

**EFFECTS OF BOARD CHARACTERISTICS ON FINANCIAL PERFORMANCE OF NON  
GOVERNMENTAL SECTOR IN KENYA : A CASE OF THE INTERNATIONAL  
PLANNED PARENTHOOD FEDERATION**

**<sup>1\*</sup> Birech Veronicah Jepchumba**

<sup>1</sup> Jomo Kenyatta University of Agriculture and Technology

P.O.Box 62000, 00200 Nairobi, Kenya

<sup>2</sup> **Dr. Gladys Rotich**

<sup>2</sup> Jomo Kenyatta University of Agriculture and Technology

Corresponding Author email:vbirech@gmail.com

**CITATION:** Jepchumba, V. B., & Rotich, G. (2016). Effects of Board Characteristics on Financial Performance of Non Governmental Sector in Kenya : A Case of The International Planned Parenthood Federation. *International Journal of Economics and Finance*. Vol. 5 (5). Pp 54-70.

**ABSTRACT**

NGO sector in both developed and developing countries has experienced exponential growth, characterized by donor and development partners' preference to channel aid through NGOs as they are considered to deliver services better than governments coupled with their flexibility and innovation. However, their governance are influenced by financial management crisis; lack of a stable and diverse funding base; leadership crisis, Competition with other organizations with similar interests and dwindling relevance and lack of focus. IPPF like any other NGO is not excluded from such challenges. This study therefore sought to assess the effects of board characteristics on financial performance among NGO in Kenya with International Planned Parenthood Federation (IPPF) being our case study. The specific objective deemed to assist achieving the main objective included: to assess the effect of board size, board composition, board structure and Board meetings on financial performance of IPPF. Using both stratified and purposive sampling techniques, data was collected from regional secretariat staff, volunteers, and member association staff (country office staff) to sample total sample of 54 respondents form a population of 180 individuals. Both interview and questionnaire were used to collect data. The data collected was summarized and analyzed with both descriptive and inferential using Statistical Package for Social Science (SPSS) Version 20. The study found out that board size and financial performance were positively and significantly related ( $r=0.016$

,  $p=0.032$ ).

Board composition

and financial performance were positively and significantly related ( $r=0.019$

,  $p=0.020$ ). It was further established that

board structure

and financial performance were positively and significantly related ( $r=0.18$

,  $p=0.022$ ), while

board meetings

and financial performance were positively and significantly related ( $r=0.25$

,  $p=0.010$ ). Based on the findings above the study concluded board size, board composition, board structure and board meetings have a positive and a significant effect on financial performance. The study recommended for a good representation of women in the board. In addition, the study recommended

for a board that includes non-board members on the committees of the boards and inclusion of major donors on the board .Further,

the study recommended for a standard frequency of board meetings.

Lastly, the study recommended for the directors to also participate in the board meetings.

***Keywords: Board size, Board meetings, Board structure, Board composition, financial performance, IPPF***

**[Full Text PDF Format](#)**