



**Strathmore**  
UNIVERSITY

**SU+ @ Strathmore**  
**University Library**

---

**Electronic Theses and Dissertations**

---

2024

# Determinants of sustainability disclosures among Non-Governmental Organisations in Kenya.

Owilly, Sam Owuor  
*Strathmore Business School*  
*Strathmore University*

## **Recommended Citation**

Owilly, S. O. (2024). *Determinants of sustainability disclosures among Non-Governmental Organisations in Kenya* [Strathmore University]. <http://hdl.handle.net/11071/15536>

Follow this and additional works at: <http://hdl.handle.net/11071/15536>

**DETERMINANTS OF SUSTAINABILITY DISCLOSURES AMONG NON-  
GOVERNMENTAL ORGANISATIONS IN KENYA**

**OWILLY SAM OWUOR**

**MBA/138810/21**



**A DISSERTATION SUBMITTED IN PARTIAL FULFILMENT OF THE  
REQUIREMENTS FOR THE DEGREE OF MASTER OF BUSINESS  
ADMINISTRATION AT STRATHMORE UNIVERSITY**

**STRATHMORE BUSINESS SCHOOL**

**STRATHMORE UNIVERSITY**

**NAIROBI, KENYA**

**MARCH 2024**

## DECLARATION

I declare that this work has not been previously submitted and approved for the award of a degree by this or any other University. To the best of my knowledge and belief, the dissertation contains no material previously published or written by another person except where due reference is made in the dissertation itself.

© No part of this dissertation may be reproduced without the permission of the author and Strathmore University.

**STUDENT NAME:** OWILLY SAM OWUOR

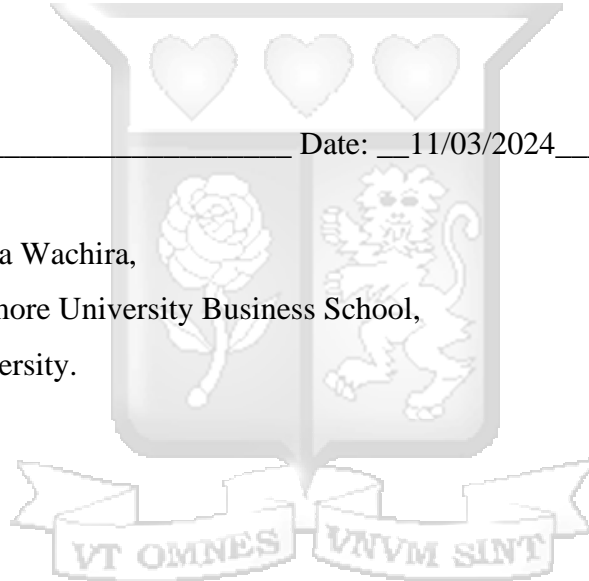
**REG NO:** 138810



Sign: \_\_\_\_\_ Date: 11/03/2024

## APPROVAL

Dr. Mumbi Maria Wachira,  
Lecturer, Strathmore University Business School,  
Strathmore University.



## ABSTRACT

The purpose of this study was to investigate the determinants of sustainability disclosure among non-governmental organisations in Kenya. The study was anchored on the stakeholder theory. Further, the study adopted a correlative research design and a mixed methodology and employed both quantitative surveys and a qualitative focus group discussion to collect primary data. The population for this study was the executive managers of leading NGO sector players in Kenya. Stratified random sampling was employed to collect quantitative data from respondents and seven randomly selected participants were included in the focus group discussion. Findings indicate that strategic posture is a positive significant predictor of sustainability disclosure in NGOs in Kenya. Governance attributes were found to be a positive but nonsignificant of sustainability disclosure of NGOs in Kenya. Stakeholder attributes were found to have the strongest positive and significant effect on NGO sustainability disclosure in Kenya. The results of the thematic analysis of the FGD support the results of the quantitative findings. The study makes a substantial contribution to the understanding of the specific context of NGO sustainability disclosure in Kenya, providing useful insights into the distinct strategic posture, governance, and stakeholder dynamics that influence reporting practices. It challenged conventional findings and discovered significant predictors of sustainability disclosure, resulting in a more nuanced knowledge of non-profit sustainability activities in developing countries. However, this study acknowledges the limitation of a correlational study where it is a challenge to establish the consistency of findings over time. Therefore, future studies could conduct longitudinal research monitoring the development of sustainability disclosure policies over time to provide a dynamic viewpoint of the third sector in Kenya.



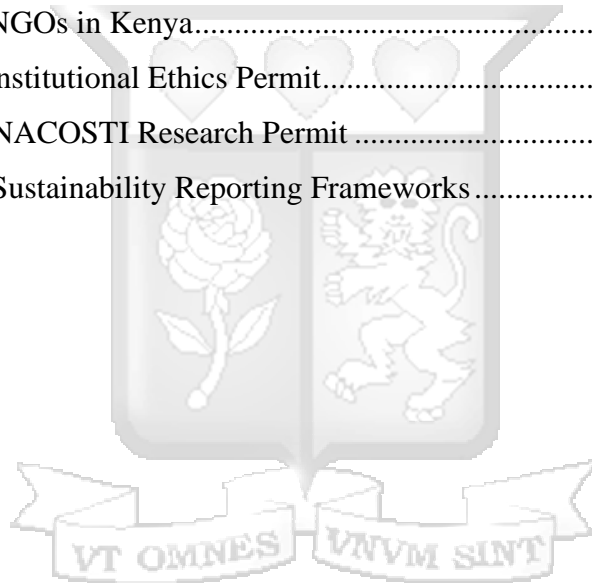
## TABLE OF CONTENTS

<b>DECLARATION</b> .....	<b>ii</b>
<b>ABSTRACT</b> .....	<b>iii</b>
<b>LIST OF FIGURES</b> .....	<b>viii</b>
<b>LIST OF TABLES</b> .....	<b>ix</b>
<b>LIST OF ABBREVIATIONS</b> .....	<b>x</b>
<b>ACKNOWLEDGEMENTS</b> .....	<b>xi</b>
<b>DEDICATION</b> .....	<b>xii</b>
<b>DEFINITION OF TERMS</b> .....	<b>xiii</b>
<b>CHAPTER ONE</b> .....	<b>1</b>
<b>INTRODUCTION</b> .....	<b>1</b>
1.1 Background of the Study.....	<b>1</b>
1.1.1 Sustainability Reporting Practices and Frameworks.....	2
1.1.2 Determinants of Sustainability Reporting.....	5
1.1.3 NGOs in Kenya.....	10
1.1.4 Sustainability Reporting Among NGOs in Kenya.....	10
1.2 Problem Statement.....	<b>11</b>
1.3 Research Objectives.....	<b>12</b>
1.3.1 General Objective.....	12
1.3.2 Specific Objectives.....	12
1.4 Research Questions.....	<b>13</b>
1.5 Scope of the Study .....	<b>13</b>
1.6 Significance of the Study .....	<b>13</b>
1.6.1 Policymakers.....	13
1.6.2 Practitioners.....	13
1.6.3 Researchers .....	14
<b>CHAPTER TWO</b> .....	<b>15</b>
<b>LITERATURE REVIEW</b> .....	<b>15</b>
2.1 Introduction.....	<b>15</b>
2.2 Theoretical Review .....	<b>15</b>
2.2.1 Stakeholder Theory .....	15

2.3 Empirical Review.....	<b>18</b>
2.3.1 Sustainability Disclosure Practices .....	18
2.3.2 Determinants of Sustainability Disclosure.....	20
2.4 Research Gaps.....	<b>29</b>
2.5 Conceptual Framework.....	<b>32</b>
<b>CHAPTER THREE .....</b>	<b>35</b>
<b>RESEARCH METHODOLOGY .....</b>	<b>35</b>
3.1 Introduction.....	<b>35</b>
3.1 Research Philosophy .....	<b>35</b>
3.2 Research Design.....	<b>36</b>
3.3 Population and Sampling .....	<b>36</b>
3.4 Data Collection Methods .....	<b>38</b>
3.5 Data Analysis .....	<b>38</b>
3.6 Research Quality .....	<b>40</b>
3.6.1 Research Validity .....	40
3.6.2 Reliability.....	41
3.7 Ethical Issues in Research.....	<b>41</b>
<b>CHAPTER FOUR.....</b>	<b>42</b>
<b>PRESENTATION OF RESEARCH FINDINGS.....</b>	<b>42</b>
4.0 Introduction.....	<b>42</b>
4.1 Response Rate.....	<b>42</b>
4.2 Demographic Information.....	<b>43</b>
4.2.1 Gender of Respondent.....	43
4.2.2 Nationality of Respondent.....	43
4.2.3 NGO represented.....	44
4.2.4 Years of Experience with the Current Organisation .....	44
4.3 Descriptive Analysis .....	<b>45</b>
4.3.1 Normality Test .....	47
4.4 Inferential Analysis .....	<b>48</b>
4.4.1 Correlation Analysis Results.....	48
4.4.2 Ordinal Regression Analysis Results.....	50

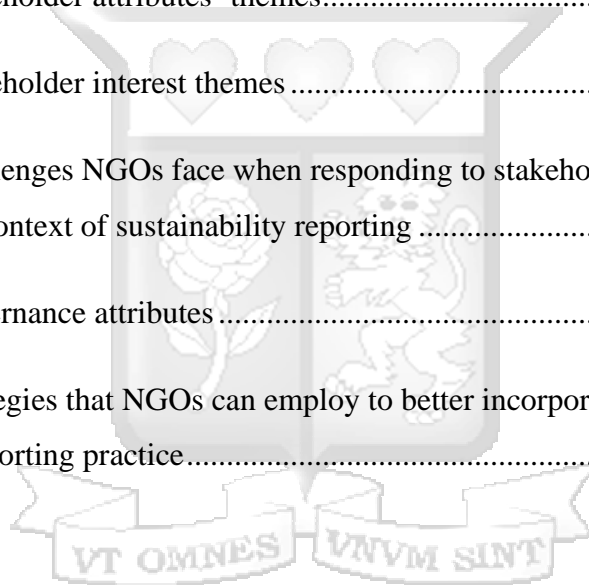
4.4.3 Objective 1: Strategic Posture and NGO Sustainability Reporting .....	51
4.4.4 Objective 2: Governance Attributes and NGO Sustainability Reporting .....	52
4.4.5 Objective 3: Stakeholder Attributes and NGO Sustainability Reporting.....	52
4.4.6 Objective 4: Organisational Level Attributes and NGO Sustainability Reporting.....	52
<b>4.5 Findings of the Focus Group Discussion (FGD) .....</b>	<b>53</b>
4.5.1 Word Frequency Query.....	53
4.5.2 Strategic Posture’s Pivotal Role in Sustainability Disclosure .....	54
4.5.3 Stakeholder Attributes.....	56
4.5.4 Stakeholder Interests .....	58
4.5.5 Challenges NGOs Face When Responding to Stakeholder Influence and Interests in the Context of Sustainability Reporting .....	59
4.5.6 Governance Attributes .....	62
4.5.7 Strategies that NGOs Can Employ to Better Incorporate Stakeholder Interest into the EFG Reporting Practice .....	64
<b>4.6 Comparison of Findings from the Survey and Focus Group Discussion.....</b>	<b>65</b>
4.6.1 Strategic Posture.....	65
4.6.2 Governance Attributes .....	66
4.6.3 Stakeholder Attributes.....	67
4.6.4 Challenges and Strategies .....	68
<b>4.7 Chapter Summary.....</b>	<b>68</b>
<b>CHAPTER FIVE.....</b>	<b>69</b>
<b>DISCUSSION OF FINDINGS, CONCLUSION, AND RECOMMENDATIONS .</b>	<b>69</b>
5.1 Introduction.....	69
5.2 Discussion of Findings.....	69
5.2.1 Strategic Posture and Sustainability Reporting.....	69
5.2.2 Governance Attributes and Sustainability Reporting.....	71
5.2.3 Stakeholder Attributes and Sustainability Reporting.....	73
5.3 Conclusions .....	75
5.4 Recommendations .....	76
5.4.1 Managerial Recommendation .....	76

5.4.2 Policy Recommendations.....	77
5.5 Theoretical Contribution.....	<b>77</b>
5.6 Limitations .....	78
5.7 Suggestions for Further Research .....	78
<b>REFERENCES.....</b>	<b>79</b>
<b>APPENDICES.....</b>	<b>92</b>
Appendix A: Questionnaire.....	92
Appendix B: FGD Interview Guide .....	98
Appendix C: Study Budget .....	100
Appendix D: Introductory Letter .....	101
Appendix E: NGOs in Kenya.....	102
Appendix F: Institutional Ethics Permit.....	108
Appendix G: NACOSTI Research Permit .....	109
Appendix H: Sustainability Reporting Frameworks.....	110



## LIST OF FIGURES

Figure 1. 1 Resources provided by NGOs in Kenya.....	102
Figure 1. 2 Summary of NGO registration in Kenya.....	106
Figure 1. 3 NGO sectors in Kenya.....	107
Figure 4. 1 Word cloud.....	54
Figure 4. 2 Strategic posture themes.....	55
Figure 4. 3 Stakeholder attributes' themes.....	57
Figure 4. 4 Stakeholder interest themes.....	58
Figure 4. 5 Challenges NGOs face when responding to stakeholder influence and interests in the context of sustainability reporting.....	61
Figure 4. 6 Governance attributes.....	62
Figure 4. 7 Strategies that NGOs can employ to better incorporate stakeholder interest into the EFG reporting practice.....	64



## LIST OF TABLES

Table 2. 1 Research gaps from the literature review.....	30
Table 2. 2 Operationalization of the study variables.....	33
Table 3. 1 Reliability Statistics .....	41
Table 4. 1 Response rate .....	42
Table 4. 2 Gender of respondents .....	43
Table 4. 3 Nationality of Respondent .....	44
Table 4. 4 NGOs represented.....	44
Table 4. 5 Years of experience with the current organisation.....	45
Table 4. 6 Descriptive Statistics.....	46
Table 4. 7 Normality test.....	47
Table 4. 8 Correlation analysis results .....	48
Table 4. 9 Goodness-of-fit test results .....	50
Table 4. 10 Pseudo R-Square.....	51
Table 4. 11 Results of the regression analysis .....	51

## LIST OF ABBREVIATIONS

CSR	Corporate Social Responsibility
ESG	Environmental, Social, and Governance
GRI	Global Reporting Initiative
NGOs	Non-Governmental Organisations
OECD	Organisation For Economic Co-Operation and Development
PRI	Principles For Responsible Investment
SDGs	Sustainable Development Goals
UNGC	United Nations Global Compact



## ACKNOWLEDGEMENTS

I appreciate my dissertation supervisor for the active and timely assistance. I also appreciate friends and family who have been instrumental in pursuing this study. Finally, I acknowledge my colleagues at Strathmore Business School for their intellectual and moral support during this study.



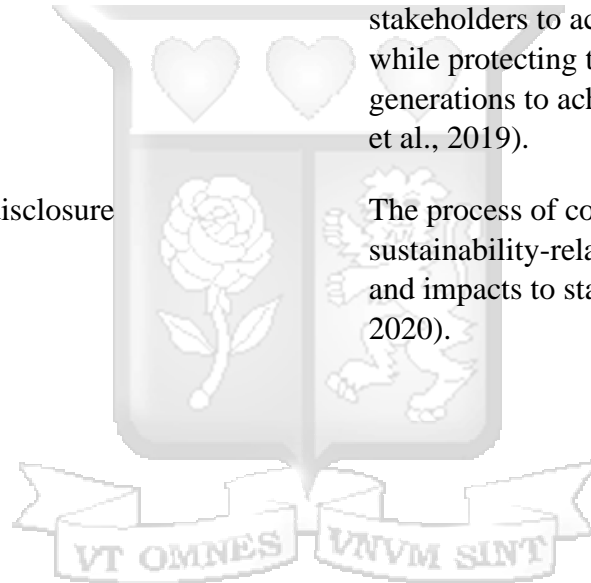
## DEDICATION

I dedicate this study to all those who have been supportive of its completion, specifically my colleagues at Strathmore Business School and my family.



## DEFINITION OF TERMS

Adverse selection	An instance where one party has more quality information than the other (Orazalin & Mahmood, 2019).
Corporate social responsibility	The practice of an organisation voluntarily deciding to go beyond shareholder wealth maximisation to contribute to a cleaner environment and a better society (Latapí Agudelo et al., 2019).
Sustainability	The ability of the current generation of stakeholders to achieve their desired ends while protecting the ability of future generations to achieve their needs (Purvis et al., 2019).
Sustainability disclosure	The process of communicating an NGO's sustainability-related activities, strategies, and impacts to stakeholders (Tsalis et al., 2020).



# CHAPTER ONE

## INTRODUCTION

### 1.1 Background of the Study

Non-governmental organisations (NGOs) are a critical part of civil society that plays an essential role in addressing social and environmental challenges and promoting sustainable development globally (Kleespies & Dierkes, 2022). NGOs operate in diverse sectors, including poverty reduction, healthcare, environmental conservation, and education, among others (Kleespies & Dierkes, 2022). As NGOs' stakeholders increasingly demand accountability and transparency in their operations, sustainability disclosure has become a critical aspect of NGOs' reporting practices.

Abiddin et al. (2022) postulate that, globally, NGOs significantly contribute to national development by complementing government initiatives. They spend billions on projects designed to improve beneficiaries' livelihoods, and the growth of these organisations has meant that they do not operate in a vacuum and are thus constrained by social, political, and economic forces. This has increased scrutiny from the various stakeholders (Miriti & Karithi, 2020). From the evolving demands of donors, grant-providing foundations, beneficiaries, the government, the local community, and the media, the need for transparency has never been this great. Moreover, the diverse sustainability interests pursued by these stakeholders, from the environmental, social, and economic fronts have increased the need for transparency (Miriti & Karithi, 2020).

Purvis et al. (2019) note that sustainability is fulfilling today's demands while protecting the societal and physical environments without compromising the ability of future generations to achieve theirs. Sustainability is further explained under the triple bottom-line pillars: social, economic, and environmental pillars (Liute & De Giacomo, 2022). The economic pillar focuses on sustainable economic development in line with profits, growth, cost saving, research and development, among others (Purvis et al., 2019). Besides NGOs' role in holding stakeholders responsible for achieving economy in their organisations sustainably, these institutions are expected to achieve their economic ends and that of their beneficiaries sustainably (Abiddin et al., 2022). Examples include

targeting growth sustainably, use of labour sustainably, and transfer of resources and wealth distribution in a sustainable manner.

The social pillar of sustainability stipulates how organisations, NGOs included, can contribute to the improvement of social welfare (Liute & De Giacomo, 2022). From funding local community projects, respecting employment rights of human resources, providing fair wages, addressing safety and health risks in the workplace, and extending social benefits to human resources such as healthcare and education, to conducting audits of stakeholders to avoid risks such as child labour in the supply chain (Tran et al., 2021), the objective is to serve society positively. At the nexus of social and economic sustainability, employees' rights are upheld, business ethics thrive, and fair trade with stakeholders prevails (Liute & De Giacomo, 2022). In an ideal sustainable world, such are the characteristics of socially sustainable NGOs.

According to Oláh et al. (2020), environmental sustainability revolves around ensuring that value, in its different forms, is delivered in a way that has a positive environmental impact. For instance, when NGOs participate in transporting relief food to famine-affected regions, they are expected to deliver the products in an environmentally sustainable way. Environmental sustainability covers aspects such as pollution, recycling, waste management, carbon emission, climate change, and deforestation, among others (Oláh et al., 2020). The nexus of social and environmental pillars of sustainability is global stewardship, the development of conservative policies, and environmental justice. On the other hand, the nexus of environmental and economic pillars is green technology, energy efficiency, and leverage of renewable energy sources (Oláh et al., 2020).

### **1.1.1 Sustainability Reporting Practices and Frameworks**

In line with the sustainable development goals, organisations globally are expected to disclose their operations under the three pillars of sustainability (Tsalis et al., 2020). Looking at for-profit organisations, their sustainability pursuits are embedded in their corporate social responsibility (CSR). According to Latapí Agudelo et al. (2019), CSR is the practice of an organisation voluntarily deciding to go beyond shareholder wealth maximisation to contribute to a cleaner environment and a better society. As such, the

definition projects CSR as a voluntary practice of going beyond compliance, thus omitting the demand for organisational accountability. However, in recent years, there has been an emphasis on the transition from CSR into ESG, a term denoting environmental, social, and governance (Langeland & Ugland, 2019). Unlike CSR, ESG consolidates enhanced transparency, solving the accountability concern of the majority of stakeholders that call for sustainability. According to Atkins (2020), ESG is an approach formally introduced in the United Nations' Principles for Responsible Investment (PRI) in 2006 that captures an organisation's ethical impact and measurable sustainability practices.

Organisations undertake ESG reporting for various reasons. Some are aligned with capturing opportunities (economic reasons). Huang (2022) notes that other organisations disclose their ESG performance to signal compliance in the market. Signalling ensures that stakeholders trust corporate actors, increasing the likelihood of contract awards (from both business-to-business and business-to-customer clients), attracts financing and investors who inject more funds, and enhances access to approvals and licenses by government authorities, increasing growth opportunities (Khan, 2022). Besides gaining better access to resources due to stronger stakeholder relations, organisations that engage in ESG disclosure boost productivity because they attract talent as a result of social credibility. Other reasons for undertaking ESG centre on doing what is right (ethical reasons) and avoiding risks (rational reasons) (Huang, 2021). The goal is to have a win-win outcome for stakeholders. This is where ESG disclosure takes shape, and to communicate the win-win outcome, organisations report on their ESG performance. Buallay (2018) advances that ESG disclosure concerns itself with measuring, aggregating, and disclosing an organisation's environmental, social, and governance performance to its stakeholders. Reporting ESG performance allows organisations to demonstrate and track their sustainability practices over time.

World over, non-voluntary and voluntary agreements on sustainability practices have prompted organisations to publicly offer data on their ESG practices. For instance, according to Langeland and Ugland (2019), as of 2019, 9,500 organisations representing 160 nations had entered into a voluntary agreement in the United Nations Global Compact

(UNGC). These organisations volunteered to disclose anti-corruption, human rights, environmental, and labour practices (Langeland & Ugland, 2019).

According to Krueger et al. (2021), stakeholders in the private sector have complained that there is a scarcity of quality ESG disclosure to inform decisions. To mitigate this challenge, several countries, among them the U.K., China, Australia, and South Africa, have made ESG disclosure mandatory in either stand-alone reports, that is sustainability reports, citizenship reports, environmental health and safety reports, community affairs reports, or as consolidated in annual financial statements (Krueger et al., 2021). This is in line with the Global Reporting Initiative (GRI) which stipulates global standards for sustainability reporting. However, compulsory ESG reporting has largely been limited to public companies, state corporations, and large companies (Traxler et al., 2020).

This does not, however, ignore the premise that NGOs are increasingly engaging in sustainability disclosure. According to Asogwa et al. (2021), NGOs globally engage in sustainability reporting and reporting organisations may disclose all three dimensions of ESG, focus on social disclosure alone, or report on environmental performance. Despite sustainability reporting not being mandatory, these NGOs see it fit to disclose their ESG performance.

Various sustainability reporting frameworks are adopted by organisations globally (Shad et al., 2019), and the role of these frameworks is to ensure stakeholders are provided with reliable information that can apprise their decision-making (Lashitew, 2021). The major reporting standards are presented in Table 2.1. Organisations have voluntarily adopted these measurement standards. However, one of the main challenges of these standards is the lack of a universally accepted measurement framework adaptable for non-financial reporting (Lashitew, 2021). Table 2.1 details each of the sustainability reporting frameworks, their year of introduction, and the purpose of each framework.

From the frameworks in Table 1.1 in appendix H, the GRI, under GRI G4, is used by NGOs because it is created specifically to suit the needs of these organisations. NGOs acquire resources and financial assistance from a variety of public and private sources in exchange for their promise to use them to further their declared missions (GRI, 2014). Additionally, they might gain from tax breaks or other advantages due to their pursuit of a non-profit, public interest. As a result, accountability for resource usage and allocation is given special attention. These disclosures serve as a foundation for identifying the method by which an NGO tracks the use of its resources, giving information about its capacity to guarantee that funding is used for the purpose intended by donors (GRI, 2014). Further, IFRS S1 and IFRS S2 serve as pivotal tools for NGOs, facilitating enhanced sustainability reporting and disclosure practices. These standards provide a standardise reporting framework to communicate sustainability-related risks, opportunities, and climate-related impacts to stakeholders.

GRI (2014) asserts that the NGO sector disclosures under GRI G4 are intended for NGOs formed to serve non-profit causes such as advocacy, research, and services provision. These causes are devoted to a range of issues, from education, development, environment, and human rights, to humanitarian assistance. Since the NGO sector is characterised by the diversity of management and governance approaches, they may be significantly different to what approaches are used in for-profit sectors, thus the advancement of GRI G4.

### **1.1.2 Determinants of Sustainability Reporting**

According to Orazalin and Mahmood (2019), the relationship between organisations' executives and stakeholders is that of the principal agent. The agency theory argues that stakeholders expect managers to disclose relevant information to stakeholders, particularly the shareholders since they are not part of the routine corporate activities. To overcome the information asymmetry problem that emerges from adverse selection in the agency relationship, stakeholders expect managers to improve transparency via disclosure (Orazalin & Mahmood, 2019). The stakeholders' implicit and explicit expectations or interests in the affairs of the organisation are an exercise of stakeholder power (Mekuria et al., 2021; Orbaningsih, 2018). Such may manifest in government regulation,

shareholder demand for disclosure, and creditors' expectations of full disclosure. The implicit and explicit expectations from shareholders and the power they wield become key determinants of sustainability disclosure. Thus, organisations prepare sustainability reports and disclose them to reduce the information asymmetry between the stakeholders and the executives (Orazalin & Mahmood, 2019; Pajuelo Moreno & Duarte-Atoche, 2019).

Evidence suggests the existence of a positive and significant relationship between the stakeholders' attributes, that is stakeholder interest and stakeholder power, and the sustainability disclosure practices in organisations (Geerts, Dooms, & Stas, 2021; Pajuelo Moreno & Duarte-Atoche (2019). These studies suggest that the higher the level of stakeholder inclusion based on the power they wield in general strategy formulation, the higher the likelihood of publishing sustainability reports (Geerts et al., 2021; Pajuelo Moreno & Duarte-Atoche, 2019). In contrast, Asogwa et al. (2021) note that most NGOs disclose their sustainability performance only when they feel the need. This is an indication that they neglect the interests of the constituent groups. This counters the argument that the performance of NGOs could reach higher levels if they take into account the constituent groups when making sustainability choices (Gazzola et al., 2021). However, the question regarding the relationship between stakeholders' power and interest in NGOs and the influence on these organisations' sustainability disclosure largely remains under-addressed in Kenya.

It can be noted that there are some research gaps on the influence of stakeholder attributes and sustainability disclosure. While some studies suggest a positive significance association between stakeholder attributes and sustainability reporting, particularly in for-profit organisations, there was a lack of exploration within the specific context of NGOs in Kenya. This represented a significant conceptual gap in literature since it left unaddressed how stakeholder power and stakeholder interest influence sustainability reporting decisions in the unique setting of NGOs. The literature also emphasises the problem of NGOs primarily providing sustainability information when they deem the need to, suggesting a potential disregard for constituent group interests. The exact relationship between stakeholder power and interest in NGOs and its impact on

sustainability reporting in Kenya, however, was still poorly understood, which emphasised the need to close this gap.

Another determinant of sustainability disclosure provided in the literature is strategic posture (Orbaningsih, 2018). According to Ammar and Chereau (2018), strategic posture relates to clarifying the specific strategic alignments required by an organisation to achieve a specific intent. In this regard, sustainability disclosure is used by organisations to signal their superior stand on environmental, economic, and social pillars and the intentions they have in terms of these aspects in connection with their corporate strategy (Orazalin & Mahmood, 2019). The internal policy an organisation adopts regarding sustainability determines the level of seriousness towards disclosing its ESG performance. The general strategy, which is either a passive or proactive strategy, is shown to determine whether an organisation discloses its sustainability performance (Pajuelo Moreno & Duarte-Atoche, 2019).

Evidence from some studies suggests that there is a positive and significant relationship between strategic posture and sustainability disclosure (Galbreath, 2010; Orbaningsih, 2018; Shwairef et al., 2021). The argument is that an active strategic posture considers the interests of different stakeholders through controlling and carrying out sustainability activities that meet these groups' interests. The more active the strategic posture, the higher the organisation's drive to disclose the sustainability performance. In contrast, Gazzola et al. (2021) argue for a non-existent relationship between strategic posture and sustainability disclosure because NGOs and other non-profits do not show how they implement sustainability into their strategy. This has led to many failing to correctly implement long-term sustainability and reporting into their strategy, explaining the non-existent relationships. Moreover, Pajuelo Moreno and Duarte-Atoche (2019) have shown the presence of a moderate relationship between strategic posture and the sustainability disclosure of organisations. This means that the relationship between the personal decision-making of the senior executives and the integration sustainability, two indicators of strategic posture, needed to be further studied to establish the strength of the influence on sustainability reporting. Further, there is limited coverage of this phenomenon in non-profit organisations, specifically NGOs (Gazzola et al., 2021). Additional studies to

understand more completely the influence of strategic posture on the sustainability disclosure of NGOs were required, a prospect that this study sought to accomplish about NGOs in Kenya.

The literature emphasises that little research has been done on how strategic posture affects sustainability reporting, particularly in non-profit organisations like NGOs. While some research contends that a proactive strategic posture and sustainability reporting are positively associated, others argue against it. This contradiction pointed to the need for additional investigation into how organisational strategy and decision-making influence sustainability disclosure practices. Particularly within the special context of NGOs operating in Kenya, there was a research gap in knowing how various aspects of strategic posture, such as executive decision-making and integration of sustainability into strategy, affect sustainability reporting.

More importantly, empirical evidence further shows that corporate governance attributes determine sustainability disclosure practices (Ezhilarasi & Kabra, 2017; Guerrero-Villegas et al., 2018; Mahmood et al., 2018). These attributes include the size of the board of directors, its composition (ratio of male and female, independent and executive), and the corporate social responsibility committee (Ezhilarasi & Kabra, 2017; Mahmood et al., 2018). Further expounding on this concept are Hasan, Hussainey, and Aly (2022), who argue that certain governance structures will influence the level of reporting by signalling an intention for accountability, transparency, and sustainability. Examples of these structures include the committees in place such as the sustainable development committee, audit committee, and the presence of independent directors. Other determinants include the age of the organisations, the level of government ownership in the firm, utilisation of the GRI standard, and the type of industry the organisation operates (Abdul Rahman and Alsayegh, 2021; Kumar et al., 2021).

Some studies have suggested that there exists a positive and significant relationship between the independence of the board, the size of the board of directors, a larger audit committee, and the size of the audit committee (all indicators of the governance attributes) to the sustainability reporting practices (Albitar et al., 2020; Chebbi and Ammer, 2022; Garas and ElMassah, 2018; Giannarakis et al., 2020). These studies have argued that the

higher the number of directors, the more the number of independent directors on the board, and the more the number of independent board members in the audit committee, the more the representation of different interests of the diverse stakeholders in line with the stakeholder theory due to the enhanced capacity, addition of credibility, and an increase in the board's knowledge base. These studies conclude that executive management of organisations is forced to compile sustainability reports and disclose them to the public.

On the other hand, other studies have disapproved of the existence of a positive and significant relationship between governance attributes and organisational sustainability disclosure (Hasan et al., 2022; Omair Alotaibi & Hussainey, 2016). Specifically, the studies have argued for a negative relationship between the size of the audit committee and the disclosure of sustainability practices. The studies have suggested that, even though the audit committee is vital in providing oversight, this has a negative relationship with the firm disclosing its sustainability performance (Hasan et al., 2022; Omair Alotaibi & Hussainey, 2016). In other words, the more the audit committee is independent, the lower the level of sustainability disclosure.

The inconsistent research findings addressing the impact of governance attributes on sustainability reporting was an apparent research gap that this study sought to address. While some studies indicated a positive significant association, others concluded that there was a negative relationship between elements like the board's independence and sustainability reporting. This disparity highlighted the need for additional in-depth research that took context into account to fully comprehend how governance factors like board size and makeup impact sustainability disclosure. To resolve these contradicting conclusions and paint a clearer picture of the connection between governance and sustainability reporting, additional research was necessary.

The contrasting findings in these studies built a case for the current research to engage in further inquiry into the phenomenon. Besides, the extent of the governance attributes influence on the sustainability disclosure of NGOs was previously assessed only to a limited extent, and this was a gap that this study sought to reduce by investigating the effects of governance attributes on the sustainability disclosure of NGOs in Kenya. This

study focused on the three determinants: strategic posture, governance attributes, and stakeholder power.

### **1.1.3 NGOs in Kenya**

There has been an unprecedented growth of NGOs in Kenya, with statistics by the NGOs Coordination Board (2020) showing that cumulative, there were 11,624 registered NGOs between 1992-2020. In its latest annual report, the NGOs Co-ordination Board (2020) established that the 2019-2020 financial year had the greatest growth in registered NGOs (269%) in the last decade. Moreover, there were 9,255 national and international NGOs active in Kenya. This speaks great volumes about how NGOs' significance has increased over the years in the country.

NGOs Coordination Board (2020) posits that, as of 2020, the majority of NGOs in Kenya provide support in four major categories: healthcare provision, donating to personal protective equipment, economic and relief food support, and assistance in water and sanitation. Food relief and economic assistance saw the highest budget allocation (KES 98.62 million) reaching approximately half a million people. This is presented in Figure 1.1 in the appendix.

### **1.1.4 Sustainability Reporting Among NGOs in Kenya**

In terms of sectorial sustainability, the NGOs Coordination Board (2020) report suggests that there was an overall upward trend over the previous three years. As such, sectorial sustainability is the NGO sector's ability to reduce financial vulnerability and enhance overall institutional capacity such that NGOs continue to effectively and over an extended period to exercise their activities among the target population, maximise impact through quality interventions, and create diversified sources of financial and institutional support (NGOs Coordination Board, 2020). In other words, the sector's sustainability is measured using organisational capacity, financial viability, and networking and collaboration indexes. The sectorial sustainability metrics, which are publicly available under the NGOs Coordination Board (2020), allow the users of this data to assess NGOs' economic and political development in Kenya over time, elements that influence the sector's viability. For the 2020 financial year, the sector recorded 71% on the organisation capacity index,

35% on the financial viability index, and 30% on the networking and collaboration index of sustainability (NGOs Coordination Board, 2020). Considering that NGOs are not obligated to disclose their sustainability practices in Kenya and that the disclosure is at the discretion of the organisation in question, there was a dearth of empirical evidence to suggest the status of ESG reporting among NGOs.

## **1.2 Problem Statement**

Stakeholders express increasing concern over NGOs' sustainability disclosure practices due to inconsistencies, lack of transparency, and comparability (Kuruppu & Lodhia, 2019). NGOs are pivotal in addressing ESG issues and promoting sustainability (Asogwa et al., 2021), yet without reliable disclosures, stakeholders struggle to gauge their true impact and enforce accountability (Traxler et al., 2020). To standardize NGO sustainability disclosures and establish clear, measurable goals, an examination of key attributes influencing sustainability practices is imperative (Orbaningsih, 2018). Given that prior research shows strategic posture, stakeholder attributes, and governance play crucial roles in sustainability disclosure for corporations, a similar investigation is warranted for NGOs in Kenya (Orbaningsih, 2018; Pajuelo Moreno & Duarte-Atoche, 2019; Ezhilarasi & Kabra, 2017; Hasan et al., 2022; Mahmood et al., 2018). Though studies have explored sustainability disclosure determinants in various contexts, there's a notable gap in research focusing specifically on NGOs (Asogwa et al., 2021; Traxler et al., 2020).

Moreover, there were limitations in the existing research on sustainability disclosure within Kenyan NGOs around three key areas. First, investigating the precise impact of strategic posture on sustainability reporting approaches was necessary, especially in light of how Kenyan NGOs respond to sustainability demands. This is considering that some studies demonstrated a positive association between strategic posture and sustainability disclosure (Galbreath, 2010; Orbaningsih, 2018; Shwairef et al., 2021), while others indicated a moderate association (Pajuelo Moreno and Duarte-Atoche, 2019), and others a negative association (Gazzola et al., 2021). Second, there was a lack of consensus regarding the influence of governance attributes within Kenyan NGOs on sustainability reporting. Some studies indicated there exists a positive association (Albitar et al., 2020;

Chebbi and Ammer, 2022; Garas and ElMassah, 2018; Giannarakis et al., 2020) while others demonstrated the relationship is negative (Hasan et al., 2022; Omair Alotaibi & Hussainey, 2016). Finally, more research was needed to fully understand how stakeholder traits, such as their power, interests, and strategic posture, influence sustainability disclosures in the context of Kenyan NGOs. This is considering studies found inconclusive results, with some showing a positive association (Geerts et al., 2021; Pajuelo Moreno & Duarte-Atoche, 2019) and others with no association (Asogwa et al., 2021). Filling these gaps has advanced the area of sustainability research and offers insightful information about the dynamics of sustainability reporting in Kenyan NGOs.

Besides, the study adopted a partially mixed sequential dominant status method to collect primary data since previous studies mainly relied on the longitudinal method and secondary data that either used mono-quantitative or mono-qualitative methods. The study aimed to fill this gap in the literature by finding out the extent to which stakeholder power, strategic posture, and governance attributes determine the level of sustainability disclosure in Kenya.

### **1.3 Research Objectives**

#### **1.3.1 General Objective**

The study's main objective was to investigate the determinants of sustainability disclosure among NGOs in Kenya.

#### **1.3.2 Specific Objectives**

- I. To find out the effect of strategic posture on the level of NGO sustainability disclosure in Kenya.
- II. To investigate the effect of NGO governance attributes on the level of sustainability disclosure in Kenya.
- III. To assess the effect of stakeholder attributes on the level of sustainability disclosure in Kenya.
- IV. To assess the interaction between strategic posture, governance attributes, stakeholder attributes, and organisational-level attributes on sustainability disclosure in Kenya.

## **1.4 Research Questions**

- I. How does strategic posture affect the level of NGO sustainability disclosure in Kenya?
- II. How do NGO governance attributes affect the level of NGO sustainability disclosure in Kenya?
- III. How do NGO stakeholder attributes affect the level of NGO sustainability disclosure in Kenya?
- IV. How does the interaction between strategic posture, NGO governance attributes, stakeholder attributes, and organisational-level attributes affect the level of sustainability disclosure in Kenya?

## **1.5 Scope of the Study**

This study investigated the determinants of sustainability disclosure in Kenyan NGOs. The study was carried out in four months from September to December 2023 and targeted a study population of 151 leading sector players in NGOs in Kenya. Further, the study included NGOs in all sectors as provisioned by the Non-Governmental Organisations Co-ordination Board and the unit of analysis was executives of these NGOs.

## **1.6 Significance of the Study**

### **1.6.1 Policymakers**

This study has important implications for Kenyan NGOs and ESG policymakers, since it provides practical insights into the factors that influence sustainability disclosure. Policymakers will get crucial advice to help guide policy decisions, ensuring alignment with stakeholder interests and regulatory needs. Understanding the variables that drive sustainability disclosure, for example, can help NGOs comply with donor mandates and regulatory standards, ensuring funding streams.

### **1.6.2 Practitioners**

NGO leaders stand to benefit from actionable guidance on improving sustainable disclosure processes and effectively aligning stakeholder expectations. Understanding the effects of certain features on sustainability disclosure can help practitioners promote the

adoption of open and responsible practices in the face of growing societal and governmental emphasis on sustainability. Enhanced disclosure not only encourages stakeholder interaction, but it also increases accountability, increasing support for NGO activities. More importantly, sustainability disclosure can have a significant impact on NGO behaviour in Kenya by increasing awareness, informed decision-making, and stakeholder confidence. Understanding the factors of disclosure enables non-governmental organizations (NGOs) to strategically use reporting to advance sustainable goals and effectively engage stakeholders.

### **1.6.3 Researchers**

The study will inform researchers on the determinants of sustainability disclosures among NGOs in Kenya. The additional contribution to empirical evidence will further inform decision-making. Researchers will have the opportunity to deepen disclosure among NGOs by influencing policy using evidence from this study. Further, the study will recommend a direction for future research. Considering the areas of sustainability disclosure in NGOs are less covered in the context of Kenya, this study will add to the existing studies to offer a strong foundation for future inquiry. With the unique attributes of NGOs (mission-driven approach and diverse range of stakeholders), it is crucial to understand the determinants of sustainability disclosure in this context. A study on this topic can provide valuable insights into the factors that drive sustainability disclosure in NGOs and help identify best practices for NGOs. Additionally, this research will contribute to the development of theory on sustainability reporting in the third sector, specifically NGOs. This will be important in bridging the empirical gaps that exist regarding sustainability disclosure.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

The current section critically reviews the literature on the determinants of organisational sustainability disclosures. This chapter begins with section 2.2 which covers the theoretical review, followed by section 2.3 which discusses the empirical literature in relation to the concept of sustainability reporting and the determinants of sustainability disclosure. Section 2.4 summarises the literature review and the gaps identified, and finally, section 2.5 discusses the conceptual framework of the research.

#### **2.2 Theoretical Review**

This section selects the theory that guides the study and expounds on it in detail. The theoretical review examines the background of the stakeholder theory, its relevance to the study and particularly in selecting the dependent and independent variables.

##### **2.2.1 Stakeholder Theory**

A key theory that anchors this research is the stakeholder theory. The stakeholder theory was proposed in 1984 by R. Edward Freeman in his book *Strategic Management: A Stakeholder Approach* (Freeman, 2010). Researchers have since described it as the most useful and dominant theory in explaining sustainability disclosure practices among organisations (Hahn & Kühnen, 2013; Herold, 2018; Hörisch, Schaltegger, & Freeman, 2020; Romero, Ruiz, & Fernandez-Feijoo, 2019; Shad et al., 2019). According to Hörisch et al. (2020), the stakeholder theory is characterised by four main ideas. To begin with, the theory states that organisations comprise networks of relationships between various stakeholders, and these stakeholders are defined as interest groups or individuals that are affected or can affect the organisation. Further, the theory posits that the key role of organisational leaders is to create value for the stakeholders in line with the interests and the influence each holds. The goal is to create mutual interests with stakeholders. Next, the theory argues for the integration of sustainability and business decisions, meaning managers should not consider the two as separate constructs (Hörisch et al., 2020).

Finally, the stakeholder theory argues that organisations are built around specific purposes which are integral to stakeholder cooperation. As such, the purposes go beyond profitmaking (Hörisch et al., 2020).

As summarised by studies on stakeholder theory, the main objective of an organisation is to create and maximise the value of different interest groups that include but are not limited to shareholders, suppliers, employees, customers, creditors, competitors, government, and the community (Asogwa et al., 2021; Hahn & Kühnen, 2013; Herold, 2018; Romero et al., 2019; Shad et al., 2019). In this regard, stakeholder theory argues that organisations have to consider the different expectations and perspectives of the constituent groups interested in the former's activities.

An earlier assessment by Roberts (1992) argues that the concept of stakeholder has been developed into organisational planning and policy development. The policy model and organisation planning of the stakeholder framework concentrate on creating and appraising the approval of organisational strategic decisions by the interest groups whose support is needed for the successful existence of the organisation (Shad et al., 2019). While the critics of stakeholder theory have debated that an organisation cannot equitably reconcile the interests and needs of the diverse stakeholder groups and consider this an oversimplified generalisation (Barney & Harrison, 2020; Dmytriiev, Freeman, & Hörisch, 2021), the bulk of evidence testing the model has concluded that it is an ideal theory for explaining social responsibility disclosure (Almagtome, Khaghaany, & Önce, 2020; Buallay et al., 2020; Shah, Sarfraz, & Ivascu, 2021). This qualified the application of the theory to guide the current inquiry into investigating the determinants of sustainability disclosure in NGOs.

Stakeholder theory informed the selection of strategic posture because the response of the executives in organisations regarding the social demands of stakeholders is in line with the theory's argument for the management and monitoring of stakeholders (Roberts, 1992). This borrows from the definition of strategic posture, which is the mode of an organisation's key decision-makers' response to social demands (Roberts, 1992). Further, the theory argues that the executive who tries to influence the organisation's status with

its key stakeholders using social responsibility activities employs an active strategic posture (Ullmann, 1985). Here, an active strategic posture geared in line with social demands from different stakeholders leads to greater social responsibility by organisations. In summary, the stakeholder theory can inform an organisation's strategic posture towards sustainability disclosure by emphasising the importance of considering the interests of all stakeholders in developing sustainability disclosure practices. This can lead to a more comprehensive, sustainable, and credible approach to sustainability disclosure that enhances the organisation's legitimacy and accountability to its stakeholders.

The choice of stakeholder theory to study the effect of NGO governance attributes on the disclosure of NGOs was informed by several reasons. To begin with, according to the theory, board members of an organisation work to comprehend and represent the diverging interests of groups and individuals (Karpoff, 2021). Besides, the theory argues that the board has the identity of important stakeholders. In terms of corporate governance, the stakeholder theory observes the effect of organisational activities on all stakeholders (Ntim, 2018). Also, the board's role is to ensure longer-term value creation and survival of the organisation. This depends on the commitment to stakeholders (Karpoff, 2021; Ntim, 2018). The theory is ideal since it is useful in evaluating the complex trade-offs between the interests of different stakeholders. The expectation that boards will make efforts to reduce conflicts between stakeholders is well commented on using stakeholder theory (Karpoff, 2021; Ntim, 2018). Put differently, stakeholder theory was used to select the governance attributes variable as a determinant of sustainability disclosure, since the former emphasises the importance of considering the interests of all stakeholders and ensuring effective governance structures to drive sustainable performance and reporting. Thus, this qualified the theory to study the board governance attributes and sustainability disclosure.

Stakeholder theory informed the selection of stakeholder attributes because factually, the NGOs' responsibility is more to the stakeholders since NGOs are social organisations (Yuesti, Novitasari, & Rustiarini, 2016). The theory further suggests that the related stakeholders of an organisation have to give inputs in its decision-making. Such emerges as a normative reason these organisations have moral obligations to their stakeholders

though the latter must contribute inputs to the former (Yuesti et al., 2016). The degree and quality of sustainability disclosure are related to the stakeholder power and interests, as organisations tend to disclose information that is relevant to stakeholders with significant power and influence over the organisation. Therefore, understanding stakeholder attributes is crucial for companies to manage their sustainability performance and meet stakeholder expectations effectively. Since NGOs have a list of stakeholders and resources that they should be accountable for, using the stakeholder theory to select the stakeholders' attributes and their influence on sustainability disclosure was a logical choice.

### **2.3 Empirical Review**

The following subsections critically reviews the empirical literature related to sustainability disclosure and its determinants. These subsections are guided by the research objectives. The synthesised literature is used to develop the gap analysis.

#### **2.3.1 Sustainability Disclosure Practices**

The conversation on sustainability reporting centres on four interconnected issues: the purpose of the report, the content of the report, the party reporting and the intended recipient of the report, and when and how the disclosure should occur (Horváth, 2017). By defining the when and how, the organisation defines the report form, the medium to use, the deadlines to beat, and the processing time of the sustainability reports. This review critically analysed the purpose and the content of the disclosure report to get an in-depth understanding of sustainability disclosure.

Prior research suggests that the more precisely an organisation can define the sustainability report's purpose, the more it can tailor it to satisfy the target group's need for information (Horváth, 2017; Hummel & Rötzel, 2019; Pizzi et al., 2022). The purpose of sustainability reporting can vary from organisation to organisation, though three major objectives are present in for-profit organisations. The first is public orientation, which means the firm discloses its sustainability performance for two reasons: to enhance its reputation and to ensure legitimacy and access to resources (Horváth, 2017; Hummel &

Rötzel, 2019; Pizzi et al., 2022). The second reason is capital market orientation. This means firms disclose their sustainability performance to minimise the cost of capital and to increase risk transparency to capital market stakeholders (Horváth, 2017; Lăzăroiu et al., 2020; Pizzi et al., 2022). The final reason is management orientation, that is, to improve the performance management process and the internal planning function (Horváth, 2017; La Torre et al., 2020; Mion & Loza Adauí, 2019). In addition to management and public orientation, Crespy and Miller (2011) show that, for NGOs, another purpose is to comply with their social mission.

Next is the content of the report, where the organisation disclosing its sustainability performance determines what to report and the measurand relevant to the target recipient of the report (GRI, 2014). The content of disclosure is divided based on the three dimensions or pillars of sustainability, that is, social, economic, and environmental dimensions. In addition to this dimension is the disclosure of governance performance. Economic disclosure relates to the economic performance of the reporting organisation (Horváth, 2017). The economic measurement advanced by GRI (2014) for NGOs includes ethical fundraising, resource allocation, market presence, socially responsible investing, economic performance, procurement practices, and indirect economic impacts.

The social measurements advanced by GRI (2014) for NGOs are divided into four subcategories. Decent work and labour practices are the first subcategory. Their measurands include equal opportunities and diversity, occupational health and safety, labour management relations, education and training, employment, labour grievance mechanisms, equal remunerations across genders, and assessment of supplier labour practices. The second subcategory is society, and disclosures include compliance, anti-corruption, local community, grievance mechanism with society, assessment of supplier impact on society, anti-competitive behaviour, and public policy. The human rights subcategory discloses human rights grievances mechanisms, investment, child labour, non-discrimination, assessment, indigenous rights, compulsory or forced labour, assessment of suppliers' human rights, security practices, collective bargaining, and freedom of association. The final subcategory is product responsibility, and the disclosures for NGOs include affected stakeholder engagement, customer safety and

health, customer privacy, marketing communication, monitoring, evaluation, and learning, coordination, compliance, advocacy and public awareness, gender and diversity, and feedback, complaint, and action mechanism (GRI, 2014).

Environmental performance that GRI (2014) requires NGOs to disclose includes water, materials, emissions, energy, transport, compliance, biodiversity, products and services, environmental grievances mechanisms, effluents and waste, and assessment of supplier environmental performance. The governance disclosure requirements include topics raised in terms of NGO program effectiveness, the division of power between the executive and the highest governance body, procedures for overseeing program effectiveness, and expertise and qualifications relating to guiding the program's effectiveness (GRI, 2014).

### **2.3.2 Determinants of Sustainability Disclosure**

#### **2.3.2.1 Effects of Strategic Posture on Sustainability Disclosure**

In an earlier study, Ullmann (1985) developed a three-dimensional model that explained the conflicting findings on the association between sustainability disclosure and performance, and among the variables in the model is strategic posture. The author defines strategic posture as the organisational decision-makers' mode of response towards sustainability demands, for example through press releases (Magness, 2006). In other words, strategic posture is the way the managers of an organisation respond to the demands of external stakeholders. Central to the strategic posture variable is the attitude and the values incorporated in the strategy development process by the top executives. Strategic posture has both passive and active postures, where the former deals with the top managers adopting a conservative attitude that maintains the status quo towards sustainability practices, that is, they neither search for an optimal stakeholder strategy nor are involved in continuous sustainability disclosure activities, while the latter deals with the top managers' progressive attitude by actively searching for ways to satisfy the claims of different stakeholders through opportunism and sustainable competitive advantage (Shwairef et al., 2021; Ullmann, 1985).

In this regard, Shwairef et al. (2021) conducted a quantitative study in Malaysia that sought to explain how corporate governance influences environmental reporting via the mediating effect of strategic posture. The study employed both primary and secondary data collection methods. The study analysed environmental reporting data from 777 companies listed on the main board of Bursa Malaysia for the 2015 financial year. Further, a census sampling was utilized, resulting in the distribution of 757 questionnaires to chief executive managers and chief financial managers. A usable response rate of 26.0% was attained for the analysis. The study found that the organisation that adopts an active strategic posture has a high likelihood of disclosing its sustainability information. Further, the authors established that strategic posture mediates the effect of corporate governance attributes on sustainability reporting. Shwairef et al.'s (2021) findings further suggest that an organisation that has management that adopts a passive strategic posture towards sustainability issues leads to lower levels of sustainability reporting.

Similarly, seminal contributions have been made by Orbaningsih's (2018) investigation of the determinants of sustainability reporting in public firms listed in the Indonesia Stock Exchange in a study between 2011-2015. A sample of 362 respondents was selected using a purposive sampling technique. The study found that there is a positive relationship between strategic posture and sustainability reporting. The internal policy adopted by an organisation, that is its strategic posture, will motivate the decision-makers to reduce the information asymmetry that exists with the various external stakeholders. This improves the level of disclosure of information, the number of disclosures, and the quality of disclosures, and among the reported information is that of the organisation's social, environmental, and governance performance (Orbaningsih, 2018).

A past quantitative study by Galbreath (2010) investigating the relationship between strategic posture and the different levels of corporate social responsibility (CSR) reporting was conducted in Australian firms. Galbreath (2010) sent a purpose-designed survey to CEOs of the Australian firms. Similar to the previous two studies, the study found that organisations with an active strategic orientation towards sustainability issues were at a higher likelihood of social, environmental, and governance reporting. Thus, the position held by the above studies is in line with the stakeholder theory, where an active strategic

posture considers the interests of different stakeholders through controlling and carrying out sustainability activities that meet these groups' interests. The more active the strategic posture, the higher the organisation's drive to disclose the sustainability performance.

Pajuelo Moreno and Duarte-Atoche (2019) arrived at contrasting findings in a quantitative study in Spain that sought to test the relationship between sustainable disclosure and sustainable performance. The research utilised a sample of 195 firms in Spain. The sample included both large and small firms, as defined by the IV European Directive. The findings show that strategic posture has a moderate relationship with the sustainability disclosure of organisations. This is as measured by the personal characteristics of the organisational decision maker and the integration sustainability. For the former, the indicators include the manager's perception, that is his or her opinions regarding the triple bottom line of sustainability that is considered the most critical driver towards a holistic sustainable organisation, and the decision maker's commitment, that is, the personal traits that make the manager pursue stakeholders' satisfaction through sustainability practices and disclosure in line with the stakeholder theory. Integration of sustainability is measured using the company's responsibility for sustainability, that is its moral and legal responsibility towards social, economic, and environmental development, the hierarchical position of the manager responsible for sustainability, the organisational general strategy, which is either passive or active sustainability strategy, and the action taken by the organisation to achieve strategic posture and disclosure towards satisfying stakeholders interests or needs (Pajuelo Moreno and Duarte-Atoche, 2019).

Looking at NGOs, Gazzola et al. (2021) studied the developing social trends of sustainability reporting practices in NGOs in Italy. The study employed a systematic literature review and found that non-profit organisations have an ethical obligation to disclose their sustainability practices to their stakeholders, and this explains the importance of communication as a strategic posture for these organisations. However, the findings from the systematic review indicate that there is still a lack of evidence on how non-profit organisations such as NGOs implement sustainability into their strategy, and as a consequence, many NGOs fail to correctly implement long-term sustainability into their strategy (Gazzola et al., 2021).

In summary, there are various knowledge gaps on how organisations respond to sustainability demands and how this affects their reporting practices. This is according to the research on the effects of strategic posture on sustainability disclosure. While some studies imply that a proactive approach to sustainability, or an active strategic posture, is positively associated with higher levels of sustainability disclosure, others find that the relationship between strategic posture and disclosure is more complex and is tempered by elements like corporate governance qualities and decision-makers personal traits. A thorough analysis of how non-profit organisations, in particular NGOs, integrate sustainability into their strategic posture is also lacking in the literature. To better understand the complex interactions between strategic posture and sustainability reporting practices, these gaps underscore the need for more context-specific research. Against this backdrop, there was a need for this study to investigate how strategic posture influences Kenyan NGOs to disclose their sustainability practices through sustainability reports.

### **2.3.2.2 Effects of NGO Governance Attributes on Sustainability Disclosure**

Albitar et al. (2020) conducted a quantitative study in the UK that examined the effect of ESG reporting on firm performance. The study incorporated data from FTSE 350 companies between 2009 and 2018. Moreover, the researchers used ordinary least squares and firm-fixed effects models, supplemented by a two-stage least squares (2 SLS) model to reduce any endogeneity issues. Albitar et al. (2020) found that there exists a positive and significant relationship between organisational governance attributes and the disclosure of sustainability performance. The governance attributes under study include the board composition and the audit committee in place. Based on the results, a well-established governance mechanism (board composition and audit committee) positively influences the organisational sustainability disclosure. In regards to board composition, this includes the independence of the board members and their size (Albitar et al., 2020).

Similarly, Chebbi and Ammer (2022) conducted a study that examined the relationship between board composition as represented by size, gender diversity, independence, and sustainability disclosure in listed companies in Saudi Arabia. The study concentrated on Saudi firms listed on Tadawul, the primary market of the Saudi Stock Exchange, between

2015 and 2021. After eliminating outliers and cases with inadequate data, a final sample of 38 firms with 241 company-year observations was created using information gathered from Bloomberg and annual reports. Chebbi and Ammer (2022) found that board size and the level of board independence have a positive and significant effect on ESG disclosure. This study was longitudinal and covered the period between 2015 and 2021 using a sample of 38 Saudi Arabia-listed firms. More importantly, Nguyen and Nguyen (2020) arrive at a similar conclusion. In a quantitative study conducted in 2019 with a sample of 120 listed manufacturing firms in Vietnam, the authors established that the independence of the board had a positive statistically significant effect on sustainability disclosure.

In agreement with the above findings are Garas and ElMassah (2018), who carried out a study that examined the impact of governance on the sustainability disclosure of firms in the Gulf Cooperation Council. The study used quantitative methods to collect secondary data from 147 firms covering a period between 2007-2012. Findings suggest that there is a positive and significant relationship between board independence and audit committee and sustainability disclosure. The authors came to this conclusion after Garas and ElMassah (2018) concluded that the higher the number of independent members in an organisation's board of directors, the higher the ability to reduce the opportunistic behaviour of the executive board members or executive management.

Similarly, Giannarakis et al. (2020) investigated corporate governance factors that shape sustainability disclosure in companies. The study employed a quantitative cross-sectional study of 278 S&P 500 companies in the U.S. Findings indicated that the higher the number of independent directors, the higher the sustainability disclosure. The study also found a positive relationship between board size and sustainability disclosure. As such, the higher the number of independent board members, the simplified communication of the constructive organisational appearance, and this includes the enlightenment of the stakeholders, in line with the stakeholder theory, of the social, environmental, and governance responsibility. The higher the presence of independent directors, the higher the encouragement and motivation of the management towards sustainability disclosure. The size of the board, that is the number of directors on an organisation's board, increased the ability to evaluate and monitor the organisation's management.

Further, Mahmood et al. (2018) conducted a quantitative study in Pakistan to comprehend the impact of corporate governance on sustainability disclosures. The study used a sample of 100 listed firms for the period between 2012-2015. As such, the study found that a large board size positively influences sustainability disclosure. Considering that the board's role is to reduce the agency problem that arises when executive directors control much information in the organisation, monitoring and evaluation reduce the asymmetry of information and increase the collective knowledge. The executive managers of organisations with a board with many members are thus required to have a higher level of sustainability disclosure.

In contrast, Önder and Baimurzin (2020) have expressed doubts about the positive influence of independent board members on sustainability disclosure. This conclusion was arrived at in a study aimed at investigating the association between the corporate governance structure and sustainability reporting in Turkish businesses. The study used a sample of 17 businesses listed on the Istanbul Stock Exchange that prepared sustainability reports according to GRI during the years 2013 to 2016. The total dataset was 68 fiscal years, all of which were audited by the GRI. The argument from these scholars is that the independent board members do not act objectively because either they lack adequate knowledge of sustainability issues or they lack an interest in sustainability issues. Moreover, they argue that there is a high likelihood of an independent director sympathising with the executive members of the board, and this may lead to disinterest in the sustainability reporting issues or passively advising the executive directors and failing to guide them as required.

Hasan, Hussainey and Aly (2022) conducted a longitudinal study to examine the corporate sustainability disclosure decision determinants. The data was collected from a sample of 138 Pakistan Stock Exchange-listed firms covering the period between 2009–2018. The study found that organisations with larger audit committees have a positive and significant relationship with the disclosure of sustainability performance. This is considering that audit committees are integral tools used by an organisation's board of directors to implement efficient decision control, act as an oversight mechanism, and for information processing. As such, the size of the audit committee, in this case, a bigger committee,

enhances the capacity, adds credibility and increases the knowledge base that contributes to sustainability reporting practices (Hasan et al., 2022). Moreover, the larger audit committee is characterised by diversity in views, experiences, and expertise, all of which improve the confidence of the stakeholders and the sustainability performance (Hasan et al., 2022).

The stakeholder theory comes into play in the audit committee since it reflects the seriousness of the organisation regarding the sustainability performance in line with the needs of each stakeholder and the communication of this performance. Since a large size of audit committee increases the likelihood of discovering and resolving issues as they arise in the reporting process, this increases the reporting behaviour of an organisation for transparency and accountability to the different stakeholders (Musallam, 2018).

On the other hand, other studies have concluded that firms with independent audit committees have a negative influence on sustainability reporting (Hasan et al., 2022; Omair Alotaibi & Hussainey, 2016). For instance, Omair Alotaibi and Hussainey (2016) conducted a study to measure both the quantity and quality of CSR disclosure and identify the determinants of CSR disclosure in Saudi Arabian non-financial listed companies. The research investigated 171 observations from 2013 to 2014 and created CSR disclosure indices. According to the data, Saudi enterprises have more CSR disclosure but lesser quality. Findings indicate that firms with independent audit committees have a negative influence on sustainability disclosure. Similarly, Hasan et al.'s (2022) concluded that an independent audit committee was a negative predictor of sustainability reporting.

This contradicts findings from previous studies that conclude that the presence of independent directors on audit committees enhances the oversight function strength and protects the interests of various stakeholders (Al-Shaer & Zaman, 2018; Buallay & AlDhaen, 2018; Buallay & Al-Ajmi, 2019). For instance, Al-Shaer and Zaman (2018) conducted a study that explored the association between audit committees and sustainability disclosure. The study used an initial sample of UK FTSE350 companies in 2012, which was subsequently reduced to 333 firms after eliminating those with missing data. Findings indicate that the presence of independent directors on audit committees

enhances the oversight function strength and protects the interests of various stakeholders. Similarly, Buallay and AlDhaen's (2018) study looked at the features of the audit committee and the amount of sustainability report disclosure in the Gulf Cooperation Council across 59 listed banks between 2013 and 2017. The results showed that the size of the audit committee, the members' independence, and the frequency of audit committee meetings all positively influenced the disclosure of sustainability reports. However, the financial expertise of the audit committee members had a negative effect. This implies that governance measures, especially those connected to audit committees, might significantly improve sustainability disclosure in GCC nations.

Also, Buallay and Al-Ajmi (2019) conducted a study that aimed to examine the extent to which banks' sustainability disclosure in the Gulf Cooperation Council was influenced by audit committees' attributes. The study used a panel data and quantitative method and collected data from 59 banks between 2013-2017. The study concluded that audit committee members' independence was a positive and significant predictor of sustainability reporting in Gulf Cooperation Council banks. The argument from the supporting studies is that independent audit committees are effective in enhancing the credibility of sustainability disclosure practices because they are free from the influence of executive management, besides the ability to exercise authority over managers to provide more information and question their policies and actions where appropriate.

There were gaps in the research even though studies examined the relationship between corporate governance traits, notably the features of audit committees and board composition, and sustainability disclosure in diverse scenarios. These gaps include discrepancies across studies' conclusions about the influence of board independence on sustainability reporting, with some pointing to a positive relationship and others to a negative one. The impact of audit committee size on sustainability disclosure also varies across studies, with some finding a positive association and others having no association. Additionally, the research frequently focuses on particular for-profit industries or regions, leaving gaps in knowledge of these interactions in larger contexts. Also, while some studies highlight the beneficial effect of governance structures in boosting sustainability disclosure, others draw attention to the possible drawbacks, such as the lack of

sustainability-related experience among independent directors. Further investigation was therefore required to analyse these discrepancies and offer a comprehensive understanding of how governance traits influence sustainability reporting in NGOs in Kenya.

### **2.3.2.3 The Effects of Stakeholder Attributes on Sustainability Disclosure**

The ability of organisations to manage stakeholder relations has been considered a vital part of their success and for continuous access to resources (Aboramadan, 2018). However, not all stakeholders wield equal power. Take for instance the government. It has the power to pressure an organisation to take sustainability responsibility through legislation (Mekuria et al., 2021; Orbaningsih, 2018), and this demonstrates the power a stakeholder wields has a significant and positive effect on the sustainability disclosure of organisations. Some authors have further developed Ullmann's (1985) model of the determinants of sustainability disclosure to conclude that the various interests of stakeholders are observed by an organisation based on the power or influence held by these stakeholders, and such influences decision makers into satisfying each group's interest through actual practice and the reporting of their suitability performance (Geerts et al., 2021; Pajuelo Moreno & Duarte-Atoche (2019).

According to Pajuelo Moreno and Duarte-Atoche (2019), stakeholder power has two indicators, that is the organisational stakeholders and non-organisational stakeholders. Stakeholder power is measured by the priority that executive decision-makers accord to the interest of some of the organisational stakeholders over others. Moreover, Geerts et al. (2021) argue that the higher the level of stakeholder inclusion based on the power they wield in general strategy formulation, the higher the likelihood of publishing sustainability reports.

In reference to NGOs, Gazzola et al. (2021) debate that different stakeholders' interests motivate NGOs to disclose their sustainability performance. Among these include meeting the employees' expectations regarding sustainability disclosure, attracting more donors, and attracting talent. Further, the authors show that NGOs disclose their

sustainability practices to improve their reputation and create a social tool they can use to upgrade the process of stakeholder empowerment and dialogue.

Asogwa et al. (2021) systematic review study aimed to examine and evaluate the knowledge of sustainability reporting (SR) in NGO literature, as well as its challenges and motivations. A sample of 61 articles published between 2010 and 2020 was reviewed to attain the study objective. The study found that NGOs disclose their sustainability performance only when they perceive the need, such as an indicator of neglecting the interests of the constituent groups. This counters the argument that the performance of NGOs could reach higher levels if they take into account the constituent groups when making sustainability choices (Asogwa et al., 2021). With such knowledge, one would wonder why these organisations would choose not to disclose based on the interest of stakeholders considering their performance has been shown to improve with such considerations.

In summary, several gaps and inconsistencies were brought to light by the literature on stakeholder attributes' effects on sustainability disclosure. While some studies highlighted the beneficial role that stakeholder influence and interest play in motivating sustainability reporting, other studies revealed that, for instance, NGOs disclose their sustainability performance solely when they see a need to. This implied a lack of consistency in how stakeholder characteristics, such as power and interest, affect sustainability disclosure procedures. To close this gap in the research, a more comprehensive and context-specific (NGOs in Kenya) knowledge of how stakeholder attributes affect sustainability reporting was required.

## **2.4 Research Gaps**

A synthesis of the reviewed literature has extracted the research gaps in line with the study objectives. These gaps are presented in Table 2.1.

**Table 2. 1** Research gaps from the literature review

Authors	Purpose	Country	Theories	Methodology	Findings	Research Gaps
Albitar et al. (2020)	Establish the effect of sustainability disclosure on firm performance before and after the introduction of integrated reporting to investigate the moderation effect of governance mechanisms	UK	Stakeholder theory and resource-based theory	Quantitative Longitudinal Study 2009-2018	Governance mechanisms have a moderating effect on the nexus between sustainability disclosure and firm performance.	The generalisability of the findings of the study may be limited to the UK. The study was conducted in listed companies, which may not be transferrable to NGOs.
Asogwa et al. (2021)	Assess the barriers and drivers of sustainability reporting	Global		Systematic literature review	Findings suggest that the demands of different stakeholder groups significantly affect sustainability reporting in NGOs.	Since there is a risk of bias associated with a systematic review, a quantitative survey would be ideal for a study focused on NGOs in Kenya.
Chebbi & Ammer (2022)	Investigate the association between board composition and ESG disclosure	Saudi Arabia	Agency theory, resource dependence theory, and institutional theory	Quantitative Longitudinal Study 2015-2021	Board size and the level of board independence have a positive and significant effect on ESG disclosure	
Galbreath (2010)	Using strategic posture to test the different levels of corporate social responsibility (CSR) reporting between reactors, analysers, defenders, and prospectors.	Australia	Institutional theory	Quantitative (cross-sectional study)	The results indicate that differences in levels of CSR exist based on different strategy postures employed.	The generalisability of the findings of the study may be limited to Malaysia. Moreover, the study was conducted in listed companies, which may not be transferrable to NGOs.
Garas & ElMassah (2018)	Explore the impact of governance on the sustainability disclosure of firms in the Gulf Cooperation Council	Gulf Cooperation Council	Legitimacy theory, agency theory, and stakeholder theory	Quantitative Longitudinal Study 2007-2012	Findings suggest that there is a positive and significant relationship between board independence and audit committee and sustainability disclosure	The proximity problem is because of the location (GCC) to the Eastern Africa region, and this hinders the transferability of results.
Gazzola et al. (2021)	Investigate the growing social trends of sustainability reporting practices in non-	Italy	Stakeholder Theory	Exploratory methodology: qualitative	Sustainability disclosure provides social and financial benefits such as trust building and social impact towards the idea of civil society and its funders.	Generalisability and transferability are challenges because of the qualitative nature of the study.

Geerts et al. (2021)	governmental organisations A global survey of 97 port managing bodies to identify those stakeholders' attributes that affect suitability disclosure.	Global	Institutional Theory	Quantitative surveys	Findings suggest that stakeholders' power and interest positively influence the level of sustainability disclosure	The study was conducted for profit, which may not be transferrable to NGOs.
Giannarakis, Andronikidis, & Sariannidis (2020)	Investigate the corporate governance attributes that determine sustainability reporting.	The U.S.	Agency theory	Quantitative	Results revealed that Independent Directors strengthen sustainability disclosures.	The generalisability of the findings of the study may be limited to the U.S. This may limit the transferability of results to other regions. Moreover, the study was conducted for profit, which may not be transferrable to NGOs.
Hasan, Hussainey & Aly (2022)	Investigate the determinants of sustainability reporting	Pakistan	Stakeholder theory	Quantitative Longitudinal Study 2009–2018	Findings suggest there is a positive and significant association between the audit committee and sustainability disclosure.	The generalisability of the findings of the study may be limited to Pakistan. This may limit the transferability of results to other regions. Moreover, the study was conducted for profit, which may not be transferrable to NGOs.
Mahmood et al. (2018)	Examine the impact of corporate governance sustainability disclosures	Pakistan		Explanatory sequential mixed methods	Findings establish that a large board size is better placed to check and control management decisions on sustainability issues, resulting in better sustainability disclosure.	The generalisability of the findings of the study may be limited to Pakistan. This may limit the transferability of results to other regions. Moreover, the study was conducted for profit, which may not be transferrable to NGOs.
Nguyen & Nguyen (2020)	Examine the determinants of sustainability disclosure of enterprises	Vietnam	Stakeholders, proprietary cost, agency, political economy, signalling, and rationality theories.	Quantitative cross-sectional using	Board independence has a statistically significant positive effect on sustainability disclosure	The generalisability of the findings of the study may be limited to Vietnam. This may limit the transferability of results to other regions. Moreover, the study was conducted in for-profit enterprises, which may not be transferred to NGOs.
Orbaningsih (2018)	To investigate the effect of strategic posture, stakeholder powers, and special interest groups on sustainability reporting.	Indonesia	Stakeholder Theory	Quantitative (longitudinal study)	Strategic posture and special interest groups increase sustainability disclosure while stakeholder power decreases sustainability disclosure	The generalisability of the findings of the study may be limited to Indonesia. This may limit the transferability of results to other regions. Moreover, the study was conducted in listed companies, which may not be transferrable to NGOs.
Pajuelo Moreno and Duarte-Atoche (2019)	Test the relationship between sustainable disclosure and sustainable performance	Spain	Stakeholder Theory	Quantitative: Partial Least Squares	Firms that have a strategic posture towards sustainably have a higher sustainability disclosure	The generalisability of the findings of the study may be limited to Spain. Moreover, the study was conducted in listed companies, which may not be transferrable to NGOs.
Shwairef, Amran, Iranmanesh,	The study sought to explain how	Malaysia	Institutional theory,	Quantitative surveys	The strategic posture of organisations mediates the influence of board size, CSR	The generalisability of the findings of the study may be limited to Malaysia. Moreover,

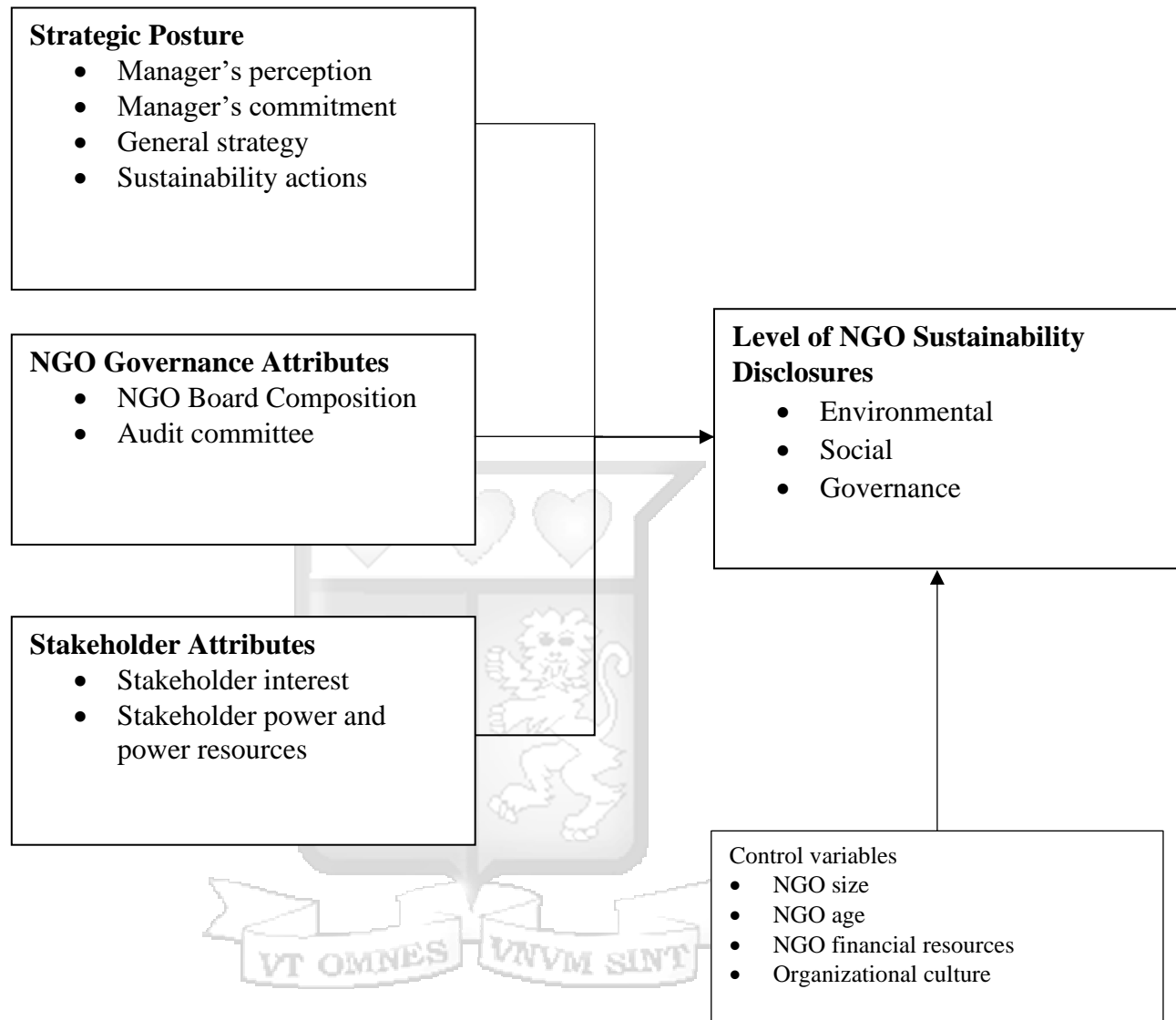
& Ahmad (2021).	corporate governance influences environmental reporting via the mediating effect of strategic posture	signalling theory, agency theory	committee presence, board independence, and institutional ownership (aspects of corporate governance) on sustainability reporting	the study was conducted in listed companies, and a replication of this study is required for NGOs.
-----------------	---	----------------------------------	---	--

## 2.5 Conceptual Framework

Figure 2.1 and Table 2.2 present the conceptual framework that guides the current study and the variables' operationalisation. The first independent variable, strategic posture, was operationalised by assessing the personal characteristics of the decision makers and integration sustainability. The decision-maker's characteristics play a significant role in determining how an organisation approaches sustainability. For instance, someone who prioritizes sustainability in their decision-making is more likely to be passionate about it and to have a strong personal commitment to environmental and social issues. Decision-makers may be less inclined to consider sustainability in their decisions if they are sceptical about its advantages or ignorant of sustainable methods. The degree to which sustainability is included in an organisation's operations, decision-making procedures, and culture is referred to as sustainability integration. Promoting sustainability as an essential principle entails integrating sustainability principles into the organisation's policies, processes, and practices.

NGO governance attribute was operationalised by evaluating the NGO board composition, that is the board size and the independence of the board members, and the audit committee. Finally, the study operationalised stakeholder attributes by assessing the stakeholders' power and the stakeholders' interests. The dependent variable, NGO sustainability disclosure, was operationalised by assessing the NGOs' indicators of environmental, social, economic and governance disclosures. The control variable, NGO organisational level attributes, was operationalised using NGO size and NGO age, while the control variable, organisational culture, was operationalised using adaptability, consistency, involvement, and mission. As indicated in Table 2.2, the control variable NGO financial resources was operationalised using the availability of economic resources.

**Figure 2. 1 Conceptual framework**



(Author, 2022).

**Table 2. 2 Operationalization of the study variables**

Variable	Conceptual meaning	Type of Variable	Indicator	Measurement	Foundation Literature
Level of NGO Sustainability Disclosure	Level of sustainability reporting that allows NGOs to communicate their progress toward environmental, social, and governance pillars of sustainability.	Dependent	<ul style="list-style-type: none"> <li>• Takes a value of 1 if an NGO issues a sustainability report, otherwise 0</li> </ul>	Binary scale	GRI (2014).

Strategic Posture	The overarching stance that an NGO adopts to navigate its external environment and achieve its objectives.	Independent	<ul style="list-style-type: none"> <li>Personal characteristics of the decision-maker <ul style="list-style-type: none"> <li>Manager's perception</li> <li>Manager's commitment</li> </ul> </li> <li>Integration sustainability <ul style="list-style-type: none"> <li>General strategy</li> <li>Sustainability actions</li> </ul> </li> </ul>	Likert Scale	Orbaningsih, (2018); Pajuelo Moreno and Duarte-Atoche (2019).
Stakeholder Attributes	Interests and influence of stakeholder groups that have an interest in respective NGOs	Independent	<ul style="list-style-type: none"> <li>Stakeholder interest</li> <li>Stakeholder power and power resources</li> </ul>	Likert Scale	Orbaningsih, (2018); Pajuelo Moreno and Duarte-Atoche (2019).
NGO Governance Attributes	The procedural and structural features of an NGOs governance structure	Independent	<ul style="list-style-type: none"> <li>NGO Board Composition</li> <li>Audit Committee</li> </ul>	Likert Scale	Hasan et al. (2022); Shwairef et al. (2021).
NGO organisational level attributes	Features that originate from an NGOs that make up the organization.	Control	<ul style="list-style-type: none"> <li>NGO size</li> <li>NGO age</li> </ul>	Likert Scale	Kumar et al., (2021); Orazalin & Mahmood (2020).
Organisational culture	The emerging outcome of the members of that organization's ongoing discussions over appropriateness, meanings, and values.	Control	<ul style="list-style-type: none"> <li>Adaptability</li> <li>Consistency</li> <li>Involvement</li> <li>Mission</li> </ul>	Likert Scale	Fuada et al. (2021).
NGO financial resources	Include a variety of streams that are critical for maintaining operations and promoting organizational aims.	Control	<ul style="list-style-type: none"> <li>Availability of economic resources.</li> </ul>	Likert Scale	Orazalin & Mahmood (2020).

(Author, 2022).

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

This chapter discusses in detail the methodology that this study adopted. The chapter presents the research philosophy, the design adopted, the population and sampling, and the instruments used in collecting data. It further discusses the procedures used in data analysis and presentation and the validity and reliability of the study instrument. The chapter concludes with ethical considerations.

#### **3.1 Research Philosophy**

The current research utilised the pragmatism research philosophy. According to Saunders et al. (2019), the pragmatism research philosophy asserts that the determining elements of the research design that a researcher should adopt are the research objectives and research questions to contribute to practical solutions. Because it does not view the world in absolute units, the pragmatic paradigm does not belong to any philosophical school, allowing the researcher to exercise freedom of choice.

This study selected the pragmatism research philosophy because it was the ideal philosophy to meet the research objectives. Employing the pragmatism research paradigm allowed the researcher to combine a quantitative approach with a qualitative methodology. Another reason this study opted for the pragmatism research philosophy is that it gave the researcher the freedom to develop a holistic analysis of data that incorporates various relevant attributes into the research (Saunders et al., 2019). This means that the researcher incorporated both qualitative and quantitative data collection and analysis methods to answer the research questions and meet the research aim and objectives. Finally, the pragmatism paradigm helped the researcher generalise the findings to the study population by answering the research questions.

### 3.2 Research Design

This study employed a correlational research design to investigate the statistical relationships between strategic posture, governance attributes, stakeholder attributes (independent variables), and the level of sustainability disclosure (dependent variable) (Jhangiani et al., 2019). A mixed methods approach, combining quantitative and qualitative techniques, was also utilised. Quantitative analysis provided statistical insights, while qualitative methods explored subjective experiences and perspectives. The study adopted a partially mixed sequential dominant status design, with quantitative analysis being the dominant phase (Leech & Onwuegbuzie, 2009). Qualitative data aided in uncovering trends and interpretations. The mixed method facilitated deeper exploration and understanding of the research questions, enhancing the connection between quantitative and qualitative data and enriching evidence interpretation (Leavy, 2022).

### 3.3 Population and Sampling

This study's population included all the leading NGO sector players in Kenya. According to the NGO Co-ordination Board (2022), leading NGO sector players in Kenya are those national and international NGOs that lead in each of the 33 NGO sectors in Kenya. There are 151 leading NGO sector players in Kenya, as indicated in Figure 1.2 in the appendix (NGO Co-ordination Board, 2022). These are NGOs that face much scrutiny from different interest groups and are more likely to report their sustainability performance. The unit of analysis for this study were executive managers in the 151 leading NGO sector players in Kenya. This is the group that this study extracted the sample from to represent the entire population.

Brase and Brase (2019) indicate that it is good practice to decide the confidence level and maximum margin of error for the research in advance. With this regard, the researcher selected a confidence level of 95% or 0.95 and a margin of error of 5% or 0.05. The researcher used a formula advanced by Brase and Brase (2019) on sample size estimation, where  $n = \frac{N}{1+N(e)^2}$  (n is the sample size, N is the population size, e is the sampling error). Using this formula, the sample size was determined as  $n = \frac{151}{1+151(0.05)^2}$  which is a

sample of 110 respondents. Therefore, a sample size of 110 was sufficient to achieve a margin of error of 5% and a confidence level of 95% for a population of 151.

### **3.3.1 Sampling Technique**

This research used the stratified random sampling technique to select 110 respondents for the first phase. Stratified random sampling is a probability sampling strategy where the investigator divides elements in the study population into two or more groups referred to as strata based on one or more relevant attributes and then selects a sample from each stratum in proportion to the stratum's importance in the population (Nguyen et al., 2021).

There are 33 NGO sectors in Kenya that the 151 NGOs are a part of (NGO Co-ordination Board, 2022), as indicated in Figure 1.3 in the appendix. The choice of this technique was to ensure that each stratum is represented in the sample, increasing the accuracy and precision of sample estimation. To select the sample, the researcher divided the population into 33 strata. From each stratum, the researcher used simple random sampling to select between 3-4 NGO country directors or chief executive officers to participate in the study based on the sector making the stratum. This is to ensure that each member of the stratum has an equal chance of selection. The study included executives from those NGOs currently registered by the NGO Co-ordination Board and will exclude respondents from NGOs that have been registered in the past 12 months. The reason for excluding this group was the short operation time to warrant substantial reporting ideal to inform respondents' knowledge.

For the second phase of the study, the focus groups, this research obtained a list of NGO executives from the sample used in the survey and randomly select seven potential participants. The rationale for selecting the seven was guided by the assertion by Krueger (2014) that the ideal focus group discussion size is between five to eight participants, and if the participants have more expertise on the topic, a focus group size should be restricted to five or six participants.

### **3.4 Data Collection Methods**

The survey strategy and focus group discussion were deemed appropriate for this study, aligning with pragmatism philosophy, deductive and inductive approaches, and mixed methods research (Saunders et al., 2019). The survey research strategy, widely used in quantitative research, relies on standardized questions for statistical analysis (Kumar et al., 2018). It allowed for data collection from a large sample, facilitating generalization to the larger population (Nayak & Narayan, 2019), enhancing statistical power, and enabling comparison (Saunders et al., 2019). Data collected through questionnaires was quantitatively analysed using inferential and descriptive statistics (Bell et al., 2022; Leavy, 2022; Saunders et al., 2019).

The web questionnaire, developed using Google Forms and employing a Likert Scale, was ideal for the information technology-literate target respondents who could access the internet (Bell et al., 2022). The researcher shared questionnaire links through an associate in the NGO industry, ensuring the right respondents and reducing response distortion (Bell et al., 2022). The questionnaire, comprising sections on background information and variables of interest, facilitated critical data collection (Morgan & Ahmad, 2022). For the focus group discussion (FGD), participants were contacted personally, invited via email, and reminded before the discussion (Krueger, 2014). Over-recruitment ensured an adequate number of participants, considering potential cancellations (Krueger, 2014). The researcher arranged a convenient time and location for the FGD (Krueger, 2014).

### **3.5 Data Analysis**

After compiling the quantitative survey data collected from the respondents, the researcher prepared it for quantitative analysis, cleaned it for missing values, and data coded using numerical codes. This was followed by entering the data into the IBM® SPSS® Statistics 29 analysis software for descriptive and inferential analysis. Among things evaluated before analysis included checking that the data format and layout met the statistical software requirements (Bell et al., 2022; Saunders et al., 2019). The researcher explored the data for descriptive statistics and presented the findings, including measures of dispersion and central tendencies and frequencies in chapter four.

For the inferential analysis, regression and correlation analysis were conducted to estimate the relationship between sustainability reporting (*SR*), the dependent variable, and the three independent variables, that is, strategic posture (*SP*), governance attributes (*GA*), and stakeholder attributes (*SA*). To test this relationship, model  $P(SR \leq j) = \text{logit}^{-1}\{\beta_0 + \beta_1 SP + \beta_2 GA + \beta_3 SA + \beta_4 OS + \beta_5 OA + \beta_6 FR + \beta_7 OC\}$  was used.

Where:

$B_0$  = Model intercept.

$P(SR \leq j)$  = the probability that the SR takes on a value less than or equal to  $j$ .

$\text{logit}^{-1}$  = logistic function mapping the linear combination of predictors to a probability between 0 and 1.

*SR* = Sustainability reporting.

*SP* = Strategic posture.

*GA* = Governance attributes.

*SA* = Stakeholder attributes.

*OS* = Organisational size

*OA* = Organisational age

*FR* = Financial resources

*OC* = Organisational culture

To determine the appropriate regression analysis to conduct, the researcher used a significance level of 5% to test the regression model. Ordinal logistic regression was used to test the relationship between sustainability disclosure and its determinants which include strategic posture, governance attributes, and stakeholder attributes. Since an ordinal measurement format was used, the data was transformed and several diagnostic tests were performed. These tests are further expounded in the findings section. Upon satisfying the model qualified for ordinal logistic regression, the researcher conducted a parameter estimate to test the relationship between the study variables. The results were manipulated into tables to apprise the findings and discussion sections. According to Kafle (2019), the decision to use the regression model was to estimate the relationship existing between the dependent and the independent variables highlighted above. A Spearman Rank Correlation analysis was conducted to quantify the strength of the linear association

between sustainability disclosure and strategic posture, governance attributes, and stakeholder attributes.

The FGD data was recorded using an audio recorder and later transcribed to convert the content into text. The researcher captured the participant's responses accurately and familiarised himself with the data by reading and rereading the transcriptions. The qualitative data analysis tool NVivo 14 was employed to code the data. This was to get a comprehensive understanding of the FGD, including the nuances of the participants and their viewpoints (Byrne, 2022). Next, the researcher coded the data and labelled it into categories to allow for thematic analysis (Byrne, 2022). The codes were categorised into broader themes and the researcher looked for patterns and connections to help further explain the phenomenon under study. Finally, the data was interpreted and summarised in the results section which informed the report writing to answer the research questions.

### **3.6 Research Quality**

#### **3.6.1 Research Validity**

According to Mellinger & Hanson (2020), research validity concerns itself with evaluating whether the instrument used measures the quality of behaviour the researcher intends to measure in its creation and how well this measurement perform its function. The commonly used validity measures include content and construct validity. Towards achieving content validity, the researcher adopted a pre-existing measurement scale that was evaluated and critiqued for validity by other researchers (Taherdoost, 2016). The selection of the existing questions was because the scale created a fair representation of the variables under investigation due to the extensive validity testing. Further, the researcher shared the questionnaire with peers, subject matter specialists from Strathmore University, and the supervisor to enhance the measurement instrument's comprehensiveness. The feedback of the subject matter specialists was incorporated in the measurement instrument. To achieve construct validity, the researcher tailored the questions from the existing measurement scale and distributed the questionnaire in a pilot study to 15 respondents. The pilot study established that the scale measured the intended quality of behaviour, was reliable, and was feasible.

### 3.6.2 Reliability

When a test or measure produces consistent findings over repeated tests, it is considered reliable (Sürücü & Maslakçi, 2020). In other words, reliability is the evaluation of how well a test measures whatever is being measured. To ascertain the reliability of the instrument used for data collection, the researcher conducted a pilot study. The researcher applied the questionnaire to a group of 15 respondents in the sample. As such, the study carried out an internal consistency test using the alpha reliability coefficient. As indicated in table 3.1, the Cronbach's Alpha coefficients for the study variables were within the range recommended by Barbera et al. (2020) that, for internal consistency, each study variable should achieve an Alpha Coefficient of 0.7 and above.

**Table 3.1** Reliability results

<b>Variable</b>	<b>Cronbach's Alpha</b>
Strategic posture	0.763
Governance attributes	0.906
Stakeholder attributes	0.823
Sustainability disclosure	0.942
Organisational characteristics	0.737

### 3.7 Ethical Issues in Research

This research was guided by Strathmore University's code of ethics. As such, the investigator obtained ethical approval from Strathmore University. Upon receiving the letter of introduction from the university, the researcher sought permission to conduct the study from the National Commission for Science, Technology, and Innovation. Ethical issues considered included informed consent, anonymity, and confidentiality (Leavy, 2022). Informed consent meant giving the respondents information that guided their decision on whether to participate in the study (Leavy, 2022) and this was voluntary. For anonymity and confidentiality, the researcher kept the collected data private and stored it in a password-protected computer folder and will destroy the data once it is no longer needed in the study within one year.

## CHAPTER FOUR

### PRESENTATION OF RESEARCH FINDINGS

#### 4.0 Introduction

This chapter explores the results and their interpretation based on each study variable. This chapter is an essential part of the research study since it presents and analyses the data gathered to provide insights and findings that are pertinent to the objectives of the investigation. The study sought to investigate the determinants of sustainability disclosures among non-governmental organisations in Kenya. Specifically, it sought to 1) assess the effect of strategic posture on the level of NGO sustainability disclosure in Kenya, 2) investigate the effect of NGO governance attributes on the level of sustainability disclosure in Kenya, 3) assess the effect of stakeholder attributes on the level of sustainability disclosure in Kenya, and 4) assess the effect of the interaction between strategic posture, NGO governance attributes, stakeholder attributes, and organisational-level attributes on the level of sustainability disclosure in Kenya. The findings addressing each objective are presented in the following subsections.

#### 4.1 Response Rate

The study targeted a sample of 110 respondents for data collection. However, in the study, only 65 questionnaires were returned. Of this, five responses were removed after cleaning. These responses were removed because they omitted essential information critical to the analysis. Their removal preserved data completeness. The number of completed responses was adjusted for analysis to 60. From Table 4.1, the response rate was 59.1%. According to Matlala (2023), a response rate of 30-70% is considered acceptable for online surveys. Therefore, this study's response rate was acceptable for analysis.

**Table 4. 1** Response rate

<b>Response</b>	<b>Frequency</b>	<b>Percentage</b>
Returned	65	59.09
Unreturned	45	40.91
<b>Total Administered</b>	<b>110</b>	<b>100</b>

(Survey data, 2024)

## 4.2 Demographic Information

The background information examined in this study includes demographics such as the gender and nationality of respondents. The section also provides background information on the NGO the respondents represent, their years of experience with their current NGO, and the size and age of the NGO they represent. The background information was deemed essential since it provides a crucial basis for understanding and analysing the study's findings. This information is discussed in the following subsections.

### 4.2.1 Gender of Respondent

The respondents representing the NGOs are presented in Table 4.2. Most of the respondents were male at 53.3%. Female respondents were 46.7%. This indicates a reasonably balanced gender representation. The study's virtually equal distribution of male and female respondents suggests that data was gathered from a variety of viewpoints. This potentially provides a more comprehensive understanding of sustainability disclosures made by NGOs in Kenya.

**Table 4. 2** Gender of respondents

<i>Gender</i>	<i>Frequency</i>	<i>Percent</i>
Female	28	46.7
Male	32	53.3
<i>Total</i>	<i>60</i>	<i>100.0</i>

**(Survey data, 2024)**

### 4.2.2 Nationality of Respondent

The results on the nationality of the respondents, as shown in Table 4.3, indicate a unique makeup of the research group. 85% of the respondents were Kenyan citizens, the majority. The remaining 15% were foreigners. This distribution is important since it offers an essential perspective for comprehending the characteristics of the study participants. The majority of Kenyans in the surveyed respondents indicated that there is a significant representation of people having firsthand knowledge of the region. This also provides an understanding of Kenya's sociocultural environment.

**Table 4. 3** Nationality of respondent

	<i>Frequency</i>	<i>Percent</i>
Expat	9	15.0
Kenyan	51	85.0
<i>Total</i>	<i>60</i>	<i>100.0</i>

**(Survey data, 2024)**

#### **4.2.3 NGO represented**

Table 4.4 presents data on the NGOs that the respondents represented. The data reveals that international NGOs made up 90% of the sample. On the other hand, national NGOs only made up 10% of the sample. The large representation of international NGOs points to a focus on larger, globally focused-organisations that frequently work on a wider scale. This is besides addressing a variety of challenges and sustainability issues. On the other hand, the inclusion of national NGOs offers insight from groups with a larger regional focus.

**Table 4. 4** NGOs represented

	<i>Frequency</i>	<i>Percent</i>
International NGO	54	90.0
National NGO	6	10.0
<i>Total</i>	<i>60</i>	<i>100.0</i>

**(Survey data, 2024)**

#### **4.2.4 Years of Experience with the Current Organisation**

The distribution of responses according to the number of years worked for the current NGO is shown in Table 4.5. Notably, a significant portion of participants (55%) have worked with the current NGO for six to ten years. 25% of the respondents have 1-5 years of experience while 10% have less than 1 year of experience with their current organisation. Both the 11-15 years and 16 years and above categories each represent 5% of the respondents. This difference in years of experience is important because it shows the level of respondents' knowledge and experience with NGO sustainability disclosure.

The prevalence of those with 6-10 years of experience indicates a significant number of people with a significant amount of organisational tenure. This provides a combination of more recent perspectives and seasoned experience.

**Table 4. 5** Years of experience with the current organisation

	<i>Frequency</i>	<i>Percent</i>
1-5 years	15	25.0
11-15 years	3	5.0
16 years and above	3	5.0
6-10 years	33	55.0
Below 1 year	6	10.0
<i>Total</i>	<i>60</i>	<i>100.0</i>

(Survey data, 2024)

### 4.3 Descriptive Analysis

In a study, descriptive statistics are employed to illustrate the characteristics of the data. This is a result of their straightforward explanations of the measures and the sample. The mean and standard deviation are components of descriptive analysis that serve as the foundation for the quantitative data analysis. For each of the research variables (strategic posture, governance attributes, stakeholder attributes, and level of sustainability disclosure), the results of the descriptive analysis are shown in this section. A 5-point Likert scale was used (1 being strongly disagree, 2 = disagree, 3 = Neutral, 4 = Agree, and 5 = Strongly Agree).

As Table 4.6 indicates, according to a statistical analysis of the dependent variable, the level of sustainability disclosure, respondents reported an average level of sustainability disclosure of about 40.38%. A central tendency for the observed disclosure levels within the study cohort is provided by this numerical representation. The comparatively low standard deviation of 0.07228 indicates that participant responses on sustainability disclosure were notably consistent. This consistency suggests that most respondents had a similar assessment of the sustainability disclosure practices of their NGOs. The low response variability strengthens the reported mean's dependability. Additionally, it shows

a consistent pattern in the way participants evaluated and reported the sustainability disclosure levels of their organisations.

**Table 4. 6** Descriptive statistics

	<i>Mean</i>	<i>Std. Deviation</i>
<b>Dependent</b>		
Level of sustainability disclosure	0.4038	.14990
<b>Independent</b>		
Strategic posture	4.2417	.67955
Governance attributes	2.7653	.49348
Stakeholder attributes	3.6167	.46593
<b>Control</b>		
Organisational culture	4.4250	.40989
Financial resources	4.4167	.49717
NGO Age	3.3333	.83700
NGO Size	2.8333	.41850

**(Survey data, 2024)**

Through an analysis of the independent variables, the research reveals valuable information regarding the respondents' perspectives. An average mean of 4.2417 is obtained for the strategic posture. This indicates that, on average, there is a modest degree of strategic alignment. The standard deviation of 0.67955 suggests some degree of heterogeneity among the respondents. It indicates different viewpoints on strategic posture. Regarding governance attributes, the mean of 2.8 indicates an average evaluation. This demonstrates that the majority of respondents were neutral about the role governance attributes play in sustainability disclosure. As such, different perspectives within the study group were revealed by the standard deviation of 0.49348. This suggests some variability in respondents' perceptions of governance attributes in their NGOs. The observed neutrality among respondents was attributed to acknowledging that the proportion of independent directors in the total board size was moderate. Also, the respondents acknowledged that the number of independent board member serving in the audit committee was average, that is, not high and not low.

Stakeholder attributes produced a mean of 3.62. This shows that, on average, the majority of respondents largely provided a favourable assessment of stakeholder attributes and their association to the level of sustainability disclosure. The low standard deviation of 0.46593 suggests low variability and a consensus among respondents that stakeholder attributes have an impact on sustainability disclosures.

The descriptive statistics of the control variables yield insights into variables that might affect sustainability disclosures. The high mean of 4.4250 for organisational culture indicates that respondents typically had a positive opinion of it. The low standard deviation of 0.40989 indicates that this positive perception was consistent among respondents. Financial resources had a mean score of 4.4167. This indicates that respondents opined the availability of financial resources in their organisations. The moderate 0.49717 standard deviation indicates some variation in the views of financial resources. NGO age's mean of 3.3333 suggests that, on average, the majority of the NGOs operated in Kenya for more than 10 years. The comparatively high standard deviation of 0.83700 suggests varying NGO ages. Lastly, with a mean of 2.8333, on average, the low standard deviation of 0.41850 indicates a consistent assessment of NGO size among respondents.

#### 4.3.1 Normality Test

The descriptive analysis sought to establish the level of distribution for the study variables. As presented in Table 4.7, all the study variables were not normally distributed. This is presented by significant Shapiro-Wilk statistics. Given the ordinal nature of the data, coupled with data that does not exhibit a normal distribution pattern, the study used the ordinal regression and Spearman Rho correlation in SPSS 29 to conduct the inferential analysis.

**Table 4. 7** Normality test

	<i>Statistic</i>	<i>Sig.</i>
Level of sustainability disclosure	.748	<.001
Strategic posture	.836	<.001
Governance attributes	.842	<.001

Stakeholder attributes	.882	<.001
Organisational culture	.904	<.001
Financial resources	.626	<.001
NGO Age	.758	<.001
NGO Size	.441	<.001

**(Survey data, 2024)**

**4.4 Inferential Analysis**

**4.4.1 Correlation Analysis Results**

The results in Table 4.8 indicate that the level of sustainability disclosure has a significant moderate positive correlation to stakeholder attributes and strategic posture. This is with a coefficient of 0.442 (p=0.001) and 0.328 (p=0.011), respectively. This suggests that as engagement of stakeholder attributes in the NGO’s operations increases, so does the level of sustainability disclosure observed. This correlation aligns with the expectation that as stakeholder interest and power increase, NGOs tend to enhance their sustainability programs. Also, NGOs that have a well-strategic posture are more likely to disclose their sustainability efforts. Similarly, the level of sustainability disclosure is significantly correlated with financial resources (coefficient = .252, p = 0.05). In contrast, the level of sustainability disclosure is not significantly correlated with governance attributes (coefficient = -0.104, p = 0.430), organisational culture (coefficient = 0.182, p = 0.164), NGO age (coefficient = 0.109, p = 0.407), and NGO size (coefficient = 0.078, p = 0.554). There is insufficient information to establish that there is a correlation relationship between the variables because the coefficient is nonsignificant, as demonstrated in Table 4.8.

**Table 4. 8** Correlation analysis results

		<i>Level of sustainability disclosure</i>	<i>Strategic posture</i>	<i>Governance attributes</i>	<i>Stakeholder attributes</i>	<i>Organisational culture</i>	<i>Financial resources</i>	<i>NGO Age</i>	<i>NGO Size</i>
<b>Level of sustainability</b>	Coefficient	1.000							

ity disclosure Strategic posture	Sig. (2-tailed)	.							
	Coefficient	.328*	1.000						
Governance attributes	Sig. (2-tailed)	.011	.						
	Coefficient	-.104	-.151	1.000					
Stakeholder attributes	Sig. (2-tailed)	.430	.250	.					
	Coefficient	.442**	.457**	.037	1.000				
Organisational culture	Sig. (2-tailed)	<.001	<.001	.781	.				
	Coefficient	.182	.352**	-.235	.113	1.000			
Financial resources	Sig. (2-tailed)	.164	.006	.070	.389	.			
	Coefficient	.252	.197	-.220	-.030	.677**	1.000		
NGO Age	Sig. (2-tailed)	.052	.132	.090	.817	<.001	.		
	Coefficient	.109	.318*	-.165	-.036	.377**	.185	1.000	
NGO Size	Sig. (2-tailed)	.407	.013	.207	.784	.003	.156	.	
	Coefficient	.078	.199	-.161	-.029	.278*	.154	.634**	1.000
	Sig. (2-tailed)	.554	.127	.221	.826	.032	.239	<.001	.

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

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

### (Survey data, 2024)

On the other hand, strategic posture has a significant moderate positive correlation with stakeholder attributes (coefficient = 0.457,  $p = 0.001$ ) and organisational culture (coefficient = 0.352,  $p = 0.006$ ). Strategic posture also has a significant moderate positive correlation with NGO age (coefficient = 0.318,  $p = 0.013$ ). These results imply that strategic posture moves in the same direction with stakeholder attributes, organisational culture, and NGO age. However, this relationship is moderately strong. In contrast, strategic posture is not significantly correlated with governance attributes (coefficient = -0.151,  $p = 0.250$ ), financial resources (coefficient = 0.197,  $p = 0.132$ ), and NGO size (coefficient = 0.199,  $p = 0.127$ ). Overall, there is insufficient information to establish that there is a correlation between these variables because the coefficient is nonsignificant. The results indicate that governance attributes are not significantly correlated with all the research variables.

On the other hand, organisational culture has a significant moderate positive correlation with financial resources (coefficient = 0.677,  $p = <0.001$ ). Similarly, organisational culture has a moderate positive significant relationship with NGO age (coefficient =

0.377,  $p = 0.003$ ). (coefficient = 0.278,  $p = 0.032$ ). Financial resources are not significantly correlated with NGO age (coefficient = 0.185,  $p = 0.156$ ) and NGO size (coefficient = 0.154,  $p = 0.239$ ). NGO age has a significant moderate positive correlation with NGO size (coefficient = 0.634,  $p = <0.001$ ). This correlation aligns with the expectation that NGOs that have been operational for many years are more likely to be large organisations.

#### 4.4.2 Ordinal Regression Analysis Results

The analysis conducted a goodness of fit test to establish if the model fits the data perfectly. Ideally, a non-significant Pearson and Deviance Chi-square are desired for the model to adequately represent the relationship between predictor variables and the binary outcomes (Allison, 2014). The goodness of fit results is presented in Table 4.9. Pearson and Deviance chi-square statistics and have p-values of 0.429 and 1, respectively. This indicates that the ordinal logistic regression model fits the observed data well. The non-significant p-values indicate that there is no significant difference between expected and observed frequencies. The results verify the model’s capacity to accurately capture the link between predictor variables and the outcome variable. Further, the logit link function contributes to the model’s dependability in converting linear combinations of predictors into probabilities. These findings give confidence in the logistic regression model’s ability to forecast the likelihood of the dataset’s binary outcomes.

**Table 4. 9** Goodness-of-fit test results

	<i>Chi-Square</i>	<i>df</i>	<i>Sig.</i>
Pearson	713.106	707	0.429
Deviance	257.629	707	1.000

Link function: Logit.

#### (Survey data, 2024)

The logistic regression model’s Pseudo R-squared values are presented in table 4.10. The Cox and Snell R-Square is 0.186 and Nagelkerke R-Square at 0.188. Both have been calculated with the logit link function. These pseudo-R-Square values indicate the proportion of variation explained by the model. This analysis interprets the association

between the dependent and the independent variables using the Nagelkerke R-Square. As such, the Nagelkerke R-Square is often chosen over the Cox and Snell version because it accounts for the model's shortcomings in fully capturing variability in the dependent variable (Choudhary et al., 2022). The 0.188 Nagelkerke R-Square indicates that strategic posture, governance attributes, stakeholder attributes, and having controlled for organisational attributes, explain 18.8% changes in the level of sustainability disclosure in NGOs in Kenya.

**Table 4. 10** Pseudo R-Square

<i>Cox and Snell</i>	<i>0.186</i>
Nagelkerke	0.188

*Link function: Logit.*

(Survey data, 2024)

#### 4.4.3 Objective 1: Strategic Posture and NGO Sustainability Reporting

The analysis was conducted to attain the first objective: to find out the effect of strategic posture on the level of NGO sustainability disclosure in Kenya. The results are presented in Table 4.11. The estimated coefficient is 0.950 at a significance level of p-0.016. This result indicates a positive significant relationship between strategic posture and sustainability disclosure in NGOs in Kenya. As such, a unit increase in strategic posture in NGOs in Kenya is predicted to lead to a 0.950 increase in sustainability disclosure.

**Table 4. 11** Results of the regression analysis

<i>Dependent variable: NGO level of sustainability disclosure</i>	<i>Estimate</i>	<i>Std. Error</i>	<i>Sig.</i>
Intercept	10.472	4.192	.012*
<b>Predictors</b>			
Stakeholder attributes	1.426	.566	.019*
Strategic posture	.950	.395	.016*
Governance attributes	.313	.515	.532
<b>Control variables</b>			
Organisational culture	.629	.844	.456

Financial resources	.347	.619	.575
NGO age	.187	.401	.642
NGO size	.386	.759	.611

\*. *The coefficient is significant at the 0.05 level (2-tailed).*

**(Survey data, 2024)**

#### **4.4.4 Objective 2: Governance Attributes and NGO Sustainability Reporting**

The regression also sought to establish the relationship between governance attributes and sustainability disclosure in NGOs in Kenya. There was a predicted increase in the level of NGO sustainability disclosure of 0.313 with a unit increase in governance attributes. However, this result was nonsignificant with a p-value of 0.575. The p-value indicates that there is a lack of a statistically significant link between governance characteristics and the log probabilities of sustainability disclosure. This result means that other attributes besides NGO governance could explain the level of sustainability disclosure in Kenya.

#### **4.4.5 Objective 3: Stakeholder Attributes and NGO Sustainability Reporting**

The logistic regression analysis reveals that the estimated coefficient for stakeholder attributes is 1.426. The coefficient implies that a unit increase in stakeholder attributes, that is stakeholder power and interest, leads to a predicted increase in NGO sustainability disclosure in Kenya. This result is significant at a p-value of 0.019. This indicates that stakeholders' influence and involvement, as measured by their power and interest, have a significant impact on the transparency and disclosure practices of NGOs in Kenya. In essence, the findings imply that NGOs in Kenya are more likely to improve their sustainability disclosure practices when they actively consider and respond to their stakeholders' characteristics and interests. These findings underscore the interplay between stakeholder engagement and organisational transparency in the realm of sustainability initiatives.

#### **4.4.6 Objective 4: Organisational Level Attributes and NGO Sustainability Reporting**

The fourth objective of the study was to assess the effect of the interaction between strategic posture, NGO governance attributes, stakeholder attributes, and organisational-

level attributes on the level of sustainability disclosure in Kenya. In examining the control variables influencing NGO sustainability disclosure, the results indicate mixed outcomes. Organisational culture (coefficient of 0.629) does not achieve statistical significance ( $p = 0.456$ ). This implies that its influence on sustainability reporting practices is not statistically reliable. Financial resources also exhibit a nonsignificant coefficient of 0.347 ( $p = 0.575$ ). The result implies that the financial capacity of NGOs may not be a decisive factor in determining the extent of sustainability disclosure. Similarly, NGO age's coefficient of 0.187 ( $p = 0.642$ ) does not demonstrate statistically significant relationships with sustainability disclosure. Also, NGO size, with a coefficient of 0.386 ( $p = 0.611$ ), does not influence sustainability disclosure. These findings are inconclusive of whether organisational-level factors play a significant role in influencing the level of sustainability disclosure among NGOs in Kenya.

#### **4.5 Findings of the Focus Group Discussion (FGD)**

One Focus Group Discussion took place to get the subjective responses required to unearth trends, themes, patterns, and interpretations from the respondents' first-hand experience in sustainability disclosure in NGOs. Specifically, the FGD used semi-structured questions to gather the subjective nuances of the participants about NGOs' strategic posture, stakeholder attributes, governance attributes and sustainability disclosure. 7 participants were included in the FGD upon whose responses have been used for this analysis. Participants in the FGD provided insightful information about how different stakeholders shape sustainability reporting in NGOs. The following subsections present these findings.

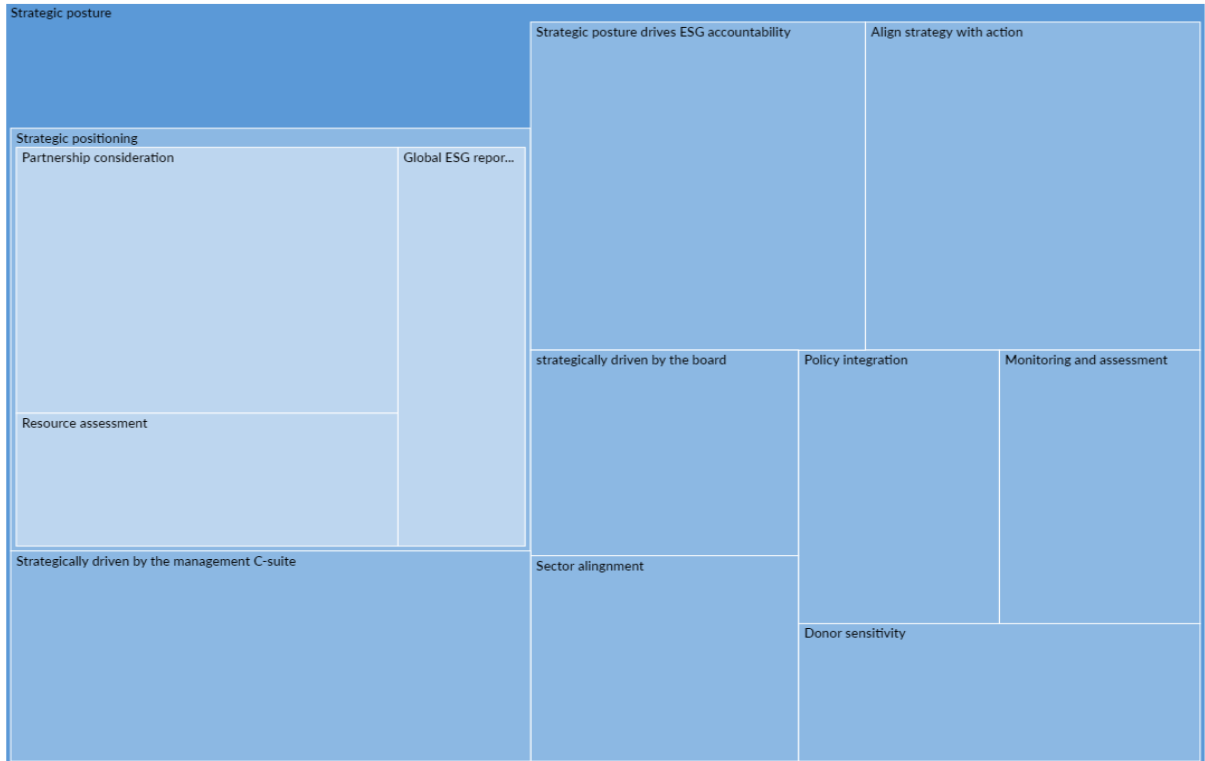
##### **4.5.1 Word Frequency Query**

The investigator examined the coded FGD transcript using word frequency queries. Figure 4.1 presents the word frequency map. The most common terms found in the analysis of the transcripts of the interviews are listed in the word cloud. The 500 most common words were used to create the word cloud. Further, only terms that were at least four characters long were included. The analysis placed the words in a logical order to improve the data presentation's fluency. The terms indicated by orange highlights are the



indicated that pursuing an internally driven ESG course of action, working with larger programs towards sustainability, or establishing alliances with organisations that have a more significant ESG presence, were strategic options some Kenya NGOs were taking.

**Figure 4. 2** Strategic posture themes



**(FGD data, 2024).**

The FGD also shed light on how important an NGO’s strategic position is in shaping its sustainability disclosure policies. Participants emphasised the critical role played by the board’s strategic direction. As such, strategic posture is internally driven and strategically linked with the organisation’s size and structure. This internal drive serves as a benchmark for effectively fulfilling donor requirements and strategically placing the NGO in the market. While acknowledging the significant influence of senior management and the board, the FGD established that, depending on the organisational situation, the C-suite is crucial in determining the course of sustainability reporting. This impact was especially noticeable when NGOs adopted internal initiatives. As indicated by RESP 4:

*The board does have quite a big influence, but also the senior management of the organisation. Depending on the organisation, the C-suite, I would say that they also have a lot of influence in terms of setting up the direction.*

RESP 3 adds that:

*For us it is not external push, but our own internal initiative. We work in healthcare space and so one of the things that we're thinking about or working around is delivering healthcare without harm. And that is own initiative as opposed to like set standards*

Aligning strategy with action emerged as a critical dimension in the FGD. As such, the participants stressed the importance of following through on stated commitments. In addition to high-level priorities linked to strategic goals, the discussion emphasised the necessity of concrete actions and resource commitments. This open alignment guarantees that the organisation's commitment to sustainability principles is recognised and perceived positively by stakeholders. This includes employees and the larger community. The participants also pointed out how strategic postures and the global ESG discourse connect. For instance, some NGOs strategically coordinate with international ESG reporting standards. This demonstrates a larger dedication to making a significant contribution to the global discussion on ESG issues. This alignment is a strategic positioning that adjusts to changing global expectations as well as a reaction to donor requests.

#### **4.5.3 Stakeholder Attributes**

An investigation of stakeholders with the greatest influence indicates that various stakeholders have diverse influences. These themes are presented in figure 4.3.

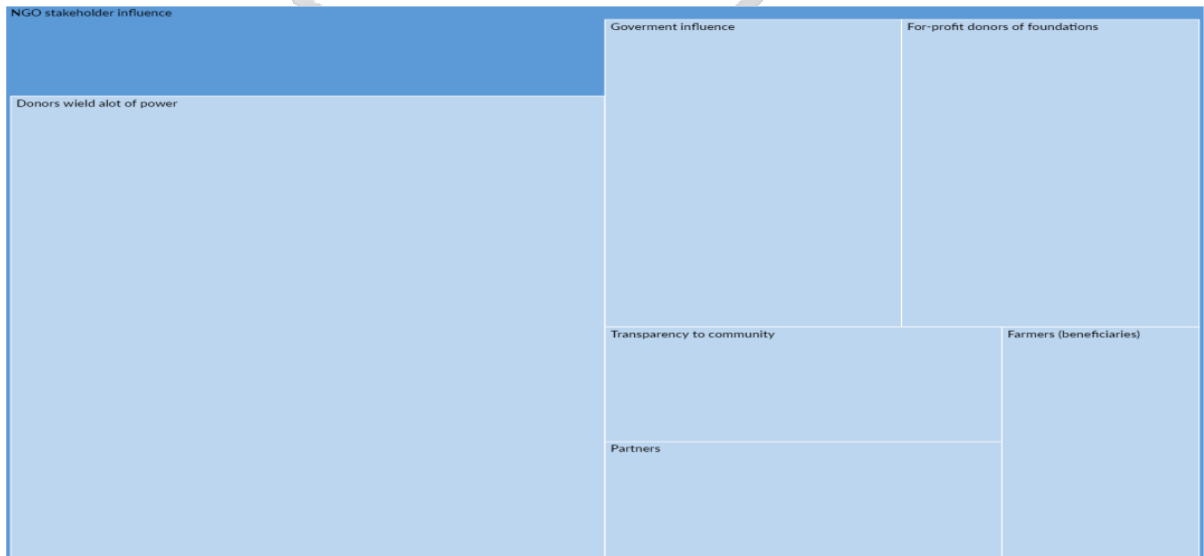
##### ***Dominance of Donors in Shaping Sustainability Reporting in NGOs in Kenya***

The FGD revealed the enormous influence that donors exert. The findings draw contrasts between larger contributors such as the Danish government and smaller contributions. This theme echoes the widely held belief that NGOs' reporting systems are greatly influenced by their funding sources. The FGD highlights the important influence that donors have on NGOs' internal operations as well as their policies and procedures.

Notably, large funders that impose certain reporting criteria and demands, such as the MasterCard Foundation, USAID, Bill & Melinda Gates Foundation, and private investors, have a significant impact. When NGOs are forced to reconcile their reporting methods with the strict requirements imposed by donors, it becomes clear how much financial leverage these institutions have. For instance, RESP 6 notes that:

*I think in our experience, what we have seen is that donors really wield a lot of power. Donors come in as influential in terms of the power that they wield because they give the money, and we tend to shape our systems and procedures based on what donors require.*

**Figure 4. 3** Stakeholder attributes’ themes



**(FGD data, 2024).**

Donors supporting foundations through funding derived from for-profit businesses, NGO partners, beneficiaries, and communities where NGOs have operations were also shown to wield significant influence on their reporting practices. However, this influence is not as pronounced as that of donors.

***Government Influence***

Further, the role of government in reporting practices of NGOs was made evident in the FGD. The necessity for NGOs to coordinate their disclosure practices with current government policies was brought up by the participants. This admission of the power of

the government highlights the delicate balance that NGOs have to strike between government regulations compliance and their need to report on sustainability.

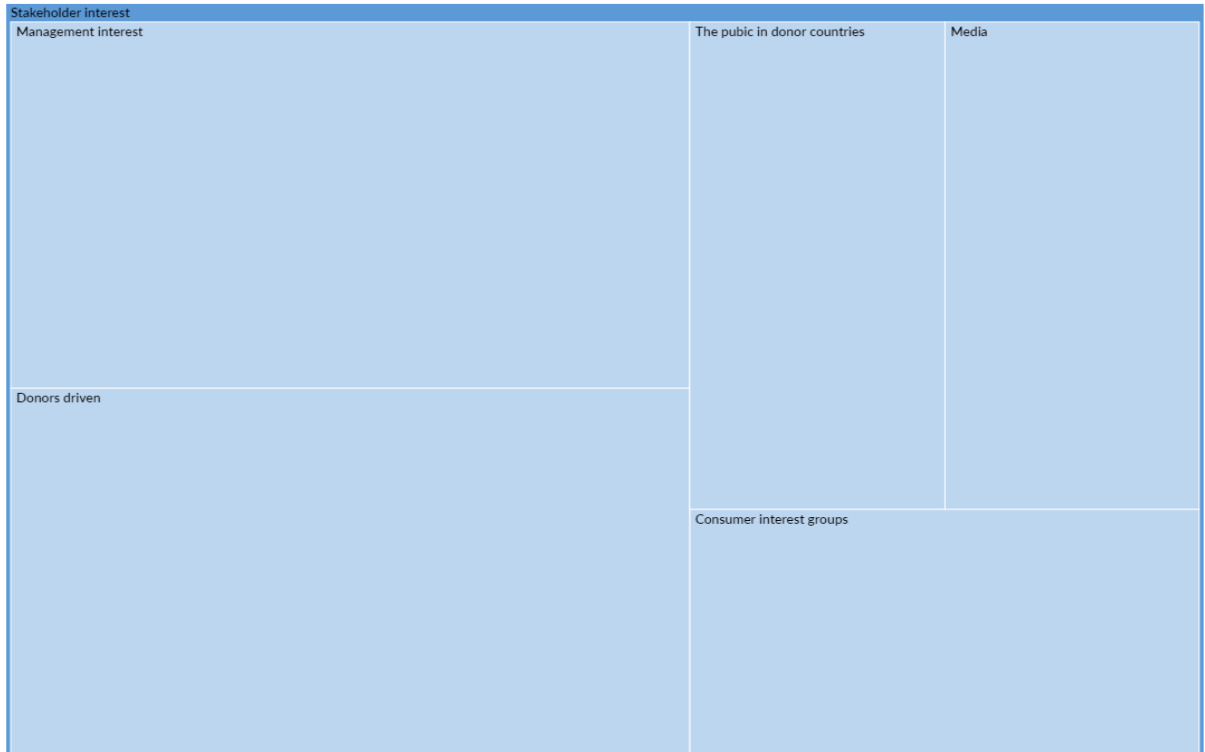
#### 4.5.4 Stakeholder Interests

Another important aspect that emerged from the analysis is the level of stakeholder interest and its influence on sustainability disclosure. Two major stakeholder groups were identified as having a high interest in the sustainability reporting practices of NGOs. They are the management and donors. While the public from donor countries, the media, and consumer rights groups were shown to have an interest in the sustainability practices of NGOs, the greatest influence on sustainability reporting was placed on management interest and donor interest. This is shown in figure 4.4 on the stakeholder interest themes. For instance, RESP 7 postulated that:

*So, the different stakeholders especially the donors, the board and of course the senior management all driven to staying sustainable amidst the global pressures to be able to align.*

The FGD shed light on the several factors that motivate stakeholders to want transparency when it comes to sustainable practices. The recognition that donors are the primary source of interest points to their crucial function. This is consistent with the knowledge that funders frequently have standards for accountability and openness from the NGOs they support. However, it is not solely the financial contributors shaping this landscape. Communities in particular, who are stakeholders at the bottom of the pyramid, become important influencers. Growing community understanding and consciousness regarding health-related issues gives them the power to demand ethical and sustainable behaviours from NGOs. The results indicate that NGOs are changing their practices in response to this demand. This is particularly evident in those in the food systems sector.

**Figure 4. 4** Stakeholder interest themes



**(FGD data, 2024).**

Furthermore, organisations like the ACT Alliance, a coalition of Protestant and Orthodox churches and church-related organisations, of which one of the participants is a part, support the need for openness. Such organisations push their members to disclose their sustainability practices in response to increasing community awareness. Within these coalitions, the public interest becomes a motivating factor that shapes policy shifts and member groups' actions. This complex relationship highlights the fact that transparency is a response to the expectations of donors as well as the demands and expectations of stakeholders and the larger community. This includes the media's role in raising awareness and visibility. In addition to external financial considerations, internal incentives for excellence contribute to the various variables that are driving NGOs toward more sustainability and transparency.

#### **4.5.5 Challenges NGOs Face When Responding to Stakeholder Influence and Interests in the Context of Sustainability Reporting**

Among the challenges that emerged from the thematic analysis include a lack of standardised sustainability reporting standards, most organisations have adopted sustainability but not reporting, there are ambiguous compliance requirements from the

government, high cost of reporting, and high cost to the community where these NGOs expected to disclose their sustainability practices serve. Other challenges include a lack of awareness of the requirements for sustainability reporting resources constraint, the technical shortcomings of the reporting teams, and that sustainability reporting is significantly implemented when driven by donor pressure. Else, very few will report. However, the most recurring themes were the cost of reporting, the cost to the community, and a lack of standardised sustainability reporting standards, as Figure 4.5 demonstrates.

### ***Cost of Reporting***

The FGD brought to light several hurdles that NGOs have when addressing stakeholder influence in the context of sustainability reporting. A recurring theme in the analysis is the cost of setting up structures and monitoring mechanisms for sustainability reporting. While some donors provide resources, others demand NGOs to have these resources beforehand. This demand creates financial and capacity issues. Besides, the financial burden related to NGO sustainability reporting is further complicated by the need for external expertise. This expertise comes in the form of expensive sustainability reporting consultants. The internal struggle to meet the high sustainability reporting threshold also contribute to high costs of capacity provision. For instance, RESP 7 noted that:

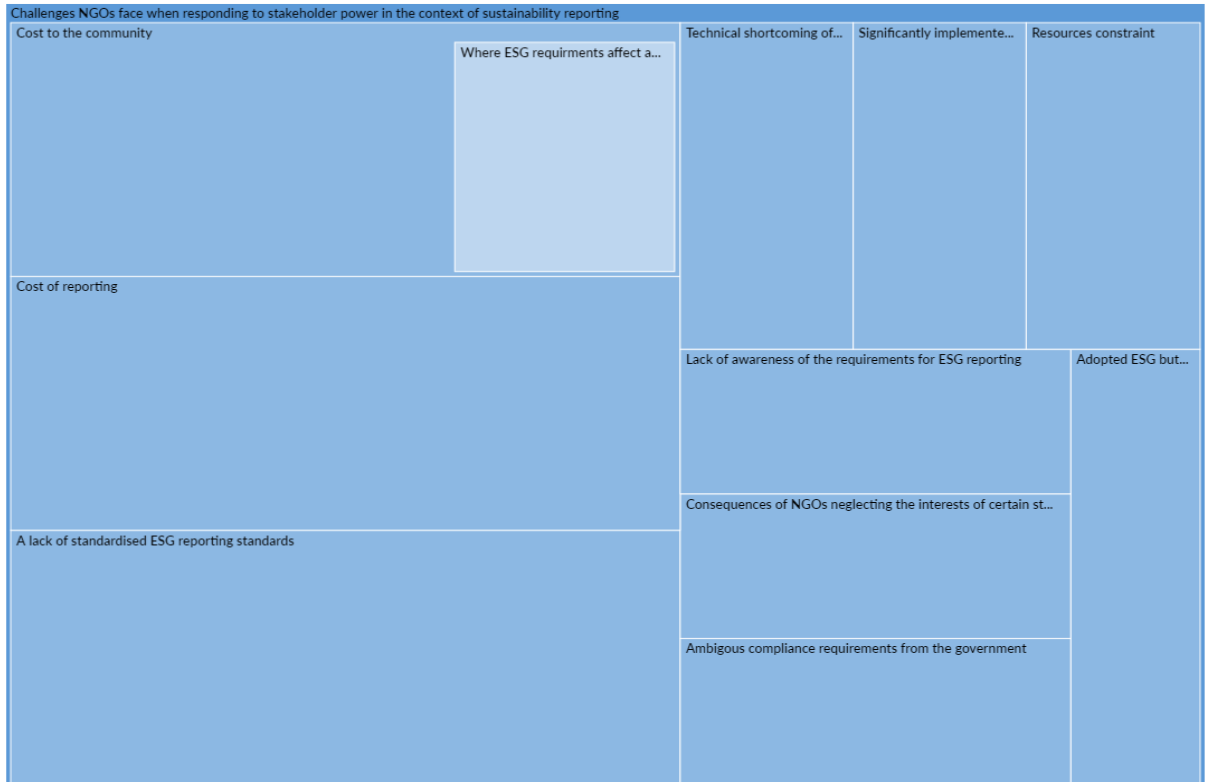
*One of the biggest challenges is the cost element that comes to setting up the monitoring systems for this and establishing structures for this. Some would be especially if its donor driven, they would give you one capacity, two resources to do that, but some would expect you to have them before you start. So, this becomes a challenge, financial and of course the capacity resource to be able to set up this.*

### ***Cost to Community***

Beyond financial costs to NGOs, the results indicate that the community where NGOs expected to disclose their sustainability practices serve may bear significant costs related to sustainability reporting obligations. For example, prohibiting the use of certain fertilizers and encouraging the use of organic alternatives could put further financial strain on local communities. This is seen in initiatives where specific ESG requirements- like encouraging eco-friendly practices- may unintentionally restrict the productivity of small-holder farmers. This sets up a situation where the goals of sustainability could clash with

the practical and financial realities that local communities must deal with. The outcome could potentially impair the program’s overall efficacy.

**Figure 4. 5** Challenges NGOs face when responding to stakeholder influence and interests in the context of sustainability reporting



(FGD data, 2024).

***A Lack of Standardised Sustainability Reporting Standards***

The absence of uniform sustainability reporting guidelines for NGOs has also been noted as a significant challenge. For instance, RESP 3 raised issues about measurement criteria and benchmarking. The participant expressed concerns about the lack of consistent standards guiding NGOs on sustainability reporting. Government compliance requirements also surfaced as a barrier. For instance, RESP 6 emphasised the difficulties posed by ambiguous government directives that result in expensive legal interpretations and possible legal repercussions. RESP 2 is quoted as stating that:

*I think one of the things that we find is that ESG is more of voluntary and there are no standards. So, every organisation has their own standards. So that then*

*brings another mix in terms of how we address the knowledge that you have, to what extent you go to and how much time, how much resources do you have.*

#### **4.5.6 Governance Attributes**

##### ***Board Composition***

Three key corporate governance attributes were highlighted as integrated in driving sustainability disclosure in NGOs, as indicated in figure 4.6. The first of these attributes is the board composition. As such, the findings from the FGD indicated that a localised board and gender balance in the board were key in driving sustainability reporting practices for those NGOs. With the localised board, this means having more Kenyans on the board of NGOs. The commitment to increasing board membership from the local context by including representation from persons with lived experience in the served communities demonstrates an effort to improve authenticity and relevance. Also critical to sustainability disclosure driven by the board of NGOs is the gender balance. The findings indicate that gender balance ensures diversity of experiences and perspectives. Respondents indicated that gender inclusivity increased the likelihood of addressing a diverse set of sustainability reporting factors. This could include human rights, ecological sustainability disclosure, and social impact disclosure, among others.

##### ***ESG Oversight Committee***

The findings indicate a clear awareness among the respondents of the role of having specialised ESG oversight committees on sustainability disclosure. The ESG oversight committee was shown by FGD to have the potential to be a key player in guiding NGOs' sustainability disclosure practices. For those NGOs that used these committees, it guaranteed technical proficiency in reporting. Besides, the oversight committee harmonised the NGO's fundamental principles and the sustainable disclosure model. From the results, the relationship that exists between sustainability disclosure and the ESG oversight committee points to the need for proactive measures to guarantee ethical reporting on sustainability aspects.

**Figure 4. 6** Governance attributes



(FGD data, 2024).

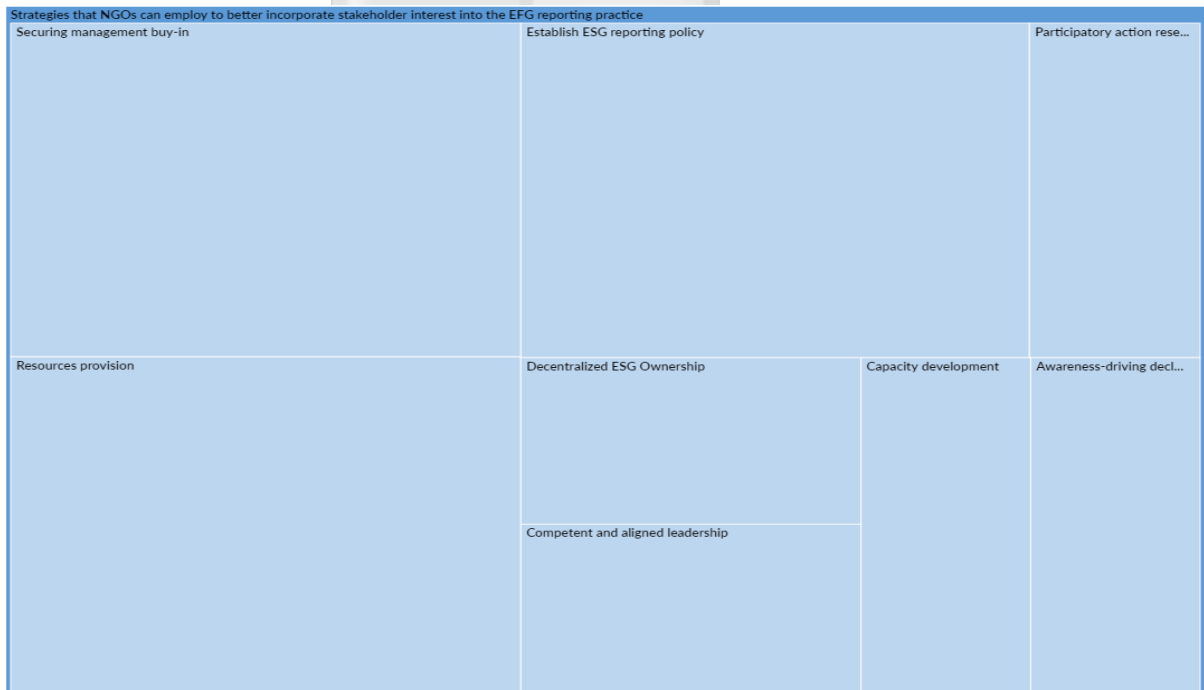
### ***Governance Structure Hindering Sustainability Disclosure***

Finally, the thematic analysis indicated that, in some instances, the governance structure was also instrumental in hindering sustainability disclosure. As such, respondents highlighted concerns about potential conflicts of interest within the board. This conflict of interest was particularly pronounced where members representing donors from industries with specific interests, such as big pharma, held board positions. Comprehensive ESG reporting may be hampered, for example, if a board member's vested interests cause them to be reluctant to fully disclose environmental or social issues relating to pharmaceutical practices. This case illustrates how certain industry connections within the governance framework might prevent open reporting in areas that are directly related to the interests of the sector. The recognition that vested interests may obstruct ESG disclosure practices highlights how important governance is in influencing sustainability disclosure in NGOs.

#### 4.5.7 Strategies that NGOs Can Employ to Better Incorporate Stakeholder Interest into the EFG Reporting Practice

Several strategies were recommended in the FGD. While eight strategies were recommended, the most reoccurring themes were securing management buy-in, establishing ESG reporting policy, and providing adequate resources that finance the sustainability disclosure activities. The other strategies include engaging in participatory action research, increasing awareness driving declarations among staff, decentralising sustainability ownership, capacity development among staff, and having competent and aligned leadership, as demonstrated in figure 4.7. The most recurring themes have been discussed in this section.

**Figure 4. 7** Strategies that NGOs can employ to better incorporate stakeholder interest into the EFG reporting practice



**(FGD data, 2024).**

#### *Resources Provision*

Participants in the FGD underlined how important it is to appropriate funds to improve NGOs’ sustainability reporting procedures. One participant gave the example of investing in a fully equipped and resourced office. It had an ethics and governance office and an

ombudsman. This thoughtful resource allocation made it possible to track activity at several levels with great accuracy. The ability to track these activities facilitated effective reporting practices. Moreover, the allocation of resources fostered increased consciousness and responsibility. This example exemplifies how concrete investments may strengthen NGOs' dedication to sustainability reporting.

### ***Securing Management Buy-In***

Gaining senior management support was highlighted as a critical strategy for successful sustainability reporting. The necessity of capable and congruent leadership in promoting the adoption and reporting of sustainability practices was emphasised by the participants. For instance, some NGOs have stressed the importance of requiring ESG reporting every year. This is in addition to disseminating the results both downward and upward. This strategy promoted an open culture by guaranteeing responsibility and transparency. Senior management's support and dedication were essential in integrating ESG reporting into organisational procedures. As such, the results highlight the need for leadership alignment for effective integration and reporting.

### ***Establishing Sustainability Reporting Policy***

Formalising sustainability reporting through the creation of comprehensive policies was a recurrent theme in the FGD. Adopting a concise policy statement outlining the organisation-wide cascade of ESG practices was suggested by the participants. One participant provided an example that demonstrated the value of applying the 'listen, learn, act' approach through participatory action research. This would increase the dedication to strengthening community engagement. Creating a clear sustainability reporting policy guarantees consistency and clarity in informing internal and external stakeholders about ESG commitments. The implementation of such policies serves as a fundamental element in promoting an organised and methodical approach to reporting on sustainability.

## **4.6 Comparison of Findings from the Survey and Focus Group Discussion**

### **4.6.1 Strategic Posture**

The quantitative analysis of the survey reveals a strong and positive relationship between sustainability disclosure and strategic posture in NGOs in Kenya. This suggests that

greater disclosure is associated with a more strategic stance. This is consistent with the FGD results which give the strategic posture qualitative depth. The FGD sheds insight on the internal causes. These causes include board influence and senior management decisions. To begin with, the respondents emphasised the importance of articulating and implementing a clear strategic posture. When an NGO openly outlines its strategic vision in accordance with ESG principles and global sustainability goals, it creates a framework for incorporating sustainability into its operations. This alignment is strengthened by the allocation of organisational resources. This is both in terms of financial investment and capacity development. The strategic posture displays a concrete commitment to the stated strategic objectives. Further, the FGD suggested that the breaking down of strategic objectives into concrete stages guarantees that teams at all levels of the firm can effectively implement sustainability programs. The strategic vision not only guides internal teams but also acts as an important tool for external stakeholders. This is particularly true for donors, who assess alignment and commitment.

Although the survey measures the influence of strategic posture, the FGD highlights the complexities of these choices. For instance, the survey indicates a robust association between sustainability disclosure and strategic posture in NGO in Kenya. The FGD enriches this understanding by delving into specific internal causes. These causes include the influential role of boards and senior management in shaping the strategic direction, a clear strategic vision, and the breaking down of strategic objectives into actionable goals. As such, the FGD demonstrates that the internal motivation for strategic posture acts as a standard for meeting donor demands. This is besides positioning NGOs in the market strategically. The FGD adds richness to the understanding by showing that organisational resources, size, structure, and internal efforts are taken into account when making strategic decisions.

#### **4.6.2 Governance Attributes**

Although not statistically significant, the survey's examination of governance attributes points to a possible beneficial association with sustainability disclosure. The FGD, which emphasises the crucial impact of board composition and the existence of an ESG monitoring committee, complements this quantitative finding. The influence of

governance attributes as a whole is the focus of the survey's statistical analysis. However, the FGD adds depth to this understanding by highlighting the subtle issues of conflicts of interest inside the board. The survey's general classification of governance attributes gains further nuance from the FGD's emphasis on localizing boards. Besides, it highlights the significance of attaining gender balance as important drivers for sustainability reporting. The FGD's qualitative observations set the data results in context and demonstrate how particular governance practices can support transparent reporting when they are in line with sustainability objectives. Beyond statistical significance, the FGD reveals real-world governance structure issues that could impede transparent reporting. This includes possible conflicts of interest on the board.

#### **4.6.3 Stakeholder Attributes**

The results of the survey's logistic regression show a strongly significant positive association between sustainability disclosure and stakeholder attributes. On the other hand, the FGD highlights the significant influence of donors. This is particularly concerning how they shape sustainability reporting standards in NGOs in Kenya. The FGD reveals the intricate interactions between various donor categories and how those interactions affect disclosure in different ways. Interestingly, the FGD emphasises that whereas certain donors have a beneficial influence on disclosure, others might have a negative one because of possible conflicts of interest. The survey's outcome does not fully represent the complexity that this qualitative insight adds. By recognising competing factors within the donor category, the survey's positive association is supported by the qualitative findings and a deeper insight into stakeholder traits is gained. The consistency of these results using different methodologies emphasises how reliable and valid the association that has been noticed is. The data triangulation process confirms that stakeholder influence and interest play a significant role in shaping sustainability disclosure policies, rather than being only driven by internal incentives. This comprehensive viewpoint adds to the larger conversation on sustainable practices and organisational accountability and transparency by clarifying the crucial role stakeholders play in promoting openness within Kenya's NGO sector.

#### **4.6.4 Challenges and Strategies**

Several issues NGOs confront when it comes to sustainability reporting in Kenya were highlighted in FGD. However, this was not possible in the quantitative survey. As such, significant challenges from the results include the high cost of establishing the framework and oversight systems needed for sustainability reporting, a possible financial burden on the community, a lack of uniform sustainability reporting guidelines, technical shortcomings of reporting teams, and the general lack of awareness among NGOs in Kenya on sustainability reporting requirements were identified. The FGD proposed several strategies to address these issues. They include getting management support, creating sustainability reporting guidelines, allocating sufficient resources to support reporting, conducting participatory action research, raising staff awareness, decentralising sustainability ownership, and guaranteeing capable and congruent leadership.

#### **4.7 Chapter Summary**

This chapter has provided the descriptive and inferential statistics of the mixed methods study carried to examine the determinants of sustainability disclosure in NGOs in Kenya. The findings have indicated that both strategic posture and stakeholder attributes are strong positive and significant predictors of sustainability disclosure in NGOs in Kenya. While the findings have shown that governance is a positive predictor of sustainability disclosure, the results are nonsignificant. The FGD has shed light into these relationships, showing that there is a consensus among NGO representative that strategic posture, governance attributes, and stakeholder attributes are important to sustainability disclosure. These findings are further discussed in chapter 5.

## **CHAPTER FIVE**

### **DISCUSSION OF FINDINGS, CONCLUSION, AND RECOMMENDATIONS**

#### **5.1 Introduction**

The study's findings, conclusions, and suggestions are discussed in this chapter. First, the study objectives inform the discussion of findings. This is followed by conclusions. Besides, the chapter offers recommendations, the limitations, and concludes with suggestions for further research.

#### **5.2 Discussion of Findings**

##### **5.2.1 Strategic Posture and Sustainability Reporting**

The findings of the mixed methods study offer insightful information on the association between strategic posture and NGO sustainability disclosure in Kenya. The study establishes that strategic posture is a positive significant predictor of sustainability disclosure in NGOs in Kenya. This means that organisations are more likely to disclose their sustainability information when they adopt an active strategic stance. This involves a proactive attempt to address stakeholder demands and promote sustainability.

The qualitative results of the FGD enrich these findings. The FGD highlights the proactive stance that NGO senior management takes while engaging in ESG discussions. As such, the findings indicate that instances are increasing where the C-suite is involved in addressing sustainability concerns. Such include discussions around carbon footprint and active engagement in international forums such as the Conference of Parties (COP). The study has revealed that a significant level of disclosure is internally driven. This is besides acting as a standard for meeting donor needs and positioning the NGO strategically in the marketplace. The mixed methods study's results support the stakeholder theory by showing that NGOs that take an active strategic stance-distinguished by proactive participation in sustainability initiatives-are more likely to reveal sustainability practices. Undoubtedly, the NGO's active strategic stance drives increased sustainability disclosure which has a profound impact on the opportunities they can attract. As such, NGOs in Kenya become more visible and credible in the sustainability scene by aggressively

addressing sustainability issues and actively participating in ESG conversations. Consequently, the sustainability disclosure improves their ability to draw in a variety of opportunities. More importantly, the internal drive for disclosure goes beyond fulfilling donor obligations. This is essential to NGOs' strategic standing in the market.

These results are consistent with those by Galbreath (2010), Orbaningsih (2018), and Shwairef et al. (2021). These studies consistently find a positive significant association between strategic posture and sustainability reporting. However, these findings contrast the findings by Pajuelo Moreno and Duarte-Atoche (2019) who assert that the relationship between strategic posture and sustainability disclosure is moderate. The consistency of these findings to previous research lies in the acknowledgement that senior managers have favourable opinions on sustainability. This implies that the senior management group has a fundamental understanding of the significance of sustainability. The favourable opinions might result from knowledge of the wider effects of sustainability on stakeholder relations, NGO reputation, and long-term viability. Senior managers' dedication to sustainability is tied to NGOs' initiative to incorporate sustainable practices into their policies and daily operations. In line with the focus of stakeholder theory on the significance of different organisational stakeholders, this indicates an acknowledgment of the need to address stakeholder demands.

More importantly, sustainability is implied to be an essential component of organisational strategy rather than just an add-on by the NGO strategic orientation. This alignment implies that strategic choices are purposefully made with the integration of sustainable practices in mind. As such, senior NGO management regards sustainability reporting as a major factor in corporate performance. The proactive approach shows a deliberate attempt to give the NGO a positive reputation in the ESG field. These findings are supported by Jasni et al. (2020) who indicate that firms in the telecommunication industry in Indonesia perform sustainability disclosures as a strategic stance because it enables them to gain competitive advantage over peers. The competitive advantage is drawn from increased participation in good social and environmental practices, better governance, and lowering of investment risk. Similarly, Wong et al. (2023) note that ESG reporting is strategically positioned as a dynamic capability where firms use their unique resources and skills to

anticipate stakeholder requests, build stronger relationships, lower transaction costs, and achieve a competitive advantage.

These results highlight how crucial it is to turn strategic intent into practical actions. These might involve putting sustainability into practice, creating ESG oversight committees, and incorporating sustainability into regular business operations. Senior managers' active participation in carrying out sustainability objectives guarantees a pragmatic expression of the strategic stance. Stakeholder theory acknowledges the significant role that organisational leaders play in managing relationships with a variety of stakeholders. In conclusion, the study's emphasis on senior management's proactive involvement in resolving sustainability problems is consistent with this approach.

### **5.2.2 Governance Attributes and Sustainability Reporting**

The quantitative results show that the positive relationship between NGO governance attributes and sustainability disclosure in Kenya is nonsignificant. The non-significant p-value (0.912) suggests that factors other than governance may significantly influence the degree of sustainability disclosure in NGOs in Kenya. On the other hand, the qualitative findings have shown that sustainability disclosure is enhanced by greater governance attributes.

The qualitative findings emphasise the importance of board composition. Representation from the local community and gender parity on NGO boards are acknowledged as important factors that influence sustainability reporting. However, the qualitative study points to a possible weakness in the governance structure: conflicts of interest among the board members. This is especially true when board members are representing contributors with particular interests. The conflict of interest may make comprehensive ESG reporting difficult. This underscores the importance of giving due thought to potential conflicts within governance structures to guarantee sustainable disclosure processes that are impartial and transparent. This aligns with Ikpore et al.'s (2024) emphasis on the critical role of independent directors in lowering agency costs and minimizing managerial opportunism at stakeholder expense. The authors indicate that a higher ratio of independent directors improves accountability, transparency, and sustainability reporting.

Further, a high level of independent board members addresses governance power imbalances that may impede effective monitoring and control functions.

Further, the ESG oversight committee is identified in the study as a possible accelerator for successful sustainability disclosure in NGOs. The committee must play the role of technical expert and harmonise core values with sustainable disclosure approaches. The mixed study's findings are consistent with stakeholder theory, acknowledging the complex role of governance systems in managing multiple stakeholder interests.

This study's findings contrast those by Albitar et al. (2020), Al-Shaer and Zaman (2018), Buallay and AlDhaen, (2018), Buallay and Al-Ajmi (2019), Chebbi and Ammer (2022), Garas and ElMassah (2018), Giannarakis et al. (2020), and Mahmood et al. (2018) whose studies conclude there is a positive and significant association between governance attributes and sustainability disclosure. Specifically, these studies indicate that a large board size and the presence of independent directors on audit committees enhances the oversight function strength and protects the interests of various stakeholders. Similarly, this study contrasts the findings by Hasan et al. (2022) and Omair Alotaibi and Hussainey (2016) who concluded that an independent audit committee was a negative predictor of sustainability reporting. Also, Önder and Baimurzin (2020) indicate that independent board members do not influence disclosure.

This positive connection of NGO governance with sustainability disclosure from the qualitative findings points to support the quantitative aspect of this study. However, this should be interpreted with caution considering the non-significant results. As such, the variety of viewpoints and areas of expertise influencing strategic choices is reflected in the overall number of directors on the board. Having a large number of directors can help the organisation gain a variety of perspectives and improve its capacity to handle complex sustainability issues. Second, having a large percentage of independent directors denotes a board that functions somewhat independently of management. This promotes impartial decision-making. This independence is essential for examining and supporting sustainability programs and making sure NGOs' actions adhere to moral and open norms. Moreover, the number of independent audit committee members plays a crucial role in improving governance supervision. In line with Hasan et al. (2022) and Musallam (2018),

a high figure suggests a comprehensive effort to report on sustainability. It serves as an essential tool for keeping an eye on and confirming the veracity of sustainability disclosures. The significance of impartiality and objectivity is highlighted by a significant percentage of independent members guaranteeing a thorough review of sustainability disclosures. This reduces the possibility of conflicts of interest and enhances credibility. However, this study shows that governance structures might have a double-edged effect on sustainability disclosure in NGOs in Kenya. This is even in the face of beneficial contributions.

### **5.2.3 Stakeholder Attributes and Sustainability Reporting**

Regression analysis results show a significant coefficient of 1.426. The findings suggest that stakeholder attributes have a significant effect on sustainability reporting in NGOs in Kenya. Similarly, the qualitative findings highlight the significant influence that funders have over sustainability reporting practices. Bigger donors, such as governmental organisations and private foundations, have a significant impact by enforcing particular norms and requirements for reporting. This highlights the significant influence of financial leverage since NGOs match their reporting protocols to the strict requirements established by powerful donors. This is consistent with the stakeholder theory which characterises stakeholders as any group or individual having the ability to influence or be influenced by the objectives of an organisation. Stakeholders in the context of NGOs can mean a wide range of individuals or groups, such as community members, donors, the government, and beneficiaries. This study indicates that stakeholders involved in NGOs' operations are more inclined to work together and support organisational initiatives. This has a positive effect on sustainability reporting. This emphasises how crucial it is for NGOs to comprehend and manage their connections with stakeholders.

The observed positive correlation between stakeholder attributes and greater sustainability initiatives in NGOs supports the theoretical notion that stakeholder dynamics have a substantial impact on organisational behaviour. As stakeholder interest grows, NGOs are pushed to proactively match their sustainability programs with changing expectations (Geerts et al., 2021). This is using sustainability activities to respond to and connect with their varied stakeholder base. Recognising the growing importance and

power of stakeholders, NGOs strategically strengthen their commitment to sustainability. This is not only in response to external challenges but also as a proactive step to promote beneficial stakeholder relationships.

The qualitative findings also emphasise how NGOs and government policies are intricately related. As such, the emphasis is on the careful balance that NGOs must maintain between compliance and the requirement to report on sustainability. This study shows that the government influences reporting standards. It highlights the larger regulatory framework in which NGOs function. More importantly, the qualitative findings indicate that management and donor interest in particular is a major force behind sustainability reporting.

This study's findings are consistent with previous conclusions by Geerts et al. (2021), Mekuria et al. (2021), and Orbaningsih (2018). These scholars indicate that the power a stakeholder wields has a significant and positive effect on the sustainability disclosure of organisations. Similarly, Geerts et al. (2021) and Pajuelo Moreno and Duarte-Atoche (2019) conclude that the various interests of stakeholders are observed by an organisation based on the power or influence held by these stakeholders. Such influences decision makers into satisfying each group's interest through actual practice and the reporting of their suitability performance. This study's findings support those reviewed in the literature by Gazzola et al. (2021) who assert that NGOs disclose their sustainability practices to improve their reputation with stakeholder. This is besides creating a social tool they can use to upgrade the process of stakeholder empowerment and dialogue.

The study further supports the findings by Asogwa et al. (2021) who note that the need for resources predisposes NGOs to external influence from more powerful actors. One such actor is the donor group. The dependency on resources from the donors pushes the management of NGOs to disclose their sustainability practices. This is even more prevalent if sustainability reporting is a requirement by the donors. The desire to attract donors also pushes NGOs to engage in sustainability reporting. This points out to NGOs seeking to achieve strategic dual objectives of securing ongoing resources from donors while developing their appeal to potential donors.

This study supports the assertion that, different approaches, like communication, dialogue, consultation, and cooperation, indicate different levels of engagement from stakeholders and NGOs (Pajuelo Moreno and Duarte-Atoche, 2019). In pursuit of collaborative activities, there is a direct correlation between the level of commitment and the readiness to invest time, money, and manage potential risks. This supports the notion that, rather than being a one-size-fits-all approach, stakeholder engagement entails customised strategies depending on the particular traits of NGOs and their stakeholders. The conversation about stakeholder involvement in the NGO sector is changing, and it is imperative NGOs in Kenya focus on relationship management. NGOs can enhance the efficacy of sustainability disclosure by carefully identifying and managing the various stakeholders.

### **5.3 Conclusions**

Informed by the findings, this research concludes that the three determinants of sustainability disclosure examined in this study have contrasting effects. The study has found that both strategic posture and stakeholder attributes have statistically significant effects on NGOs in Kenya' sustainability disclosure. This is further supported by the conclusion of the qualitative findings that suggest the stance taken by the board and management of NGOs and the stakeholder influence and interest is integral in increasing sustainability reporting practices. While governance attributes have a positive effect, these results are insignificant. Organisational level attributes controlled for in the study show similar results. These results imply that when the management of NGOs in Kenya focuses on having active strategic postures and more inclined towards stakeholder expectations, then the result is increased levels of sustainability disclosure.

The study has also concluded that the level of sustainability disclosure is significantly driven by the demands of the donors and when it is internally motivated. The donors have been shown to exercise significant influence. This is coupled with their high level of interest in the activities of NGOs they fund. As such, the more the donors influence and interest, the more they drive the reporting practices of NGOs. The subjective views of the qualitative study indicate that donors do influence at a higher level how much a firm engages in sustainability reporting. However, the findings have also indicated the

influence may be both negative and positive. When there are board members representing donors who have a conflict of interest concerning the sustainability practices of NGOs, there is a high likelihood that the reporting practices will not be as transparent as desired. For internally driven sustainability disclosure, this study has established that the management's motivation to have their organisational remain relevant within the global conversation around sustainability drives their reporting practices. Of noteworthy is the role of the board. The study has found that it is important to have localised board members. This means having more Kenyans on the board of NGOs in Kenya. This is a commitment to increasing board members with lived experience in the served communities. Such could go towards demonstrating an effort to improve authenticity and relevance. Moreover, the inclusion of more women in NGO boards towards gender equality has been suggested as critical in driving sustainability disclosure. This study has established that having an ESG oversight committee within an NGO's board could enhance the reporting practices of these organisations.

#### **5.4 Recommendations**

This study provides recommendations both from the lens of managerial and policy perspectives. Both are discussed in the subsections below.

##### **5.4.1 Managerial Recommendation**

Based on this study's findings, managerial efforts should place a high priority on building capacity. They should prioritise creating a comprehensive ESG reporting policy and allocating sufficient funding to improve sustainability disclosure among NGOs in Kenya. For instance, giving staff who are involved in sustainability reporting the training and tools they need can help ensure that the organisation's sustainable practices are communicated effectively. Second, NGOs will have a defined framework to guide them in aligning their reporting procedures with global best practices and standards when a clear ESG reporting strategy is established. Guidelines for data collection techniques, reporting frequency, and stakeholder interaction should all be included in this policy. Finally, it is critical to make sure there are enough financial and human resources available to carry out sustainability disclosure initiatives successfully. Sufficient resources will

allow NGOs to carry out exhaustive evaluations, interact with interested parties, and generate complete sustainability reports that precisely demonstrate their dedication to moral and sustainable operations. Together, these management suggestions support the development of a transparent and accountable culture among NGOs in Kenya when it comes to sustainability reporting.

#### **5.4.2 Policy Recommendations**

Integrating sustainability considerations into more general organisational policies should be one of the policy recommendations for promoting sustainability disclosure in NGOs in Kenya. To guarantee a comprehensive and integrated strategy entails integrating sustainability concepts into fundamental governance and operational frameworks. Policies that aim to raise knowledge of the need for ESG reporting are also necessary. This entails educating NGOs about the value of ESG reporting and its possible advantages for the organisation and its stakeholders. This is through focused campaigns, training courses, and workshops. Moreover, the NGO board of Kenya can have a major influence in developing and offering standardised sustainable reporting regulations for NGOs. These guidelines would act as a single point of reference for many NGOs. It could also guarantee uniformity and comparability in NGOs' sustainability reporting procedures. The Kenyan NGO sector can provide a stronger basis for transparent and accountable sustainability reporting by putting these policy recommendations into practice. This will bring Kenya into line with international best practices and promote ethical organisational practices.

#### **5.5 Theoretical Contribution**

This study fills the gap in the literature by examining NGO sustainability disclosure in Kenya. The research advances knowledge of disclosure practices in the third sector by examining the unique environment of NGOs in Kenya. The results offer valuable perspectives on the variables that impact sustainability disclosure, including governance attributes, stakeholder attributes, and strategic posture. The study identifies the important predictors of sustainability disclosure. This study has also contested some existing findings on the association between strategic posture, governance attributes, and

stakeholder attributes. This research lays the groundwork for future investigation. It encourages researchers to look deeper into the nuances of sustainability practices within Kenya's distinct socio-economic and cultural environment. This is considering that there are currently few studies on NGO sustainability disclosure in the country.

### **5.6 Limitations**

The concluded study relied on self-reported measures for the survey and subjective responses of the FGD. As such, there may be the risk of response bias. This is besides the possibility of having socially desirable bias. Such could mean the possibility of survey respondents and FGD participants providing data they deemed was expected by the researcher. They could also have provided responses that they deem desirable to the study. However, the triangulation of the quantitative and qualitative findings with the literature helped mitigate this limitation. Another limitation lies in the study being correctional. This means that data was only collected at one point in time. It would be interesting to examine these phenomenon over several years to see if the findings hold.

### **5.7 Suggestions for Further Research**

This study provides several suggestions for further research informed by the findings and limitations identified. To begin with, future studies could increase the sample size and the number of FGDs to strengthen the robustness of the findings. A larger and more varied sample size may improve the results' generalisability in Kenya. Further, FGDs with a more diverse group of stakeholders, such as representatives from various NGOs, donors, and government agencies, will also help to capture a larger range of viewpoints and experiences. Second, longitudinal research monitoring the development of sustainability disclosure policies over time would offer a dynamic viewpoint. Considering how ESG reporting standards are developing internationally, a comparative examination of NGOs in Kenya' use of and reactions to standardised sustainability reporting frameworks would enhance the conversation on sustainable non-profit practices.

## REFERENCES

- Abdul Rahman, R., & Alsayegh, M. F. (2021). Determinants of corporate environment, social and governance (ESG) reporting among Asian firms. *Journal of Risk and Financial Management*, 14(4), 1-13.
- Abiddin, N. Z., Ibrahim, I., & Abdul Aziz, S. A. (2022). Non-governmental organisations (NGOs) and their part towards sustainable community development. *Sustainability*, 14(8), 1-13.
- Aboramadan, M. (2018). NGOs management: a roadmap to effective practices. *Journal of Global Responsibility*, 9(4), 372-387.
- Albitar, K., Hussainey, K., Kolade, N., & Gerged, A. M. (2020). ESG disclosure and firm performance before and after IR: The moderating role of governance mechanisms. *International Journal of Accounting & Information Management*, 28, 429-444.
- Alharahsheh, H. H., & Pius, A. (2020). A review of key paradigms: Positivism VS interpretivism. *Global Academic Journal of Humanities and Social Sciences*, 2(3), 39-43.
- Allison, P. D. (2014). Measures of fit for logistic regression. In *Proceedings of the SAS global forum 2014 conference* (pp. 1-13). Cary, NC, USA: SAS Institute Inc.
- Al-Shaer, H., & Zaman, M. (2018). Credibility of sustainability reports: The contribution of audit committees. *Business Strategy and the Environment*, 27(7), 973-986.
- Almagtome, A., Khaghaany, M., & Önce, S. (2020). Corporate governance quality, stakeholders' pressure, and sustainable development: An integrated approach. *International Journal of Mathematical, Engineering and Management Sciences*, 5(6), 1077-1090.
- Ammar, O., & Chereau, P. (2018). Business model innovation from the strategic posture perspective: An exploration in manufacturing SMEs. *European Business Review*, 30(1), 38-65.

- Amran, A., Lee, S. P., & Devi, S. S. (2014). The influence of governance structure and strategic corporate social responsibility toward sustainability reporting quality. *Business Strategy and the Environment*, 23(4), 217-235.
- Asogwa, I. E. (2023). Uptake of sustainability reporting adoption by non-governmental organisations: An agenda for policy and practice. *Journal of Cleaner Production*, 388, 1-15.
- Asogwa, I. E., Varua, M. E., Humphreys, P., & Datt, R. (2021). Understanding sustainability reporting in non-governmental organisations: a systematic review of reporting practices, drivers, barriers and paths for future research. *Sustainability*, 13(18), 1-26.
- Atkins, B. (2020). Demystifying ESG: Its history & current status. Forbes. [www.forbes.com/sites/betsyatkins/2020/06/08/demystifying-esgits-history—current-status/](https://www.forbes.com/sites/betsyatkins/2020/06/08/demystifying-esgits-history—current-status/)
- Barney, J. B., & Harrison, J. S. (2020). Stakeholder theory at the crossroads. *Business & Society*, 59(2), 203-212.
- Barthelemy, B. (2020). *The sky is not the limit: Breakthrough leadership*. CRC Press.
- Bell, E., Bryman, A., & Harley, B. (2022). *Business research methods*. Oxford university press.
- Bloomfield, J., & Fisher, M. J. (2019). Quantitative research design. *Journal of the Australasian Rehabilitation Nurses Association*, 22(2), 27-30.
- Buallay, A. (2019). Is sustainability reporting (ESG) associated with performance? Evidence from the European banking sector. *Management of Environmental Quality: An International Journal*, 30(1), 98-115.
- Buallay, A., & Al-Ajmi, J. (2019). The role of audit committee attributes in corporate sustainability reporting: Evidence from banks in the Gulf Cooperation Council. *Journal of Applied Accounting Research*, 21 (2), 249–264.

- Buallay, A., Kukreja, G., Aldhaen, E., Al Mubarak, M., & Hamdan, A. M. (2020). Corporate social responsibility disclosure and firms' performance in Mediterranean countries: a stakeholders' perspective. *EuroMed Journal of Business*, 15(3), 361-375.
- Buallay, A. M., & Aldhaen, E. S. (2018). The relationship between audit committee characteristics and the level of sustainability report disclosure. In *Conference On E-Business, E-Services And E-Society* (pp. 492-503). Springer, Cham.
- Byrne, D. (2022). A worked example of Braun and Clarke's approach to reflexive thematic analysis. *Quality & Quantity*, 56(3), 1391-1412.
- Chebbi, K., & Ammer, M. A. (2022). Board composition and ESG disclosure in Saudi Arabia: The moderating role of corporate governance reforms. *Sustainability*, 14(19), 1-25.
- Choudhary, P. K., Dubey, S., & Singh, D. (2022). A statistical model to forecast the outcome of the golden state warriors through NBA season matches. *International Journal of Physical Education, Sports, and Health*, 9(6), 134-137.
- Crespy, C. T., & Miller, V. V. (2011). Sustainability reporting: A comparative study of NGOs and MNCs. *Corporate Social Responsibility and Environmental Management*, 18(5), 275-284.
- Demir, A., & Budur, T. (2019). Roles of leadership styles in corporate social responsibility to non-governmental organisations (NGOs). *International Journal of Social Sciences & Educational Studies*, 5(4), 174-183.
- Dmytriyeu, S. D., Freeman, R. E., & Hörisch, J. (2021). The relationship between stakeholder theory and corporate social responsibility: Differences, similarities, and implications for social issues in management. *Journal of Management Studies*, 58(6), 1441-1470.
- Ezhilarasi, G., & Kabra, K. C. (2017). The impact of corporate governance attributes on environmental disclosures: Evidence from India. *Indian Journal of Corporate Governance*, 10(2), 24-43.

- Freeman, R. E. (2010). *Strategic management: A stakeholder approach*. Cambridge university press.
- Fuadah, L. L., Saftiana, Y., Kalsum, U., & Arisman, A. (2021). Factors Influencing Environmental Disclosure: A Case Study of Manufacturing Companies in Indonesia. *Journal of Asian Finance, Economics and Business*, 8(9), 23-33.
- Galbreath, J. (2010). The impact of strategic orientation on corporate social responsibility. *International Journal of Organisational Analysis*, 18(1), 23-40.
- Garas, S., & ElMassah, S. (2018). Corporate governance and corporate social responsibility disclosures: The case of GCC countries. *Critical Perspectives on International Business*, 14, 2-26.
- Gazzola, P., Amelio, S., Papagiannis, F., & Michaelides, Z. (2021). Sustainability reporting practices and their social impact to NGO funding in Italy. *Critical Perspectives on Accounting*, 79, 1-12.
- Geerts, M., Dooms, M., & Stas, L. (2021). Determinants of sustainability reporting in the present institutional context: The case of port managing bodies. *Sustainability*, 13(6), 1-23.
- Giannarakis, G., Andronikidis, A., & Sariannidis, N. (2020). Determinants of environmental disclosure: investigating new and conventional corporate governance characteristics. *Annals of Operations Research*, 294(1), 87-105.
- Global Reporting Initiative. 2014. *G4 sector disclosure: NGO*. Amsterdam, The Netherlands: Global Reporting Initiative.
- Goddard, A. (2021). Accountability and accounting in the NGO field comprising the UK and Africa—A Bordieusian analysis. *Critical Perspectives on Accounting*, 78, 1-20.
- Guerrero-Villegas, J., Pérez-Calero, L., Hurtado-González, J. M., & Giráldez-Puig, P. (2018). Board attributes and corporate social responsibility disclosure: A meta-analysis. *Sustainability*, 10(12), 1-22.

- Hahn, R., & Kühnen, M. (2013). Determinants of sustainability reporting: a review of results, trends, theory, and opportunities in an expanding field of research. *Journal of Cleaner Production*, 59, 5-21.
- Hasan, A., Hussainey, K., & Aly, D. (2022). Determinants of sustainability reporting decision: evidence from Pakistan. *Journal of Sustainable Finance & Investment*, 12(1), 214-237.
- Herold, D. M. (2018). Demystifying the link between institutional theory and stakeholder theory in sustainability reporting. *Economics, Management and Sustainability*, 3(2), 6-19.
- Hörisch, J., Schaltegger, S., & Freeman, R. E. (2020). Integrating stakeholder theory and sustainability accounting: A conceptual synthesis. *Journal of Cleaner Production*, 275, 1-12.
- Horváth, P., 2017. The main aspects of sustainability reporting. In *Sustainability Reporting in Central and Eastern European Companies* (pp. 1-10). Springer, Cham.
- Hummel, K., & Rötzel, P. (2019). Mandating the sustainability disclosure in annual reports—evidence from the United Kingdom. *Schmalenbach Business Review*, 71(2), 205-247.
- Huang, D.Z., 2021. Environmental, social and governance (ESG) activity and firm performance: A review and consolidation. *Accounting & Finance*, 61(1), pp.335-360.
- Huang (2022). Environmental, social and governance factors and assessing firm value: valuation, signalling and stakeholder perspectives. *Accounting & Finance*, 62, 1983-2010.
- Igwe, M. N., Khatib, S. F., & Bazhair, A. H. (2023). Sustainability reporting in Africa: A systematic review and agenda for future research. *Corporate Social Responsibility and Environmental Management*. 1-20.

- Ikpor, I. M., Akanu, O. O., Ugwu, J., Udu, G. O. C., Ulo, F. U., Achilike, N., ... & Oganezi, B. (2024). Influence of board governance characteristics on sustainability accounting and reporting in a developing country: Evidence from Nigeria large businesses. *SAGE Open*, *14*(1), 21582440231224235.
- Jasni, N. S., Yusoff, H., Zain, M. M., Md Yusoff, N., & Shaffee, N. S. (2020). Business strategy for environmental social governance practices: evidence from telecommunication companies in Malaysia. *Social Responsibility Journal*, *16*(2), 271-289.
- Jhangiani, R. S., Chiang, I. C. A., Cuttler, C., & Leighton, D. C. (2019). *Research methods in psychology*. Kwantlen Polytechnic University.
- Kafle, S. C. (2019). Correlation and regression analysis using SPSS. *OCEM J Manag Tech Soc Sci*, *1*(1), 126-132.
- Karpoff, J. M. (2021). On a stakeholder model of corporate governance. *Financial Management*, *50*(2), 321-343.
- Khairredine, H., Salhi, B., Aljabr, J., & Jarboui, A. (2020). Impact of board characteristics on governance, environmental and ethical disclosure. *Society and Business Review*, *15*, 273–295.
- Khan, M. A. (2022). ESG disclosure and firm performance: A bibliometric and Meta-Analysis. *Research in International Business and Finance*, *61*, 1-19.
- Kleespies, M. W., & Dierkes, P. W. (2022). The importance of the Sustainable Development Goals to students of environmental and sustainability studies—a global survey in 41 countries. *Humanities and Social Sciences Communications*, *9*(1), 1-9.
- Krueger, P., Sautner, Z., Tang, D. Y., & Zhong, R. (2021). The effects of mandatory ESG disclosure around the world. *European Corporate Governance Institute–Finance Working Paper*, (754), 21-44.
- Krueger, R. A. (2014). *Focus groups: A practical guide for applied research*. Sage publications.

- Kumar, K., Kumari, R., Poonia, A., & Kumar, R. (2021). Factors influencing corporate sustainability disclosure practices: empirical evidence from Indian National Stock Exchange. *Journal of Financial Reporting and Accounting*, 21(2), 300-321.
- Kumar, V., Leone, R. P., Aaker, D. A., & Day, G. S. (2018). *Marketing research*. John Wiley & Sons.
- Kuruppu, S. C., & Lodhia, S. (2019). Shaping accountability at an NGO: a Bourdieusian perspective. *Accounting, Auditing & Accountability Journal*, 33(1), 178-203.
- Langeland, J. A., & Ugland, L. K. (2019). ESG rating and financial performance in the Nordic market (Master's thesis, Handelshøyskolen BI).
- Latapí Agudelo, M. A., Jóhannsdóttir, L., & Davídsdóttir, B. (2019). A literature review of the history and evolution of corporate social responsibility. *International Journal of Corporate Social Responsibility*, 4(1), 1-23.
- Lashitew, A. A. (2021). Corporate uptake of the Sustainable Development Goals: Mere greenwashing or an advent of institutional change? *Journal of International Business Policy*, 4(1), 184-200.
- La Torre, M., Sabelfeld, S., Blomkvist, M., & Dumay, J. (2020). Rebuilding trust: Sustainability and non-financial reporting and the European Union regulation. *Meditari Accountancy Research*, 28(5), 701-725.
- Lăzăroiu, G., Ionescu, L., Andronie, M., & Dijmărescu, I. (2020). Sustainability management and performance in the urban corporate economy a systematic literature review. *Sustainability*, 12(18), 1-13.
- Leavy, P. (2022). *Research design: Quantitative, qualitative, mixed methods, arts-based, and community-based participatory research approaches*. Guilford Publications.
- Leech, N. L., & Onwuegbuzie, A. J. (2009). A typology of mixed methods research designs. *Quality & Quantity*, 43, 265-275.

- Liute, A., & De Giacomo, M. R. (2022). The environmental performance of UK-based B Corp companies: An analysis based on the triple bottom line approach. *Business Strategy and the Environment*, 31(3), 810-827.
- Larrán Jorge, M., Andrades Peña, F. J., & Herrera Madueño, J. (2019). An analysis of university sustainability reports from the GRI database: an examination of influential variables. *Journal of Environmental Planning and Management*, 62(6), 1019-1044.
- Magness, V. (2006). Strategic posture, financial performance and environmental disclosure: An empirical test of legitimacy theory. *Accounting, Auditing & Accountability Journal*, 19 (4), 540-563.
- Mahmood, Z., Kouser, R., Ali, W., Ahmad, Z., & Salman, T. (2018). Does corporate governance affect sustainability disclosure? A mixed methods study. *Sustainability*, 10(1), 1-21.
- Matlala, N. P. (2023). Behavioural insights into cybersecurity practices among digital banking consumers in South Africa. *Indonesian Journal of Business Analytics*, 3(4), 1425-1442.
- Mekuria, W., Hailelassie, A., Tengberg, A., & Zazu, C. (2021). Stakeholders' interest and influence and their interactions in managing natural resources in Lake Hawassa catchment, Ethiopia. *Ecosystems and People*, 17(1), 87-107.
- Mellinger, C. D., & Hanson, T. A. (2020). Methodological considerations for survey research: Validity, reliability, and quantitative analysis. *Linguistica Antverpiensia, New Series: Themes in Translation Studies*, 19, 172–190.
- Mion, G., & Loza Aduai, C. R. (2019). Mandatory nonfinancial disclosure and its consequences on the sustainability reporting quality of Italian and German companies. *Sustainability*, 11(17), 1-28.
- Miriti, N. S., & Karithi, N. M. (2020). Factors influencing sustainability of non-governmental organisations: A study for Nairobi, Kenya. *FOCUS: Journal of International Business*, 7(1), 145-163.

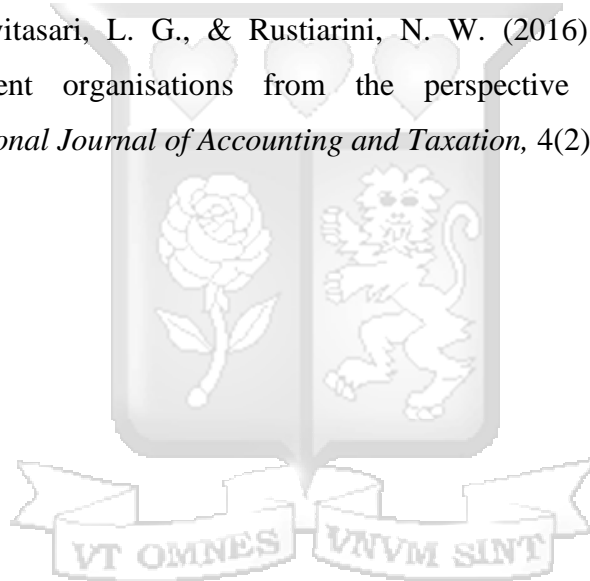
- Morgan, A., & Ahmad, N. (2022). Using online surveys to capture health and social care data. In *Health and Social Care Research Methods in Context* (pp. 39-56). Routledge.
- Musallam, S. R. (2018). The direct and indirect effect of the existence of risk management on the relationship between audit committee and corporate social responsibility disclosure. *Benchmarking: An International Journal*, 25 (9), 4125–4138.
- Nayak, M. S. D. P., & Narayan, K. A. (2019). Strengths and weaknesses of online surveys. *Technology*, 6(7), 31-38.
- Nguyen, A. H., & Nguyen, L. H. (2020). Determinants of sustainability disclosure: Empirical evidence from Vietnam. *The Journal of Asian Finance, Economics and Business*, 7(6), 73-84.
- Nguyen, T. D., Shih, M. H., Srivastava, D., Tirthapura, S., & Xu, B. (2021). Stratified random sampling from streaming and stored data. *Distributed and Parallel Databases*, 39, 665-710.
- Non-Governmental Organisations Co-ordination Board. (2022). *Annual NGO sector report 2020/2021*. Nairobi, Kenya: Non-Governmental Organisations Co-ordination Board.
- Ntim, C. G. (2018). Defining corporate governance: Shareholder versus stakeholder models. Ntim, CG (2018). Defining Corporate Governance: Shareholder versus Stakeholder Models', in *Global Encyclopedia of Public Administration, Public Policy and Governance*, Springer, USA.
- Oláh, J., Aburumman, N., Popp, J., Khan, M. A., Haddad, H., & Kitukutha, N. (2020). Impact of Industry 4.0 on environmental sustainability. *Sustainability*, 12(11), 1-21.
- Oluwatayo, J. A. (2012). Validity and reliability issues in educational research. *Journal of Educational and Social Research*, 2(2), 391-400.

- Orbaningsih, D. (2018). The effect of stakeholder power, strategic posture and special interest group on CSR disclosure. *European Journal of Business and Management*, 10(20), 22-27.
- Orazalin, N., & Mahmood, M. (2019). Determinants of GRI-based sustainability reporting: evidence from an emerging economy. *Journal of Accounting in Emerging Economies*, 10(1), 140-164.
- Omair Alotaibi, K., & Hussainey, K. (2016). Determinants of CSR disclosure quantity and quality: Evidence from non-financial listed firms in Saudi Arabia. *International Journal of Disclosure and Governance*, 13(4), 364-393.
- Önder, Ş., & Baimurzin, R. (2020). Effect of corporate governance on sustainability disclosures: Evidence from Turkey. *Indonesian Journal of Sustainability Accounting and Management*, 4(1), 93-102.
- Orazalin, N., & Mahmood, M. (2020). Determinants of GRI-based sustainability reporting: evidence from an emerging economy. *Journal of Accounting in Emerging Economies*, 10(1), 140-164.
- Orbaningsih, D. (2018). The effect of stakeholder power, strategic posture and special interest group on CSR disclosure. *European Journal of Business and Management*, 10(20), 22-27.
- Pajuelo Moreno, M. L., & Duarte-Atoche, T. (2019). Relationship between sustainable disclosure and performance—an extension of Ullmann’s model. *Sustainability*, 11(16), 1-30.
- Park, Y. S., Konge, L., & Artino, A. R. (2020). The positivism paradigm of research. *Academic Medicine*, 95(5), 690-694.
- Patten, D. M. (2019). Seeking legitimacy. *Sustainability Accounting, Management and Policy Journal*, 11(6), 1009-1021.
- Pizzi, S., Del Baldo, M., Caputo, F., & Venturelli, A. (2022). Voluntary disclosure of Sustainable Development Goals in mandatory non-financial reports: The

- moderating role of cultural dimension. *Journal of International Financial Management & Accounting*, 33(1), 83-106.
- Purvis, B., Mao, Y., & Robinson, D. (2019). Three pillars of sustainability: in search of conceptual origins. *Sustainability Science*, 14(3), 681-695.
- Rashid, Y., Rashid, A., Warraich, M. A., Sabir, S. S., & Waseem, A. (2019). Case study method: A step-by-step guide for business researchers. *International Journal of Qualitative Methods*, 18, 1-13.
- Roberts, R. W. (1992). Determinants of corporate social responsibility disclosure: An application of stakeholder theory. *Accounting, Organisations and Society*, 17(6), 595-612.
- Romero, S., Ruiz, S., & Fernandez-Feijoo, B. (2019). Sustainability reporting and stakeholder engagement in Spain: Different instruments, different quality. *Business Strategy and the Environment*, 28(1), 221-232.
- Saunders, M., & Lewis, P. (2018). *Doing research in business and management* (2<sup>nd</sup> ed.). Pearson.
- Saunders, M., Lewis, P., & Thornhill, A. (2019). *Research methods for business students*. Harlow, UK: Pearson Education Limited.
- Savela, T. (2018). The advantages and disadvantages of quantitative methods in schoolscape research. *Linguistics and Education*, 44, pp.31-44.
- Shad, M. K., Lai, F. W., Fatt, C. L., Klemeš, J. J., & Bokhari, A. (2019). Integrating sustainability reporting into enterprise risk management and its relationship with business performance: A conceptual framework. *Journal of Cleaner Production*, 208, 415-425.
- Shah, S. G. M., Sarfraz, M., & Ivascu, L. (2021). Assessing the interrelationship corporate environmental responsibility, innovative strategies, cognitive and hierarchical CEO: a stakeholder theory perspective. *Corporate Social Responsibility and Environmental Management*, 28(1), 457-473.

- Shwairef, A., Amran, A., Iranmanesh, M., & Ahmad, N. H. (2021). The mediating effect of strategic posture on corporate governance and environmental reporting. *Review of Managerial Science*, 15(2), 349-378.
- Sisaye, S. (2021). The influence of non-governmental organisations (NGOs) on the development of voluntary sustainability accounting reporting rules. *Journal of Business and Socio-economic Development*, 1(1), 5-23.
- Sürücü, L., & Maslakçı, A. (2020). Validity and reliability in quantitative research. *Business & Management Studies: An International Journal*, 8(3), 2694-2726.
- Taherdoost, H. (2016). Validity and reliability of the research instrument; how to test the validation of a questionnaire/survey in research. How to test the validation of a questionnaire/survey in research. *International Journal of Academic Research in Management (IJARM)*, 5(3), 28-36.
- Tamminen, K. A., & Poucher, Z. A. (2020). Research philosophies. In *The Routledge International Encyclopedia of Sport and Exercise Psychology* (pp. 535-549). Routledge.
- Tran, T.H.U., Lau, K.H. and Ong, C.E. (2021). Adoption of social sustainability practices in an emerging economy: Insights from Vietnamese handicraft organisations. *Sustainable Production and Consumption*, 28, 1204-1215.
- Traxler, A. A., Greiling, D., & Hebesberger, H. (2020). GRI sustainability reporting by INGOs: A way forward for improving accountability? *VOLUNTAS: International Journal of Voluntary and Nonprofit Organisations*, 31(6), 1294-1310.
- Tsalis, T.A., Malamateniou, K.E., Koulouriotis, D. and Nikolaou, I.E. (2020). New challenges for corporate sustainability reporting: United Nations' 2030 Agenda for sustainable development and the sustainable development goals. *Corporate Social Responsibility and Environmental Management*, 27(4),1617-1629.
- Ullmann, A. A. (1985). Data in search of a theory: A critical examination of the relationships among social performance, social disclosure, and economic performance of US firms. *Academy of Management Review*, 10(3), 540-557.

- United Nations (2018). *Non-Governmental Organisations (NGO) major group official position paper for the 2017 high-level political forum*. Manhattan, NY: United Nations.
- Weiland, S., Hickmann, T., Lederer, M., Marquardt, J., & Schwindenhammer, S. (2021). The 2030 agenda for sustainable development: transformative change through the sustainable development goals? *Politics and Governance*, 9(1), 90-95.
- Wong W.K., The B.H., Tan S.H. (2023) The influence of external stakeholders on environmental, social, and governance (ESG) reporting: Toward a conceptual framework for ESG disclosure. *Foresight and STI Governance*, 17(2), 9-20.
- Yuesti, A., Novitasari, L. G., & Rustiarini, N. W. (2016). Accountability of non-government organisations from the perspective of stakeholder theory. *International Journal of Accounting and Taxation*, 4(2), 98-119.



**APPENDICES**

**Appendix A: Questionnaire**

**Section A- Demographics**

**1. Gender**

- Male
- Female

**2. Nationality**

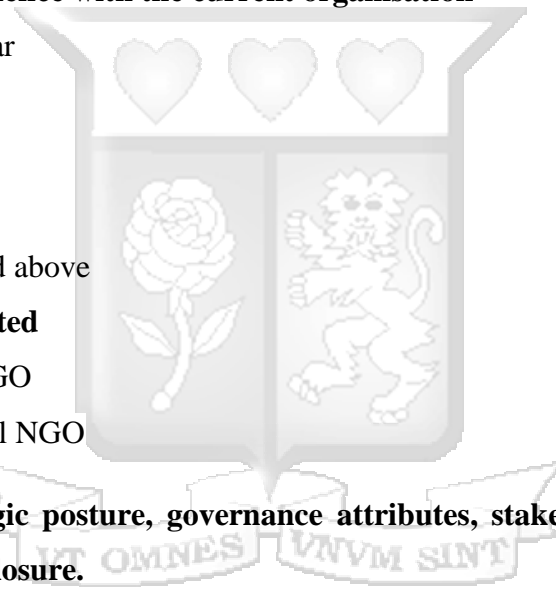
- Kenyan
- Expat

**3. Years of experience with the current organisation**

- Below 1 year
- 1-5 years
- 6-10 years
- 11-15 years
- 16 years and above

**4. NGO represented**

- National NGO
- International NGO



**Section B: Strategic posture, governance attributes, stakeholders’ attributes and sustainability disclosure.**

N	Item	S-Disagree (1)	Disagree (2)	Undecided (3)	Agree (4)	S-Agree (5)
	<b>Part A: Strategic Posture</b>					
1	Senior managers have positive perceptions of CSR and sustainability.					
2	The senior manager is committed to pursuing					

	sustainability.					
3	The general strategy of the organisation is proactive towards sustainability.					
4	The senior manager acts to achieve sustainability performance through organisational activities.					
	<b>Part B: Governance Attributes</b>					
1	I consider the total number of directors on the board to be high.					
2	The proportion of independent directors to total board members is high.					
3	I consider the total number of board members serving on the audit committee to be high.					
4	The fraction of independent audit committee members in audit committee size is high.					
	<b>Section C: Stakeholders Attributes</b>					
1	Organisational stakeholders (beneficiaries and donors)					

	exercise a high interest in our sustainability practices.					
2	Organisational stakeholders' (beneficiaries and donors) power influences the organisational sustainability decision-making.					
3	Non-organisational stakeholders (ecological associations, financial entities, government, and investment funds) exercise a high interest in our sustainability practices.					
4	Non-organisational stakeholders' (ecological associations, financial entities, government, and investment funds) power influences the organisational sustainability decision-making.					

Adapted from Hasan et al. (2022); Larrán Jorge et al. (2019); and Pajuelo Moreno and Duarte-Atoche (2019).

#### Section D: Sustainability Disclosure

	GRI for NGOs	Sector-specific content	Disclosure	Score
<b>General Standard Disclosures</b>	Strategy and Analysis	G4-1	Views on performance with respect to goals, objectives and standards.	1
	Organisational Profile	G4-4	Report the primary activities (e.g., advocacy, social marketing, research, service provision, capacity building, humanitarian assistance,	1

			etc.). Indicate how these activities relate to the organisation's mission and primary strategic goals (e.g., on poverty reduction, environment, human rights, etc.).	
		G4-7	Report details and current status of not-for-profit registration.	1
		G4-8	Report target audience and affected stakeholders	1
		G4-9	Report the total number of members and/or supporters.	1
		G4-9	Report the total number of volunteers	1
		G4-10	Report the total number of volunteers by type.	1
		G4-16	List coalitions and alliance memberships in which the organisation: <ul style="list-style-type: none"> <li>• Holds a position on the governance body</li> <li>• Participates in projects or committees</li> <li>• Provides substantive funding beyond routine membership dues</li> <li>• Views membership as strategic</li> </ul>	1
	Identified Material Aspects and Boundaries	G4-17	Entities include national offices, sections, branches and field offices.	1
	Stakeholder Engagement	G4-24	stakeholder groups are disclosed and include: <ul style="list-style-type: none"> <li>• Individuals or groups of individuals (including but not limited to 'affected stakeholders');</li> <li>• Governments;</li> <li>• Funders;</li> <li>• Members;</li> <li>• Volunteers;</li> <li>• Private sector;</li> <li>• Academic institutions;</li> <li>• Peer organisations;</li> <li>• Networks;</li> <li>• Coalitions and alliances.</li> </ul>	1
	Report Profile			1
	Governance	G4-37	Identify any topics raised relating to program effectiveness	1
		G4-39	Report the division of powers between the highest governance body and the management and/or executives.	1
		G4-40	Address qualifications and expertise relating to guiding program effectiveness.	1
		G4-40	Report on processes for appointment, dismissal and lengths of tenure of members/officials in the highest governance body.	1
		G4-45	Address procedures for overseeing program effectiveness.	1
	Ethics and Integrity			1
				1
<b>Economic</b>	Economic Performance	G4-EC1	Report net income as part of 'Direct economic value generated'.	1
	Market Presence			1
	Indirect Economic Impacts			1
	Procurement Practices			1
	Resource Allocation	G4-DMA	Resource allocation disclosure	1
	Socially-Responsible Investment			1
	Ethical Fundraising	G4-DMA	Procedures related to monitoring of compliance with policy on acceptance of donations, including gifts in kind.	1
			Procedures related to compliance by third parties and/or agents with policies.	1
				1
<b>Environmental</b>	Materials			1
	Energy			1
	Water			1
	Biodiversity			1

	Emissions			1	
	Effluents and Waste			1	
	Products and Services	G4-EN27	Report quantitatively the extent to which environmental impacts of activities have been mitigated during the reporting period.	1	
	Compliance			1	
	Transport			1	
	Overall			1	
	Supplier Environmental Assessment			1	
	Environmental Grievance Mechanisms			1	
				1	
<b>Social</b>					
<b>Labour Practices and Decent Work</b>	Employment			1	
	Labour/Management Relations			1	
	Occupational Health and Safety	G4-DMA	Describe programs related to assisting volunteers regarding serious diseases, including whether such programs involve education and training, counselling, prevention and risk control measures, or treatment.	1	
		G4-LA6	Where applicable, report types of injury, injury rate (IR) and occupational diseases rate (ODR) and work-related fatalities for volunteers by category, and by: <ul style="list-style-type: none"> <li>• Region</li> <li>• Gender</li> </ul>	1	
		G4-LA7	Report whether there are volunteers who are involved in occupational activities who have a high incidence or high risk of specific diseases.	1	
	Training and Education	G4-LA9	Report the average hours of training that the organisation's volunteers have undertaken during the reporting period, by: <ul style="list-style-type: none"> <li>• Gender</li> <li>• Volunteer category</li> </ul>	1	
		G4-LA10	This may not be entirely applicable to all volunteers but where it is relevant it should be reported on. In certain circumstances, the development of skills and work experience is often a motivation for volunteers.	1	
	Diversity and Equal Opportunity			1	
	Equal Remuneration for Women and Men			1	
	Supplier Assessment for Labour Practices			1	
	Labour Practices Grievance Mechanisms	G4-DMA	Mechanisms for workforce feedback and complaints, and their resolution	1	
	<b>Human Rights</b>	Investment			1
		Non-discrimination			1
Freedom of Association and Collective Bargaining				1	
Child Labour				1	
Forced or Compulsory Labour				1	
Security Practices				1	
Indigenous Rights Assessment				1	
Supplier Human Rights Assessment				1	
Human Rights Grievance Mechanisms				1	
<b>Society</b>	Local Communities			1	
	Anti-corruption	G4-SO3	Report the total number and percentage of programs assessed for risks related to corruption.	1	

		G4-SO5	Report the total number of confirmed incidents in which volunteers and members of governance bodies were dismissed or disciplined for corruption.	1
	Public Policy			1
	Anti-competitive Behaviour			1
	Compliance			1
	Supplier Assessment for Impacts on Society			1
	Grievance Mechanisms for Impacts on			1
<b>Product Responsibility</b>	Customer Health and Safety			1
	Product and Service Labelling			1
	Marketing Communications	G4-DMA	Include specific references to ethical fundraising, including with reference to respect for the rights of affected stakeholders and donors.	1
			Report any codes or voluntary standards relating to fundraising and marketing communication applied across the organisation.	1
	Customer Privacy			1
	Compliance			1
	Affected Stakeholder Engagement	G4-DMA	Processes for the involvement of affected stakeholder groups in the design, implementation, monitoring and evaluation of policies and programs	1
	Feedback, Complaints and Action	G4-DMA	Mechanisms for feedback and complaints in relation to programs and policies and for determining actions to take in response to breaches of policies	1
	Monitoring, Evaluation and Learning	G4-DMA	System for program monitoring, evaluation and learning, (including measuring program effectiveness and impact), resulting changes to programs, and how they are communicated	1
	Gender and Diversity	G4-DMA	Measures to integrate gender and diversity into program design and implementation, and the monitoring, evaluation, and learning cycle	1
	Public Awareness and Advocacy	G4-DMA	Processes to formulate, communicate, implement, and change advocacy positions and public awareness campaigns	1
Coordination	G4-DMA	Processes to take into account and coordinate with the activities of other actors	1	
<b>Total</b>				<b>81</b>

Adopted from GRI.

## Appendix B: FGD Interview Guide

- I. In your opinion, what types of stakeholders wield the most influence in shaping sustainability reporting practices, and why?
- II. How do you perceive the influence of powerful stakeholders on NGOs' sustainability reporting practices?
- III. Can you provide examples of instances where stakeholders with significant power have influenced an NGO's sustainability disclosures?
- IV. Are there any challenges or barriers that NGOs face when responding to stakeholder power in the context of sustainability reporting?
- V. How does the level of stakeholder interest in sustainability issues affect an NGO's commitment to sustainability reporting?
- VI. Can you share examples of NGOs that have effectively aligned their sustainability reporting with stakeholder interests? What were the outcomes?
- VII. Are there instances where NGOs neglect the interests of certain stakeholder groups in their sustainability reporting efforts? If so, what are the consequences?
- VIII. What strategies or approaches can NGOs employ to better incorporate stakeholder interests into their sustainability reporting practices?
- IX. How do governance attributes, such as board size, composition, and the presence of sustainability committees, impact an NGO's sustainability reporting?
- X. Can you provide examples of NGOs where strong governance structures have positively influenced sustainability disclosures? What specific governance features contributed to this?
- XI. Are there cases where governance attributes have hindered sustainability reporting? If so, what were the challenges?
- XII. What recommendations or best practices would you suggest for NGOs seeking to enhance their governance structures to improve sustainability reporting?
- XIII. How does an NGO's strategic posture, whether proactive or passive, influence its approach to sustainability reporting?
- XIV. Can you share examples of NGOs that have successfully integrated sustainability into their strategic posture and subsequently improved their sustainability disclosures?

XV. Do you believe there are instances where NGOs fail to align their strategic posture with sustainability reporting goals? What are the reasons for this misalignment?

XVI. What strategies can NGOs employ to ensure a more active and effective integration of sustainability into their strategic posture, leading to enhanced sustainability reporting outcomes?



### Appendix C: Study Budget

No.	Description	Amount
1.	Dissertation typesetting and printing 50pgs @50	2,500/=
2.	Data analysis (software hire)	5,000/=
3.	Communication expenditure	2,000/=
4.	Internet expenditure	3,000/=
5.	Typing and report binding	8,000/=
6.	Stationery	2,000/=
7.	Miscellaneous	5,000/=
Total		27,500/=



## **Appendix D: Introductory Letter**

My name is Owilly Sam Owuor. I am an MBA student from Strathmore Business School at Strathmore University. I kindly invite you to take part in this study towards the completion of my dissertation on the *Determinants of Sustainability Disclosures Among Non-Governmental Organisations in Kenya*. The survey will take approximately 5 minutes or less. You are part of a few people I have selected for this study who have in-depth knowledge of the phenomenon under study. Your participation in this study is only through your free will. You have the freedom to withdraw from the study at any given time without explaining and without penalties.

I have put measures to ensure that there are no risks of taking part in the study. In case something goes wrong, I will take full liability. I have developed a series of questions that I will ask you about the determinants of sustainability disclosure among NGOs in Kenya. I will not be collecting any personal information. All information will remain confidential and private. Please read the provided instructions carefully and offer honest answers.

Your data will be used in the dissertation for my degree program. The data will be presented in an anonymised format and will not be stored in a database that others can access. Following Strathmore University's Privacy Policy, I will treat your data as confidential and only my supervisor and myself will access it. Your data will be stored in a fully anonymised format in a password-protected folder, and only I will be able to access it. I will destroy the data after my dissertation has been marked.

In case you want to find out more about the research, you can contact me through the email in the contact section below. Thank you for your valuable time and cooperation.

### **Researcher Contact Details:**

Owilly Sam Owuor

**Email Address:** [samowili2007@gmail.com](mailto:samowili2007@gmail.com)

## Appendix E: NGOs in Kenya

Form of support	Approximate population reached	Amount spent KES	Distribution in percentage (%) of the amount spent
Relief of food and economic support	470,799	98,619,197	49
Water and sanitation	1,136,913	64,672,366	32
Donating of PPEs	458,744	24,310,929	12
Provision of healthcare	382,431	13,810,016	7
<b>Totals</b>	<b>2,448,887</b>	<b>201,412,508</b>	<b>100</b>

Figure 1. 1 Resources provided by NGOs in Kenya (NGOs Co-ordination Board, 2020)

	ORGANISATION	AMOUNT
<b>HEALTH</b>		
1	AMREF HEALTH AFRICA IN KENYA	2,458,425,122.00
2	CENTRE FOR HEALTH SOLUTIONS - KENYA	2,001,929,182.00
3	PATHFINDER INTERNATIONAL	1,131,752,029.40
4	POPULATION SERVICES KENYA	876,657,056.00
5	PROGRAMME FOR APPROPRIATE TECHNOLOGY IN HEALTH (PATH)	760,405,416.00
<b>EDUCATION</b>		
1	WINDLE INTERNATIONAL -KENYA	347,843,156.00
2	I CHOOSE LIFE AFRICA	313,561,269.00
3	MISSIONS OF HOPE INTERNATIONAL	194,334,501.00
4	CHILDFUND KENYA	159,173,196.00
5	ACTIONAID INTERNATIONAL-AFRICA REGIONAL OFFICE	131,233,331.00
<b>RELIEF/ DISASTER MANAGEMENT</b>		
1	GIVEDIRECTLY KENYA	2,870,358,943.00
2	WORLD VISION KENYA	1,972,645,177.99
3	AGENCY FOR TECHNICAL CO-OPERATION AND DEVELOPMENT KENYA (ACTED-KENYA)	453,357,056.00
4	MERCY CORPS	280,362,902.99
5	HELPING HAND FOR RELIEF AND DEVELOPMENT	226,662,338.41

	<b>ORGANISATION</b>	<b>AMOUNT</b>
<b>CHILDREN</b>		
1	COMPASSION INTERNATIONAL INC.	4,412,180,028.00
2	WORLD VISION KENYA	922,797,476.77
3	SOS CHILDREN'S VILLAGE KENYA	808,888,077.00
4	CHILDFUND KENYA	462,211,851.96
5	SAVE THE CHILDREN INTERNATIONAL (KENYA)	310,313,879.00
<b>AGRICULTURE</b>		
1	WORLD VISION KENYA	269,352,706.25
2	AGRICULTURAL COMMODITIES DEVELOPMENT INTERNATIONAL VOLUN- TARY COMMUNITY ASSOCIATIONS	266,774,278.00
3	KICKSTART INTERNATIONAL INC. KENYA	219,727,000.00
4	MERCY CORPS	212,523,164.06
5	VETERINAIRES SANS FRONTIERES SUISSE/KENYA	186,331,615.00
<b>REFUGEES</b>		
1	CHURCH WORLD SERVICE AND WITNESS	952,108,745.87
2	LUTHERAN WORLD FEDERATION DEPARTMENT FOR WORLD SERVICES	750,664,718.00
3	DANISH REFUGEE COUNCIL	674,032,324.00
4	WINDLE INTERNATIONAL -KENYA	536,662,101.00
5	PEACE WINDS JAPAN	168,193,249.00
<b>ENVIRONMENT</b>		
1	WORLD WIDE FUND FOR NATURE KENYA (WWF-KENYA)	746,661,936.00
2	DAVID SHELDRIK WILDLIFE TRUST	740,969,839.00
3	AFRICAN WILDLIFE FOUNDATION	433,751,621.00
4	WORLD VISION KENYA	247,473,722.52
5	WETLANDS INTERNATIONAL	158,655,053.93
<b>WATER AND SANITATION</b>		
1	AMREF HEALTH AFRICA IN KENYA	916,712,193.00
2	WORLD VISION KENYA	482,998,913.23
3	AGENCY FOR TECHNICAL CO-OPERATION AND DEVELOPMENT KENYA (ACTED-KENYA)	246,755,765.00
4	GERMAN AGRO ACTION	227,328,867.50
5	SHINING HOPE FOR COMMUNITIES	147,722,416.00
<b>MULTI-SECTORAL</b>		
1	CENTRE FOR HEALTH SOLUTIONS - KENYA	487,467,798.00
2	AMREF HEALTH AFRICA IN KENYA	362,880,941.00
3	AFRICAN MISSION HEALTHCARE - KENYA	330,101,856.00
4	QATAR CHARITY	230,961,414.00
5	DIRECT AID	201,118,012.00
<b>GOVERNANCE</b>		
1	WORLD WIDE FUND FOR NATURE KENYA (WWF-KENYA)	165,599,439.00
2	WORLD VISION KENYA	124,329,153.05
3	KENYA HUMAN RIGHTS COMMISSION	95,264,209.00
4	FAMILY HEALTH INTERNATIONAL (FHI 360) / KENYA	90,782,450.92
5	RESOURCE CONFLICT INSTITUTE	65,351,956.00
<b>YOUTH</b>		
1	MERCY CORPS	196,205,328.66
2	CAP YOUTH EMPOWERMENT INSTITUTE - KENYA	157,899,925.00

	<b>ORGANISATION</b>	<b>AMOUNT</b>
3	WORLD VISION KENYA	137,996,166.38
4	AVSI FOUNDATION	134,660,500.00
5	CHILDFUND KENYA	90,318,897.00
<b>PEACE BUILDING</b>		
1	PACT INC	162,437,517.00
2	MERCY CORPS	137,207,193.09
3	LIFE AND PEACE INSTITUTE	127,301,440.00
4	RELIEF, RECONSTRUCTION AND DEVELOPMENT ORGANISATION	94,703,949.00
5	REACH ALTERNATIVES (REALs)	54,165,174.00
<b>GENDER</b>		
1	AFRICAN WOMENS DEVELOPMENT AND COMMUNICATION NETWORK (FEMNET)	192,339,602.61
2	UJAMAA NA WATOTO WENYE HAKI INITIATIVE	78,090,909.00
3	FORUM CIV	59,139,598.58
4	AKILI DADA	51,175,624.00
5	EQUALITY NOW	48,758,998.00
<b>WELFARE</b>		
1	THE BROOKE HOSPITAL FOR ANIMALS EAST AFRICA	209,504,821.00
2	QATAR CHARITY	109,621,946.00
3	DIRECT AID	107,319,907.00
4	INTERNATIONAL NGO SAFETY ORGANISATION	60,149,563.00
5	FORUM FOR INTERNATIONAL CO-OPERATION	43,291,513.00
<b>MICROFINANCE</b>		
1	MAIYOITO PASTORALIST INTEGRATED DEVELOPMENT ORGANISATION	151,367,843.00
2	THE BOMA PROJECT	82,033,657.00
3	JOYFUL WOMEN ORGANISATION	34,524,672.00
4	QATAR CHARITY	34,278,920.00
5	CENTRAL RIFT COMMUNITY DEVELOPMENT PROGRAM	33,362,281.00
<b>DISABILITY</b>		
1	HEALING FOUNTAIN CENTRE	172,378,612.00
2	ASSOCIATION FOR THE PHYSICALLY DISABLED OF KENYA	130,361,082.00
3	CHESHIRE DISABILITY SERVICES KENYA	76,234,725.00
4	SENSE INTERNATIONAL EAST AFRICA	72,303,814.00
5	THE ACTION FOUNDATION	21,615,327.00
<b>CAPACITY BUILDING</b>		
1	THE GLOBAL DEVELOPMENT INCUBATOR INC	30,986,137.88
2	COMMUNITY ROAD EMPOWERMENT	26,577,901.00
3	SEEDS OF PEACE AFRICA INTERNATIONAL	18,705,901.00
4	TURKANA PASTORALISTS DEVELOPMENT ORGANISATION	14,332,753.00
5	FEED THE CHILDREN KENYA	12,123,577.00
<b>ICT</b>		
1	WE EFFECT	21,687,323.00
2	COMPUTERS FOR SCHOOLS KENYA	19,594,998.00
3	VIAFRICA KENYA FOUNDATION	3,507,172.00
4	ONE GIRL CAN KENYA	2,755,840.00
5	CHEPKITALE INDIGENOUS PEOPLE DEVELOPMENT PROJECT (CIPDP)	2,321,394.00

	<b>ORGANISATION</b>	<b>AMOUNT</b>
<b>ANIMAL WELFARE</b>		
1	AFRICA NETWORK FOR ANIMAL WELFARE	58,392,860.00
2	KENYA NETWORK FOR DISSEMINATION OF AGRICULTURAL TECHNOLOGIES (KENDAT)	37,277,143.00
3	COMMUNITY INITIATIVE FACILITATION ASSISTANCE	5,803,175.00
4	SUPPORT FOR TROPICAL INITIATIVES ON POVERTY ALLEVIATION	1,177,108.00
<b>ENERGY</b>		
1	LOTUS KENYA ACTION FOR DEVELOPMENT ORGANISATION	99,830,001.00
<b>RELIGION</b>		
1	ISLAMIC RELIEF-KENYA	11,297,148
2	LIVING WATER SERVICE CENTRE	10,754,948
3	AFRICA MUSLIMS AGENCY - KENYA	7,900,000
4	KENYA MUSLIM CHARITABLE SOCIETY	7,500,000
5	MISSIONARIES OF THE POOR	2,203,458
<b>INFORMAL SECTOR</b>		
1	ISLAMIC RELIEF-KENYA	60,726,972.00
2	MISSIONS OF HOPE INTERNATIONAL	8,846,763.00
3	LIVING WATER SERVICE CENTRE	5,860,003.35
4	THE LIFE MINISTRY	4,412,861.00
5	JAMI IYATU TAALIMIL QURAN	3,146,294.00
<b>OLD AGE CARE</b>		
1	HELPAGE INTERNATIONAL	72,909,704.00
2	MAMA IBADO CHARITY	22,219,243.00
3	HABITAT FOR HUMANITY IN KENYA	17,094,806.00
4	URAFIKI COMMUNITY LINKAGE, MOBILIZATION AND SUPPORT PROGRAMME	7,634,825.00
5	AYUDA NINOS DE AFRICA ( i.e HELP FOR CHILDREN OF AFRICA) - KENYA	4,187,282.00
<b>INFORMATION</b>		
1	BIBLE TRANSLATION AND LITERACY (E.A)	126,333,496.00
2	THE INTERNATIONAL SERVICE FOR THE ACQUISITION OF AGRI -BIOTECH APPLICATIONS (ISAAA AFRICENTER)	16,171,413.00
3	MARKET DEVELOPMENT TRUST	3,544,985.00
4	EQUAL ACCESS INTERNATIONAL - EAST AFRICA	1,400,000.00
5	CARIS FOUNDATION INTERNATIONAL - KENYA	1,240,391.00
<b>DEVELOPMENT</b>		
1	WORLD WIDE FUND FOR NATURE KENYA (WWF-KENYA)	55,916,661.00
2	THE GLOBAL DEVELOPMENT INCUBATOR INC	9,031,177.36
3	CENTRE FOR HEALTH AND EDUCATION PROGRAMMES	8,511,671.00
4	AFRICA MISSION SERVICES	7,902,041.00
5	INTERNATIONAL AID SERVICES - SWEDEN	7,187,022.00
<b>HOUSING AND SETTLEMENT</b>		
1	COMPASSION INTERNATIONAL INC.	10,737,167.00
2	WE EFFECT	8,123,465.00
3	AWARENESS AGAINST HUMAN TRAFFICKING	1,412,904.00
4	GETHEMANE GARDEN OF HOPE FOR AFRICA INC	580,315.00
5	STAR OF HOPE INTERNATIONAL FOUNDATION	335,200.00

	<b>ORGANISATION</b>	<b>AMOUNT</b>
<b>TRADE</b>		
1	CUTS- CENTRE FOR INTERNATIONAL TRADE ECONOMICS AND ENVIRONMENT	14,281,340.00
2	HUMAN QUALITY ASSESSMENT SERVICES	11,642,743.00
3	WORLD FAIR TRADE ORGANISATION - AFRICA	2,993,136.00
<b>ADVOCACY AND EMPOWERMENT</b>		
1	CENTRE FOR RIGHTS EDUCATION AND AWARENESS	79,748,152.00
2	AWARENESS AGAINST HUMAN TRAFFICKING	9,811,035.00
3	KUHENZA FOR THE CHILDRENS FOUNDATION	3,326,802.00
4	KENYA GOOD NEIGHBORS	2,070,395.45
5	FRUITS OF HOPE AND DEVELOPMENT INITIATIVE	110,000.00
<b>RESEARCH</b>		
1	THE AFRICAN ACADEMY OF SCIENCES(AAS)	2,102,639,959.90
2	URBAN RESEARCH AND DEVELOPMENT CENTRE FOR AFRICA	17,494,592.00
3	HUMAN RIGHTS WATCH	11,001,327.00
4	AFRICA PLATFORM FOR SOCIAL PROTECTION	10,240,830.00
5	CENTRE FOR RESEARCH AND INNOVATIONS IN EAST AFRICA	5,931,878.00
<b>ROAD SAFETY</b>		
1	INSTITUTE FOR TRANSPORTATION & DEVELOPMENT POLICY	20,771,862.00
2	SAFE WAY RIGHT WAY	441,200.00
3	GRACE EMPOWERMENT ORGANISATION	409,900.00
4	AFRICA NEL CUORE	64,000.00
5	OPERATION ROAD SAFETY -KENYA (ORS)	40,000.00
<b>SPORTS</b>		
1	KICKOFF TO HOPE KENYA FOUNDATION	1,617,726.00
2	GLADS HOUSE	1,139,553.00
3	SWEDEN - MUTOMO PROJECTS INTERNATIONAL	357,950.00
4	HOPE FOR KIBERA CHARITY ORGANISATION	342,000.00
5	SPORTS AID AFRICA	222,462.00
<b>CULTURE</b>		
1	FORUM CIV	58,150,921.00
2	MY CHOSEN VESSELS INC.	800,000.00
3	AFRICAN CULTURAL REGENERATION INSTITUTE	100,000.00
4	DIGITAL DIVIDE RURAL LINKAGES ORGANISATION	18,000.00
<b>DRUG AND ALCOHOL ADDICTION</b>		
1	ALCOHOL AND DRUG ABUSE PREVENTION AND TREATMENT	651,415.00
2	SAVE LIVES INTERNATIONAL	120,000.00
3	THE LIFE WATER KENYA	106,513.00

Figure 1. 2 Summary of NGOs Leading Sector Players in Kenya (NGO Co-ordination Board, 2022).

NO	SECTORS	AMOUNT	Contribution(%)
1	Health	20,421,957,673.70	28.90%
2	Children	10,390,191,625.88	14.70%
3	Relief/Disaster Management	7,706,803,604.38	10.91%
4	Education	5,084,364,382.57	7.19%
5	Agriculture	4,097,964,039.69	5.80%
7	Refugees	3,838,523,004.50	5.43%
8	Water and Sanitation	3,320,873,939.51	4.70%
6	Environment	3,151,413,995.39	4.46%
9	Others (Multi-sectoral	2,457,378,597.23	3.48%
10	Research	2,147,767,140.90	3.04%
11	Youth	1,358,054,273.14	1.92%
12	Governance	1,146,736,570.44	1.62%
13	Peace Building	1,064,913,313.45	1.51%
14	Gender	939,391,005.95	1.33%
32	Welfare	841,580,234.92	1.19%
15	Disability	615,982,185.87	0.87%
16	Micro-Finance	522,449,578.41	0.74%
17	Info-Sector	340,959,836.94	0.48%
18	Information	157,541,934.90	0.22%
19	Old Age Care	148,938,908.83	0.21%
20	Capacity Building	144,300,604.77	0.20%
21	Animal Welfare	102,650,286.00	0.15%
22	Development	99,922,170.36	0.14%
23	Energy	99,830,001.00	0.14%
24	Advocacy and Empowerment	95,066,384.45	0.13%
25	Human Rights	91,681,100.76	0.13%
26	Religion	90,040,751.25	0.13%
27	ICT	59,146,156.86	0.08%
28	Culture	59,068,921.00	0.08%
29	Trade	28,917,219.00	0.04%
30	Road Safety	21,761,772.00	0.03%
31	Housing and Settlement	21,189,051.00	0.03%
33	Sports	3,914,591.00	0.01%
34	Drugs and Alcohol Abuse	877,928.00	0.001%
		<b>70,672,152,784.05</b>	

Figure 1. 3 NGO sectors in Kenya (NGO Co-ordination Board, 2022).

## Appendix F: Institutional Ethics Permit



16<sup>th</sup> October 2023

Mr Owilly Sam Owuor,  
sam.owilly@strathmore.edu

Dear Mr Owilly,

**RE: Determinants of Sustainability Disclosures among Non-Governmental Organizations in Kenya**

This is to inform you that SU-ISERC has reviewed and **approved** your above **SU-masters** research proposal. Your application reference number is **SU-ISERC1889/23**. The approval period is from **16<sup>th</sup> October 2023 to 15<sup>th</sup> October 2024**.

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 SU-ISERC.
- 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 SU-ISERC 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 SU-ISERC within 72 hours.
- v. Clearance for the 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 the expiry of the approval period. Attach a comprehensive progress report to support the renewal.
- vii. Submission of an executive summary report within 90 days of completion of the study to SU-ISERC.

Before 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 obtain other clearances needed.

Yours sincerely,

**Mr Ambrose Rachier,**  
**Chairperson; SU-ISERC**





## Appendix H: Sustainability Reporting Frameworks

<b>Reporting Framework</b>	<b>Year Introduced</b>	<b>Purpose</b>
<b>The OECD Guidelines for Multinational Enterprises (OECD Guidelines)</b>	1976	This is a governmental framework that recommends to international organisations on responsible business conduct such as environmental protection, labour rights, and human rights.
<b>ESG performance indices</b>	1990	A framework providing sustainability ratings on the areas of the triple bottom line of sustainability.
<b>The World Business Council for Sustainable Development (WBCSD)</b>	1995	It guides organisational leadership with the impetus to act towards sustainable change and reduce sustainable development issues.
<b>The International Corporate Governance Network</b>	1995	Provides effective investor stewardship and corporate governance standards that facilitate sustainable economies and efficient markets.
<b>Global Reporting Initiative (GRI)</b>	1997	A modular system that integrates connected standards that allow organisations to go public with the results of their sustainability activities in a transparent and structured approach to stakeholders.

<b>CDP (formerly Carbon Disclosure Project)</b>	2000	A framework that offers financial markets and investors material information that incorporates information on climate change in the mainstream financial reports.
<b>The United Nations Global Compact</b>	2000	A principle-based framework where the members commit to adopting the ten principles of ethical conduct that they integrate into everyday operations and organisational strategies.
<b>Principles for Responsible Investment (PRI)</b>	2005	An UN-backed framework that supports responsible investing. The framework supports investor signatories in its international network to integrate ESG factors when appraising ownership and investment decisions.
<b>Climate Disclosure Standards Board (CDSB)</b>	2007	A framework for disclosure of climate-related information to help regulators and investors access material environmental information that is incorporated in the annual reports of organisations.
<b>Business Call to Action (BCtA)</b>	2008	A framework advanced to enable organisations to adopt inclusive business models which engage people at the base of the pyramid as employees, producers, consumers, distributors, and suppliers thus accelerating the achievement of SDGs.
<b>The International Integrated Reporting Council (IIRC)</b>	2010	This is a framework that guides the concise integrated reports of organisations' prospects, governance, and strategy to facilitate value creation through both financial and non-financial reporting in the short, mid, and long term.
<b>The Sustainability</b>	2011	A framework that sets out the basic objectives, definitions, and principles used to guide sustainability

<b>Accounting Standards Board (SASB)</b>		accounting by firms. The framework thus enables firms to identify and manage material sustainability issues, besides communicating them to stakeholders.
<b>Institutional Investors Group on Climate Change (IIGCC)</b>	2012	This is the membership body for the European investors for collaboration on climate change. It also facilitates collaboration to pursue low carbon emissions for a prosperous future.
<b>The Green and Social Bond Principles</b>	2014	A voluntary framework that promotes disclosure integrity and transparency regarding social impact bond and green bond markets.
<b>Task Force on Climate-related Financial Disclosures (TCFD)</b>	2015	A climate-related financial risk disclosure framework that organisations can utilise to report to different stakeholders. The framework also recommends appropriate disclosures and offers guidance on the transactional, legal, and physical climate-related risks that organisations are exposed to.
<b>SDG Compass</b>	2015	This is a framework that provides organisations with step-by-step guidelines that help them to align core strategies with the SDGs, in addition to managing and evaluating contributions.
<b>UN Guiding Principles Reporting Framework</b>	2015	A framework that guides organisations on responsible human rights, the world's first comprehensive guidance of the kind for companies.
<b>Climate Action 100+</b>	2017	A framework targeting the world's largest greenhouse gas emitting organisations that guides them in taking action against climate change.

<b>World Benchmarking Alliance (WBA)</b>	2018	A framework that provides the private sector with transformative benchmarks for evaluating organisational performance on the SDGs.
<b>IFRS S1</b>	2023	Provides disclosure requirements for companies to communicate sustainability-related risks and opportunities
<b>IFRS S2</b>	<b>2023</b>	Outlines specific climate-related disclosures to be used in conjunction with IFRS S1. Incorporates recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

**Table 1.1** Sustainability reporting framework (IFRS Foundation 2024; Lashitew, 2021).

