Scholars Journal of Economics, Business and Management
OPEN ACCESS
Abbreviated Key Title: Sch J Econ Bus Manag
ISSN 2348-8875 (Print) | ISSN 2348-5302 (Online)
Journal homepage: https://saspublishers.com

Effect of Financial Management Strategy on Sustainable Performance of Community-Based Organizations in Ainabkoi Sub County

Emily Chepkuto[1*], Dr. Josphat Kwasira[2]

[1]Master of Business Administration in Strategic Management, Kenya
[2]Lecturer, Jomo Kenyatta University of Agriculture and Technology, Kenya

DOI: 10.36347/sjebm.2022.v09i10.004 | **Received:** 24.08.2022 | **Accepted:** 29.09.2022 | **Published:** 29.10.2022

***Corresponding author:** Emily Chepkuto
Master of Business Administration in Strategic Management, Kenya

Abstract **Original Research Article**

The recognition of the importance of strategic management of resources in organization's performance has been influenced by the intensification of competition and relative success of organizations where there's need to put emphasis in finance, technology, people and assets. Therefore, this study sought to determine the financial management strategy and sustainable performance of community-based organizations in Ainabkoi Sub County. The study was informed by model building approach for financial forecasting. A descriptive research design was applied in this study. The target population for this study was all approximately 40 CBOs operating in different parts of Ainabkoi Sub-County. The study used stratified random sampling to select the respondents. Primary data was collected using self-administered semi-structured questionnaires. A pilot test was done before embarking on actual data collection activity in Kesses Sub- County to determine the validity and reliability of research instruments. The collected data using questionnaires was edited, coded and cleaned in case of any inconsistencies and entered into the computer with the help of excel spreadsheets software before being uploaded into a statistical package known as Statistical Package for Social Science (SPSS) version 25. Data analysis was done using descriptive statistics and inferential statistics. Descriptive statistics included frequency tables, percentages and measures mean and standard deviation. Inferential statistics included correlation analysis and multiple linear regression analysis. The study findings revealed that there was effect of financial management strategy on sustainable performance of community-based organizations ($\beta 1=.114$, $p=0.000$). The study concluded that there exists a strong, positive and statistically correlation between financial management strategy and sustainable performance of community-based organizations in Ainabkoi sub-county, Uasin Gishu County. This implies that annual budget process, financial reporting and tracking which ensures proper use of funds, internal control which ensures good financial management and the presence of financial prudence have greatly improved performance sustainability of community-based organizations. The study concluded that there exists a strong, positive and statistically correlation between technological management strategy and sustainable performance of community-based organizations in Ainabkoi sub-county, Uasin Gishu County. This implies that hat the presence of technology strategy which is used for forecasting have ensured sustainable performance.

Keywords: Financial Management, Sustainable Performance, Community-Based Organisation.

BACKGROUND TO THE STUDY

Sustainable performance of community-based organizations is the ability to meet the needs and expectations of customers and other stakeholders on long-term, balanced by an effective management organization by organization staff awareness by learning and applying appropriate improvements, innovation (Van Marrewijk, 2014). Sustainable community does not describe just one type of community, town, city or region. Activities that the environment can sustain and those citizens want and can afford may be quite different from community to community (Coyle, 2020). Rather than being a fixed thing, a sustainable community is continually adjusting to meet the social and economic needs of its residents while preserving the environment's ability to support it (Muraya & Rambo, 2019).

Community-based organizations have come up to respond to the many socio economic and development challenges facing poor communities (Marris, 2018). Poor performance of government in meeting socio-economic quests of citizens has been identified as one of the reasons behind the proliferation of community-based organizations in the new millennium (Okeke-Ogbuafor, Gray & Stead, 2016). They constitute the media for resource management to confront local challenges. These include the finance and execution of projects, lobbying and nomination of representatives to Government offices to air their views and press their needs and developing of human resources against future developmental needs of their immediate communities (Ndinguri, 2017).

In Switzerland for instance, the first major strategic decision that community-based organizations make in soliciting for resources is to focus on human resources, material resources or financial resources (Ceptureanu, Ceptureanu, Luchian & Luchian, 2018). Since community-based organizations are usually dependent on external funding, the managing of financial resources tends to dominate but planning volunteer and community resources is also a strategy that keeps a community-based organization close to its community-based roots (Wright & Reames, 2020). In managing financial resources, an organization faces two immediate decisions namely: the organization to generate its own financial resources which leaves it in greater control and the threat to autonomy is reduced. Having autonomy also means less vulnerability to outsiders, less sensitivity, and the ability to replace critical resources because the organization can decide where to put the surplus it produces (Young, Neumann & Nyden, 2018).

In South Africa CBOs are performing poorly due to financial management strategy. A significant number of members of the CBOs were still poor, sources of income of the CBOs were both from the savings and credit cooperative societies (Butu, Nsafon, Park & Huh, 2021). CBOs were found to contribute significantly to reduction of poverty among their members by urging them to establish economic activities and looking for markets of their produce. According to Mebrahtu *et al.,* (2021) one way to involve respected individuals in the work done by NGO or CBO is to establish a committee to supervise or provide advice on the implementation of a particular project or aspect of work. In addition to tapping into the knowledge and expertise of various community members, committees can help inform the community about the impact of the work done by the CBOs While different groups of people and organizations have been identified as main contributors of resources for various organizations in different parts of the world (Gradisek, 2020).

Despite a proliferation of NGOs and CBOs in Kibera (Nairobi County) the largest informal settlement in Kenya, conditions of residents remain bleak (Lee & Baggio, 2021). Most Kibera CBOs routinely lack access to the kind of funding that could make their programs successful on a larger scale. CBOs in Mombasa are non-governmental stakeholders in the residential solid waste management, but they face challenges in their financial sustainability due to limited revenues sources (Verma & Raghubanshi, 2018). In Kenya, CBOs just like their counterparts across the African continent have their share of financial sustainability challenges. These organizations face financial crisis due to the dwindling financial support from their traditional donors, calling inevitably for adjustment (Alomba, 2020).

The net worth of the organizations is shrinking even as chronic budget deficits become unmanageable. The reduction in available funding has been attributed largely to the world-wide economic recession to changing domestic and international prowess in north which affects the volume and nature of funds available to aid agents (Bayai, 2017). Even those CBOs that had designed successful local fundraising strategies can no longer be complacent due to the demands of continuing poverty and the need to address local social need (Mawudor, 2016). Organizations that are well- managed and convey their key messages effectively to their target audiences, are more successful in raising resources, and this, in turn; contribute to the organization’s continued growth (Omolo & Mose, 2019).

Statement of Problem

As the economy grows, more requirements emerge, and the operation and management of these needs become more complex (Kerzner & Kerzner, 2017). More than one department is required to carry out these operations effectively. When it comes to most public, it becomes more complicated to coordinate the planning and management of this operation. Lack of integration between the procurement department and the user department has led to a lack of harmonization of the process. This has created shortages and dissatisfaction both with the customers and organizational needs. The recognition of the importance of strategic management of resources in an organization's performance has been influenced by the intensification of competition and relative success of organizations where there's a need to emphasize finance (Githinji, 2014). Managers should start the process by assessing the community-based organizations' current conditions and future goals, and this assessment should be carried out regularly. Like most organizations, community- based organizations in Kenya are no exception to looming challenges in performance to meet changing service delivery due to rapid advances in technology. These factors have a profound effect on what and how services are provided, to whom, and at what cost. This has made the need for effective resource management of the organization's most valuable asset. For any organization to perform well, this has to be considered. According to Kyunyu (2020), only 25% of CBOs in Kenya are active and implementing various projects at the micro-level; the rest have remained inactive due to the inability to mobilize the required resources for implementing their mandates. The problem of resource management is of a greater magnitude since some CBOs have collapsed, and others stagnated due to the inability to plan their resources properly. Therefore, there is a need to effectively strategize on resource management for Community Based Organizations and emphasize the need to embrace strategies that better their performances, operations, and services to the communities they serve (Muteti, 2018). According to Henderson, Gulati and Tushman (2015), CBOs in the 21st century must be prepared to maximize their resource management strategies and improve their performance at the same time ensure the sustainability of their organizations. It is therefore crucial in looking at the effect of strategic management of resources on the performance of community-based organizations in Ainabkoi Sub-County.

RESEARCH OBJECTIVE

To determine the effect of financial management strategy on sustainable performance of community-based organizations in Ainabkoi sub county.

Research Questions

H_{01}: Financial management strategy has no significant effect on sustainable performance of community-based organizations in Ainabkoi sub-county.

THEORETICAL REVIEW

This study adopted Model Building Approach developed by Schlosser 1989. This approach makes use of mathematical equations for drawing financial and economic models. These models depict the inter-relationships amongst the various factors affecting the revenue, financial, economy or business. The expected values for dependent variables are then ascertained by putting the values of known variables in the model. The model considers daily changes in past/historical values to compute the likelihood of the variations in values of current portfolio between given time frame. The key assumption in model building approach is that the set of possible future outcomes is fully represented by what occurred in a definite historical time frame/window (Kristensen, Hedegaard & Petersen, 2018).

Model-building approach involves assumptions about the joint probability distributions of the returns on the market variables. This model is also known as variance-covariance approach. This is more apt for portfolios which have short as well as long positions in their bucket. This consists of commodities, bonds, equities in the portfolio. Here, the mean and standard deviation are computed from the distribution of the underlying assets returns and the correlation between them. Daily income is normally assumed to be multivariate normal which can be the model's biggest drawback. Hence, model-building approach makes it easy to calculate VAR. Criticism of the Model Building Approach is that it is much more complex to use when a portfolio comprises of non-linear products such as options. It is also a grim task to relax the assumption that returns are normal without a significant increase in totalling time. It will therefore be useless to choose a financial plan in view of data about late patterns in stock costs (Cleary, *et al.,* 2018).

The theory is relevant to this study because the models can be used by organizations to depict the inter-relationships of financial management strategy on sustainable performance of community-based organizations. The expected values for firm performance are ascertained by putting the values of daily income in the model. The model will consider daily changes in income values to compute the likelihood of the variations in sustainable values of current portfolio between given time frame.

Financial Management Strategy and Performance of Community-Based Organizations

Financial management strategy refers to the process of managing financial resources, including management decisions concerning accounting and financial reporting, forecasting, and budgeting, as well as capital budgeting decisions, which include decisions whether to lease or buy, and whether to issue debt or equity (de Lautour, 2017). Financial management strategy framework comprises the processes, systems, internal controls and practices relating to the way the department manages its revenues, expenses, assets, liabilities and contingencies. It also includes its systems for managing risk and monitoring its financial and operational performance, including budget performance and reporting on these functions, both internally and externally.

Mathenge and Muturi (2017) did a study on Financial Management Strategy Practices and Their Impact on Organizational Performance. The study employed a descriptive survey research design. The study targeted 40 companies operating in Pakistan, related to different sectors and listed at Karachi Stock Exchange. The finance executives and financial analysts of the companies responded to questionnaire that identified through company profiles and references. The questionnaires were self-administered to collect the data from respondents. The results show a positive and significant relationship between financial management strategy practices and organizational performance in Pakistani corporate sector. This study majored solely on companies operating in Pakistan while current study will look generally on community-based organizations within Uasin Gishu County, Ainabkoi Sub- County.

Noone *et al.,* (2021) examined how capital structure and trade off theory was used to manage the debt ratios in the US. The study used Pecking order theory to support their research. The study targeted 120 respondents selected from ten firms as the sample population. Their results showed that firms viewed financial flexibility highly but its importance was not having anything to do within appropriate information or the growth options indicated by pecking order theory. This study majored solely on companies operating in the US while current study will look generally on community-based organizations within Uasin Gishu County, Ainabkoi Sub- County.

Rahman *et al*., (2020) studied the impacts of financial management strategy practices on firm profitability. The study examined the effects of business analysis and control, investment analysis and decision-making on return on asset (ROA). To measure the extent of business analysis, the authors identified the producers who benchmarked their profitability relative to other firms, producers who kept track of their financial profitability over time, and those who hold formal business meetings each year. Investment analysis and decision-making had statistically significant positive effects on profitability. They identified the factors that contribute to the earnings success of cash grain firms in the United States. Earnings success was measured using three variables namely Modified Net Firm Income (MNFI), Operators' Labor and Management Income (OLMI) and Operators' Management Income (OMI).

The impacts of management practices, which included among others the use of financial record-keeping practices, were determined. The study found a significant positive relationship between keeping books and records, but only when success is measured in terms of operator's labor and management income. This suggests that managers who have record-keeping practices in place are more likely to be profitable in their business. This study was in the US while the current study was in Ainabkoi Sub- County in Uasin Gishu.

According to Maseko and Manyani (2011), the study of SMEs in Nairobi explored the detailed strategic planning used by SMEs in the measurement of financial performance. To select a sample of 96 respondents, the analysis used exploratory, descriptive and quantitative designs, and stratified random sampling method. Data collection questionnaires were used which were processed and analyzed using SPSS. The analyzed data included inferential and descriptive statistics. Usage of tables and figures was used to present results. The study results concluded that SMEs engaged in detailed strategic planning are more likely to use formal capital budgeting strategies, including the net present value method, which is consistent with maximization of firm value. Perceived profitability and success in achieving organizational objectives are positively associated with planning detail, suggesting that strategic planning is a key component in improving performance. Planning is very important because of the constantly changing and volatile business environment. This study was in Nairobi while the current study was in Ainabkoi Sub-County in Uasin Gishu.

Conceptual Framework

The conceptual framework represented the relationship between independent variable and dependent variables.

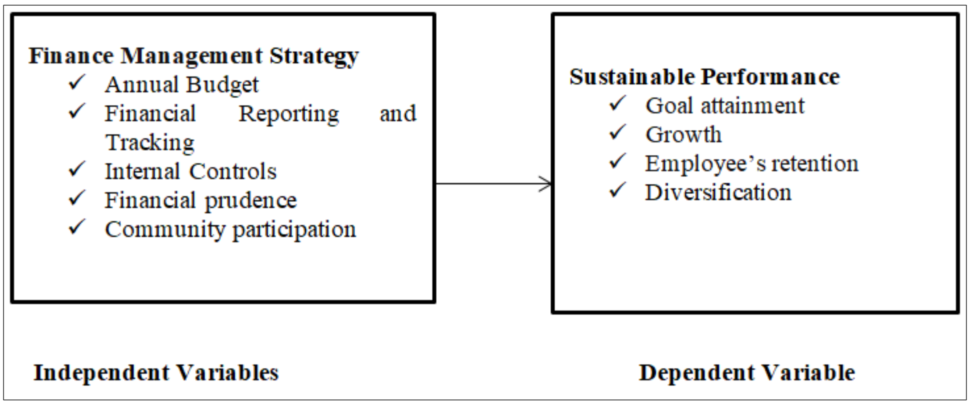

Figure 1: Conceptual Framework

RESEARCH METHODOLOGY

Research Design

The core of any study comprises of its design and methodology. A study was guided by a particular design, which is a plan and structure of investment conceived to obtain answers to research questions (Cooper & Schindler, 2011). According to Mugenda and Mugenda (2008) a good research design clearly defines the purpose and consistency between the research question and its proposed research method.

A descriptive research design was applied in this study. Descriptive research aims to gather data without any manipulation of the research context. It is non-intrusive and deals with naturally occurring phenomena, where the researcher has got no control over the variables (Mugenda & Mugenda, 2003). The design was essential since it allowed an intensive investigation of the variables under study. By using a descriptive research design, the researcher was able to obtain the views, attitudes and opinions that were representative of the target population (Waiyaki, 2017).

Target Population

Polit and Beck (2003) refers to population as the aggregate or totality of those conforming to a set of specifications. In research, the target population is the specific population about which information is desired (Mugenda & Mugenda, 2008). Secomb and Smith (2011) define target population as the entire group of individuals or objects to which researchers are interested to a set of specifications. The target population for this study was all approximately 40 CBOs operating in different parts of Ainabkoi Sub-County. The accessible population is a subset of the target population that reflects specific characteristics and can be practically reached in order to select a representative sample (Mugenda & Mugenda, 2008). There are 40 CBOs registered by the department of social services as at 2021 to operate in Ainabkoi Sub-County. Accessible population for this study was thus all the 160 members of 40 CBOs registered in Ainabkoi Sub- County.

Sampling Frame

According to Acharya *et al.*, (2013), a sampling frame is a list of the sampling units that is used in the selection of a sample. The sampling frame of this study was a list of all 40 CBOs operating in different parts of Ainabkoi Sub- County.

Table 1 Sampling Frame

Wards	**No. CBOs**	**No. of Members**
Ainabkoi	5	20
Kapngetuny	4	16
Olare	5	20
Chepngoror	3	12
Plateau	2	8
Chepkero	2	8
Kaptagat	6	24
Kipsinende	5	20
Kapsoya	8	32
Total	**40**	**160**

Sample Size and Sampling Technique

Sample size and sampling technique was described in this section.

Study Sample Size

The sample size is a subset of the population that the researcher engaged in providing information for the study. This study used Krejicie and Morgan (1970) sample size determination table in Appendix I to obtain a sample size. Krejicie and Morgan (1970) formula was appropriate as it provided a representative sample from the target population.

The Krejicie and Morgan formula to be used:

S= $X^2NP(1-P) \div (d^2(N-1)+X^2P(P-1))$

Where, N=160,

X^2 for 1 degree of freedom at 95% level of confidence $=$ 3.841 ,

P=0.5, d=0.05

S=3.841*160*0.5*(1-0.5) ÷(0.05*0.05(160-1))+3.841*0.5*(1-0.5))

S=153.64÷1.358

S=113.13

S=113

Therefore, the sample size for this study was 113 respondents as distributed in Table 2.

Table 2: Sample Size

Wards	**No. CBOs**	**Sample size**
Ainabkoi	5	14
Kapngetuny	4	11
Olare	5	14
Chepngoror	3	8
Plateau	2	6
Chepkero	2	6
Kaptagat	6	17
Kipsinende	5	14
Kapsoya	8	23
Total	**40**	**113**

Sampling Procedure

Sampling is the process of choosing a number of individuals for a study in such a way that the individuals selected represent the larger group from which they are selected hence representing the characteristics found in the entire group (McCready, 2006). This study used stratified sampling to cluster CBOS members from each ward. Simple random sampling was used to select a member from each CBOs groups to participate in the study. This sampling technique is appropriate as it provided each member with an opportunity to participate in the study.

Data Collection Instruments

Willimack (2013) defines data collection as a means by which information is obtained from selected subject of investigation. Primary data was collected from CBOs members using self-administered semi-structured questionnaires (Kielhofner & Coster, 2017). Questionnaires were the main research instruments. A questionnaire covering items from the four study objectives was formulated and administered with the help of research assistants to CBOs members. The questionnaire comprised of both open and closed-ended questions seeking information on effect of strategic management of resources on sustainable performance of community-based organizations in Ainabkoi sub-county, Uasin Gishu County.

The questionnaire had section that contained questions that answer to study objective that aims to determine the effect of financial management strategy on sustainable performance of community-based organizations in Ainabkoi Sub County, Uasin Gishu County.

Another section contained questions on sustainable performance of community-based organizations in Ainabkoi sub county, Uasin Gishu County. Use of questionnaire has been recommended by Mugenda and Mugenda (2010) as an efficient data collection tool for a large amount of information from many people. This tool has been applauded for its cost-efficiency, time-saving and easy in conducting reliability and validity of tools.

Pilot Study

Pilot study refers to a small-scale rehearsal of the larger research design. It enables testing of the feasibility, equipment and methods (Sreevidya & Sunitha, 2011). Kothari (2004) notes that a pilot study is often used to pre-test or try out a research instrument and that a sample of 10%- 20% of the sample size for the actual study is a reasonable number of participants to consider enrolling to a pilot.

A pilot test was done before embarking on actual data collection activity (Eriksson & Kovalainen, 2008). The proportionate sample of 5 CBOs was randomly drawn from Kesses Sub-County. Therefore 11 questionnaires were administered in pilot testing to test the degree of accuracy of the instrument used to collect data in locations in which the pilot survey took place. The purpose of a pilot test enabled validity and reliability of research instruments to be determined (Cooper & Schindler, 2011).

Validity of the Research Instruments

According to Saunders *et al.,* (2011) a test is deemed valid if it actually measures what is intended. This study used content validity technique measures the degree to which the questions items reflect the specific research areas covered. A judgment procedure of assessing whether a tool is likely to provide contents valid data is to request opinion of experts in a particular field to review it and give suggestions on content improvements (Mugenda & Mugenda, 2008). Opinion of research supervisor was sought to review data collection instruments. This helped to improve the questionnaires before proceeding to the field for final data collections in which the pilot survey took place.

Reliability of the Research Instruments

Mugenda and Mugenda (2008) observed that reliability is a measure of degree to which research yield consistent results after repeated trials. Reliability test was conducted as a test of whether data collecting instrument yielded the same result on repeated trials. A statistical coefficient Cronbach's Alpha (α) was used as a measure of internal reliability (Cronbach, 1971) with the aid of Statistical Package for Social Sciences (SPSS) software. The value of the Cronbach's alpha coefficients ranges between 0 and 1. The recommended value of 0.7 was used as a cut-off of reliability (Cooper and Schindler, 2000). A total of 12 questionnaires was used in the test for reliability of the pilot study instruments.

Data Collection Procedure

After testing the validity and reliability of the research questionnaires and making all relevant reviews during pilot study, the researcher will seek the consent of Jomo Kenyatta University of Agriculture and Technology and the CBOs management in Ainabkoi Sub-County. Data was then be collected using self-administered questionnaires to collect primary data on the sampled respondents in person or research assistants.

Data Processing and Analysis

The data collected from the questionnaire was edited, coded and cleaned in case of any inconsistencies and entered into the computer with the help of excel spreadsheets software before being uploaded into a statistical package known as Statistical Package for Social Science (SPSS) version 26. Data analysis was done using descriptive statistics and inferential statistics. Descriptive statistics included frequency tables, percentages and measures mean and standard deviation. Inferential statistics included correlation analysis, and multiple linear regression analysis. The following multiple regression models were guided multiple regression analysis from collected data.

$\mathbf{Y = \beta_0 + \beta_1 X_1 + \mathcal{E}}$**……………………………Equation 1**

Where:

Y Represents performance of community-based organizations

$\boldsymbol{\beta_0}$ Represents Constant

$\mathbf{X_1}$ Represents financial management strategy

Ɛ Represents Error Term

$\boldsymbol{\beta_1}$, Repesent régression Coefficient of the Independent variable.

The analyzed data was presented in form of tables and graphs.

Assumptions of Regression Model

The primary assumptions of multivariate analysis which were tested in this study were; linearity, independence of errors, homoscedasticity, collinearity, and normality. When assumptions are violated accuracy and inferences from the analysis are affected (Antonakis & Dietz, 2011). Statistical software packages allowed researchers to test for each assumption. Consideration of the issues surrounding the assumptions in multiple regressions improved the insights for researchers as they build theories (Helm & Mark 2012). One of the assumptions of linear regression analysis is that the residuals are normally distributed. This assumption assures that the p-values for the t-tests were valid.

Normality assumption was tested using Shapiro-Wilk test for normality. The p-value is based on the assumption that the distribution is normal. One of the main assumptions for the ordinary least square's regression is the homogeneity of variance of the residuals. If the model is well-fitted, there should be no pattern to the residuals plotted against the fitted values. When there is a perfect linear relationship among the predictors, the estimates for a regression model cannot be uniquely computed. The term collinearity describes two variables are near perfect linear combinations of one another. When more than two variables are involved, it is often called multicollinearity, although the two terms are often used interchangeably.

The primary concern is that as the degree of multicollinearity increases, the regression model estimates of the coefficients become unstable and the standard errors for the coefficients can get wildly inflated. The study can use the variance inflation factor (VIF) option to check for multicollinearity. VIF stands for variance inflation factor. As a rule of thumb, a variable whose VIF values are greater than 10 may merit further investigation. Tolerance, defined as 1/VIF, is used by many researchers to check on the degree of collinearity. A tolerance value lower than 0.1 is comparable to a VIF of 10, this means that the variable could be considered as a linear combination of other independent variables.

This is the assumption of linearity. If this assumption is violated, the linear regression will try to fit a straight line to data that does not follow a straight line. Checking the linear assumption in the case of simple regression is straightforward, since we only have one predictor. All have to do is a scatter plot between the response variable and the predictor to see if nonlinearity is present, such as a curved band or a big wave-shaped curve. A model specification error can occur when one or more relevant variables are omitted from the model or one or more irrelevant variables are included in the model. If relevant variables are omitted from the model, the common variance they share with included variables may be wrongly attributed to those variables, and the error term is inflated.

On the other hand, if irrelevant variables are included in the model, the common variance they share with included variables may be wrongly attributed to them. Model specification errors can substantially affect the estimate of regression coefficients. The statement of this assumption is that the errors associated with one observation are not correlated with the errors of any other observation cover several different situations. Another way in which the assumption of independence can be broken is when data are collected on the same variables over time. This is known as autocorrelation. When you have data that can be considered to be time-series, you should use the option that performs a Durbin-Watson test for correlated residuals. The Durbin-Watson statistic has a range from 0 to 4 with a midpoint of 2.

RESEARCH AND DISCUSSIONS

This section presents data analysis results, interpretations and discussions.

Descriptive Statistics

This section represents the descriptive statistics in relation to specific objectives and the (dependent variable) sustainable performance of community-based organizations in Ainabkoi sub-county, Uasin Gishu County. To achieve this, a five-point Likert scale was used where; 1=Strongly Disagree, 2=Disagree, 3=Undecided.4=Agree, 5=Strongly Agree.

Financial Management Strategy

The study first sought to examine the influence of financial management strategy on sustainable performance of community-based organizations in Ainabkoi sub-county, Uasin Gishu County. Table 3 presents the study results.

Table 3: Community Involvement Strategy

Statements		**SA**	**A**	**UD**	**D**	**SD**	**Mean**	**Std.Dev**
1. There is annual budget process improving sustainable performance	F	31	48	13	0	5	4.03	0.96
	%	31.9	49.4	13.4	0	5.2		
2. Financial reporting and tracking ensure proper use of funds	F	0	29	31	32	5	2.87	0.91
	%	0	29.8	31.9	32.9	5.2		
3. Internal controls have ensured financials management in community-based organizations	F	19	59	14	0	5	3.89	0.89
	%	19.6	60.8	14.4	0	5.2		
4. Financial prudence has enhanced sustainable performance of community-based organizations	F	36	0	25	31	5	3.32	1.39
	%	37.1	0	25.8	31.9	5.2		
Valid N	**97**						**3.52**	

Based on their feedback in Table 3 shows that 79(81.4%) of the respondents agreed that there is annual budget process improving sustainable performance. This is a cumulative of the respondents who both agreed and strongly agreed. However, 5(5.2%) of the respondents disagreed that there is annual budget process improving sustainable performance. Further the study findings showed in terms of means and standard deviation that the respondents agreed that there is annual budget process improving sustainable performance with a Mean of 4.03 and standard deviation of 0.96.

Also, 29(29.8%) of the respondents agreed and strongly agree that financial reporting and tracking ensure proper use of funds. At most 38.1% of the respondents disagreed that financial reporting and tracking ensure proper use of funds. Further the study findings showed in terms of means and standard deviation that the respondents agreed that financial reporting and tracking ensure proper use of funds with a Mean of 2.87 and a Standard deviation of 0.91. On whether internal controls have ensured financial management in community-based organizations 80.4% of the respondents agreed. This is a cumulative of the respondents who both agreed and strongly agreed. On contrary 5.2% of the respondents disagreed that internal controls have ensured financial management in community-based organizations. Further the study findings showed in terms of means and standard deviation that the respondents agreed that Internal controls have ensured financial management in community-based organizations with a mean of 3.89 and standard deviation of 0.89.

Lastly, 36(37.1%) of the respondents agreed and strongly agree that financial prudence has enhanced sustainable performance of community-based organizations. However, 36(37.1%) of the respondents disagreed that financial prudence has enhanced sustainable performance of community-based organizations. This is a cumulative of the respondents who both disagreed and strongly disagreed. Further the study findings showed in terms of means and standard deviation that the respondents agreed that financial prudence has enhanced sustainable performance of community-based organizations with a Mean of 3.32 and standard deviation of 1.39.

The study results also revealed that financial management strategy has a positive influence on sustainable performance of community-based organizations in Ainabkoi sub-county, Uasin Gishu County. This implies that annual budget process, financial reporting and tracking which ensures proper use of funds, internal control which financial ensures good financial management and the presence of financial prudence have greatly improved performance sustainability of community-based organizations.

The study results concur with Tadle-Zaragosa, and Sonsona, (2021) who revealed "scalar chain and security of personnel" came out as top management practices of the school heads. Other vital results point to the "Environmental" attitude of the principals, and teachers' evaluation indicated that the principals manifested "above performance" rating in the areas of public relations and community involvement. There is a significant relationship between the principals' management practices when correlated with their work attitudes, and this is identified as Fayol's principle of "authority." The study results also concur with Gatimbu, and Mukaria, (2016) whose findings reveal that community disclosure with P-value <0.05 has a positive significant difference in the mean financial performance. Size and leverage have no significant moderation.

Sustainable Performance

The study general objective sought to examine the influence of strategic resource management and sustainable performance of community-based organizations in Ainabkoi sub-county, Uasin Gishu County. Table 4 presents the study results.

Table 4: Sustainable Performance

Statements		**SA**	**A**	**UD**	**D**	**SD**	**Mean**	**Std.Dev**
5. There is Goal attainment in community-based organizations	F	30	37	7	12	11	3.64	1.34
	%	30.9	38.1	7.2	12.3	11.3		
6. There is growth of community-based organizations	F	25	30	7	24	11	3.35	1.39
	%	25.8	30.9	7.2	2.7	11.3		
7. There is high employees' retention in the community-based organizations	F	23	44	7	12	11	3.57	1.29
	%	23.7	45.3	7.2	12.4	11.3		
8. Community-based organizations have diversified their operations	F	23	12	32	19	11	3.18	1.31
	%	23.7	12.4	32.9	19.6	11.3		
Valid	**97**						**3.44**	

Table 4 shows that 67(69%) of the respondents agreed and strongly agree that there is Goal attainment in community-based organizations. This is a cumulative of the respondents who both disagreed and strongly disagreed. However, 23(23.7%) of the respondents disagreed that there is goal attainment in community-based organizations. Further the study findings showed in terms of means and standard deviation that the respondents agreed that there is goal attainment in community-based organizations with a mean of 3.64 and standard deviation of 1.34. Also, 55(56.7%) of the respondents agreed. However, 35(36.1%) of the respondents disagreed that There is growth of community-based organizations. Further the study findings showed in terms of means and standard deviation that the respondents agreed that there is growth of community-based organizations with a mean of 3.35, and standard deviation of 1.39.

Further, 67(69%) of the respondents agreed. On contrary, 23(23.7%) of the respondents disagreed that There is high employees' retention in the community-based organizations. Further the study findings showed in terms of means and standard deviation that the respondents agreed that there is high employees' retention in the community-based organizations with a mean of 3.57 and standard deviation of 1.29.

Finally, 35(36%) of the respondents agreed while at most 30.9% of the respondents disagreed that Community- based organizations have diversified their operations. Further the study findings showed in terms of means and standard deviation that the respondents agreed that Community-based organizations have diversified their operations with a mean of 3.18 and standard deviation of 1.39. The study results also revealed that strategic resource management has a positive influence on sustainable performance of community-based organizations in Ainabkoi sub-county, Uasin Gishu County. This implies that strategic management has led to sustainable outcomes; accountability, teamwork and standard of living of residents have improved.

Normality Assumptions Test

The study used Kolmogorov-Smirnov test (K-S) one sample test while testing the assumption of the normality of the population distribution. If Kolmogorov-Smirnov values is greater than 0.05, the data is normally distribution (Fidell, & Tabachnick (2003). Normality assumptions test are presented in in Table 5**.**

Table 5: Normality Assumptions Test

Variable	Kolmogorov- Smirnov	Sig
Financial Management strategy	1.603	0.113

Normality assumption test results in Table 5 established that the data was normally distributed since the significance values for Kolmogorov-Smirnov were greater than 0.05. The study findings indicated that financial management strategy had Kolmogorov-Smirnov significance value of p=.0113>0.05.

Homoscedasticity Assumptions Test

Levene's test of equality of error variances was used to homoscedasticity assumption. The assumption test results are presented in Table 6.

Table 6: Homoscedasticity Assumption

Variables	F	df1	df2	Sig.
Financial management strategy	21.105	2	10	.190

The study findings in Table 6 revealed that the p-value for financial management strategy was (p=0.190>0.05). Therefore, the study concludes that there is no significant difference among the study variable variances. The study failed to reject the null hypothesis that error variance of the independent variable is equal across groups since the p values was greater than 0.05.

Autocorrelation Assumption Test

Test for Autocorrelation was done through Durbin-Watson test. The autocorrelation assumption test results are presented in Table 7.

Table 7: Autocorrelation Assumption Test

	Durbin-Watson
Financial management strategy	1.932

The results as indicated in Table 7 revealed that Durbin- Watson statistic value of financial management strategy was 1.932. This implies that the study variable had independence of errors because it meets the threshold of Durbin-Watson between 0-4. The Durbin Watson test reports a test statistic, with a value from 0 to 4, where: 2 denotes no autocorrelation; 0 to 2<2 denotes a positive autocorrelation; while >2 denotes a negative autocorrelation. The decision rule is that test statistic values in the range of 1.5 to 2.5 are relatively normal. Values outside this range could be cause for concern (Field, 2009).

Correlation Analysis Results

Analysis Pearson correlation analysis was carried out to show the strength and direction of the association between independent and dependent variables. Table 8 presents the results.

Table 8: Multiple Correlation Analysis Results

		Sustainable performance
Sustainable performance	Pearson Correlation	1
	Sig. (2-tailed)	
Financial management strategy	Pearson Correlation	.512**
	Sig. (2-tailed)	.000
	N	97

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

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

The study findings in Table 8 indicated that financial management strategy and sustainable performance of community-based organizations in Ainabkoi sub-county, Uasin Gishu County had a positive strong and statistically significant correlation ($r= 0.512$; $p<0.01$). According Kothari (2003) a strong correlation means that two or more variables have a strong relationship with each other while a weak or low, correlation means that the variable is hardly related.

Simple Linear Regression Model of Financial Management Strategy

The simple linear regression analysis models the relationship between the dependent variable and independent variable financial management strategy. The results are shown in the section that follows;

Table 9: Model Summary

R	R Square	Adjusted R Square	Std. Error of the Estimate
.512[a]	0.263	0.255	0.67745

From the table 49 above, the study findings revealed that 26.3% of the change in sustainable performance of community-based organizations in Ainabkoi sub-county, Uasin Gishu County can be attributed to financial management strategy while 73.7% of the change in sustainable performance of community-based organizations in Ainabkoi sub-county, Uasin Gishu County is attributed to factors not included in the regression model.

Table 10: Regression Model Coefficients

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	3.15	0.201		15.651	0.000
Financial management strategy	0.343	0.059	0.512	5.816	0.000

The study results in Table 10 revealed that there was positive linear effect of financial management strategy on sustainable performance ($\beta1=.343$, $p=0.000$). This revealed that an increase in financial management strategy increases sustainable performance by 0.813 units.

$Y = 3.150 + 0.343X_1$ ……………………………….…Equation 2

Hypotheses Testing

From the regression model computed in Table 11, the research hypotheses were tested using the significance level of the coefficients. The research aimed to test the hypothesis with an aim of failing to reject or rejecting the relationship between independent and the dependent variables. The research hypothesis for the study included;

H_{01}: Financial management strategy has no significant influence on sustainable performance of community-based organizations in Ainabkoi sub-county, Uasin Gishu County. The regression results in Table 11 indicate that there is significant relationship between financial management strategy and sustainable performance of community-based organizations in Ainabkoi sub-county, Uasin Gishu County with a beta coefficient of 0.114 and significance of ($p= 0.000$). The study rejected the hypothesis. These results concur with Gatimbu, and Mukaria, (2016) whose findings reveal that community disclosure with P-value <0.05 has a positive significant difference in the mean financial performance. Size and leverage have no significant moderation.

Table 11: Summary of Hypotheses Test Results

Hypotheses	coeff	P-value	Decision
H_{01}; Financial management strategy has no significant influence on sustainable performance of community-based organizations in Ainabkoi sub-county, Uasin Gishu County.	.114	.000	Rejected the null hypothesis

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

Summary of the Findings

This section describes the summary of the study results.

Financial Management Strategy

The study first sought to examine the influence of Financial Management Strategy on sustainable performance of community-based organizations in Ainabkoi sub-county, Uasin Gishu County. The respondents agreed with all statements. They agreed that; there is annual budget process improving sustainable performance, financial reporting and tracking ensure proper use of funds, internal controls have ensured financial management in community-based organizations and that financial prudence has enhanced sustainable performance of community-based organization.

The study findings further revealed in terms of correlation that there exists a strong, positive and statistically correlation between Financial Management Strategy and sustainable performance of community-based organizations in Ainabkoi sub-county, Uasin Gishu County. Regression results revealed that Financial Management Strategy positively and significantly affect sustainable performance of community-based organizations in Ainabkoi sub-county, Uasin Gishu County. This gave an implication that an increase in Financial Management Strategy increases sustainable performance of community-based organizations in Ainabkoi sub-county, Uasin Gishu County.

Conclusion

The study concluded that there exists a strong, positive and statistically correlation between financial management strategy and sustainable performance. The annual budget process, financial reporting and tracking which ensure proper use of funds, internal control which ensures good financial management and the presence of financial prudence have greatly improved performance sustainability of community-based organizations.

Recommendation

The study recommends that for community-based organizations to improve in terms of performance they should maximize their bottom line by carefully crafting a plan that they not only execute well on but continually assess and adjust. It's also important for them to utilize all of the valuation tools at their disposal to maximize savings and minimize inefficiencies to secure their financial future.

REFERENCES

- Acharya, A. S., Prakash, A., Saxena, P., & Nigam, A. (2013). Sampling: Why and how of it. *Indian Journal of Medical Specialties*, *4*(2), 330-333.
- Alomba, P. (2020). Influence Of Managers' Strategies on Sustainability of Donor-Funded Community-Based Girl Child Support Projects in Kenya–A Case of Girl Child Support Cbo Projects in Kilifi County, Ganze Sub-County, Kenya. *International Journal of Agriculture, Environment and Biotechnology*, *1*(1), 69-88
- Antonakis, J., & Dietz, J. (2011). Looking for validity or testing it? The perils of stepwise regression, extreme-scores analysis, heteroscedasticity, and measurement error. *Personality and Individual Differences*, *50*(3), 409-415.
- Bayai, I. (2017). *Financing structure and financial sustainability: Evidence from selected Southern Africa development community microfinance institutions*. *Economics, Finance and Management Review*, *6*(3), 79-88.
- Butu, H. M., Nsafon, B. E. K., Park, S. W., & Huh, J. S. (2021). Leveraging community based organizations and fintech to improve small-scale renewable energy financing in sub-Saharan Africa. *Energy Research & Social Science*, *73*, 101949.
- Ceptureanu, S. I., Ceptureanu, E. G., Luchian, C. E., & Luchian, I. (2018). Community based programs sustainability. A multidimensional analysis of sustainability factors. *Sustainability*, *10*(3), 870.
- Cleary, S. M., Molyneux, S., & Gilson, L. (2018). Resources, Attitudes and Culture: An Understanding of The Factors That Influence the Functioning of Accountability Mechanisms in Primary Health Care Settings. *Bmc Health Services Research*, *13*(1), 320-387.
- Cooper, D. R., & Schindler, P. S. (2000). Business research methods. Saddle Brook.
- Cooper, D. R., & Schindler, P. S. (2011). Business research methods 12th ed.
- Coyle, S. J. (2020). *Sustainable and resilient communities: A comprehensive action plan for towns, cities, and regions* (Vol. 15). John Wiley & Sons.
- de Lautour, J. (2017). *Accounting, capitalism and the revealed religions*. Palgrave Macmillan.
- Fidell, L. S., & Tabachnick, B. G. (2003). Preparatory data analysis. *Handbook of psychology: Research methods in psychology*, *2*, 115-141.
- Field, A. (2009). Discopering statistics using SPSS, thrid edition.
- Gatimbu, K. K., & Mukaria, H. K. (2016). Community involvement disclosure and financial performance of firms listed at Nairobi Securities Exchange, Kenya. *The SIJ Transactions on Industrial, Financial and Business Management (IFBM)*, *4*(10), 122-126.
- Githinji, J. W. (2014). Strategic management practices adopted by the directorate of veterinary services, ministry of agriculture, livestock and fisheries, Kenya. *Evaluation*, *9*(15), 23-45.
- Gradisek, A. T. (2020). *The Impact of Community Based Organizations: The Age-Friendly Effect*. *Innovation in Aging*, *5*(Suppl 1), 559-559.
- Gulati, R., & Tushman, M. (Eds.). (2015). *Leading sustainable change: An organizational perspective*. OUP Oxford. United Kingdom.
- Helm, R., & Mark, A. (2012). Analysis and evaluation of moderator effects in regression models: state of art, alternatives and empirical example. *Review of Managerial Science*, *6*(4), 307-332.
- Kerzner, H., & Kerzner, H. R. (2017). *Project Management: A System Approach to Planning, Scheduling, and Controlling*. New Jersey: John Wiley & Sons.
- Kielhofner, G., & Coster, W. J. (2017). Developing and evaluating quantitative data collection instruments. *Kielhofner's research in occupational therapy: Methods of inquiry for enhancing practice*, 274-295.

- Kothari, C. R. (2004). *Research methodology: Methods and techniques*. New Age International.
- Kovalainen, A., & Eriksson, P. (2015). Qualitative methods in business research: A practical guide to social research. *Qualitative Methods in Business Research*, 1-376.
- Krejcie, R. V., & Morgan, D. W. (1970). Determining sample size for research activities. *Educational and psychological measurement*, *30*(3), 607-610.
- Kristensen, M. H., Hedegaard, R. E., & Petersen, S. (2018). Hierarchical calibration of archetypes for urban building energy modeling. *Energy and Buildings*, *175*, 219-234.
- Kyunyu, M. L. (2020). Influence Of Resource Mobilization Strategies on Performance of Community-Based Organizations in Tseikurusub-County, Kitui County. *Journal of clinical nursing*, *28*(1-2), 270-278
- Lee, J., & Baggio, J. (2021). Promises and limits of community-based organizations in bridging mismatches of scale: a case study on collaborative governance on federal lands. *Ecology and Society*, *26*(1).
- Marrewijk, A. H. V. (2014). Exceptional luck? Conducting ethnographies in business organizations. *The Anthropologist*, *18*(1), 33-42.
- Marris, P. (2018). Attachment and loss of community. In *Risking Human Security* (pp. 21-33). Routledge.
- Maseko, N., Manyani O., 2011. Accounting practices of SMEs in Zimbabwe: An investigative study of record keeping for performance measurement (A case study of Bindura*), Journal of Accounting and Taxation*, *3*(8), 158-161.
- Mathenge, P. W., & Muturi, W. (2017). Effects of financial management practices on financial performance of public universities in Kenya. *International Journal of Social Sciences and Information Technology*, *3*(8), 34-40.
- Mawudor, B. G. (2016). *Financial Sustainability of Church Related Organizations*. Globethics. net.
- McCREADY, W. C. (2006). Applying sampling procedures. *The psychology research handbook: A guide for graduate students and research assistants*, *2*, 147-160.
- Mebrahtu, H., Skeen, S., Rudgard, W. E., Du Toit, S., Haag, K., Roberts, K. J., ... & Sherr, L. (2022). Can a combination of interventions accelerate outcomes to deliver on the Sustainable Development Goals for young children? Evidence from a longitudinal study in South Africa and Malawi. *Child: Care, Health and Development*, *48*(3), 474-485.
- Mugenda, O. M., & Mugenda, A. G. (2008). Research Methods and research in special education.
- Mugenda, O., & Mugenda, A. (2003). Research methods: Quantitative and qualitative approaches. 2nd. *Rev. Ed. Nairobi*.
- Muraya, M. W., & Rambo, C. M. (2019). Factors influencing sustainability of rural water projects in Isiolo County, Kenya. *International Academic Journal of Information Sciences and Project Management*, *3*(4), 159-183.
- Muteti, M. K. (2018). Factors Contributing Local Resource Mobilization Among Local Communities in Machakos Central District, *European Journal of Social Sciences Studies*, *5*(6), 89-107.
- Ndinguri, M. N. (2017). *Critical success factors for the strategic implementation of donor funded projects: A survey of the British Council Connecting Classrooms Programme. Whole Youth Development Programmes.(February 1, 2021)*.
- Noone, J., Earl, J., Stephens, C., Rafalski, J., Allen, J., Alpass, F., &Topa, G. (2021). An Application of the Resource-Based Dynamic Process Model in The Context of Retirement Planning. *Work, Aging and Retirement*, *6*(7), 93-122.
- Okeke-Ogbuafor, N., Gray, T., & Stead, S. M. (2018). A comparative analysis of the role of traditional and modern community-based organizations in promoting community development in Ogoniland, Nigeria. *Community Development Journal*, *53*(1), 173-189.
- Omolo, N. A., & Mose, T. (2019). Determinants of employee performance in humanitarian international non-governmental organizations based in Kenya. *International Academic Journal of Human Resource and Business Administration*, *3*(7), 57-82.
- Rahman, M. T., Nielsen, R., Khan, M. A., & Ankamah-Yeboah, I. (2020). Impact Of Management Practices and Managerial Ability on The Financial Performance of Aquaculture Farms in Bangladesh. *Aquaculture Economics & Management*, *24*(1), 79-101.
- Secomb, J. M., & Smith, C. (2011). A mixed method pilot study: The researchers' experiences. *Contemporary nurse*, *39*(1), 31-35.
- Sreevidya, U., & Sunitha, K. (2011). Business research methods. *Malappuram, India: University of Calicut*.
- Tadle-Zaragosa, J. R., & Sonsona, R. P. J. V. (2021). Linking Administrative Performance of Principals vis-à-vis Public Relations and Community Involvement. *International Journal of Instruction*, *14*(4), 857-872.
- Verma, P., & Raghubanshi, A. S. (2018). Urban sustainability indicators: Challenges and opportunities. *Ecological indicators*, *93*, 282-291.
- Waiyaki, E. W. (2017). *Effect of motivation on employee performance: A case of Pam Golding Properties Limited, Nairobi* (Doctoral dissertation, United States International University-Africa).

- Willimack, D. K. (2013). Methods for the development, testing, and evaluation of data collection instruments. *Designing and conducting business surveys*, 253-301.
- Wright, N. S., & Reames, T. G. (2020). Unraveling the links between organizational factors and perceptions of community sustainability performance: An empirical investigation of community-based nongovernmental organizations. *Sustainability*, *12*(12), 4986.
- Young, S., Neumann, T., & Nyden, P. (2018). Scaling up to increase community-based organization voice. *Journal of Community Practice*, *26*(1), 63-80.