Firm's Resource Portfolio and its Influence on Financial Sustainability of NGOs in Kenya

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Abstract

The aim of the research was to determine the influence of a firm's resource portfolio on financial sustainability of NGOs in Kenya. The study was underpinned by strategic leadership theory and applied descriptive correlational research design. The study's target population was 6,028 comprising active local NGOs. It utilized stratified random sampling to select 413 CEOs/board members as respondents through a self-administered questionnaire. Correlation results showed that firm's resource portfolio had a positive and significant relationship with financial sustainability, r (393) = 0.564, p ≤ .05. Ordinal logistic regression (Nagelkerke Pseudo R^2) results revealed that firm's resource portfolio explained 13.9% of the variance in financial sustainability, R^2 = .139, while the parameter estimates results showed that firm's resource portfolio significantly predicted financial sustainability, β_2 = -2.725, p ≤ .05. Therefore, the null hypothesis was rejected implying that the firm's resource portfolio has significant influence on financial sustainability. The study recommends strategic leadership teams to manage appropriately the organization's resource portfolio by organizing and bundling them into capabilities, structuring their organizations to utilize the capabilities and selecting optimal strategies to leverage on and exploit these resources to achieve financial sustainability.

Keywords: Strategic leadership, firm's resource portfolio, human capital, social networks, core competencies, financial sustainability, NGOs

Introduction

According Iordanoglou (2018), strategic leadership is central to high-performing organization, and its relevance to crisis management cannot be underscored in enabling organizations to navigate through uncertainties and complexities in operating environment. Clune and Zehnder (2018) posit that firm's resource portfolio is an essential component of strategic leadership in advancing sustainability within institutions. Nonetheless, many organizations face increasing challenges in their efforts towards social and sustainable impact within the communities they serve. NonProfit Action (2017) notes that over 10 million NGOs existed worldwide by 2015, with Africa having 60% while India, America and China have 2 million, 1.5 million and 0.5 million respectively. This implies that civil society organizations (CSOs) remain important in service delivery and are uniquely placed to focus on the world's least-served populations (The Neglected Tropical Disease NGO Network [NTD-NGO Network], 2018). Gupta (2018) also contends that a firm's resource portfolio is one of the key instruments for strategic leaders to cultivate sustainability in their organizations. Hitt, Ireland and Hoskisson (2016) categorize the firm's resources into social capital, human capital, financial capital and organizational capital (including organizational culture).

The effectiveness of NGOs and their long-term survival can only be possible if they can be financially sustainable (Finkler, Smith, & Calabrese, 2018). Eswaran (2018) supports the view that becoming financially sustainable enables NGOs to work towards social sustainability. Sustainability within the framework of a constantly changing environment necessitates organizations to be agile. Hitt et al. (2016) further indicate that creating a sustainable organization is dependent on visioning and agility founded on strategic leadership. Similarly, Teece, Peteraf and Leih (2016) submit that organizational agility is improved through efficient and effective deployment and management of resources. As such, acquisition and development of resources whether human, social or core competencies are critical functions of strategic leadership.

Overall, the need for NGOs to be sustainable in order to be impactful is not in doubt. The United Nations (UN) in adopting the 2030 Agenda for Sustainable Development, which includes Sustainable Development Goals (SDGs), has indicated that CSOs have a role to play. The continent of Africa is therefore replete with lessons, experiences and interventions by NGOs. The Agenda 2063 of the Africa Union (AU), particularly on inclusive growth and sustainable development, recognizes the partnerships with NGOs in meeting its vision, and the importance of a strong self-sustaining NGO sector. This underscores the importance of achieving financial sustainability for NGOs to enhance their partnerships with development institutions in addressing problems that affect the African society (Tully, 2018; Eswaran, 2018; Ceptureanu, Ceptureanu, Bogdan, & Radulescu, 2018).

Kenya's NGOs Coordination Board (2019) asserts that local NGOs contribute significantly to national development based on annual budgets of over Kshs 172.1 billion. However, a large percentage of their budgets comes from external funding for their operations. Consequently, the Kenya National Council of NGOs (2018) reports that their high reliance on foreign funding has biased their interventions towards the donor priorities while restricting their ambition for financial sustainability. As a result, majority of local NGOs are ceased of their operations and programme due to funding challenges. This remedy this, efforts towards sustainability of NGOs ought to focus on critical elements of strategic leadership. The purpose of the study was therefore to determine the influence of firm's resource portfolio on financial sustainability of NGOs in Kenya.

Literature Review

This section reviews the theory that anchors the research on firm's resource portfolio and financial sustainability, and further provides empirical review of literature depicting how firm's resource portfolio constructs influence financial sustainability**.**

Theoretical Review

The independent variable is firm's resource portfolio, and the study was anchored on strategic leadership theory by Hitt et al. (2016), which categorizes the firm's resources into social capital, human capital, financial capital and organizational capital (including organizational culture). While financial capital is perhaps the most critical determinant in achieving organizational success, Hitt et al. further indicate that strategic leaders ought to understand the need to manage all other resources including their integration for synergy. Most importantly, effective strategic leaders manage the resource portfolio through organizing them into capabilities and selecting strategies to effectively exploit the capabilities. The dependent variable was financial sustainability, and this is underpinned by an operational model

originated by Leon (2001) and was measured by income diversification capability and fundraising potential. The operational framework is given in Figure 1.

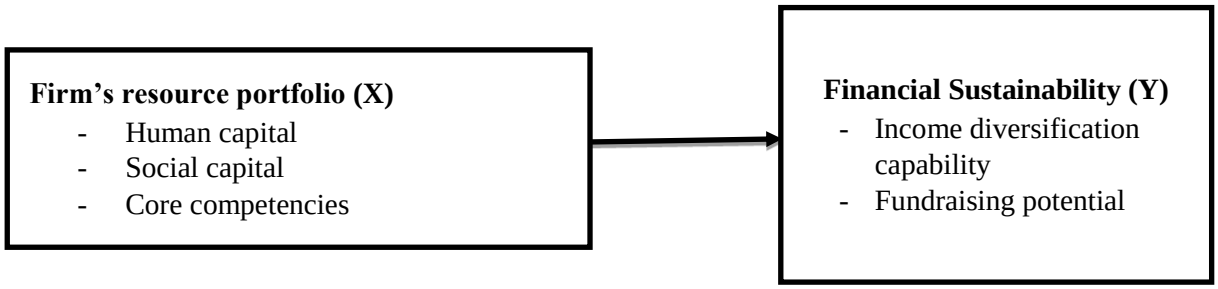

Figure 1: Conceptual Framework: Firm's resource portfolio and Financial Sustainability

Empirical Review: Firm's resource portfolio and Financial Sustainability

An organization's resources provide the capabilities and sources for its competitive advantage and is usually composed of social, human, financial and organizational capital (Hitt et al., 2016). The conventional wisdom premised on resource-based view (RBV) holds that firms need to control and exploit valuable, rare, inimitable and non-substitutable (VRIN) resources and capabilities in order to obtain competitive advantage (Alexy, West, Klapper, & Reitzig, 2018). Hence, effective strategic leaders ought to manage the resource portfolio of the organization through bundling them into capabilities and selecting optimal strategies to exploit them.

Adnan, Abdulhamid and Sohail (2018) have explored the relationship between RBV and firm performance, specifically analyzing the kind of resources essential to enhance performance. In their study, the target population was CEOs and senior executives from different top industrial companies in Pakistan. Due to inaccessibility of the sampling frame, the researchers used convenient sampling technique for data collection from a sample size of 388. The study assumed a managerial capability in making strategic decisions on selection and utilization of resources by the firm. Correlation analysis indicated there was a positive relationship between firm's resources and performance, $r(360) = 0.098$, $p \leq .01$. This underscores the importance of resource portfolio with respect to organizational performance and presupposes that such organizations have the capacities and capabilities to fully exploit their resources.

Regression analysis for the study generated the value of $\beta = +0.200$, implying that a unit change in VRIN explained 0.200 units of variance in firm performance (Adnan et al., 2018). Similarly, an organization may not excel unless it is able to fully exploit its resources. The ability to fully capitalize on the resource portfolio and employ it for competitive advantage is determined by the soft skills employed in managing these resources. This is the essence of core competencies.

Kabue and Kilika (2016) reviewed both empirical and extant theoretical literature to assess the links between resources, core competencies and competitive advantage. The study stresses that a firm must have its own resources for it to have sustainable competitive advantage. This situation is similar to NGO sector, and requires core competencies to be exploited in bundling resources in ways that give an organization an edge over others. The role of core competencies is therefore critical in either packaging resources towards being characterized as VRIN or devising creative methods of acquiring required resources from other organizations.

Alexy et al. (2018) further propose that firms may enhance their performance by opening portions of their resource base, which consist of resource bundles, and exploiting selected VRIN resources. Such transformation of resources requires organizations to develop their core competencies so that they can optimize on its utilization. In any case, resources at the disposal of organizations within similar sectors are never any different. Indeed, most resources are more homogenous than heterogeneous, more common than rare, and more imitable than inimitable (Kabue & Kilika, 2016). Arguably, this situation mimics across the local NGOs sector that is also relatively homogenous in its resource requirements. Given that most local NGOs are mainly in the service sector, their core competencies will typically be composed of the soft skills of their staffing. Such core competencies will thus enhance capabilities of organizations to package resources in ways that distinguish them on the basis of VRIN.

Baia, Ferreira and Rodrigues (2020) disagree with the premise of RBV theory. They conducted a study of 107 Knowledge-intensive business service (KIBS) Portuguese firms, using a quantitative approach to define the relationship between value, rarity, competitive advantage and performance. The respondent was a single managerial informant for each firm, and information gathered through a previously validated Newbert standardized questionnaire to subjectively capture the essence of value and rarity of firm resources and capabilities. The results generated relatively low values of adjusted R2 for human resources and capabilities (R2=0.024), financial resources (R2=-0.009), and intellectual resources and capabilities/core competencies (R2=-0.015). This implies that variation in competitive advantage and organizational performance is explained by other factors other than their value and rarity. Hence, the findings show that value is neither related to competitive advantage nor performance, but KIBS with rare bundles of resources are likely to attain increased levels of competitive advantage and performance.

There are also counter arguments that resources do not necessarily need to be characterized by VRIN. Alexy et al. (2018) in mathematical modeling, premised on RBV, have shown conditions under which open strategies succeed. Furthermore, firms considerably increase their performance when strategically opening their resources, which reduces their costs while increasing demand for their proprietary resources as evidenced in soft technologies like the use of Windows by computer companies. In this case, openness refers to a purposive decrease or even complete elimination of inimitability.

Hence, it is the nature of a firm's resource portfolio rather than their characterization that is critical for organizational success. Based on a study of functional diversity of top management, Haessler (2020) contends that skillsets, knowledge levels and multidisciplinary discussions influence and predict sustainability. This deduction can be applicable to both profit and non-profit organizations.

Akay and Kunday (2018) conducted a study to examine HRM systems, human capital and social capital, and their development and influence on innovation capabilities in service and production organizations in Turkey. This was an explanatory study based on a cross-sectional and quantitative survey. Primary data was collected from 215 employees and analyzed using structural equation modelling. From the analysis, the relationship between HRM system and human capital (path coefficient=0.000, $p < .05$) was significant; between human capital and innovation capabilities (path coefficient=0.001, $p < .05$) was significant; between HRM system

and social capital (path coefficient=0.000, $p < .05$) was significant; and between social capital development and innovation capabilities (path coefficient=0.016, $p < .05$) was significant.

Consequently, the results indicated that human and social capital development are crucial for enhancing organizational innovation capabilities. There are also perspectives regarding the need for increased social entrepreneurship for sustainability but this requires more agile population at the leadership level. Indeed, Prabhu, McGuire, Kwong, Zhang and Ilyinsky (2017) posit that millennials are the solution to this dilemma since they are different from preceding generations in their interests in social issues and their entrepreneurial nature.

Notwithstanding, HRM systems and practices would be responsible for integrating both human and social capital with strategic plans. Additionally, the responsibility of designing these systems including allocating and managing the resources sits with the top leadership. Hence, the results of the study are applicable to the context of NGOs in Kenya, which are largely service organizations. In addition, Serrat (2017) states that the role of innovation should be seen as a creator and sustainer of organizational performance, that is, sustainability.

Hence, for NGOs, human capital and social capital are considered as new forms of capital in addition to intellectual capital (Mourão et al., 2017). These resources ought to be managed well in order to empower the organization. As such, the latent variables of firm's resource portfolio encompass human capital, social capital and core competencies.

Methodology

This section provides details on the approaches and methods applied to make a determination on the research objective. Specifically, it details the research design utilized in testing the influence of firm's resource portfolio on financial sustainability. It further provides particulars of the target population of the study.

Research Design

The study was designed to assess the influence of firm's resource portfolio on the financial sustainability of NGOs. Consequently, the study applied quantitative research approach to test the influence of firm's resource portfolio as independent variable and financial sustainability as dependent variable. Additionally, the study utilized descriptive correlational survey design in examining the relationship. With regard to quantitative approach, the research used survey research, which provided numeric descriptions through questionnaires for collecting data (Creswell, W. & Creswell, 2017). Working with a sample population for providing generalized conclusions, the questionnaires were thus administered to members of strategic leadership teams (Babbie, 2015).

Target Population

The study focused on locally registered Kenyan active NGOs because of the high death rate during their formative stages particularly within their initial 10 years of existence (NGOs Coordination Board, 2018). This dismal survival rate signposts sustainability challenges, which limit their ability to continue operating. The sampling frame for the study comprised the published list of 6,028 local active NGOs registered with the NGOs Coordination Board. In this case, a total of 413 members of strategic leadership teams (CEOs/board members) was sampled. The basis of this selection is due to the fact that for NGOs, important decisions such as firm's resource portfolio, which are vital to the success and life of organizations are taken at strategic leadership level (Sargeant & Day, 2018).

Findings

Correlation between Firm's Resource Portfolio and Financial Sustainability

The researcher carried out Spearman's correlation analysis test to determine the relationship between firm's resource portfolio and financial sustainability. The outcome of the Spearman's correlation analysis test between firm's resource portfolio and financial sustainability are provided in Table 1. The results indicate a positive and significant relationship, r (393) = 0.564, $p \leq .05$, implying that firm's resource portfolio positively and significantly correlated with financial sustainability.

Table 1: Correlation between Firm's Resource Portfolio and Financial Sustainability

Constructs		Firm's Resource Portfolio	Fundraising Sustainability
Firm's Resource Portfolio	Spearman's Correlation Coefficient	1.000	0.564
	Sig. (2-tailed)		0.000
	N	393	393
Fundraising Sustainability	Spearman's Correlation Coefficient	0.564	1.000
	Sig. (2-tailed)	0.000	
	N	393	393

Correlation is significant at $p \leq .05$ level (2-tailed).

Chi-square Test for Firm's Resource Portfolio Controls and Financial Sustainability

Chi-square test (χ^2) was carried out to determine whether there was association between firm's resource portfolio and financial sustainability. The results presented in Table 2 indicate that χ^2 (16, N = 393) = 400.429, $p \leq .05$, implying that there was a statistically significant association between firm's resource portfolio and financial sustainability.

Table 2: Chi-square Test for Firm's resource portfolio and Financial Sustainability

Chi-square Test	Value
Pearson Chi-Square	400.429
df	16
Asymptotic Significance (2-sided)	0.000
N of Valid Cases	393

Chi-square is significant at $p \leq .05$ (2-tailed)

One Way ANOVA for Firm's Resource Portfolio and Demographic Variables

One-way ANOVA was carried out in order to determine whether there were any significant differences between the means of firm's resource portfolio and demographic variables of position, gender, age group, highest academic qualification, years served as a member of the strategic leadership team, number of years the organization has been in operation and sectors that the organization serves. The results of the one-way ANOVA are provided in Table 3. The results of the one-way ANOVA are presented in Table 4.28. From the results, significant differences between the means of firm's resource portfolio and demographic variables were only for age-group, $F(4, 388) = 3.373$, $p \leq .05$ and sectors the organization serves, $F(4, 388) =$

2.642, $p \leq .05$. This implies that only two factors: age-group and sectors within which NGOs operate, have impact on deployment and management of firm's resource portfolio.

Table 3: One-way ANOVA for Firm's Resource Portfolio and Demographic Variables

		Sum of Squares	df	Mean Square	F	Sig.
Position in the organization	Between Groups	0.851	4	0.213	0.944	0.438
	Within Groups	87.459	388	0.225		
	Total	88.310	392			
Gender of Respondents	Between Groups	1.416	4	0.354	1.442	0.220
	Within Groups	95.306	388	0.246		
	Total	96.723	392			
Age-group:	Between Groups	11.269	4	2.817	3.373	0.010
	Within Groups	324.120	388	0.835		
	Total	335.389	392			
Highest academic qualification	Between Groups	5.694	4	1.423	1.260	0.285
	Within Groups	438.266	388	1.130		
	Total	443.959	392			
Years served as a member of strategic leadership team in any organization	Between Groups	1.859	4	0.465	0.717	0.580
	Within Groups	251.382	388	0.648		
	Total	253.242	392			
Number of years that the organization has been in operation	Between Groups	8.925	4	2.231	1.244	0.292
	Within Groups	695.991	388	1.794		
	Total	704.916	392			
Sector/s that the organization serves/ operates	Between Groups	55.758	4	13.940	2.642	0.033
	Within Groups	2046.944	388	5.276		
	Total	2102.702	392			

The mean difference is significant at $p \leq .05$ (2-tailed).

Ordinal Logistic Regression Analysis for Firm's resource portfolio and Financial Sustainability: Assumptions for Ordinal Logistic Regression Analysis

Ordinality Assumption Test for Financial Sustainability

For this study, financial sustainability was measured using two constructs: income diversification capability and fundraising potential whose indicators were on a five-level Likert scale. This depicts ordinal level of measurement, thus, implying that the assumption was confirmed for this study.

Test for Multi-collinearity Assumption

Multicollinearity test requires that the Spearman's correlation coefficient is below 0.8 ($r < 0.8$) to verify that the independent variables are not highly correlated with each other. Table 4 presents multicollinearity test results for firm's resource portfolio, which show that the values for the independent variables were below the threshold, $r \geq 0.8$, hence confirming non-existence of multicollinearity.

Table 4: Multicollinearity Test for Firm's resource portfolio

		Human capital	Social capital	Core competencies
Human capital	Spearman's Correlation Coefficient	1.000	0.789	0.705
	Sig. (2-tailed)		0.000	0.000
	N	393	393	393
Social capital	Spearman's Correlation Coefficient	0.789	1.000	0.738
	Sig. (2-tailed)	0.000		0.000
	N	393	393	393
Core competencies	Spearman's Correlation Coefficient	0.705	0.738	1.000
	Sig. (2-tailed)	0.000	0.000	
	N	393	393	393

*Correlation is significant at $p \leq .05$ level (2-tailed).

Test for Proportional Odds

The proportional odds assumption was examined through the test of parallel lines. With respect to firm's resource portfolio, the result presented in Table 5 shows LR χ^2 (2) = 5.475, $p \leq .05$, and thus the assumption was violated. However, violation of proportional odds assumption is not unique, and may be impacted by other factors.

Table 5: Test of Parallel lines for Firm's resource portfolio

Model	-2 Log Likelihood	Chi-Square	df	Sig.
Null Hypothesis	27.443			
General	21.967	5.475	2	0.065

The null hypothesis states that the location parameters (slope coefficients) are the same across response categories.

Ordinal Logistic Regression Analysis and Hypothesis Testing for Firm's resource portfolio

The study sought to establish the extent to which firm's resource portfolio influenced financial sustainability of NGOs in Kenya. A number of tests were conducted to test the hypothesis including: Model fitting information test, Pseudo R-Square, Goodness-of-fit and the parameter estimates test. The hypothesis and the test are given below:

H_{01}: Firm's resource portfolio has no significant influence on financial sustainability

Test: Logit [P(Y ≤ j)] = □j - βX +€

Goodness-of-Fit test criteria: Reject if $p \geq .05$, Fail to reject if $p \leq .05$

Model Fitting Information

Model fitting information test results presented in Table 6 show the log-likelihood that there was a significant improvement in the final model relative to the base model [χ^2 (4) = 145.241, $p \leq .05$]. Therefore, it gives better predictions with respect to the influence of firm's resource portfolio on financial sustainability, and consequently indicates that the model fits the data well.

Table 6: Model Fitting Information for Firm's resource portfolio

Model	-2 Log Likelihood	Chi-Square	df	Sig.
Intercept Only	235.315			
Final	90.074	145.241	4	0.000

Link function: Logit.

Goodness-of-Fit

The results of Goodness-of-Fit for firm's resource portfolio given in Table 7 shows that Pearson Chi-square statistic [χ^2 (2) = 5.027, $p \leq .05$] provided significant test results. The results indicate a good model, hence rejecting the null hypothesis. In other words, firm's resource portfolio has significant influence on financial sustainability of NGOs in Kenya.

Table 7: Goodness of Fit for Firm's resource portfolio

	Chi-Square	df	Sig.
Pearson	5.027	2	.081
Deviance	5.475	2	.065

Link function: Logit.

Pseudo R-Square

Pseudo R-square results presented in Table 8 show the three values of Pseudo R-Square coefficients for the influencing effect of the firm's resource portfolio. The Nagelkerke R-Square value (R^2 = .139) indicates that 13.9% of variance in financial sustainability would have been explained by firm's resource portfolio.

Table 8: Pseudo R-Square for Firm's resource portfolio

Link function	Logit
Cox and Snell	0.101
Nagelkerke	0.139
McFadden	0.082

Link function: Logit.

Parameter Estimates for Firm's resource portfolio

Parameter estimates results provided in Table 9 show that the base model provided as: "strategic leadership team strongly agreed (log-odds at X=5) that firm's resource portfolio has an influence on financial sustainability to a very large extent (Y_{FS} = 5) and being significant ($p \leq .05$)". In other words, for every one unit increase in those who agreed on the influence of firm's resource portfolio (X = 4), the log-likelihood that financial sustainability referenced at or below the level of very large extent reduced by a factor of 2.725 within the log-odds scale ($\beta 2$ = -2.725), being significant ($p \leq .05$). Similarly, the log-likelihood that financial sustainability decreased by a factor of 7.558 within the log-odds scale, being significant ($p \leq .05$) for every one-unit increase in those who strongly disagreed that firm's resource portfolio influenced financial sustainability to a very large extent.

Table 9: Parameter Estimates for Firm's resource portfolio (X)

		Estimate	Std. Error	Wald	df	Sig.	95% Confidence Interval	
							Lower Bound	Upper Bound
Threshold	[Y_{FS} = 1]	-8.054	0.667	145.644	1	0.000	-9.363	-6.746
	[Y_{FS} = 2]	-6.424	0.430	223.066	1	0.000	-7.266	-5.581
	[Y_{FS} = 3]	-3.939	0.312	159.319	1	0.000	-4.551	-3.327
	[Y_{FS} = 4]	-0.392	0.220	3.177	1	0.075	-0.823	0.039
Location	[X =1]	-7.558	0.918	67.780	1	0.000	-9.357	-5.759
	[X =2]	-3.511	0.854	16.910	1	0.000	-5.184	-1.837
	[X =3]	-3.934	0.397	98.111	1	0.000	-4.712	-3.155
	[X =4]	-2.725	0.303	80.741	1	0.000	-3.319	-2.130
	[X =5]	0[a]			0			

Link function: Logit.

a. This parameter is set to zero because it is redundant.

Discussion

The researcher sought to establish the extent to which firm's resource portfolio influenced financial sustainability of NGOs in Kenya. Hitt et al. (2016) indicate that the firm's resource portfolio is composed of social, human, financial and organizational capital, which provide an organization with its competitive advantage. Mourão et al. (2017) specifies that for NGOs, human capital and social capital are considered as new forms of capital in addition to intellectual capital. This study focused on human capital, social capital and core competencies for NGOs as components of firm's resource portfolio, and how they influence financial sustainability. Accordingly, the tests carried out included correlation analysis, chi-square test, one-way ANOVA and ordinal logistic regression analysis.

Correlation analysis between firm's resource portfolio and financial sustainability showed a positive and significant relationship with moderate magnitude, $r(393) = 0.564$, $p \leq .05$. This recognizes that an organization's resource portfolio is one of the important ingredients in shaping financial sustainability. The results support the study conducted by Adnan et al. (2018), which explored the relationship between RBV and firm performance from different top industrial companies in Pakistan, particularly in assessing the nature of resources and capabilities essential to enhance performance. Correlation analysis for the study indicated there was a significant positive relationship, albeit with low magnitude, between firm's resources and performance, $r\ (360) = 0.098$, $p \leq .05$.

The Chi-square test for this study showed existence of a statistically significant association between firm's resource portfolio and financial sustainability, $\chi^2\ (16, N = 393) = 400.429$, $p \leq .05$. Similarly, the research by Suriyankietkaew (2016) in a cross-sectional survey of 357 corporate leaders in Thailand contend that management of firm's resources is an important strategic leadership action responsible for corporate sustainability. No doubt, resources transcend sectors and industries, and drive organizational performance and success. According

to Akay and Kunday (2018), human and social capital development are crucial for enhancing organizational innovative capabilities, and subsequently financial sustainability.

This study determined through the one-way ANOVA results that there were significant differences between the means for firm's resource portfolio and for the age-group, $F(4, 388) = 3.373$, $p \leq .05$. As a matter of fact, majority of the respondents for this study were in their middle age with those falling between 30 years and 55 years constituting up to 66%. Those below 30 years of age widely classified as the youth constituted only 25%. This could imply that the leadership within the sector may either be insensitive to age-groups, or perhaps not attracting younger generation or millennials who comprise the majority of the population. Bennett (2020) provides a picture of inevitable development and argues that the world needs to be ready for millennials, that is, generation composed of those under 40 years, to take over C-suite for enhanced organizational performance. Notwithstanding, the current situation within the local NGOs may be attributed to the fear by the sector regarding the entrepreneurial orientation of millennials that would likely cause a disruption in the organizations. Indeed, this is confirmed by Prabhu et al. (2017) who posit that millennials are different from preceding generations in their entrepreneurial orientation. Nonetheless, it can be deduced that age is an important factor in managing firm's resource portfolio for financial sustainability.

Equally, the study determined through the one-way ANOVA results that there were significant differences between the means for firm's resource portfolio and for the sectors the organization serves, $F(4, 388) = 2.642$, $p \leq .05$. However, the results differ from other studies with respect to demographic factors. The research study by Wiengarten et al. (2017) emphasized the importance of gender dynamics in leadership positions and indicated that appointing a female brings the most financial performance. Based on a longitudinal study for listed companies within the United States, the study further revealed that many organizations have created positions within the top leadership that take responsibility for delivering sustainability, and thus, showing the significant difference between sustainability for firm's human capital, and for both gender and position within the organization.

Ordinal logistic regression analysis indicated that regression model for firm's resource portfolio provided good model [χ^2 (4) = 145.241, $p \leq .05$], and goodness of fit revealed non-significant results for Pearson Chi-square statistic [χ^2 (2) = 5.027, $p \geq .05$] suggesting a good model fit. There are a number of studies that evidence similar findings. Based on a study of functional diversity of top management, Haessler (2020) contends that varying skills, knowledge levels and interdisciplinary discussions positively affect and predict innovation and sustainability. At the same time, the study findings by Suriyankietkaew (2016) showed that resource portfolio, which includes relationships and networks within and outside the organization, positively predicted improved performance and sustainability. In the same way, Adnan et al. (2018) conducted regression analysis on the influence of RBV and firm performance within different top industrial companies in Pakistan. The study found out that a unit change in VRIN predicted a change by 0.200 units of variance in firm's performance (β =+0.200). Comparatively, parameter estimates for this study indicates that for every one-unit increase in firm's resource portfolio, the log-likelihood of financial sustainability being at or below the level of very large extent reduced by a factor of 2.725 within the log-odds scale (β_2 = -2.725).

Overall, with $R^2 = .139$, the study indicated that the firm's resource portfolio positively and significantly predicted financial sustainability. As such, it behooves effective leaders to manage the firm's resource portfolio in a manner that provides optimal benefits to the

organization. Recognizing that most resources are more homogenous than heterogeneous, more common than rare, and more imitable than inimitable, what sets resource portfolio apart will be how transformation is done to enhance their exploitation and performance (Kabue & Kilika, 2016). Specifically, core competencies become crucial in successfully exploiting the internal resources of an organization (Nimsith et al., 2016). For TMT, managerial competencies greatly influence capacity of organizational citizens in influencing high performance (Vainieri et al., 2019). In their study on the effect of core competencies as an element of firm's resource portfolio on competitive advantage within the banking sector in Sri Lanka, Nimsith et al. (2016) showed that $R^2 = 0.845$. Besides, Vainieri et al. (2019) in a longitudinal study assessing 4-year panel data for 16 public health organizations in Italy designed to explore the impact of managerial competencies on organizational performance revealed a contribution of 62.8% to the overall performance *(*$R^2 = 0.628$).

However, high attributability of firm's resource portfolio to organizational performance, that is large R^2, is not often common across other sectors. Baia et al. (2020) conducted a study of 107 Portuguese knowledge-based firms whose results generated relatively low values of adjusted R^2 for human resources and capabilities ($R^2 = 0.024$), and intellectual resources and capabilities/ core competencies ($R^2 = -0.015$). The difference may be attributed to the fact that knowledge-intensive businesses require rare bundles of resources to achieve increased competitive advantage. On the other hand, majority of local NGOs tend to work on similar themes, which means that capabilities and skills are generally transferable.

Conclusion

Ordinal logistic regression analysis for firm's resource portfolio provided non-significant results for goodness-of-fit's Pearson Chi-square statistic [χ^2 (2) = 5.027, $p \geq .05$]. Hence, the null hypothesis was rejected. Parameter estimates revealed the log-likelihood that the firm's resource portfolio significantly predicted financial sustainability ($\beta_2 = -2.086$, $p \leq .05$), implying that the firm's resource portfolio has significant influence on financial sustainability of NGOs in Kenya. The study concluded that managing firm's resource portfolio is cardinal for any NGOs keen on financial sustainability. The study recommends that strategic leadership teams to manage appropriately the organization's resource portfolio by organizing and bundling them into capabilities, structuring their organizations to utilize the capabilities and selecting optimal strategies to leverage on and exploit these resources to achieve financial sustainability.

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