



EFFECT OF FINANCING DECISIONS ON THE OPERATIONAL PERFORMANCE OF NON-GOVERNMENTAL ORGANIZATIONS IN RWANDA: A CASE OF PARTNERS IN HEALTH

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ABSTRACT

This research investigated the effect of financing decisions on the operational performance of NGOs in Rwanda, taking a case of Partners in Health, Rwanda. Three objectives of the study were: to investigate the effect of fundraising decisions, resource mobilization, and resources allocation on the operational performance of Partners in Health, Rwanda. The null hypotheses of the research were: H_01-H_03 : there is no significant effect of fundraising decisions, resource mobilization, and resources allocation on operational performance of Partners in Health, Rwanda. Both descriptive and correlational research designs were used. Primary data collected from a sample of 134 drawn from a target population of 201 employees working at Partners in Health, Rwanda. In addition, stratified random sampling was used to select the sample elements from the target population. The data were collected using questionnaire and interview guide, and processed and analysed using SPSS version 23. The findings on first objective showed that 77.6% of the respondents agreed that decision making in Partners in Health is all-inclusive, 96.3% of the respondents agreed that grant writing is an important exercise necessary for raising funds for any NGO. 78.4% of the participants engaged in this study agreed that fundraising activities at PIH help the organization increase its network with other partners and donors. The findings on the second objective showed that 98.8% of respondents agreed that resource mobilization is essential aspect for any financing decisions within an NGO, 97.3% of the respondents agreed that efficient resource allocation is an important decision, 96.3% of respondents agreed that financial control is essential for the organization to avoid embezzlement and misuse of funds. The findings on third objectives shows that budgeting is the most important tool with 98.5% of respondents who agree, 91% agree that record keeping is an important accounting and finance practice. 95.5% agree that Income diversification should be part of financing decision for an NGO, and 97.7% agree that financing decisions are important in improving the smooth running of a NGO. The regression results indicated that fundraising decision was

positive but not significant ($\beta_1=0.245$; $p>0.05$). The null hypothesis was therefore accepted. $\beta_2=0.279$; $p<0.05$ and $\beta_3=0.305$; $p<0.05$ therefore the null hypotheses 2 and 3 were rejected and the study concludes that resources mobilization and fund allocation have positive and statistically significant affect operational performance of Partners in health. ANOVA results ($F=163.133$, $p=0.000$) showed that the model is fit to predict study variables since $F(163.133) > F_{critical}(2.674)$. The $R^2=0.792$ implied that 79.2% of the changes in operational performance of Partners in health come from fundraising decision, resources mobilization and fund allocation. The research concludes that on the first hypothesis, fundraising decisions is not statistically significant to operational performance of Partners in Health, Rwanda, on the second hypothesis, the study concludes that resource mobilization has a positive and statistically significant relationship with operational performance of Partners in Health, Rwanda. This implies that up to 0.279 units increase in operational performance of Partners in Health Rwanda, for each unity increase in resource mobilization. On the third hypothesis, the study concludes that fund allocation has a positive and statistically significant relationship with operational performance of Partners in Health, Rwanda. This implies that up to 0.305 units increase in operational performance of Partners in Health Rwanda, for each unity increase in fund allocation holding all other independent variables constants. The researcher suggest that a research should be conducted to investigate others strategic decisions used by non-governmental organization to influence the operational performance. In addition, further studies should explore other variables not covered in this study.

Background of the Study

Globally, many development organizations in both the public and private sector need resources to help them continue providing services to the community they serve. Non-Governmental Organizations (NGOs) activities that include protecting the environment, social interventions, helping the needy and sick and preserving arts and culture is by nature unprofitable. Traditionally, the NGOs have relied on the benevolence, kind-heartedness and generosity of others to cover the costs of their activities through grants, aid donations and contributions. Today, however, NGOs find it difficult to mobilize funds the traditional way as most sources of funds are unable to meet the growing needs of the organizations and the rising costs associated with the operations. Restrictive conditions on grants and donations and unlikelihood of mobilizing funds over the years, becomes a challenge for NGOs to take on long-term planning, improve their service offerings or accomplish their full potential. It is observed that today's NGOs managers face an increasing challenge in mobilizing funds to meet their operational needs. This is because there are increasing project costs while there is competition for funds with a dynamic restrictive environment for obtaining financing in form of grants and donations (Silva & Burger, 2015).

The NGOs are funded in most part by external donors. Khieng and Dahles (2015) document that NGOs all over the world, from the largest international organizations such as United Nations all the way down to the smallest Local NGOs (LNGOs) are affected by the financing decisions with too much activities to do but with limited funding available.

In Central Asia, a research by Amagoh and Kabdiyeva (2012) has discussed the significance of decision making for the continued operation of NGOs in Kazakhstan. The authors in their investigation have shown that NGOs in Central Asia need to be more accountable in order to improve their credibility and trust in the eyes of the donors. Edwards and Hulme (2014) have also conducted a research in Asia and discussed the significance of accountability for the NGOs especially in the face of competition for funds. NGOs that heavily depend on donor funding in India face financial crisis when the donors move to new priorities.

In Nigeria, Rafindadi and Olanrewaju (2019) investigated the effect of sound internal controls on the financial accountability of NGOs. In their research, the authors pointed the importance of effective management including financing decisions in ensuring that the NGOs remain competitive and can attract the funds they need. In Kenya, Karanja and Karuti (2014) also concluded that decisions making within NGOs influence their ability to remain sustainable for long. Hence, the need for financing decisions that promote income diversification, budgeting, accountability and resource planning.

In Rwanda, only few literatures have investigated the NGOs in Rwanda. Even these few research have not investigated the effect of financing decisions on the performance of NGOs. The study that has come close to the current research is Mugenzi (2013), which studied marketing strategies and financial sustainability of NGOs. However, this is unpublished thesis. The current study therefore contributes to literature by introducing an important but rarely investigated topic in finance. The financing decisions that NGOs make can either improve their financial stability and hence survival or cause the failure of the organizations. This research investigated whether financing decision in NGOs in Rwanda contribute to their effective operation, especially taking the case of Partners in Health, Rwanda.

Problem Statement

Many NGOs faced problems concerning the financing decisions, and this hindered their efforts to raise money, how to mobilise resources and how to use them to smoothly run their operations. However, in regard with fundraising decisions, NGOs have traditionally relied on the goodwill and the generosity of individuals, corporate governments or donor agents for their funding. Fundraising become a core feature of NGOs in the survival, expansion and development reducing dependency and help them to consistent. Many organizations lacked professional fundraising staff and rarely engage fundraising consultants or volunteers for fundraising activities. Shuria, H. (2014). Different renown NGOs have collapsed around the world due to poor fund allocation. For instance, the collapse of Childhood Development and Aid (CDA) in 2002 (Banks, Hulme & Edwards, 2015). The collapse was attributed to poor fund allocation that depleted the funds to negative. Academy for Educational Development (AED), an American NGO also collapsed in the year 2010 after its main donor USAID withdrew funding over claims of poor financial management. As reported by Tzifakis, Petropoulos and Huliaras (2017), 52% of NGOs in USA experienced financial challenges when most of their main source funding were significantly decreased due to negative slowdown of the economy. In recent times during the Covid-19 pandemic and subsequent lockdowns, many local and international NGOs have suffered consequences of limited funding from donors. Most of these NGOs closed offices, but still had to work under tight budgets as they had to foot for fixed costs including salaries, rents loan repayments, among others (Nsengiyumva, 2020). The core problem consists of sustainability of resources in the Non-Profit Sector is a key challenge to ensure an effective NGO sector globally, which are important for economic prosperity. This research investigated the effect of financing decisions on the operational performance of nongovernmental organizations in Rwanda, taking a case of Partners in Health Rwanda.

General Objective

The general objective for this research was to investigate the effect of financing decisions on the operational performance of Non-governmental organizations in Rwanda, taking a case of Partners in Health Rwanda.

Specific Objectives

The specific objectives that guided this research included:

- i). To investigate the effect of fundraising decisions on operational performance of Partners in Health, Rwanda.
- ii). To assess the effect of resource mobilization on operational performance of Partners in Health, Rwanda.
- iii). To analyse the effect of fund allocation decisions on operational performance of Partners in health, Rwanda.

1.4 Research hypotheses

H₀1: There is no significant effect of fundraising decisions on operational performance of Partners in Health, Rwanda.

H₀2: There is no significant effect of resource mobilization on operational performance of Partners in Health, Rwanda.

H₀3: There is no significant effect of fund allocation decisions on operational performance of Partners in health, Rwanda.

Theoretical Framework

Credit Rationing Theory

The credit rationing theory developed by Stiglitz and Weiss (1981) proposes that demand for funds surpasses the availability of these funds. This theory justifies fund rationing. The theory therefore holds that when the demand for funds from NGO is higher than the availability of these funds, donors and other providers of the funds will ration the funds. The providers will determine how much funds to give to the NGOs based on their own judgement of the situation. In some circumstances, since the funds are in scarcity, the donors will grant the funds based on the NGOs activities, accountability, transparency, ability to write grant proposal and sound management practices. This theory therefore, opines that funds are limited and that donors will extend the funds to NGOs as per the availability of the funds.

Karanja and Wario (2015) further point out that the accessibility to external funding for NGOs is primarily determined by the availability of these funds. The author further says that most donors, private institutions, governments and international agents are willing to support NGOs. However, fund rationing happens due to insufficient funds or due to cases of fund mismanagement and embezzlement.

The credit rationing theory is related to this research as it proposes practical situations where demand for funds leads to rationing. This argument is very applicable for nongovernmental organizations whose demand for donor funding exceeds the supply of the funds. This therefore leads to competition for funds. This research investigates the effect of financing decision in NGOs on their operational performance.

Resource Dependency Theory

Resource Dependency Theory (RDT) as proposed by Pfeffer and Salancik (1978) holds that organizations are resource-insufficient. They therefore seek to acquire and maintain the resources they need from external environment. The theory proposes that due to constrained resources, organizations will seek to cover this limitation from various sources outside the organization.

The theory further proposes that organizations cannot survive entirely by themselves. They need to have inter-organization relations in order to secure other resources that may not be available within. It states that the providers of the resources may provide such resources and ask to have an influence or control over the operations of the organization. This might be the case where the donors dictate on what the NGO should do. In such circumstance, the resource dependence on NGOs makes them vulnerable to the decisions of the providers (Lewis, 2014; Balboa, 2018).

The RDT theory is relevant in this research where the researcher investigates the effect of financing decisions on the operational performance of nongovernmental organizations in Rwanda. Since these organizations rely heavily on funding from donations, grants and goodwill of external providers, they may in turn become overreliance on these funds. Thereby, making the organizations dependent on the donors. This in turn may inhibit the autonomy of the organizations to an extent that they become resource dependence too much such that they may be unable to make independent decisions. The dependency on these resource providers may render the institutions to undertake activities or programs at the whims of the donors. In fact, most donors want to see that the funds and the resources they provide are directed towards a certain objective. They may even have their own agenda or views on what is more important for the NGOs to consider. They may therefore dictate on

what is the most pressing needs that the NGOs should do, which may not necessarily align with the priorities as set by the NGOs.

Stewardship Theory

Stewardship theory, which proposes that management are stewards, can be traced back to Donaldson and Davis (1991). The theory further proposes that the management within an organization should act in a way that they preserve the objectives and the vision of the owners. Within the setting of an organization, the providers of funds are not the same people who run the day-to-day operations. They entrust their funds and resources to others, the management and the staff, to manage the funds and resources. According to the theory, organizational stewardship implies that the managers are elected in their position as foreseers or supervisors of the resources provided by the owners. Hence, they have a responsibility to safeguard the interests of the owners.

As stated by Potocan and Nedelko (2016) stewardship theory fits well within nongovernmental organizations. These organizations are intended to be non-profit making organizations by using fund and resources from various providers to provide a given social service. There is therefore a link between the managers and the responsibility to safeguard resources for the interests of the providers.

In this research, stewardship theory is significant since it relates to the ability of the management within the NGOs to be accountable to the donors. As noted by Kang'ethe and Manomano (2014) in his empirical study, various NGOs have failed globally due to fund mismanagement and embezzlement. Such malpractices reduce the trust and undermine the stewardship role of the managers. To avoid such, incorporating sound financing decisions can aid the organizations in this regards. This theory is therefore relevant in this research as it relates to the stewardship role of NGO managers that is expected of them in order to move organizations forward. The three theories, namely fund rationing theory, resource dependence theory and the stewardship theory are applied different in this research to expound different aspects in relation to financing decision for NGO.

Empirical Literature

Funding Decisions and Operational Performance of NGOs

Vacekova and Svidronova (2014) on self-financing of NGOs across three countries Czech Republic, Slovak Republic and Austria investigate the need for NGOs achieving financial independence. The authors argue that financial independence help NGOs to be more stable financially, thereby improving they daily operations. The authors collected data using structured questionnaire from a sample of 515 respondents. Self-financing was found as a source of finance for the NGOs increasing revenue diversification for these organizations.

This

(2016) conducted a research on the accountability of nongovernmental organization in Indonesia. The researchers used participative observation to collect data and the results showed that NGOs keep reports mostly for the donors.

On their part, Arthur and Appiah-Kubi (2020) carried out an empirical study on the financial management of NGOs in Ghana. They investigated the Young Men's Christian Association (YMCA) in Ghana. Using a case study design, the authors collected data from 48 respondent using questionnaire and interview. The findings reveal that staff understanding of financial management as well as their responsibilities in the NGO improve the financial management of the NGOs.

Karanja and Wario (2015) looked at the strategic factors influencing the financing decisions for NGOs in Nairobi Kenya, as they compete for donor funds. The study employed cross sectional research design where data was collected from a sample of 39 NGOs operating in Nairobi. Semi-structured questionnaire was used and the data obtained analysed using SPSS. It was found that efficient budgeting, timely access to funds, income diversification are among the factors that affect the financing decisions of NGOs and therefore their operations.

Resource Mobilization and Operational Performance of NGOs

A study by Kang'ethe and Manomano (2014) on challenges affecting NGOs' survival in Africa revealed that NGOs face different funding challenges that threaten their sustainability.

The funding challenges found include corruption, embezzlement of funds, inadequate decision making and diminishing state of funding.

An empirical study conducted by Ebenezer, Musah and Ahmed (2020) investigated determinants of the financial sustainability of NGOs in Ghana. The authors note that financing of NGOs has been constrained globally due the financial crisis. This saw the reduction of donor funds for most NGOs. The researchers focussed on the following main variables that determine the sustainability of the operation of NGOs. Namely, financial management practices, use of Enterprise Resource Planning (ERP), healthy donor relationship, income diversification and efficient decision-making. Data was collected using questionnaire from a sample of 56 NGOs and analysed using different statistical tools. The study found that NGOs in Ghana heavily depend on donor funding with minimal income diversification, thereby limiting their operations to the availability of donor funds. In addition, the regression analysis gave an R^2 of 0.678 showing that the factors investigated affect NGOs sustainability by 67.8.

Finance Management and Operational performance of NGOs

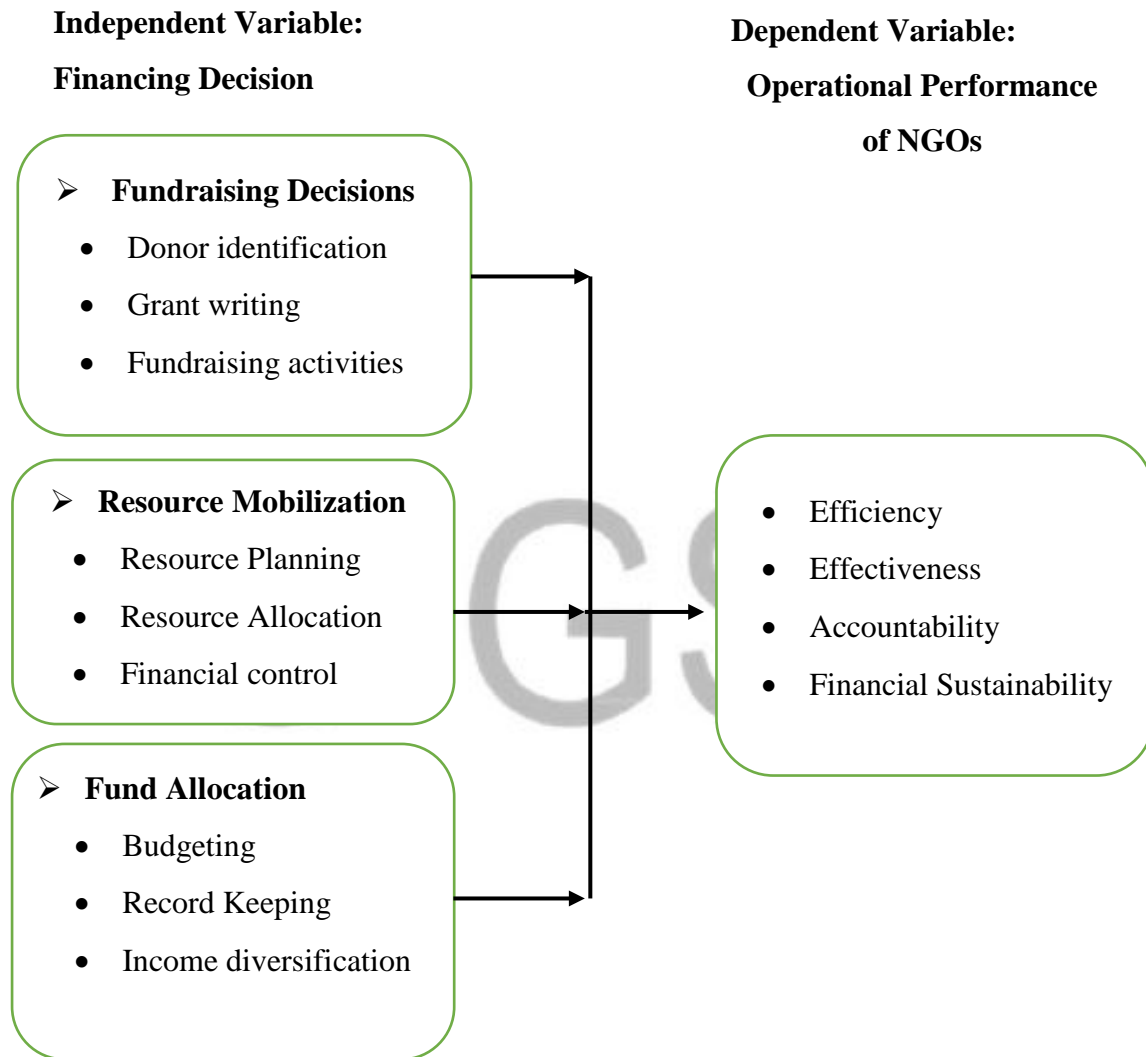
Chowdhury, Mahjabeen and Habib (2019) investigated the financial reporting of NGOs in Bangladesh and how this affects the NGOs credibility. The authors note that there is inadequate accounting standards that specifically focus on the financial reporting for NGOs. This makes comparison of NGOs a daunting task, as well as exposing the NGOs to variety of diversions in reporting. Descriptive design was used to analyse the data obtained from closed-ended questionnaire. The chi-square results showed that financial reporting is significant in helping NGOs maintain sustainable funds for their operations. Su, Nuryyev and Aimable (2014) investigated the effect of financial management on the performance of NGOs in Haiti. The study used forty NGOs and covered the period between 2009 and 2011. The results showed that fund raising efficiency is critical in for the performance of NGOs.

Another research carried out in Poland by Mikołajczak (2018) discussed the significance of income diversification in for NGOs. The results showed that financial management help NGOs to manage their expenses as well as plan for their future through budget preparation. Financial sustainability of the NGOs can be improved through income diversification and

efficient financial management practices. In addition, financial stability improves where the organization is having efficient financing decisions. AbouAssi and Trent (2016) while investigating the effect of accountability on NGOs in Lebanon used exploratory research design to provide insights on their research objectives. The data collection involved use of semi-structured interviews. The results showed that external accountability to outside stakeholders improves the NGOs image and thereby may help to improve future access of funds for the NGOs.

Khieng and Dahles (2015) in their research carried out in Cambodia showed that NGOs resource dependence affect the smooth running of NGOs. The authors found that reducing external resource dependence through efficient financing decisions helps NGOs to be more self-reliant while increasing autonomy for the NGO. While looking at some selected countries including Rwanda, Kenya, Tanzania and others, Kelly (2019) studied the effect of different legalisation on the performance of NGOs in these countries. The author acknowledges that different legal requirements have restrained NGOs on their ability to make financing decisions especially where foreign funding is limited to certain percentage. In Uganda, Silva and Burger (2015) investigated financial vulnerability of NGOs in Uganda. The findings revealed that financial vulnerability negatively affect the operational performance of NGOs.

Figure 2. 1: Conceptual framework



Source: Author, 2022.

Figure 2.1 depicts the conceptual framework used in this research. It displays the concepts of interest in this study. On one side of the diagram is the independent variable, the financing decisions, on the other side it shows operational performance of NGOs, which is the dependent variable. The indicators for financing decision included fundraising decisions, resource mobilization and fund allocation decisions. The fundraising decisions includes decisions on donor identification, grant writing and fundraising activities. The resource

mobilization decisions however deal with how the NGOs decide on resource planning, resource allocation and financial control. Lastly, fund allocation decisions aim to guide the NGOs on how best to use financing management techniques to improve their operational performance and include decisions on budgeting, record keeping and income diversification

Research Gap

This research has used published literature, both theoretical and empirical. Various authors have pointed out that NGOs need to improve in their service delivery and accountability. However, the literature has not exhaustively discussed the significance of financing decisions at the empirical level. Most of the literature on finance, financial management and finance decision making are mostly theoretical or books. The empirical studies have mostly focused on other aspects of NGOs like project management. Some of the empirical studies that have tackled the financing decisions for NGOs include Chowdhury, et al. (2019), Mugenzi (2013), Silva and Burger (2015), Su, Nuryyev and Aimable (2014) and Vacekova and Svidronova (2014). Other authors have focused on accountability like Rafindadi and Olanrewaju (2019) and Yuesti, *et al.* (2016). This research is extensive empirical research and adds to the body of knowledge by covering wider areas in financing for NGOs. It incorporates the fundraising decisions, resource mobilization decision, fund allocation in one research. It therefore adds value to the existing literature. Moreover, few empirical literatures have been found in Rwanda that have investigated the effect of financing decision on the operational performance of NGOs. Cited empirical works did not specifically tackled on three variables together namely fundraising decision, resources mobilisation and fund allocation. In addition, there is no research on these variables conducted in Rwanda context. Therefore, for filling this gap, this research was carried out in Rwandan context focusing on Partners in Health Rwanda.

RESEARCH METHODOLOGY

3.1 Research Design

As described by Creswell and Creswell (2017), research design refers to the overall plan that a researcher adopts in carrying out his/her research. It describes the plan on data collection, data presentation, data analysis and interpretation. The current research employed the

descriptive research design and correlational research design. The descriptive statistical data was collected using a questionnaire designed in form of five levels Likert scale. The correctional research design enabled the research to accurately describe the relationship between financing decisions and operational performance of NGOs using Pearson correlation and regression analysis. Multiple linear regression was applied and the results were presented in three main tables namely correlation matrix, R^2 , ANOVA, and regression coefficients. In this line the study used a mix of qualitative and quantitative where collected qualitative data was transformed into quantitative data to run regression.

Study Population

According to Blumberg, Cooper and Schindler (2014), every empirical research should have a population. The target population include the part of population that is accessible or that the researcher has define as more relevant to achieve the research objectives. In this research, the target population included 201 employees working at Partners In Health Rwanda at the Head Office in Nyarutarama Kigali Province.

Sample Size

Sample size refers to the number of respondents a researcher chooses from the population. In this research, the sample size was determined using Slovene's formula as given below:

$$n = \frac{N}{1 + Ne^2} = \frac{201}{1 + 201 * 0.05} \approx 134$$

Where N=population, n=sample size, e=margin of error which is 0.05.

3.3.2 Sampling Techniques

The researcher used stratified random sampling technique.. Usually, these groups are formed based on homogeneity of the elements in the population. Once the strata are formed, the researcher randomly selects sample elements from each stratum based on the proportion of each stratum. In this regards, the target population was divided into different departments according to their function. Table 3.1 describes the distribution of the sample elements based on the proportion for each group.

Table 3.1: Distribution of population and sample

Category	Population	Proportion	Sample size
1. Top level management	13	0.065	9
2. Mid-level managers	25	0.124	17
3. Technical Officer	38	0.189	25
4. Operation Department	53	0.264	35
5. Research & Development Department	35	0.174	23
6. Procurement and Logistic Department	13	0.065	9
7. Human Resource Department	10	0.050	7
8. Accounting and Finance Department	14	0.070	9
Total	201		134

Source: PIH, HR Office (2022) and Researcher computation (2022)

3.4 Data Collection Methods and tools

The data in this research were both primary data and secondary data. Primary data were collected from the identified sample selected from the targeted population. The researcher used both structured questionnaire and interview guide for collecting the primary data. The questionnaire was made up of close-ended questions to facilitate data collection and manipulation.

3.5 Reliability and Validity

To test the tool for reliability and validity, the researcher conducted a piloting study on managers of Save the Children NGO. According to Blumberg, *et al.* (2014), research instruments should be tested for reliability and validity. Reliability is when a research instrument is capable of giving similar outcomes if repeated tests are done. Such an instrument is said to be reliable. In the current research, reliability test will be done using Cronbach's alpha which is a recommended statistical test for reliability. According to this test, an alpha of more than 0.7 is considered to be reliable enough (Creswell & Creswell, 2017). Statistical Package for Social Sciences (SPSS) version 23 was used to assess the Cronbach's alpha. The results showed an alpha=0.863 which indicated the questionnaire was reliable to be used for this research.

Table 3.2: Cronbach’s alpha statistics

Cronbach's Alpha	N of Items
.863	45

Source: Researcher, (2022)

The validity test on the other hand shows whether a research instrument is measuring what it is intended to measure. It helps the researcher in identifying if the intended concepts have been captured in the research instruments. In addition, it helps remove redundant questions, ambiguity and focus on the most relevant concepts. In this research, the validity of the research instruments was done through consultation with the supervisor who helped in panel beating of the questionnaire and interview guide to ensure only valid concepts were included in the research instruments. In addition, Content Validity Index (CVI) was used. A CVI of 0.6 is considered to be sufficient evidence of content validity. The CVI was calculated as below and the results were CVI=0.9 showing that the research instruments were valid to be used in data collection.

$$CVI = \frac{\text{No. of relevant items}}{\text{Total no. of items}} = \frac{45}{50} = 0.9$$

3.6 Data Processing and Analysis

The collected data was entered in SPSS version 23 for processing and analysis. This involved data cleaning, data coding, data transformation and data analysis and presentation. Data cleaning was done to ensure that only filled questionnaires were used. In data coding, the researcher used numbers to code the data to allow SPSS understand the data. For analysis and presentation purposes, the researcher first transformed the data where necessary to be able to compute variables from the questionnaire items. This facilitated further analysis using Pearson coefficient correlation and multiple regression analysis. The regression model was formulated as follows: $y = \beta_0 + \beta_1x_1 + \beta_2x_2 + \beta_3x_3 + \varepsilon$

Where y = Operational performance

β_0 = constant

$\beta_1, \beta_2, \beta_3$ = regression coefficients for x_1, x_2 and x_3 respectively

x_1, x_2, x_3 = Fundraising decisions, Resource mobilization,

and Fund allocation decisions respective

III RESULTS

The respondents were given question items that were rated on a five-point Likert scale with 5=strongly agree (SA), 4=agree (A), 3=not sure (NS), 2=disagree (D) and 1=strongly disagree (SD). Considering the mean results, decision rule followed by this research states that the mean between 1 and 1.80 represents (strongly disagree), the mean between 1.81 and 2.60 represents (do not agree), the mean between 2.61 and 3.40 represents (true to some extent), the mean between 3.41 and 4.20 represents (agree), and the mean between 4.21 and 5.00 represents (strongly agree). Considering the standard deviation, the decision rule applied here is that a standard deviation <1.00 indicate homogeneity of answers while the standard deviation >1.00 indicate heterogeneity of answers.

Findings on objective one

The first objective was to investigate the effect of fundraising decisions on operational performance of Partners in Health, Rwanda. Three key areas of fundraising decisions were included in this study: donor identification decisions, grant writing processes and fundraising activities.

Table 3.1: Views of the Respondents on Donor Identification

Statements	SD		D		NS		A		SA		M	std
	n	%	n	%	n	%	n	%	n	%		
1.Decision making in Partners in Health is all inclusive	1	0.7%	6	4.5%	23	17.2%	76	56.7%	28	20.9%	3.93	.79
2.The funding decisions within the organizations are carried out on regular basis	0	0.0%	1	0.7%	18	13.4%	87	64.9%	28	20.9%	4.06	.61
3.The donors funding this organization are well known and have committed to give funds in a long-term basis	0	0.0%	7	5.2%	19	14.2%	86	64.2%	22	16.4%	3.92	.72
4.The organization acknowledges the importance of looking for donors	0	0.0%	0	0.0%	6	4.5%	63	47.0%	65	48.5%	4.44	.58
5.There is increased long-term relationship with the current donors due to the accountability in PIH	1	0.7%	1	0.7%	23	17.2%	79	59.0%	30	22.4%	4.01	.70

Source: Researcher, (2022).

Table 3.2: Views of Respondents on Grant Writing Process

Statements	SD		D		NS		A		SA		M	std
	n	%	n	%	n	%	n	%	n	%		
6. Every period, we have to engage the donors in order to access funds	0	0.0%	0	0.0%	18	13.4%	97	72.4%	19	14.2%	4.01	.53
7. Grant writing is an important exercise necessary for raising funds for any NGO	0	0.0%	1	0.7%	4	3.0%	60	44.8%	69	51.5%	4.47	.60
8. Am always engaged in the grant writing process through identification of the financial needs of the organization	4	3.0%	10	7.5%	18	13.4%	81	60.4%	21	15.7%	3.78	.90
9. Within our organization, there are particular people tasked with grant writing	0	0.0%	4	3.0%	15	11.2%	95	70.9%	20	14.9%	3.98	.62

Source: Researcher, (2022).

Table 3.3: Views of Respondents on Fundraising Activities

Statements	SD		D		NS		A		SA		M	std
	n	%	n	%	n	%	n	%	n	%		
10. NGOs can engage in different fundraising activities to improve their financial sustainability	0	0.0%	3	2.2%	7	5.2%	77	57.5%	47	35.1%	4.25	.66
11. Fund raising activities involves the public and therefore increase the visibility of an NGO	1	0.7%	7	5.2%	15	11.2%	85	63.4%	26	19.4%	3.96	.76
12. PIH regularly engages in different fund-raising activities	4	3.0%	10	7.5%	16	11.9%	85	63.4%	19	14.2%	3.78	.89
13. Fundraising activities at PIH help the organization increase its network with other partners and donors	0	0.0%	2	1.5%	27	20.1%	80	59.7%	25	18.7%	3.96	.67

Source: Researcher, (2022).

Table 3.4: Correlation Analysis between Funding Decisions and Operational Performance

		Operation Performance	Donor Identification	Grant Writing	Fundraising Activities
Operation Performance	Pearson Correlation	1	.279**	.381**	.204**
	Sig. (2-tailed)		.000	.000	.000
	N	134	134	134	134
Donor Identification	Pearson Correlation	.279**	1	.334**	.293**
	Sig. (2-tailed)	.000		.000	.001
	N	134	134	134	134
Grant Writing	Pearson Correlation	.381**	.334**	1	.340**
	Sig. (2-tailed)	.000	.000		.000
	N	134	134	134	134
Fundraising Activities	Pearson Correlation	.204**	.293**	.340**	1
	Sig. (2-tailed)	.000	.001	.000	
	N	134	134	134	134

** . Correlation is significant at the 0.01 level (2-tailed).

Source: Researcher, (2022).

Table 4.5 shows the Pearson correlation analysis between funding decisions and operational performance of nongovernmental organizations. In this research, three key areas of funding decisions were identified, namely, donor identification, gran writing process and fundraising activities. Considering Pearson correlation results, the table 4.5 shows that $0.26 < p\text{-value} < 0.5$; and the decision rule indicates that if the correlation coefficient $r < 0.25$ it indicates there is no correlation; the $0.26 < r < 0.5$ indicates weak correlation; the $0.5 < r < 0.75$ indicates moderate correlation; and $0.75 < r < 1.0$ indicates strong correlation. We can therefore conclude that there is weak correlation between variables. Concerning the significance of the correlation (sig.), the p- value < 0.05 indicates that the correlation is significant, which means the agreement exist not only in the sample size (selected employees of Partners in Health) but also in entire population. The positive sign indicate that there is positive relationship among variables since the relationship coefficient for all variables are greater than zero (+) which means that two variables tend to move in the same direction so that when one variable tends to decrease as the other variable decreases, or one variable tends to increase when the other increases.

4.2.3 Findings on Objective Two

The second object was to assess the effect of resource mobilization on the operational performance of Partners in Health, Rwanda. Three sub-variables were identified as key to the resource mobilization, namely, resource planning, resource allocation and financial control. Therefore, the researcher investigated the contribution of each of these to the operational performance of NGOs in Rwanda.

Table 3.5: Views of Respondents on Resource Planning

Statements	SD		D		NS		A		SA			
	n	%	n	%	n	%	n	%	n	%	M	std
14.Resource mobilization is essential aspect for any financing decisions within an NGO	0	0.0%	0	0.0%	3	2.2%	60	44.8%	71	53.0%	4.51	.54
15.PIH always focusses on resource mobilization in its program to improve the funding opportunities in the organization	0	0.0%	2	1.5%	8	6.0%	95	70.9%	29	21.6%	4.13	.57
16.Resource planning within our organization is carried out at all departments	0	0.0%	2	1.5%	18	13.4%	95	70.9%	19	14.2%	3.98	.58
17.I am always engaged in the resource planning in the organization	3	2.2%	14	10.4%	18	13.4%	86	64.2%	13	9.7%	3.69	.87
18.Resource planning ensures that the required resources are sufficient enough for smooth operation within the organization	1	0.7%	1	0.7%	7	5.2%	66	49.3%	59	44.0%	4.35	.69

Source: Researcher, (2022).

Table 3.6: Views of Respondents on Resource Allocation

Statements	SD		D		NS		A		SA			
	n	%	n	%	n	%	n	%	n	%	M	std
19.Efficient resource allocation is an important decision for financing the daily operations of the organization	0	0.0%	1	0.7%	2	1.5%	56	41.8%	75	56.0%	4.53	.57
20.Practicing efficient resource allocation within a NGO increases its sustainability	0	0.0%	0	0.0%	6	4.5%	74	55.2%	54	40.3%	4.36	.57
21.We are always careful while distributing resources in PIH	1	0.7%	2	1.5%	13	9.7%	94	70.1%	24	17.9%	4.03	.64
22.Resource allocations are done at central place based on the needs and requisition for each department	0	0.0%	1	0.7%	6	4.5%	86	64.2%	41	30.6%	4.25	.57

Source: Researcher, (2022).

Table 3.7: Views of Respondents on Financial Control

Statements	SD		D		NS		A		SA			
	n	%	n	%	n	%	n	%	n	%	M	std
23.NGOs should adhere to financial control approaches in order to increase their sustainability	0	0.0%	1	0.7%	3	2.2%	67	50.0%	63	47.0%	4.43	.58
24.PIH is always keen to improve internal control systems within the organization to control the use of finance resources	0	0.0%	0	0.0%	10	7.5%	82	61.2%	42	31.3%	4.24	.58
25.Our department follows the PIH policy guide and controls to facilitate efficient use of resources	0	0.0%	1	0.7%	12	9.0%	98	73.1%	23	17.2%	4.07	.54
26.Financial control is essential to for the organization to avoid embezzlement and misuse of funds	0	0.0%	1	0.7%	4	3.0%	58	43.3%	71	53.0%	4.49	.60

Source: Researcher, (2022).

Table 3.8: Correlation Analysis between Resource Mobilization and Operational Performance

		Operation Performance	Resource Planning	Resource Allocation	Financial Control
Operation Performance	Pearson Correlation	1	.402**	.381**	.286**
	Sig. (2-tailed)		.000	.000	.000
	N	134	134	134	134
Resource Planning	Pearson Correlation	.402**	1	.408**	.279**
	Sig. (2-tailed)	.000		.000	.001
	N	134	134	134	134
Resource Allocation	Pearson Correlation	.381**	.408**	1	.387**
	Sig. (2-tailed)	.000	.000		.000
	N	134	134	134	134
Financial Control	Pearson Correlation	.286**	.279**	.387**	1
	Sig. (2-tailed)	.000	.001	.000	
	N	134	134	134	134

** . Correlation is significant at the 0.01 level (2-tailed).

Source: Researcher, (2022).

Table 3.9 shows the Pearson correlation analysis between resource mobilization and operational performance of nongovernmental organizations. In this research, three key areas of resource mobilization were identified, namely, resource planning, resource allocation and financial control. Considering Pearson correlation results, the table 3.9 shows that $0.26 < p\text{-values} < 0.5$; and the decision rule indicates that if correlation coefficient $r < 0.25$, it indicates no correlation; the $0.26 < r < 0.5$ indicates weak correlation; the $0.5 < r < 0.75$ indicates moderate correlation; and $0.75 < r < 1.0$ indicates strong correlation. We can therefore conclude that there is weak correlation between variables. About the significance of the correlation (sig.), the p-value < 0.05 indicates that the correlation is significant, which means that such agreement exist not only in the sample size (selected employees of Partners in Health) but also in entire population. The positive sign indicate that there is positive relationship among variables since the relationship coefficient for all variables are greater than zero (+) which means that two variables tend to move in the same direction so that when one variable tends to decrease

as the other variable decreases, or one variable tends to increase when the other increases. This implied that all the three indicator variables used in this study as measures of resource mobilization significantly influence the operation performance of NGOs.

Findings on Objective Three

The third objective sought to establish the effect of fund allocation decisions on the operational performance of Partners in health, Rwanda. In this study, budgeting, record keeping and income diversification were identified as essential features that can contribute to fund allocation decisions.

Table 3.9: Views of Respondents on Budgeting

Statements	SD		D		NS		A		SA			
	n	%	n	%	n	%	n	%	n	%	M	std
27. One of the most important tool in financing decision for an NGO is budgeting	0	0.0%	0	0.0%	2	1.5%	42	31.3%	90	67.2%	4.66	.51
28. Budgetary control is practiced here at the PIH and every department is engaged	0	0.0%	0	0.0%	9	6.7%	81	60.4%	44	32.8%	4.26	.57
29. We are always able to work within our annual budget	0	0.0%	7	5.2%	24	17.9%	79	59.0%	24	17.9%	3.90	.75
30. Our donors will always finance our activities as long as they appear in our budgets	1	0.7%	3	2.2%	26	19.4%	85	63.4%	19	14.2%	3.88	.69

Source: Researcher, (2022).

Table 3.10: Views of Respondents on Record Keeping

Statements	SD		D		NS		A		SA			
	n	%	n	%	n	%	n	%	n	%	M	std
31.Record keeping is an important accounting and finance practice that can help NGOs accountability	0	0.0%	3	2.2%	9	6.7%	55	41.0%	67	50.0%	4.39	.71
32.Our donors always ask for financial and daily reports to facilitate further funding	35	26.1%	21	15.7%	25	18.7%	39	29.1%	14	10.4%	2.82	1.38
33.At PIH we have accounting and finance officers who are competent in this field of record keeping	1	0.7%	2	1.5%	10	3.0%	90	68.6%	28	23.1%	4.15	.61

Source: Researcher, (2022)

Table 3.11: Views of Respondents on Income Diversification

Statements	SD		D		NS		A		SA			
	n	%	n	%	n	%	n	%	n	%	M	std
34.Income diversification should be part of financing decision for an NGO	1	0.7%	0	0.0%	5	3.7%	55	41.0%	73	54.5%	4.49	.65
35.NGOs that seek income diversification are more likely to remain financially stable for long term	0	0.0%	1	0.7%	3	2.2%	47	35.1%	83	61.9%	4.58	.58
36.There is sufficient income diversification within PIH for the last five years	7	5.2%	4	3.0%	32	23.9%	64	47.8%	27	20.1%	3.75	.99

37.Over reliance on one donor can bring unforeseeable financing problems for NGOs	2	1.5%	1	0.7%	1	0.7%	41	30.6%	89	66.4%	4.60	.69
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Source: Researcher, (2022)

Table 3.12: Respondents’ views on Operational Performance of NGOs

Statements	SD		D		NS		A		SA		M	std
	n	%	n	%	n	%	n	%	n	%		
1.Financing decisions are important in improving the smooth running of a NGO	0	0.0%	3	2.2%	0	0.0%	52	38.8%	79	59.0%	4.54	.62
2.Sufficient funds enable NGOs to continue with their daily operations without unnecessary disruptions	0	0.0%	0	0.0%	3	2.2%	56	41.8%	75	56.0%	4.54	.54
3.Our NGO continued operations without much financial challenges even during Covid-19	0	0.0%	4	3.0%	16	11.9%	81	60.4%	33	24.6%	4.07	.70
4.We have ensured that there is efficient account keeping to improve on the organization accountability	0	0.0%	0	0.0%	6	4.5%	90	67.2%	38	28.4%	4.24	.52
5.Fund allocation within PIH has improve the accountability of PIH over the last five years	0	0.0%	1	0.7%	13	9.7%	86	64.2%	34	25.4%	4.14	.60
6.Our donors and key stakeholders are contented with our level of transparency and accountability	0	0.0%	0	0.0%	12	9.0%	88	65.7%	34	25.4%	4.16	.56
7.Financing decisions improves NGO’s level of sustainability	0	0.0%	1	0.7%	4	3.0%	65	48.5%	64	47.8%	4.43	.59
8.NGOs that have better financing decisions and have diversified their income are likely to be financial stable	0	0.0%	1	0.7%	3	2.2%	60	44.8%	70	52.2%	4.49	.58

Source: Researcher, (2022).

Table 3.13: Correlation Analysis between Fund Allocation and Operational Performance

		Operation Performance	Budgeting	Record Keeping	Income Diversification
Operation Performance	Pearson Correlation	1	.301**	.418**	.275**
	Sig. (2-tailed)		.000	.000	.000
	N	134	134	134	134
Budgeting	Pearson Correlation	.301**	1	.272**	.209*
	Sig. (2-tailed)	.000		.001	.015
	N	134	134	134	134
Record Keeping	Pearson Correlation	.418**	.272**	1	.344**
	Sig. (2-tailed)	.000	.001		.000
	N	134	134	134	134
Income Diversification	Pearson Correlation	.275**	.209*	.344**	1
	Sig. (2-tailed)	.000	.015	.000	
	N	134	134	134	134

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

Source: Researcher, (2022).

Table 3.14: Model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.890 ^a	.792	.787	.12189

a. Predictors: (Constant), Fundraising Decisions, Resource Mobilization, Fund Allocation

Source: Researcher, (2022).

The regression summary shown in Table 3.15 revealed that the $R^2=0.792$, which implied that 79.2% of the changes in operational performance of NGOs in Rwanda can be attributed to

the financing decisions that these organization take. This implies that financing decisions have a significant contribution to the smooth operation of NGOs in Rwanda.

Table 3.15: Analysis of Variance (ANOVA) results

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	7.340	3	2.447	163.133	.000 ^b
	Residual	1.931	130	.015		
	Total	9.271	133			

a. Dependent Variable: Operation Performance

b. Predictors: (Constant), Fundraising Decisions, Resource Mobilization Fund Allocation

Source: Researcher, (2022).

The regression analysis involved also the Analysis of Variance (ANOVA), which helped to determine the significance of the whole regression analysis. The decision rule states that the model fit to predict variables if p- value <0.05; F being greater than F critical. The result presented in table 4.16 (F=163.133, p<0.05). F critical (3,130) = 2.674. As F (163.133)> F critical (2.674), these results indicate that the model is fit to predict study variables.

Table 3.16: Multiple regression coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
	(Constant)	1.619	.158		
Fundraising Decisions	.245	.031	.348	7.795	.300
Resource Mobilization	.279	.039	.354	7.168	.010
Fund Allocation	.305	.037	.414	8.304	.002

a. Dependent Variable: Operation Performance

Source: Researcher, (2022)

Table 3.17 shows regression coefficient analysis. In this analysis, the researcher was able to effectively measure the contribution of each of the indicator variables, namely, fundraising

decisions, resource mobilization and fund allocation, on the operational performance of nongovernmental organizations in Rwanda. The results of regression analysis indicate that $\beta_0 = 1.619$ which indicate that the value of operation performance will be equal to 1.619 when all of the independent variables are equal to zero.

H₀1: There is no significant effect of fundraising decisions on operational performance of Partners in Health, Rwanda.

The regression results presented in table 4.17 revealed that Fundraising Decisions was positive but not significant ($\beta_1 = 0.245$; $p > 0.05$). Therefore, the null hypothesis was accepted and the study concludes that fundraising decisions is not statistically significant to operational performance of Partners in Health, Rwanda.

These findings are consistent with the research of Austin, where he stated that resource dependencies of non-profit organizations affect the financial stability of NGOs, and seeking heightened donor contributions. He recommended to employ a diversified revenue approach rather than relying on donors. Austin B. (2021)

However, these findings are in contrast with a research of Shuria H. where he supported that NGOs must adopt a culture of being proactive and constantly be aware of global trends as they set their fundraising strategies. He also suggest strengthening the laws governing fundraising and resource mobilizations. They also need to consider strengthening their capacity in fundraising through engaging qualified fundraising staff, volunteers and board members to link the organizations to different stakeholders. Shuria H. (2014).

These findings are supported by the resource dependency theory. As stated by Khieng, S. & Dahles, NGOs dependence on external aid has mixed effects on organizations such as unpredictability of funding, goal displacement, reduced organizational autonomy and top down accountability. Khieng, S. & Dahles, H. (2014).

H₀2: There is no significant effect of resource mobilization on operational performance of Partners in Health, Rwanda.

The regression results presented in table 4.17 revealed that resource mobilization was positive and significant ($\beta_2 = .279$; $p < 0.05$). Therefore, the null hypothesis was rejected and the study concludes that resource mobilization has a positive and statistically significant relationship with operational performance of Partners in Health, Rwanda. This implies that up to 0.279 units increase in operational performance of Partners in Health Rwanda for each unity increase in resource mobilization holding all other independent variables constants.

These findings are consistent with the research of Rehema C. Batti. Where she argue Resource mobilization is a process whereby resources both financial and non-financial resources are mobilized either externally or internally to support organization activities. Fundraising is the act of persuading people or organizations to raise money for a cause. Resource mobilisation is a valuable component for strengthening an NGO. She state that there is two categories of funding resources: Conventional such as Individual philanthropy, Private foundations, corporate agencies, government and foreign development agencies and non-conventional means such as Individual philanthropy, Private foundations, corporate agencies, government and foreign development agencies.

H₀₃: There is no significant effect of fund allocation decisions on operational performance of Partners in health, Rwanda.

The regression results presented in table 4.17 revealed that fund allocation was positive and significant ($\beta_3 = .305$; $p < 0.05$). Therefore, the null hypothesis was rejected and the study concludes that fund allocation has a positive and statistically significant relationship with operational performance of Partners in Health, Rwanda. This implies that there was up to 0.279 units increase in operational performance of Partners in Health Rwanda, for each unity increase in fund allocation holding all other independent variables constants.

These findings are consistent with the research of Karanth, where he argue that non-profit organizations, have limited opportunities to earn income, and reliance on donations and grants is of paramount importance, efficient utilization of resources become crucial. As the NGO are receiving huge amount of funds and as major financial scandals have rocked the

non-profit world, it becomes essential on the part of the NGOs to have greater financial transparency and accountability and observe sound financial management practices in their day-to-day operations. (Karanth,2018)

These findings are supported by the Stewardship theory by Donaldson and Davis (1991). The theory proposes that the management within an organization should act in a way that they preserve the objectives and the vision of the owners. Within the setting of an organization, the providers of funds are not the same people who run the day-to-day operations. They entrust their funds and resources to others, the management and the staff, to manage the funds and resources. They have a responsibility to safeguard the interests of the owners.

As stated by Potocan and Nedelko (2016) stewardship theory fits well within nongovernmental organizations. These organizations are intended to be non-profit making organizations by using fund and resources from various providers to provide a given social service. There is therefore a link between the managers and the responsibility to safeguard resources for the interests of the providers. On the other hand, donors provide their resources and funds trusting that the funds will be used for the intended activity and preserve the interest of the majority. It is the work of the management to uphold such trust by becoming responsible stewards through accountability and ability to be answerable to the donors.

4.3 Discussions

This research sought investigate the effect of financing decisions on the operational performance of nongovernmental organizations in Rwanda. Three key factors relating to financing decisions identified are fundraising decisions, resource mobilization and fund allocation. These helped to formulate three specific objectives, which guided the researcher throughout this study. In the first specific objective, the researcher sought to investigate the effect of fundraising decisions on the operational performance of NGOs. To achieve this the fundraising decisions were subdivided in to three areas, the donor identification process, grant writing process and fundraising activities. The findings showed that the fundraising decision do not contribute significantly to the operational performance of NGOs Moreover, it obvious therefore that the use of these practices would stabilise the availability of funds to the NGOs, thereby ensuring their continued performance. Further, it was clear that the

smooth operational performance of the NGOs depend on the availability of funds. Yet these can be assured unless the organization is able to identify and attract funds from local and international donors. These findings were consistent with earlier findings by other authors like Vacekova and Svidronova (2014) who found that self-financing increases the ability of the NGOs to become financially independent. This in turn smoothen the daily operations of these organizations. Similarly, Yuesti, Novitasari and Rustiarini (2016) found that accountability within the NGOs increase their ability to retain their current donors as well as attract other donors. Similarly, Arthur and Appiah-Kubi (2020) pointed out that staff understanding of financial management practices is key in ensuring the organizations are able to keep up with the demands of the donors.

In the second objective, the study identified that resource mobilization plays a significant role in the smooth operations of the NGOs in Rwanda. Particularly, the author identified resource planning, resource allocation and financial control as the main features to look for in resource mobilization. In this study therefore, the analysis showed that resource planning, resource allocation and financial control have significant effect on the operational performance of nongovernmental organizations in Rwanda. They help these organizations in ensuring that there is smooth operation in the organizations. The findings in this case were in line with previous research. For instance, Kang'ethe and Manomano (2014) showed that one of the challenges that NGOs face is related to their inability to mobilize enough funds that would smooth out their day-to-day operations. Since these NGOs may be over relying on donor funds, they must be able to constantly search for resources to remain operational. Similarly, Arthur and Appiah-Kubi (2020) maintained that ability to have sound financial management practices would increase the strength of these organizations to remain sustainable.

The researcher also analysed the effect of fund allocation on the operational performance of NGOs in Rwanda. Under this objective, the factors included in the study were budgeting, record keeping and income diversifications. All these were analysed using Pearson correlation analysis and regression analysis. The results showed that the three have significant and positive contribution towards the operational performance of the nongovernmental organizations. Therefore, they improve the financial health of these organizations. Moreover, NGOs that are able to efficiently allocate the available funds through

budgetary control techniques are able to save on their costs of operations. Such findings concur with earlier findings with Vacekova and Svidronova (2014) who pointed out that budgeting increase the ability of these organizations to attract more funds. Similarly, record keeping improve the financial accountability of NGOs which is so much sought for by the donors. Yuesti, Novitasari and Rustiarini (2016) on their part held that improved accountability increases the ability of the NGOs to efficiently use their funds while at the same time increase probability of retaining their current donors. Previous research by Chowdhury, Mahjabeen and Habib (2019) and by Ebenezer, Musah and Ahmed (2020) found that the financial sustainability of NGOs is dependent on their ability to efficiently use the resources they have.

5.3 Conclusion

This research sought investigate the effect of financing decisions on the operational performance of nongovernmental organizations in Rwanda. Three key factors relating to financing decisions were identified, namely, fundraising decisions, resource mobilization and fund allocation. These helped to formulate three specific objectives, which guided the researcher throughout this study.

Conclusion on H₀₁

The first hypothesis: there is no significant effect of fundraising decisions on operational performance of Partners in Health, Rwanda and the first objective was to investigate the effect of fundraising decisions on operational performance of Partners in Health, Rwanda. As the findings have shown, fundraising decisions is not statistically significant to operational performance of Partners in Health, Rwanda

The regression results presented in table 4.17 revealed that Fundraising Decisions was positive but not significant ($\beta_1= 0.245$; $p> 0.05$). Therefore, the null hypothesis was accepted and the study concludes that fundraising decisions is not statistically significant to operational performance of Partners in Health, Rwanda.

Conclusion on H₀₂

The second hypothesis: there is no significant effect of resource mobilization on operational performance of Partners in Health Rwanda, objective is to assess the effect of resource mobilization on operational performance of Partners in Health Rwanda. The regression results presented in table 4.17 revealed that resource mobilization was positive and significant ($\beta_2 = .279$; $p < 0.05$). Therefore, the null hypothesis was rejected and the study concludes that resource mobilization has a positive and statistically significant relationship with operational performance of Partners in Health, Rwanda. This implies that up to 0.279 units increase in operational performance of Partners in Health Rwanda, for each unity increase in resource mobilization holding all other independent variables constants.

Conclusion on H_03

The third hypothesis: there is no significant effect of fund allocation decisions on operational performance of Partners in health Rwanda and the objective was to analyse the effect of fund allocation decisions on operational performance of Partners in health, Rwanda. The regression results presented in table 4.17 revealed that fund allocation was positive and significant ($\beta_3 = .305$; $p < 0.05$). Therefore, the null hypothesis was rejected and the study concludes that fund allocation has a positive and statistically significant relationship with operational performance of Partners in Health, Rwanda. This implies that up to 0.305 units increase in operational performance of Partners in Health Rwanda, for each unity increase in fund allocation holding all other independent variables constants.

5.4 Recommendations

Based on the findings on objective one, which is to investigate the effect of fundraising decisions on operational performance of Partners in Health, Rwanda, and as the findings have shown, the fundraising decisions is not statistically significant to operational performance of Partners in Health Rwanda. The management of Partners in Health should increase effort to include grant-writing process in routine activities and engage in fundraising activities in order to increase the chance of fundraising decision to participate in operational performance. Further, use of competent staff increases the compliance with financial

reporting standards. This would help the NGOs become more transparent and accountable to an extent of increasing their attractiveness to donors. The study further recommends that the regulators and policy makers should come up with financial reporting standards that can guide the reporting in NGOs and laws governing the fundraising activities the researcher recommends that the management within the nongovernmental organizations should employ competent staff in the area of finance and accounting, fundraising and grant writing.

In addition, as findings on the second objectives shown that resource mobilization has a positive and statistically significant relationship with operational performance of Partners in Health, Rwanda. This implies that up to 0.279 units increase in operational performance of Partners in Health Rwanda, for each unity increase in resource mobilization holding all other independent variables constants.

The researcher recommend that the management should always focus on resource mobilization, and make sure resources are sufficient to ensure the smooth running of operations.

The findings on third objective concludes that fund allocation has a positive and statistically significant relationship with operational performance of Partners in Health, Rwanda. This implies that up to 0.305 units increase in operational performance of Partners in Health Rwanda, for each unity increase in fund allocation holding all other independent variables constants. The researcher recommend that Management of Partners in Health should diversify the source of income, and also continue to perform budgetary and financial control practices in these organizations is a good tool for financial performance monitoring and continue to work within budget.

5.6 Suggestions for Further Studies

This study assessed the effect of financing decisions on the operational performance of non-governmental organisations in Rwanda using three independent variables namely fundraising decisions, resources mobilisations, and fund allocation. The research recommend that a research should be conducted to investigate others strategic decisions used by non-governmental organization to influence the operational performance. In addition, further studies should explore other variables not covered in this study.

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