

Research Article

Adaptive Leadership and Financial Sustainability Among Non-Governmental Organizations in Tanzania: A Review of Literature

Tumaini Abel Majaliwa*

Leadership Department, Pan Africa Christian University, Nairobi, Kenya

Abstract

Financial sustainability remains a persistent challenge for Non-Governmental Organizations (NGOs) which are in the nonprofit sector, particularly in developing countries where donor dependency, funding uncertainty, changing stakeholder expectations, and increasing accountability demands constrain long-term organizational viability. While adaptive leadership has attracted growing scholarly attention as a leadership approach for addressing complexity and change, limited research has examined its role in promoting financial sustainability within nonprofit organizations. Furthermore, existing studies have paid insufficient attention to the mechanisms through which adaptive leadership contributes to sustainability outcomes. This study reviews conceptual, theoretical, and empirical literature to examine the relationship between adaptive leadership and financial sustainability among NGOs and to identify the phenomenon emerging from the deployment of adaptive leadership within nonprofit organizations. The review reveals that adaptive leadership contributes to the development of critical organizational capabilities, including resource mobilization capability, stakeholder trust, donor confidence, organizational agility, and organizational resilience. Among these capabilities, resource mobilization capability emerges as the most significant mechanism linking adaptive leadership to financial sustainability. The review further suggests that adaptive organizational culture, characterized by learning, innovation, collaboration, and flexibility, plays an important moderating role in strengthening the effectiveness of adaptive leadership. Drawing upon Adaptive Leadership Theory, Resource Dependence Theory, Stakeholder Theory, Dynamic Capabilities Theory, and Organizational Resilience Theory, the study proposes a theoretical model linking adaptive leadership, resource mobilization capability, adaptive organizational culture, and financial sustainability. The paper contributes to nonprofit leadership scholarship by extending adaptive leadership theory into the domain of nonprofit financial sustainability and providing a conceptual framework for future empirical investigation. The proposed model offers a foundation for understanding how leadership can enhance the long-term sustainability of NGOs operating in increasingly dynamic and uncertain environments.

Keywords

Adaptive Leadership, Financial Sustainability, Resource Mobilization Capability, Organizational Culture, Organizational Resilience, NGOs

*Correspondence: Tumaini Abel Majaliwa (tumainiabel9@gmail.com)

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1. Introduction

The contribution of non-governmental organizations (NGOs) to socioeconomic development has become increasingly significant over the past three decades. Governments, development partners, and international institutions have increasingly recognized NGOs as important actors in addressing societal challenges that range from poverty reduction and healthcare delivery to education, child protection, environmental conservation, humanitarian assistance, gender equality, governance promotion, and community development [44, 50].

In Tanzania, NGOs have become indispensable partners in development initiatives. Through donor-supported interventions and community-based programs, NGOs have contributed substantially to national development objectives, particularly among vulnerable populations that often experience limited access to public services. The growing importance of NGOs has resulted in increased expectations regarding their effectiveness, accountability, transparency, and sustainability.

Despite their significance, NGOs continue to face considerable challenges in maintaining financial sustainability. Historically, many NGOs have relied heavily on foreign donor funding as their primary source of financial support. While this funding model enabled many organizations to expand rapidly and implement development programs, it also created structural dependence upon external funding sources. The sustainability of NGOs consequently became vulnerable to changes in donor priorities, global economic conditions, political shifts, and evolving funding mechanisms.

The global development financing environment has changed considerably in recent years. Development partners are increasingly emphasizing localization, sustainability, measurable impact, and accountability. Simultaneously, economic uncertainty has led to reductions in development assistance budgets in several donor countries. These changes have created intense competition for available funding opportunities and increased financial pressure across the nonprofit sector.

Literature indicates that many NGOs continue to struggle with donor dependency, inadequate funding diversification, and limited financial reserves [12, 46]. Organizations that depend heavily on a small number of donors often face heightened vulnerability when funding priorities shift or when major grants terminate unexpectedly. Consequently, financial sustainability has become one of the most critical strategic concerns confronting nonprofit leaders.

Financial sustainability refers to an organization's ability to generate, manage, and maintain adequate financial resources necessary for fulfilling its mission while remaining operationally effective over the long term [10]. Sustainable organizations possess the capacity to withstand financial shocks, adapt to environmental changes, respond to emerging opportunities, and continue delivering value despite fluctuations in funding availability [62].

Traditionally, research on financial sustainability has focused on internal financial systems, governance structures, fundraising practices, revenue diversification, accountability mechanisms, and financial controls. Although these factors remain important, recent scholarship suggests that financial sustainability extends beyond financial management and increasingly involves strategic leadership, organizational adaptability, innovation, stakeholder engagement, and learning [1].

The growing recognition of leadership as a determinant of sustainability is particularly relevant given the dynamic and uncertain operating environments confronting contemporary NGOs [35, 39, 62, 65]. Funding uncertainty, technological disruption, changes in beneficiary needs, donor expectations, policy shifts, and increasing competition represent adaptive challenges that cannot be resolved solely through technical solutions [34, 35, 57, 61, 63]. Such challenges require organizations to continuously learn, innovate, collaborate, and adapt [28, 35, 60, 63].

Adaptive Leadership Theory offers a useful lens for understanding how organizations respond to adaptive challenges. Developed by Heifetz [34] and subsequently expanded by Heifetz et al. [35], adaptive leadership focuses on the capacity of leaders to mobilize stakeholders, facilitate learning, encourage experimentation, and generate collaborative solutions to complex challenges [29-33]. Unlike traditional leadership approaches that emphasize authority, command, and control, adaptive leadership views leadership as a process of enabling organizational adaptation [34, 35].

The funding environment facing NGOs in Tanzania increasingly resembles the type of adaptive challenge described by Heifetz and colleagues [34, 35]. Resource scarcity, uncertainty, complexity, and stakeholder expectations require leaders to rethink conventional approaches to sustainability [19, 20, 23, 34, 35, 57, 65]. Organizations must continuously identify new opportunities, cultivate diverse funding portfolios, establish strategic partnerships, strengthen stakeholder relationships, and foster innovation if they are to remain financially sustainable [12, 27, 45, 57, 62].

Despite growing scholarly attention to adaptive leadership, literature remains limited regarding its application within nonprofit financial sustainability [34, 35, 62]. Existing studies primarily examine adaptive leadership within education, healthcare, crisis management, public administration, and organizational change settings [34, 35, 39, 60]. Comparatively little attention has been directed toward understanding how adaptive leadership contributes to financial sustainability among NGOs, particularly within developing countries [12, 27, 45, 57, 62].

Three significant issues emerge from the current state of literature.

First, there remains limited consensus concerning the defin-

ing nature and dimensions of adaptive leadership within non-profit organizations. While adaptive leadership has gained popularity among scholars and practitioners, literature continues to reveal diverse interpretations regarding its conceptualization, dimensions, and practical application [34, 35, 39].

Second, there is limited integration between adaptive leadership scholarship and nonprofit sustainability literature. Studies examining financial sustainability rarely incorporate leadership variables, while adaptive leadership studies rarely explore financial sustainability outcomes. As a result, important opportunities for theoretical integration remain underdeveloped [12, 27, 57].

Third, there is a scarcity of theoretical models explaining how adaptive leadership contributes to financial sustainability among nonprofit organizations. Existing studies provide valuable insights regarding leadership and sustainability independently but provide limited explanation regarding the mechanisms through which leadership influences financial outcomes [35, 39, 65].

In response to these concerns, this paper seeks to contribute to the current state of knowledge by reviewing conceptual, theoretical, and empirical literature concerning adaptive leadership and financial sustainability. Specifically, the study addresses three objectives:

- 1) To review extant conceptual, theoretical, and empirical literature relating to adaptive leadership and financial sustainability among NGOs.
- 2) To document the defining nature of adaptive leadership, financial sustainability, and the phenomenon emerging from adaptive leadership.
- 3) To propose a theoretical model linking adaptive leadership and financial sustainability among NGOs operating in dynamic funding environments.

This study is considered valuable because contemporary NGOs increasingly require leadership approaches capable of addressing uncertainty and sustaining organizational performance despite environmental turbulence [34, 35, 57, 62]. The paper contributes to scholarship by conceptualizing adaptive leadership within nonprofit contexts and introducing resource mobilization capability as an intermediate outcome through which adaptive leadership influences financial sustainability.

2. Methodology

This conceptual study is based on a review of scholarly literature relating to adaptive leadership, financial sustainability, nonprofit management, organizational resilience, organizational adaptability, stakeholder engagement, resource mobilization, and sustainability within nonprofit organizations.

Literature was identified through systematic searches conducted using Google Scholar, Scopus, Web of Science, ResearchGate, JSTOR, and EBSCO databases. The search focused on peer-reviewed journal articles, books, working papers, conference proceedings, and doctoral studies published between 1994 and 2026.

The search terms included:

- 1) Adaptive Leadership
- 2) Financial Sustainability
- 3) NGO Sustainability
- 4) Resource Mobilization
- 5) Organizational Resilience
- 6) Stakeholder Engagement
- 7) Dynamic Capabilities
- 8) Nonprofit Leadership
- 9) Organizational Culture

Table 1. Keywords Search.

Keywords	Results Found	Selected and Reviewed
Adaptive Leadership	145	40
Financial Sustainability	180	35
NGO Sustainability	170	30
Resource Mobilization	135	20
Organizational Resilience	120	15
Stakeholder Engagement	125	18
Organizational Culture	95	12
Dynamic Capabilities	90	12
Nonprofit Leadership	130	18
Total	1,190	200

Source: Author, 2026.

The abstracts and full texts of selected articles were critically reviewed to identify key constructs, definitions, dimensions, theoretical foundations, and emerging phenomena associated with adaptive leadership and financial sustainability. Literature was subsequently synthesized into themes and categories which inform the findings presented in the following section.

3. Findings

The review of extant literature enabled the identification of several findings consistent with the second objective of the study, which sought to document the defining nature of adaptive leadership and financial sustainability and to identify the phenomenon emerging from the deployment of adaptive leadership within nonprofit organizations. The literature suggests that adaptive leadership has become increasingly relevant within nonprofit organizations facing funding uncertainty, donor dependency, and changing stakeholder expectations [12, 35, 57]. Beyond its direct influence on organizational behavior, adaptive leadership appears to generate organizational capabilities that enhance the sustainability of NGOs operating in resource-constrained environments [35, 39].

The findings reported in this section focus on the conceptualization of adaptive leadership, including definitions, perspectives, and dimensions. The findings further establish the relationship between adaptive leadership and organizational

capabilities that are relevant to financial sustainability among NGOs [35, 39, 45, 57, 65].

3.1. Conceptualization of Adaptive Leadership

The reviewed literature reveals considerable diversity in the way adaptive leadership has been conceptualized [2-9, 11]. Similar to many contemporary leadership constructs, adaptive leadership continues to evolve as scholars seek to explain organizational responses to uncertainty, complexity, and environmental change [34, 35, 60, 65]. The literature demonstrates that adaptive leadership is often discussed in terms of its definitions, perspectives, and dimensions [34, 35, 39].

3.1.1. Definitions of Adaptive Leadership

Traditional leadership theories generally emphasize traits, skills, behaviors, and authority structures that facilitate organizational effectiveness. However, adaptive leadership differs from traditional approaches because it focuses on helping individuals and organizations respond to adaptive challenges that lack predetermined solutions [35].

Scholars have proposed various definitions of adaptive leadership. While terminology differs, common themes include flexibility, learning, innovation, collaboration, stakeholder engagement, and organizational adaptation. Table 2 summarizes some of the prominent definitions emerging from the literature.

Table 2. Definitions of Adaptive Leadership.

Author	Definition	Key Terms
Heifetz et al. [35].	Mobilizing people to tackle tough challenges and thrive in changing environments.	Mobilization, adaptation, thriving
Northouse [50].	A leadership approach that helps organizations and individuals adapt to changing conditions.	Adjustment, change, flexibility
Uhl-Bien and Arena [60].	Creating adaptive space within organizations that encourages innovation and continuous adaptation.	Innovation, adaptive space
Schulze and Pinkow [54].	Enabling collective responses to complexity by encouraging participation and learning.	Participation, learning
Kolb [38].	Establishing a vision for future success while identifying obstacles that hinder adaptation.	Vision, obstacles, adaptation

The definitions presented in Table 2 reveal several common themes. First, adaptive leadership is fundamentally concerned with organizational adaptation rather than maintenance of the status quo. Second, adaptive leadership does not rely solely on leaders possessing solutions to organizational challenges. Instead, adaptive leaders facilitate collaborative processes through which stakeholders collectively develop solutions.

Third, adaptive leadership emphasizes learning, experimentation, and innovation as mechanisms through which organizations respond to environmental uncertainty.

Collectively, the literature suggests that adaptive leadership can be understood as a collaborative process of facilitating organizational adaptation through learning, stakeholder mobilization, innovation, and strategic flexibility.

3.1.2. Perspectives of Adaptive Leadership

The review indicates that adaptive leadership can be understood from several perspectives. While scholars differ in emphasis, most perspectives seek to explain how organizations respond to uncertainty and complexity.

Change-Oriented Perspective

The first perspective views adaptive leadership as a change-oriented approach. According to this perspective, adaptive leadership emerges when organizations face circumstances requiring significant transformation. Heifetz et al. [35] argue that adaptive leadership becomes relevant when leaders must challenge existing assumptions and encourage stakeholders to embrace new ways of thinking.

Within nonprofit organizations, funding uncertainty often creates circumstances requiring substantial organizational adaptation. NGOs experiencing declining donor support must reconsider traditional funding models, explore alternative revenue sources, and redesign operational practices. Adaptive leadership helps facilitate such transitions.

Learning Perspective

The second perspective views adaptive leadership as a learning process. Adaptive challenges often involve situations where solutions are unknown and therefore require experimentation and continuous learning. Learning organizations are characterized by knowledge creation, reflection, knowledge sharing, and continuous improvement [60].

From this perspective, adaptive leaders encourage organizational learning by creating environments where stakeholders can test new ideas, learn from mistakes, and refine organizational practices. Financial sustainability in NGOs often requires similar processes because organizations must continuously learn how to operate within changing funding environments.

Systems Perspective

The third perspective views adaptive leadership through a systems lens. Organizations operate within dynamic systems composed of stakeholders, institutions, markets, policies, and communities. Changes occurring within one part of the system frequently produce consequences elsewhere [35, 45, 57, 60].

Adaptive leaders therefore seek to understand relationships among stakeholders and environmental forces. Such understanding allows leaders to identify emerging opportunities and threats while facilitating coordinated organizational responses [34, 35, 60, 65].

For NGOs, financial sustainability depends upon interactions involving donors, government institutions, beneficiaries, private-sector actors, and civil society organizations [26, 45, 57]. Adaptive leadership encourages broader systems thinking capable of identifying opportunities for collaboration and resource mobilization [35, 45, 57, 65].

Stakeholder Perspective

The fourth perspective emphasizes stakeholder engagement. [45] argues that organizational success increasingly depends on the extent to which organizations understand and respond to stakeholder interests. Adaptive leadership aligns closely

with stakeholder theory because it encourages collaborative problem-solving among diverse stakeholders [35, 45, 57]. NGOs that actively engage donors, communities, government agencies, private organizations, and beneficiaries are likely to possess greater informational resources and stronger support networks [26, 45, 57].

Crisis-Management Perspective

The literature also identifies adaptive leadership as particularly relevant during periods of crisis. Organizations frequently encounter unexpected disruptions arising from economic downturns, public health emergencies, political instability, or donor withdrawals.

Rather than focusing on short-term fixes, adaptive leaders seek to understand root causes and explore sustainable responses [35]. The ability to adapt during times of crisis enhances organizational resilience and sustainability.

3.1.3. Dimensions of Adaptive Leadership

The reviewed literature reveals several dimensions that characterize adaptive leadership. While scholars propose different categorizations, five dimensions consistently emerge and appear particularly relevant to nonprofit financial sustainability.

Strategic Flexibility

Strategic flexibility refers to an organization's capacity to modify strategies in response to environmental changes. Strategic flexibility enables leaders to recognize emerging opportunities, redirect resources, and pursue innovative solutions [64].

For NGOs, strategic flexibility may include adopting new fundraising strategies, diversifying funding portfolios, modifying program designs, or entering new partnerships.

Innovation and Creativity

Adaptive leaders encourage innovation by fostering experimentation and creative problem-solving. Organizations operating within dynamic environments must continuously innovate to remain competitive and effective [21].

Innovation within NGOs may include social enterprise development, digital fundraising initiatives, impact investment partnerships, and community-based financing mechanisms.

Stakeholder Engagement

Effective adaptive leadership requires meaningful stakeholder involvement. NGOs depend on relationships with donors, governments, beneficiaries, employees, and communities [26, 45, 57].

Stakeholder engagement facilitates collaborative decision-making, trust-building, information sharing, and resource acquisition [35, 45, 57, 60].

Organizational Learning

Organizational learning refers to the continuous creation, acquisition, transfer, and application of knowledge [47]. Learning organizations are better equipped to anticipate environmental changes and respond appropriately.

Within NGOs, organizational learning enhances fundraising effectiveness, program quality, stakeholder engagement,

and sustainability planning.

Participatory Decision-Making

Adaptive leadership differs from traditional hierarchical approaches because it encourages shared leadership and collective problem-solving [34, 35, 60]. Participation increases commitment, ownership, and innovation among organizational members [28, 35, 60].

Decision-making processes involving multiple stakeholders are particularly useful when organizations face adaptive challenges requiring diverse perspectives and expertise [34, 35, 45, 60].

Table 3. Dimensions of Adaptive Leadership.

Dimension	Key Focus	Operational Indicators
Strategic Flexibility	Adaptability	Opportunity identification, resource reallocation, strategic adjustments
Innovation and Creativity	Problem-solving	Experimentation, innovative financing models, creative thinking
Stakeholder Engagement	Collaboration	Partnerships, stakeholder involvement, donor relations
Organizational Learning	Knowledge creation	Reflection, feedback systems, continuous improvement
Participatory Decision-Making	Shared leadership	Employee involvement, consultation, collective decisions

The dimensions summarized in Table 3 suggest that adaptive leadership extends beyond leader behavior and influences broader organizational processes. These processes directly affect how NGOs respond to environmental uncertainty and financial challenges.

The literature further suggests that the deployment of adaptive leadership creates several organizational capabilities that serve as intermediate outcomes between leadership behavior and sustainability outcomes. These capabilities constitute an observable phenomenon within adaptive organizations and help explain how adaptive leadership contributes to long-term organizational success [41-43].

3.2. Conceptualization of Financial Sustainability

Financial sustainability represents the ultimate outcome of interest in this study. Although the concept has attracted considerable attention among nonprofit scholars, the literature reveals significant diversity regarding its conceptualization and measurement.

3.2.1. Definitions of Financial Sustainability

Financial sustainability has been defined differently by various scholars depending on organizational context and theoretical orientation.

Table 4. Definitions of Financial Sustainability.

Author	Definition	Key Terms
Bowman [10].	The capacity of an organization to maintain adequate financial resources to pursue its mission.	Financial capacity, mission continuity
Weerawardena et al. [62].	The ability to withstand financial shocks while maintaining organizational effectiveness.	Resilience, continuity
Froelich [27].	Long-term organizational survival through diversified revenue generation.	Revenue diversification
Carroll and Stater [12].	The ability to achieve stability through balanced funding sources and reduced dependency.	Stability, diversification

Despite differences, these definitions emphasize three common themes: financial stability, organizational resilience, and mission continuity. Financial sustainability also requires organizations to maintain sufficient financial capacity and strategic resource management practices that support long-term

mission achievement and operational continuity [56].

3.2.2. Perspectives of Financial Sustainability

The literature reveals several perspectives regarding financial sustainability [10, 12, 27, 62].

The *Financial Perspective* emphasizes liquidity, reserves, and cash-flow management [10, 12].

The *Strategic Perspective* views sustainability as the organization's ability to align resources with long-term goals [27, 62].

The *Resource Dependence Perspective* focuses on reducing vulnerability arising from donor dependence [57].

The *Organizational Resilience Perspective* emphasizes the organization's ability to survive and adapt despite environmental shocks [39, 62, 65].

3.2.3. Dimensions of Financial Sustainability

From the literature, six dimensions emerge as critical indicators of financial sustainability, namely funding diversification, financial stability, donor retention, financial resilience, operational continuity, and long-term organizational viability [10, 12, 27, 39, 57, 62, 65].

These dimensions provide the basis for understanding the sustainability outcomes associated with adaptive leadership [35, 39, 62, 65].

4. Emerging Phenomenon Associated with Adaptive Leadership

The review of literature indicates that adaptive leadership does not only influence organizational outcomes directly but also creates a phenomenon characterized by various organizational capabilities [35, 39, 60, 65]. Similar to the way adaptive leadership was associated with open collaborative innovation in the earlier study, the present review suggests that the deployment of adaptive leadership within NGOs gives rise to organizational capabilities that facilitate financial sustainability [35, 39, 62]. These capabilities serve as intermediate conditions through which leadership influences sustainability outcomes [35, 65].

The review identified five recurring constructs associated with adaptive leadership in nonprofit organizations. These are resource mobilization capability, stakeholder trust, donor confidence, organizational agility, and organizational resilience [35, 39, 45, 57, 62, 65]. These constructs emerge repeatedly within leadership, nonprofit management, and sustainability scholarship and appear to constitute the phenomenon resulting from the deployment of adaptive leadership within NGOs [35, 39, 45, 57, 62, 65].

4.1. Resource Mobilization Capability

Resource mobilization has become one of the most im-

portant strategic concerns for nonprofit organizations operating in resource-constrained environments [12, 27, 62]. The ability of an NGO to identify, acquire, manage, and sustain financial and non-financial resources ultimately determines its ability to achieve its mission and remain viable over time.

Historically, NGOs depended heavily on foreign donor funding to support operations and service delivery. However, changes within the donor environment have compelled organizations to adopt broader approaches to resource acquisition. As a result, resource mobilization is increasingly viewed as a strategic organizational capability rather than merely a fund-raising activity [27, 57, 65].

The literature suggests that adaptive leadership contributes to resource mobilization capability in several ways [35, 39, 57, 65]. First, adaptive leaders encourage proactive scanning of the environment to identify emerging opportunities [34, 35, 65]. Through strategic flexibility and stakeholder engagement, leaders become capable of recognizing new funding opportunities, partnership prospects, and innovative financing mechanisms before competitors do [35, 45, 57, 65].

Second, adaptive leadership encourages innovative thinking which facilitates the development of alternative resource mobilization strategies [35, 39, 60]. These strategies may include social enterprise development, community fundraising initiatives, public-private partnerships, digital fundraising campaigns, impact investments, and income-generating activities [12, 27, 57, 62]. The willingness of adaptive leaders to encourage experimentation allows organizations to move beyond traditional donor-dependent funding models [35, 57, 60, 65].

Third, adaptive leadership strengthens stakeholder relationships that are often essential for accessing resources [35, 45, 57]. Effective stakeholder engagement creates networks that facilitate information exchange, partnership development, and collaborative opportunities [26, 45, 57, 60].

Literature on nonprofit sustainability increasingly emphasizes that organizations capable of mobilizing resources from diverse sources are more likely to achieve financial sustainability than organizations that depend on limited funding streams [12, 27]. Consequently, resource mobilization capability emerges as a critical intermediate outcome associated with adaptive leadership.

4.2. Stakeholder Trust

The review further reveals that adaptive leadership contributes to the development of stakeholder trust. Trust remains one of the most valuable intangible assets available to nonprofit organizations because it strengthens stakeholder commitment, collaboration, and long-term organizational support [26, 45, 48], as NGOs operate within environments where stakeholder support is largely voluntary.

Donors contribute resources because they trust organizations to utilize those resources effectively and responsibly. Communities participate in NGO programs because they trust

organizational intentions and competence. Government agencies, corporate partners, and development institutions collaborate with NGOs because they trust their legitimacy and performance.

Adaptive leadership strengthens trust through transparency, participation, responsiveness, and accountability. Leaders who encourage inclusive decision-making create an environment where stakeholders feel valued and respected. Such an environment enhances stakeholder confidence and long-term commitment.

Research indicates that trust significantly influences organizational performance and sustainability because trusted organizations often experience greater cooperation, legitimacy, and access to resources [26, 45, 62]. Trust therefore emerges as an important capability generated through adaptive leadership.

4.3. Donor Confidence

Closely related to trust is donor confidence. While stakeholder trust refers broadly to organizational relationships, donor confidence specifically concerns the extent to which funding partners perceive an organization as capable, effective, accountable, and sustainable [12, 27, 45, 57].

The literature suggests that adaptive leadership contributes to donor confidence by enhancing organizational legitimacy and responsiveness. Donors increasingly seek evidence that NGOs possess the capability to adapt to changing circumstances and sustain program impact beyond the duration of individual grants [10, 24, 62]. Organizations perceived as adaptive and resilient tend to attract greater donor support because funders view them as lower-risk investment partners [10, 24, 39, 51, 52].

Adaptive leaders enhance donor confidence through continuous learning, strategic flexibility, and innovation [35, 39, 60, 65]. Such leaders demonstrate the ability to respond effectively to donor priorities while maintaining organizational mission alignment [35, 45, 57]. Furthermore, adaptive organizations are often capable of providing evidence of learning, adaptation, and continuous improvement, characteristics highly valued by funding agencies [28, 35, 60, 62].

Organizations perceived as adaptive and resilient tend to attract greater donor support because funders view them as lower-risk investment partners [12, 27, 39, 53, 62]. Consequently, donor confidence emerges as a significant outcome arising from adaptive leadership [35, 39, 45, 57].

4.4. Organizational Agility

The review indicates that adaptive leadership also contributes to organizational agility. Organizational agility refers to the ability of institutions to respond rapidly and effectively to environmental changes while maintaining operational effectiveness [25, 64, 65]. Agile organizations are capable of reallocating resources, adjusting strategies, redesigning programs,

and pursuing new opportunities in response to environmental changes [25, 59, 65].

Contemporary NGOs operate within dynamic environments characterized by changing donor requirements, policy reforms, technological developments, shifting community needs, and economic uncertainty [12, 27, 57, 62, 65]. Organizations incapable of responding quickly to these changes risk becoming irrelevant or financially vulnerable [39, 62, 65].

Adaptive leaders facilitate agility by promoting flexibility, encouraging innovation, and empowering employees to make decisions [34, 35, 60, 65]. Agile organizations are capable of reallocating resources, adjusting strategies, redesigning programs, and pursuing new opportunities in response to environmental changes [35, 39, 60, 65].

In sustainability literature, organizational agility is frequently linked to long-term survival because it enables organizations to adapt before challenges evolve into crises [39, 55, 58, 62, 65]. Adaptive leadership therefore contributes significantly to organizational agility as an intermediate capability supporting sustainability [35, 39, 62, 65].

4.5. Organizational Resilience

Perhaps the most important capability emerging from adaptive leadership is organizational resilience. Organizational resilience refers to the capacity of organizations to withstand disruptions, recover from setbacks, and continue functioning despite adversity [22, 39].

Resilience has become particularly relevant for NGOs given the growing uncertainty surrounding donor funding and the increasing frequency of external shocks such as pandemics, political instability, economic crises, and natural disasters.

Adaptive leadership contributes to resilience by fostering learning, flexibility, stakeholder collaboration, and innovation [35, 39, 60]. Organizations led by adaptive leaders are more likely to anticipate challenges, prepare for uncertainty, and recover effectively when disruptions occur.

Rather than merely surviving crises, resilient organizations often emerge stronger because they learn from adversity and incorporate lessons into future strategies and operations. This characteristic aligns closely with adaptive leadership's emphasis on learning, experimentation, and continuous adaptation [35, 39, 60, 65].

The literature increasingly suggests that organizational resilience and financial sustainability are closely related because financially sustainable organizations tend to possess stronger capacities for coping with environmental turbulence, recovering from disruptions, and adapting to changing conditions [39, 62, 65].

4.6. The Role of Adaptive Organizational Culture

Adaptive leadership and its associated capabilities do not operate in isolation. Their effectiveness depends significantly

on the organizational environment within which they are deployed. Among the characteristics that define organizational environments, culture emerges as one of the most influential factors [25, 49, 58, 60].

Organizational culture refers to the shared values, beliefs, assumptions, norms, and behaviors that guide how organizational members think and act [58]. Culture shapes employee behavior, stakeholder interactions, learning processes, innovation efforts, and organizational responses to change [25, 49, 58, 60].

The literature consistently links organizational culture with adaptability, innovation, and performance [25, 49, 58, 60]. Organizations characterized by learning, flexibility, collaboration, and innovation are generally more capable of responding to environmental challenges than organizations characterized by rigidity and bureaucracy [25, 49, 58, 60, 65].

For nonprofit organizations, an adaptive culture is particularly important because sustainability challenges often require collective action, experimentation, and learning [35, 49, 58, 60]. Adaptive cultures encourage employees to share ideas, embrace change, learn from mistakes, and collaborate across organizational boundaries [25, 49, 58, 60].

Drawing from literature on organizational adaptability and innovation, the current study proposes an adaptive organizational culture characterized by four key attributes [25, 49, 58, 60]:

- 1) Learning orientation
- 2) Innovation orientation
- 3) Collaboration orientation
- 4) Flexibility orientation

Organizations exhibiting these cultural characteristics are likely to derive greater benefits from adaptive leadership than organizations operating within rigid or hierarchical cultural environments [25, 49, 58, 60].

Consequently, adaptive organizational culture is proposed as a moderating factor influencing the relationship between adaptive leadership and financial sustainability [25, 35, 49, 58, 60, 65].

4.7. Ultimate Sustainability Outcomes

The review suggests that the combined influence of adaptive leadership, resource mobilization capability, stakeholder trust, donor confidence, organizational agility, organizational resilience, and adaptive organizational culture ultimately contributes to financial sustainability among NGOs [35, 39, 45, 57, 60, 62, 65].

Financial sustainability represents the ultimate organizational outcome examined in this study. It reflects the ability of organizations to secure sufficient resources and maintain operational effectiveness over extended periods despite environmental uncertainty [10, 12, 27, 62].

The literature identifies several indicators of financial sustainability relevant to nonprofit organizations;

Funding Diversification

The extent to which organizations acquire financial resources from multiple sources rather than relying on a single donor [12, 27, 57].

Financial Stability

The ability to maintain adequate cash flow and predictable revenue streams [10, 12].

Donor Retention

The organization's success in maintaining long-term relationships with existing donors and funding partners [12, 27, 45].

Financial Resilience

The organization's ability to absorb financial shocks without severe disruption to operations [39, 62, 65].

Operational Continuity

The capacity to continue delivering programs and services despite funding fluctuations [10, 39, 62].

Long-Term Viability

The ability of the organization to sustain its mission and strategic objectives over time [12, 27, 62].

The literature therefore suggests that adaptive leadership does not influence financial sustainability directly. Rather, adaptive leadership generates organizational capabilities that strengthen sustainability outcomes [35, 39, 45, 57, 62, 65]. Understanding these intermediary relationships provides a stronger basis for developing a theoretical model explaining nonprofit financial sustainability [35, 57, 65].

5. Theoretical Anchorage

The literature reviewed demonstrates that understanding the relationship between adaptive leadership and financial sustainability requires the integration of multiple theoretical perspectives [35-37, 40, 62]. Similar to the findings in previous adaptive leadership scholarship, no single theory sufficiently explains the complex relationship between leadership behaviors, organizational capabilities, and sustainability outcomes [35, 39, 45, 57, 65]. Therefore, this study adopts a multi-theoretical perspective by integrating Adaptive Leadership Theory, Resource Dependence Theory, Stakeholder Theory, Dynamic Capabilities Theory, and Organizational Resilience Theory [35, 45, 57, 62, 65].

These theories collectively explain how adaptive leadership contributes to the development of organizational capabilities that influence financial sustainability among NGOs operating in dynamic funding environments [35, 39, 45, 57, 62, 65].

5.1. Adaptive Leadership Theory

Adaptive Leadership Theory was developed by [34] and later expanded by [35]. The theory emerged as a response to increasingly complex organizational environments where existing knowledge, structures, and technical solutions were insufficient to address emerging challenges.

The central proposition of Adaptive Leadership Theory is

that leadership involves mobilizing individuals and organizations to address adaptive challenges rather than simply providing technical solutions. Adaptive challenges require changes in attitudes, values, beliefs, and behaviors because existing approaches are often inadequate for addressing emerging realities [35].

In nonprofit organizations, many financial sustainability challenges are adaptive in nature. Declining donor funding, changing accountability expectations, increasing competition for grants, and emerging resource mobilization opportunities frequently require leaders to rethink traditional assumptions and develop new organizational capabilities.

Adaptive Leadership Theory is relevant to this study because it explains how leadership behaviors such as strategic flexibility, learning, stakeholder engagement, innovation, and participation facilitate organizational adaptation and sustainability.

5.2. Resource Dependence Theory

This Theory was developed by [57] and emphasizes the importance of external resources for organizational survival. The theory posits that organizations depend upon external stakeholders for critical resources and therefore must actively manage relationships that influence resource availability [57].

According to Resource Dependence Theory, organizations become vulnerable when they depend excessively on a small number of resource providers. Such dependence can reduce organizational autonomy and increase susceptibility to environmental uncertainty [57].

The theory has significant relevance for nonprofit organizations because many NGOs rely heavily on donor funding. Excessive donor dependence often exposes organizations to financial instability when donor priorities shift or funding is withdrawn [12, 27, 57].

Adaptive leadership contributes to addressing resource dependence by encouraging funding diversification, stakeholder engagement, partnership development, and innovation in resource mobilization [35, 45, 57, 65]. Consequently, Resource Dependence Theory provides an important explanation for why adaptive leadership may contribute to financial sustainability [12, 27, 35, 57, 62].

5.3. Stakeholder Theory

Stakeholder Theory, developed by [45], argues that organizational success depends upon understanding and responding to stakeholder interests. Stakeholders include individuals and groups capable of affecting or being affected by organizational actions [45].

The theory emphasizes that sustainable organizational performance results from balancing stakeholder interests rather than focusing narrowly on a single constituency [45]. Stakeholders in nonprofit organizations include donors, beneficiar-

ies, government agencies, employees, volunteers, private-sector organizations, community leaders, and development partners [26, 45, 57].

Adaptive leadership aligns closely with Stakeholder Theory because it promotes collaboration, participation, shared decision-making, and stakeholder engagement [35, 45, 57]. Through adaptive leadership, organizations build stronger stakeholder relationships characterized by trust, commitment, and mutual value creation [35, 45, 57, 60].

Within nonprofit organizations, stakeholder trust and donor confidence often influence resource acquisition and organizational sustainability [12, 27, 45, 57]. Consequently, Stakeholder Theory provides valuable insight regarding how adaptive leadership improves sustainability outcomes through enhanced stakeholder relationships [35, 45, 57, 62].

5.4. Dynamic Capabilities Theory

Dynamic Capabilities Theory was introduced by [65] to explain how organizations achieve sustained success within rapidly changing environments. The theory suggests that organizations must continuously develop capabilities enabling them to sense opportunities, seize opportunities, and reconfigure resources in response to environmental change [64, 65].

Unlike traditional resource-based approaches that emphasize resource possession, Dynamic Capabilities Theory focuses on the capacity to utilize and transform resources effectively in changing circumstances [64, 65].

The theory is particularly relevant to NGOs operating within uncertain funding environments. Sustainable organizations must continuously identify emerging funding opportunities, adapt fundraising strategies, develop new partnerships, and redesign programs in response to changing stakeholder expectations [12, 27, 57, 64, 65].

Adaptive leadership contributes directly to dynamic capability development by promoting strategic flexibility, learning, innovation, and responsiveness [35, 64, 65]. Through these behaviors, adaptive leaders enable organizations to maintain alignment with changing.

5.5. Organizational Resilience Theory

This Theory focuses on the ability of organizations to withstand disruptions, recover from adversity, and continue pursuing organizational objectives despite environmental turbulence [39, 62, 65].

Resilience scholars argue that organizations differ considerably in their ability to anticipate risks, absorb shocks, and adapt to changing conditions. Resilient organizations develop capacities that enable them to recover effectively from crises while maintaining operational stability [39, 65].

The theory has become increasingly important within nonprofit scholarship due to growing uncertainty regarding funding environments, donor priorities, public health emergencies, economic downturns, and political instability [12, 27, 39, 62].

Adaptive leadership contributes to resilience by fostering flexibility, learning, stakeholder collaboration, and innovation [35, 39, 60, 65]. These characteristics strengthen organizational preparedness and increase the ability to manage unexpected disruptions [39, 62, 65].

Because financial sustainability frequently depends on organizational capacity to withstand shocks and adapt successfully, Organizational Resilience Theory provides an important explanation for the relationship between adaptive leadership and sustainability [39, 62, 65].

Table 5. *Theoretical Anchorage.*

Theory	Authors	Dimensions/Phenomenon Addressed	Constructs Addressed
Adaptive Leadership Theory	Heifetz [34]. Heifetz et al. [35]	Strategic flexibility, participation, adaptation	Adaptive leadership
Resource Dependence Theory	Pfeffer & Salancik [57]	Resource acquisition and dependency management	Resource mobilization capability
Stakeholder Theory	Freeman [45]	Stakeholder relationships and collaboration	Stakeholder trust and donor confidence
Dynamic Capabilities Theory	Teece et al. [65]	Adaptability and strategic responsiveness	Organizational agility
Organizational Resilience Theory	Lengnick-Hall et al. [39]	Recovery and sustainability during disruptions	Organizational resilience and financial sustainability

The collective contribution of these theories is significant because each explains a different component of the phenomenon emerging from adaptive leadership. Adaptive Leadership Theory explains the lead construct, while Resource Dependence Theory, Stakeholder Theory, Dynamic Capabilities Theory, and Organizational Resilience Theory explain the intermediate capabilities and sustainability outcomes associated with adaptive leadership.

6. An Emerging Case for a New Theoretical Model

The review of conceptual, theoretical, and empirical literature suggests that adaptive leadership is becoming increasingly important for nonprofit organizations operating in dynamic funding environments. Historically, organizational sustainability was viewed primarily through financial and managerial lenses emphasizing budgeting, financial controls, governance structures, accountability mechanisms, and fundraising practices. While these factors remain important, contemporary scholarship increasingly recognizes the importance of leadership capabilities in influencing organizational sustainability [1, 35, 62]. The literature consistently suggests that adaptive leadership contributes to the development of capabilities such as resource mobilization capacity, stakeholder trust, donor confidence, organizational agility, and organizational resilience [35, 39, 45, 65].

The first important observation emerging from the literature is that financial sustainability is increasingly viewed as a multidimensional construct encompassing funding diversification,

donor retention, financial stability, financial resilience, operational continuity, and long-term viability [10, 12, 27, 62]. The realities confronting NGOs today involve considerable uncertainty, complexity, and change. Resource constraints, donor expectations, accountability demands, technological advancements, and evolving beneficiary needs create adaptive challenges requiring responses beyond traditional management practices [34, 35, 57, 65].

The second observation concerns the relationship between adaptive leadership and organizational capabilities. The literature consistently suggests that adaptive leadership contributes to the development of capabilities such as resource mobilization capacity, stakeholder trust, donor confidence, organizational agility, and organizational resilience. These capabilities enhance organizational effectiveness and facilitate adaptation to changing environmental conditions [35, 39].

The third observation relates to the concept of financial sustainability itself. Financial sustainability is increasingly viewed as a multidimensional construct encompassing funding diversification, donor retention, financial stability, financial resilience, operational continuity, and long-term viability [10, 12, 27, 62]. Achieving these outcomes requires organizations to continuously adapt their strategies and operations within changing environments [35, 62, 65].

The review therefore suggests that adaptive leadership influences financial sustainability indirectly through the development of intermediate organizational capabilities [35, 39]. Resource mobilization capability, in particular, emerges repeatedly as the central mechanism connecting leadership and sustainability [12, 27, 57, 62].

Furthermore, the literature indicates that organizational culture may strengthen or weaken this relationship [25, 49, 58]. Organizations characterized by learning, innovation, flexibility, and collaboration appear more capable of leveraging adaptive leadership for sustainability purposes than organizations characterized by bureaucracy and rigidity [25, 49, 58, 60].

These observations justify the development of a new theoretical model that explains how adaptive leadership contributes to financial sustainability among NGOs. Specifically, the model proposes that adaptive leadership influences financial sustainability through resource mobilization capability while adaptive organizational culture moderates this relationship.

The proposed model represents an important theoretical contribution because it integrates leadership theory and non-profit sustainability scholarship into a unified framework capable of guiding future empirical investigations.

7. Proposed Conceptual Model

The review of extant literature reveals several conceptual and theoretical gaps concerning the relationship between

adaptive leadership and financial sustainability among NGOs. Although previous studies have examined financial sustainability from governance, fundraising, financial management, and accountability perspectives, limited attention has been given to the specific mechanisms through which leadership contributes to sustainability outcomes. Similarly, adaptive leadership research has focused largely on organizational change, innovation, public administration, education, and crisis management while paying limited attention to nonprofit financial sustainability.

The review further demonstrates that adaptive leadership is associated with a variety of organizational capabilities including resource mobilization capability, stakeholder trust, donor confidence, organizational agility, and organizational resilience. At the same time, organizational culture appears to influence the effectiveness of leadership practices and sustainability outcomes.

Consequently, this study proposes a conceptual model linking adaptive leadership and financial sustainability through resource mobilization capability while acknowledging the moderating role of adaptive organizational culture.

Proposed Conceptual Model

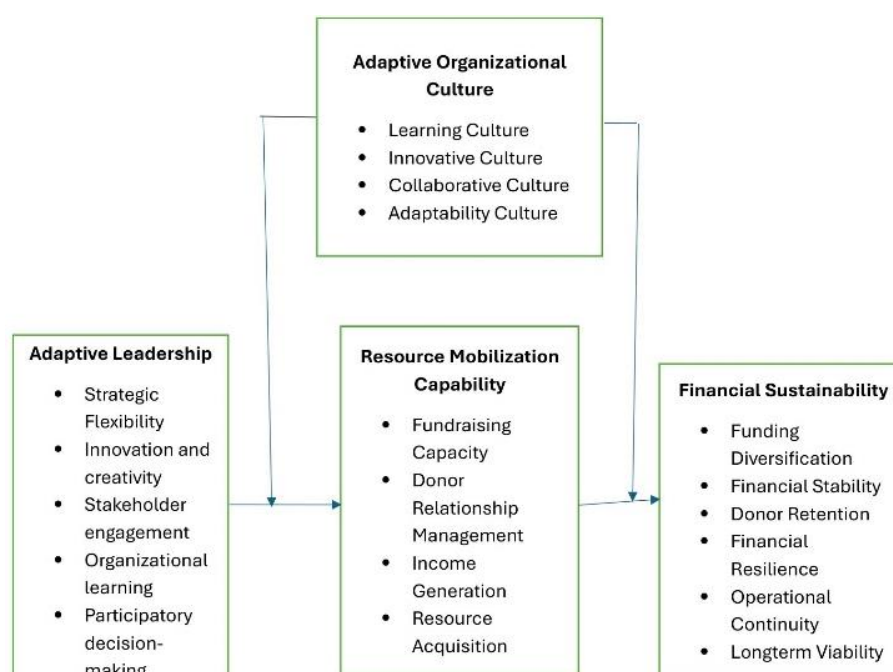


Figure 1. Proposed Conceptual Model Linking Adaptive Leadership, Resource Mobilization Capability and Financial Sustainability.

Conceptual Model linking Adaptive Leadership, Resource Mobilization Capability, and Financial Sustainability in the context of Adaptive Organizational Culture.

The proposed model posits that *Adaptive Leadership* serves as the independent variable and comprises five dimensions: strategic flexibility, innovation and creativity, stakeholder engagement, organizational learning, and participatory decision-making.

The model proposes that adaptive leadership influences financial sustainability through an intermediate mechanism known as *Resource Mobilization Capability*. This capability is reflected through fundraising capacity, donor relationship management, strategic partnerships, income generation, and resource acquisition.

The ultimate dependent variable is *Financial Sustainability*,

operationalized through funding diversification, financial stability, donor retention, financial resilience, operational continuity, and long-term organizational viability.

The model further proposes that *Adaptive Organizational Culture* acts as a moderating variable. NGOs characterized by strong learning cultures, innovation cultures, collaboration cultures, and adaptability cultures are expected to derive greater sustainability benefits from adaptive leadership practices than organizations operating within rigid or bureaucratic cultural environments.

7.1. Adaptive Leadership and Financial Sustainability

Financial sustainability has become increasingly important within nonprofit organizations due to uncertainty in funding environments and heightened competition for donor resources. Organizations capable of adapting to environmental changes are often better positioned to maintain stability and continuity [35, 39, 65].

Adaptive leadership contributes to sustainability by encouraging leaders to challenge traditional assumptions, embrace innovation, facilitate stakeholder engagement, and build organizational learning capabilities [35, 47, 60, 65]. Such characteristics are important because financial sustainability often requires organizations to identify new opportunities, diversify funding portfolios, create strategic partnerships, and mobilize stakeholders.

Strategic flexibility enables organizations to adjust funding strategies in response to changing environmental conditions. Innovation creates opportunities for alternative financing mechanisms. Stakeholder engagement strengthens organizational legitimacy and resource acquisition. Organizational learning helps NGOs continuously improve sustainability practices. Participatory decision-making encourages ownership and commitment among organizational members.

The literature suggests that organizations led by adaptive leaders may therefore achieve higher levels of financial sustainability than organizations operating under rigid leadership approaches.

Proposition 1

Deployment of adaptive leadership positively affects various dimensions of financial sustainability among non-governmental organizations.

7.2. The Role of Resource Mobilization Capability

Although adaptive leadership has the potential to influence financial sustainability, the review suggests that this influence occurs through intermediate organizational mechanisms. Resource mobilization capability emerges as one of the most important among these mechanisms.

Resource mobilization capability refers to the capacity of

organizations to identify, attract, manage, and sustain financial and non-financial resources necessary for mission accomplishment [12, 27, 57]. Organizations characterized by strong learning orientations, openness to innovation, collaboration, and flexibility are generally more capable of leveraging adaptive leadership practices [25, 49, 58, 60].

Adaptive leadership contributes to resource mobilization capability through several pathways. Strategic flexibility encourages opportunity recognition and resource diversification. Innovation promotes alternative fundraising strategies. Stakeholder engagement strengthens relationships with donors and other resource providers. Organizational learning enhances fundraising effectiveness, while participatory approaches improve organizational commitment toward sustainability objectives.

As adaptive leadership strengthens these capabilities, organizations become increasingly capable of mobilizing resources from diverse sources and thereby enhance their sustainability prospects.

Proposition 2

There is a positive relationship between adaptive leadership and resource mobilization capability among NGOs.

The literature further suggests that resource mobilization capability acts as a key mechanism explaining how adaptive leadership influences sustainability outcomes.

Organizations may possess adaptive leaders, but without sufficient capability to mobilize and sustain resources, the impact of leadership on financial sustainability may remain limited. Resource mobilization capability therefore appears to function as an intermediary variable linking adaptive leadership and sustainability outcomes.

Proposition 3

Resource mobilization capability mediates the relationship between adaptive leadership and financial sustainability among NGOs.

7.3. The Role of Adaptive Organizational Culture

The emerging phenomenon discussed earlier suggests that adaptive leadership and resource mobilization capability operate within an organizational environment shaped by culture.

Culture influences how organizational members think, interact, solve problems, and respond to change. Organizations characterized by strong learning orientations, openness to innovation, collaboration, and flexibility are generally more capable of leveraging adaptive leadership practices than organizations characterized by bureaucracy and resistance to change.

Adaptive organizational culture provides an environment conducive for experimentation, stakeholder engagement, knowledge sharing, and innovation. Such cultural characteristics reinforce the effects of adaptive leadership and resource mobilization capability on sustainability outcomes.

Conversely, organizations operating within rigid organizational cultures may experience reduced benefits from adaptive

leadership because employee participation, innovation, and learning are limited.

For this reason, adaptive organizational culture is proposed as a moderating variable influencing the relationship between adaptive leadership and financial sustainability.

Proposition 4

Adaptive organizational culture moderates the relationship between adaptive leadership and financial sustainability among non-governmental organizations.

8. Conclusion

This paper reviewed conceptual, theoretical, and empirical literature on adaptive leadership and financial sustainability among non-governmental organizations (NGOs). The study also sought to identify the phenomenon emerging from the deployment of adaptive leadership and to develop a theoretical model explaining how adaptive leadership contributes to financial sustainability within nonprofit organizations operating in increasingly dynamic and uncertain funding environments.

The review established that financial sustainability remains one of the most significant challenges confronting NGOs, particularly in developing countries where donor dependency continues to constrain organizational autonomy and long-term viability [13-18]. Increasing competition for funding resources, changing donor priorities, growing accountability demands, technological transformation, and environmental uncertainty have intensified sustainability challenges across the nonprofit sector. Consequently, NGOs require leadership approaches that enable continuous adaptation to changing conditions while maintaining organizational effectiveness and mission fulfillment.

The findings demonstrate that adaptive leadership provides a valuable framework for understanding how nonprofit organizations respond to financial uncertainty and environmental complexity. Unlike traditional leadership approaches that emphasize authority, control, and technical solutions, adaptive leadership promotes learning, flexibility, innovation, stakeholder engagement, and collaborative problem-solving. These characteristics enable organizations to respond more effectively to emerging challenges and opportunities within rapidly changing environments.

The review further revealed that adaptive leadership contributes to the development of a broader organizational phenomenon comprising resource mobilization capability, stakeholder trust, donor confidence, organizational agility, and organizational resilience. These capabilities emerge as important intermediate mechanisms through which adaptive leadership influences sustainability outcomes. Among these, resource mobilization capability emerged as the most significant mechanism linking adaptive leadership to financial sustainability because it enhances organizations' ability to secure, diversify, and effectively utilize critical resources.

The review also highlighted the importance of organiza-

tional culture in shaping the effectiveness of adaptive leadership. Organizations characterized by learning, innovation, flexibility, and collaboration are more likely to create conditions that support adaptive leadership and strengthen sustainability outcomes. Consequently, adaptive organizational culture was identified as an important contextual factor that may enhance or constrain the relationship between adaptive leadership and financial sustainability.

To explain these relationships, the paper proposed a theoretical model linking adaptive leadership, resource mobilization capability, adaptive organizational culture, and financial sustainability. The proposed model advances nonprofit leadership scholarship by integrating Adaptive Leadership Theory, Resource Dependence Theory, Stakeholder Theory, Dynamic Capabilities Theory, and Organizational Resilience Theory into a unified framework. Through this integration, the study provides a more comprehensive explanation of how leadership behaviors contribute to sustainability outcomes within nonprofit organizations.

Ultimately, the study argues that financial sustainability should not be viewed solely as a financial management concern. Rather, sustainability is increasingly a leadership challenge that requires organizations to continuously learn, innovate, adapt, and mobilize resources to evolving environmental realities. NGOs operating in uncertain funding environments require leaders capable of building stakeholder relationships, fostering organizational learning, encouraging innovation, strengthening organizational capabilities, and creating resilient institutions capable of sustaining their missions over the long term.

The study therefore contributes to the existing body of knowledge by extending adaptive leadership scholarship into the domain of nonprofit financial sustainability and by providing a theoretical foundation for future empirical research. Future studies should empirically test the proposed model across different nonprofit contexts to further examine the relationships among adaptive leadership, resource mobilization capability, adaptive organizational culture, and financial sustainability.

9. Limitation and Future Research

This study was conceptual in nature and relied exclusively on the review and synthesis of extant conceptual, theoretical, and empirical literature. Consequently, the relationships proposed in the study remain theoretical and have not been subjected to empirical validation. While the review provides a strong theoretical foundation for understanding the relationship between adaptive leadership and financial sustainability, the proposed model should be interpreted as a conceptual framework requiring empirical verification.

Future research should therefore seek to generate empirical evidence capable of validating the proposed theoretical model. Researchers may employ qualitative, quantitative, or mixed-

method approaches to examine the relationship between adaptive leadership and financial sustainability among non-governmental organizations operating in different contextual settings.

Particular attention should be directed toward testing the mediating role of resource mobilization capability and the moderating role of adaptive organizational culture. Future studies may also examine the applicability of the proposed model across diverse nonprofit sectors, including education, healthcare, humanitarian assistance, community development, environmental conservation, and child protection.

In addition, comparative studies conducted across different countries and institutional contexts may provide valuable insights into how contextual factors influence the effectiveness of adaptive leadership in promoting financial sustainability. Such studies would contribute to a more comprehensive understanding of the generalizability of the proposed model.

Longitudinal research designs are similarly recommended because the effects of adaptive leadership and organizational capability development are likely to emerge over time. Longitudinal studies would provide deeper insight into the dynamic processes through which adaptive leadership influences resource mobilization capability, organizational adaptability, resilience, and long-term financial sustainability.

Overall, future empirical investigations are necessary to refine, validate, and extend the theoretical relationships proposed in this study and to advance knowledge regarding sustainable leadership practices within nonprofit organizations.

Abbreviations

NGOs Non Governmental Organizations

Author Contributions

Tumaini Abel Majaliwa: Conceptualization, Data curation, Formal Analysis, Investigation, Methodology, Resources, Writing – original draft, Writing – review, editing & final draft

Conflicts of Interest

The author declares no conflicts of interest.

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