

## Source of Financing and Performance of Vocational Institutions in Bushenyi District in Western Uganda

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**Abstract:** The logical study examined the relationship between Source of Financing and Performance of Vocational Institutions in Bushenyi District in western Uganda. The research study employed a cross-sectional and descriptive research design with both Quantitative and qualitative approaches. The academics used systematic sampling, purposive and stratified random sampling strategies to choose the participants for the research project. A sample of 304 participants was selected from 4500 people by means of a table developed by Morgan & Krejcie (1970). Data was collected using questionnaires and analyzed by utilizing Descriptive statistics such as Frequencies, Percentages, Means and Standard Deviation and Inferential Analysis such as Pearson linear correlation coefficient (PLCC) and Regression analysis for quantitative data analysis. The analysis for qualitative data was done using Systematic thematic analysis. The study results revealed that there was a significant correlation between Source of Financing and Performance of Vocational Institutions in Bushenyi District in western Uganda. The study concluded that Private funds have transformed empty workshops into vibrant learning spaces, enabled the recruitment of experienced instructors from industry, provided the consumable materials essential for hands-on skills development, and funded outreach programs that bring training to remote communities. From the study findings, the Academics recommended that there is need for Governments in the cosmos to strengthen scholarship and bursary schemes targeting students from poor households. Government must ensure that these schemes are adequately funded, transparently administered and actively promulgated in rural and urban communities targeting the poor students in general.

**Keywords:** *Source of Funding, Performance of Vocational Institutions, Uganda.*

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### Introduction

In the United States of America, the role of vocational institution training has become increasingly central in addressing global challenges related to unemployment, skills mismatch, and sustainable economic development (Pilz, 2017). As the world transitions into a knowledge-driven and technologically advanced economy, the demand for skilled labor, especially in technical and vocational fields, has intensified (Martini, 2024). Vocational institutions are thus positioned as strategic vehicles for equipping youth and adults with practical, market-relevant skills essential for gainful employment and entrepreneurship (Audu, 2022; Oviawe, 2018). However, the performance and sustainability of these institutions are influenced by several factors, notably the sources of their financing and the strength of their financial management practices.

In Germany, the private financing of vocational institutions has evolved to complement government funding in response to the rising costs associated with maintaining high-quality training systems (Benassi, Durazzi, & Fortwengel, 2022). In countries such as Germany, the involvement of the private sector through mechanisms such as tuition fees, industry partnerships, and corporate social responsibility programs has increased to foster

innovation, ensure industry relevance, and support the sustainability of vocational institutions (De Villiers, Dimes, & Molinari, 2025). Additionally, multilateral financial organizations, such as the World Bank and the IMF, have advocated for private sector-led institutional financing as part of broader training reforms in developing countries, particularly during structural adjustment programs (Mawdsley, 2017).

In Asia, vocational institutions have played a pivotal role in national development strategies (Li & Pilz, 2023). Since the Industrial Revolution, Asian economies have acknowledged the importance of skilled labor, which led to the establishment of vocational institutions systems in the Asian Tigers (Eichhorst, Rodríguez-Planas, Schmidl, & Zimmermann, 2021). Over time, there has been a global shift from informal skill acquisition to formal, competency-based vocational training structures (Boahin & Hofman, 2014). By the mid-20th century, international organizations like UNESCO and the ILO began to advocate for vocational institutions as essential for enhancing youth employability and driving economic growth (Antoninis et al., 2023).

In Africa, Private financing of vocational institutions encompasses various forms, including household contributions (tuition fees), support from private foundations, donor assistance, and enterprise-based training programs (Mubanga, Hock, Karim, & Mulenga, 2019). The number of private vocational training providers has significantly increased due to liberalization policies (Oviawe, 2018). However, access to high-quality vocational training remains a challenge for low-income learners, primarily due to high fees and inconsistent government regulation. The vocational institution's role has expanded, but this growth often comes with considerable disparities in quality and standards, and performance. The African Union (2018) asserts that poor financial management impairs institutional results. Although efforts have been made by nations like Ghana and Rwanda to professionalize the performance of vocational institutions, there are still many obstacles to overcome.

In Uganda, Vocational institutions were founded mostly by missionaries and colonial officials to prepare craftsmen for simple trade and craft vocations during the colonial era, which is when vocational institution in Uganda began (Adu-Gyamfi & Osei-Egyir, 2023). The government increased the number of vocational institutions after independence, but because of the public's inclination toward academic education, vocational programs receive little funding and are seen as the "second-best" choice (Corbitt, 2024). Performance of Vocational institutions was repositioned as a major force behind economic transformation in the 1992 Government White Paper (McGrath & Yamada, 2023). Financing of vocational institutions has been the responsibility of governments, including Uganda (Okumu & Bbaale, 2019). However, the growing cost of education, coupled with limited public budgets, has necessitated the involvement of private actors, including households, employers, donors, and private training providers, in financing vocational institutions for better performance (Maurer, 2021). This shift towards private financing introduces challenges by raising concerns about equity, quality assurance, and institutional accountability, particularly in contexts where financial regulation is weak.

## Methods and Materials

### Data Capturing

Data used for the research venture were obtained using both primary and secondary foundations of data. Primary data was arrived at using questionnaires and interviews to relevant persons related to the study. Secondary data was acquired by the use of documentary reviews. The study employed a cross-sectional and descriptive research design with both quantitative and qualitative approaches.

Amin (2005) specified that descriptive research design is mostly utilized to designate a phenomenon and its data features. While cross sectional research design caters for the equity and the inclusion criteria for the participants. The researchers picked a total of 304 respondents (sample size) using the table developed by Morgan & Krejcie (1970) to participate in the research study.

### Sampling methods

The societal researchers engaged stratified random sampling and purposive sampling techniques to garner data for the study. The study population used the target population including categories like District Technical staff, Local council leaders, teachers, Head teachers and school management committees.

### Structured questionnaire

The questionnaire is a research instrument containing inter-related items organized by the intellectual about the research predicament under study grounded on the intentions of the research study. Items were set and written for the providers to answer with options as reflected on the likert scale type questions.

This technique was liked because it covers a wide physical space in data congregation; it collects a lot of evidence within a short time, and gives greater guarantee regarding secrecy.

Nevertheless, the questionnaire involved some encounters of attrition. There were few reproductions that were not returned, though this was resolved by issuing a lot of replicas than the required number of the sample size for the research orderly study.

### Validity and Reliability of research instruments

Validity of the well thought-out questionnaire was assured by using content validity Index. Arising from the testing of the validity of the research tools, the researchers got content validity index (CVI) of 0.79 which was well directly above 0.75 suggesting that the instrument was valid to bring mutually data for the research study (Amin, 2005). Validity of the interview guide was ensured by prolonged engagements with the participants.

Reliability of the planned Questionnaire was calculated using Cronbach's alpha coefficient formula while noting the variables that had an alpha coefficient of figure bigger than 0.75. Since the reliability calculation got by the researchers gave 0.78 alpha value, it meant that the research instrument was reliable to generate data necessary for the scientific study. Reliability of the interview guide was ensured by rigorous interviewer training.

### Data analysis

Analysis Statistical tools which were betrothed to examine data for this research study included; descriptive statistics such as tables, frequencies, percentages, Standard Deviation and inferential analyses like Pearson Linear Correlation Coefficient and Regression analysis for examining quantitative statistics. Qualitative data was analyzed by using Thematic analysis.

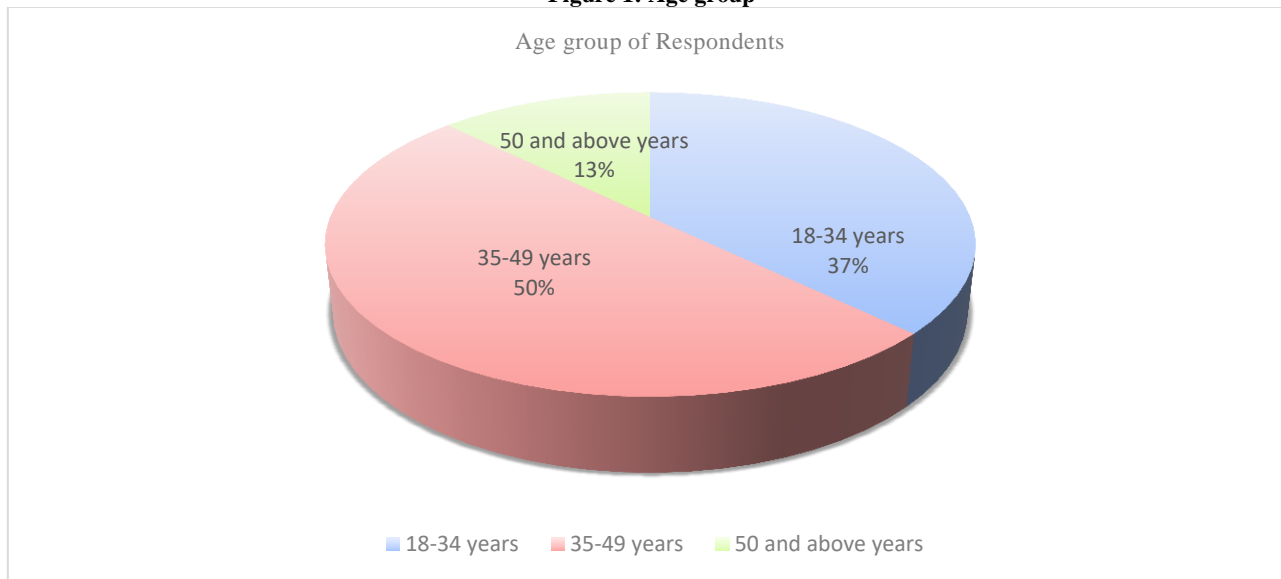
## Results

### Bio-data of the Respondents

Before conducting further analysis, it was necessary to first establish the bio -data of respondents in this study on the influence of Private Financing on the performance of vocational institutions in Bushenyi District in Western Uganda.

**Age group**

**Figure 1: Age group**



**Source: Primary data, 2026**

The age distribution of the respondents reveals a workforce that is predominantly in its prime working and mid-career stages, yet with a notable presence of younger professionals. The data indicates that over half of the participants (50.2%, n=143) fall within the 35-49 years age bracket, establishing this cohort as the core demographic of the sample. This concentration suggests that the professional development activities or educational programmes under investigation are most relevant to individuals who are likely established in their careers and possibly assuming mid-level management or specialist roles. The next largest group, comprising 37% (n=106) of the sample, are emerging professionals aged 18-34 years, whose participation signals a strong interest in foundational or early-career advancement. Interestingly, a smaller, yet significant, segment of respondents (12.6%, n=36) are aged 50 and above, indicating a commitment to continuous learning or up skilling even in the later stages of their professional lives. Cumulatively, the data paints a picture of a multi-generational learning environment, with a clear fulcrum in the middle-aged

demographic, suggesting that programmes must cater to the diverse experiential bases and learning objectives of both younger and older participants.

**Descriptive Statistics**

Descriptive statistics were employed to summarize and organize the raw data collected from the field, providing a clear overview of the sample characteristics and key variable distributions. This involved computing measures of central tendency (means) and measures of dispersion (standard deviations) to understand the typical responses and the degree of variability within the data. Frequency distributions and percentages were also generated to illustrate the categorical composition of respondents, such as their sub-county of origin, beneficiary status, and socio-demographic background. This initial statistical analysis is essential for data cleaning, identifying patterns, and establishing a foundational understanding of the dataset before proceeding to more complex inferential analysis (Mugenda & Mugenda, 2026).

**Table 1: Descriptive Statistics on the relationship between the source of financing and the performance of vocational institutions in Bushenyi District, Uganda**

	N	Min	Max	Mean	Std. Deviation
Private financing has helped our institution attract and retain qualified and motivated instructors	285	4	5	4.84	.369
The proper allocation of finances helps students improve their overall performance	285	4	5	4.80	.401
The quality of teaching and learning has improved as a result of private funding in our vocational school.	285	4	5	4.75	.431
Private financing has led to better student retention and graduation rates in vocational institutions.	285	4	5	4.74	.439
Private funding has enabled vocational institutions to recruit and retain highly qualified instructors	285	4	5	4.51	.501

Private financing has contributed to improved academic performance in vocational institutions	285	4	5	4.41	.493
Vocational institutions with private funding have better training facilities and equipment, leading to better student performance	285	4	5	4.33	.472
Overall Mean and SD	285			4.626	0.444

Source: Primary data, 2026

**N-Number of Respondents, Min-Minimum, Max-Maximum**

The descriptive statistics reveal an extraordinarily strong and unequivocally positive consensus among respondents regarding the impact of private financing on the performance of vocational institutions in Bushenyi District. The mean scores for all seven measured items are clustered within a remarkably high and narrow range, from 4.84 down to 4.33, all on a scale with a maximum of 5. This ceiling effect, where responses are heavily concentrated at the upper end of the scale, is most pronounced in the first four items, which all exhibit means above 4.74. The highest level of agreement (Mean = 4.84, SD = 0.369) is attached to the statement that private financing helps attract and retain qualified instructors, suggesting that human resource capacity is perceived as the most immediate and critical benefit of alternative funding sources. This is closely followed by the belief that proper allocation of finances directly enhances student performance (Mean = 4.80, SD = 0.401), indicating a clear perceived pathway from financial inputs to educational outcomes. The minimal standard deviations across all items, particularly the lowest for the top-ranked statement (0.369), confirm that this is not a fragmented view but a near-universal sentiment shared by the 285 respondents. Such uniformity of perception suggests that the experience with private financing, or the observed effects of it, has been consistently transformative across different institutions within the district. The data implies that in the context of Bushenyi, private financing is not merely seen as a supplementary resource but as a fundamental driver of institutional quality and effectiveness, directly influencing the ability to secure quality staff and, in turn, improve student outcomes. This overwhelming consensus points to a deeply held belief in the efficacy of private funding mechanisms, which likely stems from tangible, observable improvements within these vocational schools.

Delving deeper into the nuanced variations within this high-consensus environment provides a more granular understanding of how private financing is perceived to impact different facets of institutional performance. While all items scored highly, the items pertaining to resource quality and infrastructure, though still strongly endorsed, registered relatively lower mean scores compared to those concerning human resources and student outcomes. Specifically, the statements that private financing enables the recruitment of highly qualified instructors (Mean = 4.51, SD = 0.501) and contributes to improved academic performance (Mean = 4.41, SD = 0.493), while still indicating strong agreement, show a slight but notable decrement. Furthermore, the item with the lowest mean in the set pertains to private funding enabling better training facilities and equipment, which in turn leads to better student performance (Mean = 4.33, SD = 0.472). This subtle gradient in responses is analytically significant. It suggests that while respondents overwhelmingly acknowledge the positive role of private financing, they may perceive its impact as most direct and profound on immediate operational factors like paying competitive salaries to retain instructors (Mean = 4.84) and ensuring proper financial management (Mean = 4.80). The slightly lower, yet still very high, scores for infrastructure and its link to performance (Mean = 4.33) might indicate that while facilities have improved, the translation of improved infrastructure into demonstrable student performance is either less immediate, less visible, or perceived as mediated by other factors such as instructor quality or curriculum. The overall mean for the construct stands at an exceptionally high 4.626 (SD = 0.444), which statistically consolidates the finding that private financing is perceived as a powerfully positive force across all measured dimensions of institutional performance. This comprehensive endorsement positions private financing as source of funding not just as a beneficial addition, but as a potentially indispensable component for the viability and excellence of vocational education within this specific Ugandan context

**Table 2: Correlations matrix of Private Financing on the performance of vocational institutions**

		SF	POV
SF	Pearson Correlation	1	.416**
	Sig. (2-tailed)		.000
	N	285	285

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

**Key:** SF- Sources of Finance, POV-Performance of Vocational Institutions

**Source:** Primary data, 2026

### **Hypothesis I: There is no significant relationship between source of financing and the performance of vocational institutions in Bushenyi District, Uganda**

The correlation analysis provides compelling evidence to reject the first null hypothesis, revealing a statistically significant positive relationship between source of financing (SF) and the performance of vocational institutions (POV). The Pearson correlation coefficient of .416\*\* ( $p < .05$ ) indicates a moderate-to-strong association between these two constructs, suggesting that as private financing increases, institutional performance tends to improve correspondingly. This finding lends empirical weight to the descriptive statistics previously discussed, confirming that the overwhelmingly positive perceptions of private financing are grounded in a statistically verifiable relationship. The coefficient of determination ( $r^2 = .173$ ) indicates that approximately 17.3% of the variance in institutional performance can be explained by variations in source of financing alone. While this leaves a substantial portion of variance attributable to other factors, it nonetheless establishes private financing as a meaningful and statistically robust predictor of performance outcomes within the vocational education sector in Bushenyi. This relationship must be understood within the specific Ugandan context, where public funding for vocational institutions is often inadequate, inconsistent, or subject to bureaucratic delays. In such an environment, the ability to source private financing whether through tuition, partnerships, or philanthropic contributions may represent the difference between institutional stagnation and vitality, directly enabling the kinds of investments in staff, facilities, and programmes that manifest as improved performance metrics. The statistical significance at the 0.05 level, coupled with the substantial sample size of 304 respondents, lends considerable confidence to this finding and its implications for educational policy and institutional management in resource-constrained settings.

**The qualitative findings** from this study vividly illustrate this principle of private financing, with principals describing how private funds have enabled them to attract and retain experienced instructors from industry, purchase modern equipment, and provide adequate training materials. One key informant's observation that "without private financing, many of these institutions would be operating under trees" powerfully captures the existential importance of these funds in a context where public provision is inadequate, a reality consistent with Ziderman (2018). This creates an assertion that vocational institution supply in many countries is underfunded and fragmented, failing to meet the skilling needs of Business and Society.

### **Discussion**

From the correlation information, the study established that Source of financing had a strong statistical correlation with the performance of vocational institutions in Bushenyi District in Uganda. This implied that more use of Private financing was more likely to impact positively on the performance of vocational institutions in Bushenyi District in Uganda. The findings are in agreement with Edokpolor & Imafidon (2017) who conducted a study on Vocational Education and found out that effective vocational institutions rely on sufficient financial resources to hire qualified staff and develop curricula that align with private sector technology and standards. . On the contrary, Ziderman (2018) conducted a study on the importance of funds in Educational

Institutions in Zambia and found out that vocational institutions are sometimes meagerly funded, thus failing to impart rightful skills to graduates for the good of the communities. This cannot help an educational organization maintain its normalcy for growth and development.

### **Conclusion**

Source of financing is indispensable for vocational institution performance in Bushenyi District, but it is not sufficient. Principals and Parents emphasize the fact that funds are key to any Vocational institution for any Development to take place. Private funds have transformed empty workshops into vibrant learning spaces, enabled the recruitment of experienced instructors from industry, provided the consumable materials essential for hands-on skills development, and funded outreach programs that bring training to remote communities. Abundant financial inputs together with well managed quality systems in place can actually produce desired educational outcomes in vocational institutions in a nation.

### **Recommendations**

There is need for Governments in the cosmos to strengthen scholarship and bursary schemes targeting students from poor households. Government must ensure that these schemes are adequately funded, transparently administered and actively promulgated in rural communities where the majority of rural poor students may be residing.

There is need for government to encourage Management of Vocational institutions to observe a high level of transparency and flexibility. There should be well written policies of Fees collection and payments which should be well communicated to parents before enrollment, including breakdowns of what tuition fees cover, payment schedules and procedures for requesting flexible arrangements for payments.

Additionally, there is need for educational organizations to establish emergency hardship funds at the institutional level, supported by small levies or community contributions, to prevent talented students from dropping out when families face temporary financial crises such as crop failure, illness, or bank debts. Document and address enrollment barriers related to financing by conducting regular surveys of dropout students to understand whether financial reasons are primary and what specific support would have retained them.

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