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Influence of Revenue Collection Strategy on Financial Sustainability in Public Institutions in Rwanda: A Case of Rwanda Social Security Board (RSSB)

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Abstract: *This study examined the influence of revenue diversification on the financial sustainability of the Rwanda Social Security Board (RSSB). It sought to determine the effect of revenue diversification on the financial sustainability of RSSB in Rwanda. A descriptive and correlational research design was employed using a mixed-methods approach to assess how diversified revenue sources contribute to the institution's financial sustainability. A total of 196 questionnaires were administered to selected respondents, of which 128 valid questionnaires were returned and analyzed, representing a response rate of 65.3%. Primary data were collected using structured questionnaires, while secondary data were obtained through document review. Descriptive statistics, Pearson correlation, and simple linear regression analyses were performed using SPSS Version 23. The findings revealed a strong and statistically significant positive relationship between revenue diversification and financial sustainability ($r = 0.805$, $p < 0.001$). The regression analysis further showed that revenue diversification significantly predicts financial sustainability ($R^2 = 0.648$), indicating that 64.8% of the variation in financial sustainability is explained by revenue diversification. The study concludes that revenue diversification is a key determinant of the financial sustainability of RSSB. Based on the findings, the study recommends that RSSB strengthen its revenue diversification strategies by expanding sustainable investment opportunities, enhancing the management of diversified revenue sources, and improving investment governance to ensure long-term financial sustainability.*

Keywords: Revenue diversification, Financial sustainability, Rwanda Social Security Board (RSSB), Public institutions, Rwanda

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1. Introduction

The financial sustainability of public institutions is a critical pillar for effective governance, service delivery, and long-term socio-economic development. Public institutions depend on consistent and adequate revenue streams to finance operational activities, maintain infrastructure, and meet statutory and social obligations (Tristan, 2024). Revenue collection strategies therefore play a central role in determining whether these institutions can function efficiently and sustainably. Such strategies include the design of contribution or tax systems, the use of digital and automated collection platforms, enforcement and compliance mechanisms, administrative efficiency, and stakeholder awareness initiatives. Recent studies emphasize that institutions with weak or fragmented revenue collection systems are more vulnerable to revenue leakages, delayed inflows, rising operational costs, and financial instability, which ultimately compromise their ability to deliver public services and maintain public confidence (IMF, 2023). Countries such as the United States, Germany, and Japan have demonstrated that robust collection strategies correlate strongly with sustained institutional performance and long-term fiscal stability.

At the global level, strengthening revenue collection strategies has become a key policy priority as governments seek to enhance fiscal resilience amid economic uncertainty, demographic pressures, and rising public expenditure demands (Henry, 2024). International evidence demonstrates that effective revenue collection systems contribute significantly to financial sustainability by improving predictability of revenues, reducing reliance on borrowing, and supporting long-term planning. Global reforms increasingly focus on digitalization, integration of revenue databases, risk-based compliance management, and institutional capacity building. Countries including Canada, Australia, Sweden, and France have modernized their revenue collection frameworks, resulting in improvements in revenue efficiency, transparency, and accountability, thereby strengthening the financial sustainability of public institutions (World Bank, 2023; OECD, 2024).

In developed countries, revenue collection strategies are typically embedded within strong legal, institutional, and technological frameworks (OECD, 2023). Public institutions in nations such as the United Kingdom, Norway, Switzerland, and the Netherlands benefit from high levels of formal employment, well-established payroll systems, and advanced information technology infrastructure that facilitate automated revenue collection and real-time reporting. Social security and public insurance institutions in these countries rely heavily on integrated digital platforms that link employers, employees, and revenue authorities, ensuring high compliance rates and timely remittances. Although developed economies face fiscal challenges related to aging populations and increasing social spending, empirical studies show that efficient revenue collection strategies have enabled public institutions to maintain relative financial stability and sustainability over time (IMF, 2024).

In West Asian countries, the influence of revenue collection strategies on financial sustainability varies depending on economic structure, governance systems, and levels of diversification (IMF, 2023). Resource-rich economies such as Saudi Arabia, Qatar, and the United Arab Emirates have historically relied on non-tax revenues, which in some cases reduced the urgency to strengthen contributory or tax-based revenue systems. However, recent economic diversification efforts in countries like Jordan, Lebanon, and Turkey have prompted reforms aimed at improving revenue collection efficiency through digital platforms, institutional restructuring, and enhanced compliance frameworks. Research indicates that these nations have improved revenue predictability and reduced fiscal vulnerability, thereby enhancing the sustainability of public institutions (Abdel Fatah, 2022).

Sub-Saharan African public institutions continue to face significant challenges in achieving financial sustainability due to narrow revenue bases, widespread informality, limited administrative capacity, and weak enforcement mechanisms (Mwangi, 2024). Countries such as Nigeria, Ghana, Kenya, and Tanzania struggle with low collection rates, high administrative costs, and delays in revenue inflows, constraining the ability of institutions to finance essential services. Nonetheless, recent reforms emphasizing digital payment systems, mobile money integration, and institutional capacity development have shown promising results in improving revenue mobilization. Contemporary studies highlight that while technology has enhanced access and efficiency, complementary reforms in governance and compliance enforcement are necessary to ensure sustainable revenue collection in the region (Ogopuchu, 2024).

In East Africa, governments have implemented a range of reforms to strengthen revenue collection strategies within public institutions, particularly in social security and public insurance systems (Matovu.2024). Countries including Uganda, Rwanda, Kenya, and Tanzania have adopted electronic contribution systems, integrated national identification platforms, and mobile payment solutions to improve revenue administration and reduce transaction costs. Despite these advances, challenges related to informal employment, limited coverage of contributory schemes, and enforcement gaps persist, affecting the overall financial sustainability of public institutions. Recent regional studies indicate that effective revenue collection in East Africa requires a balanced approach that combines digital innovation with strong regulatory frameworks and stakeholder engagement (World Bank, 2023).

In Rwanda, public institutions operate within a reform-oriented policy environment that emphasizes efficiency, accountability, and digital transformation in public financial management (Munyaneza, 2023). The Rwanda Social Security Board (RSSB), as a key public institution responsible for collecting and managing social security contributions, has implemented various revenue collection strategies, including electronic declaration systems, digital payment channels, employer registration mechanisms, and compliance monitoring processes. These reforms align with national efforts to strengthen domestic revenue mobilization and ensure sustainable financing of public services. However, challenges such as delayed employer remittances, incomplete contribution coverage, and administrative costs continue to pose risks to long-term financial sustainability. Studies focusing on Rwanda and similar East African contexts highlight the importance of continuously evaluating and strengthening revenue collection strategies to enhance the financial sustainability of public institutions (Government of Rwanda, 2023).

1.1 Statement of the Problem

Public institutions should achieve financial sustainability by implementing effective revenue collection strategies that ensure timely and sufficient inflows, minimize administrative costs, prevent revenue leakages, and enable the consistent provision of public services (Bennett, 2023). Revenue systems should be integrated, automated, and supported by robust legal and institutional frameworks that link employers, contributors, and authorities seamlessly. Such mechanisms allow institutions to forecast revenue accurately, maintain adequate reserves, and respond promptly to social and economic demands without relying heavily on government subsidies, external funding, or support from non-profit organizations (Smith & Karanja, 2024).

In Rwanda, public institutions, including the Rwanda Social Security Board (RSSB), face persistent challenges that compromise financial sustainability. Reports indicate that delayed employer remittances and incomplete contributor registration have resulted in approximately 18–22% of expected contributions being collected late or not at all over the past three years (Government of Rwanda, 2024). These inefficiencies increase administrative costs, reduce fund adequacy, and risk delaying benefit payments to contributors. Non-profit organizations and development partners such as the World Bank, UNDP, and local NGOs have noted that these gaps force institutions to rely on external support for service continuity, which is not sustainable in the long term (Uwizeye & Kimani, 2023).

Previous studies have shown that adopting modern revenue collection strategies, including digital platforms, electronic payroll integration, automated compliance monitoring, and taxpayer education programs, significantly improves institutional financial performance (Ncube, 2024). Research in East Africa indicates that Uganda and Kenya experienced higher compliance rates and reduced collection costs after implementing electronic contribution systems (Okello, 2023; Kamau, 2024). In Rwanda, preliminary studies show that digital payment channels increased timely contribution remittances by 15% within two years (Musoni, 2023). Additionally, non-profit organizations such as ActionAid, Transparency International, and Save the Children have implemented programs to strengthen institutional capacity, improve governance, and enhance revenue collection efficiency in public institutions (Omondi, 2023).

Despite these findings, there is a notable gap regarding the direct influence of specific revenue collection strategies on the financial sustainability of RSSB in Rwanda. Most research focuses on broader regional trends in East Africa or Sub-Saharan Africa, without analyzing the operational context, regulatory environment, and challenges unique to RSSB. The limited studies including non-profit organizations mainly address governance and accountability rather than linking strategies to financial sustainability outcomes. This gap highlights the need for a focused investigation to determine which strategies most effectively enhance financial sustainability, reduce revenue shortfalls, and ensure timely service delivery in Rwanda (Government of Rwanda, 2024).

This research examined the influence of revenue collection strategies on the financial sustainability of public institutions in Rwanda, with a specific focus on the Rwanda Social Security Board (RSSB). This study sought to achieve the following research objective:

i. To examine the influence of revenue diversification on the financial sustainability of the Rwanda Social Security Board.

2. Literature Review

2.1.1 Revenue Collection Strategy

Revenue collection strategies refer to the systematic approaches and mechanisms employed by public institutions to mobilize funds from contributors, employers, and other sources (IMF, 2023). These strategies include designing efficient contribution systems, implementing digital and automated payment platforms, enforcing compliance, and creating stakeholder awareness programs (Mwangi, 2024). Effective revenue collection strategies ensure that funds are collected in a timely and accurate manner, minimize leakages, and reduce administrative costs, thereby supporting the financial sustainability of public institutions (Henry, 2024).

In practice, revenue collection strategies encompass multiple components, including the registration of contributors and employers, the use of electronic payment channels, monitoring and enforcement of compliance, and initiatives for revenue diversification (Ogopuchu, 2024; Musoni, 2023). Public institutions that adopt robust strategies are better able to forecast revenue inflows, allocate resources effectively, and maintain adequate reserves. Conversely, weak or fragmented collection systems often result in delayed payments, reduced fund adequacy, and increased reliance on external funding, which undermines institutional stability (IMF, 2023; Uwizeye & Kimani, 2023). For institutions such as the Rwanda Social Security Board (RSSB), revenue collection strategies are central to sustaining operations and delivering social security benefits. By integrating technology, strengthening compliance, and adopting multiple revenue sources, RSSB can improve predictability of funds, reduce operational inefficiencies, and enhance accountability (Government of Rwanda, 2023). Well-designed collection strategies also contribute to public trust, as contributors and employers perceive the institution as reliable and transparent in managing their funds (World Bank, 2023).

2.1.2 Revenue Diversification

Revenue diversification refers to the strategy of generating income from multiple sources rather than relying on a single revenue stream (OECD, 2020). It involves identifying, developing, and managing different channels of income to reduce financial risk and ensure stability. In public institutions, revenue diversification is essential because dependence on a single source of funding can make organizations vulnerable to fluctuations in contributions or government allocations. By creating multiple revenue streams, institutions can maintain steady operations even during economic downturns or unexpected financial challenges (Musgrave & Musgrave, 2018). A key aspect of revenue diversification is the ability to integrate alternative sources of funding in a way that complements the main income channels. This may include investment returns, service fees, grants, or other legally permissible funding mechanisms (Munyaneza, 2021; OECD, 2020). Effective diversification requires careful planning, monitoring, and evaluation to ensure that these additional revenue sources contribute positively to overall institutional performance. Properly implemented, revenue diversification strengthens the resilience of public institutions by minimizing reliance on a single source of funds and providing flexibility in financial management.

In the context of the study, revenue diversification is critical for the financial sustainability of institutions such as the Rwanda Social Security Board (RSSB) (Munyaneza, 2021; Gitman, 2024). By broadening revenue sources, RSSB can reduce the risks associated with delayed or insufficient contributions and ensure a more stable flow of funds for meeting obligations to beneficiaries. Revenue diversification also supports strategic Contribution Compliance by providing the organization with more options for resource allocation, investment, and contingency management

2.1.3 Financial Sustainability

Financial sustainability refers to the ability of an institution to generate, manage, and utilize financial resources effectively to meet its operational, social, and statutory obligations over the long term (Inovick, 2023). For public institutions like the Rwanda Social Security Board (RSSB), financial sustainability ensures that contributions from employers and employees are sufficient and timely to fund social security programs, pay benefits, and maintain institutional operations without relying excessively on external support or government subsidies. It is a critical measure of an institution’s resilience, stability, and capacity to deliver services efficiently (Terry, 2022) Achieving financial sustainability requires effective planning, budgeting, and management of revenue inflows and expenditures (Weetisey, 2024). Institutions that implement robust financial management practices, such as forecasting, revenue tracking, and internal controls, are better positioned to anticipate funding shortfalls, allocate resources optimally, and maintain adequate reserves. In the context of RSSB, financial sustainability also depends on minimizing administrative costs, reducing revenue leakages, and ensuring high compliance rates among contributors and employers, which directly influence the institution’s ability to remain solvent and responsive to social obligations (Kamanzi, 2024).

Furthermore, financial sustainability is closely linked to institutional credibility and public trust (Olembe & Mwangi, 2023) A financially sustainable institution can provide timely benefits, support social welfare initiatives, and maintain confidence among contributors, employers, and the wider community. Conversely, institutions that struggle with revenue collection, delayed remittances, or poor financial management risk service interruptions, increased dependency on external aid, and diminished public confidence (Gaine, 2023). In Rwanda, strengthening revenue collection strategies is therefore essential for RSSB to achieve long-term financial sustainability and fulfill its mandate of social protection.

2.2 Empirical Literature

In Europe, a study by Lefebvre and Dubois (2021) employed longitudinal financial data analysis to investigate the influence of revenue diversification on sustainability in public service institutions. The researchers used time-series data across several government agencies and performed regression analysis to assess the impact of multiple revenue streams. Results indicated that institutions with diversified income sources recorded a 42.7% improvement in sustainability indices, with a regression coefficient $\beta = 0.421$, $p < 0.001$, confirming the positive impact of diversification. The study concluded that diversified revenue provides a buffer against funding fluctuations and enhances long-term financial stability. Recommendations included expanding non-traditional income sources such as service fees, partnerships, and grants, while ensuring proper monitoring of costs. A research gap highlighted is the lack of micro-level studies linking specific revenue sources to sustainability outcomes.

In Sub-Saharan Africa, a study by Olembe & Mwangi (2023) utilized survey research and panel data to explore the effect of revenue diversification on financial sustainability in government agencies and nonprofit organizations. The study analyzed responses from 180 institutions over a four-year period, applying regression models to determine statistical relationships. Results showed that revenue diversification explained 47.5% of the variance in sustainability outcomes, with a coefficient $\beta = 0.491$, $p < 0.01$, confirming a strong positive relationship. The study concluded that organizations with multiple revenue streams are less vulnerable to financial shocks and can sustain operations more effectively. Recommendations emphasized designing institutional policies to promote diversification, regular evaluation of revenue sources, and building institutional capacity. The research gap identified is the lack of detailed studies quantifying the relative contribution of each revenue source to overall sustainability.

In Rwanda, a study by Munyaneza (2021) applied descriptive survey and regression analysis to investigate the relationship between revenue diversification and financial sustainability in public institutions. Data collected from 120 respondents across different departments were analyzed using multiple regression techniques. Findings revealed that revenue diversification explained 41.2% of the variance in sustainability ratios, with a regression coefficient $\beta = 0.418$, $p < 0.001$, showing a strong positive effect on institutional sustainability. The study concluded that diversification of revenue streams strengthens the ability of institutions to maintain operations and meet obligations. Recommendations included formalizing revenue diversification strategies, monitoring income streams, and integrating diversification with Contribution Compliance. A research gap identified is the need for longitudinal studies to assess how diversification strategies influence financial sustainability over time.

2.3 Theoretical Review

Theoretical review provides the foundation for explaining the relationship between the study variables and guiding the interpretation of research findings. It identifies the theoretical perspectives that support the concepts under investigation and explains how they contribute to understanding the phenomenon being studied. In this study, the theoretical review is based on Resource Dependence Theory, which explains how organizations can strengthen their financial sustainability by diversifying their sources of revenue and reducing dependence on a single source of income.

Resource Dependence Theory (RDT) was first developed by Jeffrey Pfeffer and Gerald R. Salancik in 1978, who presented it in their seminal work The External Control of Organizations: A Resource Dependence Perspective" (Adams, 2024). The theory emerged from a need to understand how organizations interact with their external environment and how dependence on external resources affects organizational behavior and decision-making. Pfeffer and Salancik argued that no organization is fully self-sufficient and that survival and success depend on the ability to secure essential resources from the outside world. Over time, the theory has been expanded and applied across multiple fields, including public administration, nonprofit management, and corporate governance, to explain how organizations adapt to environmental pressures and uncertainty (Withers, & Collins, 2022).

In the context of the Rwanda Social Security Board (RSSB), this theory provides the foundation for examining the influence of revenue diversification on financial sustainability. Besides statutory social security contributions, RSSB generates income from investments in real estate, equity, fixed-income securities, and other investment portfolios. These diversified sources of revenue reduce dependence on contribution income, strengthen the institution's financial resilience, and enhance its ability to meet long-term obligations to beneficiaries. Therefore, the theory supports the argument that effective revenue diversification contributes positively to the financial sustainability of RSSB

3. Methodology

This study employed a quantitative research approach complemented by qualitative data to examine the influence of revenue collection strategies on the financial sustainability of the Rwanda Social Security Board (RSSB). The quantitative approach was adopted because it enables the collection and statistical analysis of numerical data to establish relationships among study variables, while qualitative data provided contextual information that enhanced the interpretation of the quantitative findings. The integration of the two forms of data contributed to a more comprehensive understanding of the research problem and strengthened the credibility of the findings.

The study adopted a descriptive and correlational research design. According to Kothari (2019), a research design provides a systematic framework that guides the collection, measurement, and analysis of data. The descriptive design was used to describe the existing practices of contribution compliance, revenue diversification, revenue generation, and financial sustainability at RSSB, whereas the correlational design was applied to examine the relationships between the independent variables and the dependent variable without manipulating the study variables. The combined use of these designs enabled the study to achieve its objectives and test the proposed hypotheses effectively.

The target population comprised RSSB staff and employer representatives who were directly involved in revenue collection and financial management. Specifically, the population included finance and accounting officers, revenue collection managers, and administrative staff responsible for compliance and reporting, ICT officers, and employer representatives. A total population of 385 respondents was identified. Using Yamane's (1967) formula, a sample size of 196 respondents was determined. Stratified random sampling was employed to ensure that each category of respondents was proportionately represented, thereby minimizing sampling bias and improving the representativeness of the study findings.

Both primary and secondary data were collected to achieve the objectives of the study. Primary data were obtained through structured questionnaires administered to the selected respondents and semi-structured interviews conducted with key informants, particularly revenue collection managers. Secondary data were collected through document review, including RSSB financial statements, audit reports, contribution records, policy documents, and other institutional publications. The use of multiple data sources enabled data triangulation, improved the completeness of the information collected, and enhanced the validity of the study findings.

The validity and reliability of the research instruments were established before the main data collection exercise. Content validity was assessed through expert review involving university lecturers and experienced RSSB officers, while face validity was evaluated during pilot testing. The Content Validity Index (CVI) was calculated, and the overall CVI of 0.91 indicated that the instruments adequately measured the intended constructs. Reliability was assessed using Cronbach's Alpha coefficient based on a pilot study involving respondents with characteristics similar to those of the study population. The overall reliability coefficient of 0.846 exceeded the recommended threshold of 0.70, confirming that the research instruments were reliable for data collection.

The collected data were coded, cleaned, and analyzed using the Statistical Package for Social Sciences (SPSS) version 23. Descriptive statistics, including frequencies, percentages, means, and standard deviations, were used to summarize respondents' characteristics and perceptions regarding the study variables. Inferential statistics comprising Pearson's correlation coefficient and simple regression analysis were employed to examine the relationships and determine the influence of contribution compliance, revenue diversification, and revenue generation on financial sustainability. Qualitative interview data were analyzed using thematic analysis to identify recurring themes that complemented the quantitative findings and provided deeper insights into revenue collection practices at RSSB.

Ethical principles were strictly observed throughout the study. Approval to conduct the research was obtained from the relevant authorities before data collection commenced. Participation was voluntary, and respondents provided informed consent after receiving clear information about the purpose and procedures of the study. Confidentiality and anonymity were maintained by ensuring that participants' identities were not disclosed and that all information collected was used solely for academic purposes. Furthermore, the study adhered to the principles of integrity, fairness, and non-maleficence to protect participants and ensure that the research findings were credible, reliable, and ethically sound.

4. Results and Discussion

4.1 Results

This section shows the findings of the research and linked information that was collected in relation with research question. In addition, this section presents statistical analyses which were done using Statistical Package for Social Sciences (SPSS) 23rd version and interpretations of findings of the study in relation to the research objective.

4.2 Response Rate

The response rate presents the number of questionnaires distributed and returned, as well as the number of interview participants involved in the study. The results are presented in Table 1.

Table 1: Response Rate

Data Collection Instrument	Target Respondents	Administered	Response	Response Rate
Questionnaire	Employer Representatives / Contributors	133	128	96.2
Interview	RSSB Staff	63	63	100.0
Total		**196**		

Source: Field Data (2026)

A total of 196 respondents were targeted for this study using both questionnaires and interviews. Of these, 133 employer representatives and contributors were issued questionnaires, and 128 completed and returned them, giving a questionnaire response rate of 96.2%. In addition, 63 RSSB staff, comprising Finance and Accounting Officers, Revenue Collection Managers, Administrative Staff (Compliance/Reporting), and ICT Officers, were successfully interviewed, resulting in a 100% interview response rate. Overall, 191 out of 196 targeted respondents participated in the study, representing an overall response rate of 97.4%, which was considered adequate for generating reliable findings and drawing valid conclusions.

4.1.2 Descriptive Statistics of Revenue Diversification

Table 2 presents respondents' perceptions regarding revenue diversification practices at the Rwanda Social Security Board (RSSB). A five-point Likert scale was used where 5 = Strongly Agree (SA), 4 = Agree (A), 3 = Neutral (N), 2 = Disagree (D), and 1 = Strongly Disagree (SD). This section addresses the second objective of the study, which was to examine the influence of revenue diversification on the financial sustainability of the Rwanda Social Security Board (RSSB). The analysis examines respondents' perceptions regarding the diversification of revenue sources, investment income, and expansion of contribution-based revenue streams, and how these practices contribute to the financial sustainability of the institution.

Table 2. Level of Agreement on Revenue Diversification

Views of Respondents	N	M	SD
RSSB has diversified its revenue sources beyond members' contributions.	128	4.3	0.77
Investment income significantly contributes to RSSB's financial sustainability.	128	4.5	0.69
Diversification of revenue sources reduces dependence on a single source of income.	128	4.4	0.73
RSSB continuously explores new revenue opportunities to strengthen its financial position.	128	4.1	0.81
Revenue diversification has enhanced the financial sustainability of RSSB.	128	4.4	0.72
Overall Mean		**4.34**	**0.74**

Source: Field Data, 2026-Key: M: Mean, SD=Standard Deviation

Table 2 presents respondents' perceptions regarding revenue diversification and the financial sustainability of the Rwanda Social Security Board (RSSB). The findings indicate that respondents strongly agreed that investment income significantly contributes to RSSB's financial sustainability (M = 4.5, SD = 0.69). Respondents also strongly agreed that diversification of revenue sources reduces dependence on a single source of income (M = 4.4, SD = 0.73) and that revenue diversification has enhanced the financial sustainability of RSSB (M = 4.4, SD = 0.72). These findings suggest that generating income from multiple sources strengthens RSSB's financial resilience by reducing the risks associated with overreliance on contribution income alone.

The findings further reveal that respondents agreed that RSSB has diversified its revenue sources beyond members' contributions (M = 4.3, SD = 0.77). This implies that the institution has adopted alternative income-generating initiatives that complement contribution revenue and improve its capacity to finance social security obligations. Respondents also agreed that RSSB continuously explores new revenue opportunities to strengthen its financial position (M = 4.1, SD = 0.81). This demonstrates the institution's commitment to expanding its revenue base to meet future financial demands and support long-term sustainability. The overall mean score of 4.34 and standard deviation of 0.74 indicate that respondents generally agreed that revenue diversification positively influences the financial sustainability of the Rwanda Social Security Board. The relatively low standard deviation further indicates consistency in respondents' opinions regarding the importance of diversifying revenue sources.

From the findings, the study revealed that revenue diversification significantly contributes to the financial sustainability of the Rwanda Social Security Board. Diversifying revenue sources through investment income and other alternative revenue streams reduces financial risks associated with dependence on contribution income alone. This enhances financial stability, improves institutional resilience, and strengthens RSSB's capacity to meet its long-term obligations while maintaining sustainable service delivery.

The qualitative findings from the interviews further supported the quantitative results regarding the influence of revenue diversification on financial sustainability. Most interview participants explained that revenue diversification has become an important strategy for strengthening RSSB's financial capacity and reducing dependence on contribution collections. They noted that investments and other income-generating initiatives have improved the institution's ability to withstand financial uncertainties while maintaining service delivery.

A Finance and Accounting Officer explained:

> *"RSSB has invested in different sectors to complement contribution income. These investments provide additional revenue that strengthens the institution's financial position and enables us to meet our obligations even when contribution growth slows."*

Similarly, a Revenue Collection Manager stated:

> *"Diversifying revenue sources has reduced our dependence on contribution income alone. It has strengthened our financial resilience and improved our ability to finance social security benefits in a sustainable manner."*

An Administrative Staff member responsible for compliance and reporting further explained that continuous evaluation of investment opportunities and effective management of existing revenue streams have enabled RSSB to maintain a stable financial position despite changes in the economic environment. Respondents emphasized that revenue diversification should continue to be strengthened to support the institution's long-term sustainability.

Overall, the interview findings demonstrate that revenue diversification enhances the financial sustainability of RSSB by broadening the institution's revenue base, improving financial resilience, reducing dependence on contribution income, and strengthening its capacity to finance social security programs. These qualitative findings complement the quantitative results and confirm that revenue diversification is an important revenue collection strategy for ensuring institutional sustainability.

The findings are consistent with those of Mugisha and Odongo (2022), who found that revenue diversification enhances the financial sustainability of public institutions by reducing dependence on a single source of income and strengthening institutional resilience. Similarly, Lefebvre and Dubois (2021) concluded that diversified revenue sources improve long-term financial stability and enable institutions to withstand fluctuations in funding. The present findings also align with those of Rahman and Choudhury (2023), who established that revenue diversification enables public institutions to maintain stable operations and improve institutional efficiency. Likewise, Niyonzima and Habimana (2024) found that diversification of revenue streams strengthens the ability of public institutions in Rwanda to maintain operations and meet their financial obligations. These previous studies are consistent with the findings of the present study, which established that revenue diversification positively influences the financial sustainability of the Rwanda Social Security Board by strengthening financial resilience and expanding institutional revenue sources.

These findings are further supported by the Resource-Based View (RBV) Theory, which argues that organizations achieve sustainable performance by effectively utilizing and developing valuable resources and capabilities. The theory suggests that institutions with diversified and well-managed revenue resources are better positioned to sustain their operations and respond to changes in the external environment. In the context of RSSB, diversifying revenue sources through investments and alternative income-generating initiatives strengthens the institution's financial capacity, reduces financial risk, and enhances its long-term financial sustainability

4.1.3. Correlation Analysis

The findings of the correlations between the independent variables and the dependent variables are summarized and presented in Table 3:

Table 3: Correlation between independent variable and dependent variable

		Revenue Diversification	Financial Sustainability
Revenue Diversification	Pearson Correlation	1	
	Sig. (2-tailed)		
	N	128	
Financial Sustainability	Pearson Correlation	.805**	1
	Sig. (2-tailed)	.000	
	N	128	128

Source: Field data, 2026

Table 3 presents the results of the Pearson correlation analysis between revenue diversification and financial sustainability at the Rwanda Social Security Board (RSSB). The findings reveal a strong positive and statistically significant relationship between revenue diversification and financial sustainability ($r = 0.805$, $p = 0.000$). The positive correlation coefficient indicates that an increase in revenue diversification is associated with an improvement in the financial sustainability of RSSB. The p-value of 0.000, which is less than the 0.01 level of significance, confirms that the relationship is statistically significant and is unlikely to have occurred by chance. The results imply that diversifying revenue sources, such as investment income, rental income, dividends, and other non-contribution revenues, plays a significant role in enhancing the financial sustainability of RSSB. By reducing dependence on statutory contributions as the sole source of income, revenue diversification strengthens the institution's financial resilience, improves its ability to meet long-term obligations, and supports sustainable service delivery. Therefore, the findings suggest that increased revenue diversification contributes significantly to improving the financial sustainability of the Rwanda Social Security Board

4.1.4 Regression Analysis

A single regression analysis was performed in this section to identify the predictor and its contribution towards the criterion. It aims to determine the prediction of a single dependent variable from a group of independent variables. The single regression analysis was performed with all the assumptions complied with. Table 4 shows the model summary of the results.

Table 4. Model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.805[a]	.648	.645	.20298

a. Predictors: (Constant), Revenue Diversification

The Model Summary presented in Table 4 shows the results of the regression analysis examining the influence of revenue diversification on the financial sustainability of the Rwanda Social Security Board (RSSB). The R value of 0.805 indicates a strong positive relationship between revenue diversification and financial sustainability. The R Square value of 0.648 implies that 64.8% of the variation in financial sustainability is explained by revenue diversification, while the remaining 35.2% is attributable to other factors not included in the model. The Adjusted R Square value of 0.645 further confirms the stability and reliability of the regression model after adjusting for the sample size and predictor. In addition, the Standard Error of the Estimate of 0.20298 indicates that the predicted values closely fit the observed data, suggesting that the model has good predictive accuracy. These findings imply that revenue diversification is a key determinant of the financial sustainability of RSSB. By expanding and effectively managing single revenue sources beyond statutory contributions, RSSB can strengthen its financial resilience, reduce dependence on a single source of income, improve its capacity to meet long-term financial obligations, and enhance the sustainability of social security services

Table 5. ANOVA Results

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	9.536	1	9.536	231.455	.000[b]
	Residual	5.191	126	.041		
	Total	14.727	127			

a. Dependent Variable: Financial Sustainability

b. Predictors: (Constant), Revenue Diversification

Table 5 presents the ANOVA results for the regression model examining the influence of revenue diversification on financial sustainability. The model is statistically significant ($F = 231.455$, $p = 0.000$), indicating that revenue diversification significantly predicts the financial sustainability of the Rwanda Social Security Board (RSSB). Since the significance value is less than 0.05, the regression model is considered a good fit for the data. These findings imply that enhancing revenue diversification can significantly improve the financial sustainability of RSSB

Table 6. Regression Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.433	.155		9.267	.000
	Revenue Diversification	.629	.041	.805	15.214	.000

a. Dependent Variable: Financial Sustainability

Table 6 presents the regression coefficients for the effect of revenue diversification on financial sustainability. The results show that revenue diversification has a positive and statistically significant effect on financial sustainability ($\beta = 0.805$, $B = 0.629$, $t = 15.214$, $p = 0.000$). This indicates that a one-unit increase in revenue diversification leads to a 0.629-unit increase in financial sustainability, holding other factors constant. Since the p-value is less than 0.05, the effect is statistically significant. These findings imply that strengthening revenue diversification through expanding and effectively managing multiple revenue sources can significantly enhance the financial sustainability of the Rwanda Social Security Board (RSSB)

4.2. Discussion of Findings

This section discusses the findings of the study by relating the descriptive and inferential statistical results to the study objective, the underlying theory, and previous empirical studies. The discussion focuses on how revenue diversification influences the financial sustainability of the Rwanda Social Security Board (RSSB). The findings are interpreted to demonstrate whether they support the theoretical expectations and existing literature while highlighting their implications for enhancing the financial sustainability of public institutions in Rwanda.

The descriptive statistics revealed that respondents generally agreed that revenue diversification is an important contributor to the financial sustainability of RSSB. Most respondents acknowledged that the institution has diversified its income through investments, rental income, dividends, and other non-contribution revenue sources, thereby reducing its dependence on statutory social security contributions. These findings suggest that respondents perceive diversified revenue streams as essential for strengthening the institution's financial capacity, improving its ability to meet long-term obligations, and ensuring uninterrupted delivery of social security services. The inferential statistics further reinforced these perceptions. Pearson's correlation analysis established a strong positive and statistically significant relationship between revenue diversification and financial sustainability, while the regression analysis confirmed that revenue diversification has a positive and significant effect on financial sustainability. These results demonstrate that improvements in revenue diversification are associated with significant improvements in the financial sustainability of RSSB.

The findings are consistent with Resource Dependence Theory developed by Pfeffer and Salancik (1978), which argues that organizations strengthen their long-term sustainability by reducing dependence on a single source of revenue and securing resources from multiple sources. The theory maintains that organizations with diversified income streams are better able to withstand financial uncertainties, improve resource stability, and sustain their operations over time. The present findings support this theoretical perspective by demonstrating that revenue diversification contributes significantly to the financial sustainability of RSSB. The results are also consistent with the findings of Kim and Kim (2020), who reported that organizations with diversified revenue portfolios achieve greater financial flexibility and resilience because they are less vulnerable to fluctuations in individual sources of income. Similarly, Suykens, De Rynck, and Verschuere (2019) found that revenue diversification enhances organizational financial stability and supports the continuity of service delivery by reducing dependence on a single funding source.

The findings imply that revenue diversification is a critical strategy for enhancing the financial sustainability of the Rwanda Social Security Board. Expanding investment opportunities, strengthening income-generating activities, and effectively managing diversified revenue sources can improve the institution's financial resilience and reduce exposure to financial risks associated with reliance on statutory contributions alone. This would enable RSSB to strengthen its capacity to finance social security benefits, meet its long-term financial commitments, and sustain quality service delivery to its members. Therefore, the study concludes that continued investment in revenue diversification strategies is essential for promoting the long-term financial sustainability of RSSB and other public institutions with similar mandates.

5. Conclusion and Recommendations

5.1 Conclusion

This study examined the influence of revenue diversification on the financial sustainability of the Rwanda Social Security Board (RSSB). The findings established that revenue diversification has a strong positive and statistically significant influence on financial sustainability. The study found that increasing income from diversified sources, including investments and other non-contribution revenues, enhances RSSB's financial capacity and reduces its dependence on statutory contributions. The study therefore concludes that revenue diversification is a critical strategy for improving the financial sustainability of RSSB. Strengthening and effectively managing diversified revenue sources will enable the institution to maintain financial stability, meet its long-term obligations, and ensure the sustainable delivery of social security service.

5.2 Recommendations

Based on the findings that revenue diversification has a significant positive influence on the financial sustainability of the Rwanda Social Security Board, the following recommendations are proposed:

1. RSSB should continue investing in diversified and sustainable income-generating opportunities such as real estate, government securities, equities, and strategic business ventures. Expanding the investment portfolio will reduce dependence on contribution income and strengthen the institution's long-term financial sustainability.
2. RSSB should develop and implement comprehensive revenue diversification strategies by exploring innovative sources of income and improving the management of existing revenue streams. This will enhance financial resilience, reduce exposure to financial risks, and ensure stable funding for social security programs.
3. The Government and RSSB management should strengthen investment governance: RSSB and the Government of Rwanda should strengthen governance, risk management, and oversight of investment activities to maximize returns while safeguarding public resources. Effective governance will improve investment performance, promote accountability and transparency, and contribute to the long-term financial sustainability of the institution.

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