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INFLUENCE OF STRATEGIC AGILITY ON FINANCIAL SUSTAINABILITY OF NGOS IN THE ADVOCACY SECTOR IN KENYA

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ABSTRACT

This study aimed to examine the influence of strategic agility on the financial sustainability of NGOs in the advocacy sector in Kenya. The study utilised a mixed-methods research approach and adopted a cross-sectional survey design. The study's target population was 11,176 NGOs in the advocacy sector in Kenya, using a sample size of 384 NGOs, based on the Taro Yamane formula. 305 responses were received and analysed. Research instruments included questionnaires and checklists used to triangulate responses from questionnaires. Qualitative data was analyzed and presented in narrative statements, while inferential statistics were analyzed using the Pearson correlation coefficient and multiple regression analysis to test hypotheses. The correlation index between strategic agility and financial sustainability was positive and significant, r (304) =.362; p≤.05. This inferred that as the level of strategic agility increases, the financial sustainability also increases. The T value for strategic agility was also significant; T (304) = t=57.735; β= 0.213.; P≤.05. This implied that for each unit increase in strategic agility, the financial sustainability of the NGOs could increase by 0.213 units. This inferred the rejection of the null hypothesis and the conclusion made that H1 (There is a significant influence of strategic agility on the financial sustainability of NGOs in the advocacy sector in Kenya). The researcher recommends the institutionalisation of strategic agility by NGO management and a policy action by the regulatory authorities to provide necessary training and training for the NGOs so as to incubate their skills for effective strategic agility.

Keywords: Strategic Agility, Financial Sustainability

Introduction

The United Nations' 2030 Agenda, incorporating 17 Sustainable Development Goals (SDGs), aims to achieve global sustainability by addressing global challenges like poverty, hunger, and social inequalities. This plan involves strategic actions and shared efforts between countries to improve the quality of life and the environment. NGOs worldwide play a crucial role in providing essential services and acting as agents of change, building more equitable, fairer, and sustainable communities. Their actions serve as exemplary examples for society (Blanco-Portela, R-Pertierra, Benayas & Lozano, 2018).

A not-for-profit organisation is an organization that does not make profits from its activities (Francois, 2015). In Kenya, NGOs are private voluntary groups that promote social welfare, charity, and research in various sectors. The NGO Coordination Act of 1990 defines NGOs as private voluntary groups operating for public benefit. The Public Benefit Organisations Act of 2013 defines NGOs as autonomous, non-partisan, and non-profit organizations that engage in public benefit activities. NGOs in Kenya are recognized as PBOs. According to Cleveland State University (2024), advocacy in social work involves advocating for the rights, dignity, and well-being of individuals and communities facing systemic challenges. It focuses on addressing the root causes of social issues, bridging the gap between marginalized groups and necessary resources. In Kenya, advocacy NGOs primarily focus on refugee protection, child protection, and defending women and girls' rights, influencing policies and practices by governments and communities.

Financial sustainability in the NGO sector is gaining attention due to donor fatigue and global economic recession. Individuals' disposable income has decreased, impacting donations. A survey of 800 non-profits in 2018 found 75% felt the effects of the downturn, with 52% experiencing funding cuts (Renz, 2019). Kenyan NGOs have received 95% of total donations from international donors, but the rate has dropped to 70% in recent years, leading to the closure of NGO programs and the disruption of beneficiary support services (National Council of NGOs, 2021). The COVID-19 pandemic has heightened donor skepticism, and the Trump administration's decision to close USAID operations and reduce USG funding to developing countries is expected to significantly impact the financial sustainability of NGOs in Kenya. This could lead to challenges in their operations and threaten their long-term sustainability. The study aims to determine if strategic agility, enabling constant trend identification, resource mobilization, and adaptation, can influence the financial sustainability of Kenyan NGOs in the advocacy sector.

The overall sustainability index for the Kenyan NGO sector is a weighted average of three interrelated dimensions: organisational capacity, financial sustainability and, collaboration and networking. However, the two dimensions of organisational capacity and collaboration and networking cannot be in existence without financial sustainability. The index as a tool allows users to assess the political and economic developments over time that influence the viability of the NGO sector in a country (NGO Coordination Board report, FY 2021/22). NGOs failure to sustain their work arise from various inadequacies and majorly, the lack of financial resources (Mohamed, & Makori, (2022). Whittington et al (2020), categorise sustainability in organisations into three main groups including financial sustainability, organisation sustainability and sustainability in service provision. However, financial sustainability is the foundation on which the other categories of sustainability are built. Financial sustainability evaluates an organisation's ability to survive turbulence in their operating environment (Boyes-Watson & Bortcosh, 2022). This study therefore focuses on the financial sustainability of NGOs in the advocacy sector in Kenya rather than the other types of sustainability.

Objective of the Study

The study aimed to examine the influence of strategic agility on the financial sustainability of NGOs in the advocacy sector in Kenya

Research Question

The study sought and answered the following research question: Does strategic agility significantly influence the financial sustainability of NGOs in the advocacy sector in Kenya?

Research Hypothesis

The study tested the following research hypothesis:

> H_{01}: Strategic Agility does not have a significant influence on the financial sustainability of NGOs in the advocacy sector in Kenya.

LITERATURE REVIEW

Strategic Agility is defined by Ngo and Vu (2020) as processes of particular corporate procedures that identify environmental changes and respond quickly and successfully. Arokodare & Asikhia (2020) describe corporate agility as "the ability of an organisation to sense changes in dynamic, fast-paced environments and quickly respond by staking out market opportunities and sustaining competitiveness through building and strengthening its capabilities," hence achieving and maintaining superior performance beyond its competitors. Corporate agility, according to Kwon, Ryu, and Park (2018), is a key factor in a company's success as it enables managers to constantly recognise, create, and take advantage of new chances for business growth. A company's ability to adapt and think quickly is a competitive advantage.

Firms globally encounter challenges of maintaining superior business performance over a long time. Most business managers in the modern age find it difficult to constantly achieve targeted business performance due to poor strategic insight and agility to manage an uncertain business environment and globalisation in the 21st century. The majority of firms in the 21st century have recorded a fast decline in financial and non-financial performance resulting from a poor understanding of strategic agility dimensions to tackle global business trends and environmental turbulence (Arokodare & Asikhia, 2020). Both small and large organisations face tough competition in today's rapidly changing environment and should be able to adapt continuously to changes and to exploit them as opportunities for development. Organisations should then innovate in order to gain a sustainable advantage by proposing adequate products and services, allowing them to increase market shares and sustain their growth. Disruptive technologies are thereafter adopted in order to conceive innovative products, and to develop a new use of existing services/ products or to optimise processes (Marhraoui & Manouar, 2017).

Strategic Agility is a developed type of agility that, in addition to rapid response, pays specific attention to strategic aspects and predicting changes in the environment before they occur (Amini & Rahmani, 2023). Agile practices entail applying market knowledge to utilise profitable opportunities from the dynamic and volatile market. Several benefits can be derived from the integration of agility and sustainability, such as increased product variety and differentiation with reduced environmental impact, cost-effectiveness and higher chances of surviving the competitive market. Positive engagement with the external environment is now an expected feature of good business, and it is necessary to remedy the adverse effects of not-for-profit business on the environment. To this end, firms increasingly adopt more flexible and more agile capabilities and structures, and an innovation-oriented culture, to respond effectively to the grand challenge of sustainability. Strategic Agility is potent in the adaptation and adjustment of processes to respond well to environmental demands (El-Khalil & Mezher,

2020).

Strategically agile firms can mobilise scarce resources and expertise to adapt swiftly to unexpected changes, opportunities, and threats in their business environments. By derivation, organisational strategic agility is essential for effectively managing natural resource difficulties placed on organisations amid grand environmental challenges. Strategically agile firms constantly monitor internal and external environments, resulting in quicker information processing than their non-agile counterparts. Moreover, firms with organisational strategic agility are sensitive to innovation cues and deploy their fluid resources to change their actions to meet emerging demands. Organisational strategic agility streamlines internal operations, prompting timely responses to emerging challenges (El-Khalil & Mezher, 2020). Agility is regarded as a competitive tool for all organisations, and all firms need to be flexible in their operations in order to remain competitive. The four key elements in defining agility include speed, flexibility, responsiveness and competency (Denning, 2017). The elements can be adopted and applied through the integration of resources and application of knowledge in creating products that meet customer needs in a volatile environment. Agility has also been recognised as a crucial survival tool for organisations operating in complex, uncertain and turbulent environments in their bid to thrive and remain competitive (Wangasa, 2018).

Strategic Agility is closely associated with operational agility, customer agility and partnership agility. Operational agility involves redefining the firms' processes, thus gaining a superior market position. It plays a strategic role in responding to external changes. It fosters the company's operations, therefore swiftly handling business changes with dexterity. Interestingly, some agility definitions are based on operations, but others are expressed in terms of implementation. Studies show that customer agility encourages organisations to make decisions to fulfil customer needs. Customer agility becoming the priority, has caused organisations to deal with the increasing environmental dynamics thus fostering sustainability practices. Indeed, for NGO sustainability to meet the beneficiary/ customer needs also requires building the organisation–donor relationships to enhance the firms' agilities. In this regard, partnering agility allows firms to leverage the donor's knowledge, assets, and capabilities, thus achieving sustainable practices. Strategic partnering enhances the resource flow, causing companies to resolve and manage unexpected environmental disturbances (Sun, Sarfraz, Turi & Ivascu, 2022).

Operational agility refers to how well a firm can adapt its everyday processes, technology, and operational procedures to a perpetually evolving business environment. Operational agility allows organisations to have an edge over their competitors as they can pounce on opportunities and deal with challenges quicker than their competition. A survey by McKinsey found that nine out of ten executives ranked organisational agility both as critical to business success and as increasing in importance over time. According to the survey, the benefits of operational agility ranged from higher revenues to increased customer satisfaction (Goel, 2021). Customer agility is fundamentally about "deploying resources to respond to rapidly changing market conditions and developing routines in pursuit of improved effectiveness in responses to emerging customer demands" (Zhou et al, 2018). It is a customer-centred dynamic capability of an organisation (Roberts & Grover, 2012). Its ultimate purpose is to quickly grasp changes in customer needs and flexibly meet their demands through customer agility activities (Ngo & Vu, 2020).

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Strategic partnerships involve collaborating with specialists to integrate new products or value-added services that a business cannot efficiently develop on its own, enabling innovation, accelerating growth, and securing an advantage over competitors. Agile partnerships focus on ensuring the right relationships are established, taking the time to deeply understand the business challenges, which leads to strong connections (Ngo & Vu, 2020). NGO management

is expected to forge strong and agile relationships with donors, other NGOs, and various stakeholders. Gurkov, Goldberg, and Saidov (2017) asserted that a key requirement for strategic agility is the ability to perceive stakeholders (including customers, suppliers, technology partners, investors, etc.) as suppliers of essential resources for business development. Nwachukwu and Vu (2020) argue that strategic flexibility and leadership greatly influence business sustainability. Furthermore, strategic flexibility and strategic leadership have a significant impact on the sustainability indicators of economic, social, environmental, and innovation performance.

Theoretical Framework

This study is linked to theoretical underpinnings that relate to the dynamic capabilities framework. Teece and Pisano (1994) and Teece, Pisano, and Shuen (1997), formulated the "dynamic capabilities" framework to facilitate comprehension of capability differences at the individual firm level. The theory purports that three distinct factors determine the dynamic capabilities of a company's competitiveness: First, the availability of a spectrum of alternatives and their route dependence; second, the firm's resource position which includes real but primarily intangible assets; and third, organisational processes which comprise managerial abilities, patterns of behaviour, thinking, and learning. (Teece *et. al*, 1997, Pisano 2015). Teece (2019) argues that firms with high levels of dynamic capabilities are better equipped to adapt to changes in their external environment, technological opportunities, new product development, business culture and process innovation. The firm's competitive advantage thus derives from its dynamic capabilities, which are its ability to build up corporate agility dimensions, renew and reconfigure entrepreneurial capabilities, have a firm and forward-looking leadership and competencies to achieve congruence with the changing organisational environment and ensure superior performance (Kylaheiko, Sandstrom, & Virkkunen, 2002).

Dynamic capacity is used in organisational theory to describe an organisation's proactive potential to adjust its resource base. Eisenhardt and Martin (2000), defined dynamic capability as "the organisational processes that use resources, specifically the processes to integrate, release, reconfigure and gain resources-to match and even create market change" and "the corporate and organisational routines by which organisations obtain new resources and configurations as markets emerge, evolve, collide, split, and die.". These processes are inherent in the strategic agility process. Focus on organisational actions that are strategic and that aim to strengthen responsiveness to a rapidly changing environment through dynamic capabilities could lead to a long-term competitive benefit. A firm's ability to produce new forms of competitive advantage despite route dependencies and market positioning is reflected in these skills (Teece *et. al*, 1997). A three-step approach proposed by Teece (2019) involves spotting (discovery of potential opportunities and threats), seizing (mobilising resources to meet new possibilities while maximising value), and adapting (continuous organisational renewal).

While the dynamic capabilities framework is not extensively explored or uniquely applied to the context of NGOs, the ability of management to prepare strategic plans that respond to changes to the environment is a key competence that can greatly contribute to an NGO's performance and overall financial sustainability. Strategic Agility in an NGO can be perceived as one of the organisational processes which comprise managerial abilities, patterns of behaviour, thinking, and learning. (Teece *et. al*, 1997, Pisano 2015). The performance of an NGO is greatly predisposed to exploitation and re-invention of capabilities and resources that should be valuable as well as rare, to provide an advantage compared to those of competitors (Barney, 1991). This theory implies that NGO management must take into account the available capabilities, such as strategic agility, when developing its overall direction. Management also needs to understand that such capabilities are not static but need to constantly change to facilitate the achievement of organisational goals.

Conceptual Framework

This study was guided by the following conceptual framework that shows diagrammatised representation of the relationship between the variables. Figure 1. Conceptual framework for strategic agility and financial sustainability of NGOs in the advocacy sector in Kenya:

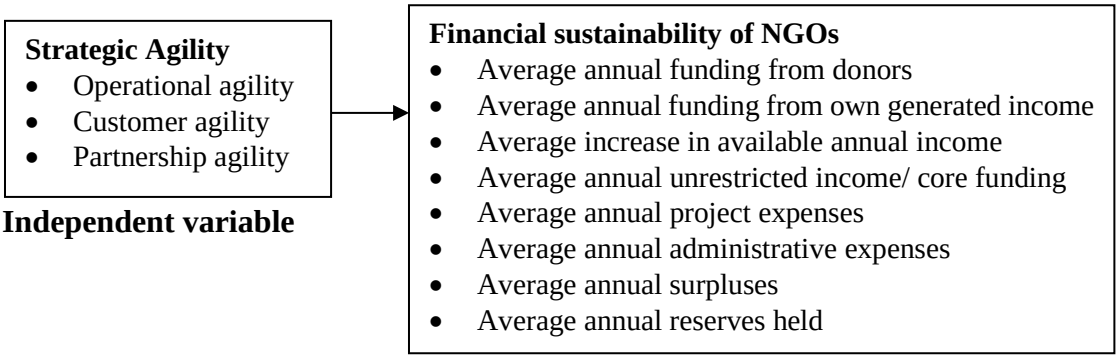

Figure 1: Conceptual Framework

Research Methodology

Research philosophy and design

This research study adopted a postpositivist research philosophy, as recommended by Creswell & Creswell (2017). Mertens (2017) contends that positivism philosophy can be used in a social world setting, assuming that a social world setting could be considered in the same manner as a natural world setting, utilising value-free techniques that provide descriptions of a causal nature. This study utilised the mixed methods research approach and adopted a cross-sectional survey design. Use of cross-sectional survey design is applicable for such a study, as data on the financial sustainability of NGOs operating in the advocacy sector in Kenya was collected and analysed at one point in time while testing research hypotheses. Cross-sectional survey design has the advantage of giving the least cost per respondent compared to other methods.

Study Population

According to the NGO coordination board, there are 320,000 NGOs registered in Kenya under various laws, out of which 3.5% are in the advocacy sector. (ICL-A, 2017). Thus, 11,176 NGOs in the advocacy sector were the unit of analysis.

Sample size

The sample size of 384 NGOs was obtained using the Taro Yamane formula also known as Michael Slovin theory (Yamane, 1967). This was a representative size for a target population of 11,176; while the actual respondents from the NGOs were stratified based on the type of NGO (Local, National or International) and selected using simple random sampling. The sample size was then studied and inference made to the larger population.

Data Collection and administration

Data was collected using a questionnaire guide. The concept of this research instrument was derived from objectives of the study which were an operational form of theoretical construct of phenomenon under inquiry. The questionnaire guide was a list of standard questions to gather both qualitative and quantitative information from the scope of study using both open and close - ended questions. Open ended questions enabled the respondents to complete the questionnaire in their own views. Data was administered through google forms due to the challenges of travelling during the Covid-19 pandemic and summarized in google sheets. Data collection process was expedited by sharing the questionnaire on various platforms for NGOs in the advocacy sector across the country especially those at the county level. Additionally, efforts

were made to identify key influencers on the various forums to lobby the members to respond to the questionnaire. To triangulate the information received from the questionnaires, the researcher purposively selected NGOs in the advocacy sector based in Nairobi and Kajiado counties physically or through online platforms and assessed their willingness to provide the requisite information. The questionnaire was shared with those who were willing to respond, after which interviews were conducted by going through the questionnaire. A checklist was then prepared by the researcher to compare the responses from the interview with the reponses filled independently by the respondents. Secondary data was also received from the same respondents in the form of financial statements for the last five years and the averages of income, expenses, surpluses and reserves re-computed. A checklist was then prepared by the researcher to compare the re-computed results with those indicated on the questionnaire.

Validity and reliability of the Instrument

The researcher validated the research instruments by subjecting the questionnaire to a pilot test and review of literature to ensure that the questionnaire included all the items that were necessary and eliminated detrimental items to a particular construct domain. To test reliability, the questionnaire was administered to thirty (38) respondents representing10 percent of the sample (Baker, 2003). The piloted NGOs were not involved in the actual research and they were excluded from final analysis**.** The researcher determined the internal consistency of Likert scale items using Cronbach's Alpha (Lee Cronbach's in 1951) at a score of between zero and one, with 0.7 generally accepted as a sign of acceptable reliability.

Data Presentation Method

Data was presented by use of figures and tables, which was a clear representation of the influence of strategic agility on the financial sustainability of NGOs in the advocacy sector in Kenya.

Data analysis

Preliminary data was edited, coded, cleaned and rechecked to minimize data entry errors. Exploratory factor analysis was employed in this study because of its ability to explore the data to identify the acceptable and relevant set of factors which can be analysed together (Kulzy & Fricker, 2015; Velayutham, Aldridge & Afari, 2013). Hence, EFA was conducted to assess the reliability and validity of the reflective multi-item scales. Data was analyzed descriptively using percentage frequencies, mean, and standard deviation. Inferentially, Pearson correlation coefficient and simple linear regression analysis was used to test hypotheses $P= \beta 0+ \beta 1 SP +\varepsilon$; and t-test was used as a tool of analysis to test for significance level at 0.05 on the null hypothesis.

Results of the Study

Descriptive Statistics of Strategic Agility and Financial Sustainability of NGOs in the Advocacy Sector in Kenya

The objective of this study was to assess the extent to which strategic agility influences financial sustainability of NGOs in the Advocacy sector in Kenya. To achieve this, the respondents were asked to give their opinions based on their level of agreement or disagreement with the statements based on a Likert scale of 1-5 where 1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, and 5=Strongly Agree. The results were presented in Table 1.1.

Table 1: *Strategic Agility and Financial Sustainability of NGOs in the Advocacy Sector in Kenya*

Strategic Agility Cronbach's alpha = 0.611	**D %**	**SD %**	**N %**	**A %**	**SA %**	**Mn**	**Std. Dev**
The organisation accomplishes quick delivery of programmes.	0	1	17	56	26	4.08	0.682
The organisation efficiently redesigns programmes to adapt to environmental changes.	1	5	15	50	29	4.01	0.847
The organisation is quick to adapt to environmental opportunities.	0	2	14	43	40	4.21	0.782
When the organisation identifies a new need for beneficiaries and donors, management is quick to respond to it.	0	19	57	23	0	3.04	0.673
The organisation quickly implements planned activities regarding beneficiaries and donors.	0	25	51	24	0	2.99	0.709
When the organisation partners with other organisations, management can combine, recombine, and create new business processes at short notice.	1	29	46	25	0	2.94	0.750
Through online, rapid, and up-to-date communication across partnerships, the organisation reduces information discrepancies.	0	37	46	17	0	2.79	0.713
Working with other organisations brings about new ways of managing organisational structures and partnerships.	38	14	12	9	27	2.73	1.661
Composite mean and standard deviation						**3.35**	**0.85**

Table 1 presents the responses of strategic agility on financial sustainability. The average score for this variable was found to be 3.35 with a standard deviation of 0.85. This means that on average, there was a general consensus that strategic agility influenced the financial sustainability of NGOs in the advocacy sector in Kenya. This is in line with the literature review on the strategic management practice where most of the studies found a relationship between strategic agility and financial sustainability.

Due to the travelling restrictions during the COVID-19 pandemic, the researcher was only able to physically visit 23 NGOs in the advocacy sector within Nairobi and Kajiado counties to conduct interviews. In addition, the researcher conducted 16 interviews through various online platforms. As such, information for a total of 39 questionnaires was confirmed. The researcher observed that the information in the questionnaire was in accordance with the results of interviews and re-computations in 38 out of the 39 instances. Though not representative of the sample, the triangulation of information on the questionnaire with the interviews and review of secondary information provided comfort on the accuracy of the data received for analysis.

Factor analysis of Strategic Agility and Financial Sustainability of NGOs in the advocacy sector in Kenya

a) Strategic Agility Communalities

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Communalities specifically explain what proportion of the particular variable is the result of either the Principal Component or a mere correlation between each particular variable and the individual factor. It can also be noted as the $h^{2,}$ which is the sum of squared factor loadings. It is a clear definition of the common variances that normally range between 0.0 and 1. Values that are closer to one (1) have a suggestion that the factors extracted explain the variance of an individual item.

Table 2: Communalities for strategic agility

Opinion statement	Extraction
The organisation accomplishes quick delivery of programmes	0.967
My organisation efficiently redesigns programmes to adapt to environmental changes	0.550
My organisation is quick to adapt to environmental opportunities	0.686
My organisation extrapolates key trends to gain insight into what beneficiaries and donors in a current market will need in the future	0.710
When my organisation identifies a new need for beneficiaries and donors, we are quick to respond to it	0.308
My organisation quickly implements planned activities regarding beneficiaries and donors	0.545
When my organisation partners with other organisations, we can combine, recombine, and create new business processes at short notice	0.619
Working with other organisations brings about new ways of managing organisational structures and partnerships	0.612

Extraction Method: Principal Component Analysis.

Table 2 presents the results on the sum of the squared multiple correlation coefficient between the constructs and the factor. Since the extracted values were very high, all the variables will be retrained in further analysis during the final data analysis. The highest value is 0.967 and the lowest is 0.308, which is more than the minimum acceptable value of 0.30. These values also show that the reliability of these constructs was very high.

b) Strategic Agility Total Variance Explained

Explained variance is used in research to measure the inconsistency and discrepancy between the said model and the actual data. It is part of the model's total variance that is explained by the different factors which are essentially present and are not caused by the error variance. The higher percentage of explained variance indicates a strong strength of association. In essence, the percentage of the variance column gives the ratio that is expressed as a percentage of the variance accounted for by each component to the total variance among all the variables. This therefore implies that better predictions were made (Yong & Pearce, 2013).

Table 3:Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Var	Cum%	Total	% of Var	Cum%	Total	% of Var	Cum %
1	3.908	48.855	48.855	3.908	48.855	48.855	2.681	33.514	33.514
2	1.089	13.613	62.468	1.089	13.613	62.468	2.316	28.954	62.468
3	0.990	12.373	74.841						
4	0.665	8.309	83.150						
5	0.494	6.179	89.329						
6	0.417	5.212	94.541						
7	0.407	5.093	99.634						
8	0.029	0.366	100.000						

Extraction Method: Principal Component Analysis.

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The high factor loading scores showed that all the items explained the financial sustainability of NGOs. The EFA extracted 2 factors with Eigen values of 3.908 and 1.089, which were above the accepted value of 1 and cumulative extracted variance of 62.468%. This is confirmed by the scree plot below, and thus, none of the eight items were dropped (Yong & Pearce, 2013).

c) Strategic Agility Scree Plot

This is a simple line segment that shows a single fraction of the total variance in the whole data. In the factor analysis or principal analysis context, a sharp drop in the plot implies that the subsequent factors can be ignored. This plot is used in research to determine the exact number of factors that can be retained in an exploratory factor analysis or Principal Components to keep in a principal as displayed in figure 2 below.

Figure 2: Scree plot for strategic agility

Figure 2 presents the results of the number of factors extracted from the factor analysis process. The first component has the highest total variance, while the last component has the least variance. Component 2 has the largest drop reflected through the elbow joint. The graph shows that there are eight factors, but only two are above the threshold value of one.

d) Strategic Agility Principal Component Analysis

The Principal Component analysis was used to extract the maximum variance and put them into the first factor. After that, it removed that particular variance which was explained by the first factor to use it to extract another maximum variance for the second factor, and the process continued up to the last factor.

Table 4: Rotated Component Matrix

Opinion statement	Component	
	1	2
My organisation extrapolates key trends to gain insight into what beneficiaries and donors in a current market will need in the future	0.825	
The organisation accomplishes quick delivery of programmes	0.764	
When my organisation partners with other organisations we can combine, recombine, and create new business processes at short notice	0.683	
My organisation efficiently redesigns programmes to adapt to environmental changes	0.631	
When my organisation identifies a new need for beneficiaries and donors, we are quick to respond to it	0.520	
My organisation is quick to adapt to environmental opportunities		0.828
My organisation quickly implements planned activities regarding beneficiaries and donors		0.693
Working with other organisations brings about new ways of managing organisational structures and partnerships		0.628

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.
a. Rotation converged in 3 iterations.

Principal component analysis (PCA) with Varimax rotation was conducted to identify the underlying factors of all the research constructs relating to strategic agility. Factor loadings

were generated for all the items to assess construct validity (Huang & Van Der Veen, 2018). The results depicted that factor loadings of all items used to measure strategic agility were all above the minimum recommended value of 0.50 (Hair *et. al.,* 2014). Further, the high factor loading scores showed that all the items explained strategic agility.

Inferential Statistics of Strategic Agility and Financial sustainability of NGOs in the advocacy sector in Kenya

Correlation and regression analysis were both conducted to determine the relationship between strategic agility and financial sustainability of NGOs in the advocacy sector. These were further explained in the following sub-themes:

Correlation of Strategic Agility and Financial sustainability of NGOs in the advocacy sector in Kenya

Correlation analysis was conducted to establish the relationship between strategic agility and the financial sustainability of NGOs in the advocacy sector in Kenya. The results were presented in:

Table 5: Correlation between Strategic Agility and Financial sustainability of NGOs in the advocacy sector in Kenya

Variables		Financial sustainability	Strategic Agility
Financial sustainability	Pearson Correlation	1	0.362**
	Sig. (2-tailed)		0.000
	N	305	305
Strategic Agility	Pearson Correlation	0.362**	1
	Sig. (2-tailed)	0.000	
	N	305	305

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

The correlation output in Table 5 shows that strategic agility characteristics were statistically significant (P-values under significant 2- tailed were all less of α=0.05) to the financial sustainability of NGOs. From Table 5, the correlation index between strategic agility and financial sustainability was positive and significant, r (304) = 0.362; p≤.05. This implies that as the level of strategic agility increases, the financial sustainability also increases.

Regression Analysis of Strategic Agility and Financial Sustainability of NGOs in the Advocacy Sector in Kenya

Additionally, to estimate the overall effect of strategic agility on the financial sustainability of NGOs in the advocacy sector in Kenya, a regression analysis was run on the two variables, and the results are shown in Table 6. It can be noted that the model summary in Table 6 of the regression showed an R-squared of 0.124, implying that strategic agility explained about 12 per cent of the total variance in the financial sustainability of NGOs in the advocacy sector in Kenya.

Table 5: Model summary of regression analysis of strategic agility and financial sustainability of NGOs in the advocacy sector

R	R Square	Adjusted R Square	Std. Error of the Estimate
0.353[a]	0.124	0.122	0.56680

a. Predictors: (Constant), Strategic Agility

As to whether this model was significant in enabling predictions containing the independent and dependent variable, the ANOVA table was produced and the results are as shown in Table 6.

Table 6. ANOVA Showing Regression Model for strategic agility and financial sustainability of NGOs in the advocacy sector

	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	13.830	1	13.830	43.049	.000[b]
	Residual	97.342	303	0.321		
	Total	111.171	304			

b. Predictors: (Constant), Strategic Agility

The ANOVA Table 6 shows that the global model containing the predictor of strategic agility and financial sustainability was significant; F (304) = 43.049; P≤.05. This implies that the regression coefficient of the predictor variable cannot be equal to zero, thus making the predictive power of strategic agility on financial sustainability to be high.

Lastly, it was important to establish the amount of contribution that strategic agility had on the outcome variable of financial sustainability These results are presented in Table 7 on regression coefficient and was reported using the t-value statistics.

Table 7. *Regression Coefficients of strategic agility and financial sustainability of NGOs in the advocacy sector in Kenya*

	Model	Coefficients		t	Sig.
		B	Std. Error		
1	(Constant)	1.874	0.032	57.735	0.000
	Strategic Agility	0.213	0.033	6.561	0.000

Dependent Variable: Financial sustainability

Table 7 of regression coefficients shows the beta coefficient for strategic agility to be 0.408. The T value for strategic agility is also significant; T (304) = 57.735; β= 0.213.; P≤.05. This implies that for each unit increase in strategic agility, the financial sustainability of NGOs could increase by 0.213 units.

Hypothesis Testing

The study sought to examine the influence of strategic agility on the financial sustainability of NGOs in the advocacy sector in Kenya. Pearson's correlation coefficient was used to test the relationship between strategic agility and the financial sustainability of NGOs in the advocacy sector in Kenya. This was done at a 95% level of confidence. The hypothesis was tested at a 0.05 level of significance, which stated that (H0): There is no significant relationship between strategic agility and financial sustainability of NGOs in the advocacy sector in Kenya. From the correlation and regression analysis findings, the correlation index between strategic agility and financial sustainability was positive and significant, r (304) =0.362; p≤.05. This implied that as the level of strategic agility increases, the financial sustainability of NGOs also increases. The regression coefficient shows the beta coefficient for strategic agility at T (304) = 57.735; β= 0.213; P≤.05, implying that for each unit increase in strategic agility, the financial sustainability of NGOs could increase by 0.213 units. This depicted that strategic agility significantly influences the level of financial sustainability, which therefore led to the rejection of the null hypothesis which stated that:

H_0: Strategic Agility does not have significant influence on the financial sustainability of NGOs in the advocacy sector in Kenya, and accepting the alternative hypothesis that:

H_1: Strategic Agility has significant influence on the financial sustainability of NGOs in the advocacy sector in Kenya, which was the alternative hypothesis.

Conclusion

The objective in this study was to assess the extent to which strategic agility influenced the financial sustainability of NGOs in the advocacy sector in Kenya. Following statistical analysis, the study concluded that strategic agility has significant influence on the financial sustainability of NGOs in the advocacy sector in Kenya.

Scope for future research

The study suggests further research in other Kenyan and international sectors, reviewing NGOs' financial statements to address self-report bias. It also suggests considering qualitative aspects of strategic agility effectiveness, as the quantitative study focused on the financial sustainability of Kenyan advocacy NGOs.

Recommendations

Managers need to appreciate the importance of prompt response to the changes in the macro and micro-environment of the organisation that affect the operations of the organisations, customer preferences and tastes as well as the other organisations that an organisation interacts with. Senior management should put in place systems that capture correct and reliable information of trends which should subsequently inform management decision making. The NGO processes and systems should be versatile to accommodate the changes in the environment.

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