitarian organizations in the Kenyan context, particularly in Machakos County.

This gap highlights the need to examine whether, and to what extent, different funding diversification strategies contribute to operational performance outcomes such as efficiency, responsiveness, and sustainability in humanitarian organizations. While existing literature addresses financial sustainability in general NGO operations, few studies have specifically focused on drought-related organizations in semi-arid regions like Machakos, where funding volatility directly impacts the timeliness and adequacy of aid delivery. Therefore, this study seeks to fill this gap by assessing how diversification of funding strategies affects the

operational performance of drought-related humanitarian organizations in Machakos County, Kenya

1.1.1 Diversification of Funding Strategies

Diversification of funding strategies in NGOs refers to the practice of securing financial resources from multiple and varied sources to reduce dependency on a single donor or funding stream. This approach may include a mix of grants from international donors, government funding, private sector partnerships, individual donations, social enterprises, crowdfunding, and income-generating activities (Tuckman & Chang, 2021). By spreading financial risk, diversification enhances an NGO's financial sustainability, flexibility, and resilience in the face of funding uncertainties. It also allows NGOs to maintain operational continuity, strengthen program impact, and uphold their independence, particularly when donor priorities shift. Ultimately, diversified funding helps NGOs to plan long-term, respond quickly to emergencies, and pursue innovative solutions to complex development challenges (Salamon, 2020).

The function of NGOs and civil society in funding sustainable development is significant, however it is evolving. Although the mobilization of local resources and foreign funding are expanding fast, their availability is not uniform across all entities (Kumi & Hayman, 2022). Non-Governmental Organizations encounter challenges in securing adequate, suitable, and ongoing financing for their operations. They perceive accessing sponsors to be equally difficult as navigating their funding stipulations. Lin and Wang (2019) assert that local resource mobilization offers significant possibilities for NGOs to secure funding from local enterprises, people in general, government entities, and domestically generated revenue. This idea of independence or self-reliance is based on the notion that most

NGOs can sustain themselves and should not be compelled to rely on external assistance while anticipating their recovery.

Governments permit NGOs to engage in income-generating activities through legislation and establish guiding principles to support their objectives related to social, economic, and political welfare. Income-generating initiatives, such as fundraising events, aim to facilitate NGOs in achieving 'self-sufficiency' by offering economic resources and activities, like agriculture, service delivery, or commerce (Herrero, 2019). Strategies for income diversification that significantly enhance the ability to survive in NGOs include accessing international funding sources, securing corporate donations, engaging in fundraising activities, and having and running enterprises (AlKhouri & Arouri, 2022).

A multitude of the world's biggest and most influential international non-governmental organizations are registered in the United States, where they conduct substantial fundraising endeavors to sustain their global operations. Their dependency on external financial support renders them vulnerable to resource dependence and potential external control. Transnational NGOs, structured as corporations, strive to preserve operational autonomy relative to the donors that provide their support (Mitchell, 2021). Nevertheless, NGOs in Asian nations frequently encounter variations in funding due to the continually evolving goals of their international benefactors. In the absence of domestic resources, Asian NGOs must realign their aims to line with donor interests to secure financing. In advocacy NGOs, the resultant imbalance in donor-grantee interactions frequently precipitates a legitimacy crisis and diminishes the NGO's efficacy, as seen by Parks. (2020) who concentrated on the fluctuations of donor support for advocacy NGOs (Nguyen & Watanabe, 2019).

Kamstra and Schulepen (2023) examined the similarities and differences in funding from donors and the homogenization of NGOs in Ghana and Indonesia, demonstrating that the relevance and efficacy of donor strategies are frequently contingent upon their capacity to adapt to local contextual factors. Notwithstanding the significance of customized strategies, donor-funded democracy-promoting NGOs in diverse regions such as Ghana and Indonesia exhibit very comparable organizational traits in their implementation of corporate sponsorships. Burns and Burns (2023) claim that while many NGOs are beginning to recognize the potential of corporate sponsorships, challenges remain. Smaller NGOs may struggle to attract sponsors due to limited visibility or perceived capacity. However, as awareness grows, even smaller organizations are starting to approach potential sponsors, realizing that sponsorship can be a viable funding avenue.

Miriti and Karithi (2020) concluded that engaging in income-generating activities, including commercial enterprises, social enterprise initiatives, corporate sponsorships via partnerships, confidence or endowed funds, and limitless income-generating activities, significantly influences the financial sustainability of the Sisters Maternity Home in Garissa, Kenya. Moreover, self-generated income was the primary contributor to the sustainable income of NGOs, succeeded by donor relationship management, as indicated by Ali (2022) in their studies, Sustainable Funding of Non-Governmental Organizations at Sisters Maternity Home.

1.1.2 Operational Performance

Operational performance in NGOs according to Mindra and Moya (2024) refers to the effectiveness and efficiency with which non-governmental organizations implement their projects and programs aimed at achieving social or humanitarian goals. This performance is

crucial for NGOs as they often operate under constraints such as limited funding and resources while striving to make a significant impact in their communities or areas of focus. The KPIs are specific metrics used to evaluate the success of an organization in achieving its operational objectives. Ngoe (2021) provided measures in operational performance and how they can be viewed in terms of response time with reference to time taken to mobilize resources and implement interventions. The Impact Assessment intended to evaluate the outcomes of interventions, then Stakeholder Satisfaction to gather feedback that can help organizations understand their performance from the perspective of those they serve. Lastly, Sustainability Metrics that aims at assessing long-term sustainability of interventions, including the environmental and economic impacts, is essential for evaluating operational performance with performance indexes that address response time, impact assessment, stakeholder satisfaction and sustainability metrics.

Operational performance among NGOs in Kenya is measured using key performance indicators that assess efficiency, effectiveness, and sustainability. According to Okinda and Ondiwa, (2024) program impact, which evaluates how well projects meet their intended objectives and benefit target communities; resource utilization, which tracks how effectively funds and assets are allocated to minimize waste; and beneficiary reach, assessing the number of people served and the depth of impact. Additionally, according to Mutinda and Ngahu (2020), compliance with regulatory requirements ensures adherence to government policies and donor guidelines, while financial transparency measures accountability in reporting and fund management. Other crucial indicators include staff productivity and engagement, evaluating how well employees contribute to organizational goals, and partnership effectiveness, assessing collaboration with stakeholders. Strong monitoring and evaluation

systems help NGOs in Kenya track these indicators, enabling them to improve performance and maximize social impact.

Operational performance in drought organizations is crucial in mitigating the impacts of drought and fostering resilience in vulnerable communities. By enhancing monitoring systems, resource management, community engagement, and collaboration, these organizations can improve their effectiveness (Nguyen & Watanabe, 2019). Continuous assessment and adaptation of strategies was essential as the frequency and severity of droughts increase in the coming years. Ultimately, the success of drought organizations lies in their ability to respond proactively to the challenges posed by drought, ensuring that communities are better prepared and more resilient in the face of future challenges (Mutale, 2021).

Presently, in Kenya, most NGOs lack adequate, suitable, or sustained funding for their initiatives, resulting in delays in their operations. Numerous local NGOs are unable to mobilize resources and typically do not pursue local financing, opting instead to depend on donor assistance (Moreno, 2021). This predicament is exacerbated by challenging global economic conditions, including a worldwide recession that has diminished donor funding, strict donor requirements, and inadequate monetary sustainability practices, alongside questionable organizational oversight and governance, all of which further impede the NGOs' capacity utilization to secure external financing (Milelu, 2021).

Many organizations do, however, expect to navigate significant challenges, including funding limitations, data accuracy, and the impacts of climate change struggle to attract appropriate donors and often rely heavily on international funding sources, which can be unpredictable and limited. This financial instability can impede their ability to plan and execute projects effectively. NGOs frequently encounter difficulties in mobilizing resources

locally. Limited skills in fundraising and resource management can lead to a dependency on external funding, making it challenging to sustain operations and achieve long-term goals (Mohamed & Muturi, 2020).

1.1.3 Drought-related Humanitarian Organizations

Machakos County has been significantly affected by drought, prompting various humanitarian organizations to aid. Various humanitarian organizations are actively engaged in addressing the challenges posed by recurrent droughts. Their operations encompass a range of interventions aimed at enhancing community resilience, ensuring food security, and providing essential services (ODI Global, 2022). Drought-related Humanitarian Organizations comprise of Kenya Red Cross Society, ActionAid Kenya, Utooni Development Organization, Catholic Relief Services, Mercy Corps, Malteser International, of International Rescue Committee (IRC) which focuses on delivering humanitarian aid and development programs to vulnerable populations, including those affected by drought. Their initiatives aim to provide immediate relief and foster long-term resilience among communities. There is Oxfam that is actively involved in humanitarian responses in Kenya, including Machakos County. They work on preventing and responding to crises, emphasizing gender equality and community resilience in their programs (National Drought Management Authority, 2023).

There is Utooni Development Organization (UDO) dedicated to improving the lives of subsistence farmers in drought-prone areas of Machakos. Their projects include constructing sand dams on seasonal rivers, which trap water and sand, creating artificial aquifers that provide a year-round water source. We Effect, it is an organization that collaborates with local women's groups in Machakos to enhance resilience to climate change through alternative livelihoods. For instance, the Kikuthuko Women's Group engages in sisal

basketry, providing an additional income source beyond traditional farming. Lastly, the government backed organization- National Drought Management Authority (NDMA) which implements drought resilience projects and coordinates responses to drought emergencies across Kenya, including Machakos County. They focus on long-term strategies to mitigate the impacts of drought (National Drought Management Authority, 2023).

1.2 Statement of the Problem

Drought-related humanitarian organizations face significant challenges in diversifying their funding strategies due to donor dependency, unpredictable funding cycles, and competition for limited resources. Many rely heavily on government and international aid, which can be inconsistent or influenced by political priorities, making it difficult to secure stable, long-term funding (Arejiogbe et al., 2023). Donor restrictions on fund utilization further constrain flexibility, limiting the exploration of alternative revenue streams such as social enterprises or investment-driven funding models (Kinyua & Elosy, 2023). Evidence suggests that organizations that successfully diversify funding enhance financial stability, ensuring uninterrupted aid delivery during crises (Mutale, 2021).

Kenya has been experiencing one of its most severe droughts in recent history, significantly affecting food security and livelihoods. Between March and June 2023, an estimated 5.4 million people faced acute food insecurity, including 1.2 million in emergency conditions, while over 2.5 million livestock died, critically affecting pastoralist communities. In Machakos County, where 73% of the population depends on agriculture, climate-induced challenges such as water scarcity and crop failures have intensified. The 2023 Drought Response Plan mobilized over USD 394 million to reach 2.9 million people with essential aid. However, funding gaps remain, with UNICEF reporting a shortfall of Sh15 billion

(approximately USD 120 million) to support affected children and families. Local organizations, including Action Against Hunger, struggle with competition for limited funding and the need to demonstrate measurable outcomes to attract support. The global focus on other humanitarian crises further diverts resources, exacerbating funding gaps and threatening the effectiveness and sustainability of drought response programs.

Previous studies reveal methodological, contextual, and conceptual gaps. Research on nonprofit membership fees in Germany (Feiler, Wicker & Breuer, 2019) and donor–NGO partnerships in South Africa (Mpofu & Govender, 2022) lacks local relevance. Studies in Nairobi (Miriti & Karithi, 2020) address NGO sustainability but not funding diversification, while Kinyua and Elosy (2023) focus solely on crowd funding. These gaps indicate the need for empirical evidence on how diversified funding including social enterprise ventures, corporate sponsorships, crowd funding, and NGO membership subscriptions—affects operational performance in Kenyan drought-related organizations.

Addressing this gap is critical for knowledge and practice. Understanding the role of diversified funding strategies can enhance financial stability, resource availability, and responsiveness during crises. Practically, the findings can guide humanitarian organizations in adopting sustainable funding models, reducing overreliance on single donors, and improving capacity to plan, mobilize resources, and deliver timely assistance during drought emergencies. This evidence can inform policy formulation and donor engagement strategies, ultimately strengthening the effectiveness of humanitarian response efforts in drought-prone regions such as Machakos County

1.3 Objectives of the Study

The general objective of the study was to assess the influence of diversified funding on organizational effectiveness among drought-related humanitarian organizations in Machakos County, Kenya.

- i) To find out the effect of social enterprise venture diversification strategy on operational performance of drought-related humanitarian organizations in Machakos County, Kenya.
- ii) To determine the effect of corporate sponsorship diversification strategy on operational performance of drought-related humanitarian organizations in Machakos County, Kenya.
- iii) To establish the effect of crowdfunding diversification strategy on operational performance of drought-related humanitarian organizations in Machakos County, Kenya.
- iv) To determine the effect of NGO Membership Subscriptions diversification strategy on operational performance of drought-related humanitarian organizations in Machakos County, Kenya.

1.4 Research questions

- i) How does social enterprise venture diversification strategy affect operational performance of drought-related humanitarian organizations in Machakos County, Kenya?
- ii) How does corporate sponsorship diversification strategy affect the operational performance of drought-related humanitarian organizations in Machakos County, Kenya?

- iii) How does crowdfunding diversification strategy affect the operational performance of drought-related humanitarian organizations in Machakos County, Kenya?
- iv) How does NGO Membership Subscriptions diversification strategy affect operational performance of drought-related humanitarian organizations in Machakos County, Kenya?

1.5 Significance of the Study

The study is significant to the following groups;

1.5.1 Policymakers-Drought-related Organizations

Research studies on the diversification of funding strategies are crucial for policymakers and humanitarian organizations, especially in the context of addressing drought and other humanitarian crises. Policymakers can leverage insights from diversification strategies to enhance access to humanitarian aid. Research indicates that a broader funding base can facilitate more flexible and responsive aid delivery, particularly in complex emergencies where traditional funding may be insufficient. This adaptability is essential for addressing the unique challenges posed by drought conditions.

1.5.2 The Regulatory Authority: The Government of Kenya

Understanding diverse funding strategies allows regulatory authorities to develop more effective policies that support drought organizations. By analyzing successful funding models, authorities can create frameworks that encourage innovation and flexibility in funding, ensuring that organizations can respond promptly to drought-related challenges. Regulatory authorities can benefit from insights into how diversified funding impacts the efficiency and effectiveness of drought organizations. Research can reveal which funding strategies lead to better resource allocation, enabling authorities to direct support and incentives toward the

most effective approaches. This can enhance the overall impact of drought management initiatives. Thus, by establishing guidelines that encourage diverse funding sources, authorities can mitigate risks associated with over-reliance on single donors, thereby enhancing compliance with financial regulations and ethical standards.

1.5.3 Donors

Studies on funding diversification can provide insights into how organizations maintain accountability and transparency with their funding sources. Donors are increasingly focused on ensuring that their funds are used effectively and ethically. By supporting organizations that adopt diversified funding strategies, donors can promote a culture of accountability, as these organizations often have to adhere to multiple reporting standards and donor expectations. Donors are increasingly interested in ensuring that their contributions lead to meaningful outcomes. By understanding how diversified funding strategies enhance the effectiveness of drought organizations, donors can make informed decisions about where to allocate their resources. Donors can benefit from supporting these organizations, as they are likely to implement creative solutions that address the multifaceted nature of drought impacts. This innovation can lead to more effective interventions and sustainable practices that align with donor goals.

1.5.4 Other Researchers

Studies on funding diversification can reveal the best practices that enhance the operational capacity of drought organizations. Other researchers can analyze these practices to develop guidelines or models that can be applied in different regions or sectors, thereby improving the overall effectiveness of drought response efforts. Research findings can highlight gaps in the current understanding of funding strategies and their implications for drought management.

This can guide other researchers in identifying areas that require further investigation, such as the impact of specific funding sources on organizational resilience or the effectiveness of innovative funding models.

1.6 Scope of the Study

The study majored on diversification of funding strategies and operational performance of drought-related organizations in Machakos County, Kenya constituting the content scope. The study was based on drought-related organizations with areas of operations in Machakos County and this fulfilled the geographical scope. For conceptual scope, the study sought to examine the effect of donor funds, fundraising events, social enterprise ventures and corporate sponsorships on operational performance of drought-related organizations. For methodological scope, the study targeted administrators in drought-related organizations to address the subject of study. The study therefore adopted correlational research design since it aided in establishing the relationship between two or more variables without manipulating them and the strength of the association. The data was collected by use of questionnaires. The study was covered in a period of five months from November 2024 to April 2025.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter covers the theoretical framework which addresses the theories applicable to the study. The chapter also covers empirical literature, summary of research gaps, conceptual framework and lastly operational framework.

2.2 Theoretical Review

The following theories are considered to study objectives; Modern portfolio Theory, Contingency Theory, Ansoff Matrix Theory, Resource Dependence Theory.

2.2.1 Modern Portfolio Theory

Modern Portfolio Theory (MPT), proposed by Harry Markowitz in 1952, asserts that investment diversification can enhance returns while reducing risk (Elton & Gruber, 1997). Investors can create an investment strategy that maximizes returns for a certain amount of risk by amalgamating assets with diverse risk and return characteristics. The theory relies on concepts such as expected returns, standard deviation (a measure of risk), and correlation between assets. In social enterprise ventures, Curtis (2019) stated that this principle can guide revenue diversification, balancing funding sources like grants, loans, equity, and earned income to enhance financial sustainability and mitigate risks associated with dependence on a single income stream.

According to Sturgeon (2023), the theory, led by Harry Markowitz demonstrated that diversification is key to optimizing portfolio performance. Markowitz's groundbreaking work in 1952 showed that by investing in a mix of assets with varying degrees of risk and return,

investors could reduce the overall portfolio risk without sacrificing returns. His theory introduced the concepts of expected returns, variance, and asset correlation, laying the foundation for efficient portfolio construction (Johnstone, 2021). This approach not only transformed financial investment strategies but also applies to fields like social enterprise, where diversifying revenue streams enhances stability and minimizes the impact of risks from individual funding sources.

The MPT assumes that investors are rational and seek to maximize returns while minimizing risk (Lukomnik & Hawley, 2021). It emphasizes diversification, stating that a well-constructed portfolio can reduce risk by combining assets with low correlations. Social enterprises, however, often prioritize social impact over profit maximization, challenging MPT's return-focused approach. While they may still seek financial sustainability, their investments are typically directed toward social or environmental outcomes, requiring a shift in MPT's assumptions. Beyhaghi and Hawley (2023) state that risk is not only financial but also includes social and ethical considerations, expanding the scope of traditional portfolio theory to encompass broader objectives.

Critics of MPT argue that its assumptions oversimplify real-world financial markets. According to Swisher and Kasten (2015), MPT relies on past data to predict correlations and expected returns, which may not be a reliable indicator of future performance. Critics contend that it ignores behavioral biases and market oddities in favor of assuming reasonable investment decisions and efficient markets. Additionally, the focus on diversification might dilute returns in certain cases. MPT's reliance on standard deviation as a risk measure is contested, as it treats upside volatility as equally undesirable as downside risk. These limitations suggest that MPT, while influential, may not fully capture market complexities (Elton *et al.*, 2019).

The MPT pertains to social entrepreneurial initiatives within NGOs by illustrating the importance of diversification sources of revenue to enhance their financial viability and mitigate risk. Just as MPT advises combining assets with varying returns and risks in investment portfolios, NGOs can balance funding sources grants, donations, earned income, loans, and equity to reduce dependence on any single stream. This diversification ensures resilience against financial uncertainties, such as fluctuating donor support or market changes. By aligning income strategies with risk tolerance and organizational goals, NGOs can achieve a stable flow of resources, enabling them to fulfill their mission while managing economic challenges effectively.

2.2.2 Contingency Theory

Contingency Theory, proposed by Lawrence and Lorsch (1967), states that there is no universal solution or management strategy suitable for all organizations. Instead, the strategy that is most appropriate needs to be determined by the specific conditions of the company, which include its environment, size, structure, and objectives. It emphasizes flexibility, suggesting that successful outcomes require aligning strategies with situational factors. In the context of corporate sponsorships, the theory guides organizations to diversify funding sources such as government grants, private donors, or commercial revenue based on their specific competitive landscape and objectives (Fiedler, 1964). This tailored approach ensures adaptability and effectiveness in achieving strategic goals amidst changing external conditions.

The proponents of Contingency Theory demonstrated that effective organizational management depends on aligning strategies and structures with environmental and situational factors. They maintained that there is no ideal method of management or organization; rather,

success depends on both internal characteristics like size and objectives as well as external factors like marketplace dynamics and competitors. Their work highlighted the need for flexibility, showing that organizations thrive by tailoring their approaches to fit their unique context. Tosi and Slocum (2020) perspective laid the foundation for adaptive strategies in diverse areas, including funding, leadership, and decision-making, ensuring alignment with specific operational demands.

Contingency Theory posits that the effectiveness of organizational strategies, such as corporate sponsorships, depends on the alignment between external and internal factors (Schoonhoven, 2019). These factors include the company's structure, leadership, culture, and the external environment. Corporate sponsorships achieve optimal success when they correspond with the organization's strategic objectives, available resources, and the requirements of the sponsoring body. Otley (2020) posits that a universal strategy is ineffective; instead, the best sponsorship strategy varies based on factors like industry trends, market conditions, and organizational capabilities. Therefore, companies must adapt their sponsorship strategies based on these contingencies to achieve optimal outcomes.

Critics of Contingency Theory argue that it lacks clear guidelines for implementation and can be overly complex. According to Donaldson (2021), the theory's emphasis on adapting to diverse situations often leads to ambiguity, making it difficult for organizations to apply consistently. Additionally, critics claim that it overlooks the influence of organizational culture and leadership style, focusing too heavily on external factors. Some suggest that the theory underestimates the potential for innovation and creativity within standardized approaches (Drazin & Van de Ven, 2020). Others believe that it fails to account for dynamic, rapidly changing environments, where the need for constant adaptation can hinder long-term planning and stability.

Contingency Theory is applicable to NGO Membership Subscriptions in NGOs by highlighting that the fee structure should be tailored to an organization's specific context, such as its size, mission, external environment, and financial needs. NGOs operating in different regions, with varying economic conditions, member demographics, and funding requirements, may adopt different NGO Membership Subscriptions strategies. For example, an NGO focused on advocacy in a wealthy country may implement higher fees to sustain large-scale campaigns, while one in a developing country may keep fees low or introduce flexible payment options to encourage broader participation. The theory suggests that NGOs must assess their unique circumstances and align membership fees with their strategic goals, ensuring both financial sustainability and member engagement.

2.2.3 Ansoff Matrix Theory

The Ansoff Matrix, proposed by Meldrum and McDonald. (1995), is a strategic tool that helps organizations assess growth options. The report identifies four different strategies, which include market penetration, development of products, market growth, and diversifying techniques. In reference to the context of diversification, organizations can explore new funding options, including crowdfunding, venture capital, or social enterprise revenue. Crowdfunding, as part of diversification, allows organizations to raise capital from a broad base of individual investors or supporters, offering an alternative to traditional funding methods like donations or grants, thus expanding revenue streams and enabling innovative growth strategies.

According to Swisher and Kasten (2015), Igor Ansoff introduced the Ansoff Matrix in 1957, illustrating that organizations could achieve growth by employing four distinct strategies: market penetration, product development, market development, and

diversification. Ansoff underscored that these strategies facilitate the expansion of businesses' market reach or product offerings. According to Hussain, Khattak, Rizwan, and Latif (2023), market saturation is the process of enhancing one's market share within existing markets, whereas product creation is the process of developing new products for existing markets. Diversification examines new products in new markets, while market development examines new geographical or demographic markets. According to Loredana (2017), Ansoff's framework assists organizations in assessing risk and making informed decisions about growth opportunities.

The Ansoff Matrix, a tool for identifying growth strategies, assumes that businesses aim to expand by leveraging existing products and markets or exploring new ones (Zugay & Zakaria, 2023). It posits that growth can occur through market penetration, product development, market development, or diversification. In the context of crowdfunding, businesses are assumed to seek funding from a wide pool of investors or customers, often in exchange for rewards, equity, or pre-orders. Crowdfunding is aligned with the product development or market development strategies in the matrix, as it allows companies to introduce new products or expand to new markets with financial support from the crowd (Jabr, 2022).

Critics of the Ansoff Matrix argue that it oversimplifies the complexities of business growth and risk management. They point out that the matrix does not account for external factors, such as market dynamics, competition, or technological changes, which can significantly influence strategic decisions (Dawes, 2018). Additionally, critics suggest that the matrix fails to provide guidance on how to implement the strategies effectively or manage the associated risks. Some argue that it prioritizes growth at all costs, potentially leading businesses to overlook long-term sustainability in favor of short-term expansion (Evangelia,

2017). The matrix also assumes that all four strategies are equally applicable to any organization, which may not always be the case.

The Ansoff Matrix is applicable to NGO Membership Subscriptions in NGOs by illustrating growth strategies for increasing revenue. Under market penetration, an NGO can boost membership fees within existing member groups or increase membership numbers at current fee levels. Product development could involve offering new services or benefits to attract higher membership fees. Market development might focus on expanding to new geographical areas or demographics to attract more members. Diversification could include introducing entirely new funding streams, such as corporate sponsorships or crowdfunding campaigns, alongside NGO Membership Subscriptions, allowing NGOs to generate additional revenue while reaching new audiences or supporters.

2.2.4 Resource Dependence Theory

Resource Dependence Theory (RDT), proposed by Pfeffer and Salancik (1978), emphasizes how organizations rely on external resources such as funding, materials, as well as information for survival success. This dependency shapes their behavior and decision-making as they seek to secure and manage critical resources. Provan, Beyer and Kruytbosch (1980) Organizations are influenced by external entities that control these resources, creating power dynamics and interdependencies. To reduce vulnerability, organizations diversify resource sources, fostering autonomy and adaptability. For example, membership fees serve as a diversification strategy, reducing reliance on a single funding source while stabilizing revenue and enhancing resilience to changes in the external environment.

The proponents about RDT, according to Ulrich and Barney (2020) forwarded the theory in their seminal work, *The External Control of Organizations*. They illustrate that

organizations are reliant on external resources for their survival, which are frequently under the control of other entities, resulting in power dynamics and interdependencies. This dependence has an impact on the structures, strategies, and decisions of the organization. To mitigate risks and enhance autonomy, Pfeffer and Salancik (2003) suggest that organizations strategically manage these dependencies, such as by diversifying funding sources or forming alliances. For instance, securing membership fees reduces reliance on a single funding stream, fostering stability and resilience in uncertain environments.

The assumptions as suggested by Casciaro and Piskorski (2015) indicate that RDT depends on external resources to survive and thrive, and their behaviors are influenced by the need to secure these resources. Membership fees are an example of a resource that organizations depend on for financial support. It was further assumed by Hillman, Withers and Collins (2019) that RDT suggests that organizations adjusted their strategies to manage relationships with external entities, such as members, to maintain access to necessary resources. This can involve influencing member expectations, engaging in bargaining, or diversifying income streams to reduce dependency and increase autonomy, ensuring long-term stability and sustainability in a resource-dependent environment.

Critics of RDT argue that it oversimplifies organizational behavior by focusing heavily on external resource control, often underestimating internal dynamics and strategic agency. They contend that organizations are not always passive in responding to external pressures and can actively shape their environments through innovation, lobbying, or partnerships (Kumar, & Das, 2021). Critics also point out that RDT may inadequately address the complexity of modern organizations operating in interconnected, globalized contexts where multiple resource dependencies coexist. Furthermore, overemphasis on resource acquisition

might neglect other organizational priorities, such as culture, ethics, or long-term sustainability, which are equally vital for survival and success (Drees & Heugens, 2023).

The RDT is applicable to membership fees in NGOs by highlighting how these fees reduce reliance on external funding sources like grants or donations. Membership fees provide a stable and predictable income stream, enabling NGOs to maintain operational autonomy and reduce vulnerability to donor-driven priorities or economic fluctuations. By diversifying their resource base through membership models, NGOs can strengthen financial resilience and sustain long-term projects. RDT emphasizes the importance of minimizing resource dependency, and NGO Membership Subscriptions align with this principle by empowering NGOs to rely on their own networks and members, fostering independence and accountability to their core mission.

2.3 Empirical Literature

Empirical review is a systematic examination of existing research studies based on empirical evidence-data obtained through observation or experimentation (Holborn & Langley, 2019).

2.3.1 Social Enterprise Venture Strategy and Operational Performance of Organizations

A study by Heriyati, Yadav, and Madzik (2024) focused on identifying critical elements in the development of social enterprises in Indonesia. The study employed a case study approach and narrative methodology to acquire a comprehensive comprehension of the activities of four social firms. The study provided a comprehensive comprehension of the social enterprise ecosystem by revealing relationships between stakeholders, challenges, and the development of business models from the perspective of systems. The findings indicated that Indonesian social enterprises were established with the commendable objective of addressing unmet needs within the community. Importantly, achieving the goals of these social enterprises

requires effective cooperation across numerous stakeholders, including those in the public and private sectors. The study underlined how crucial social entrepreneurs are to filling in the gaps created by the government and promoting positive social results. However, there is a clear contextual gap because the study was conducted in a different nation, whose laws and practices regarding NGOs' finance diversification may be different from Kenya's. By investigating drought-related groups in Machakos County, Kenya, this study sought to close the gap.

A study by Arejiogbe, Chinonye, and Salau (2023) examined enhancing the influence of social entrepreneurship and poverty reduction for sustainable development in Nigeria. The Opportunity-Based Entrepreneurship Theory, the Social Network Theory, and the Schumpeterian Theory of Innovation were utilized in order to provide an explanation for the goal of the study. For the purpose of this investigation, a purposive sample approach was utilized, and a total of 300 structured questionnaires were distributed to a selection of social entrepreneurs. Out of these, 262 were recovered for analysis. Analyses of the data were performed using structural and measurement models, and the path coefficient was computed using PLS-SEM statistical analysis. Based on the findings of this study, it was established that social innovation is crucial in order to provide individuals and communities with the means to escape poverty and achieve sustainable prosperity. However, there is conceptual gap since the study focused on sustainable development in Nigeria while the current study focuses on drought-related humanitarian organizations in Machakos County.

Rono's (2019) research examined the impact of operational techniques on the performance of social entrepreneurship programs, specifically focusing on the Social Enterprise Society of Kenya in Nairobi County. Two theories social entrepreneurship and symbiosis theory—formed the basis of the investigation. In order to collect the required data,

the study used a descriptive survey technique and a thorough enumeration of the target group, which included 63 social entrepreneurs who were registered with the Society of Social Entrepreneurs in Kenya (SESOK). The census was used, and questionnaires and an interview schedule were used to collect data. Both descriptive and inferential statistics were used in the analysis. According to the study's findings, the majority of respondents (average mean of 4.23) showed that product/service competitiveness had a positive effect on the success of social entrepreneurship projects, while 3.96 percent said that technology had an impact. However, there is a clear empirical gap because the current study focuses on drought-related organizations in Machakos County, Kenya, whereas the prior study examined the social business sector in Nairobi County.

An analysis by Jebet (2021) examined the impact of non-governmental organizations on the advancement of women's entrepreneurial endeavors in Nakuru County. In Nakuru County, the population of interest comprised of fifty businesses that were run by women and were operating in a variety of fields. The primary data was collected through the use of a standardized questionnaire, and it was analyzed through the application of descriptive statistics, which included using frequencies, percentages, and means. All of the findings from the investigation were presented in the form of tables and pie charts. According to the findings of the research, the majority of women who are involved in business within the analyzed region have received assistance from non-governmental organizations (NGOs), primarily in the form of financial support as well as training and development. On the other hand, among the characteristics that were investigated, digital technology and networking were shown to have a low percentage of support offered by non-governmental organizations (NGOs) to women in business.

Research by Kinoti (2020) examined the impact of social enterprise initiatives on entrepreneurship and company growth in Kibra, Nairobi County. Due to its comprehensive coverage of the population, the study collected primary data. To gather the information, she needed, the researcher conducted interviews with key informants, group micro-enterprises, and assisted entrepreneurs. In addition to 230 supported entrepreneurs (households) and 22 supported micro-enterprise groups in Kibra Sub-County, the study's target population included Riziki managers and staff who served as primary informants. The carefully selected informants were informed and showed a thorough understanding of the area under study. The study combined purposive and basic random sample techniques with multi-stage sampling. To get demographic data, conceptual understanding of the research problem, and potential solutions to the research problem, the researcher interviewed key informants using a key informant interview guide. Results showed that constrained of funds limits the potential growth of companies.

2.3.2 Corporate Sponsorship Strategy and Operational Performance of Organizations

An analysis conducted by Nadzmy, Isa, and Muhammad (2024) investigated the enhancement of Malaysian NGO effectiveness through corporate sponsorships, integrating corporate governance with organizational and economic sustainability. The research methodology that was utilized was qualitative interpretative research, and it included conducting in-depth interviews with senior management from 10 Malaysian elderly care homes that were run by non-governmental organizations (NGOs) in the Klang Valley neighborhood. According to the findings, most non-governmental organizations (NGOs) considered corporate governance to be a vital foundation for sustainability. In this study, the complementary connection between strong governance frameworks and organizational practices is illustrated. This research also highlights the influence that these frameworks have on economic sustainability and how they

enable non-governmental organizations to accomplish long-term social impact through corporate funding.

A study by Okeibunor, Okoro, and Kenneth (2022) examined the impact of corporate sponsorship on the organizational image of specific insurance businesses in Edo State, Nigeria. The research was directed by six theories. A survey research design was used in the study. A multi-stage sampling technique was used to generate a sample of 385 individuals. The results of the study showed that the public's view of the selected insurance companies' corporate sponsorship programs influences their organization (businesswise image), friendliness (cooperative image), and flexibility (dynamic image). The study's conclusions showed that corporate sponsorship initiatives have an impact on how the general public views the investigated insurance companies' success (successful image), reputation (character image), and transparency (withdrawn image).

A study by Chole (2019) examined the factors of program implementation in non-governmental organizations in Kenya, specifically focusing on Compassion International. Four independent variables were investigated in this study: local ownership, caregiver attitudes, staff motivation, and stakeholder involvement. The researcher looked at 15 projects across Kilifi County using a descriptive survey methodology. As a result, the distribution of these surveys received an 80% response rate. Five customers and five project directors were interviewed during this research. In this study, the null hypotheses were rejected. It was shown that local ownership, caregiver attitudes, employee motivation, and stakeholder engagement all affect how programs are carried out in projects supported by compassion. This study showed how local ownership, caregiver attitudes, employee motivation, and stakeholder engagement affect how initiatives are implemented in non-governmental organizations.

A study conducted by Inyanza and Muthoni (2023) examined the impact of source-specific donations on the financial sustainability of non-governmental organizations in Kenya. The Resource Dependency Theory, Institutional Theory, and Resource-Based View all support the idea that revenue diversification and an organization's financial viability are related. With a target population of 511 NGOs functioning in Nairobi County, a descriptive study design was used. Using a sample size of 52, the study used stratified sampling to select NGOs that work to reduce poverty. Questionnaires were sent to 52 finance managers from 52 NGOs that were chosen for the survey. The results showed that financing had a favorable impact on Nairobi County NGOs' financial sustainability. The results showed that while a decrease in source-specific grants was linked to NGOs decreased economic viability, an increase in such donations was linked to NGOs increased sustainable income.

Musila and Oluoch (2023) investigated the impact of strategic partnerships on the performance of non-governmental organizations in Nairobi, Kenya. Using a cross-sectional descriptive research methodology, the study gathered information from 296 NGOs in Nairobi by sending organizational management standardized questionnaires. Most of the data analysis was quantitative. The descriptive study design that was employed made it easier to analyze sample characteristics and use linear regression models to assess the relationship between strategic partnerships and NGO performance. However, there was a theoretical gap since, to clarify the links between the variables, this study's theoretical approach is founded on Institutional Theory and Resource Dependence Theory. According to the report, a shared vision, cooperation, open communication, trust, dedication, and investment are just a few of the components that make up strategic partnerships.

2.3.3 Crowdfunding Strategy and Operational Performance of Organizations

The research conducted by Ningsih, Setiawan, and Aryani (2024) is based on empirical evidence from crowdfunding studies in Indonesia. This study looked at 44 publications about crowdfunding that were taken from Sinta 2 and Scopus. Research approaches, theoretical frameworks, issues covered in studies on crowdfunding in Indonesia, and annual publishing frequency were used to categorize the publications. According to the analysis, most papers were released between 2020 and 2023, and the most common methodology used was qualitative research. Although there isn't yet a comprehensive theoretical structure, legal theory is being covered in more and more articles. The study's main topics are crowdfunding analysis, investor behavior characteristics, financing speed, and the technological or psychological aspects that affect users' intentions to use crowdfunding platforms.

Kankpang, Edet, and Okongo (2024) investigated crowdfunding awareness and utilization among Nigerian entrepreneurs. A sample of 100 entrepreneurs was obtained using the snowball sampling technique. Descriptive statistics were used to analyze the collected data. It was shown that very few entrepreneurs were aware of crowdsourcing. There are no known examples of entrepreneurs using crowdsourcing. According to the correlation research, there is no significant association between the awareness and use of crowdfunding and demographic factors like gender, age, and educational background. Additionally, there is a significant correlation between awareness of crowdfunding and its use, with a rate of up to 39.8% ($r = .398$; $p < 0.05$). Tight governance and regulatory frameworks, entrepreneurs' reluctance to share firm ownership or control, lack of faith among the public, technological difficulties, and poverty are some of the factors impeding the understanding and use of crowdfunding.

A study by Onyango (2019) analyzes the impact of crowdfunding platforms on improving finance sources for micro, small, and medium companies (MSMEs) in Kenya. In order to address the research themes, this exploratory study used both primary and secondary data. Thirty MSMEs who have secured funds from Kenya's forty-eight crowdfunding platforms provided the primary data. The study achieved a 96.7% response rate. To determine the average financing gap for MSMEs at the national level, secondary data was acquired from the World Bank and the Central Bank of Kenya. Based on the percentage of money raised compared to the target amounts sought by entrepreneurs on various platforms, the core data showed the average success rates of four different kinds of crowdfunding platforms. According to the study's findings, lending platforms have the highest mean success rate (100%), followed by reward platforms (87%), contribution platforms (46%), and equity platforms (0%). Secondary data indicates that the average financing gap for registered but underserved MSMEs is USD 7,545.

Diana (2021) did a study on the determinants of success in crowdfunding campaigns in Kenya. The study evaluated projects offered on the M-Changa platform using a qualitative research technique. Forty-five businesses that were registered on the M-Changa platform were included in the census population for the study. A questionnaire was used in the study to collect data, and SPSS was then used to analyze. According to the findings, openness is enhanced when project goals, expected outcomes, and the importance of contributions are communicated clearly. Finally, because they determine the ease of transactions and the perceived security for both funders and creators, the regulatory environment and the availability of technology, including reliable payment platforms, have a significant impact on the overall effectiveness of crowd funding initiatives in the region.

2.3.4 NGO Membership Subscriptions and Operational Performance of Organizations

A study by Feiler, Wicker, and Breuer (2019) examined the determinants of membership fee levels in nonprofit sports clubs in Germany. This study uses traditional pricing approaches that have been adapted to the nonprofit sector in order to investigate the factors that influence the levels of membership fees that are charged by nonprofit sports clubs in Germany (n=1,538). Despite the fact that perceived competition does not have an effect on membership fee levels, the findings indicate that the expenses connected with coaches, instructors, and facilities have a significant impact on membership fee levels. In addition, the membership fee structure is impacted by the club's goals, which may include the provision of competitive sports or the provision of services to populations that are socially disadvantaged.

Research by Mpofu and Govender (2022) examined Donor–NGO partnerships in South Africa using a qualitative case analysis of five NGOs in Gauteng. The qualitative data was collected through in-depth individual interviews with key informants from five non-governmental organizations (NGOs) that were specifically chosen to work with HIV and AIDS. Within the framework of thematic analysis, a total of 28 interviews were subjected to a deductive examination. Within their operational framework, the non-governmental organizations that were investigated have implemented a variety of HIV and AIDS programs and tactics. 'Partnership' is an inaccurate depiction of the genuine nature of the interactions that take place between donors and non-governmental organizations (NGOs), according to the findings. Despite the fact that the notion of partnerships effectively reflects the goal of "donors" and "NGOs" to cooperate toward improved services and outcomes, the study concluded that the unintended consequences of partnership management make it difficult to achieve the shared purpose.

Kibet and Kibati (2024) investigated the impact of finance decisions on the operational viability of NGOs in Nakuru County, Kenya. Contingency Theory served as the study's theoretical foundation. In this study, an explanatory design was used. 158 managers from accounting and finance departments participated as respondents, making up the study's target population. 59 responses were selected using a straightforward random sampling approach. Standardized questionnaires with a 5-point Likert scale were used to collect data from respondents. Both descriptive and inferential statistics were used to achieve this goal. Inferential statistics included regression analysis and correlation analysis, whereas descriptive statistics included percentages, frequencies, and averages. The findings showed a strong relationship ($r=.575$) between the operational sustainability of NGOs in Nakuru County and their financial decisions. According to the report, membership structures can significantly boost fundraising capacity, when an NGO has a strong, credible membership base, especially with active or high-profile members

The study by Zabibu, Njeri, and Kemunto (2024) examined grant management procedures and financial sustainability across non-governmental organizations in Taita-Taveta County, specifically focusing on World Vision Kenya. A total of 40 individuals were selected at random to take part in the study. To select forty employees, a method known as purposeful sampling was utilized, which resulted in a sample of forty responses. The study relied on original sources of information. For data collection, a standardized questionnaire was utilized. The Chi-square test of association found a statistically significant correlation between donor relationship management and financial sustainability. This highlights the critical significance of cultivating and maintaining strong connections with donors for the long-term financial health of non-governmental organizations (NGOs).

Research by Okinda and Ondiwa (2024) examined accountability, donor finance, and non-governmental organizations in Kisumu County, Kenya. The study used a descriptive survey approach. The target group included non-governmental organizations located in Kenya's Kisumu County. All 187 NGOs in the area were included in the population. Because some information about NGOs is sensitive, particularly when it comes to finances and governance, the use of open-ended questions was justified. The study showed that the accountability structures set up by the implementing NGOs were necessary for donor finance. According to the study, NGOs must keep a minimum set of financial records, such as cash flow statements, statements of comprehensive income, and statements of financial status.

2.4 Summary of Research Gaps

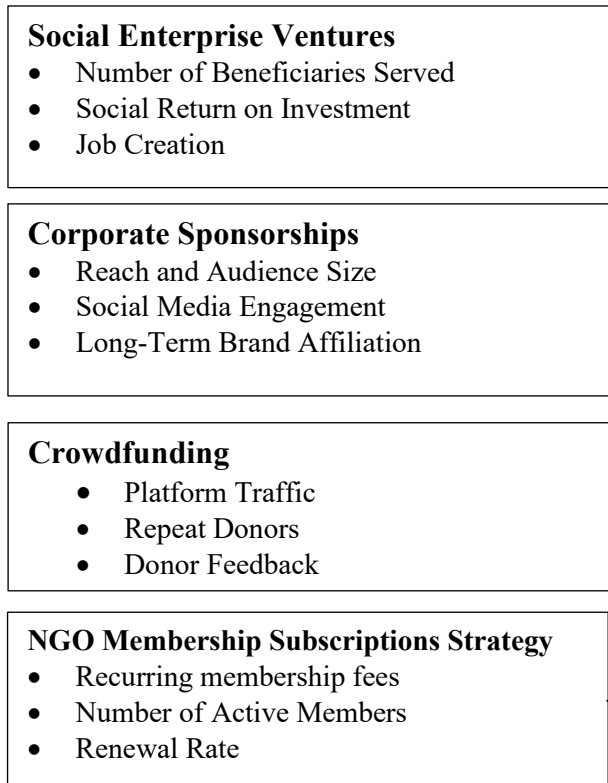
Research gaps are areas within a body of knowledge or a field of study that are insufficiently explored, under-researched, or not addressed at all. They represent opportunities for further investigation and provide the basis for developing new research questions, hypotheses, or studies (Lehman & Hatcher, 2020).

A study conducted by Heriyati, Yadav, and Madzik (2024) based on understanding key factors in social enterprise development in Indonesia. Using a case study approach, the study investigated four social enterprises using a narrative methodology to gain a detailed understanding of their operations. A study conducted by Okeibunor, Okoro and Kenneth (2022) focused on modeling the effect of corporate sponsorship on the organizational image of selected insurance companies in Edo State, Nigeria. However, there is a contextual gap considering that the studies were based on foreign nations which differ in policies and practices about diversification of funding strategies.

Still, an analysis carried out by Nadzmy, Isa and Muhammad (2024) examined enhancing Malaysian NGO effectiveness by Corporate Sponsorships: integrating corporate governance with organizational and economic sustainability. Kankpang, Edet and Okongo (2024) examined crowdfunding awareness and application amongst Nigerian Entrepreneurs. Snowball sampling technique was then used to draw a sample of 100 entrepreneurs. However, there is methodological gap considering that the studies adopted different research designs. The present study utilized descriptive research design. Lastly, an analysis by Jebet (2021) delved into the influence of non-governmental organization in promoting the growth of women entrepreneurial ventures in Nakuru County. A study conducted by Onyango (2019) an analysis of the effect of crowdfunding platforms in enhancing the financing sources for micro, small and medium enterprises (MSMEs) in Kenya. However, there were empirical and conceptual gaps since the study did not major on drought-related organizations and did not cover Machakos County. Therefore, to fill the gaps, the study was carried to establish diversification of funding strategies and operational performance of drought-related organizations in Machakos County, Kenya.

2.5 Conceptual Framework

Independent Variables



Dependent Variable

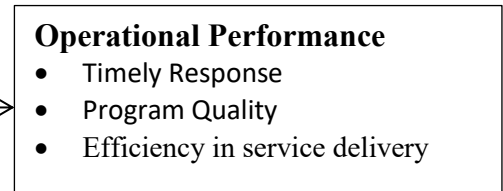


FIGURE 1
Conceptual Framework

2.6 Operationalization of Variables

TABLE 1

Operationalization of Variables

Variables	Indicators	Scale	Data Collection Instruments
Social Enterprise Ventures	<ul style="list-style-type: none"> • Number of Beneficiaries Served • Social Return on Investment • Job Creation 	Likert Scale	Questionnaires
Corporate Sponsorships	<ul style="list-style-type: none"> • Reach and Audience Size • Social Media Engagement • Long-Term Brand Affiliation 	Likert Scale	Questionnaires
Crowdfunding	<ul style="list-style-type: none"> • Platform Traffic • Repeat Donors • Donor Feedback 	Likert Scale	Questionnaires
NGO Membership Subscriptions	<ul style="list-style-type: none"> • Growth in Membership Revenue • Number of Active Members • Renewal Rate 	Likert Scale	Questionnaires
Operational Performance	<ul style="list-style-type: none"> • Funds Allocated to Programs • Expansion Opportunities • Efficiency in service delivery 	Likert Scale	Questionnaires

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

3.1 Introduction

This chapter introduces methodology employed in carrying out research. The components encompassed research design, target population, sampling methodology, data collection instruments and procedures, validity and reliability tests, pilot study, data analysis and presentation techniques lastly, ethical considerations.

3.2 Research Design

The general plan or approach outlining how researchers aim to carry out a study is referred to as research design. It includes the framework, methods, and techniques used to answer a research question and accomplish the goals of the study (Lehman & Hatcher, 2020).

This research adopted descriptive research design. According to Kirk and Miller (2018), descriptive research design enables the collection of rich observational and measurement data. Researchers can gather detailed information about the behavior, attitudes, and characteristics of the subjects under study. While Gujarati (2018) defines descriptive research design as methodological approach aimed at describing and interpreting the characteristics or behaviors of a population, group, or phenomenon under the study without altering it in any way. The primary goal is to provide an accurate snapshot or portrayal of the subject of interest, often focusing on answering questions about "what," "who," "where," and "how many."

Lehman and Hatcher (2018) descriptive research design is flexible and adaptable to various situations and contexts. Researchers can choose from a variety of methods such as surveys, case studies, content analysis, and observational studies, depending on the research

question and goals. Therefore, this was based on diversification of funding strategies and operational performance of drought-related organizations in Machakos County, Kenya.

3.3 Target Population

The term target population pertains to a specific cohort or set of individuals or variables that exhibit common characteristics and can be examined or utilized as a source of data for research endeavors (Peil, 2018). For the ease of access and collection of data, the research focused on the 13 drought-related humanitarian organizations that had presence in Machakos County as shown in appendix I. Therefore, the target population of study was the 518 staff from Drought-related Humanitarian Support Organizations. The sample was generated from departmental heads with a preview to aspects of Diversification of Funding Strategies. The population of study was shown in Table 3.1.

Table 2
Target Population

Category	Target Population	Percentage (%)
Kenya Red Cross Society	45	7
ActionAid Kenya	25	6
Utooni Development Organization	42	8
Catholic Relief Services	35	7
Mercy Corps	23	5
Malteser International	43	8
Greening Machakos Youth Network	45	9
Sahelian Solutions Foundation	40	8
Maji Na Ufanisi	46	9
Dorcas International	48	9
Kenya Good Neighbors	42	8
The Millennium Water Alliance	43	8
Green Africa Foundation	41	8
Total	518	100

Source: NGO Coordination Board (2025)

3.4 Sample Size and Sampling Techniques

The procedure for obtaining the study's sampling units is outlined in the sampling strategy. The entire set of target population units (518) from which the sample was drawn is included in the sampling frame (Cooper & Schindler, 2018). The study employed a cluster technique, as the departments can be analyzed as clusters. Lehman and Hatcher (2020) describe cluster sampling as a probability sampling method that involves dividing a population into smaller, naturally occurring groups known as clusters.

The method is particularly useful in large or geographically dispersed populations where it is impractical to survey every individual. Cluster sampling is often used in fields such as education, healthcare, and social sciences to gather representative data efficiently. It differs from other sampling methods like stratified sampling because it focuses on selecting whole groups rather than individuals from different categories (Cooper & Schindler, 2020).

The operational procedure of cluster sampling involves several key steps. First, the target population is defined, ensuring that all members belong to distinct, non-overlapping clusters. Second, the population is divided into clusters based on geographical, institutional, or other logical groupings (Holborn & Langley, 2020).

The justification for using sampling in research lies in its ability to provide accurate population estimates without the need for a full census, reducing costs, time, and logistical challenges. Sampling enhances the feasibility of research, making it possible to study large populations efficiently while maintaining statistical reliability and validity (Lehman & Hatcher, 2020).

This study adopted 103 respondents selected based on sample ratio of 0.20, to participate in the actual data collection exercise. They were selected from Drought-related Humanitarian Support Organizations. The sample was generated from departmental heads that had a preview of aspects of diversification of funding strategies. This is justified by Althubaiti (2022) about sample size estimation in clinical research; for instance, a widely cited guideline suggests that a sample size of 10% of the target population is often adequate, provided it does not exceed 1,000 individuals.

TABLE 3
Sample Size

Category	Target Population	Sample Size Ratio	Departmental Heads
Kenya Red Cross Society	45	0.20	9
ActionAid Kenya	25	0.20	5
Utooni Development Organization	42	0.20	8
Catholic Relief Services	35	0.20	7
Mercy Corps	23	0.20	5
Malteser International	43	0.20	9
Greening Machakos Youth Network	45	0.20	9
Sahelian Solutions Foundation	40	0.20	8
Maji Na Ufanisi	46	0.20	9
Dorcas International	48	0.20	10
Kenya Good Neighbors	42	0.20	8
The Millennium Water Alliance	43	0.20	9
Green Africa Foundation	41	0.20	7
Total	518	0.20	103

Source: Research Data (2025)

3.5 Instrumentation and Data Collection

The tools and techniques used to collect and document information for the study or assessment project are referred to as data collecting instruments (Holborn & Langley, 2020). A

questionnaire, is an organized tool for gathering data that consists of a set of inquiries or prompts intended to elicit information from respondents. Lyon (2018) claims that questionnaires are used to collect information about intangible phenomena like individual beliefs, values, and interests. Among the many benefits of questionnaires are their capacity to reach a broad audience and the freedom they provide respondents to complete them whenever it is most convenient for them.

This questionnaire adopted 5-point Likert scale encompassing the following descriptors: *strongly agree, agree, neutral, disagree, and strongly disagree*. The questionnaire was divided into three distinct components where initial sections of the study provided an overview of the respondents' background information, including their employment experience, educational attainment, age, and gender. Ssubsequent section focused on the diversification of funding strategies; Kenya Red Cross Society, ActionAid Kenya, Utooni Development Organization, Catholic Relief Services, Mercy Corps and Malteser International.

The researcher communicated with the research administrators of drought-related humanitarian organizations in Machakos County, Kenya targeting to notify them about the study and obtain informed consent. The researcher submitted to the administrator to secure authorization letters from graduate school, KCA University to conduct the study. The researcher allocated adequate time for the respondents to review the questionnaire and answer the questions. Follow-up calls were conducted with respondents to remind them about the exercise.

3.6 Validity and Reliability of Research Instruments

The data collection instrument was subjected to validity and reliability tests. According to Kerlinger (2019) validity test refers to how closely a test measures the intended outcomes. If the measure used in this study seems to encompass all the content in the underlying study that is a sign of content validity (Kitchenham & Pfleeger, 2018). There was needed to make sure that the measurement's content covers every section of the questionnaire. The validity of the results was based on how appealing the instruments for data collection are, and is known as face validity (Cohen, 2018). The extent to which conclusions are drawn linking concepts to observable is known as construct validity. There was a need to present proof that the results back up the theoretical framework to increase construct validity.

Reliability pertains to the degree to which a research instrument regularly produces reliable results across various contexts. It is frequently seen that a quality instrument yields consistent outcome over several time periods (Lyon, 2023). Therefore, it is vital to evaluate reliability.

The research utilized Cronbach's Alpha Coefficient to validate the findings of the internal consistency analysis performed on the instruments. According to Ary, Razavieh, and Soorensen (2018), a prerequisite for an instrument to possess robust internal consistency is that its Cronbach alpha coefficient exceeds 0.7. A 95% confidence interval was utilized to calculate the Cronbach's Alpha Coefficient, with the pilot research findings being employed in the computation. Cronbach's alpha was calculated using SPSS version 26 software. Subsequently, the data collected from the pilot study was entered into a computer system. Cronbach's alpha values exceeding 0.7 indicated a satisfactory level of reliability, hence rendering the results suitable for utilization.

3.7 Pilot Study

According to Kothari (2010), the main goal of pilot testing is to find out if there are any potential flaws in the instruments and to assess respondents' ability to understand the questions. It is widely accepted, as Kitchenham and Pfleeger (2018) state, to conduct a pilot study with a sample size of at least 10% to evaluate the reliability and consistency of the data collection method. Therefore, a total of 10 individuals 10% of the sample size (103) was approached at Kenya Red Cross Society, an organization involved in humanitarian efforts, and asked to respond to the questionnaire. However, the responses collected during pilot testing were not included in the final data collection exercise.

3.8 Data Analysis and Presentations

According to Kothari (2011), the data analysis procedure refers to the systematic arrangement, categorization, and structuring of the primary components of information, with the aim of effectively conveying the outcomes. After completion of data collection, subsequent steps such as editing, coding and tabulation were undertaken. The data was subjected to analysis using quantitative methodologies. The quantitative approach employed statistical tools such as the mean and standard deviation, which serve as measures of central patterns. The study's inferential analysis incorporated both regression and correlation analysis techniques. The data analysis was conducted using the Statistical Package for the Social Sciences (SPSS).

The research utilized correlation analysis as a statistical technique to assess the degree of relationship between the variables. Regression analysis was employed to determine the collective impact on the variables under investigation.

The regression model is specified as depicted.

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$$

Where,

y = operational performance,

x₁ = social enterprise ventures,

x₂ = corporate sponsorships,

x₃ = crowd funding,

and X₄ = NGO membership subscriptions.

3.9 Diagnostic Tests

The following constituted diagnostic tests.

3.9.1 Multicollinearity Tests

One statistical method for determining whether there are strong correlations between the independent variables in a regression model is the multicollinearity test. It is challenging to ascertain the distinct effects of each predictor variable on the dependent variable when multicollinearity is present since it indicates that two or more predictor variables have a strong linear relationship. Inflated standard errors, erratic coefficient estimates, and false statistical conclusions may result from this (Holborn & Langley, 2020).

Signs of multicollinearity in a regression model can be observed through several statistical indicators and behavioral patterns in the data. One of the primary signs is a high correlation between two or more independent variables, which can be detected using a correlation matrix. When variables show a correlation coefficient above 0.8 or 0.9, it indicates a strong linear relationship and potential multicollinearity. Another sign is the presence of

high Variance Inflation Factor (VIF) values, where a VIF exceeding 5 or 10 suggests a problematic level of multicollinearity.

3.9.2 Linearity Tests

Linearity tests are statistical procedures used to determine whether a linear relationship exists between independent variables and the dependent variable in a regression model. These tests are essential because linear regression assumes that the effect of the predictors on the outcome is linear and additive. When this assumption is violated, the model's accuracy and interpretability can be compromised. Common methods for testing linearity include scatterplots, residual plots, partial regression plots, and formal tests like the Ramsey RESET test (Ary *et. al.* 2018).

Signs that the linearity assumption is met include scatterplots that show a straight-line trend and residual plots with no clear patterns indicating that errors are randomly distributed. Conversely, signs of non-linearity include curved patterns in scatterplots, systematic trends in residual plots (such as U-shapes), and significant results from the Ramsey RESET test, all suggesting that the relationship between variables is not purely linear.

3.10 Ethical Considerations

Research ethics is the application of fundamental ethical concepts to various research endeavors, including the entire research process from planning and execution to the consideration of societal and individual interests, resource utilization, study outcomes, prevention of scientific misconduct, and the establishment of regulatory frameworks (Peil, 2015).

3.10.1 Informed Consent

The researcher secured informed consent by ensuring participants are thoroughly educated about the study's nature, purpose, risks, and benefits prior to their agreement to participate. The approach commenced with the provision of transparent, straightforward, and candid information on the research, encompassing the methods involved, anticipated duration, potential hazards or discomfort, and the measures for maintaining confidentiality. Participants had the opportunity to pose enquiries and contemplate their involvement without any pressure or compulsion. Upon comprehension and voluntary agreement, the researcher requested their signature on a consent form as formal documentation. The informed consent was a continuous process; hence, participants were reminded of their ability to withdraw from the study at any point without repercussions.

3.10.2 Voluntary Participation

During data collecting, the researcher must assure voluntary involvement by explicitly telling potential participants about the study's aim, procedures, risks, and rewards prior obtaining their consent. This was accomplished through an informed consent process, wherein participants get a written or verbal elucidation of the study and are assured that their participation is entirely voluntary. The researcher must emphasize that participants have the choice to decline or withdraw from the study at any time without repercussions. No force, pressure, or undue influence was exerted, and participants were urged to enquire thoroughly to comprehend their position before consenting. The objective of this ethical practice is to safeguard participants' autonomy and maintain research integrity.

3.10.3 Confidentiality

During data collection, the researcher-maintained confidentiality by ensuring that all personal information to be provided by participants is kept private and secure. This entailed the allocation of codes or pseudonyms in lieu of actual names, the storage of data in password-protected digital files or secured physical cabinets, and the restriction of data access to just authorize research team members. The researcher explicitly informed participants that their identities remained confidential in any reports or publications derived from the study. In summary, all identifying information was either eliminated or anonymized to avert the possibility of tracing data back to individual individuals. These measures aim to foster trust and promote candid responses, while maintaining ethical norms in research.

3.10.4 Privacy

It is the protection of participants' personal information and ensuring that their data is handled with care and confidentiality. The researcher enhanced privacy in research by implementing practices and policies that safeguarded participants' personal information and ensured the ethical integrity of the research process. This was achieved by using language that is understandable to participants to explain privacy practices and data protection measures.

3.10.5 Anonymity

This involves safeguarding the anonymity of research participants by preventing their identities from being revealed or linked to the information they provide. To maintain privacy, the data underwent a de-identification process that removed any elements that could trace responses back to specific individuals. The purpose of this process was to protect sensitive details that could otherwise allow participants to be identified, thereby shielding them from the risks of data re-identification.

CHAPTER FOUR

FINDINGS AND DISCUSSIONS

4.1 Introduction

The introduction constitutes the response rate showing the distributed, returned, and non-response. The chapter further provides respondents' demographics, as well as information reliability tests, descriptive analysis, and inferential statistics.

4.2 Response Rate

The summary depicting the rate of response was provided in Table 4.

TABLE 4

Response Rate

Category	Frequency	Percentage%
Response	76	74
Non-response	27	26
Total	103	100

Table 4 summarizes the rate of response, revealing that 103 constituted the distributed questionnaires to respondents. From which 76 questionnaires were successfully completed and returned, representing 74% completion rate. On the other hand, 27 questionnaires, or 26% of the total, were not returned. This was justified by Saunders, Lewis and Thornhill (2019) who assert that a response rate of 50 percent or more is considered adequate for analysis and reporting in survey research, 60 percent is good, and 70 percent or more is very good. This benchmark is widely applied in social science studies to justify response adequacy.

4.3 Pilot Test Results

The pilot test results emerged from a total of 10 individuals being 10% of the sample size (103) were approached at the Kenya Red Cross Society, an organization handling humanitarian matters, and had them respond to the questionnaire. However, the number of responses that were pilot tested was not included in the final data collection exercise. The 10% sample size, as justified by Mugenda and Mugenda (2003) stated that it can be used to carry out pilot tests.

4.2.1 Reliability Test Results

Reliability refers to the consistency and stability of a research instrument in measuring what it is intended to measure over time. A reliable instrument produces similar results under consistent conditions (Sekran, 2015). The Cronbach's alpha value of >0.7 would be acceptable since the reliability range was indicated by a coefficient >0.7 as justified by Taherdoost (2020).

Table 5

RELIABILITY TEST RESULTS

Variables	Registered Items	Values of Cronbach $\alpha > 0.7$	Verdict
Operational performance	8	0.876	Reliable
social enterprise ventures	8	0.891	Reliable
corporate sponsorships	8	0.799	Reliable
crowdfunding	8	0.885	Reliable
NGO membership subscriptions	8	0.878	Reliable

The following findings obtained from the research were presented in Table 5, which details the reliability tests that were found: The outcome provided showed that a coefficient result for

operational performance was 0.876, a coefficient of 0.891 was produced by the social enterprise ventures, for corporate sponsorships the coefficient values produced was 0.799. In addition, it was found that crowdfunding had resulted in a coefficient of 0.885, and the Cronbach alpha coefficient for the NGO membership subscriptions was 0.878. The findings indicated that all of the variables were acceptable, considering that they had an internal consistency measurement that was greater than 0.7. As a result, they were all reliable, and this finding is in agreement with the argument provided by Shamo and Resnik (2018) who claimed that Cronbach's alphas that are greater than 0.7 indicate that the results are reliable for use in final analysis.

4.4 Demographic Analysis

Analysis of demographics focused on the descriptions related to respondents who participated in the research study.

4.4.1 Gender

This study presentation addressed gender response to illustrate the total number of male and female participants. The representation of gender was provided in Table 6.

TABLE 6
Gender of Respondents

Gender	Frequency	Percent
Male	35	46.1
Female	41	53.9
Total	76	100.0

According to the gender response, Table 6 was used to display by showing 53% were male respondents, while 46.1% of them identified themselves as female respondents. A fairly

balanced gender representation was found to exist within the research exercise, based on the representation shown.

4.4.2 Work Experience of Respondents

During the presentation, the focus was on the period of work experience provided below.

TABLE 7
Work Experience of Respondents

Category	Frequency	Percentage
Less than 1 year	4	5.3
1-5 years	18	23.7
6-11 years	18	23.7
12-17 years	27	35.5
Over 17 years	9	11.8
Total	76	100.0

The analysis presented in Table 7 details the work experience of respondents at Humanitarian organizations in Machakos County. It was found that 5.3% of the participants worked for less than a year, 23.7% worked for 1-5 years, 23.7% worked for 6-11 years, and the majority, or 35.5% served between 12-17 years. Lastly, a total of 11.8% of the population was over 17 years. The results show that a sizable fraction of the participants had 12-17 years of work experience. This implies that employees had a great deal of experience and were probably aware of the impact of diversification of funding strategies.

4.4.3 Highest Level of Education

Presentation of findings addressed the level of education for each respondent as shown.

TABLE 8

Highest Level of Education

Category	Frequency	Percentage%
Diploma level	5	6.6
Bachelor's degree	39	51.3
Master's level	21	27.6
Postgraduate degree	9	11.8
Other certifications	2	2.6
Total	76	100.0

The data analysis that was done with an emphasis on the respondents' level of education in Humanitarian organizations in Machakos County is shown in Table 8. The presentation revealed that 6.6% had a diploma level of education, 51.3% Bachelor's degree, whereas 27.6% had a Master's degree. Still, a total of 11.8% had a Postgraduate degree. Lastly, 2.6% had other certificates. The results revealed that the majority had an adequate form of education to be able to participate in the research study. This study focused on young professionals who most of their qualifications were mostly a Bachelor's degree, since many organizations require a Bachelor's degree for entry-level positions.

4.5 Analysis of Study Variables

The variables were subjected to descriptive analysis based on study objectives.

4.5.1 Social Enterprise Ventures Diversification Strategy

The analysis addressed the influence of social enterprise ventures as provided in Table 9.

TABLE 9

Descriptive Statistics Results for Social Enterprise Ventures Diversification Strategy

Statement	N	Minimum	Maximum	Mean	Std. Dev.
Satisfaction levels indicate whether funds are being used effectively towards the beneficiary	76	1.00	5.00	3.57	1.44
A high number of beneficiaries enhances the organization's public image and trustworthiness.	76	1.00	5.00	3.87	1.36
Donors support organizations with measurable beneficiary satisfaction.	76	1.00	5.00	3.42	1.47
Social Return on Investment (SROI) provides quantifiable evidence of an organization's impact	76	1.00	5.00	2.80	1.46
The SROI strengthens the case for funding by showing evidence of impact beyond anecdotal success stories.	76	1.00	5.00	2.32	1.50
Social Return on Investment enables organizations to understand which programs yield the highest social impact per dollar spent.	76	1.00	5.00	3.57	1.37
Diversified funding has enabled the organization to invest in new projects and services that require skilled labor.	76	1.00	5.00	2.61	1.35
Stable financial base has allowed NGOs to hire more employees which have sustained jobs even during economic downturns.	76	1.00	5.00	2.92	1.59
Overall Mean				3.25	

The analysis presented in Table 9 revealed that a significant majority of the respondents who agreed to the statement, with (mean=3.57, std. dev. 1.44), satisfaction levels indicate whether funds are being used effectively towards beneficiaries. The study also showed, based on the obtained (mean=3.87 and std. dev. of 1.36) that a high number of beneficiaries enhances the organization's public image and trustworthiness. The study revealed that Donors support organizations with measurable beneficiary satisfaction as shown by (mean=3.42, std. dev. 1.47). Other respondents disagreed that Social Return on Investment (SROI) provides quantifiable evidence of an organization's impact as confirmed by (M=2.80, Std. Dev. 1.46). The participants, with (M=2.32, Std. Dev. 1.50), disagreed with the statement that the SROI strengthens the case for funding by showing evidence of impact beyond anecdotal success stories. Other respondents, comprising (M=2.61, Std. Dev. 1.135) & (M=2.92, Std. Dev. 1.59) all respectively, disagreed that diversified funding has enabled the organization to invest in new projects and services that require skilled labor and that a stable financial base has allowed NGOs to hire more employees, which have sustained jobs even during economic downturns.

The interpretation drawn from the analysis revealed that social enterprise ventures in drought-related humanitarian organizations in Machakos County face a complex set of constraints when pursuing diversification strategies. Financial instability remains a key barrier, as many of these NGOs operate on restricted budgets that are tied to donor conditions, limiting their flexibility to invest in new or unfamiliar ventures. Diversification often requires capital-intensive input, market research, and skilled labor, yet these are typically unavailable or underdeveloped in the local context. Similarly, the arid climate of Machakos restricts viable agricultural or water-based projects, which are commonly considered for diversification. Another challenge is the organizational capacity to manage and sustain diverse operations. This overstretch was found to lead to inefficiencies, mission drift, or failure to deliver tangible

results in both humanitarian and enterprise functions. Results were similar to research by Kinoti (2020) examined the impact of social enterprise initiatives on entrepreneurship and company growth in Kibra, who found that constrained funds limit the potential growth of companies.

4.5.2 Corporate Sponsorships Strategy Diversification Strategy

Results were based on the influence of corporate sponsorships on operational performance as shown in Table 10.

TABLE 10

Descriptive Statistics Results for Corporate Sponsorships Diversification Strategy

Statement	N	Minimum	Maximum	Mean	Std. Deviation
During humanitarian crises, a wide audience size enables organizations to disseminate urgent calls for action quickly	76	1.00	5.00	3.97	1.25
When a well-known brand sponsors a humanitarian organization, it serves as a stamp of legitimacy.	76	1.00	5.00	4.17	1.12
A larger online presence attracts corporate sponsors seeking visibility through partnerships	76	1.00	5.00	4.20	.97
Visibility through corporate social media can draw in additional private or public partners.	76	1.00	5.00	4.00	1.25
An NGO's reputation is enhanced by regular social media participation, which increases its appeal to funders.	76	1.00	5.00	3.54	1.03
The association with reputable brands can lend credibility to the humanitarian organization and its mission.	76	1.00	5.00	3.26	1.34
A strong social media presence demonstrates the NGO's ability to reach beneficiaries and create impact.	76	1.00	5.00	3.88	1.12
Recognizable NGO brand fosters trust and encourages long-term donor commitment.	76	1.00	5.00	3.53	1.04
Overall Mean				3.85	

Results in Table 10 showed that during humanitarian crises, a wide audience size enables organizations to disseminate urgent calls for action quickly, as demonstrated by (M=3.97, Std. Dev. 1.25). Nonetheless, respondents with a representation of (M=4.17, Std. Dev. 1.12) indicate that when a well-known brand sponsors a humanitarian organization, it serves as a stamp of legitimacy. The analysis provided aimed at confirming whether a larger online presence attracts corporate sponsors seeking visibility through partnerships. The majority of respondents who expressed support had (M=4.20, Std. Dev. 0.97). This is because they had shared experience of direct online exposure, as it is universally recognized, clear, and a direct strategy to attract sponsors. The majority of respondents who stated that visibility through corporate social media can draw in additional private or public partners, evidenced by (M=4.00, Std. Dev. 1.25).

The majority agreed that an NGO's reputation is enhanced by regular social media participation, which increases its appeal to funders, as represented by (M=3.54, Std. Dev. 1.03). Lastly, the majority of respondents (M=3.26, Std. Dev. 1.34) supported the idea that the association with reputable brands can lend credibility to the humanitarian organization and its mission. It was found that a strong social media presence demonstrates the NGO's ability to reach beneficiaries and create impact, as strongly agreed by (M=3.88, Std. Dev. 1.12). Lastly, it was found by the majority who agreed that a recognizable NGO brand fosters trust and encourages long-term donor commitment as depicted by (M=3.53, Std. Dev. 1.04).

Results revealed that the diversification of corporate sponsorships as a strategy in drought-related humanitarian organizations in Machakos County has both promise and challenges. On the positive side, expanding sponsorships beyond traditional donors helps organizations reduce dependency on a single source of funding and increases their financial resilience. It also opens opportunities for long-term partnerships that go beyond funding to

include technical support, innovation, and resource sharing. However, this strategy also comes with risks. Diversifying corporate sponsors can dilute the organization's humanitarian mission, especially if corporate interests begin to influence programming priorities. Some companies may use sponsorship as a branding opportunity rather than a genuine commitment to humanitarian outcomes, creating tension between commercial expectations and community needs. Still, smaller organizations may lack the visibility or administrative capacity required to attract and manage diverse corporate partnerships effectively. Results were contrary to Inyanza and Muthoni (2023), who found that while a decrease in source-specific grants was linked to NGOs decreased economic viability, an increase in such donations was linked to NGOs increased sustainable income.

4.5.3 Crowd Funding Diversification Strategy

The analysis on the influence of crowdfunding and operational performance was shown in Table 11.

TABLE 11
Descriptive Statistics Results for Crowd-Funding Diversification Strategy

Statement	N	Minimum	Maximum	Mean	Std. Deviation
Platforms with strong traffic generate higher donations through digital fundraising campaigns	76	1.00	5.00	3.06	1.32
Engaging platform visitors can convert one-time donors into recurring contributors, enhancing funding reliability.	76	1.00	5.00	3.40	1.28
High traffic and engagement signal credibility and potential for large-scale impact.	76	1.00	5.00	2.18	1.28
Recurring donations is a reliable income source for ongoing drought relief programs	76	1.00	5.00	3.07	1.44
Repeat donations create a predictable flow of funds, enabling organizations to budget and plan long-term drought relief	76	1.00	5.00	2.51	1.23
Long-term donors have become advocates, increasing referrals for fundraising success.	76	1.00	5.00	3.78	1.43
Providing clear responses to donor feedback demonstrates accountability that strengthens credibility.	76	1.00	5.00	3.51	1.22
Feedback on donation platforms, payment methods, and subscription options helps streamline fundraising processes.	76	1.00	5.00	3.86	1.60
Overall Mean				3.33	

The study findings provided in Table 11 demonstrated that platforms with strong traffic generate higher donations through digital fundraising campaigns, as indicated by the (M=3.06,

Std. Dev. 1.32). Still, (M=3.40, Std. Dev. 1.28), confirmed by those who agreed that Engaging platform visitors can convert one-time donors into recurring contributors, enhancing funding reliability. Still, with (M=2.18, Std. Dev. 1.28), did not support the findings, which showed that high traffic and engagement signal credibility and potential for large-scale impact. The other respondents agreed that recurring donations are a reliable source for ongoing drought relief programs, hence demonstrated by (M=3.07, Std. Dev. 1.44).

Further analysis revealed that the majority who disagreed and showed (M=2.51, Std. Dev. 1.23), repeat donations create a predictable flow of funds, enabling organizations to budget and plan long-term drought relief. Still, other respondents agreed that long-term donors have become advocates, increasing referrals for fundraising success as demonstrated by (M=3.78, Std. Dev. 1.43) in the analysis. Other analysis revealed that feedback on donation platforms, payment methods, and subscription options helps streamline fundraising processes as agreed by the majority of respondents (M=3.86, Std. Dev. 1.60).

It was established from the analysis that crowdfunding as a diversification strategy for drought-related humanitarian organizations in Machakos County presents a modern and flexible way of raising funds, especially in response to urgent crises. However, its effectiveness is limited by several challenges. First, many of these organizations struggle with digital visibility and the outreach skills needed to run successful campaigns. Since crowdfunding heavily depends on online platforms, storytelling, and continuous engagement with donors, local organizations without strong media presence or marketing expertise often fall short. There's also the issue of trusting donors that may be skeptical of smaller or lesser-known humanitarian organizations, especially when there is little public reporting or accountability mechanisms in place. Still, internet access and digital literacy levels in parts of Machakos remain low, further limiting the potential to mobilize support from the local

community itself. These findings fully corroborate those provided by Kankpang, Edet, and Okongo (2024), who investigated crowdfunding awareness and utilization and found that tight governance and regulatory frameworks, entrepreneurs' reluctance to share firm ownership or control, lack of faith among the public, technological difficulties, and poverty are some of the factors impeding the understanding and use of crowdfunding.

4.5.4 NGO Membership Subscriptions Diversification Strategy

Presentation of findings sought to address the influence of NGO membership subscriptions on operational performance as provided in Table 12.

TABLE 12
Descriptive Statistics Results for NGO Membership Subscriptions

Statement	N	Minimum	Maximum	Mean	Std. Deviation
Recurring membership fees provide predictable funding for both immediate relief and long-term resilience programs.	76	1.00	5.00	3.42	1.05
Offering exclusive benefits such as impact reports, event invitations, and networking opportunities increase membership retention	76	1.00	5.00	3.58	1.39
Membership encourages deeper involvement, as members feel a sense of belonging and ownership in the NGO's mission.	76	1.00	5.00	3.59	1.49
Active members are more likely to contribute beyond membership fees through additional donations and fundraising.	76	1.00	5.00	2.79	1.15
A large, engaged membership base increases credibility and attracts institutional funders.	76	1.00	5.00	3.73	1.27
Broad membership base helps sustain multi-year programs critical for building drought resilience.	76	1.00	5.00	2.57	1.47
Renewable membership fees provide a steady revenue stream for operational costs as well as program funding.	76	1.00	5.00	3.55	1.21
Consistent funding through renewals ensure NGOs can maintain reserves for rapid response to sudden drought crises.	76	1.00	5.00	2.74	1.10
Overall Mean				3.44	

Results of findings on Table 12 indicated that recurring membership fees provide predictable funding for both immediate relief and long-term resilience programs. This was evidenced by (M=3.42, Std. Dev. 1.05). The study also established that the majority of respondents were for the idea that offering exclusive benefits such as impact reports, event invitations, and networking opportunities increases membership retention. This was supported by (M=3.58, Std. Dev. 1.39). From the analysis, it was noted that membership encourages deeper involvement, as members feel a sense of belonging and ownership in the NGO's mission. This was evidenced by (M=3.59, Std. Dev. 1.49). From the analysis, respondents disagreed that active members are more likely to contribute beyond membership fees through additional donations and fundraising, as shown by (M=2.79, Std. Dev. 1.15).

The analysis was aimed at establishing whether a large, engaged membership base increases credibility and attracts institutional funders in Humanitarian organizations in Machakos County. The response confirmed with (M=3.73, Std. Dev. 1.27). The results of the findings showed that programs are critical for building drought resilience. It was confirmed by the majority who disagreed and had a (M=2.57, Std. Dev. 1.47). Similarly, the majority disagreed that consistent funding through renewals ensures NGOs can maintain reserves for rapid response to sudden drought crises, as shown by (M=2.74, Std. Dev. 1.10).

The analysis established that NGO membership subscriptions, as a diversification strategy in drought-related humanitarian organizations in Machakos County, offer a steady and predictable source of funding that can enhance financial sustainability. This model also fosters a sense of ownership and engagement among members, who may include individuals, community-based groups, or partner organizations. When managed well, subscriptions can help organizations reduce reliance on short-term donor grants and allow them to fund community-driven priorities. However, the influence of this strategy is often constrained by

low-income levels in drought-prone areas, which limits the ability of members to contribute consistently. Still, subscription models require strong governance, transparency, and accountability systems to maintain member trust, which many grassroots organizations may lack due to limited administrative capacity. Results were contrary to Mpofu and Govender (2022), who claim that unintended consequences of partnership management make it difficult to achieve the shared purpose.

4.5.5 Operational Performance

The analysis was aimed at establishing the state of operational performance in Humanitarian organizations in Machakos County.

TABLE 13**Descriptive Statistics Results for Operational Performance**

Statement	N	Minimum	Maximum	Mean	Std. Deviation
Adequate funding for programs enables quick mobilization of resources for drought response	76	1.00	5.00	3.86	1.43
Well-funded programs minimize interruptions caused by resource shortages, improving the organization's ability to act swiftly	76	1.00	5.00	4.10	1.42
More resources allow for better planning, skilled personnel, quality materials, and monitoring	76	1.00	5.00	4.03	1.25
Proper allocation enables the organization to serve more communities and cover wider geographic areas affected by drought.	76	1.00	5.00	3.80	1.49
Funding flexibility enables cross-sector initiatives	76	1.00	5.00	2.97	1.14
The organization implements small-scale expansion models to assess viability before full rollout.	76	1.00	5.00	3.90	1.26
This NGO is efficient by serving more beneficiaries with the same or fewer resources.	76	1.00	5.00	2.66	1.21
Efficient operations results attract continuous donor support.	76	1.00	5.00	3.91	1.40
Overall Mean				3.54	

The study findings provided in Table 13 revealed that adequate funding for programs enables quick mobilization of resources for drought response. This was revealed by (M=3.86, Std. Dev. 1.43). The analysis also showed that well-funded programs minimize interruptions caused by resource shortages, improving the organization's ability to act swiftly as depicted

by (M=4.10, Std. Dev. 1.42). In the analysis, more resources allow for better planning, skilled personnel, quality materials, and monitoring. This was supported by the majority of respondents with an indication of (M=4.03, Std. Dev. 1.25).

The study also discovered that diversification of funding strategies that involve setting clear performance expectations encourages regular feedback among employees in this organization. The bulk of respondents agreed with the idea that proper allocation enables the organization to serve more communities and cover wider geographic areas affected by drought, as evidenced by (M=3.80, Std. Dev. 1.14), respectively. Still, the majority of respondents disagreed that bonding flexibility enables cross-sector initiatives as evidenced by (M=2.97, Std. Dev. 1.14). Lastly, in other findings, the analysis revealed that the organization implements small-scale expansion models to assess viability before full rollout. From the analysis, some respondents disagreed, as depicted by (M=2.66, Std. Dev. 1.40), that this NGO is efficient by serving more beneficiaries with the same or fewer resources.

The analysis revealed that diversification strategies have a significant influence on the operational performance of drought-related humanitarian organizations in Machakos County. By expanding their sources of funding through corporate sponsorships, crowdfunding, membership subscriptions, or income-generating activities, these organizations can reduce overreliance on traditional donors and increase their financial resilience. This financial stability enables them to respond more quickly and flexibly to emergencies, invest in long-term programs, and retain skilled staff. However, diversification also introduces complexity; managing multiple funding streams or ventures can strain limited administrative capacity and shift focus away from core humanitarian goals if not well balanced.

In Machakos, where resource scarcity and harsh environmental conditions are common, the effectiveness of diversification depends largely on how well these strategies are aligned with the organization's missions, community needs, and operational capacity. When done thoughtfully, diversification can strengthen operations, enhance community impact, and build long-term sustainability. These findings were also affirmed by Zabibu, Njeri, and Kemunto (2024), who established that grant management procedures is/were a statistically significant correlation between donor relationship management and financial sustainability. This highlights the critical significance of cultivating and maintaining strong connections with donors for the long-term financial health of non-governmental organizations (NGOs).

4.6 Inferential Analysis

The inferential analysis entails the correlation analysis and regression analysis.

4.6.1 Correlation Analysis

The correlation coefficient ranges from -1 to 1 where +1: Perfect positive correlation, 0: No correlation and -1: Perfect negative correlation. For the strength of correlation, 0 to ± 0.3 : Weak correlation, ± 0.3 to ± 0.7 : Moderate correlation and ± 0.7 to ± 1.0 : Strong correlation.

Table 14
Correlation Analysis

		Y	X ₁	X ₂	X ₃	X ₄
Y	Pearson	1				
	Correlation					
	Sig. (2-tailed)					
X ₁	N	76				
	Pearson	.600**	1			
	Correlation					
X ₂	Sig. (2-tailed)	.000				
	N	76	76			
	Pearson	.769**	.651**	1		
X ₃	Correlation					
	Sig. (2-tailed)	.000	.000			
	N	76	76	76		
X ₄	Pearson	.523**	.579**	.755**	1	
	Correlation					
	Sig. (2-tailed)	.000	.000	.000	.000	
X ₄	N	76	76	76	76	
	Pearson	.633**	.409**	.677**	.686**	1
	Correlation					
	Sig. (2-tailed)	.000	.000	.000	.000	

** . Correlation is significant at the 0.01 level (2-tailed).

The bivariate correlation matrix produced various values showing relationships between independent variables and dependent variables, as shown in Table 14. The results of the correlation study indicated that there was a significantly positive relationship between social enterprise venture diversification strategy (X₁) and operational performance at Humanitarian organizations in Machakos County ($r=0.600$, $P<0.001$). As a result, the findings were contrary to the analysis by Jebet (2021), who found that, on the other hand, among the characteristics that were investigated, digital technology and networking were shown to have a low percentage of support offered by non-governmental organizations (NGOs) to women in business.

The findings indicated a significant positive relationship between corporate sponsorship diversification strategy (X_2) and operational performance at Humanitarian organizations in Machakos County ($r=0.769$, $P<0.001$). This implies that corporate sponsorships may come with access to business networks, media platforms, and industry events. Diversifying sponsors can multiply these opportunities, giving the NGO greater visibility and influence. This was aligned with Musila and Oluoch (2023), whose findings revealed that a shared vision, cooperation, open communication, trust, dedication, and investment were among the components that make up strategic partnerships.

Still, from the study, statistical analysis revealed a lesser but positive correlation between the crowdfunding diversification strategies (X_3) on operational performance of drought-related humanitarian organizations in Machakos County, Kenya ($r = 0.523$, $p < 0.001$). As a result, this implies that crowdfunding often targets the same pool of supporters repeatedly, leading to donor fatigue. People may give once or twice, but if they're constantly being asked to contribute, interest drops off. This makes crowdfunding hard to be sustainable over time. These findings were, however, contrary to Diana (2021), who found that in crowdfunding, the ease of transactions and the perceived security for both funders and creators, the regulatory environment, and the availability of technology, including reliable payment platforms, have a significant impact on the overall effectiveness of crowdfunding initiatives in the region.

The results also indicated a positive and significant relationship between NGO Membership subscriptions diversification strategy (X_4) and operational performance of drought-related humanitarian organizations in Machakos County ($r = 0.686$, $p < 0.001$). As a result, it implied that membership in umbrella NGOs or consortia can give smaller NGOs access to pooled funding opportunities. For example, being a member of a national

humanitarian coordination group might allow an NGO to qualify for joint donor proposals or capacity-building grants. These findings were agreeable with those provided by Kibet and Kibati (2024), who found that membership structures can significantly boost fundraising capacity when an NGO has a strong, credible membership base, especially with active or high-profile members.

4.6.2 Regression Analysis

Regression analysis aids in understanding the model relationships between variables. It is used to predict the value of a dependent (target) variable based on one or more independent (predictor) variables.

TABLE 15

Regression Analysis

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.811 ^a	.658	.639	.92035

According to the findings of the model summary in Table 15, the variance on operational performance of drought-related humanitarian organizations in Machakos County was confirmed by social enterprise venture diversification strategy, corporate sponsorship diversification strategy, crowd funding diversification strategy, and NGO Membership subscriptions diversification strategy. The R-squared was found to be 0.658, which was equivalent to 65.8%. As a result, the remainder of the percentage, represented by 34.2%, contributed to the revelation that there were some more factors that were not captured by the model but still affected the operational performance of the Humanitarian organizations in

Machakos County. Results show there could be other variables influencing operational performance, as claimed by a study conducted by Chole (2019), who examined the factors of program implementation in non-governmental organizations in Kenya and established that local ownership, caregiver attitudes, employee motivation, and stakeholder engagement affect how initiatives are implemented in non-governmental organizations.

4.6.3 Analysis of Variance

The primary aim of Analysis of Variance (ANOVA) is to determine if there are statistically significant differences between the means of three or more independent groups.

TABLE 16
Analysis of Variance

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	115.650	4	28.912	34.134	.000 ^b
	Residual	60.140	71	.847		
	Total	175.789	75			

A. Dependent Variable: Operational Performance

B. Predictors: (Constant), Social Enterprise Venture Diversification Strategy, Corporate Sponsorship Diversification Strategy, Crowd Funding Diversification Strategy, and NGO Membership Subscriptions Diversification Strategy

According to the data presented in Table 16, the Analysis of Variance (ANOVA) was conducted to determine whether there were statistically significant differences in operational performance level for drought-related humanitarian organizations in Machakos County based on varying degrees of diversification of funding strategies among staff in humanitarian organizations. The result showed that the F-value was equal to 34.134 and the P-value was equal to 0.000. This makes it possible for predictor variables comprising social enterprise venture diversification strategy, corporate sponsorship diversification strategy, crowd funding

diversification strategy, and NGO membership subscriptions diversification strategy to account for reasonable proportions of the variation in operational performance.

The established values of diversification of funding strategies can be expressed further by comparing the regression sum of squares, 115.650, and the residual sum of squares with 60.140, which confirms that the model of regression constitutes a significant share of the overall variance (175.789) in relation to operational performance of drought-related humanitarian organizations in Machakos County, Kenya. This was aligned with Kinoti (2020), who examined the impact of social enterprise initiatives on entrepreneurship and company growth in Kibra and found that constrained funds limit the potential growth of companies.

4.6.4 Regression Coefficient Tests

Testing regression coefficients is essential in regression analysis to determine if the relationships between independent and dependent variables are statistically significant. If the coefficient of a predictor is not statistically significant, this suggests that the variable may not be an essential contributor to the model and might be excluded in some cases.

The regression analysis model developed is specified as follows. The multiple regression results illustrated in Table 17 established that if all other factors are held constant, the coefficient for social enterprise venture diversification strategy is 0.184 with a p-value of 0.054. This suggests that when holding other factors constant, a one-unit increase in social enterprise venture activities is associated with a 0.184unit increase in operational performance. Although this effect is positive, it is marginally significant since the p-value is slightly above the conventional 0.05 threshold. This implies that while social enterprise ventures may contribute to improved operations, their impact is not as strong or consistent as other funding strategies in this context.

TABLE 17

Regression Coefficient Test Results

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.031	.388		-.081	.935
	Social Enterprise Venture	.184	.094	.180	1.960	.054
	Corporate Sponsorships Strategy	.322	.146	.312	2.202	.031
	Ngo Membership Subscriptions	.225	.109	.195	2.054	.044
	Diversification Strategy					
	Crowd-Funding Strategy	.270	.122	.259	2.217	.030

a. Dependent Variable: Operational Performance:

$$Y = \alpha + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \varepsilon$$

$$Y = -0.031 + 0.184X_1 + 0.322X_2 - 0.225X_3 + 0.270X_4$$

For corporate sponsorship diversification strategy, the coefficient is 0.322 with a p-value of 0.031. This indicates that, holding other factors constant, a one-unit increase in corporate sponsorship diversification leads to a 0.322unit increase in operational performance. The effect is statistically significant at the 5 percent level, which shows that expanding corporate sponsorships plays a meaningful role in enhancing the ability of humanitarian organizations to respond effectively to drought situations.

The coefficient for NGO membership subscriptions diversification strategy is 0.225 with a p-value of 0.044. This means that when holding other factors constant, a one-unit increase in membership subscription diversification results in a 0.225unit increase in operational performance. The effect is statistically significant, suggesting that recurring

membership fees provide a stable funding base that can strengthen both immediate response and longer-term operational activities.

For crowd funding diversification strategy, the coefficient is 0.270 with a p-value of 0.030. This indicates that, when holding other factors constant, a one-unit increase in crowd funding efforts leads to a 0.270unit increase in operational performance. This positive and statistically significant relationship suggests that leveraging digital platforms and online communities is an effective way for humanitarian organizations to mobilize resources quickly and broaden their funding base.

Overall, the findings show that corporate sponsorships, NGO membership subscriptions, and crowd funding diversification strategies have significant positive effects on the operational performance of drought-related humanitarian organizations in Machakos County. Social enterprise ventures also show a positive but marginally significant effect. These results imply that organizations that adopt a mix of funding strategies, especially those involving external partnerships and digital platforms, are better positioned to sustain their operations and respond effectively to emergencies. Diversifying funding sources appears to reduce financial vulnerability and enhance the capacity to deliver timely and effective drought interventions.

These findings are in line with Musila and Oluoch (2023), whose findings revealed that shared vision, cooperation, open communication, trust, dedication, and investment were among the few components that make up strategic partnerships. These findings were also agreeable with those provided by Kibet and Kibati (2024), who found that membership structures can significantly boost fundraising capacity when an NGO has a strong, credible membership base, especially with active or high-profile members.

CHAPTER FIVE

CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents conclusions, recommendations, and areas for further research. The summary is organized around the four specific objectives of the study, which sought to examine the effect of different diversification of funding strategies on the operational performance of drought-related humanitarian organizations in Machakos County.

5.2 Summary of Findings

The summary provided was based on study objectives.

5.2.1 Social Enterprise Ventures Diversification Strategy

The first objective of the study was to find out the effect of social enterprise venture diversification strategy on the operational performance of drought-related humanitarian organizations in Machakos County. The findings revealed that social enterprise ventures significantly influenced operational performance. However, the organizations faced notable challenges, including financial instability tied to donor restrictions, lack of capital for new ventures, limited skilled personnel, and contextual barriers such as the arid climate of Machakos. These constraints reduced the ability of humanitarian organizations to implement and sustain diverse enterprise projects effectively.

5.2.2 Corporate Sponsorships Diversification Strategy

The second objective of the study was to determine the effect of corporate sponsorship diversification strategy on the operational performance of drought-related humanitarian organizations in Machakos County. The findings showed that diversifying corporate sponsorships enhanced financial resilience and reduced overdependence on traditional donors.

It also opened opportunities for partnerships that included technical support and innovation. Nonetheless, risks were identified, such as potential dilution of humanitarian mission if corporate interests overshadowed community priorities, and difficulties for smaller organizations in attracting and managing multiple sponsorships due to low visibility and administrative capacity.

5.2.3 Crowd-Funding Diversification Strategy

The third objective of the study was to establish the effect of crowdfunding diversification strategies on the operational performance of drought-related humanitarian organizations in Machakos County. The results indicated that crowdfunding offers a flexible and responsive way to mobilize resources, especially during emergencies. However, its effectiveness was hindered by a weak digital presence, limited marketing skills, low donor trust, and poor internet access in parts of Machakos County. These factors restricted humanitarian organizations' ability to fully utilize online platforms for resource mobilization.

5.2.4 NGO Membership Subscriptions Diversification Strategy

The fourth objective of the study was to determine the effect of NGO membership subscriptions diversification strategy on the operational performance of drought-related humanitarian organizations in Machakos County. The findings established that membership subscriptions contributed to predictable and steady sources of income, while also encouraging ownership and active participation by members. Despite this potential, the strategy was constrained by low-income levels in drought-prone areas, which limited consistent contributions. In addition, some organizations lacked the governance and accountability systems required to build and sustain member trust.

5.3 Conclusion of the Research Study

Social enterprise ventures have a significant effect on operational performance, but their success depends on the availability of capital, skilled labor, and organizational capacity. Without these, humanitarian organizations risk inefficiency, mission drift, or failure to meet both enterprise and humanitarian goals.

Corporate sponsorship diversification improves operational performance by enhancing financial sustainability and offering additional technical resources. However, it carries risks of compromising organizational independence when corporate interests clash with humanitarian values, and it is more difficult for smaller NGOs to implement effectively. Crowdfunding diversification contributes positively to operational performance by offering flexible fundraising avenues, particularly during emergencies. Its success, however, is undermined by weak digital capacity, low online visibility, and limited trust from potential donors.

NGO membership subscriptions strengthen financial sustainability and enhance stakeholder ownership, yet low incomes in drought-prone areas and weak governance structures limit their long-term effectiveness.

5.4 Recommendations for the Research Study

The study provides the following recommendations.

5.4.1 Social Enterprise Ventures Diversification Strategy

To address the constraints, policymakers in Machakos County should prioritize capacity building for humanitarian staff by integrating business training and technical skills into their development plans. Encouraging partnerships between humanitarian organizations and local

cooperatives, private sector actors, or microfinance institutions can help ease financial burdens and introduce relevant expertise. Regulatory support is also critical; simplified legal frameworks and incentives such as tax reliefs or subsidies for social enterprises could encourage sustainable diversification. Finally, policymakers should support market development in rural areas by improving infrastructure and facilitating access to information and technology, which would make diversified ventures more viable. A clear distinction between core humanitarian work and enterprise activities must also be established to protect the integrity of each function while enabling complementary growth.

5.4.2 Corporate Sponsorships Diversification Strategy

To strengthen the impact of corporate sponsorship diversification, policymakers in Machakos County should develop clear guidelines on ethical corporate partnerships that protect the core values of humanitarian work. There should be a framework that encourages transparency, accountability, and mutual benefit in sponsorship agreements. Training programs can also be introduced to help humanitarian leaders understand how to engage with the corporate sector without compromising their mission. Furthermore, creating a centralized platform that matches organizations with suitable corporate sponsors based on shared values and goals would improve access and efficiency. Ultimately, policymakers need to strike a balance between welcoming private sector support and safeguarding the humanitarian integrity of the organizations they regulate.

5.4.3 Crowdfunding Diversification Strategy

From the analysis, to address the impact of crowdfunding diversification, policymakers should focus on digital capacity building for humanitarian organizations. This includes training in digital fundraising, social media engagement, and transparent financial reporting. Creating a

county-level crowd-funding support hub that assists smaller organizations in setting up campaigns, verifying their legitimacy, and showcasing their work could help overcome the trust barrier. Partnerships with tech firms and communication agencies could also be encouraged to help bridge the digital gap. Policymakers should further consider developing regulatory guidelines that promote transparency and donor confidence while protecting organizations from fraud or mismanagement. By addressing these gaps, crowdfunding could evolve into a more viable and sustainable support mechanism for drought response in the region.

5.4.4 NGO Membership Subscriptions Diversification Strategy

From the findings it led to the understanding that, in order to improve the effectiveness of this strategy, policymakers should support the formalization and capacity building of humanitarian organizations, especially in governance and financial management. Establishing clear frameworks for membership structures, benefits, and accountability will help build trust and encourage participation. Incentivizing community involvement through recognition programs or access to exclusive services could also strengthen engagement. Policymakers might also consider providing seed funding or matching grants to organizations that demonstrate strong member-based funding models, helping them scale up. Lastly, integrating financial literacy and community mobilization into local development plans would ensure that membership subscription models are not only adopted but also sustained over time.

5.4.5 Recommendation to Policy and Practice

Policymakers in Machakos County should prioritize capacity building and technical training for humanitarian staff to enhance the viability of diversified funding strategies. For social enterprise ventures, this includes fostering partnerships with local cooperatives, private sector

actors, and microfinance institutions, alongside regulatory support such as tax incentives and simplified legal frameworks. In corporate sponsorships, clear ethical guidelines, transparency frameworks, and centralized platforms linking organizations with compatible sponsors are essential to protect humanitarian integrity while improving access to private funding. For crowd-funding, digital capacity building, county-level support hubs, and regulatory guidelines promoting transparency and donor confidence can make campaigns more effective and trustworthy. Regarding NGO membership subscriptions, policymakers should support formalization, governance, and financial management, establish clear membership frameworks, and incentivize community participation through recognition programs or matching grants. Across all strategies, integrating these measures into local development plans ensures sustainability, strengthens resource mobilization, and enhances the operational performance of drought-related humanitarian organizations

5.5 Limitations of the Study

Limitations initially encountered were discussed as shown.

5.5.1 Data Collection Challenges

The issues on funds represent an area that places a significant emphasis on safeguarding sensitive data, and the researcher had difficulties in gathering data that was considered confidential during the study process. It is of the utmost importance that the investigator gives assurance that there would be complete compliance with severe data privacy requirements and ensures the confidentiality of the information which was required to be gathered. The information that was gathered from responders was considered confidential, therefore, respondents among the NGOs had shown signs of reluctance to disclose information or engage

in the study. Therefore, to overcome, such considerations relating to the anonymity and confidentiality of the data were addressed by the researcher.

5.5.2 Complexity in Data Management

The challenge experienced was handling large datasets which was considered as overwhelming, requiring significant computational resources and sophisticated data management systems. Since large datasets occasionally would often contain inconsistencies, errors, or missing values that need to be cleaned. The larger the dataset, the more challenging and time-consuming this process would become, increasing the risk of overlooking errors. However, adequate measures related to data cleaning and verification were adopted which resulted in a successfully analyzed report within allowed period of time.

5.6 Recommendations for Further Research

From the findings of the model summary, the variance on operational performance of drought-related humanitarian organizations at the Humanitarian organizations in Machakos County was confirmed by social enterprise ventures, corporate sponsorships, crowdfunding and NGO membership subscriptions. The R square was found to be 0.635, which is equivalent to 63.5%. As a result, the remainder of the percentage, represented by 36.5%, contributed to the revelation that there were some more factors that were not captured by the model but still affected operational performance in Humanitarian organizations in Machakos County. This gave room for further analysis or research in which other researchers may consider pursuing. Therefore, there is need for further research to be carried out to establish what other factors represented by 36.5% could be affecting operational performance because of diversification of funding strategies. Further to this, other organizations in peace keeping whether in public or private can be given consideration.

REFERENCES

- Aboramadan, M. (2020). NGOs management: a roadmap to effective practices. *Journal of Global Responsibility*, 9(4), 1-10.
- Ali, A. A. (2022). *Factors Influencing Sustainable Funding of Non-Governmental Organizations in Kenya: A Case Study of Sisters Maternity Home (SIMANO) in Garissa*. MBA Master's Thesis, Nairobi University, Kenya.
- AlKhoury, R., & Arouri, H. (2022). The effect of diversification on risk and return in banking sector. *International Journal of Managerial Finance*, 15(1), 11-19.
- Althubaiti, A. (2022). Sample size estimation in clinical research: An overview. *Journal of Evidence-Based Medicine & Healthcare*, 9(1), 1-7.
- Aponte, W.V. (2022). Non-governmental organizations and the sustainability of small and medium-sized enterprises in Peru. An analysis of networks and discourses, *Environmental Policy*, 9(4); 276-290.
- Arejiogbe, O. E., Chinonye, M. L., & Salau, O. P. (2023). Bolstering the Impact of Social Entrepreneurship and Poverty Alleviation for Sustainable Development in Nigeria. *Sustainability*, 15(8), 6673. <https://doi.org/10.3390/su15086673>
- Belleflamme, P., Lambert, T., & Schwienbacher, A. (2024). Crowdfunding: Tapping the right crowd. *Journal of Business Venturing*, 29(5), 585-609. <https://doi.org/10.1016/j.jbusvent.2023.07.003>
- Bengat, J. N. (2020), Operations Management Practices and Performance of Agricultural Non-governmental Organizations in Nairobi County; *Journal of Operations Management*; 5(2) 531-542.
- Bennett, R. (2021). Factors influencing the effectiveness of relationship marketing: A mutual expectations perspective. *Industrial Marketing Management*, 34(5), 511-519. <https://doi.org/10.1016/j.indmarman.2019.10.001>
- Beyhaghi, M., & Hawley, J. P. (2023). Modern portfolio theory and risk management: assumptions and unintended consequences. *Journal of Sustainable Finance & Investment*, 3(1), 17-37.
- Buchanan-Smith, M., & Davies, S. (2024). *Famine Early Warning and Response – the Missing Link*. Intermediate Technology Publications.
- Burns, N. & Burns, S. (2023). *The practice of nursing research: Conduct, critique and utilization*: 15th Edition: St Louis, ElsevierSaunders
- Casciaro, T., & Piskorski, M. J. (2015). Power imbalance, mutual dependence, and constraint absorption: A closer look at resource dependence theory. *Administrative Science Quarterly*, 50(2), 167-199. <https://doi.org/10.2189/asqu.2015.50.2.167>
- Chochoi, L, A. (2024), Operational Strategies and Performance of Non-Governmental Organizations in Nakuru County, Kenya: *International Journal of Latest Research in Humanities and Social Science (IJLRHSS)* 9(2) 217-221.
- Chole, A. K. (2019). Determinants of Programs Implementation in Nongovernmental Organizations in Kenya: A Case of Compassion International. *Uonbi.ac.ke*.

- unpublished thesis submitted to the University of Nairobi
<http://erepository.uonbi.ac.ke/handle/11295/153264>
- Curtis, G. (2019). *A T 16 Modern Portfolio Theory and Behavioral Finance Fall 2019 Modern Portfolio Theory and Behavioral Finance*.
- Dawes, J. (2018). *The Ansoff Matrix: A Legendary Tool, but with Two Logical Problems*. SSRN.
- Diana, K. (2021). *Factors That Determine Success of Crowdfunding Initiatives in Kenya*. <https://repository.kcau.ac.ke/bitstream/handle/123456789/649/Kiende-Factors%20That%20Determine%20Success%20Of%20Crowdfunding%20Initiatives%20In%20Kenya.pdf?sequence=1&isAllowed=y>.
- Donaldson, L. (2021). The Contingency Theory of Organizational Design: Challenges and Opportunities. *Information and Organization Design Series*, 6(5), 19–40.
- Drazin, R., & Van de Ven, A. H. (2020). Alternative Forms of Fit in Contingency Theory. *Administrative Science Quarterly*, 30(4), 514–539.
- Drees, J. M., & Heugens, P. P. (2023). Synthesizing and extending resource dependence theory: A meta-analysis. *Journal of Management*, 39(6), 1666–1698. <https://doi.org/10.1177/0149206312471391>
- Ebrahim, A., Battilana, J., & Mair, J. (2024). The governance of social enterprises: Mission drift and accountability challenges in hybrid organizations. *Research in Organizational Behavior*, 34, 81–100. <https://doi.org/10.1016/j.riob.2014.09.001>
- Elton, E. J., & Gruber, M. J. (1997). Modern portfolio theory, 1950 to date. *Journal of Banking & Finance*, 21(11-12), 1743–1759. [https://doi.org/10.1016/s0378-4266\(97\)00048-4](https://doi.org/10.1016/s0378-4266(97)00048-4)
- Elton, E., Gruber, M., & Goetzmann, W. (2019). *Modern Portfolio Theory and Investment Analysis*. Google Books.
- Evangelia, T. (2017). *Application of Ansoff's Matrix-Methodology: Marketing Growth Strategies for Products*.
- Feiler, S., Wicker, P., & Breuer, C. (2019). Nonprofit Pricing: Determinants of Membership Fee Levels in Nonprofit Sports Clubs in Germany. *International Journal of Sport Finance*, 14(4), 262–278. <https://doi.org/10.32731/IJSF/144.112019.06>
- Fiedler, F. E. (1964). *Leadership effectiveness: A contingency model*. In L. Berkowitz (Ed.), *Advances in experimental social psychology* (Vol. 1, pp. 149–190). Academic Press.
- Ghauri, P., & Wang, F. (2021). *The Impact of Multinational Enterprises on Sustainable Development and Poverty Reduction: Research Framework*. New York: Oxford University Press.
- Heriyati, P., Yadav, N., A., & Madzik, P. (2024). Understanding Key Factors in Social Enterprise Development in Indonesia: Case Study Approach for an Optimal Social Enterprise Business Model. *Social Enterprise Journal*, 20(5), 678–700. <https://doi.org/10.1108/sej-08-2023-0099>
- Herrero, B. (2019) Boards of directors: composition and effects on the performance of the firm. *Economic Research-Ekonomska Istraživanja*, 31(1); 1015- 1041

- Hillman, A. J., Withers, M. C., & Collins, B. J. (2019). Resource dependence theory: A review. *Journal of Management*, 35(6), 1404–1427. <https://doi.org/10.1177/0149205189343469>
- Hussain, S., Khattak, J., Rizwan, A., & Latif, M. A. (2023). ANSOFF matrix, environment, and growth-an interactive triangle. *Management and Administrative Sciences Review*, 2(2), 196-206.
- Inyanza, B., & Muthoni, D. (2023). Effect Of Source Specific Grants on The Financial Sustainability of Non- Governmental Organizations in Kenya. <https://www.ijssit.com/main/wp-content/uploads/2023/11/Effect-of-source-specific-grants-on-the-financial-sustainability-of-NGOs-in-Kenya.pdf>
- Islam, C. (2020). *Non-governmental organization vulnerabilities: Donors and resource dependence*. CMC Senior Theses, Claremont McKenna College, USA.
- Jabr, F. (2022). John A. Long - Publications List. *Publicationslist.org*, 14(6).
- Jebet, S. (2021). *Influence of Non-Governmental Organization in Promoting the Growth of Women Entrepreneurial Social Ventures in Nakuru county*. A Management Research. Unpublished thesis Submitted to Strathmore University. <https://suplus.strathmore.edu/server/api/core/bitstreams/ed467bc3-6714-4cef-a6c4-7f61a4c777b5/content>
- Johnstone, D. J. (2021). The Value of a Probability Forecast from Portfolio Theory. *Theory and Decision*, 63(2), 153–203.
- Kamstra, J. & Schulepen, L. (2023). Worlds apart but much alike: Donor Funding and the Homogenization of NGOs in Ghana and Indonesia. *Journal of Comparative International Development*, 14(3):283–307.
- Kankpang, A., Edet, S., & Okongo, J. (2024). Crowd-Funding Awareness and Application Amongst Nigerian Entrepreneurs. *International Journal of Advances in Management and Economics*, 12(6), 73–85. https://www.researchgate.net/publication/382276448_Crowd-Funding_Awareness_And_Application_Amongst_Nigerian_Entrepreneurs
- Kerlin, J. A. (2023). Defining social enterprise across different contexts: A conceptual framework based on institutional factors. *Nonprofit and Voluntary Sector Quarterly*, 42(1), 84–108. <https://doi.org/10.1177/0899764011433040>
- Kibet, S. T., & Kibati, P. (2024). Influence of Financing Decision on Operational Sustainability of NGOs in Nakuru County, Kenya. Research Gate. https://www.researchgate.net/publication/377115658_Influence_of_Financing_Decision_on_Operational_Sustainability_of_Ngos_In_Nakuru_County_Kenya
- Kinoti, L. M. (2020). Influence of Social Enterprise Ventures on Entrepreneurship and Business Growth in Kibra, Nairobi County. *International Journal of Entrepreneurship and Project Management*, 5(1), 17–46. https://www.iprjb.org/journals/index.php/IJEPM/article/view/1027?srsId=AfmBOoUCCxwF46PxMogts5dL-_gYyspD_ihFc_pdKHHfImgvJrFP4yo

- Kinyua, K. and Elosy, K. (2023). Crowd funding Mobilization Strategies and Implementation of Community Based Organization Projects in Kenya: *a Case of Kibra Informal Settlement, Nairobi County*. *Uonbi.ac.ke*, 3(1). <http://erepository.uonbi.ac.ke/handle/11295/164640>
- Kumar, M., & Das, T. K. (2021). Interpartner legitimacy in the alliance development process. *Journal of Management Studies*, 44(8), 1425–1453. <https://doi.org/10.1111/j.1467-6486.2021.00713.x>
- Lawrence, P. R., & Lorsch, J. W. (1967). *Organization and environment: Managing differentiation and integration*. Harvard University Press.
- Lehner, O. M. (2023). Crowdfunding social ventures: A model and research agenda. *Venture Capital*, 15(4), 289–311. <https://doi.org/10.1080/13691066.2023.782624>
- Lin, W., & Wang, Q. (2019). What helped Nonprofits Weather the Great Recession? Evidence from Human Services and Community Improvement Organizations. *Nonprofit Management & Leadership*, 26(3), 257-276
- Loredana, M. E. (2017). *The Use of Ansoff Matrix in the Field of Business*.
- Lukomnik, J., & Hawley, J. P. (2021). *Moving Beyond Modern Portfolio Theory*. Routledge.
- Machakos County Integrated Development Plan (2023-2027: Available; <https://maarifa.cog.go.ke/sites/default/files/2024-06/MACHAKOS%20CIDP%202023-2027.pdf>
- Meldrum, M., & McDonald, M. (1995). The Ansoff Matrix. *Key Marketing Concepts*, 24(1), 121–103. Springer
- Mindra, R., & Moya, M. (2024). Financial self-efficacy: a mediator in advancing financial inclusion. *Equality, Diversity and Inclusion: An International Journal*, 17(5), 1-12.
- Miriti, N.S., & Karithi, N.M. (2020). Factors Influencing Sustainability of Non-Governmental Organizations: A Study for Nairobi, Kenya. *FOCUS: Journal of International Business*, 7 (1), 145-163.
- Mitchell, G. (2021). Strategic Responses to Resource Dependence Among Transnational NGOs Registered in the United States: *International Journal of Voluntary and Nonprofit Organizations*. Vol, 18, 629–638
- Mohamed, M., & Muturi, W. (2020). Factors Influencing Financial Sustainability of Local Non-Governmental Organizations in Putland, Somalia. *International Journal of Social Sciences and Informational Technology*, 3(2), 3-28.
- Moreno, S. (2021). A review of factors influencing financial sustainability of NGOs in Columbia. *International Journal of Economics, Commerce and Management*, 8(3), 56-61
- Mosel, I., & Levine, S. (2022). *Remaking the Case for Linking Relief, Rehabilitation and Development: How LRRD Can Become a Practically Useful Concept for Assistance in Difficult Places*. Overseas Development Institute.
- Mpofu, L., & Govender, K. (2022). Donor–NGO partnerships in South Africa: A qualitative case study of five NGOs in Gauteng. *African Evaluation Journal*, 10(1). <https://doi.org/10.4102/aej.v10i1.619>

- Musila, F., & Oluoch, M. (2023). Effect of Strategic Partnership on Performance of Non-Governmental Organizations in Nairobi Kenya. Doi.org. <http://dx.doi.org/10.47191/ijmra/v6-i11-34>
- Mutale, Q. (2021). Department of Local Governance Studies Factors affecting the success of NGO interventions in social service provision for the rural poor communities in Zimbabwe: Case of Luunga Ward 1 in Binga District. *Organization Behavior*, 3(2); 22-29.
- Mutinda, S., & Ngahu, S. (2020). Determinants of Financial Sustainability for Nongovernmental Organizations in Nakuru County, Kenya. *IOSR Journal of Business and Management*, 18(9), 81-88
- Mutisya, E., & Barker, D. (2021). *Adapting to climate change in East Africa: A strategic approach to drought vulnerability reduction in Kenya*. *African Journal of Environmental Science and Technology*, 5(4), 280–289. <https://doi.org/10.5897/AJEST10.258>
- Nadzmy, F., Isa, & Muhammad, N. M. (2024). Enhancing Malaysian NGO Effectiveness by Corporate Sponsors: Integrating Corporate Governance with Organizational and Economic Sustainability. *Bio Web of Conferences*, 3(131), 03010. <https://doi.org/10.1051/bioconf/202413103010>
- Nafziger-Mayegun, R., Adjabeng, B., & Ansong, D. (2020). Does Revenue Diversification Predict Financial Vulnerability among Nongovernmental Organizations in sub-Saharan Africa? *Voluntas: International Journal of Voluntary and Nonprofit Organizations*, 28(5), 2124-2144.
- National Drought management Authority (2023): Report on drought Phase classification February 2023. retrieved 18/03/2023. <https://www.ndma.go.ke/index.php/resource-center/national-drought-bulletin/send/39-drought-updates/6868-national-monthly-drought-updates-march-2023>
- Ngoe, O. A (2021). *Factors influencing financial sustainability of enterprises funded under the youth enterprise development fund program in Mombasa County*. Unpublished MSc research project, Nairobi: University of Nairobi.
- Nguyen, H. & Watanabe, T. (2019). *The Impact of Project Organizational Culture on the Performance of Construction Projects*. *Sustainability*. 9. (7). 22-29.
- Ningsih, W., Setiawan, D., & Aryani, Y. A. (2024). Empirical Evidence of Crowd funding Studies in Indonesia: A Systematic Literature Review. *Journal Business Dan Akuntansi*, 26(1), 85–100. <https://doi.org/10.34208/jba.v26i1.2463>
- Njeru, C. (2022). Effect of Leadership on Operational Efficiency of Non-governmental Organizations in Nairobi County, Kenya; *Journal of Business Research*, 64(7), 728-736.
- ODI Global (2022). Covid-19 and local humanitarian action: five emerging trends: Available; <https://odi.org/en/insights/covid-19-and-local-humanitarian-action-five-emerging-trends/>
- OECD. (2024). *Financing for sustainable development: Tackling vulnerabilities*. <https://www.oecd.org/development/financing-sustainable-development>

- Okeibunor, N. B., Okoro, N., & Kenneth, U. (2022). Modeling the Effect of Corporate Sponsorship on the Organizational Image of Selected Insurance Companies in Edo State, Nigeria. *Sage Open*, 12(4), 215824402211327. <https://doi.org/10.1177/21582440221132733>
- Okinda, W., & Ondiwa, S. (2024). Accountability, Donor Funding and Non-Governmental Organizations in Kisumu County in Kenya. *The International Journal of Business & Management*, 12(6). <https://doi.org/10.24940/theijbm/2024/v12/i6/bm2406-002>.
- Olando, I. (2020). *Factors affecting sustainable funding of NGOs in Nairobi County: A case of Uhai East African Sexual Health And Rights Initiative*, Unpublished MBA project, USIU
- Onyango, L. (2019). An analysis of the effect of crowd funding platforms in enhancing the financing sources for micro, small and medium enterprises (MSMEs) in Kenya. <https://su-plus.strathmore.edu/server/api/core/bitstreams/97ea939f-6f65-4e58-952f-dbfcd669abd3/content>,
- Otley, D. (2020). The contingency theory of management accounting and control: 1980–2014. *Management Accounting Research*, 31(3), 45–62.
- Parks, T. (2020). The rise and fall of donor funding for advocacy NGOs: understanding the impact. *Development in Practice Volume 18, - Issue 2*.
- Pfeffer, J., & Salancik, G. R. (1978). The design and management of externally controlled organizations. *Administrative Science Quarterly*, 23(3), 349–364. <https://doi.org/10.2307/2392573>
- Pfeffer, J., & Salancik, G. R. (2003). *The external control of organizations: A resource dependence perspective*. Stanford University Press.
- Provan, K. G., Beyer, J. M., & Kruytbosch, C. (1980). Environmental linkages and power in resource-dependence relations between organizations. *Administrative Science Quarterly*, 25(2), 200–225. <https://doi.org/10.2307/2392453>
- Renz, D.O. (2023). *Nonprofit Leadership & Management* 4th Edition. NJ: John Wiley & Sons Inc.
- Rono, L. (2019). Influence of Operational Strategies on Performance of Social Entrepreneurship Projects: a Case of Social Enterprise Society of Kenya, Nairobi County. Unpublished thesis submitted to the University of Nairobi. *Uonbi.ac.ke*. <http://erepository.uonbi.ac.ke/handle/11295/162760>.
- Salamon, L. M. (2020). *Putting the civil society sector on the economic map of the world*. *Annals of Public and Cooperative Economics*, 81(2), 167–210. <https://doi.org/10.1111/j.1467-8292.2010.00409.x>
- Salamon, L. M. (2020). *Putting the civil society sector on the economic map of the world*. *Annals of Public and Cooperative Economics*, 81(2), 167–210. <https://doi.org/10.1111/j.1467-8292.2010.00409.x>
- Sargeant, A., & Shang, J. (2020). *Fundraising principles and practice*. Jossey-Bass.

- Schoonhoven, C. B. (2019). Problems with Contingency Theory: Testing Assumptions Hidden within the Language of Contingency “Theory.” *Administrative Science Quarterly*, 26(3), 349.
- Stobaugh, H., Parker, J., & McGlinchy, M. (2023). *Response Analysis and Response Choice in Food Security Crises: A Roadmap*. Feinstein International Center, Tufts University.
- Sturgeon, B. (2023). *Modern Portfolio Theory*.
- Swisher, P., & Kasten, G. W. (2015). Post-modern portfolio theory. *Journal of Financial Planning*, 18(9), 74.
- Tosi, H. L., & Slocum, J. W. (2020). Contingency Theory: Some Suggested Directions. *Journal of Management*, 10(1), 9–26.
- Tuckman, H. P., & Chang, C. F. (2021). A methodology for measuring the financial vulnerability of charitable nonprofit organizations. *Nonprofit and Voluntary Sector Quarterly*, 20(4), 445–460. <https://doi.org/10.1177/089976409102000407>
- Ulrich, D., & Barney, J. B. (2020). Perspectives in organizations: Resource dependence, efficiency, and population. *Academy of Management Review*, 9(3), 471–481. <https://doi.org/10.5465/amr.2020.4279679>
- UNICEF Kenya Humanitarian Situation Report No. 7: Kenya 2022 Drought Response in Review.
- Zabibu, T., Njeri, I., & Kemunto, A. (2024). Grant Management Practices and Financial Sustainability Among Non-Governmental Organizations in Taita-Taveta County: A Case of World Vision Kenya. *International Academic Journal of Economics and Finance*, 4(2), 104-140. https://www.iajournals.org/articles/iajef_v4_i2_104_140.pdf
- Zugay, B., & Zakaria, R. (2023). Ansoff Matrix. In *SAGE Knowledge*. SAGE Publications, Inc.

APPENDICES

APPENDIX I: ETHICS CLEARANCE LETTER



Thika Road, Ruaraka
P.O. Box 56808-00200 Nairobi Kenya
Pilot Line: +254 20 8070408/9

Tel: +254 20 3537842
Fax: +254 20 8561077
Mobile: +254 734 888022, 710 888022
Email: kca@kca.ac.ke
Website: www.kca.ac.ke

KCA UNIVERSITY SCIENTIFIC AND ETHICS REVIEW COMMITTEE

REF: KCAU/SERC/138
TO: KATUNGE HELLEN 19/03823

Date: 19th May 2025

Dear Sir/madam

RE: DIVERSIFICATION OF FUNDING STRATEGIES AND OPERATIONAL PERFORMANCE OF DROUGHT-RELATED HUMANITARIAN ORGANIZATIONS IN MACHAKOS COUNTY, KENYA

This is to inform you that KCA University Scientific Ethics Review Committee (KCAUSERC) has reviewed and approved your above research proposal. Your application approval number is **KCAUSERC SOB138**. The approval period is **19th May 2025 – 19th May, 2026**.

This approval is subject to compliance with the following requirements;

- i. Only approved documents including (informed consents, study instruments, MTA) will be used
- ii. All changes including (amendments, deviations, and violations) are submitted for review and approval by **KCAUSERC**.
- iii. Death and life-threatening problems and serious adverse events or unexpected adverse events whether related or unrelated to the study must be reported to **KCAUSERC** within 72 hours of notification
- iv. Any changes, anticipated or otherwise that may increase the risks or affected safety or welfare of study participants and others or affect the integrity of the research must be reported to **KCAUSERC** within 72 hours
- v. Clearance for export of biological specimens must be obtained from relevant institutions.
- vi. Submission of a request for renewal of approval at least 60 days prior to expiry of the approval period. Attach a comprehensive progress report to support the renewal.
- vii. Submission of an executive summary report within 90 days upon completion of the study to **KCAUSERC**.

Prior to commencing your study, you will be expected to obtain a research license from National Commission for Science, Technology and Innovation (NACOSTI) <https://research-portal.nacosti.go.ke> and also obtain other clearances needed.

Yours sincerely

A handwritten signature in black ink, appearing to be 'C. Ntara'.

Dr. Caroline Ntara
Chairperson, KCA University Scientific and Ethics Review Committee

APPENDIX II: INTRODUCTION LETTER TO NACOSTI



Thika Road, Ruaraka
P.O. Box 56808-00200 Nairobi Kenya
Pilot Line: +254 20 8070408/9

Tel: +254 20 3537842
Fax: +254 20 8561077
Mobile: +254 734 888022, 710 888022
Email: kca@kca.ac.ke
Website: www.kca.ac.ke

BOARD OF POSTGRADUATE STUDIES

KCAU/BPS/2025

Date: Monday, June 30, 2025

**NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION (NACOSTI)
P.O BOX 30623-00100
NAIROBI**

Dear Sir/Madam,

RE: KATUNGE HELLEN - REG NO. 19/03823

It is my distinct pleasure to introduce Katunge Hellen, a student at our institution pursuing a Master of Business Administration- Corporate Management degree in the School of Business.

Hellen is conducting research on the topic: *"Diversification of funding strategies and operational performance of drought-related humanitarian organizations in Machakos County, Kenya"* Her study has been reviewed and approved by the University's Ethics Review Committee Approval No.






KCAUSERCSOB138. The approval period is from 19th May 2025 to 19th May 2026.

Any assistance accorded to her is highly appreciated.

Yours faithfully,

**DR. JACKSON NDOLO
DIRECTOR, BOARD OF POST GRADUATE STUDIES**

APPENDIX III: RESEARCH PERMIT (NACOSTI)

 REPUBLIC OF KENYA	 NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION
Ref No: 529375	Date of Issue: 12/July/2025
RESEARCH LICENSE	
	
<p>This is to Certify that Ms. HELLEN KATUNGE of KCA University, has been licensed to conduct research as per the provision of the Science, Technology and Innovation Act, 2013 (Rev.2014) in Machakos on the topic: DIVERSIFICATION OF FUNDING STRATEGIES AND OPERATIONAL PERFORMANCE OF DROUGHT-RELATED HUMANITARIAN ORGANIZATIONS IN MACHAKOS COUNTY, KENYA for the period ending : 12/July/2026.</p>	
License No: NACOSTI/P/25/4176284	
529375 Applicant Identification Number	 Ag Director General NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION
	Verification QR Code 
<p>NOTE: This is a computer generated License. To verify the authenticity of this document, Scan the QR Code using QR scanner application.</p>	
See overleaf for conditions	

APPENDIX IV: INTRODUCTION LETTER TO RESPONDENTS



Thika Road, Ruaraka
P.O. Box 56808-00200 Nairobi Kenya
Pilot Line: +254 20 8070408/9

Tel: +254 20 3537842
Fax: +254 20 8561077
Mobile: +254 734 888022, 710 888022
Email: kca@kca.ac.ke
Website: www.kca.ac.ke

BOARD OF POSTGRADUATE STUDIES

KCAU/BPS/2025

Date: Monday, June 30, 2025

TO WHOM IT MAY CONCERN

Dear Sir/Madam,

RE: KATUNGE HELLEN - REG NO. 19/03823

It is my distinct pleasure to introduce Katunge Hellen, a student at our institution pursuing a Master of Business Administration- Corporate Management degree in the School of Business.

Hellen is conducting research on the topic: *"Diversification of funding strategies and operational performance of drought-related humanitarian organizations in Machakos County, Kenya"* which is part of the requirements of the program she is pursuing. The research as well as the data procured thereof shall be used for academic purposes only.

Any assistance accorded to her is highly appreciated.

In case of further inquiry, do not hesitate to contact the undersigned.

Yours faithfully,

DR. JACKSON NDOLO
DIRECTOR, BOARD OF POST GRADUATE STUDIES

APPENDIX V: QUESTIONNAIRE

My name is Katunge Hellen and the Reg. no.19/03823. I am a student at the KCA University pursuing a Master of Science Degree (Finance and Investment). I am carrying out an academic research on the '**Diversification of Funding Strategies and Operational Performance of Drought-related Humanitarian Organizations in Machakos County, Kenya**'

Please, fill out the questionnaire as correctly as possible in spaces provided and the information is only meant for academic purpose.

SECTION I: BACKGROUND INFORMATION

1. Gender:

Male []

Female []

2. How many years have you worked in this organization?

Less than 1 Years []

1-5 Years []

6-11 Years []

12-17 Years []

Over 17 Years []

3. Education level

Diploma level []

Bachelor's degree []

Master's degree []

Postgraduate degree []

Other Certifications []

Please indicate extent to which you agree or disagree with the following statements.

1- Strongly disagree, 2 – disagree, 3– Neutral, 4 - Agree, 5 – Strongly Agree

SECTION II: DIVERSIFICATION OF FUNDING STRATEGIES

(i). Social Enterprise Venture Strategy

Statement	1	2	3	4	5
Satisfaction levels indicate whether funds are being used effectively towards beneficiary					
A high number of beneficiaries enhance the organization's public image and trustworthiness.					
Donors support organizations with measurable beneficiary satisfaction.					
Social Return on Investment (SROI) provides quantifiable evidence of an organization's impact					
The SROI strengthens the case for funding by showing evidence of impact beyond anecdotal success stories.					
Social Return on Investment enables organizations to understand which programs yield the highest social impact per dollar spent.					
Diversified funding has enabled the organization to invest in new projects and services that require skilled labor.					
Stable financial base has allowed NGOs to hire more employees which has sustained jobs even during economic downturns.					

(ii). Corporate Sponsorship Strategy

Statement	1	2	3	4	5
During humanitarian crises, a wide audience size enables organizations to disseminate urgent calls for action quickly					
When a well-known brand sponsors a humanitarian organization, it serves as a stamp of legitimacy.					
A larger online presence attracts corporate sponsors seeking visibility through partnerships					
Visibility through corporate social media can draw in additional private or public partners.					
An NGO's reputation is enhanced by regular social media participation, which increases its appeal to funders.					
The association with reputable brands can lend credibility to the humanitarian organization and its mission.					
A strong social media presence demonstrates the NGO's ability to reach beneficiaries and create impact.					
Recognizable NGO brand fosters trust and encourages long-term donor commitment.					
Companies prefer long-term collaborations with reputable NGOs that align with their Corporate Social Responsibility (CSR) goals					

(iii). Crowd-Funding Strategy

Statement	1	2	3	4	5
Platforms with strong traffic generates higher donations through digital fundraising campaigns					
Engaging platform visitors can convert one-time donors into recurring contributors, enhancing funding reliability.					

High traffic and engagement signal credibility and potential for large-scale impact.					
Recurring donations is a reliable income source for ongoing drought relief programs					
Repeat donations create a predictable flow of funds, enabling organizations to budget and plan long-term drought relief					
Long-term donors have become advocates, increasing referrals for fundraising success.					
Providing clear responses to donor feedback demonstrates accountability that strengthens credibility.					
Feedback on donation platforms, payment methods, and subscription options helps streamline fundraising processes.					

(iv). NGO Membership Subscriptions Strategy

Statement	1	2	3	4	5
Recurring membership fees provide predictable funding for both immediate relief and long-term resilience programs.					
Offering exclusive benefits such as impact reports, event invitations, and networking opportunities increases membership retention					
Membership encourages deeper involvement, as members feel a sense of belonging and ownership in the NGO's mission.					
Active members are more likely to contribute beyond membership fees through additional donations and fundraising.					
A large, engaged membership base increases credibility and attracts institutional funders.					
Broad membership base helps sustain multi-year programs critical for building drought resilience.					

Renewable membership fees provide a steady revenue stream for operational costs as well as program funding.					
Consistent funding through renewals ensures NGOs can maintain reserves for rapid response to sudden drought crises.					

SECTION III: Operational Performance of Drought-Related Humanitarian Organizations

Statement	1	2	3	4	5
Adequate funding for programs enables quick mobilization of resources for drought response					
Well-funded programs minimize interruptions caused by resource shortages, improving the organization’s ability to act swiftly					
More resources allow for better planning, skilled personnel, quality materials, and monitoring					
Proper allocation enables the organization to serve more communities and cover wider geographic areas affected by drought.					
Funding flexibility enables cross-sector initiatives					
The organization implements small-scale expansion models to assess viability before full rollout.					
This NGO is efficient by serving more beneficiaries with the same or fewer resources.					
Efficient operations results attract continuous donor support.					

Thank You

**APPENDIX VI: LIST OF DROUGHT-RELATED HUMANITARIAN SUPPORT
ORGANIZATIONS**

Kenya Red Cross Society

ActionAid Kenya

Utooni Development Organization

Catholic Relief Services

Mercy Corps

Malteser International

Greening Machakos Youth Network

Sahelian Solutions Foundation

Maji Na Ufanisi

Dorcas International

Kenya Good Neighbors

The Millennium Water Alliance

Green Africa Foundation