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Capability Reconfiguration Strategies, Technology
Integration and Performance in Resource-Constrained
Nonprofit Environments: Evidence from Kenya



Capability Reconfiguration Strategies, Technology Integration and Performance in Resource-Constrained Nonprofit Environments: Evidence from Kenya



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Abstract

Purpose: This study examines the association between capability reconfiguration strategies (CRS) and the performance of nonprofit organizations (NPOs) operating in resource-constrained environments in Kenya, and whether technology integration (TI) moderates this relationship.

Methodology: Grounded in Dynamic Capabilities Theory (DCT) and the Resource-Based View (RBV), the study adopted pragmatist philosophy and a mixed-methods, cross-sectional survey design. A stratified random sample of 368 NPOs was drawn from organizations listed by the Public Benefit Organizations Regulatory Authority, and 261 usable responses were obtained (71% response rate). Quantitative data were analyzed using descriptive statistics, chi-square tests of association and ordinal logistic regression, while open-ended responses were analyzed thematically.

Findings: CRS were adopted to a high extent and TI to a moderate extent. CRS ($B = 0.426$, $p = .040$) and TI ($B = 0.495$, $p = .017$) were each positively associated with NPO performance, and the CRS $\times$ TI interaction was statistically significant ($p = .004$), indicating that the CRS–performance relationship depends on the level of TI. Qualitative findings identify staff-capacity gaps, donor dependence, technology-adoption costs and resistance to change as the main implementation barriers.

Unique Contribution to Theory, Policy and Practice: The study extends DCT to resource-constrained nonprofits in an African context and positions TI as a boundary condition for the performance value of capability reconfiguration. It offers evidence-based guidance for NPO leaders, donors and regulators seeking to strengthen performance under persistent resource constraints.

Keywords: *Capability Reconfiguration, Dynamic Capabilities, Technology Integration, Nonprofit Performance, Resource Constraints, Kenya*

JEL Codes: *L31, O33, L25, M10, C25*

1. Introduction

In Kenya, nonprofit organizations operate in environments characterized by resource scarcity, policy change and donor dependence. These organizations play an important role in community development, social-service delivery and addressing gaps left by state and market institutions. Their sustained performance, however, is continually challenged by limited financial reserves, changing donor priorities and weak institutional infrastructure. Organizations that depend on a narrow set of external funders are particularly exposed to funding volatility, which shapes and constrains their strategic choices (Froelich, 1999; Pfeffer & Salancik, 1978). In Kenya, these pressures are compounded by evolving compliance obligations and by the demands of financial regulation and resource mobilisation (Bellehu et al., 2026; Public Benefit Organizations Regulatory Authority [PBORA], 2026).

In this article, the term nonprofit organization (NPO) refers to a non-governmental, not-for-profit organization registered under Kenya's regulatory framework. Kenyan law and practice also use the terms non-governmental organization (NGO) and public benefit organization (PBO) for organizations within this population; for consistency, NPO is used throughout.

Under such conditions, the central question concerns not merely whether NPOs survive, but how they reconfigure their capabilities to sustain performance. Persistent constraints in human capital, finance and institutional support can create cycles of donor dependence and vulnerability when funding is short term and priorities change rapidly. Regulatory action against non-compliant organizations, including the deregistration of organizations that fail to meet reporting obligations (PBORA, 2026), illustrates the accountability and performance pressures facing the sector. High administrative costs and weak reconfiguration capabilities can further reduce the efficiency of resource use and undermine organizational effectiveness.

Research on nonprofits in East Africa has examined crisis management and organizational resilience (Kyambade et al., 2026), financial management and resource mobilisation (Bellehu et al., 2026), strategic planning (Cheruiyot et al., 2026) and leadership (Khisa & Kyule, 2025). Less attention has been paid to how nonprofits reconfigure their capabilities and integrate technology to sustain performance under resource constraints. At the same time, DCT has been developed and tested largely in commercial firms (Eisenhardt & Martin, 2000; Helfat & Winter, 2011; Teece et al., 1997), and research on the strategic use of information technology suggests that nonprofits often fail to exploit its full potential (Hackler & Saxton, 2007). How capability reconfiguration and technology integration jointly relate to nonprofit performance in resource-constrained African settings therefore remains insufficiently understood.

This study addresses this gap by examining whether capability reconfiguration strategies and technology integration are associated with the performance of NPOs in Kenya, and whether

technology integration moderates the relationship between capability reconfiguration strategies and NPO performance. Three null hypotheses (H01–H03), developed in Section 2, were tested.

The study makes three contributions. First, it extends DCT to the nonprofit sector by examining capability reconfiguration as a performance-relevant capability in resource-constrained organizations. Second, it identifies technology integration as a boundary condition that shapes the performance value of capability reconfiguration. Third, it combines survey evidence with qualitative accounts to explain the conditions under which reconfiguration and technology integration are implemented in Kenyan NPOs. The remainder of the article reviews the theoretical and empirical literature, describes the methodology, presents the results, and discusses the implications, limitations and directions for future research.

2. Theoretical Background and Hypothesis Development

2.1 Dynamic Capabilities Theory and the Resource-Based View

This study is grounded in DCT, which identifies sensing, seizing and reconfiguring as the foundations of organizational adaptability (Teece, 2007). Teece et al. (1997) define dynamic capabilities as an organization's ability to integrate, build and reconfigure internal and external competencies to address rapidly changing environments. Eisenhardt and Martin (2000) emphasize identifiable processes, such as product development and strategic decision-making, which vary across industries but share features of learning and flexibility. Helfat et al. (2007) describes the evolutionary paths through which dynamic capabilities develop via organizational learning and resource redeployment, while Winter (2003) distinguishes dynamic capabilities, which are change-oriented processes, from ordinary capabilities, which support routine operations. Zahra et al. (2006) further emphasize the entrepreneurial processes through which dynamic capabilities are formed and deployed.

DCT draws on the RBV, which proposes that resources can provide strategic value when they are valuable, rare, difficult to imitate and non-substitutable (Barney, 1991; Barney et al., 2001). The RBV complements DCT by explaining why particular resources matter, while DCT explains how resources are renewed and redeployed as conditions change. In nonprofits, capacity-building initiatives, mentoring systems and leadership practices can function as strategic resources that underpin resilience. Seo and Bryson's (2022) study of resource development and use in a nonprofit collaboration highlights the importance of flexible resource arrangements for sustaining activity in volatile environments. Applied to resource-scarce NPO environments, these perspectives imply that organizations need to combine value-adding resources with adaptive processes, and that capability reconfiguration strategies are a central mechanism through which they do so.

2.2 Capability Reconfiguration Strategies and NPO Performance

Capability reconfiguration strategies involve organizational restructuring, resource recombination and process redesign to align an organization with changes in its operating environment (Teece et al., 1997). In nonprofits, such strategies embody organizational flexibility by enabling organizations to redirect resources from declining programmes to emerging priorities, recombine assets and redesign workflows to renew service models. Reconfiguration also depends on organizational learning, because organizations must absorb new knowledge and experiment with alternative approaches; deliberate learning is one of the mechanisms through which dynamic capabilities evolve (Zollo & Winter, 2002).

Nonprofit organizations differ from commercial firms because they pursue mission-related objectives and often depend on grants, donations and partnerships rather than on market revenue alone (Froelich, 1999). In resource-constrained settings, reconfiguration may therefore prioritise the redeployment of existing resources over expansion. Illustrative examples include restructuring supply chains to reduce operating costs, combining donor funding with community contributions and redesigning governance processes to strengthen accountability. Evidence from the region is consistent with this view: in Ugandan NGOs, adaptive leadership, partnerships, learning and flexible structures supported resilience during the Ebola and COVID-19 crises (Kyambade et al., 2026), while in Kenya strategic planning practices have been linked to performance outcomes in health-sector NGOs (Cheruiyot et al., 2026). Related Kenyan research on leadership in community conservancies (Khisa & Kyule, 2025) and on financial management and resource mobilisation in NGOs (Bellehu et al., 2026) addresses adjacent constructs but does not examine capability reconfiguration directly.

Taken together, DCT and this evidence suggest that NPOs which realign skills, processes and technologies, foster continuous learning, share knowledge through collaborative networks and renew their capabilities should be better able to sustain performance under constraint. Accordingly, the study tested the following null hypothesis:

H01: Capability reconfiguration strategies are not significantly associated with NPO performance in Kenya.

2.3 Technology Integration and NPO Performance

Technology integration refers to the adoption and organizational use of digital platforms and tools, process automation, ICT-enabled service delivery, data-driven decision-making, staff digital capacity-building, and the monitoring and evaluation of technology impact. From an RBV perspective, information technology capability is a firm-specific resource that can be associated with superior performance when it is combined with complementary human and organizational resources (Bharadwaj, 2000). In nonprofits, the strategic use of information technology can

increase organizational capacity, although much of its potential often remains untapped (Hackler & Saxton, 2007).

Research on digital transformation emphasizes that technology adoption alone is insufficient: performance benefits depend on strategy, culture and leadership rather than on technology per se (Kane et al., 2015; Tabrizi et al., 2019; Westerman et al., 2014). Technology integration can also strengthen transparency and accountability; in Zimbabwe, for example, Tsokota et al. (2025) discuss technology integration as a means of countering corruption. Because accountability, efficient resource allocation and stakeholder confidence are central to NPO performance, the study tested the following null hypothesis:

H02: Technology integration is not significantly associated with NPO performance in Kenya.

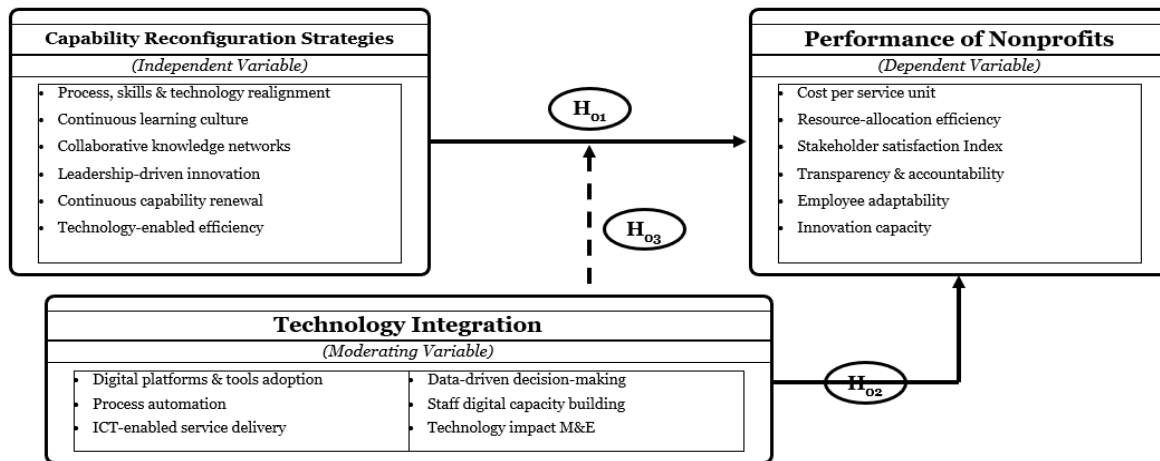
2.4 The Moderating Role of Technology Integration

DCT suggests that the capacity to sense opportunities, seize them and reconfigure resources rests on organizational microfoundations, including information systems and decision processes (Teece, 2007). Technology integration may therefore act as a boundary condition for capability reconfiguration: data-driven decision-making can improve the identification of priorities, automation can release resources for redeployment, and digital platforms can support the coordination of reconfigured processes. Conversely, where technology is weakly integrated, reconfiguration efforts may be slower, costlier or less visible to stakeholders. Consistent with the RBV argument that technology creates value through complementarity with other organizational resources (Bharadwaj, 2000), the study treats technology integration as a moderator of the relationship between capability reconfiguration strategies and NPO performance, and tested the following null hypothesis:

H03: Technology integration does not significantly moderate the relationship between capability reconfiguration strategies and NPO performance in Kenya.

2.5 Conceptual Framework

Figure 1 presents the conceptual framework. Capability reconfiguration strategies (the independent variable) are hypothesized to be associated with NPO performance (the dependent variable) (H01). Technology integration is hypothesized to have a direct association with NPO performance (H02) and to moderate the relationship between capability reconfiguration strategies and NPO performance (H03). Resource-constrained conditions, including donor dependence, regulatory change, limited funding and stakeholder pressure, form the context of the study rather than a tested variable.

Figure 1: Conceptual Framework

Source: Researchers' conceptualization (2026), informed by DCT and the RBV.

3. Methodology

3.1 Research Philosophy and Design

The study adopted a pragmatist philosophy and a mixed-methods cross-sectional survey design. Quantitative and qualitative data were collected at a single point in time using the same questionnaire, which contained closed-ended items measuring the study constructs and open-ended questions on organizational experiences of capability reconfiguration, technology integration and performance. The quantitative strand tested the hypothesized associations, and the qualitative strand was used to interpret and contextualize the quantitative results.

3.2 Population and Sample

The target population comprised 4,750 compliant NPOs listed by PBORA in 2025 (PBORA, 2026). The organizations operated across sectors including health, education, agriculture, humanitarian response, climate resilience, governance and child protection, and ranged from small community-based organizations to large international organizations with a regional presence. Using Cochran's (1977) formula at a 95% confidence level and a 5% margin of error, a sample of 368 NPOs was determined, and organizations were selected through stratified random sampling. One knowledgeable respondent at management level was targeted in each organization.

3.3 Instrument and Measurement of Variables

Data was collected using a structured questionnaire. The closed-ended items were measured on a five-point Likert scale (1 = strongly disagree, 2 = disagree, 3 = neutral, 4 = agree, 5 = strongly agree). Table 1 summarizes the constructs and their indicators. Composite scores for each construct

were computed as the mean of its items. For the chi-square tests and ordinal regression, the NPO Performance composite was classified into ordered categories corresponding to the response scale.

Table 1: Constructs and Indicators

Construct	Role	Indicators
Capability Reconfiguration Strategies (CRS)	Independent variable	Realignment of processes, skills and technologies; continuous learning and improvement culture; collaborative knowledge-sharing networks; leadership-driven innovation; continuous capability renewal; technology-enabled efficiency
Technology Integration (TI)	Moderator and predictor	Digital platforms and tools adoption; process automation; ICT-enabled service delivery; data-driven decision-making; staff digital capacity-building; monitoring and evaluation of technology impact
NPO Performance	Dependent variable	Service-delivery efficiency relative to cost; stakeholder satisfaction; efficiency of resource allocation; transparency in financial and programme reporting; staff professional development; adaptation to organizational change

Source: Research Data (2026).

3.4 Pilot Study, Reliability and Validity

The instrument was pilot-tested on 37 NPOs that did not form part of the main sample. Reliability and construct validity were assessed using exploratory factor analysis and internal-consistency analysis, and the instrument was found to be adequate. The Cronbach's alpha values for CRS, TI and NPO Performance were 0.914, 0.861 and 0.836 respectively.

3.5 Data Analysis

Descriptive statistics (means, standard deviations, skewness and kurtosis) were used to summarise the constructs. Mean scores were interpreted using the following ranges: 1.00–2.33 = low, 2.34–3.66 = moderate and 3.67–5.00 = high extent. Pearson chi-square tests were used to assess associations between the categorized constructs. Ordinal logistic regression (logit link) was then used to test the hypotheses, because the dependent variable was ordinal. Three models were estimated, following the parameterization used by SPSS, in which a positive coefficient indicates a higher likelihood of being in a higher performance category:

$$\text{Model 1: } \ln[P(Y \leq j) / P(Y > j)] = \theta_j - \beta_1 \text{CRS}(1)$$

$$\text{Model 2: } \ln[P(Y \leq j) / P(Y > j)] = \theta_j - \beta_2 \text{TI} \quad (2)$$

$$\text{Model 3: } \ln[P(Y \leq j) / P(Y > j)] = \theta_j - (\beta_1 \text{CRS} + \beta_2 \text{TI} + \beta_3 \text{CRS} \times \text{TI}) \quad (3)$$

where Y is the NPO Performance category, θ_j are the threshold (cut-off) parameters and $\text{CRS} \times \text{TI}$ is the product of the CRS and TI composite scores. H01 and H02 were tested using Models 1 and 2, and H03 using the interaction term in Model 3. Model fit was assessed using the likelihood-ratio test against the intercept-only model, and the proportional-odds assumption was assessed using the test of parallel lines. Open-ended responses were analyzed using deductive thematic content analysis: responses were coded into themes aligned with the study constructs, and the number of coded mentions per theme was recorded.

3.6 Ethical Considerations

The study obtained a research permit from the National Commission for Science, Technology and Innovation (NACOSTI) permit number NACOSTI/P/26/4188562 dated 6th May 2026 and institutional approval from Machakos University. Participation was voluntary, informed consent was obtained from all respondents, and responses were anonymized and treated confidentially.

4. Results

4.1 Response Rate

Of the 368 NPOs sampled, 261 returned usable questionnaires, representing a response rate of 71%. This exceeds commonly cited benchmarks for survey adequacy (Richardson, 2005) and was considered sufficient for analysis.

4.2 Descriptive Statistics

Table 2 presents the descriptive statistics for capability reconfiguration strategies. All six item means fell within the high range (4.03–4.14). Respondents agreed most strongly that their organizations fostered a culture of continuous learning and improvement ($M = 4.14$, $SD = 0.964$) and enhanced efficiency through the effective integration of technologies ($M = 4.14$, $SD = 0.944$). They also agreed that their organizations maintained collaborative networks that facilitated knowledge sharing ($M = 4.08$, $SD = 1.048$), sustained performance through frequent updating of capabilities ($M = 4.08$, $SD = 1.034$) and had leadership that drove improvement initiatives and innovation ($M = 4.05$, $SD = 1.018$). These results indicate that capability reconfiguration strategies were adopted to a high extent among NPOs in Kenya.

Table 2: Descriptive Statistics for Capability Reconfiguration Strategies

Statement	<i>N</i>	<i>M</i>	<i>SD</i>
Realign processes, skills and technologies to adapt to change	261	4.03	0.946
Fosters a culture of continuous learning and improvement	261	4.14	0.964
Has collaborative networks that facilitate knowledge sharing	261	4.08	1.048
Leadership drives improvement initiatives and innovation	261	4.05	1.018
Sustains performance through frequent updating of capabilities	261	4.08	1.034
Enhance efficiency through effective integration of technologies	261	4.14	0.944

Source: Research Data (2026).

Table 3 presents the descriptive statistics for technology integration. All item means fell within the moderate range (3.46–3.61). Respondents were most positive about leveraging ICT integration to improve stakeholder engagement and service delivery ($M = 3.61$, $SD = 1.133$) and about promoting data-driven decision-making for performance evaluation and strategic planning ($M = 3.56$, $SD = 1.161$). The lowest scores related to the automation of key processes ($M = 3.46$, $SD = 1.151$) and the monitoring and evaluation of the impact of technology integration ($M = 3.47$, $SD = 1.115$). These results indicate a moderate level of technology integration, with the main gaps in automation and impact evaluation.

Table 3: Descriptive Statistics for Technology Integration

Statement	<i>N</i>	<i>M</i>	<i>SD</i>
Adopts and implements digital platforms and tools to enhance efficiency	261	3.51	1.152
Prioritises automation of key processes to streamline workflows	261	3.46	1.151
ICT integration is leveraged to engagement and service delivery	261	3.61	1.133
Data-driven decision-making for evaluation and strategic planning	261	3.56	1.161
Continuous training to build staff capacity for technology initiatives	261	3.55	1.114
The impact of technology integration measured to inform strategies	261	3.47	1.115

Source: Research Data (2026).

Respondents generally agreed that their organizations delivered services efficiently relative to cost, adapted effectively to organizational change and supported stakeholder satisfaction through transparency and responsiveness. They also agreed that professional development and training were provided annually and that resources were allocated efficiently to achieve financial, programme-reporting and strategic goals.

Table 4 summarizes the composite scores. The mean scores for capability reconfiguration strategies ($M = 4.11$) and NPO performance ($M = 3.95$) fell within the high range, while technology integration ($M = 3.55$) fell within the moderate range. Skewness and kurtosis values were all close to zero, indicating no extreme asymmetry or peakedness in the composite distributions. Because ordinal logistic regression does not require normally distributed variables, these statistics are reported descriptively rather than as a test of model assumptions.

Table 4: Composite Descriptive Statistics

Variable		N	M	Skewness (SE)	Kurtosis (SE)	Level
Capability Strategies	Reconfiguration	261	4.1124	-0.474 (0.151)	-0.232 (0.300)	High
Technology Integration		261	3.5453	-0.111 (0.151)	0.019 (0.300)	Moderate
NPO Performance		261	3.9451	-0.567 (0.151)	0.064 (0.300)	High

Source: Research Data (2026).

4.3 Chi-Square Tests of Association

Pearson chi-square tests were used to assess associations between each predictor and NPO performance. These tests establish association only; they do not indicate the direction, strength or causal nature of a relationship. Because the tables have 285 degrees of freedom and 261 cases, many cells have low expected counts, so the Pearson statistic should be interpreted with caution. The linear-by-linear association statistic, which tests for a linear trend across ordered categories, are therefore also reported. The ordinal regression models in Section 4.4 provide the primary hypothesis tests.

Table 5: Chi-Square Tests between Capability Reconfiguration Strategies and NPO Performance

Test	Value	df	p (2-sided)
Pearson chi-square	494.369	285	< .001
Likelihood ratio	239.359	285	.977
Linear-by-linear association	8.272	1	.004
N of valid cases	261		

Source: Research Data (2026).

As shown in Table 5, the Pearson chi-square test indicated a significant association between capability reconfiguration strategies and NPO performance, $\chi^2(285, N = 261) = 494.369, p < .001$, although the likelihood-ratio statistic was not significant ($p = .977$), reflecting the sparse table. The linear-by-linear association was significant, $\chi^2(1) = 8.272, p = .004$, indicating a linear trend in which higher levels of capability reconfiguration were associated with higher performance categories.

Table 6: Chi-Square Tests between Technology Integration and NPO Performance

Test	Value	df	p (2-sided)
Pearson chi-square	312.482	285	.041
Likelihood ratio	298.765	285	.049
Linear-by-linear association	6.327	1	.012
N of valid cases	261		

Source: Research Data (2026).

As shown in Table 6, the Pearson chi-square test indicated a significant association between technology integration and NPO performance, $\chi^2(285, N = 261) = 312.482, p = .041$. The linear-by-linear association was also significant, $\chi^2(1) = 6.327, p = .012$, indicating that higher levels of technology integration were associated with higher performance categories.

4.4 Ordinal Regression: Main Effects

Model 1 estimated the association between capability reconfiguration strategies and NPO performance. The coefficient for capability reconfiguration strategies was positive and statistically significant ($B = 0.426, p = .040$). The corresponding odds ratio ($\text{Exp}(B) = 1.53$) indicates that a one-unit increase in the capability reconfiguration score was associated with approximately 53% higher odds of being in a higher performance category. H01 was therefore rejected. The estimated model is:

NPO Performance = 0.426 CRS; thresholds: -3.147, -2.207, 0.399, 2.908 (4)

Table 7 shows that Model 1 improved on the intercept-only model, $\chi^2(1) = 3.439$, $p = .034$.

Table 7: Model Fitting Information for Model 1

Model	-2 Log likelihood	χ^2	df	p
Intercept only	140.030			
Final	136.591	3.439	1	.034

Source: Research Data (2026). Link function: logit.

The test of parallel lines yielded $\chi^2 = 14.914$, $p = .020$. Because the test was statistically significant, the proportional-odds assumption was not fully met, indicating that the association may vary across performance thresholds. The coefficients are therefore interpreted as average associations across thresholds, and this is acknowledged as a limitation in Section 8.

Model 2 estimated the association between technology integration and NPO performance. The coefficient for technology integration was positive and statistically significant ($B = 0.495$, $p = .017$). The corresponding odds ratio ($\text{Exp}(B) = 1.64$) indicates that a one-unit increase in the technology integration score was associated with approximately 64% higher odds of being in a higher performance category. H02 was therefore rejected. The estimated model is:

$$\text{NPO Performance} = 0.495 \text{ TI; thresholds: } -3.150, -2.213, 0.389, 2.910 \quad (5)$$

4.5 Moderating Effect of Technology Integration

Model 3 added the $\text{CRS} \times \text{TI}$ interaction term to a model containing both main effects. Table 8 presents the parameter estimates.

Table 8: Parameter Estimates for the Moderation Model (Model 3)

Parameter	B	SE	Wald	df	p	95% CI lower	95% CI upper
Threshold [NPO Performance = 2]	20.026	7.806	6.582	1	.010	4.727	35.325
CRS	5.914	1.977	8.949	1	.003	2.039	9.788
TI	6.625	2.223	8.884	1	.003	2.269	10.982
CRS $\times$ TI	1.598	0.559	8.172	1	.004	2.694	0.502

Source: Research Data (2026). Link function: logit. Predictors were entered as uncentred composite scores.

The interaction term was statistically significant ($B = 1.598$, $SE = 0.559$, $Wald = 8.172$, $p = .004$), indicating that the association between capability reconfiguration strategies and NPO performance depends on the level of technology integration. H03 was therefore rejected. The positive interaction coefficient indicates that the association between capability reconfiguration strategies

and NPO performance becomes stronger as technology integration increases. Because the predictors were not centred, the CRS and TI coefficients in Model 3 represent conditional associations when the other predictor equals zero, a value outside the observed scale range; they should not be compared with the main-effect estimates from Models 1 and 2, which remain the basis for interpreting H01 and H02. The estimated moderation model is:

$$\text{NPO Performance} = 5.914 \text{ CRS} + 6.625 \text{ TI} + 1.598 \text{ CRS} \times \text{TI} \quad (6)$$

4.6 Qualitative Findings

The open-ended questionnaire responses were coded into themes aligned with the study constructs. Tables 9 and 10 report the number of coded mentions per theme; because a respondent could contribute to more than one theme, the frequencies represent mentions rather than numbers of respondents.

Table 9: Thematic Analysis of Capability Reconfiguration Strategies

Theme			Mentions	Illustrative quote
Strategic adaptation	planning	and	20	“Strategic planning enabled us to realign processes with change.”
Knowledge partnerships	sharing	and	17	“Collaborative networks foster continuous learning.”
Changing environment	operating		15	“Frequent shifts in donor priorities challenge reconfiguration.”
Innovation and improvement	continuous		14	“Innovation initiatives sustain performance during change.”

Source: Research Data (2026).

Respondents described strategic planning, adaptation, knowledge sharing and partnerships as important for maintaining performance, and viewed networks and learning as sources of organizational adaptability. Changing operating environments, particularly shifts in donor priorities, and resource constraints were described as barriers to reconfiguration. These accounts converge with the high mean scores for capability reconfiguration (Table 2) and help explain how respondents perceived reconfiguration to support performance.

Table 10: Thematic Analysis of Technology Integration

Theme	Mentions	Illustrative quote
Technology-adoption challenges	25	“High costs and inadequate training hinder adoption.”
Staff training gaps	20	“Staff lack skills to fully utilise digital tools.”
Digital initiatives (ICT, automation)	18	“Automation has improved efficiency and accountability.”
Resistance to digital change	14	“Cultural resistance slows digital integration.”

Source: Research Data (2026).

Respondents associated automation and ICT integration with efficiency and accountability, but frequently cited inadequate training, high costs and cultural resistance as barriers. Many emphasized that technology needs to be embedded in organizational culture rather than treated as an add-on. These accounts are consistent with the moderate level of technology integration and the low scores for automation and impact evaluation (Table 3), and they offer possible explanations for variation in technology adoption across NPOs. They do not, however, constitute statistical evidence of moderation, which rests on the interaction test in Model 3.

Across both constructs, respondents identified cross-cutting barriers, including donor dependence, governance gaps, staff-capacity limitations, resistance to change and technology-adoption challenges. Staff-capacity deficiencies (30 mentions) and donor dependence (28 mentions) were mentioned most frequently. These findings indicate that resource constraints form an important context for reconfiguration: respondents perceived donor dependence and staff gaps as limiting the implementation of capability reconfiguration strategies, even though these constraints were not modelled as variables in the quantitative analysis.

4.7 Summary of Hypothesis Tests

Table 11: Summary of Hypothesis Tests

Hypothesis	Test	<i>B</i>	<i>p</i>	Decision
H01: CRS are not significantly associated with NPO performance	Model 1	0.426	.040	Rejected
H02: TI is not significantly associated with NPO performance	Model 2	0.495	.017	Rejected
H03: TI does not significantly moderate the CRS–performance relationship	Model 3 (CRS × TI)	1.598	.004	Rejected

Source: Research Data (2026).

5. Discussion

The first finding is that capability reconfiguration strategies were adopted to a high extent and were positively associated with NPO performance. This is consistent with DCT, which proposes that organizations sustain performance in changing environments by integrating, building and reconfiguring competencies (Teece, 2007; Teece et al., 1997). The high item scores for continuous learning, knowledge-sharing networks and capability renewal mirror the learning and flexibility features that Eisenhardt and Martin (2000) and Zollo and Winter (2002) identify as common to dynamic capabilities. The finding also aligns with regional evidence that adaptive leadership, partnerships, learning and flexible structures support resilience in NGOs (Kyambade et al., 2026), and with Kenyan evidence linking strategic planning to performance in health-sector NGOs (Cheruiyot et al., 2026). The qualitative accounts add that respondents saw strategic planning, partnerships and knowledge sharing as the practical means through which reconfiguration supported performance, while shifting donor priorities complicated these efforts.

The second finding is that technology integration was positively associated with NPO performance, although its level of adoption was only moderate. This supports the RBV argument that information technology capability can be a source of performance advantage (Bharadwaj, 2000) and echoes evidence that nonprofits often leave much of the potential of technology untapped (Hackler & Saxton, 2007). The low scores for process automation and for monitoring the impact of technology, together with the qualitative emphasis on training gaps, costs and cultural resistance, are consistent with the view that technology creates value only when it is accompanied by strategic and cultural alignment (Kane et al., 2015; Tabrizi et al., 2019; Westerman et al., 2014). Respondents' association of automation and ICT with accountability is also consistent with arguments that technology integration can strengthen transparency (Tsokota et al., 2025).

The third finding is that technology integration moderated the relationship between capability reconfiguration strategies and NPO performance. Theoretically, this positions technology integration as a boundary condition for the performance value of capability reconfiguration, consistent with the DCT view that information systems and decision processes form part of the microfoundations of sensing, seizing and reconfiguring (Teece, 2007), and with the RBV emphasis on complementarity between technology and other organizational resources (Bharadwaj, 2000). In practical terms, NPOs that combine reconfiguration with data-driven decision-making, ICT-enabled service delivery and staff digital capacity may be better placed to translate reconfiguration into performance. Because the proportional-odds assumption was not fully met and the interaction was not probed at specific levels of technology integration, the precise form of this moderation should be examined further.

Finally, the qualitative findings highlight that staff-capacity gaps and donor dependence were the most frequently mentioned barriers. Although resource constraints were not tested as a variable, these accounts suggest that the performance value of reconfiguration and technology integration depends on the human and financial resources available to implement them, a point consistent with resource-dependence perspectives on nonprofit funding (Froelich, 1999; Pfeffer & Salancik, 1978).

6. Conclusions

The study concludes that capability reconfiguration strategies and technology integration are positively associated with the performance of NPOs in Kenya, and that technology integration significantly moderates the relationship between capability reconfiguration strategies and performance. NPOs that realign capabilities, foster continuous learning, share knowledge through collaborative networks and renew their capabilities reported stronger service delivery, resource management and stakeholder satisfaction. Technology integration, although adopted only to a moderate extent, was associated with higher performance, and respondents identified automation, ICT integration and data-driven practices as sources of efficiency and accountability, with gaps remaining in automation, impact monitoring, staff skills, cost and readiness for change. The findings are broadly consistent with DCT and the RBV and indicate that, in resource-constrained nonprofit environments, the performance value of capability reconfiguration is shaped by how well technology is integrated into organizational routines.

7. Implications

7.1 Theoretical Implications

The study applies DCT and the RBV to legally compliant NPOs in Kenya and finds that capability reconfiguration strategies are associated with nonprofit performance, extending a theory developed largely in commercial firms to mission-driven, resource-constrained organizations. It further specifies technology integration as a boundary condition that conditions the performance value of capability reconfiguration, rather than treating technology only as a stand-alone resource. The evidence is specific to the Kenyan NPO context and should not be generalised to all nonprofits in developing countries without comparative research.

7.2 Practical Implications

NPO leaders could strengthen cultures of learning and innovation through partnerships, strategic planning, deliberate resource allocation, knowledge transfer and staff development, prioritising actions according to each organization's needs and capacity. Given the moderate level of technology integration, organizations could integrate appropriate ICT and process automation into routine operations, provide continuing staff training, and systematically evaluate the costs, uptake and service outcomes of technology initiatives, including data protection and accessibility.

Strategic alliances and resource-mobilisation initiatives could help address the funding and adoption barriers identified by respondents.

7.3 Policy Implications

Regulators, sector umbrella bodies and donors could support resource-sharing networks, donor partnerships, innovation hubs and capacity-building programmes that help NPOs overcome financial and technology-adoption barriers. Because technology integration was associated with performance and conditioned the value of capability reconfiguration, support for digital capacity, such as shared digital infrastructure and staff training programmes, warrants consideration. Fiscal incentives such as subsidies or tax relief for technology adoption should be assessed for cost, feasibility and likely impact before implementation.

8. Limitations and Future Research

This study has several limitations. First, the cross-sectional design supports conclusions about association, not causation, and reverse causality cannot be ruled out. Second, predictors and outcomes were reported by a single respondent per organization at one point in time, which raises the possibility of common-method bias (Podsakoff et al., 2003); future studies could use multiple respondents or objective performance data. Third, the test of parallel lines indicated that the proportional-odds assumption was not fully met; future research could apply partial proportional-odds or generalised ordinal logit models (Peterson & Harrell, 1990; Williams, 2006) to examine how associations vary across performance thresholds (Brant, 1990). Fourth, the interaction was estimated with uncentred predictors and was not probed at specific levels of technology integration; future studies could centre predictors and report simple slopes or predicted probabilities (Aiken & West, 1991; Dawson, 2014), together with a formal comparison of main-effects and interaction models. Fifth, the chi-square tests were based on sparse contingency tables, and the qualitative frequencies represent coded mentions rather than respondent counts. Finally, the sample was drawn from compliant NPOs, and resource constraints were examined qualitatively rather than modelled. Longitudinal and comparative studies that measure resource constraints directly would strengthen understanding of how capability reconfiguration and technology integration shape nonprofit performance over time.

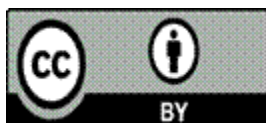
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