LEADERSHIP COMPETENCIES AND SUSTAINABLE

FUNDING OF NON-GOVERNMENTAL

ORGANISATIONS IN UGANDA
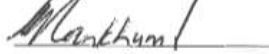
By

Paul Kyalimpa

Reg. No. 2013/PhD/O74

SUPERVISORS

Prof. F.G. Netswera

University of Limpopo

Prof. E.M..Rankhumise

[Signature]

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Table of Contents

i 21 April 2014 EM Rankhumise   24 April Netswera, F.G

<div align="center">**CHAPTER ONE**</div>

<div align="center">**INTRODUCTION**</div>

1.1   Introduction

This study examines how leadership competencies influence sustainable funding of Non-Governmental Organisations (NGOs). Accordingly, competencies of NGO leaders are conceived as the independent variable while sustainable funding of NGOs will be the dependent variable. Leadership Competencies is measured in form of skills and behaviours which include ability to communicate vision, identifying and exploiting opportunities, inspiring teams, motivation of staff, relationship management, self awareness and self management. Sustainable Funding of NGOs is measured in terms of the ability of an NGO to consistently secure and manage adquate financial resources to fulfill its mission effectively in the long term.

The next section provides the background to the study, the statement of the problem, the purpose of the study, the objectives of the study, the research questions, the hypotheses, the scope of the study, the significance, justification and operational definition of terms and concepts.

1.2   Background

Non-profit-making organizations commonly known as None-Governmental Organisations (NGOs) play an important and growing role within the global economy and are increasingly recognized by governments as important players in a country's social, economic, political and intellectual development (National NGO Policy, 2010. 10). NGO activities help to mobilise, sensitize, consult and aggregate citizen interest and action. NGOs can fulfill these roles at three different levels namely: at agenda setting; at policy development; and at policy implementation,

<div align="center">1 21 April 2014 EM Rankhumise   24 April Netswera, F.G</div>

monitoring, evaluation and ensuring transparency and accountability in public office. NGOs, as Non-State actors are, therefore, potent and legitimate partners to governments in nation building. The international ranking of the Top 100 NGOs by *second edition* of the Annual Top 100 NGOs *Special Issues* (2013) reported increasing global influence and contribution of NGOs in all facets of modern life. The NGO sector is increasingly becoming more dynamic, innovative and inspiring and is estimated by the Public Interest Registry (PIR) to encompass close to 10 million organizations with the number of UN-accredited NGOs rising from 40 in 1945 to 3,536 by the end of 2011(Annual Top 100 NGOs Special Issues, 2013).

The last decade has been marked by an increased involvement of NGOs in the development process due to the failure of development assistance to governments of poor countries to either generate growth or to reach the poor. On the other hand, the success of non-governmental initiatives, especially the Grameen Bank in Bangladesh put forward as a model, has been put forth in development circles as illustration of NGO potential to better deliver the much needed development to the poor (Barr, Fafchamps & Owens 2003). In the African countries where the governments' capacity and revenue are often very limited to deliver the much needed services to the public, NGOs play a pivotal role to poverty alleviation. However, despite their prominent role in developing countries, very little research has been done on the survival and leadership of NGOs in developing countries. Analysis of the existing literature also reveals that the work that does exist is piecemeal and based on case studies (Burger & Owens 2012).

In the study of NGO sustainability, it is imperative to consider the influence of mission and leadership which are central concepts in the description of NGOs. NGOs mission and drive have

21 April 2014 EM Rankhumise   24 April Netswera, F.G

been found to be intimately linked to charismatic leadership to the extent that when an individual launches an NGO, the organization's motivation and decision-making often become so intimately intertwined with the leader's personality and character to the effect that the NGO may collapse when the leader departs (Sooryamoorthy & Gangrade 2001, Burger & Owens 2012, Haveman 1993). Research in leadership has established typical competencies commonly associated with leadership as the ability of a leader to communicate vision or strategy, inspire teams, motivate individuals, and identify opportunities and initiate transformation. According to research conducted in the UK and sponsored by ACEVO, which represents and supports the leaders of non-profit organizations in Britain, NGO leaders exhibited an unusually broad range of competencies compared to leaders in the public and private sectors (Bolton & Abdy, 2003). The NGO leaders need a rare balance of inward-looking (management) and outward looking (influencing) skills, with exceptional communication and networking skills, as well as resilience and emotional attachment. Many international NGOs For example, the International Federation of the Red Cross and Save the Children Alliance have created assessment tools that try to capture leadership competencies based on the individual leader's ability to envision (create and communicate individual strategy), enable (identify and apply appropriate tools, processes, and people), empower (develop effective teams), and energize (communicate and inspire) through personal leadership (Hailey 2006).

The varied and modern challenges which NGOs are up against have focused attention on how to develop a new generation of NGO leaders that among other will foster sustainability. This is reflected by the increasing investment of international development agencies such as Save the Children Fund, Organization Development Department of the International Federation of the Red Cross, CARE, and a consortium of US-based NGOs in Leadership Development Programmes

3 21 April 2014 EM Rankhumise   24 April Netswera, F.G

(LDPs). For example, Save the Children Fund is in the process of identifying core leadership competencies for its senior staff, and is currently developing in-house leadership development courses. Similarly the Organization Development Department of the International Federation of the Red Cross has introduced a series of leadership development workshops for the senior staff and Board members of different Red Cross societies. CARE, and a consortium of US-based NGOs, are developing a virtual NGO university (LINGO – Learning for International NGOs) whose initial programmes will focus on NGO leadership development. These are not just one-off initiatives but part of a growing awareness of the importance of developing the role and skills of NGO leaders (Lewis 2001; Smillie & Hailey 2001, Hailey & James 2004, James 2005a).

As one of the donor agences in Africa that works with and through NGOs, USAID established the Sustaianbility Index as a tool to asses aid effectiveness to NGO. The findings of *the NGO Sustainability Index for Sub-Sahara Africa* (2009) revealed that while NGOs' ability to provide service delivery to under-served populations was the highest score in all 19 countries sampled including Uganda, funding sustainability was the weakness. A common issue for many NGOs in sub-Sahara Africa, Uganda at the heart, is reliance on a single, external source for funding. In this situation, if international funding were to disappear, many of the NGOs would collapse. Still in the NGO Sustainability Index (2011 P.145) revealed that the financial viability of Uganda's NGO sector remained vulnerable due to continued reliance on donors. According to the National NGO Policy (launched 2012), NGOS in Uganda are still donor dependent especially in respect of funding. The above financial viability challenges have been attributed to inadequate funding of NGO activities, NGO dependence on external donor funding and absence of alternative donor sources to the extent that some NGOs and CBOs have a donor dependency syndrome and are unable to sustain their activities when funding from these donors ceases ((Wamai, Walera, and Wamai 2007, Wamai, Walera, and Wamai 2007, Nana, Apollo and Maureen 2002, Gupta, Powell

21 April 2014 EM Rankhumise   24 April Netswera, F.G

& Yang 2005; IMF 2008). Further research conducted into NGO leaders in Kenya, Malawi and Uganda indicates that NGO leaders are at the centre of NGO sustainability challenges. The NGO leaders have to adapt to new leadership roles, the stresses arising from pressure of work, and the demands of organizational crises – commonly around financial shortfalls, unrealistic and artificial demands placed by aid donors in form of tight project schedules, over-hasty timeframes and quick results is both unrealistic, developmnetal bad-practice, and which effect the ability of many NGO leaders to pursue long-term goals or develop a degree of funding sustainability (James, 2005a & Kaplan, 2002).

Uganda for the first time witnessed the growth of the NGO sector in the late 1970's and 1980's when the country experienced collapse of one governmnet against after another which left many gaps in service delivery for NGOs to fill. First to explore the sector were faith-based organizations, principally large established churches that were later reinforced by international NGOs, before being relayed by governmental donors and finally the Ugandan Government itself got on board (Barr, Fafchamps & Owens 2003). Since then, the NGO sector in Uganda has been growing. The sector experienced exponential growth in numbers and activities after 1986 when the National Resistance Movement (NRM) took over power and created a relatively more conducive environment for the formation and operation of NGOs through the National Non-Governmnetal Organisation (NGO) Board. The NGO Board was created by Act of Parliament under the NGO registration and regulation Act, CAP 113 1989, Amended in 2006 to undertake registration, regulation, monitoring, coordination and provide advisory roles to the sector. Since the establishment of the NGO Board, the NGO sector has been expereinceing tramendous growth reflected by the number of increasing NGOs registed and their contribution to National Development. There is no clear record of the exact number of NGOs as of 1986, however, as per the records of the NGO Board database as at January 2014, the number of NGOs rose from less

than 160 in 1986 to 3500 in 2000, 5,500 in 2005 and 10,843 as of 14th December 2013. According to a study by the Office of the Prime Minister, in 2003 about the NGO sector found out that between 15-30% of the NGOs that register go operational (Barr, Fafchamps & Owens 2003). This was attributed to failure to successfully mobilize funding to commence operations. Despite the fact that the NGO sector is growing, as at January 2013, out of 5,710 assesed NGOs, only 2,986 were found to have been operationally active in the last five years. The 1,270 were categoriesd as semi-active since they operated only when they received external funding while 1,454 were inactive as they could not mobilise funds to commence operations (Nahabwe, 2013).

The NGO sector in Uganda in 1998 alone accounted for approximately $89 million in expenditure and is estimated to account for one-and-a-half times of the public sector workforce (Nyangabyaki 1999 & Ssewakiryanga 2013).

It is not surprising, therefore, that at state, national and global levels, the NGO sector is being recognized as a practical and political imperative, due to governments' reliance on the sector to provide social services and to "continue to deliver social value via the pursuit of its social mission" (IPSASB, 2007; IPSASB, 2008; Mort and Weerawardena, 2008). For an NGO, leadership and funding sustainability is paramount as it enables survive so that it can continue to serve its constituency. This means that an organization will be able to fulfill commitments to "its clients, its patrons, and the community in which it operates" so that the groups who depend on it can "place their trust in that commitment" (Weerawardena et al., 2009, p. 2). However, the NGO in developing countries, Uganda inclusive are still faced with widespread concern about the use of aid funds, growing prevalence of corruption of leaders and lack of transparency (Burger & Owens 2012). It is imperative to ask whether the donor dependent NGOs will continue attracting more funding amidist declining and/or volatile economies in developed countries.

6 21 April 2014 EM Rankhumise   24 April Netswera, F.G

1.3   Statement of the Problem

NGOs in Uganda are highly dependent on external sources of funding for their programmes/agendas and activities which undermine their independence, sustainability of their programmes and activities of the NGO sector (Nana, Apollo and Maureen, 2002). The above findings were further confirmed by a research study conducted on *The Role of Non-Governmental Organizations (NGOs) in Social Development* in Uganda (Wamai, Walera, and Wamai 2007) which revealed the limitations of NGOs' Contribution to Development as: inadequate funding of NGO activities, NGO dependence on external donor funding and non-sustainability of NGO activities. In addition, while studying NGO survival, research has established that the NGO leader has strong influence towards NGO funding since S/he is at the centre of NGO mission and overall strategic leadership. It was observed that when an individual with a vision launches an NGO, the organization's motivation and decision-making often become so intimately intertwined with the leader's personality and character to the effect that the NGO may collapse when the leader departs (Sooryamoorthy and Gangrade 2001, Burger & Owens 2012, Haveman 1993).

Despite the growing role and influence of NGOs and the role of the NGO leaders, there has been however no specific research conducted to establish how competencies of NGO leaders influence NGO sustainability and in particular funding. It is therefore imperative that this proposed reseach investigates the contribution of NGO Leaders in fostering sustainable funding so as to reduce the high level of donor dependence that makes Uganda's NGO sector very fragile and poses a threat to sustainability of its activities.

1.4   Purpose of the Study

The purpose of the study is to examine how Competencies of NGO Leaders contribute to sustainable funding of NGOs.

1.5   Objectives of the Study

1. To establish the leadership competencies that influence sustainable funding of NGOs

2. To establish the relationship between leadership competencies and sustainable funding of NGOs

3. To examine how leadership competencies influence sustainable funding of NGOs?

1.6   Research questions

1. What leadership competencies influence sustainable funding of NGOs?

2. What is the relationship between leadership competencies and sustainable funding of NGOs?

3. How do leadership competencies influence sustainable funding of NGOs?

1.7 Hypotheses of the Study.

The Hypothesis of the study is that:

1. Competencies of NGO leaders influence sustainable funding of NGOs

2. There is a relationship between leadership competencies and sustainable funding of NGOs

21 April 2014 EM Rankhumise   24 April Netswera, F.G

1.8 Conceptual framework
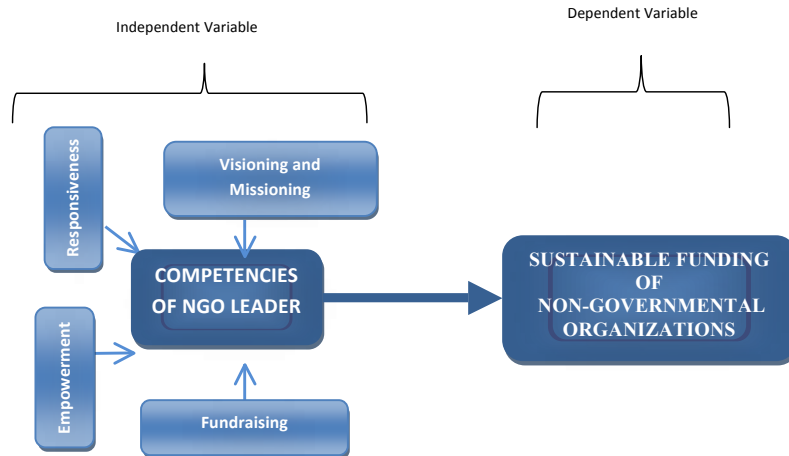
Figure 1: Conceptual Framework

The conceptual model (figure 1) above indicates that competencies of NGO leaders influence sustainable funding of NGOs. The main competencies of NGO leaders are missioning and visioning, fundraising, empowerment and responsiveness.

1.9   Significance of the Study

1. The study is useful to current and future NGO leaders that need to adopt and improve their leadership competencies to foster sustainable funding of NGOs;

2. The findings of the study on competencies of NGO leaders are very resourceful to NGOs that seek to employ staff or leaders with the mandate of fostering sustainable funding by easily selecting the appropriate candidate with appropriate competencies;

9 21 April 2014 EM Rankhumise   24 April Netswera, F.G

3. The research findings are also be very important to policy makers and the NGO sector by establishing the mechanism of building capacity of NGO Leaders to improve sustainable funding of NGOs and thereby reduce fragility of the sector; and

4. The results of this study are also be invaluable to researchers and scholars, as it forms a basis for further research in the area of NGO leadership and sustainable funding. The study will also be a source of reference material for future researchers on other related topics.

1.10 Justification of the study

The study builds on the existing body of knowledge of leadership and sustainability of the Not-for-profit sector given that there are fewer studies conducted on NGO leadership compared to other areas of study. The study findings will provide the benchmark for assessing NGO leader competencies in relation to sustainable funding through capacity building of NGO leaders to overcome funding uncertainty of NGOs which will subsequently reduce the fragility of the NGO sector and increase sustainability of its activities. A sustainably growing NGO sector will lead to increased and improved service delivery to NGO beneficeries which will contribute to human and national development.

1.11 Scope of the study (geographical, time and content scope)

The scope of the study is divided into content scope and time scope. Under the content scope, the study focused on conceptions of sustainable funding and competencies of NGO leaders in Uganda. The study did not delve into sustainability of NGOs as a whole and the broader leadership traits of leaders in other sectors such as private and public.

21 April 2014 EM Rankhumise   24 April Netswera, F.G

Respondents included Chief Executive Officers/Executive Directors, Top Managers and Board Members of National NGOs in Uganda. These categories of respondents were selected for specific reasons. First, Chief Executive Officers are at the centre of fostering sustainable funding of NGOs. Second, Top Managers are the hands and the legs of the NGO while the NGO leader is the brain in fostering sustainable funding of the NGOs. The Board Members of NGOs provide have a delegated responsibility from the community since they are charged with ensuring that the NGO remains legitimate and relevant to needs and demands of the beneficeries it is formed to serve. In a nutshell, the mixed sample allowed triangulation of the data through comparing the perceptions of front-line leaders charged with implementation of NGO mandate, the constituency representatives who are the Board and the NGO leader-self.

The study focuses on NGOs in Uganda that were registered between 1990 and 2000 for sampling purposes as this period the NGO sector experienced the highest growth rate. This study was accomplished within a period of three years.

1.12   Operational Definitions

Non Governmental Organization (NGO) - A legally constituted private, voluntary grouping of individuals or associations involved in community work but do not operate for profit or commercial purposes. If a profit is generated in the sense of an excess of revenues over costs it is ploughed back into the organization (Barr, Fafchamps & Owens 2003; National NGO Policy, October 2010);

Community Based Organization (CBO): An organization wholly controlled by Ugandans, operating at sub-county level and below, that is involved in activities similar to that of NGOs but working clearly not for profit or commercial purposes (National NGO Policy, October 2010);

21 April 2014 EM Rankhumise   24 April Netswera, F.G

Civil Society Organisations (CSOs): A wide range of formal and informal networks and organizations that include; NGOs, Community Based Organizations (CBOs), and other interest groups such as those for women, youth and the disabled (Ssewakiryanga 2013);

NGO Leader(s) – The NGO's Chief Executive Officer/Director or Manager, the operational arm of the organisation (Hendrickse 2008);

Competencies – Refers to distinct or unique skills or characteristics found in an individual that lead to, or are causally related to, effective or superior performance (Apostu, 2013);

Sustainable Funding – Refers to the ability of an NGO to consistently generate and/or attract financial resources to fulfill its mission irrespective of reduction or withdrawal of external funding;

Sustainability - The ability of an NGO to secure and manage enough resources, human and financial to fulfill its mission effectively in the longrun;

Leadership - 'A process whereby an individual influences a group or individuals to achieve a common goal' (Arora, 2012);

Leadership competencies - leadership skills and behaviors that contribute to superior performance;

Funding- provision of sum of money or valuable resource for a particular purpose;

Leader - Someone who breeds multiple perspectives connects consciously these perspectives and applies a variety of skills in order to establish new directions, options and solutions for his/her organization (Ghano, in The Leader of the Future, 2006);

National Non-Governmental Organization (NNGO): An NGO that is wholly controlled by Ugandans, registered exclusively within Uganda and with authority to operate within or across two or more districts in Uganda (National NGO Policy, 2010);

International Non-Governmental Organization (INGO): An NGO having its original incorporation in and partially or wholly controlled by citizens of one or more countries other than the Partner States forming the east African Community, but operating in Uganda under a certificate of registration (National NGO Policy, 2010);

13 21 April 2014 EM Rankhumise   24 April Netswera, F.G

<div align="center">**CHAPTER TWO**</div>

<div align="center">**LITERATURE REVIEW**</div>

2.1 Introduction

This chapter presents review of literature on NGO leadership and sustainable funding with reference to non- profit organizations. The chapter presents the theoretical review, empirical review as well as synthesis of the literature review. The chapter reviews the literature of NGO leadership, NGO leader competencies, funding diversification and sustainable funding of NGOs. The sources of literature include journals, books and web articles.

2.1 Theoretical review

The Resource Dependency Theory (RDT), formulated by Pfeffer and Salancik (1978), underpins the importance of organisations acquiring and maintaining resources for survival in an uncertain external environment. Organizational success in Resource Dependency Theory is defined as organizations maximizing their power (Pfeffer 1981). According to the theory, resources often originate from outside the organization and therefore access to such resources usually implies that those providing the resources have certain claims over the organization and these claims need to be managed carefully. When an organisation acquires the needed external resources, it decreases its dependence on others and thereby increasing other organizations' dependence on it (Ulrich & Barney 1984, Medco 2001, Tiliquist et al. 2002). According to the theory, an organisation operates in an environment with scarce and valued resource that causes uncertainty in resource mobilisation, which in turn is a threat to sustainability of its activities. The significance of resources is emphasized in the finding of the study of non-profit survival (Hager 2001, Fernandez 2008). For organisations to be sustainable, they need to increase control over resource and reduce dependence on other organisations. The RTD theory has been tested using revenue size as a measure of the organization's resources and thus control over the uncertain external environment (Burger & Owens 2012).

While studying NGO survival, it is imperative to consider the influence of mission and leadership which are central concepts in the description of NGOs. NGOs mission and drive have been found to be intimately linked to charismatic leadership. It was observed that when an individual with a vision launches an NGO, the organization's motivation and decision-making often become so

21 April 2014 EM Rankhumise   24 April Netswera, F.G

intimately intertwined with the leader's personality and character to the effect that the NGO may collapse when the leader departs (Sooryamoorthy and Gangrade 2001, Burger & Owens 2012, Haveman 1993). Further research findings about the influence of an NGO leader was done under the study titled the *Exclusive Study of NGO's Leaders Working Style* by Arora (2012:168). It was established that the typical competencies associated with leadership include their ability to communicate vision or strategy, motivate individuals, inspire teams, identify opportunities and initiate transformation. In addition, these leaders demonstrate high levels of self awareness, self management, are socially aware and are well able to manage a diverse range of relationships

2.2   Empirical Review

This section reviews literature on what others have established on the factors influencing sustainable funding of NGOs through study of competencies of NGO leaders and funding diversification

2.2.1   Leadership Competencies

Understanding of and attitude to leadership has developed and evolved over time. The early understanding of leadership has been was based on personality and charisma since it was believed that leadership was innate and therefore some individuals were born with certain traits that made them effective leaders. These made researchers assume that it would be possible to identify and isolate a definitive list of leadership traits (Stogdill, 1974). The emphasis on individual leadership traits is criticized for overlooking the influence of distinct organisational cultures and other external factors. In the 1970s researchers therefore began to focus their attentions on the way leaders adapted their public persona and leadership style to suit the situation they found themselves in or the people with whom they were involved (Hersey & Blanchard, 1988; Mintzberg, 1998). In the 1980s there was a return to the trait-based analysis of the "heroic leader". The renewed interest by researchers was on transformational leaders who actively and successfully championed organisational change that enabled ordinary people to achieve extraordinary results (Peters & Waterman, 1982; Bass, 1985). The trait-based analysis of the "heroic leader" focused on a leader's ability to communicate and inspire, or act as a catalyst for change. In the late 1990s researchers discovered new skill-set based around networking, negotiation, delegation and team building. The less charismatic and yet transformational leaders have been described as "quieter and humbler" leaders with the ability to engage with or inspire

others through their thoughtfulness and humility to succeed as a team (Bennis & Nanus 2004 and Mintzberg 2006). The constant research on leadership seems to rotate on the efforts to identify the key characteristics and core competencies of successful leaders. This interest has led to what is now referred to as the "competency approach" to leadership. In this context "*competencies*" are defined as distinct or unique skills or characteristics found in an individual that lead to, or are causally related to, effective or superior performance (Apostu, 2013). The development of the competency approach has been accredited for facilitating organisations identify and attract talents, skills capabilities that lead to effective performance. The approach further enables development of frameworks that facilitate measuring, monitoring, appraising and comparing core competencies of leaders. Bolden & Gosling (2006) point out the challenge of valuing less tangible leadership behaviors such as intuition or good judgment. The second shortcoming of competency approach is that it paints a picture of leaders as multi-talented individuals and underplays the impact of "bad" or "incompetent" leaders emanating out of a strong who can exploit their power for their own benefit or agenda. The underlying argument is that the central role of a "competent" leader more often leads to a degree of dependency among their staff that in turn may lead to their disempowerment and de-skilling. This makes the strong leaders get out of touch with reality, inflexible, ego- centric, and isolated. This in turn breads resistance from followers and the leader is thus susceptible to poor performance or unethical behaviour such as abuse of power, confusion between personal and organisational interests which finally threaten the viability, credibility and sustainability of any organisation (Kellerman, 2004).

2.2.2 NGO Leadership

In every organisation, success in one way or the other is attributed to competent leadership. Because of the vital role of leadership in organisational success, there have been research on leaders and leadership in various sectors with most attention given to the visible and influential domains of leadership that form and direct society through the – often allied – powers of politics and of wealth creating business entities. However, most of the research in business and politics has been done in the developed countries without giving adequate attention to the social development leaders in the non-governmental sector. This trend has left the non-profit and its leadership especially in the developing countries relatively unexplored and poorly understood (Fowler, 2000). Unlike government or for- profit sectors, NGOs have the distinctive mission and challenge of social change as they tend to focus on people whose challenges have not been addressed under either the government or private sector programmes (Hailey, 2000). The NGOs

have to mobilize resources and manage organisations that sustainably provide for the needs of communities do not pay back like business entities do. In addition, NGOs are vulnerable to the exigencies of donors, the political sensitivities of governments, and the needs and imperatives of the local community and yet they are susceptible to the unpredictable demands of an uncertain development environment. Thus NGO leaders have to work for long hours with limited resources in uncertain and volatile political and economic environment to help the most marginalized and disadvantaged members of their communities. The mantle to drive the NGO mission and manage the individual and organisational challenges creates distinct management challenges for NGOs that create the need for appropriate leadership is crucial to face these challenges. There has however been very little research to analyze the role and characteristics of NGO leaders and how these competencies influence sustainable funding of NGOs (Apostu 2013).   In developing countries where NGOs have become the main service providers in countries where the government is unable to fulfill its traditional role, the question for the future is how will such organisations find or develop a new generation of managers or leaders who can meet these challenges. Therefore developing capacity of NGO leaders has become a priority issue on the NGO agenda that needs to be addressed (Arora, 2012)

The Leadership Gap in the NGO sector

There are worries about "leadership deficit" in the non-profit sector as a result of lack of leadership talent. It is further anticipated that the "leadership deficit" will become a matter of urgency as the sector expands over the next twenty years (Tierney, 2006). The forecast puts estimates in the US alone to over half a million new senior managers that will have to be developed for leadership positions in the period 2007–2016. With only 40 per cent of senior management positions in US non-profits filled by internal appointments and the remainder recruited externally, many of the jobs will be filled by individuals recruited from outside the sector who will have had limited experience of running non-profits at a senior level.

In the 1990s, CIVICUS and the International Forum on Capacity Building, which was an international coalition of NGOs charges with building the organisational and managerial capacity of the NGO sector as a whole, argued strongly for increased investment to develop a new generation of NGO leaders due to what was envisaged as the increasing need for quality and appropriate leadership. CIVICUS, an international alliance of civil society organisations identified the lack of

NGO leadership talent which was partly caused by rapid turnover of senior staff and the difficulty in replacing them as a matter of particular concern (CIVICUS, 2002).

Research Studies of way leaders work and what motivates them is based on research into the role and character of leaders in the business, political or military sectors and not the non-profit sector. Furthermore, much of this research is based on studies in the developed industrialised countries of the North leaving the South especially Africa less attended to especially when it comes to the non-for profit sector (Kotter, 1996, Adair, 2002, Bennis & Nanus, 2004). Hailey & James (2004) emphasize that much of the current leadership research is not relevant to the different social, cultural and political environments in which NGO leaders work.

2.2.3 Competencies of NGO Leaders

The general attitude to, and understanding of, leadership has developed and evolved over time. Early thinking about leadership was based on individual traits that account for personality and charisma of what came to be known as 'heroic leaders'. In this case, researchers assumed that it would be possible to identify and isolate a definitive list of leadership traits (Stogdill, 1974). Modern research in leadership has established typical competencies commonly associated with leadership as the ability of a leader to communicate vision or strategy, inspire teams, motivate individuals, and identify opportunities and initiate transformation.

a) *Leader-based Competencies*

According to Hailey (2006) NGO leaders demonstrated an unusually broad range of competencies that include self-awareness and self management of own behavior and attitudes that enable them to bring about change - leaders have to change themselves, not just try to change the organizations. As Nelson Mandela famously commented 'you can never change society if you have not changed yourself'. It is the self awareness and self management competencies give the NGO leaders capacity to play different roles and balance competing demands, as well as develop strategies that enable them to cope with the exigencies of complex and difficult external environments appears to be one of the hallmarks of many successful NGO leaders. Research in both the private and non-profit sectors reinforces the point that such personal change is crucial. For example:

  » Quinn (2000: 116) notes that:

'The bottom line is that they (leaders) cannot change the organization unless they change themselves'.

» Edwards and Fowler (2002: 42) writing about developments in civil society note that:
'It is rarely possible to generate substantial change in human behavior simply by altering the rules and institutions that govern our lives. The missing ingredient is personal change which acts as a well spring of change in other areas'.

» James (2003) his research among local NGO leaders in Malawi also noted that *behavioral changes are preceded by highly personal internal changes!*

According to research conducted in the UK and sponsored by ACEVO, which represents and supports the leaders of non-profit organizations in Britain, NGO leaders exhibited an unusually broad range of competencies compared to leaders in the public and private sectors (Bolton & Abdy, 2003). Bolton and Abdy (2003) assert that the NGO leaders need a rare balance of inward-looking (management) and outward looking (influencing) skills, with exceptional communication and networking skills, as well as resilience and emotional attachment. The ability to manage self and others; ability to influence the environment around them (leaders) to achieve organisational goals is what Coleman (2000) referred to as Emotional intelligence. *Emotional intelligence* has been described as the has been described as the intangible aspects of leadership that represent one's innate ability to feel, use, understand and learn from own emotions and those of others and of groups. The higher the leader's emotional maturity and ability to mobilize emotional intelligence the higher the performance (Goleman, 2000).

According to Hailey (2004) and Apotu (2013), NGO leaders exhibit the following characteristics:

» *A willingness to learn and experiment* which enables them to comfortably apply new technologies or developing innovative organizational forms, and keen to draw on science or other sources of applied or professional knowledge.

» *The ability to balance competing demands* on their time and manage the pressures from a range of different stakeholders.

b) Strategy-based Competencies

Due to increasing role of leadership in the not-for-profit sector, many international NGOs For example, the International Federation of the Red Cross and Save the Children Alliance have

19 21 April 2014 EM Rankhumise   24 April Netswera, F.G

created assessment tools that try to capture leadership competencies based on the individual leader's ability to create and communicate vision and strategy and identify and apply appropriate tools, processes, and people to execute the strategy (Hailey 2004 & Apotu 2013). Accordingly NGO leaders characterized as development leaders have the following characteristics:

» a clear vision and a firm personal value-set that gives them a strong sense of commitment to helping the rural poor that they are able to share with, and use to inspire others;

» curiosity and ability to scan the external environment so as to track changes, analyse trends, and identify ways to respond to the changing environment;

c) People –based Competencies

Leadership is not so much about individuals, it is more about relationships -It is a dynamic process of mutual influence between leaders and followers. Research into South Asian NGOs shows that strong leadership and participatory management can be complementary and compatible and that such 'participatory management' needs a particular mindset and specific management competencies that require successful leaders to lead teams, inspire and convince the skeptical (Smillie & Hailey, 2001). Research findings among NGO leaders in Uganda reveals a more participatory leadership style where traditionally dominant leaders are increasingly sharing decision-making with their staff and encouraging a more participatory culture in their organizations (James et al., 2005).

According to Hailey (2004), NGO leaders have the ability to develop effective teams, empower, energize, communicate and inspire members through personal leadership. This role is achieved through strong communication and interpersonal skills that enable NGO leaders to motivate staff and engage with a cross-section of society in a proactive and positive manner. Research conducted into NGO leadership in Kenya, Malawi and Uganda indicates that NGO leaders' role have been evolving and that the leaders have to adapt to stresses arising from pressure of work, and the demands of organizational crises – commonly around financial shortfalls, internal conflicts or tensions between the staff and the Board (James, 2005a). According to Kaplan (2002), NGO leaders manage donor relationships. NGO leaders are constantly faced with pressure caused by unrealistic and artificial demands placed by aid donors in form of tight project schedules, over-hasty timeframes and quick results is both unrealistic, developmental bad-

practice, and which has a negative impact on the credibility and confidence of NGO leaders. Accordingly, such demands have a detrimental effect on the ability of many NGO leaders to pursue long-term goals or develop a degree of financial sustainability of organizations they lead and subsequently the beneficiary communities. However, the above research findings do not clearly reveal the actual influence of the competencies of the NGO leader on the sustainable funding of the NGOs.

Despite the fact that individual NGO leaders posses unique competencies that make them successful leaders, the success of such leaders is dependent on their relationship with the followers and the teams they lead. It is believed that the followers can play a crucial role in growing and reinforcing the power of individual leaders, influencing their behaviour, and crafting internal systems and structures that act to enhance the internal and external status of those they see playing a leadership role (Howell and Shamir, 2005). Put simply, the success of the leaders mirrors in part the resources, energy, expertise and knowledge mastered by the followers.

Although the Leaders may attempt to control or manipulate followers through fear or coercion, more often than not, they will work with their followers or colleagues in a democratic and co-operative manner and always seek their technical and social support as a team (Apostu, 2013).

According to Day (2001) successful leaders build strong teams through what is termed as a "team-based approach to leadership". The "team-based approach to leadership" is supported by the concept of "distributed leadership" in which there is a shared sense of purpose, ownership of issues, shared decision-making and delegated authority at all levels of the organisation. By creating a sense of ownership, the leader builds social and human capital and enables organisation members to interact and work together in cordial and productive way.

2.2.4 Income Diversification

In order to reduce the effect of economic crisis that comes with decline in disposable income from which non-profits tap their charitable income, diversification of income is essential to securing sustainable funding. Therefore, sustainable funding can be defined as the capacity of the organisation to generate and/or attract funds to implement its development agenda irrespective of reduction or withdrawal of external funding.

The response to funding challenge for the NGOs is vested in hard work, good planning and entrepreneurial spirit (Barrett, Bezuneh, Clay and Reardon 2000). This means that NGOs must redesigned their program implementation strategies to include use of low cost technologies to cut operational costs; embed cost-recovery components whereby the program beneficiaries pay part of, and sometimes all program costs (Henin, 2002). The NGOs must NGOs need therefore to expand their fund-raising activities directed at the beneficeries first, then, the general public and then tap new corporate donors for monetary and other support in-kind. This is termed as income diversification.

Income diversification refers to an increase in the number of sources of income and/or the balance among the different sources of income. Accordingly, an NGO with two sources of income would be regarded as more diversified than an organization with only one source, and the same way an NGO with two income sources, with each source contributing half of the total revenue, could be regarded as being diversified than a organization with two sources, one that accounts for 80 percent of the total revenue (Jenkins and Yakovleva, 2006; Joshi et al. 2002; Ersado 2003). Income diversification is a process that entails strategic analysis of existing income streams, evaluation of the institutional strengths and opportunities vis-à-vis the weaknesses and threats in relation to the external competitive environment (Lavie, 2006). The income diversification process ought to get a blessing from the NGO leadership that is charged with providing overall direction and reserves the mandate to unlock resources to facilitate the process (Reisch, Spash and Bietz, 2008). As one way of building sustainable funding capacity, many NGOs run social enterprises that serve to diversify their funding base. The social enterprises decrease reliance of the NGO on donors in times of crisis when the request for funding is not honored, disbursement is delayed or the budget is reduced because of reason beyond the applicant's capacity. In these cases, NGOs set modest financial objects that are within the financing range of the social enterprises and employ resources more efficiently and effectively (Rao and Holt, 2005). The success of social enterprises will largely depend on the relevance and competitiveness of products and services offered by the enterprise, the ability of the NGO leadership to market effectively the enterprise especially its uniqueness of plowing-back the income to support development programs of the society (Hargrave and van de Ven, 2006).

2.2.5 Sustainable Funding of NGOs

The NGO sector is increasingly becoming more dynamic, innovative and inspiring and is estimated by the Public Interest Registry (PIR) to encompass close to 10 million organizations with the number of UN-accredited NGOs rising from 40 in 1945 to 3,536 by the end of 2011(Annual Top 100 NGOs Special Issues, 2013). The NGO sector in Uganda in 1998 alone accounted for approximately $89 million in expenditure and is estimated to account for one-and-a-half times of the public sector workforce (Nyangabyaki 1999 & Ssewakiryanga 2013)

Despite the above contribution, the NGO sector remains highly dependet on external donor funding. A study by the Office of the Prime Minister in 2003 about the NGO sector in Uganda found out that between 15-30% of the NGOs that register go operational (Barr, Fafchamps & Owens 2003). This was attributed to failure to successfully mobilize funding to commence operations. For an NGO funding sustainability is paramount as it enables survive so that it can continue to serve its constituency. This means that an organization will be able to fulfill commitments to "its clients, its patrons, and the community in which it operates" so that the groups who depend on it can "place their trust in that commitment" (Weerawardena et al., 2009, p. 2). The research findings on The *Role of Non-Governmental Organizations (NGOs) in Social Development* in Uganda (Wamai, Walera, and Wamai 2007) revealed that the major limitations of NGOs' Contribution to Development to are Inadequate funding of NGO Activities, NGO dependence on external donor funding and non sustainability of NGO activities. The same findings had been noted by Nana, Apollo and Maureen (2002) who revealed that NGOs in Uganda are highly dependent on external sources of funding for their programmes/agendas and activities which undermines their independence and the sustainability of their programmes. The study findings of NORAD (2002) indicate that the character and role of the majority of NGOs in Uganda is influenced by among other factors the availability of funds and interests of funders/donors. In Uganda, availability of donor funds is a stronger pull factor for individuals starting an NGO and has a more dominant influence on sustaianbility (Gupta, Powell & Yang 2005; IMF 2008)

The NGO Sustainability Index for Sub-Sahara Africa (2009) findings revealed that a common issue for many NGOs in sub-Sahara Africa, Uganda at the heart, is reliance on a single, external source for funding. In this situation, if international funding were to disappear, many of the NGOs would collapse. Still in the NGO Sustainability Index (2011 P.145) revealed that the financial

viability of Uganda's NGO sector remained vulnerable due to continued reliance on external donors. According to the National NGO Policy (launched 2012), NGOS in Uganda are still donor dependent especially in respect of funding.

CHAPTER THREE

METHODOLOGY

3.1   Introduction

This chapter presents the phases and stages that will be undertaken to accomplish the study. It provides a guide to collection measurement and analysis of research data to enable the researcher answer the research questions. It provides a guide on how the research will be executed and how respondents will be approached, as well as how and when the research will be completed. Accordingly, in this section the researcher presents the procedures and techniques that will be used in the collection, processing and analysis of data. The chapter describes the research design and methodology that will be used to guide the study under the following sub-headings: the research design, target population, determination of the sample size, sample techniques and procedure, data collection methods, data collection instruments, pre-testing, procedure of data collection and data analysis.

3.2   Research Design

Yin (2003, p.20), defines a research design as "… the logical sequence that connects the empirical data to a study's initial research question and ultimately, to its conclusion". According to Mouton (2001), a research design as a "plan or blue print" for how the researcher intends to conduct the study (p.55). According to Crotty (1998, p.4), the following questions should inform the elements of a research design:

(a) What epistemology-theory of knowledge embedded in the theoretical perspective- informs the theoretical perspective of the inquiry?
(b) What theoretical perspective-philosophical stance- lies behind the methodology in question?

24 21 April 2014 EM Rankhumise   24 April Netswera, F.G

(c) What methodology-strategy or plan of action that links methods to outcomes- governs our choice and use of methods?

(d) What methods-techniques and procedures- do we propose?

According to Creswell (2003), the above four questions provide interrelated levels of decision making that should guide the process of designing a research. Crotty (1998) came up with a framework that provide the epistemology, theoretical perspective, methodology and methods of a research study. In line with Crotty's framework, the epistemology, theoretical perspective, methodology and methods of this study are illustrated below:

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┌─────────────────────────┐
│     Epistemology        │
│                         │
│   (Constructionism)     │
└─────────────────────────┘
            ⇓
┌─────────────────────────┐
│  Theoretical perspective│
│                         │
│    (Interpretivism)     │
└─────────────────────────┘
            ⇓
┌─────────────────────────┐
│      Methodology        │
│                         │
│     (Case study)        │
└─────────────────────────┘
            ⇓
┌─────────────────────────┐
│       Methods           │
│                         │
│ (Document review/analysis│
│  Focus Group Discussion,│
│  Semi-structured interview)│
└─────────────────────────┘
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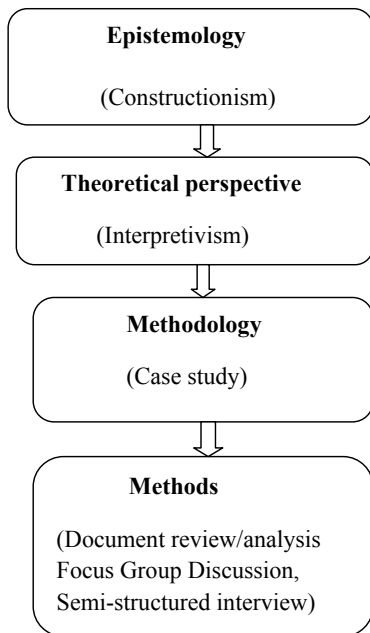
Figure 3.1: Epistemology, theoretical perspective, methodology and methods of the study

Source: Adopted from Crotty (1998)

The theoretical underpinnings of the four elements in Crotty's (1998) framework in relation to this study is explained below:

3.2.1 The philosophical perspective of the study

According to Crookes and Davies (1998), development of scientific knowledge is widely influenced by paradigms which provide an ontological perspectives that guide epistemology and research methodologies. Therefore, natural or social is grounded in two philosophical perspectives of ontology and epistemology that researchers should make explicit assumptions and paradigm before embarking on any research project (Guba and Lincoln, 1994; Mack, 2010). As defined by Bodgan and Biklen (cited in Mackenzie and Knipe, 2001,p.2), a paradigm is "a loose collection of logical related assumptions, concepts or propositions that orient one's thinking and research". A research paradigm has also been defined by Lawson and Garrod (2001, p.175) as "a set of ideas and beliefs which define existing knowledge and the nature of the problems to be investigated, orient the appropriate methods of investigation, and the way in which the findings should be analysed and interpreted". According to Mack, (2010) Ontology describes "one's view of reality and being" and therefore is concerned with the nature of reality. According to Bryman (as cited in Alshamy, 2011, p.11), there are two main ontological positions namely Objectivism and Constructivism sociological and social science research which account for the two schools of thought concerning the nature of reality - one school that argues that there is a single reality while the second school argues that there are multiple perceptions.

This study is guided by the view that there are multiple perceptions of reality. Competencies of the NGO leader are exercised and are interpreted in a social context and different stakeholders may hold different perceptions about these competencies and how they influence sustainable funding of the NGOs.

According to Mack (2010, p.6), ontology and epistemology provide the benchmark of "how one view the constructs of social reality and knowledge affects how they will go about uncovering knowledge of relationships among phenomena and social behaviour and how they evaluate their own and other's research". The two philosophical perspectives or ontology and epistemology give rise to positivism and interpretivist paradigms as discusses below:

Positivist paradigm

21 April 2014 EM Rankhumise   24 April Netswera, F.G

Positivist is an approach to social research that has been popularly referred to as the "scientific paradigm" concerned with establishing truth and facts and is preoccupied with specified correlations and associations among variables (Denscombe, 2002). Nudzor (2009, p.116), describes positivism as an approach to "social research that seeks to apply the natural science model of research to investigate social phenomena" Positivism is premised in an assumption that "there is an 'objective reality' 'out there' waiting to be discovered and that this reality exists independently of whether or not the man or woman on the street has knowledge of it and whether or not the social researcher has yet discovered its existence" (Nudzor,2009, p.116). Positivism therefore applies scientific methods, statistical analysis, and generalisable findings to prove or disprove a theory (Mack, 2010).

Interpretivist (or social constructivism) paradigm

This paradigm was developed as a counter-reaction to the positivist paradigm and has therefore been labelled by some scholars as "anti-positivist paradigm' or the "constructivism paradigm". The interpretivist or constructivists believe in the ability of individuals to construct meaning (Mack, 2010); and according to Crotty (1998, p.43) "meanings are constructed by human beings as they engage with the world they are interpreting" Accordingly, the interpretivist or constructivists claim that truth is relative and that it is dependent on one's perspective (Baxter and Jack, 2008) and hence "different people may construct meaning in different ways, even in relation to the same phenomenon" (Crotty, 1998, p.9). The role of the interpretivist paradigm is to "understand, explain, and demystify social reality through the eyes of different participants" (Cohen, Manion and Morrison, 2007, p.19). In a nutshell, according to the interpretivist researchers, the world is too complex to be reduced to a set of observable laws and generalisability is a less important issue than understanding the real conditions behind the reality (Gray, 2004). According to Nudzor (2009, p. 117), the salient characteristics of interpretivism are: "a strong emphasis on exploring a particular educational phenomenon rather than testing hypotheses; a tendency to work with unstructured data (data that has not been coded at the point of collection); investigating a small number of cases in detail; and employing explicit interpretations of meanings and functions of human actions which take the form of verbal descriptions and explanations"

Based on analysis of the two paradigms, this study adopted the interpretivist paradigm as it intended to understand peoples' interpretations of how competencies of the NGO leader influence

27 21 April 2014 EM Rankhumise   24 April Netswera, F.G

sustainable funding of NGOs and not to generalise the findings. The study took cognisance of the fact that there exist different perceptions of the competencies and influence of competencies of NGO leaders towards sustainable funding of NGOs by different stakeholder groups and even within a single stakeholder group.

3.2.2 The theoretical perspective: Qualitative interpretive orientation

There are two approaches to research: quantitative and qualitative. Qualitative research "does not generally set out to test hypotheses but it is undertaken to gain better understanding of behaviour or phenomena, from the subject's own frame of reference" (Maniku, 2008, p.67) whereas quantitative research provides a means for testing objective theories by examining the relationship among variables (Creswell, 2009).

Accordingly, this study employed the qualitative interpretive paradigm since it required a description of the context rather than quantified measures. This study employed a cross-sectional descriptive survey design. Cross-sectional studies can enable the researcher to establish the frequency of characteristics in a given population. Descriptive studies document facts of theoretical significance, are undertaken to note the characteristics of a group of subjects and can help support a hypothesis by demonstrating a phenomenon that the hypothesis states. And there is no testing of a causal hypothesis or any comparisons with other groups (Rosell, Appleby, Spencer, & Key, 2004). Descriptive research is usually concerned with describing a population with respect to important variables with the major emphasis on determining the frequency with which something occurs or the extent to which two variables covary (http://www.monroecollege.edu/academicresources/ebooks/9781111532406_lores_p01_ch03.pdf)

This study conducted a series of cross sectional studies through three (3) stages:

i.   The first qualitative-cross sectional study established how various NGO leaders define and interpret key concepts of NGO leaders and sustainable funding. Findings of this study was used to construct a quantitative tool to measure the independent and dependent variables

ii.   The second cross-sectional study established the relationship between competences of NGO leaders and sustainable funding. It will also establish the key competences of NGO leaders that predict sustainable funding

iii.   A final qualitative study was undertaken to examine how the established determinants or predictors of competences of NGO leaders do (or do not) lead to sustainable funding.

The choice of this paradigm was further informed by my view of the world, the research questions which required understanding phenomena. The qualitative interpretive paradigm "exemplifies all the characteristics of qualitative research,…that is the researcher is interested in understanding how participants make meaning of a situation or phenomenon [and] this meaning is mediated through the researcher as an instrument" (Merriam as cited in Maniku, 2008,p.67).

3.2.3 Methods

According to Crotty (1998), the study design also involves methods. However, these are looked at under the subsequent sections.

3.3   Target Population

Target population is the specific set of people, services, elements, events, group of things or households that are being investigated with some observable characteristics to which the researcher intends to generalize the results of the study (Ngechu 2004, Mugenda & Mugenda 2003). The target population of this study will be all NGOs in Uganda that were registered between 1990 and 2015, the period the NGO sector experienced the highest growth rate. Specifically the survey will target Country Directors/Chief Executive Officers and Top Managers of the National Non-Governmental Organisations (NNGOs) but not International Non-Governmental Organisations (INGOs) operating in Uganda.

21 April 2014 EM Rankhumise   24 April Netswera, F.G

Inclusion criteria:

- ✓ Chief Executive Officer of the NGO
- ✓ Members of each of the Top Management of the NGO
- ✓ Board Members of the NGO

Exclusion criteria:

- ✓ Those leaders absent at time of the study
- ✓ Those that do not consent

3.4 Determination of the Sample size

The study employed purposeful sampling. Oppong (2013, p.203) defines sampling as "a process of selecting subjects to take part in a research investigation on the ground that they provide information considered relevant to the research problem" According to " Miles and Huberman, (1994, pp.111-114), in purposeful sampling, it is a rule that participants who are selected must either "have experienced the phenomenon being explored and can articulate their conscious experiences" or "have taken an action or have participated in a process that is central to the study. Multi-stage purposive sampling was used to select representative NGOs in different geographical locations in Uganda, Chief Executive Officers, NGO Top Managers and Board Members of active Local NGOs. According to Omona (2013), multi-stage purposive sampling involves selecting a sample in two or more stages with all stages incorporating purposive sampling.

Ngechu (2004) and Saunders et al. (2007) underscore the importance of selecting a representative sample through making a sampling frame that is a complete list of all the cases in the population from which a sample is drawn. Therefore a sample is a smaller and more accessible sub-set of the population that adequately represents the overall group, thus enabling one to give an accurate (within acceptable limits) picture of the population as a whole, with respect to the particular

aspects of interests of the study. In this study the sample size for qualitative study will depend upon the saturation of data- usually a sample of 6-12 is adequate. Meanwhile the sample size for quantitative data will be determined by the formula for calculating sample size where the key outcome of the study is a proportion. In this case we are interested in the proportion of NGO's that have been operation since they were founded but were in existence before 2008, when the NGO sector worldwide experienced a test in funding as a result of the global financial crisis. This will require us to obtain a proportion of NGO's that were operational since 2008 from the database of the NGO Board under the ministry of Internal Affairs in Uganda. Failure to obtain this will necessitate us to assume that 50% of the NGO's were sustainably funded. Below is an illustration of the sample size when the proportion of NGO's that are funded sustainably is assumed to be 50%.

n=z2xpqpq/e2 where

n=sample size, p=proportion of an estimate and for this study it is 50%(.5)

q=1-p=1-.5=.5; e= level of precision=0.05. Z=1.96 corresponds on 95% confidence interval.

N= (1.96x1.96)X0.5(1-0.5)

   (0.05x0.05)

n=385

Therefore the sample size will be 385 participants

3.5   Sampling techniques and procedure

This study will employ a proportionate stratified sampling method to obtain the sample that has been estimated above. Below is the procedure on how the sampling be undertaken:

i.   Five Stratum will be formed along NGO leaders in the five geographical regions of Uganda- that is the East, West, North, South, and Central.

ii.   This will be accomplished through a list of NGO's that will be obtained from the database of NGOs maintained by NGO Board under the Ministry of Internal Affairs. From this list of NGO's the researcher will be able to distribute them according to the regions where the NGO's are based and the possible number of leaders will be estimated per NGO. The total number of NGO leaders in each region will form the sampling frame per stratum.

iii.   Each stratum will be treated as an independent population, although simple random sampling approaches will be applied to the different strata.

iv.   The selection of the sample will be proportionate-depending on the percentage coverage of NGO leaders per region-where the region with the highest number of NGO's leaders will take the highest number of sample (sampling fraction).

v.   A number will be assigned to each unit (possible leader) in the sampling frame. This number will be put in a selection box. Each unit will be selected at random and not replaced back until the sample size per stratum above is obtained. (Simple random sampling –without replacement method). The units selected per stratum should be able to total up to the overall sample size estimated.

vi.   Those NGO leaders selected per region will be invited to participate in the study

On the other hand, the qualitative data will employ the purposive sampling method. The researcher chooses the sample based on who they think would be appropriate for the study. This is used

21 April 2014 EM Rankhumise   24 April Netswera, F.G

primarily when there is a limited number of people that have expertise in the area being researched.

3.6   Data Collection Methods

The researcher may employ a number of data collection methods and these will include face to face interviews, telephone interviews, and self-administered interviews. In some instances, researcher administered interviews may be used to collect data. The use of multiple data collection methods is meant to allow flexibility and participant preference.

3.7   Data collection instruments

Research instruments are the means by which primary data is collected (Peter, 1994:77). The survey will use a questionnaire, which contains questions for obtaining primary data from respondents. Questionnaires are used because they are straightforward and less time consuming for both the researcher and the participants (Owens, 2002). Additionally, questionnaires are useful in obtaining objective data, less costly, less time consuming and enable the researcher to collect information that is not directly observable as they inquire about attitudes, motivations, feelings, accomplishments as well as experiences of individuals (Borg and Gall 1996, Sharma, Rajendra Prasad, and Satyanarayana 1983). The Questionnaires will be structured into sub-sections that will be sub-divided based on the major research questions. The questionnaire will have the first sub-section (section A) that will capture the background information of the research participants like gender, marital status, age, position, working experience, level of education. The questionnaire will also include the various competencies of NGO leaders (independent variables) and the sustainable funding (dependent variable). This research will also employ an interview

21 April 2014 EM Rankhumise   24 April Netswera, F.G

guide for the collection of qualitative data. During qualitative data collection a tape recorder will be used

3.8   Pre-testing (Validity)

A pilot study will be carried out to pre-test the quantitative research instruments before embarking on fieldwork. Pretesting will enable assessment of validity and reliability of the research instruments (Mulusa 1988).

a) Validity of the research instrument

In order to ascertain the validity of questionnaire, a pilot test will be carried out (Cronbach, 1971). To evaluate the content validity of the research instrument, the questionnaire will be administered onto the pilot group. In order to validate the instruments, 10 respondents will be used from 5 International NGO's. The population units used in the pilot study will not be included in the final sample of the study. Accordingly, in ascertaining the validity of the questionnaires, the study will use both face and content validity. Since face validity is "validity at face value", as a check on face validity, test/survey items will be sent to the pilot group to obtain suggestions for modification. On the other hand, content validity is concerned with sample-population representativeness and draws an inference from test scores to a large domain of items similar to those on the test (Polkinghorne 1988, Cronbach, 1971). After pretesting, discussions aimed at appraising the instrument will be held with experts in leadership and funding of NGOs to determine the relevance, clarity and suitability of the instruments for the final study. The post pretesting discussions will enable revision of ambiguous and inadequate items in order to extract the required information and to improve the quality of the instruments.

34 21 April 2014 EM Rankhumise   24 April Netswera, F.G

3.9   Procedure of Data Collection

During data collection, the following procedure will be adopted:

i.   The researcher will obtain telephone contacts, box addresses, emails, and postal addresses' of the NGO leaders.

ii.   An invitation letter will be sent out via telephone, face to face, email and post mail.

iii. After responding to the invitation, the participants will have a choice to choose the type of interview method they would prefer - either face to face, telephone, email or a self-administered for the case of a quantitative data collection. This choice is given due to the busy schedule of the NGO Leaders. On the other hand, in the case of the qualitative data collection, either face to face interviews or telephone interviews will be used to collect the data

iv.   After data collection the questionnaire will be checked for the completeness.

v.   Participants will then be thanked for their participation in the study

The researcher will visit individual organizations and seek audience and request for participation of the respondents in the study. The researcher will provide guidance to each respondent by running through the questionnaire, section by section and question after the other. The researcher will administer the questionnaires using the drop and pick-later method to the sampled population. If it is not possible to go-through the questionnaire at the time of the first visit, an alternative date will be arranged.

3.10   Data Analysis

Quantitative and qualitative data analysis methods will be used to analyze collected data. Quantitative method will involve both descriptive and inferential analysis. Descriptive analysis such as frequencies and percentages will be used to present quantitative data in form of tables and

graphs. Data from questionnaire of both open and closed ended items will be coded and logged in the computer using Statistical Package for Social Science (SPSS V 20.0) in order to run simple descriptive analyses to get reports on data status. Descriptive statistics involves the use of absolute and relative frequencies, measures of central tendency and dispersion. The researcher will establish the association between the independent variables (demographic characteristics and leadership competencies) and the dependent variable (sustainable funding) using the chi-square statistics of independence. The key predictors of sustainable funding among our independent variable will be established using binary logistic regression

Data that will be collected through open ended questions and analysis of documents will be analyzed qualitatively through content analysis. The collected data will be transcribed and then coded into themes or categories by breaking it down into manageable pieces, sorting and sifting while searching for types, classes, sequences, processes, patterns or themes. This process will enable the researcher assemble or reconstruct the data in a meaningful and comprehensible manner based on the major research questions (Jorgensen, 1989). The researcher will further undertake generalization from the themes and sub-themes about the phenomena in question and discussion thereof in the light of the available literature.

3.10   Ethical Considerations

After the approval of the research proposal by the University Research Committee, the researcher will apply for a research permit from Uganda Management and Technology University and Mbarara University of Science and Technology.

The researcher will adhere to research ethics regarding but not limited to consent, confidentiality and anonymity of respondents as follows:

a) Consent

Whenever there is need to seek formal written consent, the research will design and provide a request letter securing the consent of the respondents inform of a written information sheet and consent form. Where there is no need to seek formal written consent, a positive response from a respondent will be, in itself, evidence of consent.

b) Confidentiality and Anonymity

To ensure confidentiality and anonymity of respondents, the researcher will:

✓ code questionnaires so that a nil response can be chased but limited to a single attempt; if the survey is fully anonymous as opposed to being link-anonymised (coded in some way) then chasing will have to be in the form of a 'blind' second posting acknowledging that some addressees will have completed the survey.

✓ Ensure that biographical data will serve to identify the respondent,

✓ Ensure that the survey data is analysed in block form rather than individually

21 April 2014 EM Rankhumise   24 April Netswera, F.G

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43 21 April 2014 EM Rankhumise   24 April Netswera, F.G

APPENDIX A

QUESTIONNAIRE

LOCAL NON-GOVERNMENTAL ORGANISATION SURVEY QUESTIONNAIRE

Research Topic: Competencies of NGO Leader and Sustainability of Local NGOs in Uganda.

I send you most cordial greetings and many thanks for the development work.

I am kindly requesting you to participate in this research study. You were selected as a possible participant in this study because your organisation is one of the key local NGOs in Uganda and your organisation is better placed to provide relevant information that can be used to determine competencies of NGO leaders and sustainable funding for local NGOs in the country. The study is designed to examine the relationship between leadership competencies and sustainable funding and how leadership competencies influence sustainable funding of Non-Governmental Organizations in Uganda

Should you volunteer to participate in this study, we request you to read and understand the survey questionnaire, complete, and then hand it over to us. By completing this questionnaire, you are also giving consent to participating in the survey.
While we do not foresee any major risks arising from your participation in the study, all your responses will be treated confidentially and in the study report your responses will not be identified as coming specifically from you or attributed to your specific organisation. Your name or your organisation will not be identified as having given particular responses. **All your responses will be used for academic purposes only.**

This questionnaire has **32** questions. Please complete all sections and return the completed questionnaire to the researcher, Paul Kyalimpa, on askyalimpa@gmail.com Thank you in advance for your support.

SECTION A: BACKGROUND INFORMATION

1. Name of organisation:

2. Acronym/abbreviation:

3. Year the organisation was established:

4. Registration status of the organisation (*tick appropriate option):*

    a. Trust   **b.** P r i v a t e V o l u n t a r y   Organisation (PVO)   **c.** Other   If other specify

5. In which sub-region(s) does your organisation implement its activities *(tick all options that apply):*

a.	Central	
b.	North	
c.	East	

21 April 2014 EM Rankhumise   24 April Netswera, F.G

	d.	West	

6. What programmatic sectors/themes is your organisation involved in? *(list them below)*

SECTION B: FINANCIAL SUSTAINABILITY MEASURES

7. How many external donors were funding your activities in between 2010 and 2014? *(Complete table below)*

Year	2010	2011	2012	2013	2014
Number of External Donors					

8. How many local donors were funding your activities in between 2009 and 2013? (Complete table below)

Year	2010	2011	2012	2013	2014
Number of Local Donors					

9. What were your organisation's annual incomes from external donors (*outside Uganda*) for years 2011 to 2015? *(Please state the amount in Uganda Shillings (Ug.Shs). The amounts will only be used to computed 'Donor Dependency' and 'Survival Ratios' and the results will be generalised and not ascribed/identified to your organisation)*

Income category	2010 (Ug.Shs.'000)	2011 (Ug.Shs.'000)	2012 (Ug.Shs.'000)	2013 (Ug.Shs.'000)	2014 (Ug.Shs.'000)
Income from external donors	Less than Ug.X.10,000	Less than Ug.X.50,000	Less than Ug.X.50,000	Less than Ug.X.50,000	Less than Ug.X.50,000
	UgX.10,000 - UgX.50,000	UgX.50,000 - UgX.100,000	UgX.50,000 - UgX.100,000	UgX.50,000 - UgX.100,000	UgX.50,000 - UgX.100,000
	UgX.50,000 - UgX.100,000	UgX.100,000 - UgX.200,000	UgX.100,000 - UgX.200,000	UgX.100,000 - UgX.200,000	UgX.100,000 - UgX.200,000
	UgX.100,000 - UgX.150,000	UgX.200,000 - UgX.300,000	UgX.200,000 - UgX.300,000	UgX.200,000 - UgX.300,000	UgX.200,000 - UgX.300,000
	UgX.150,000 - UgX.200,000	UgX.300,000 - UgX.400,000	UgX.300,000 - UgX.400,000	UgX.300,000 - UgX.400,000	UgX.300,000 - UgX.400,000
	UgX.200,000 - UgX.250,000	UgX.400,000 - UgX.500,000	UgX.400,000 - UgX.500,000	UgX.400,000 - UgX.500,000	UgX.400,000 - UgX.500,000
	UgX.250,000 - UgX.200,000	UgX.400,000 - UgX.500,000	UgX.400,000 - UgX.500,000	UgX.400,000 - UgX.500,000	UgX.400,000 - UgX.500,000
	Over UgX.200,000	Over UgX.500,000	Over UgX.500,000	Over UgX.500,000	Over UgX.500,000

10. What were your organisation's annual incomes from local Ugandan donors for years 2010 to 2014

Income category	2010 (Ug.Shs.'000)	2011 (Ug.Shs.'000)	2012 (Ug.Shs.'000)	2013 (Ug.Shs.'000)	2014 (Ug.Shs.'000)

Income from external donors	Less than Ug.X.10,000	Less than Ug.X.50,000	Less than Ug.X.50,000	Less than Ug.X.50,000	Less than Ug.X.50,000
	UgX.10,000 - UgX.50,000	UgX.50,000 - UgX.100,000	UgX.50,000 - UgX.100,000	UgX.50,000 - UgX.100,000	UgX.50,000 - UgX.100,000
	UgX.50,000 - UgX.100,000	UgX.100,000 - UgX.200,000	UgX.100,000 - UgX.200,000	UgX.100,000 - UgX.200,000	UgX.100,000 - UgX.200,000
	UgX.100,000 - UgX.150,000	UgX.200,000 - UgX.300,000	UgX.200,000 - UgX.300,000	UgX.200,000 - UgX.300,000	UgX.200,000 - UgX.300,000
	UgX.150,000 - UgX.200,000	UgX.300,000 - UgX.400,000	UgX.300,000 - UgX.400,000	UgX.300,000 - UgX.400,000	UgX.300,000 - UgX.400,000
	UgX.200,000 - UgX.250,000	UgX.400,000 - UgX.500,000	UgX.400,000 - UgX.500,000	UgX.400,000 - UgX.500,000	UgX.400,000 - UgX.500,000
	UgX.250,000 - UgX.200,000	UgX.400,000 - UgX.500,000	UgX.400,000 - UgX.500,000	UgX.400,000 - UgX.500,000	UgX.400,000 - UgX.500,000
	Over UgX.200,000	Over UgX.500,000	Over UgX.500,000	Over UgX.500,000	Over UgX.500,000

11.   What was your organisation's annual incomes from own income-generating activities for years 2010 to 2014?

Income category	2010 (Ug.Shs.'000)	2011 (Ug.Shs.'000)	2012 (Ug.Shs.'000)	2013 (Ug.Shs.'000)	2014 (Ug.Shs.'000)
Income from own income-generating activities	Less than Ug.X.5,000	Less than Ug.X.5,000	Less than Ug.X.5,000	Less than Ug.X.5,000	Less than Ug.X.5,000
	UgX.5,000 - UgX.20,000	UgX.5,000 - UgX.20,000	UgX.5,000 - UgX.20,000	UgX.5,000 - UgX.20,000	UgX.5,000 - UgX.20,000
	UgX.20,000 - UgX.40,000	UgX.20,000 - UgX.40,000	UgX.20,000 - UgX.40,000	UgX.20,000 - UgX.40,000	UgX.20,000 - UgX.40,000
	UgX.40,000 - UgX.60,000	UgX.40,000 - UgX.60,000	UgX.40,000 - UgX.60,000	UgX.40,000 - UgX.60,000	UgX.40,000 - UgX.60,000
	UgX.60,000 - UgX.80,000	UgX.60,000 - UgX.80,000	UgX.60,000 - UgX.80,000	UgX.60,000 - UgX.80,000	UgX.60,000 - UgX.80,000
	UgX.80,000 - UgX.100,000	UgX.80,000 - UgX.100,000	UgX.80,000 - UgX.100,000	UgX.80,000 - UgX.100,000	UgX.80,000 - UgX.100,000
	Over UgX.100,000	Over UgX.100,000	Over UgX.100,000	Over UgX.100,000	Over UgX.100,000

SECTION C: VISIONING AND MISSIONING

a) Strategic, Financial and Investment Planning

12. Does your organisation have an active strategic plan? a) Yes   b) No

13. What are the start and end years of your strategic plan? (e.g. 2011-2016)

14. Does your organisation have a financial plan to support your strategic plan? a) Yes   b) No

15. What are the start and end years of your financial plan? (e.g. 2011-2016)

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16. Does the NGO have a fundraising strategy? a) Yes   b) No

17. What are the start and end years of your fundraising strategy? (e.g. 2011-2016)

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18. Does the NGO invest? a) Yes   b) No

19. Does the NGO have an investment plan? a) Yes   b) No

20. What are the start and end years of your investment plan? (e.g. 2011-2016)

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21. How do you rate the following statements regarding strategic and financial planning in your organisation.

Strategic, Financial and Investment Planning considerations	Not at all	To a little extent	To a moderate extent	To a great extent	To a very great extent
a. Then NGO leader/CEO is the major source of of information for the NGO strategic planning					
b. Then NGO leader/CEO is the major source of of information for the NGO Financial planning					
c. The NGO vision and mission are shared and well understood by staff					
d. The NGO leader/CEO is the one who communicates the NGO mission and Vision					
e. Strategic planning is very fudamental to financial sustainability of the organisation					
f. Financial planning is very fudamental to financial sustainability of the organisation					

a) Investment Considerations

22. How do you rate the following statements regarding investment considerations in your organisation.

Investment considerations	Not at all	To a little extent	To a moderate extent	To a great extent	To a very great extent
g. Then NGO leader/CEO is the major source of infrmation for investment planning					
h. The NGO leader spearheads implementation of major investment decisions for the NGO					
i. An invetsment plan is very fudamental to financial sustainability of the organisation					

SECTION D: FUNDRAISING

a) Fundraising Strategy

23. How do you rate the following statements regarding fundriaising strategy in your organisation.

Fundraising strategy considerations	Not at all	To a little extent	To a moderate extent	To a great extent	To a very great extent
j. Then NGO leader/CEO is the key source of information for the fundraising strategy					
k. The NGO leader spearheads implementation of the fundraising strategy					
l. A fundraising strategy is very fudamental to financial sustainability of the organisation					

b) Income Diversification

24. How do you rate the following statements regarding income diversification in your organisation.

Income diversification considerations	Not at all	To a little extent	To a moderate extent	To a great extent	To a very great extent
m. Then NGO leader/CEO takes a lead role in identifying/looking out for alternative sources of income for the organisation					
n. The NGO leader spearheads implementation of interventions for alternative sources of income					
o. Income diversification is very fudamental to financial sustainability of the organisation					

c) Funding partners

25. How do you rate the following statements regarding funding partners and opportunities in your organisation.

Partnership measurements	Not at all	To a little extent	To a moderate extent	To a great extent	To a very great extent
p. Then NGO leader/CEO takes a lead role in the look out for funding partners					
q. The NGO leader spearheads execution of funding opportunities					
r. Having multiple funding partners is very fudamental to financial sustainability of the organisation					

d) Income Generating Activities (IGAs)
26. How do you rate the following statements regarding income generating activities in your organisation.

Measurements /Parameters	Not at all	To a little extent	To a moderate extent	To a great extent	To a very great extent
s. Then NGO leader/CEO orginates the NGO's income generating ideas					
t. The NGO leader spearheads implementaion of income generating activities					
u. income generating activities are very fudamental to financial sustainability of the organisation					

e) Annual income from different sources
27. What was your total annual income from the following sources:

	Source	Amount (in Ug. Shs.)				
		2011	2012	2013	2014	2015
a)	International donors					
b)	International donors					
c)	Income generating activities					

SECTION E: RESPONSIVENESS TO DYNAMIC ENVIRONMENT

28. How do you rate the competencies of the NGO leader/CEO in respect to responding to challenging demands of the NGO?

Competencies of NGO leader	Not at all	To a little extent	To a moderate extent	To a great extent	To a very great extent

49 21 April 2014 EM Rankhumise   24 April Netswera, F.G

	Not at all	To a little extent	To a moderate extent	To a great extent	To a very great extent
a. The NGO leader/CEO balances competing demands of time and pressures from a range of stakeholders					
b. The NGO leader/CEO understands and works with whatever resources that is available					
c. The NGO leader/CEO is able to understand and work in difficult and changing environment					
d. The NGO leader/CEO demontrates willingness to learn and experiment new technologies, reforms and knowledge					

29. How important are the following attributes of an NGO leader to financial sustainability of an NGO:

Attributes of an NGO leader	SCALE 1=Unimportant, 5=Very important				
a. Self awareness and management	1	2	3	4	5
b. Resilience during difficult times					
c. Adoptation to new and changing environment					

SECTION E: EMPOWERMENT

a) **Staff Competence**

30. How do you rate the following statements regarding competence of staff in your organisation.

Competence Measurements	Not at all	To a little extent	To a moderate extent	To a great extent	To a very great extent
v. The staff are competent to address the NGO needs					
w. The NGO leader undertakes innitites to promote staff competence					
x. Staff comptence is very fudamental to financial sustainability of the organisation					

31. How do you rate the following statements regarding motivation of staff in your organisation.

Competence Measurements	Not at all	To a little extent	To a moderate extent	To a great extent	To a very great extent
a. The staff are motivated to execute the NGO work					
b. The NGO leader/CEO motivates staff					
c. Staff motivaion is very fudamental to financial sustainability of the organisation					

32. How do you rate the following statements regarding team work in your organisation.

Competence Measurements	Not at all	To a little extent	To a moderate extent	To a great extent	To a very great extent
a. Organisation staff exercise team work					
b. The NGO leader/CEO promotes teamwork					
c. Team work is very fudamental to financial sustainability of the organisation					

THANK YOU

21 April 2014 EM Rankhumise   24 April Netswera, F.G

52 21 April 2014 EM Rankhumise   24 April Netswera, F.G