




The Influence of Financial Resource Management Strategies on the Performance of Donor-Funded HIV Programmes in Kenya: An Empirical Analysis

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Abstract

This study interrogates the extent to which Financial Resource Management Strategies function as a determinant of organizational performance within donor-funded HIV programmes in Kenya, in the context of shifting global health financing and increasing domestic sustainability pressures. Anchored in a cross-sectional descriptive correlational design, data were obtained from 285 programme and finance personnel across implementing organizations and analyzed using both descriptive and inferential statistical techniques. Financial Resource Management was operationalized as a multidimensional construct encompassing planning and allocation, funding adequacy, timeliness of disbursement, and accessibility of funds. The descriptive findings reveal a structurally established but functionally uneven financial governance architecture, characterized by relatively strong planning systems and internal fund utilization processes, contrasted with persistent weaknesses in funding predictability and financial systems integration. Regression results indicate a positive and statistically significant relationship between Financial Resource Management Strategies and organizational performance ($B_1 = 0.4177$, $p < 0.001$), with the model explaining 14.63% of the variance, thereby confirming financial governance as a substantive but partial predictor of performance. Qualitative evidence further elucidates this relationship, demonstrating that while structured financial planning enhances coordination and accountability, its performance effects are mediated by systemic bottlenecks including delayed disbursements, procedural rigidity, and fragmented financial platforms. The study advances the argument that financial resource management in donor-funded health systems operates as a conditional capability, whose effectiveness depends not on its presence alone but on its integration, responsiveness, and alignment with broader institutional and funding dynamics. These findings reposition financial governance as a critical, yet contextually bounded, lever for sustaining HIV programme performance under conditions of financing transition.

Key words

Financial Resource Management, Organizational Performance, HIV Programmes, Donor-Funded Health Systems, Public Financial Management

Introduction

Donor funded HIV programmes remain central to sustaining prevention, treatment, and care services across low- and middle-income countries where domestic fiscal capacity remains constrained. In sub-Saharan Africa, external financing continues to support antiretroviral procurement, laboratory systems, human resources for health, community outreach initiatives, and monitoring infrastructure that collectively determine national HIV response effectiveness (UNAIDS, 2023; World Health Organization [WHO], 2023). However, the global HIV financing architecture is undergoing structural realignment characterized by declining bilateral aid growth, reprioritization of donor portfolios, and increasing expectations for domestic resource mobilization and country ownership of health programmes (Institute for Health Metrics and Evaluation [IHME], 2024; Kates et al., 2023). These shifts have intensified pressure on implementing agencies to enhance financial stewardship, improve accountability systems, and ensure efficient allocation of limited resources. As such, financial governance has emerged as a strategic determinant of institutional resilience and programme sustainability.

Health system performance is increasingly recognized as a function of how effectively financial inputs are translated into service delivery outputs. Financial resource management encompasses budgeting systems, expenditure controls, financial reporting frameworks, cash flow management mechanisms, and participatory planning structures that guide the allocation and utilization of funds within organizations (Allen et al., 2013; Piatti Fünfkirchen & Schneider, 2020). Weak financial management systems are frequently associated with delayed procurement, budget absorption challenges, misallocation of resources, and limited responsiveness to emerging operational needs (World Bank, 2022). Such inefficiencies disrupt service continuity, reduce operational flexibility, and compromise the quality of health service delivery. On the other hand, robust financial governance enhances transparency, strengthens accountability, aligns resource allocation with strategic priorities, and improves the efficiency of programme implementation (Allen et al., 2013; Cashin et al., 2021).

Within HIV programming, financial management plays a particularly critical role because treatment continuity depends on uninterrupted commodity supply chains, reliable diagnostic services, sustained workforce remuneration, and effective patient monitoring systems. Disruptions in financial flows can delay procurement of essential medicines, weaken laboratory networks, and undermine adherence support initiatives that are vital for viral suppression (UNAIDS, 2023; WHO, 2023). Studies show that inefficient financial governance contributes to stock outs, delayed service delivery, and weak programme responsiveness in several African health systems (Piatti Fünfkirchen & Schneider, 2020; World Bank, 2022). Therefore, the effectiveness of HIV programmes is closely tied to the strength of financial planning, expenditure monitoring, and accountability systems that ensure resources are strategically deployed toward high impact service delivery interventions.

Kenya presents a distinctive institutional environment in which financial resource management is integral to HIV programme performance. Although the country has made notable progress in

treatment coverage expansion and incidence reduction, approximately half of HIV financing still depends on external partners, exposing programmes to vulnerability as donor transitions accelerate (IHME, 2024; UNAIDS, 2023). Kenya's devolved governance structure further distributes planning and budgeting responsibilities across national and county governments, creating variation in financial management capacity, budget credibility, procurement efficiency, and accountability oversight mechanisms (World Bank, 2022). Differences in fund disbursement timelines, expenditure tracking systems, and financial reporting standards influence how effectively HIV resources are utilized across counties. These structural complexities heighten the importance of strategic financial governance mechanisms capable of harmonizing funding streams, reducing inefficiencies, and ensuring that financial allocations translate into measurable programme performance outcomes.

As donor transitions intensify and expectations for domestic sustainability grow, financial resource management has evolved from a routine administrative function into a strategic institutional capability. Programmes must increasingly rely on disciplined budgeting frameworks, transparent expenditure systems, evidence informed prioritization mechanisms, and accountable governance structures to sustain service continuity in resource constrained environments (Cashin et al., 2021; Piatti Fünfkirchen & Schneider, 2020). Without such systems, even adequately funded programmes risk inefficiencies that undermine performance outcomes. Understanding how financial management strategies influence organizational effectiveness is therefore essential for safeguarding HIV programme gains and informing policy reforms aimed at strengthening health system governance in transition contexts.

Despite sustained donor investments in Kenya's HIV response, disparities persist in the performance of implementing organizations, suggesting that financial resource availability alone does not guarantee operational effectiveness. Programme audits and health sector performance assessments frequently report delayed fund disbursements, weak expenditure monitoring systems, fragmented accountability frameworks, and inconsistent budget execution practices that undermine procurement processes, workforce deployment, outreach implementation, and monitoring activities (World Bank, 2022; Cashin et al., 2021). These governance weaknesses expose programmes to service disruptions, inefficient resource utilization, and diminished responsiveness to emerging epidemiological and operational priorities. As Kenya navigates a transition toward greater domestic responsibility for health financing, inefficiencies in financial governance represent a critical threat to programme sustainability.

Existing scholarship on HIV financing largely concentrates on macro level funding flows, donor commitments, and national expenditure trends while providing limited empirical evidence on how internal financial management practices influence institutional performance at the operational level (IHME, 2024; Kates et al., 2023). Consequently, there remains inadequate understanding of how budgeting discipline, participatory financial planning mechanisms, expenditure controls, forecasting systems, and accountability structures affect programme efficiency and service continuity. Without such evidence, implementing partners and policy makers lack actionable guidance on the financial governance practices that most effectively enhance institutional performance in donor funded health programmes.

Kenya's devolved governance system further compounds these challenges by introducing variability in public financial management capacity across counties. Variations in budget credibility, procurement efficiency, cash flow management systems, and financial oversight mechanisms contribute to uneven programme performance outcomes even when funding allocations are comparable (World Bank, 2022). The absence of rigorous empirical analysis examining the relationship between financial resource management strategies and organizational performance limits the development of evidence-based policy interventions aimed at strengthening HIV programme governance. Addressing this knowledge gap is imperative as Kenya confronts declining donor commitments and increasing expectations for domestic sustainability. This study therefore seeks to empirically examine the influence of financial resource management strategies on the performance of donor funded HIV programmes in Kenya.

The primary objective of this study was to examine the influence of Financial Resource Management Strategies on the organizational performance of donor funded HIV programmes in Kenya. Specifically, the study sought to evaluate how planning and allocation, adequacy of funding, timeliness in funding release, and accessibility of funds influence programme efficiency, service continuity, and institutional responsiveness.

To empirically test this relationship, the study was guided by the following hypotheses:

H₀: Financial Resource Management Strategies have no statistically significant influence on the organizational performance of donor funded HIV programmes in Kenya.

H₁: Financial Resource Management Strategies have a statistically significant influence on the organizational performance of donor funded HIV programmes in Kenya.

This study contributes to theory, policy, and practice in health programme governance. Theoretically, it extends organizational performance scholarship by conceptualizing financial resource management as a strategic institutional capability that influences operational effectiveness in donor funded programmes. Empirically, the study provides quantitative evidence on how financial governance mechanisms affect programme efficiency and service continuity, addressing a critical gap in HIV management research that has traditionally focused on funding volumes rather than resource utilization efficiency. From a policy perspective, the findings inform national and county governments, development partners, and implementing agencies on strengthening budgeting frameworks, expenditure monitoring systems, and accountability mechanisms to enhance institutional performance. By identifying financial resource management as a key determinant of programme effectiveness, the study supports reforms aimed at improving efficiency, safeguarding service delivery continuity, and enhancing sustainability as donor funding declines.

Materials and Methods

Study Design and Setting

This study adopted a cross sectional descriptive correlational research design to examine the relationship between Financial Resource Management Strategies and organizational performance

in donor funded HIV programmes in Kenya. A cross-sectional design is appropriate where data are collected at a single point in time to assess associations between variables without manipulating study conditions (Creswell & Creswell, 2018). The correlational approach allows for the estimation of the strength and direction of relationships between independent and dependent variables using statistical modeling techniques, particularly regression analysis (Bryman, 2016). This design was suitable for the present study as it enabled the assessment of how financial governance practices influence performance outcomes across multiple implementing organizations operating within similar programmatic environments.

The study was conducted within donor funded HIV programmes implemented by non-governmental organizations at the facility level across multiple counties in Kenya. Kenya represents a high priority HIV burden setting in sub-Saharan Africa, with a well-established donor supported treatment and prevention infrastructure supported by partners such as PEPFAR and the Global Fund (UNAIDS, 2023). The country is currently undergoing a transition toward increased domestic financing and programme ownership, which has intensified the importance of efficient resource management systems. HIV service delivery in Kenya operates through a multi partner model involving international organizations, local non-governmental organizations, and community-based organizations integrated within national reporting and governance frameworks. This operational environment provides a relevant context for examining how financial resource management strategies influence programme performance under conditions of funding transition and accountability pressure.

Study Population and Sampling

The target population comprised personnel involved in the management and implementation of donor funded HIV programmes across Kenya. Specifically, the study focused on programme coordinators, monitoring and evaluation officers, finance officers, health administrative personnel, and frontline service providers working within implementing organizations. The total population was estimated at 4488 personnel, reflecting the multi cadre structure required to support HIV programme delivery across organizational hierarchies. Inclusion of diverse cadres was necessary to capture comprehensive perspectives on financial planning, resource allocation, fund utilization, and accountability mechanisms within programme operations.

Sampling refers to the process of selecting a subset of individuals from a defined population in order to draw inferences about the entire population (Bryman, 2016). Determination of an appropriate sample size is essential to ensure statistical representativeness and sufficient power for hypothesis testing (Kothari, 2004). In this study, the Yamane (1967) formula for finite populations was applied to determine the required sample size:

$$n = \frac{N}{1 + N(e^2)}$$

Where n represents the sample size, N is the population size, and e is the margin of error. Using a target population of 4488 personnel and a margin of error of 0.05 at a 95 percent confidence level, the calculated sample size was 404 respondents. However, a total of 285 valid responses were

successfully collected and included in the final analysis, representing a response rate of 70.5 percent. Although the achieved sample fell below the initially calculated sample size, the response rate is considered methodologically acceptable for organizational and health systems research involving busy professionals and programme managers. According to Babbie (2020), response rates above 70 percent are generally regarded as very good in social science research and are unlikely to introduce substantial non-response bias. Similarly, Baruch and Holtom (2008) observe that studies involving managerial and organizational respondents commonly report lower response rates due to workload demands and institutional constraints, yet remain scientifically valid when adequate representation and statistical power are maintained. Further, the achieved sample of 285 respondents exceeded the minimum threshold required for reliable linear regression analysis, thereby providing sufficient statistical power to support inferential analysis and hypothesis testing.

Data Collection Procedures

Data were collected using a structured self-administered questionnaire designed to operationalize both the independent and dependent variables of the study. Financial Resource Management Strategies were measured using Likert scale items structured across four key dimensions: planning and allocation, adequacy of funding, timeliness in funding release, and accessibility of funds. Respondents were asked to indicate their level of agreement with each statement on a five-point scale ranging from one representing strongly disagree to five representing strongly agree. Organizational performance was measured as a multidimensional construct reflecting efficiency of operations, continuity of service delivery, and institutional responsiveness, consistent with established approaches in strategic management research that utilize perceptual performance indicators where objective metrics are not uniformly available.

Composite indices for both Financial Resource Management Strategies and Organizational Performance were constructed using mean aggregation across respective items. Mean aggregation preserves the original scale metric and enhances interpretability in regression analysis while minimizing the influence of missing data within observations (Hair et al., 2019). Internal consistency reliability of the Financial Resource Management scale was assessed using Cronbach alpha, which evaluates the extent to which multiple items measure a common underlying construct (Tavakol & Dennick, 2011). The reliability coefficient exceeded the recommended threshold of 0.70, indicating acceptable internal consistency and confirming that the scale items adequately captured the construct of financial resource management.

Data Analysis Techniques

Data analysis was conducted using the Statistical Package for Social Sciences (SPSS) version 29, which is widely applied in quantitative social science and organizational research for descriptive and inferential statistical analysis (Okello, 2024). Descriptive statistics including means and standard deviations were computed to summarize the central tendencies and variability of Financial Resource Management Strategies and Organizational Performance variables prior to inferential analysis. Descriptive analysis provides an overview of data distribution and supports

interpretation of the general level of financial management practices within the sampled programmes (Hair et al., 2019).

Inferential analysis was performed using simple linear regression to examine the influence of Financial Resource Management Strategies on Organizational Performance. Linear regression is appropriate for assessing the magnitude and direction of relationships between a continuous independent variable and a continuous dependent variable under the assumption of linearity (Hair et al., 2019). The regression model was specified as:

$$Y = \beta_0 + \beta_1 X + \varepsilon$$

Where:

Y represents Organizational Performance,

X represents Financial Resource Management Strategies,

β_0 is the intercept,

β_1 is the regression coefficient, and

ε is the error term.

The significance of the regression model was evaluated using the F statistic, while the strength of the relationship was assessed using the coefficient of determination R^2 . Statistical significance of the regression coefficients was determined using t tests at a significance level of 0.05. This analytical approach enabled the study to quantify the extent to which financial governance practices predict organizational performance within donor funded HIV programmes.

Results

The analysis presents empirical findings on the relationship between Financial Resource Management Strategies and organizational performance within donor funded HIV programmes in Kenya. The results are organized into two complementary components. The first component provides a descriptive assessment of the extent to which key financial governance practices are implemented across programmes, offering insight into patterns, variations, and areas of relative strength and weakness within financial management systems. The second component advances the analysis through inferential statistics, examining the magnitude and statistical significance of the relationship between Financial Resource Management Strategies and organizational performance.

Descriptive Statistics for Financial Resource Management Strategies

To examine these patterns, descriptive statistics were computed to summarize respondents' perceptions of the extent to which financial resource management practices are operationalized within programme settings. Mean scores and standard deviations are presented to capture both the central tendencies and dispersion of responses across the different financial management dimensions. This analysis provides a structured overview of the relative strengths and gaps within financial governance systems and offers a contextual basis for interpreting their potential influence on organizational performance in subsequent inferential analysis.

Table 1
Descriptive Statistics of Financial Resource Management

Constructs	Statement on Financial Resource Management Strategies	Mean	SD
Budgetary Planning and Allocation	The organization utilizes rigorous multi-year financial forecasting to align with programme goals.	3.42	0.91
	Staff receive clear guidelines on budgetary adherence and financial reporting protocols.	3.11	1.02
	Financial resources are allocated transparently based on evidence-driven clinical priorities.	3.38	0.88
	Budgetary revisions are implemented periodically to respond to evolving programmatic needs.	2.89	1.12
	Internal audit mechanisms are used regularly to ensure strict compliance with fiscal policies.	3.05	0.95
Funding Adequacy and Flow	Disbursement schedules from donors are reliable and permit uninterrupted service delivery.	3.02	1.18
	Funding levels are sufficient to cover the procurement of essential HIV commodities.	3.18	0.89
	Operational units can access emergency contingency funds without administrative delay.	3.14	0.82
	Internal requisition and approval workflows are efficient and minimize operational lag.	3.41	0.79
	Funding stability is maintained during transitions between different donor grant cycles.	3.01	0.99
Financial Systems Integration	Financial management systems interoperate with national health accounting platforms.	3.618	1.249
	Staff can synchronize financial data across approved reporting platforms without barriers.	2.975	1.312
	New financial technologies are integrated using procedures that safeguard data integrity.	3.614	1.204
	Financial software functions smoothly across different institutional hardware environments.	2.814	1.385
	System integration has improved fiscal coordination and reduced duplication of effort.	2.323	1.284

The descriptive results in Table 1 reveal a differentiated pattern of financial governance maturity across donor funded HIV programmes in Kenya, characterized by relatively stronger performance in foundational planning functions, moderate stability in funding flows, and pronounced weaknesses in financial systems integration. Within the domain of budgetary planning and allocation, the findings suggest that programmes have institutionalized core planning mechanisms, particularly in aligning financial forecasting with programme goals (M = 3.42, SD = 0.91) and allocating resources based on evidence driven clinical priorities (M = 3.38, SD = 0.88). These results indicate the presence of structured planning frameworks that support strategic alignment

between financial inputs and programmatic objectives. However, the comparatively lower rating for budgetary responsiveness, as reflected in periodic revisions ($M = 2.89$, $SD = 1.12$), alongside only moderate strength in internal audit enforcement ($M = 3.05$, $SD = 0.95$), reveals a critical limitation in adaptive financial governance. This suggests that while planning systems are technically established, their capacity to dynamically respond to emerging programme needs and enforce fiscal discipline remains uneven, potentially constraining operational agility.

A similar pattern of partial institutionalization is observed in the dimension of funding adequacy and flow. Internal financial processes appear relatively efficient, with requisition and approval workflows performing strongly ($M = 3.41$, $SD = 0.79$), indicating that once resources are available, organizations are able to mobilize and utilize funds with minimal internal friction. Perceptions of funding sufficiency for core programme functions ($M = 3.18$, $SD = 0.89$) and access to contingency financing ($M = 3.14$, $SD = 0.82$) further suggest that, at an operational level, programmes are moderately resourced to sustain key interventions. However, this internal efficiency is undermined by structural uncertainty in external funding flows, as evidenced by lower ratings for disbursement reliability ($M = 3.02$, $SD = 1.18$) and funding stability across donor cycles ($M = 3.01$, $SD = 0.99$). This divergence between internal process efficiency and external funding predictability points to a systemic vulnerability in financial governance, where programme performance may be constrained not by internal capacity, but by inconsistencies in upstream financing mechanisms.

The most critical constraint emerges within financial systems integration, which demonstrates both the lowest performance levels and the greatest variability across organizations. While moderate scores for interoperability with national systems ($M = 3.618$, $SD = 1.249$) and integration of new financial technologies ($M = 3.614$, $SD = 1.204$) indicate ongoing efforts toward system alignment, substantially lower ratings for cross platform data synchronization ($M = 2.975$, $SD = 1.312$), system functionality across environments ($M = 2.814$, $SD = 1.385$), and particularly the perceived impact of integration on coordination and efficiency ($M = 2.323$, $SD = 1.284$) reveal persistent fragmentation. The elevated standard deviations across this dimension further underscore inconsistency in system performance, suggesting uneven adoption and functionality across implementing partners. This indicates that financial systems, although present, are not yet operating as a cohesive governance infrastructure capable of supporting real time coordination, transparency, and decision making.

The findings point to a financial governance architecture that is structurally present but operationally uneven. Programmes demonstrate competence in planning and internal fund management processes, yet face constraints in adaptability, funding predictability, and systems integration that may limit the translation of financial inputs into optimal performance outcomes. This imbalance suggests that strengthening financial governance in donor funded HIV programmes requires a shift from establishing systems to enhancing their integration, responsiveness, and reliability across the full financial management cycle.

Inferential Statistics

Building on the descriptive patterns, which revealed uneven maturity across key dimensions of financial resource management, the analysis proceeds to examine the extent to which these practices translate into measurable differences in organizational performance. To address this,

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regression analysis was employed to quantify the magnitude and direction of the relationship between Financial Resource Management Strategies and organizational performance.

Table 2

Model Summary for the Regression of FRM Strategies on Organizational Performance

Model	R	R Square	Adjusted R Square	Standard Error
1	0.3826	0.1463	0.1433	0.8320

Table 3. Regression Coefficients

Model	Unstandardized Coefficients	Std. Error	t	p-value
Intercept	1.6874	0.1916	8.8062	< 0.001
Financial Resource Management Strategies	0.4177	0.0600	6.9647	< 0.001

The regression results provide empirical evidence on the extent to which Financial Resource Management Strategies predict organizational performance in donor funded HIV programmes. The model summary indicates a moderate positive relationship between Financial Resource Management and Organizational Performance, as reflected by the correlation coefficient ($R = 0.3826$). The coefficient of determination ($R^2 = 0.1463$) shows that approximately 14.63 percent of the variance in organizational performance is explained by Financial Resource Management Strategies. After adjusting for sample size, the adjusted R^2 of 0.1433 confirms the stability of this relationship, suggesting that financial governance contributes meaningfully, though not exhaustively, to performance outcomes within the complex operational environment of HIV programmes. The standard error of the estimate (0.8320) further indicates a moderate level of unexplained variability, implying the presence of additional organizational and contextual factors influencing performance beyond financial management.

The regression coefficients provide further insight into the nature and strength of this relationship. The unstandardized coefficient for the Financial Resource Management index ($B_1 = 0.4177$, $SE = 0.0600$, $t = 6.9647$, $p < 0.001$) indicates a positive and statistically significant effect on organizational performance. This implies that a one unit increase in the Financial Resource Management index is associated with a 0.4177 unit increase in performance, holding other factors constant. The high t value and statistically significant p value confirm that this relationship is unlikely to have occurred by chance, thereby providing strong support for the alternative hypothesis. The intercept ($B_0 = 1.6874$, $p < 0.001$) represents the baseline level of performance when Financial Resource Management is held constant at zero, although its primary relevance is in the formulation of the predictive model rather than substantive interpretation.

These findings indicate that Financial Resource Management Strategies constitute a statistically significant predictor of organizational performance, with improvements in financial planning, funding adequacy, disbursement efficiency, and access mechanisms associated with measurable

gains in programme effectiveness. However, the moderate explanatory power of the model also suggests that financial governance operates alongside other determinants of performance, reinforcing the need for a multidimensional approach to strengthening HIV programme outcomes.

The qualitative findings provide important explanatory context for the regression results by clarifying how Financial Resource Management Strategies translate into organizational performance in practice. While the inferential analysis confirmed a positive and statistically significant relationship, the narratives indicate that this effect is largely driven by the presence of structured financial planning systems, participatory budgeting processes, and internal expenditure controls that enhance coordination and accountability. Respondents consistently described financial planning as increasingly evidence driven and aligned with programme priorities, supporting efficient allocation of resources and improved operational discipline. However, these gains were not uniformly realized across all dimensions of financial governance. In particular, delays in fund disbursement, rigid approval processes, and limited flexibility in reallocating resources constrained the responsiveness of programmes to emerging needs.

“Funds are planned well, but delays in disbursement often affect implementation timelines and service delivery.”

“We follow strict budgeting processes, but adjusting allocations quickly when priorities change is still difficult.”

“Our financial systems are not fully integrated, so reporting across platforms takes time and sometimes leads to duplication.”

Further, the qualitative evidence reinforces the descriptive finding that financial systems integration remains a critical constraint on the effectiveness of financial governance. Respondents highlighted fragmentation across financial management platforms, limited interoperability between donor and national systems, and challenges in synchronizing financial data across reporting channels. These gaps were associated with duplication of effort, delays in financial reporting, and reduced transparency in resource tracking, thereby limiting the ability of programmes to fully leverage financial management systems for decision making and coordination. This aligns with the regression findings, where Financial Resource Management Strategies significantly predict performance but do not account for a large proportion of variance, indicating that their effectiveness is contingent on broader system integration and funding stability conditions.

Discussion

The findings of this study demonstrate that Financial Resource Management Strategies exert a positive and statistically significant influence on organizational performance in donor funded HIV programmes in Kenya. The regression results indicate that improvements in financial governance are associated with measurable gains in efficiency, service continuity, and institutional responsiveness. This demonstrates that financial management is not merely an administrative function but a substantive operational capability that shapes how effectively programmes translate financial inputs into service delivery outcomes. The moderate magnitude of the relationship, as reflected in the coefficient of determination, suggests that financial governance contributes

meaningfully to performance while operating alongside other structural and contextual determinants.

The descriptive findings provide further insight into the internal structure of this relationship. Stronger performance in planning and allocation indicates that programmes have institutionalized budgeting frameworks that align financial decisions with programme priorities. However, weaker performance in budget adaptability and audit enforcement highlights limitations in responsiveness and compliance, suggesting that financial systems are more effective in planning than in dynamic adjustment and oversight. Similarly, while internal financial processes supporting fund utilization are relatively efficient, inconsistencies in funding predictability and disbursement timelines introduce operational uncertainty that constrains implementation. The most critical limitation emerges in financial systems integration, where fragmentation and lack of interoperability reduce coordination efficiency and undermine the full potential of financial governance systems.

The qualitative findings reinforce these patterns by demonstrating that financial management practices enhance coordination and accountability at the operational level but are constrained by systemic bottlenecks in funding flows, procedural rigidity, and system fragmentation. Together, the results indicate that financial resource management improves micro level efficiency but lacks sufficient structural coherence to drive large scale performance transformation. This explains the statistically significant yet moderate effect observed in the regression model, highlighting the conditional nature of financial governance effectiveness within complex programme environments.

The findings of this study are consistent with existing literature which emphasizes the central role of financial governance in determining health system performance. Prior studies have shown that effective public financial management systems improve budget execution, enhance accountability, and strengthen alignment between resource allocation and service delivery outcomes (Cashin et al., 2021; Piatti Fünfkirchen & Schneider, 2020). The positive and significant relationship identified in this study supports this perspective by demonstrating that structured financial management practices contribute directly to improved organizational performance within donor funded HIV programmes.

At the same time, the moderate explanatory power of the model aligns with research that cautions against viewing financial inputs as independently sufficient to drive performance outcomes. Evidence from health systems in low- and middle-income countries indicates that financial management systems often operate within broader institutional environments characterized by funding volatility, governance fragmentation, and administrative constraints that limit their effectiveness (World Bank, 2022; Allen et al., 2013). The present findings mirror this position by showing that while financial resource management enhances operational efficiency, its overall impact is moderated by systemic factors such as funding predictability and integration of financial systems.

Furthermore, the observed weaknesses in financial systems integration and funding flow predictability are consistent with literature documenting fragmentation in donor funded health programmes. Studies have highlighted that parallel financial reporting systems, lack of interoperability, and rigid donor requirements often create inefficiencies that reduce coordination

and increase administrative burden (Kates et al., 2023; IHME, 2024). The qualitative evidence in this study reinforces these insights by illustrating how such fragmentation constrains the effectiveness of financial governance mechanisms. Thus, the findings both confirm and extend existing literature by providing empirical evidence at the organizational level on how financial management practices interact with structural constraints to shape programme performance.

The findings of this study have important implications for county health governance in Kenya, particularly in the context of ongoing donor transition and increasing emphasis on domestic financing. First, the results highlight the need to strengthen financial governance systems beyond basic budgeting processes by enhancing adaptability, accountability, and integration. County governments should prioritize the development of flexible budgeting frameworks that allow for timely reallocation of resources in response to changing programme needs, while reinforcing audit and compliance mechanisms to ensure efficient use of funds. Further, improving the predictability and timeliness of funding flows is critical for sustaining service delivery. The evidence suggests that delays in disbursement and inconsistencies in funding cycles undermine programme implementation even where financial planning systems are in place. Strengthening coordination between national, county, and donor financing mechanisms can reduce these disruptions and support more stable programme operations. This may require harmonization of disbursement schedules, improved cash flow forecasting, and streamlined approval processes that minimize administrative delays. In addition, the findings underscore the importance of integrating financial management systems across platforms and stakeholders. Fragmentation in financial systems reduces transparency, increases duplication of effort, and limits the ability of programmes to utilize financial data for decision making. County health systems should invest in interoperable financial management platforms that align with national systems and donor requirements while enabling real time tracking of resources. Strengthening system integration will not only improve accountability but also enhance coordination across implementing partners, thereby increasing the overall effectiveness of HIV programme governance.

Conclusion and Recommendations

This study examined the influence of Financial Resource Management Strategies on the organizational performance of donor funded HIV programmes in Kenya. The findings provide empirical evidence that financial governance exerts a positive and statistically significant effect on programme performance, confirming that structured financial management is a critical operational capability within complex health delivery systems. Programmes that demonstrate stronger performance in budgeting, resource allocation, expenditure control, and financial coordination are better positioned to achieve efficiency, maintain service continuity, and respond to operational demands. However, the study also establishes that the influence of financial resource management, while significant, is moderate in magnitude. This indicates that financial governance contributes meaningfully to performance but does not operate in isolation. The descriptive and qualitative findings reveal that although planning systems and internal financial processes are relatively well established, systemic challenges related to funding predictability, disbursement delays, and fragmentation of financial systems constrain the full realization of financial management benefits.

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As such, financial resource management in donor funded HIV programmes can be characterized as functionally effective but structurally constrained, improving operational efficiency without fully optimizing programme performance at scale. Accordingly, the study concludes that the effectiveness of financial governance depends not only on the presence of structured management systems but also on their integration, responsiveness, and alignment with broader institutional and funding environments. Strengthening these dimensions is essential for enhancing the contribution of financial resource management to sustained programme performance.

To optimize HIV programme performance, stakeholders must prioritize strengthening financial governance by transitioning from rigid, compliance-heavy budgeting to adaptive financial planning informed by real-time data. This shift requires enhanced coordination between donors and government entities to synchronize disbursement schedules, ensuring predictable funding flows and reducing operational delays. Furthermore, investing in interoperable digital systems and targeted capacity building will streamline financial integration across partners, fostering a culture of transparency and accountability that ensures resources are utilized effectively to sustain service delivery.

Future research should build on the findings of this study by examining how Financial Resource Management interacts with other organizational capabilities such as human resource management, leadership structures, and digital systems in shaping programme performance, as these combined effects may explain additional variance not captured by financial governance alone. There is also a need for longitudinal studies to assess how financial management practices evolve over time, particularly in the context of donor transitions and increasing domestic financing responsibilities, in order to better understand their sustainability and long-term impact on service delivery outcomes. Additionally, comparative studies across counties or different country contexts would provide valuable insights into how variations in governance structures, financing environments, and institutional capacities influence the effectiveness of financial resource management strategies in health programmes.

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The authors declare no conflict of interest.

Data Availability Statement

The data supporting the findings of this study are available from the corresponding author upon reasonable request.

Author Contributions:

We the authors, declare that each author contributed significantly to the conception, research, writing and preparation of the final work.

Ethical Approval and Research License

Ethical approval for this study was obtained from United States International University-Africa Research Ethics Committee (REF: USIU-A/ISERC/US987-2025) and NACOSTI (License No: NACOSTI/P/25/4177314).

Licensing Statement

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