

**RELATIONSHIP BETWEEN GOVERNMENT FUNDING POLICY
IMPLEMENTATION LEVEL AND OPERATIONAL PERFORMANCE OF PUBLIC
UNIVERSITIES IN UGANDA**

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ABSTRACT

Public universities in Uganda continue to experience operational challenges arising from inadequate financing, delayed government disbursement, declining enrollment, staffing shortages, and weak infrastructure development. Despite government reforms aimed at improving higher education financing through revised funding structures and enhanced accountability mechanisms, operational performance indicators in public universities remain low. This study examined the relationship between government financing policy implementation and operational performance of public universities in Uganda. The study was anchored on Resource Dependence Theory and Stakeholder Theory, which explain how external resource allocation and stakeholder influence shape institutional performance outcomes. A positivist philosophy and quantitative explanatory research design were adopted. Data were collected from 255 respondents drawn from a target population of 1,787 academic and administrative staff from selected public universities in Uganda. Structured questionnaires were used for data collection, while descriptive and inferential statistics, including Pearson's Product Moment Correlation and multiple regression analysis, were used to analyze the data. Validity and reliability tests confirmed the suitability of the instruments, with a Content Validity Index of 0.817 and Cronbach Alpha coefficient of 0.814. Findings revealed that government financing policy implementation had a positive but statistically insignificant effect on operational performance ($\beta = 0.138$, $p = 0.083$). However, timely government disbursement and internally generated funds significantly influenced operational performance. The study concluded that financing policies alone are insufficient to improve operational performance unless accompanied by predictable funding disbursement and effective institutional financial capacity. The study recommends harmonized disbursement schedules, strengthened funding accountability mechanisms, and diversification of university revenue sources.

Keywords: Government Financing Policy, Operational Performance, Public Universities.

1. INTRODUCTION

Concept of Government Funding Policy Implementation Level

Financing policy implementation in universities denotes the stratagems and regulations governing the collection of revenue, pooling of resources, and purchasing of educational materials. It reflects

the extent to which government-established financial frameworks are executed in supporting higher education institutions. Universities typically rely on multiple funding modes involving both public and private actors (Tseng, Huang & Chen, 2020). Government financing policies refer to regulations governing the use of public financial resources, including permissible financial instruments, conditions for allocation, accountability requirements, and compliance mechanisms (Teixeira & Jongbloed, 2019). Prior studies have highlighted a significant relationship between government financing policy implementation and public university performance (Marginson & van der Wende, 2017). In addition, government financing policies in higher education include accountability systems, grants, subsidies, sponsorships, scholarships, and resource utilization regulations (Kasozi, 2018).

Tseng et al. (2020) further conceptualize government financing policy implementation through dimensions such as compliance levels, allocation criteria, per capita funding arrangements, disbursement timelines, internally generated funds, fiscal sustainability, accessibility, and equity considerations. In most higher education systems, universities remain heavily dependent on government funding and therefore provide education at subsidized rates supported by scholarships, loans, and bursaries (Teixeira, Shin & Rosa, 2015). However, effective implementation of these financing policies requires strong institutional frameworks and administrative efficiency.

Concept of Operational Performance in Public Universities

Operational performance refers to how efficiently and effectively an organization executes its internal processes to achieve its objectives (Rantala, 2019). It involves continuous monitoring and optimization of key performance indicators such as productivity, quality, customer satisfaction, and cost efficiency (Kaydos, 2020; Asih, Purba & Sitorus, 2020). In public universities, operational performance reflects the effectiveness of academic and administrative functions in achieving institutional goals (Martin, 2017). Martin and Thawabieh (2018) identify nine key dimensions of operational performance in universities, including customer satisfaction, employee productivity, employee satisfaction, employee morale, supplier partnerships, quality of course offerings, quality of graduate research, introduction of new courses, and institutional reputation. Similarly, Camilleri (2021) highlights teaching quality, research output, graduation rates, resource utilization, and financial sustainability as key indicators of university performance. Despite this, important dimensions such as teaching quality, graduation rates, student enrollment, partnerships, resource utilization, research output, and infrastructure development remain underexplored in many contexts.

Operational performance in universities is strongly influenced by multiple factors, including government financing policy implementation (Tseng, Huang & Chen, 2020). Government financing policies encompass frameworks designed to provide financial support through accountability systems, subsidies, grants, and regulations governing resource utilization (Kasozi, 2018). The implementation of these policies determines how effectively resources are allocated and utilized within public universities. In many cases, public universities rely heavily on government funding to sustain academic and administrative operations, making policy implementation a key determinant of institutional performance. However, inefficiencies in implementation, such as delayed disbursement, rigid allocation criteria, and weak accountability systems, often constrain operational effectiveness.

The relationship between government financing policy implementation and operational performance is grounded in Resource Dependence Theory and Stakeholder Theory. Resource

Dependence Theory argues that organizations depend on external resources for survival and must adapt their structures and processes to secure and manage these resources effectively. Stakeholder Theory further emphasizes that organizations must respond to multiple stakeholder demands, including government expectations, to achieve institutional effectiveness and legitimacy. From this theoretical perspective, effective implementation of government financing policies enhances resource availability, improves accountability, and strengthens institutional processes, thereby improving operational performance in public universities. Globally, universities face financial constraints due to declining government funding and increased competition for alternative funding sources such as research grants and philanthropy (Altbach & Knight, 2007). Historical developments such as the Morrill Act of 1862 in the United States illustrate fluctuations in government support for higher education, while recent trends indicate declining public funding and rising financial pressures (Desrochers & Kirshstein, 2014; BBC, 2019). These challenges have contributed to access and equity gaps in higher education globally (UNESCO, 2021).

In Sub-Saharan Africa, public universities continue to experience underfunding, inadequate infrastructure, staffing shortages, and limited research output (Mugo & Mwangi, 2017). The introduction of neoliberal reforms in the 1990s further reduced funding levels and institutional autonomy in many public universities. In Uganda, public universities face similar challenges characterized by reduced government funding, increased demand, and widening performance gaps (Twinomugisha et al., 2020). The government has attempted reforms aimed at improving funding efficiency and accountability; however, operational performance challenges persist. In Uganda, public universities such as Makerere University, Kyambogo University, Mbarara University of Science and Technology, Gulu University, and Busitema University face persistent operational challenges including low teaching quality, reduced graduation rates, fluctuating enrollment, poor research output, inadequate infrastructure, and weak institutional collaboration (Kasozi, 2014). Empirical evidence further shows declining enrollment trends and reduced staffing levels due to underfunding (Etomaru, Bakkabulindi & Balojja, 2024; Mbabazi, Asiimwe & Mwesigye, 2023). Additional reports indicate inadequate staffing ratios, poor staff development programs, and low accreditation rates, all of which negatively affect operational performance (National Council for Higher Education, 2022). Furthermore, audit findings reveal significant inefficiencies in fund disbursement and utilization, including under-releases, unutilized funds, and budget execution gaps reported by the Auditor General (FY 2023/2024). Despite extensive studies on higher education financing, limited empirical evidence exists on how the level of government funding policy implementation affects operational performance in public universities in Uganda. Existing studies are largely fragmented, descriptive, and lack contextual depth. This creates a need for further empirical investigation to establish clear relationships between policy implementation levels and university performance outcomes, particularly within the Ugandan higher education context.

2. THEORETICAL REVIEW

The study is anchored on Resource Dependence Theory (RDT) and Stakeholder Theory, which jointly explain how government financing policy implementation and institutional autonomy influence the operational performance of public universities. RDT, developed by Pfeffer and Salancik (1978), posits that organizations depend on external environments for critical resources such as funding, and must strategically manage these dependencies to survive and perform

effectively. In public universities, government financing represents a major external resource that shapes institutional operations, decision-making, and performance outcomes. However, institutional autonomy becomes central in determining how effectively universities utilize these resources through independent allocation of funds, strategic planning, and internal governance. As Meyer et al. (1977) and Hart (1995) argue, organizational performance improves when there is a strong “fit” between external resource conditions and internal adaptive capabilities, particularly where institutions can balance dependency on government funding with autonomy-driven efficiency and innovation.

Stakeholder Theory, as advanced by Freeman (1984), complements RDT by emphasizing that universities operate within a complex network of stakeholders including government, students, staff, and society, all of whom influence institutional priorities and performance. According to Freeman et al. (2020), effective organizational performance is achieved when institutions balance and respond to diverse stakeholder expectations rather than focusing on a single controlling authority. In the context of public universities, government financing policies reflect dominant stakeholder influence, while institutional autonomy enables universities to mediate competing demands and align resources toward strategic priorities such as teaching quality, research output, and infrastructure development. As Boaventura et al. (2020) and Demartini et al. (2018) note, value creation in universities depends on managing stakeholder relationships effectively, suggesting that operational performance is ultimately shaped by the interaction between resource dependence, autonomy, and stakeholder pressures within higher education systems.

Government Financing Policy Implementation and Operational Performance of Public Universities

Jongbloed (2010), examined the factors influencing the implementation of performance-based funding in Malaysian public universities, focusing on three key drivers: government objectives, level of understanding, and autonomy. Survey questionnaires were distributed to Deans and Deputy Deans of faculties across all 20 public universities in Malaysia. The research aimed to address a gap in understanding and provide valuable insights to the Malaysian government regarding public universities' perspectives on PBF implementation. Additionally, the study's findings could serve as a reference for developing PBF and higher education funding policies. The quantitative data revealed significant and positive relationships between government objectives, level of understanding, and autonomy with PBF implementation. Overall, government objectives played a strategic role in aligning institutional and government objectives. However, the study's specific strategies and findings may not directly apply to other nations or different contexts resulting in a contextual gap and empirical gap (Cattaneo *et al.*, 2016).

Abass *et al.*, (2017), explored the impact of leadership styles, organizational structure, culture, and financial resources on strategy implementation and performance in Wajir County Government, Kenya. They used a mixed-method approach, involving 83 respondents through a questionnaire. The study found that organizational culture influenced strategy implementation, and financial resources were crucial for this process. Organizational performance was linked to development and service delivery. While organizational structure and leadership styles showed a significant association with performance, financial resource availability present a knowledge and theoretical gap. The study enhances our understanding of strategy implementation complexities in public organizations.

Shah *et al.*, (2014), provides that the purpose of the paper was to outline the changing context of

Australian higher education and argue the need for the renewed emphasis on strategy development and effective implementation in universities (Morris, *et al.*, 2010). The methodology used for analyzing the recurring themes related to strategy development, implementation and reviews from the external quality audits of all Australian universities in cycle one audit and 29 universities who completed cycle two audit until 2011. According to findings of the study there is need for universities to engage in careful strategy development and implementation which aligns with institutional resourcing and risk management. Therefore, failure to engage in careful strategy development and effective implementation may put universities at risk in the current higher education landscape characterized by changing government policy and the political landscape in Australia. Failure to engage in strategy development created a knowledge and contextual gap.

The World Bank (2013), examined government funding's impact on operational efficiency in Kenyan public universities from 2008 to 2017. Government funding, measured as the natural logarithm of annual spending, was the independent variable. Control variables included debt structure, debt ratio, liquidity current ratio, and university size (natural logarithm of total assets). Operational efficiency, measured as the ratio of total revenue to total assets, was the dependent variable. The study used a descriptive cross-sectional design and multiple linear regression analysis in SPSS. The research found that the independent variables accounted for about 21.9% of the variation in university efficiency, with university size negatively related to operational efficiency, while government funding, liquidity, and debt structure showed no significant statistical relationships. This created an evidence gap as there was a deficit of empirical data as well as contextual gap.

Kezar and Eckel (2012), conducted a study to examine the concept of autonomy as perceived by decision-makers within and outside academia and its impact on higher education operational performance. They employed a single-case study method, selecting four case studies with semi-structured interviews using an interview protocol of 12 questions. The study was grounded by the stakeholder's theory. Findings emphasized the understanding of how autonomy is perceived, the differences in perceptions among stakeholder groups, and how these perspectives influence discussions on critical higher education issues. The study also highlighted the evolving relationship between state government and higher education through a constitutional autonomy amendment, an emerging topic for scholarly inquiry. It was concluded that while the higher education literature offers evidence that the policy and social environment affect the state-public university relationship. Few studies have systematically explored this phenomenon and identified relevant concepts and constructs creating a knowledge and theoretical gap.

Kabasakal *et al.*, (2022), examined the governance autonomy of private, faith-based, and public universities in Malawi. The research aimed to understand how the perceptions of autonomy in these universities affect their ability to attract resources, research grants, high-caliber faculty, and administrators. Data was collected from 130 academicians and higher education administrators using Survey Monkey and analyzed with ANOVA in SPSS. The study found that administrative, academic, and financial autonomy among these types of universities did not significantly differ, suggesting similar perceptions of governance autonomy. Anderson *et al.*, (2022)'s study equally highlights the need for similar governance frameworks and principles for different types of universities, despite differences in structure and ownership. The study created a methodological and contextual gap with failure to adopt approaches used by previous studies.

Antony *et al.*, (2017), explored the connection between autonomy, efficiency, and effectiveness in European higher education. The study relied on conceptual frameworks developed by EUA, input from experts in 12 European countries, and previous focus group knowledge. The research emphasized the intricate relationship between autonomy, efficiency, and effectiveness in higher education, viewing it as an interaction where actors explain and justify their actions, forums pose questions and pass judgment, and actors may face consequences (Bovens, 2016:9). The study concluded that university leadership and top management are highly aware of the complex relationship between autonomy, efficiency, and effectiveness in higher education, addressing a vital aspect of the current higher education landscape. The study used different variable to previous studies creating a conceptual and empirical gap.

Tibarimbasa (2010), conducted a study on the impact of financial policies on the performance of line managers in Ugandan universities, specifically Makerere, Kyambogo, Ndejje, and Nkumba. Using a cross-sectional design, the research revealed that financial policies had a 31% impact on budgeting, the budget function was related to performance at 18%, and financial policies affected line managers' performance by 48%. The cumulative causal effect was 54%. The limitation of this study is the absence of an exploration of contextual or institutional differences that could influence the observed relationships which created an evidence and methodological gap.

Kushnir (2023), using a four-case study project encompassing all EHEA founding countries, namely the UK, Germany, France, and Italy, investigated the politics within the European Higher Education Area (EHEA). The study, grounded in the notion that higher education inherently involves politics, conducted expert interviews with representatives from key policy-making institutions in France and Italy, two founding members of the EHEA. Through thematic analysis of the gathered data, the research reveals that the EHEA transcends its role as a platform for educational collaboration; it serves as a political arena for cross-country relations and as a platform for crisis response. Moreover, France's and Italy's continued engagement in the EHEA is significantly shaped by their internal politics and the evolving dynamics of the EHEA. These findings enhance our comprehension of the EHEA's political character and its implications for higher education policy outcomes (Bergan *et al.*, 2022). The study was done in a different continent creating a geographical and contextual gap.

Mugabe *et al.*, (2013) examined the implementation and influence of research and innovation policies in Mozambique, Senegal, and Tanzania. They employed a mixed-methods approach, incorporating qualitative and quantitative methods, document reviews, and questionnaire-led interviews with strategic stakeholders in the health sector. The findings highlighted the presence of policies and strategies related to research and innovation for health in the three countries. However, the implementation of these policies was generally considered poor due to factors like a lack of policy coherence, enforcement mechanisms, and financial support. This created an empirical as well as a contextual gap. Despite increased stakeholder involvement and political leadership, the study concluded that contextual realities necessitate a greater focus on effective policy implementation. Government institutions should assume a central role in the entire policy process to ensure policy execution. Strengthening government involvement and oversight through mechanisms like increased financing is crucial for enhancing the efficient implementation of research and innovation for health policies (Berger *et al.*, 2010).

Jongbloed's (2010) in Malaysian public universities highlights the importance of government objectives, understanding, and autonomy in implementing performance-based funding, revealing

positive relationships with PBF implementation. Studies by Shah *et al.* (2014) in Australian higher education and Kabasakal *et al.* (2022) in Malawian universities emphasize the need for careful strategy development and governance autonomy perceptions across different public university types. Moreover, Antony *et al.* (2017) explored the relationship between autonomy, efficiency, and effectiveness in European higher education, highlighting the importance of leadership awareness and decision-making. However, despite these contributions, there is a gap in understanding the interaction between governance autonomy, financial policies, and public university operational performance creating a knowledge and methodological gap. Therefore, there is a need for research to explore how contextual differences influence the observed relationships, considering variations in governance structures, funding models, and policy environments across different regions and institutional types. Thus, further investigation is warranted to bridge this gap and provide actionable insights for policymakers and university stakeholders aiming to enhance institutional performance effectively.

Most existing studies on higher education financing and autonomy have been conducted in other contexts such as Malaysia, Australia, Malawi, Europe, and Kenya (Jongbloed, 2010; Shah *et al.*, 2014; Kabasakal *et al.*, 2022; Antony *et al.*, 2017; World Bank, 2013), creating a contextual gap since Uganda's policy environment, funding models, and governance structures differ. Conceptually, previous research has often examined financing, autonomy, or strategy implementation in isolation (Kezar & Eckel, 2012; Abass *et al.*, 2017), leaving little understanding of their combined effect on university performance. Empirically, findings remain inconsistent, with some studies reporting strong positive effects (Tibarimbasa, 2010; Jongbloed, 2010) and others showing weak or insignificant outcomes (World Bank, 2013; Mugabe *et al.*, 2013), thus requiring further evidence. Methodologically, many studies relied on qualitative case studies or limited quantitative measures (Kushnir, 2023), which constrains generalizability. These gaps justify the present study in Uganda, focusing on how government financing policy implementation, timely disbursement, internally generated funds, and institutional autonomy jointly influence the operational performance of public universities.

3. RESEARCH METHODOLOGY

This study adopted a positivist research philosophy, which assumes that reality is objective, measurable, and independent of human perception, and therefore suitable for statistical analysis and hypothesis testing (Creswell, 2014; Saunders, Lewis & Thornhill, 2019). A deductive research approach was applied, allowing the study to test established theories on financing policy implementation, institutional autonomy, and operational performance through empirical verification. The study employed a quantitative explanatory research design, which is appropriate for examining causal relationships among variables and determining how and why government financing policy implementation and institutional autonomy influence operational performance in public universities (Babbie, 2020; Sekaran & Bougie, 2019). The target population comprised 1,787 academic and administrative staff from five public universities in Uganda, while a sample of 317 respondents was selected using purposive and convenient sampling techniques. Data was collected using structured questionnaires with Likert-scale items and supplemented

4. RESEARCH FINDINGS

examined the relationship between government funding policy implementation level and operational performance of public universities in Uganda. The analysis was based on 255 respondents drawn from senior administrators, heads of departments, and lecturers. The null hypothesis stated that *there is no significant relationship between government funding policy implementation level and operational performance of public universities in Uganda*.

Item	Statement	Mean	Std. Dev
i	Government releases funds to the university on time for operational and capital needs	3.59	1.261
ii	Government funding adequately covers operational and development requirements	3.64	1.165
iii	Higher Education Students' Financing Scheme (HESFS) is accessible and effective	3.79	1.262
iv	Loan recovery mechanisms under HESFS are effective and sustainable	3.84	1.259
v	Universities are not over-dependent on private sponsorship and fees are affordable	3.6	1.368
vi	Government financing for STEM programs is timely and sufficient	3.9	1.123
vii	Research and innovation funding is adequate and accessible	3.84	1.218
viii	Financing policies ensure equitable access for disadvantaged groups	3.82	1.268
ix	Universities comply with government funding guidelines	3.39	1.248
x	Audits and accountability mechanisms ensure effective monitoring of funds	3.93	1.156
Average		3.73	1.233

Table 4.2 shows that respondents generally agreed that government funding policy implementation influences operational performance, as indicated by a composite mean of 3.73. The average standard deviation of 1.233 indicates moderate variability in responses, suggesting differences in institutional experiences.

High agreement was recorded on audit and accountability mechanisms ($M = 3.93$), STEM financing ($M = 3.90$), and research funding adequacy ($M = 3.84$). This implies that structured funding allocations positively support operational efficiency in universities. However, relatively lower scores on compliance with funding guidelines ($M = 3.39$) suggest inconsistencies in policy adherence across institutions.

Description of Government Funding Policy Implementation Level

To comprehend descriptive statistics on government funding policy implementation level, study participants were given a list of items under the theme of funding policy implementation level and asked to rate them. Responses were combined after the respondents rated the ten items related to funding policies using the Likert scale ranging from strongly disagree, disagree, unsure, agree and strongly agree (5 Points-Likert scale). These were again measured for mean scores and standard deviation. The results were subsequently captured in table 4.2 below:

Table 4.1: Descriptive Statistics on Funding Policy Implementation Level			
	Items	Mean	S. D
i	Government releases funds to the university on time for operational and capital needs.	3.59	1.261
ii	Government funding adequately covers the university's operational and development requirements.	3.64	1.165
iii	The Higher Education Students' Financing Scheme (HESFS) is accessible and effectively supports needy students.	3.79	1.262
iv	Loan recovery mechanisms under HESFS are effective, sustainable, and compliant with regulations.	3.84	1.259
v	The university is not over-dependent on private sponsorship, and tuition fees are affordable and equitable.	3.60	1.368
vi	Government financing for STEM programs is timely, sufficient, and aligned with national priorities.	3.90	1.123
vii	Government research and innovation funding is adequate, accessible, and supports academic staff projects.	3.84	1.218
viii	Financing policies ensure equitable access for disadvantaged groups such as rural students and persons with disabilities.	3.82	1.268
ix	The university consistently complies with government funding guidelines in financial, student support, and research matters.	3.39	1.248
x	Regular audits and accountability mechanisms ensure effective monitoring of government funds in the university.	3.93	1.156
Average Mean, and Standard Deviation		3.73	1.233

Source: Primary Research Data (2025)

Table 4.2 presents descriptive statistics on funding policy implementation level. A sizable number of study participants on average agreed with the statements before them regarding Funding Policy Implementation Level reflected in an average mean score of (3.73). These responses however were widely dispersed as indicated by an average standard deviation of (1.233).

Table 4.2 equally, contains detailed statements on funding policies. The respondents reacting to the statement (i) "*whether the government releases funds to the university on time for operational and capital needs*". The result indicates agreement with the statement that university operational and capital needs are met in a timely manner through release of funds. Mean = 3.59, SD = 1.261, exceeding the neutral midpoint (3.00) and indicating agreement. The SD = 1.261 is relatively large, indicating high response variability. This implies that government funds need to be released on time to cater for operational and capital needs.

Regarding the statement "*Government funding adequately covers the university's operational and development requirements*" (ii). The result indicates agreement with the statement that government adequately caters for the stated requirements of development and operational activities. This is confirmed by the mean score of (3.64) which is indicative of agreement with the statement as it exceeds 3.00. the standard deviation stands at (1.165) that is above 1.000 which proves that there is a wide dispersion among the responses within the sample as it is numerically above 1.000. The result confirms the reliance of universities on government funding to accommodate operational

and development requirements.

On the statement “*the Higher Education Students’ Financing Scheme (HESFS) is accessible and effectively supports needy students*” (iii). The result indicates agreement with the statement that The Higher Education Students’ Financing Scheme largely conforms to the prescribed parameters. This is confirmed by the mean score of (3.79) which is indicative of agreement with the statement as it exceeds 3.00. the standard deviation stands at (1.262) that is above 1.000 which proves that there is a wide dispersion among the responses within the sample as it is numerically above 1.000. The finding implies that The Higher Education Students’ Financing Scheme can be easily got and helps the students that are economically disadvantaged.

On the statement “*the loan recovery mechanisms under HESFS are effective, sustainable, and compliant with regulations*” (iv). The result indicates agreement with the statement that loan recovery mechanisms under HESFS is effective enough to see it remain financially stable and on course to continue. This is confirmed by the mean score of (3.84) which is indicative of agreement with the statement as it exceeds 3.00. the standard deviation stands at (1.259) that is above 1.000 which proves that there is a wide dispersion among the responses within the sample as it is numerically above 1.000. The implication of the finding is the need for continuity of the HESFS through loan recovery mechanisms to ensure its continued viability.

Concerning the statement “*the university is not over-dependent on private sponsorship, and tuition fees are affordable and equitable*” (v). The result suggests agreement with the statement that universities need to feel reassured that their funding setup is viable and do not force them increase tuition to undesirable levels. This is confirmed by the mean score of (3.60) which is indicative of agreement with the statement as it exceeds 3.00. the standard deviation stands at (1.368) that is above 1.000 which demonstrates that there is a wide dispersion among the responses within the sample as it is numerically above 1.000. The finding implies that university is not over-dependent on private sponsorship, and tuition fees are reasonable and fairly affordable.

On the statement “*government financing for STEM programs is timely, sufficient, and aligned with national priorities*” (vi). The result indicates agreement that the resource envelope is limited, so the government can fund only a fraction of universities’ needs ($M = 3.90$, $SD = 1.123$). The implication of the Government financing for STEM programs is opportune, adequate, and aligned with national priorities of producing graduates that are well groomed and employable.

On the statement “*government research and innovation funding is adequate, accessible, and supports academic staff projects*” (vii). The finding shows agreement that research and innovation funding supports academic staff projects through its adequacy, accessibility and supportive nature. This is confirmed by the mean score of (3.84) which is indicative of agreement with the statement as it exceeds 3.00. the standard deviation stands at (1.218) that is above 1.000 which demonstrates that there is a wide dispersion among the responses within the sample as it is numerically above 1.000. Implication of the finding is research and innovation funding help operationalize academic staff projects by being adequate and supportive.

On the statement “*financing policies ensure equitable access for disadvantaged groups such as rural students and persons with disabilities*” (viii). The finding shows agreement financing policies give the framework to guide equitable access for disadvantaged groups. This is confirmed by the mean score of (3.82) which is indicative of agreement with the statement as it exceeds 3.00. the standard deviation stands at (1.268) that is above 1.000 which demonstrates that there is a wide dispersion among the responses within the sample as it is numerically above 1.000. The

implication of the finding is financing policies ensure unbiased access for underprivileged groups such as students from the countryside and persons with infirmities.

On the statement “*the university consistently complies with government funding guidelines in financial, student support, and research matters*” (ix). The study finding indicates agreement that the university is compliant with guidelines in financial, student support, and research matters. This is evidenced by a mean score of (3.39) that is above 3.00 which is indicative of agreement with the statement. The standard deviation score of (1.248) is indicative of a wide dispersion within the sample as it is numerically high and above 1.000. The implication of the finding is university constantly conforms with government funding guidelines in monetary, student support, and research matters.

On the statement “*regular audits and accountability mechanisms ensure effective monitoring of government funds in the university*” (x). Results confirm that mechanisms ensure effective monitoring of government funds in the university. This is established by the mean score of (3.93) which is indicative of agreement with the statement as it exceeds 3.00. the standard deviation stands at (1.156) that is above 1.000 which demonstrates that there is a wide dispersion among the responses within the sample as it is numerically above 1.000. The implication of the finding is that regular audits and accountability mechanisms ensure effective monitoring of government funds in the university.

Hypothesis Testing

The study hypothesis was:

There is no significant effect of Funding Policy Implementation Level on public university operational performance in Uganda.

The study established a non-significant relationship between Funding Policy Implementation Level and public university operational performance in Uganda. ($p = .083, > 0.05$). *Therefore, the null hypothesis is supported.*

Funding Policy Implementation Level and Public University Operational Performance was analyzed using adequacy, timing, equity, beneficiaries, and sustainability dimensions. The findings show that weak funding policy implementation negatively affects teaching quality, faculty development, and overall academic outcomes. This aligns with Wachira (2018), who observed that unclear funding policies undermine university performance, and Cattaneo, Meoli, and Signori (2016), who linked funding frameworks to institutional rankings and performance outcomes. Mobegi and Kara (2022) further emphasize that faculty quality and university performance depend on well-implemented funding systems. Resource Dependence Theory explains these findings by arguing that universities rely on external funding sources for survival, making them vulnerable when funding is delayed or inadequate. Stakeholder Theory also supports the need for balancing government, staff, and student interests in funding decisions.

The study further found that declining and unequal funding reduces graduation rates, weakens partnerships, limits research output, and constrains infrastructure development. These findings agree with He and Tebourbi (2025), Johnstone and Marcucci (2010), and OECD (2017), who highlight the central role of stable funding in sustaining academic performance. Additionally, inadequate funding negatively affects staff welfare and staffing levels, leading to reduced job satisfaction and poor service delivery, as supported by Kasekende and Kakuru (2020) and Grossi et al. (2019). Conversely, transparent and flexible funding systems improve accountability,

efficiency, and institutional adaptability, consistent with Estermann and Nokkala (2019) and Deem, Hillyard, and Reed (2017). Overall, both Resource Dependence Theory and Stakeholder Theory reinforce that effective funding policy implementation is critical for sustaining operational performance in public universities.

Implications for Policy, Theory, and Practice

The findings of this study have significant implications for higher education financing policy in Uganda. First, the evidence that timely government disbursement strongly predicts operational performance highlights the urgent need for reforms in the disbursement schedule. Moving from quarterly to monthly releases would stabilise operations and prevent universities from accumulating debt while waiting for funds. Second, the significant role of funding policy design in enhancing performance suggests that policymakers should align financing frameworks more closely with performance indicators such as enrollment growth, staff development, and program accreditation. Third, the results emphasise the need for the Ministry of Finance and the National Council for Higher Education to strengthen accountability mechanisms to ensure that released funds are utilised efficiently and not diverted to non-priority expenditures such as arrears settlement.

4. CONCLUSION

Study stated that; There is no statistically significant relationship between of Funding Policy Implementation Level and public university operational performance in Uganda. Given the results of the study, it can be concluded that Funding Policy Implementation Level was not significantly related to operational performance of public universities in Uganda. Budgeted funds have not been allocated as expected. Even when releases happen, insufficient funds are received. lecturers particularly part time remain with large salary arrears to date. The little funds remitted cannot cover operational costs. Operational costs are forcing university to run on debt due to quarterly releases and yet the university runs on semester system. Guidelines governing Funding Policy Implementation have not been operationalized. The budget items do not reflect priorities. Lecturers welfare does not rank high in the budget of universities.

Given the study findings on the study recommends that if operational performance of public universities is to thrive in Uganda: The university council in conjunction with the Ministry of Finance, Planning and Economic Development should make sure budgeted for funds are available when required. It is recommended that the government harmonize disbursement schedules by shifting from quarterly to monthly releases. More frequent disbursement would prevent universities from accumulating debt while awaiting funds, ensuring continuity in salaries, infrastructure projects, and academic programs. Guidelines governing funding policies need to be operationalized. The university authorities should correctly incorporate all necessary items in the budget to avoid confusion when money is released. Lecturers welfare must rank high in the budget for smooth running of universities if operational performance is to be improved.

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