



Contribution ID: 33

Type: Abstract for Research Paper

EFFECT OF WORKING MANAGEMENT PRACTICES ON SUSTAINABILITY OF NGOS IN NAIROBI COUNTY

Effect of Working Capital Management Practices on Sustainability of NGOs in Nairobi County

The study sought to assess the effect of working capital management practices on the sustainability of NGOs in Nairobi County. It was guided by the operating cycle theory and anchored on the positivist paradigm philosophy. It employed a descriptive research design where a sample of 285 out of a target population of 1000 senior program managers and chief executive officers was obtained using stratified random sampling. Primary data was collected from the sampled officers using structured questionnaires, while secondary data was obtained from the audited financial statements of the NGOs and publications by the NGO coordination board. A total of 172 questionnaires were collected and found to be satisfactorily complete for analysis yielding a 60.35% response rate. The data collected was analyzed using descriptive and inferential statistics procedures with respect to the study objective. Data summaries were presented in tables and charts. The descriptive statistics included frequencies, percentages, means and modes, while modelling and inferential statistics included Regression and Correlation analysis, Chi square tests and Analysis of Variance (ANOVA). Normality of the response variable (NGO sustainability) data was confirmed using the Shapiro-Wilks test. Statistical Package for Social Scientists (SPSS) was used for data handling and analysis. The findings of the study indicated that working capital management practices within the NGOs have significant positive effects on the NGOs' financial sustainability specifically current ratio and survival rate. The study recommends that NGO management in Nairobi County should focus on improved grant receipt scheduling and liquidation of expenditure and should effectively manage the cash flows to enable prompt settlement of the short-term obligations.

Key Words: Working Capital Management and Sustainability.

Primary author: MUGENYI, Lucy (STUDENT)

Track Classification: Accounting and Finance